UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Gordon Institute of Business Science
University of Pretoria

A management dilemma: Internal competition versus internal collaboration

Soogandhree Naidoo

23394413

A research project submitted to the Gordon Institute of Business Science, University of Pretoria in partial fulfilment of the requirement of the degree of Masters of Business Administration

11 November 2013

Abstract

In managing organisations for optimal performance, managers are faced with the dilemma of either positioning their employees to compete or collaborate internally within the organisation. Internal competition can motivate individuals and teams to strive to be the best and in so doing result in continuous incremental performance improvements. In contrast, internal collaboration can result in effective problem solving through knowledge sharing and innovation. Management is therefore faced with a challenging dilemma of how best to leverage these seemingly opposing tensions for optimal performance.

This study investigated the key factors that drive the adoption of internal competition and internal collaboration in organisations, the consequences of implementing either management approach, how levels of internal competition and internal collaboration vary at different management levels in the organisation and finally whether a viable hybrid combination of both management approaches was possible. To this end a qualitative research study with an explorative design was conducted with twenty senior executives. The insights from these in-depth interviews formed the basis of the data that was analysed to produce the research findings in this study.

The research identified drivers and outcomes of the management approaches under review. The Internal Competition and Internal Collaboration Hybrid Model (Figure 14) emerged from these research findings. This model was found to confirm while the management approaches are different there is an optimal way of combining them to allow managers to leverage competitive and collaborative tensions. In this way managers can achieve sustainably high performance within their organisation.

i

Key Words

Dilemma

Internal Collaboration

Internal Competition

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Signed: _____

Date: _____

Acknowledgements

I wish to express my sincere thanks and appreciation to Margie Sutherland for her guidance and continuous encouragement in the preparation of this report. To all interview participants who contributed data to the study whose willingness to participate and insights made this research possible.

I want to thank my brother, parents and close friends for their support and encouragement and in particular Megan Hilburn for proof reading my research report.

Contents

List of Figures

List of Tables

Chapter 1: Introduction to Research Problem

1.1   Introduction

Today's world sees managers needing to cope with increasing levels of complexity, diversity and change. Companies are finding that to remain relevant and competitive in an increasingly complex business environment, they need to differentiate themselves from their competitors. One key differentiating characteristic of a successful company has been identified as management's ability to effectively manage dilemmas and paradoxes (Yoon & Chae, 2012).

Hulsmann and Berry (2004) argue that as a result of changing conditions, managers also find that they are often faced with situations, where a single strategic alternative no longer fulfils managers' needs. Gilbert and Sutherland (2013) explore the field of management dilemmas and paradoxes and argue that a combination of seemingly contradictory strategic alternatives could be used advantageously to set an organization apart from its competitors. They highlight the management of employees as one such strategic lever and in particular, they explore the management dilemma of granting employees autonomy versus using control to manage performance. This research aims to build on their work, by focusing on another challenging management dilemma, namely internal competition versus internal collaboration.

In his foundational study, Deutsch (1949) defined a collaborative group structure as one where a gain by one group member contributes to the gain of the other group members and where rewards are shared equally. He goes on to define a competitive group structure as one where the gain of one group member reduces the gain that can be obtained by the other group members, and where rewards are shared unequally.

Robbins, Judge, Odendaal and Roodt (2009) build on this definition by describing collaboration as the attempt to find a win/win solution that allows both parties' goals

1

to be completely achieved. They propose that when collaborating, the intention of those involved is to solve a problem by clarifying differences rather than by accommodating various points of view. They define competition as simply seeking to satisfy one's own interests, regardless of the impact of others.

Deutch (1949) went on to argue that competition or collaboration could occur between individuals within a group (intragroup) and between groups themselves (intergroup). This study will focus specifically on competition and collaboration internal to an organization (that is, between individuals within teams, between teams and between operational business units within a single organization).

Internal collaboration (collaboration within an organization) is appreciated as a value creating management strategy for organizations. In an internally collaborative environment resources are shared thereby lowering costs and teams work towards centrally defined goals and incentives which are designed to increase organization output (Libby & Thorne, 2009). However it must be noted that in an internally collaborative environment at times it can become difficult to distinguish individual contribution or performance and the possibility of individuals "shirking" responsibility becomes prevalent (Loch, Huberman & Stout, 2000, p.36).

Internal competition (competition within an organization) can result in constructive organizational outcomes. These positive outcomes include increased employee effort to achieve, motivation to take on challenging projects, task effectiveness and the development of strong positive relationships with fellow competitors (Tjosvold, Johnson, Johnson & Sun, 2006). Leveraging competition within an organisation has also been deemed a viable strategy to enable innovation (Khoja, 2008).

However internal competition does pose risks that if realised could lead to disruptive counterproductive behaviour and dilute long term benefits (Birkinshaw, 2001, Enns & Rotundo, 2012). These negative outcomes of destructive internal competition include high levels of employee anxiety, lower productivity, lack of motivation by those who believe they have no chance of winning, increased levels of aggression in those seeking to win at all costs and unethical behaviour

2

(example: cheating and backstabbing) (Tjosvold *et al.,* 2006; Mudrack, Bloodgood & Turnley, 2012).

Typically a management dilemma refers to the conflicts managers encounter and endeavour to reconcile in an attempt to enhance overall performance (Gilbert, 2011). Managers want their employees to perform to the best of their ability and, in many organisations, will therefore grapple with the dilemma of which management approach to adopt in order to drive sustainable peak performance (Lusher & Lewis, 2008). Such tensions, like those between internal competition and internal collaboration, are inherent and persistent within high performing organisations and it is management's deliberate and purposeful response to these paradoxical tensions that will ensure performance over time (Lusher & Lewis, 2008; Smith & Lewis, 2011).

1.2   Purpose

This research study aims to critically examine two seemingly opposing management approaches: internal competition and internal collaboration. While research exists on the subjects of competition and collaboration internally between an organisation's business units and teams (Deutsch, 1949; Khoja, 2008; Birkinshaw, 2001; Houston, Walker, Hutt &Reingen, 2001), as well as externally between multiple organisations (Nalebuff & Brandenburger, 1996; Bengtsson & Kock, 2000), there is little consensus on how to manage the dilemma or how to achieve the right balance between internal competition and internal collaboration within an organisation.

This study will attempt to explore the key factors that drive the adoption of internal competition and internal collaboration within organisations. A study of the potential outcomes and the implications of management decisions to lean towards either internal competition or internal collaboration and the possibility of balancing the inherent tensions of these paradoxical management approaches are also investigated.

3

1.3   Research Problem

There is much debate around internal competition and internal collaboration as management techniques, as both approaches directly impact organisational culture and performance. It therefore becomes a management quandary as to which management approach or combination of approaches is the most effective for a given situation (Gilbert & Sutherland, 2013).

This study seeks to understand the factors that drive the adoption of internal competition and internal collaboration within an organisation and to the possible outcomes of adopting either management approach. This study also explores whether the levels of internal competition, internal collaboration or a combinations of both approaches vary at different levels in the organisation. The levels of the organisation considered have been defined as executive and non-executive, with executives being defined as senior managers, general managers and business directors.

Given the conflicting nature of these management views, this study also attempts to clarify whether internal competition and internal collaboration within an organisation are mutually exclusive or whether it is possible to achieve a balance between these two management approaches.

The management dilemma of choosing between an internal competition type approach and an internal collaboration type approach is represented graphically in Figure 1. This model would suggest that an organization, business unit or team could be positioned at varying combinations of internal competition and internal collaboration. The model also illustrates the concept that management approaches tend to be mutually exclusive the closer the approaches are positioned to the extremities (Gilbert, 2011).

4

Figure 1: The Management Continuum Model

Internal Competition — Management Continuum — Internal Collaboration
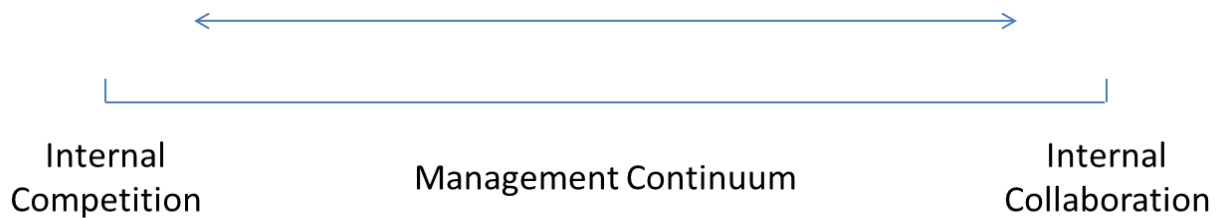
Combinations of internal competition and internal collaboration could therefore range from solely internal competition, through an equal combination of both internal competition and internal collaboration, to solely internal collaboration.

Alternatively the management dilemma could be graphically represented as depicted below in Figure 2. The two by two grid illustrates four possible combinations of internal competition and internal collaboration, with varying levels of both respective forces. This model, in contrast with Figure 1, demonstrates the possibility of achieving high levels of both internal collaboration and internal collaboration or low levels of internal collaboration and internal collaboration.

Figure 2: The Management Paradox Model
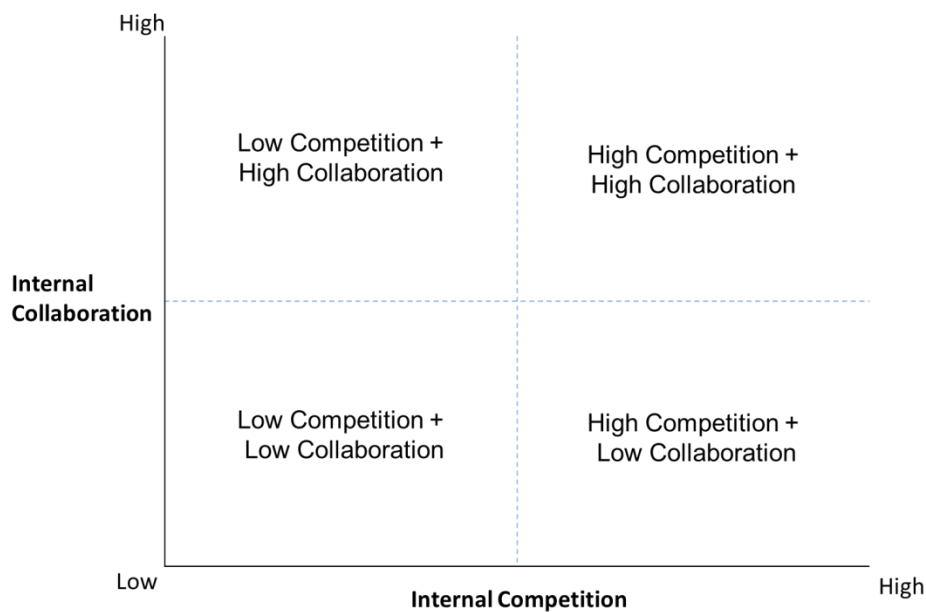
It is also important to note that this model is not static. It may be possible for a manager to position a business unit or organisation in different quadrants at different stages owing to dynamically changing factors and conditions. These factors can be present either within or external to the business unit or organisation. It may also be possible to position certain teams or business units within the organisation in different quadrants based on varying business requirements and required outputs.

Consequentially, managers are faced with the complex dilemma of deciding which management approach is most suitable at which time to drive high levels of performance sustainably.

1.4   Research Objectives

The objectives of this study are to identify the key factors that are driving the adoption of internal competition and internal collaboration within organisations, assess the positive and negative outcomes that can result from internal competition and internal collaboration and investigate whether the level of internal collaboration and internal competition varies depending on the level of the organisation being considered (that is, at executive and non-executive levels).

Finally this study will also seek to establish if it is possible for internally collaborative and competitive management approaches to co-exist and if such hybrids can achieve higher levels of sustainable organisational performance.

Chapter 2: Literature Review

The following key themes were identified during the literature review:

- Dilemmas and Paradoxes

- Competition

- Collaboration

- Co-opetition

2.1 Management Dilemmas

Managers are often faced with a decision that contains the "horns of a dilemma" (Peters, 2012, p.406) where the dilemma characterises choices that managers must make between balanced and seemingly opposing alternatives, each with positive and negative consequences (Hulsmann & Berry, 2004; Serreta, Bendixen & Sutherland, 2009; Smith & Lewis, 2011; Gilbert & Sutherland, 2013; Johnson, 2012; Yoon & Chae, 2012). These choices are generally presented in either/or terms, often with one choice seemingly more acceptable than the other (Peters, 2012; Johnson 2012).

Often these management dilemmas are inherently paradoxical in nature, where the two states under consideration are seemingly contradictory. Examples of such dilemmas explored in literature include exploitation and exploration (Andriopoulos & Lewis, 2009), employee autonomy and manager control (Gilbert & Sutherland, 2013), organisational stability and change (Farjoun, 2010; Nasim & Sushil, 2011), love and power (Kahane, 2012) and collaborating with competitors (Rijamampianina & Carmichael, 2005; Chin, Chan & Lam, 2008). In these instances the terms "dilemma" and "paradox" are used interchangeably to describe the relevant tensions that persist within organisations. However research does indicate that there are inherent differences between these terms.

7

2.1.1 Dilemmas and Paradoxes

Hulsmann and Berry (2004) define a dilemma as a decision making situation which is characterised by two reasonable options "for which equal, but contradictory substantiations can be found" (p. 8). Serreta *et al. (*2009), Johnson (2012) and Peters (2012) further elaborate that dilemmas are typically defined as two extreme options or propositions that are opposite to each other and which usually imply conflicting gains. Hulsmann and Berry (2004) and Serretta *et al.(*2009) contend that management dilemmas are either based on situations where management has to meet the contradictory demands of its surrounding environment (example: customers) and its internal system (example: shareholders) or situations where there are opposing rules for measuring achievement within the organisation.

Smith and Lewis (2011) argue that dilemmas represent a management decision between competing or opposing forces internal to an organisation, each with advantages and disadvantages. They go on to explain that since dilemmas represent an either/or choice, dilemmas therefore contain the potential for resolution. However as each horn of the dilemma represents a different set of costs and benefits, the decision between either horn is often not simple or straight forward. Any choice between either horn will result in a trade-off between the two options and possibly unintended consequences.

Paradoxes, on the other hand, have been defined as contradictory yet interrelated options that can exist simultaneously and continue over time (Smith & Lewis, 2011; Johnson, 2012; Yoon & Chae, 2012). Paradoxes are made up of elements that seem logical individually but are inconsistent and may even seem nonsensical when put together. For example, Kahane (2012 and 2010) refers to the contrary nature of power and love (relationships) in achieving social change. He defines power as the drive to achieve one's purpose which in turn provides the means to create new social realities. Love is defined as the drive to reconnect which is critical to bringing people together. He proposes that while love can bring fragmented parts of a system together, it is through power that goals are realised –

8

in this way these two forces are interdependent. Kahane (2010) argues that the challenge in creating change in complex situations is not in choosing between power or love but rather in managing the inherent tension and achieving a measure of balance between the two forces. However balances between paradoxical options are only temporary since the inherent tension between the contradictory elements will resurface (Smith & Lewis, 2011; Gilbert & Sutherland, 2013; Johnson 2012). It is therefore critical for managers to evaluate the shifting nature of the contradictory forces on an on-going basis to ensure long term sustainability.

In his 2012 article on dilemmas and paradoxes, Johnson seeks to clarify the underlying difference between dilemmas and paradoxes. He argues that a paradox is the simultaneous existence of two contradictory states, while dilemmas reveal "contrasting forces that may represent opposite orthogonal ends of an underlying continuum" (p.348) which necessitates a management choice between either state. However it must be noted that while dilemmas often entail an either/or decision where one alternative must be selected, dilemmas can also be paradoxical, in that a temporary combination of the opposing options can be achieved (Serreta *et al.,* 2009; Smith & Lewis, 2011; Gilbert & Sutherland, 2013; Johnson, 2012; Yoon & Chae, 2012). It can therefore be concluded that the notion of dilemma and paradox are closely related with a level of corresponding similarities.

2.1.2 Managing Dilemmas and Paradoxes:

How management dilemmas are resolved becomes a critical issue for present-day organisations looking to distinguish themselves from their competitors. Increasingly dealing with dilemmas and paradoxes and their resulting tensions is becoming a management concern (Serretta *et al.,* 2009; Smith & Lewis, 2011). It is a growing imperative that managers become conscious of the implications of their decisions, especially when long term sustainability requires an understanding of multiple, contrasting or competing demands (Johnson, 2012, Smith & Lewis, 2011). While managers will often be forced to choose between contradictory and difficult

9

dilemmas, they must be conscious of the consequences and trade-offs in choosing one option over the other (Johnson 2012).

Yoon and Chae (2012) argue that managing paradoxes should be defined as the "managerial practices that realise the simultaneous accomplishment of multiple strategic objectives that are seemingly or actually incompatible" (p.3501). They go on to highlight that in an increasingly competitive business environment, managers are being challenged to do more while spending less, focus while diversifying, delegate while still ensuring that they understand the details and innovate while improving efficiencies. It is therefore vital that managers begin addressing management dilemmas with a different mind-set. Various authors on management dilemmas, discuss the importance of bridging the horns of a dilemma and moving from the perspective of an *either/or* approach to a *both/and* approach (Gilbert & Sutherland, 2013; Kahane, 2012 and 2010; Peters, 2012; Yoon & Chae, 2012 and Smith & Lewis, 2011).

Luscher and Lewis (2008) propose a five-step collaborative process for working through paradox as a means of assisting managers make sense of dilemmas (see Figure 3). The model illustrated in Figure 3 describes the five steps that characterise the typical progression a manager may go through when working through a paradox arising from an ambiguous situation. Luscher and Lewis (2008) suggest using "interventive" questioning as a means of facilitating the collaborative process which begins with a "mess", which denotes an "intricate, fluid, and fuzzy issue" (p.227) and progresses towards a lucid and clear sense-making perspective. Through this progression, Luscher and Lewis (2008) also clarify the differences between a dilemma and paradox.

Figure 3: A Collaborative Process of Working through Paradox
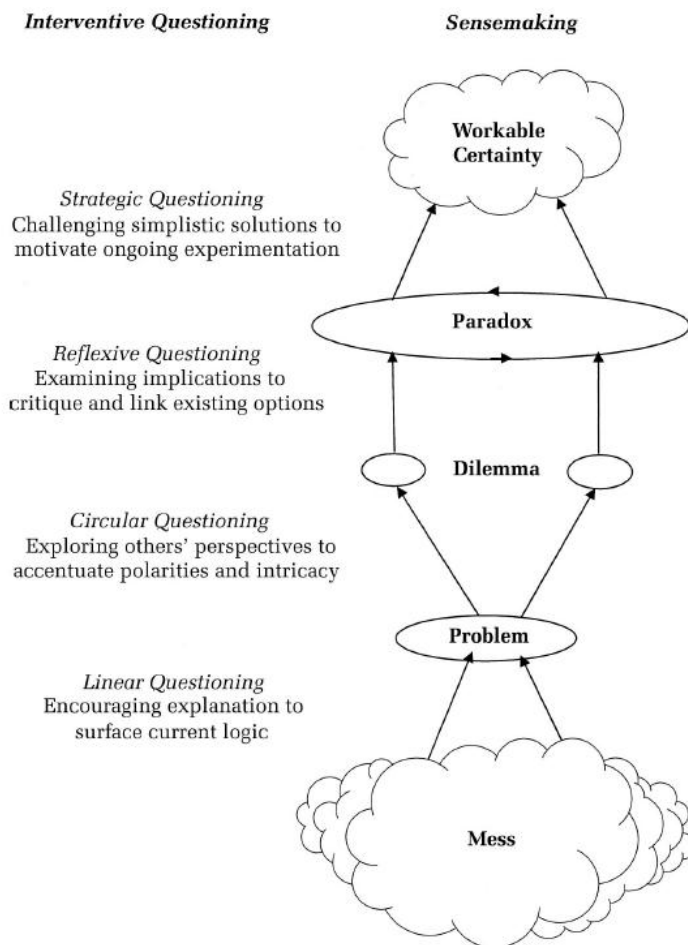
(Source: Luscher & Lewis, 2008)

Step 1: Mess. The first step of this model, depicted by a cloud, entails identifying the vague issue and defining what is of importance and what is not. In this step managers set the boundaries for exploration. In this way managers create a foundation for collaborative sense-making.

Step 2: Problem. Managers are encouraged to explain the issue and in so doing define a more specific problem. When the issue cannot be resolved using traditional problem solving approaches, managers are often then motivated to explore deeper.

11

Step 3: Dilemma. In this step managers investigate why they feel incapable of solving the problem by identifying the underlying dilemma. While awareness of a dilemma can prove valuable, managers will be faced with multiple solutions each presenting various costs, benefits and limitations.

Step 4: Paradox. When a viable choice between the horns of the dilemma proves unattainable, managers seek a link between the contradictory options. Managers recognise that no single choice can resolve the inherent tension as the seeming opposing options are interdependent. In this step, the issues are defined as a paradox.

Step 5: Workable certainty. According to the model, in this step managers are challenged to explore beyond simplistic solutions and to rather experiment with alternative framings and approaches. Closure does not signify an end point but rather a core change in the framing of the issue to a more workable certainty. Managers recognise the persistence of inherent tensions and act accordingly.

As globalisation, innovation, competition and social pressures produce increasingly complicated environments paradox becomes a powerful lens for understanding and managing organisational tensions (Smith & Lewis, 2011). Purposeful and continual responses to management paradoxes and dilemmas can therefore distinguish an organisation by enabling sustainability and increased levels of performance (Gilbert & Sutherland, 2013; Serretta *et al.,* 2009)

2.2   Management Approaches: Competition vs Collaboration

According to social interdependence theory (Deutsch, 1949), the structure of interdependencies between people determines the degree of collaborative or competitive interaction between them. The basic premise of social interdependence theory lies in two variables. The first relates to the type of interdependence among people involved in a given situation and the second relates to the interaction patterns between involved parties. Typically social interdependencies exist when an individual or group's outcomes are affected by

12

the actions of others (Deutsch, 1949; Tjosvold, Johnson, Johnson & Sun, 2003 and 2006).

Deutsch (1949) identified two basic types of interdependences – namely positive and negative. Positive interdependencies exist when the goals of two parties are positively correlated while negative interdependencies exist when the attainment of one party's goals prevents a second party from attaining their goals. Deutsch (1949) goes on to argue that in terms of interaction patterns, positive interdependencies induce collaborative interactions while negative interdependencies induce competitive interactions.

2.2.1 Competition

Deutsch (1949) defines competition as the act of "endeavouring to gain what another is endeavouring to gain at the same time" (p.130). He goes on to point out that competitive relationships can exist between individuals, between individuals within a group, or between groups themselves.

Competition can also be viewed as an innate personality trait. Many authors refer to this as "trait competitiveness" (Mudrack *et al.,* 2012, p.343; Hibbard & Buhrmester, 2010 and Fletcher & Nusbaum, 2008) and describe this specific personality trait as the extent to which individuals desire or are suitable to compete. They argue that some individuals will seek to compete in every situation; some will try to avoid it whenever possible, while some will tend to be indifferent to competition.

Khoja (2008) defines internal competition as the rivalry between individuals, business units or divisions within an organisation for current or potential markets, technologies and organisational resources. Houston *et al.* (2001) contributes to the definition of internal competition by categorising such an organisation as having a decentralised structure, where business unit managers are responsible for operating decisions. Birkinshaw and Lingbald (2005) go on to add to the definition of internal competition by describing it as the extent of overlap within an

13

organisation between products produced, markets served and business capabilities.

2.2.1.1 Outcomes of Competition

Within organisations individuals and teams frequently compete for rewards, status, scarce resources and recognition (Anderson & Kilduff, 2009). Khoja (2008) argues that there are benefits to encouraging internal competition within an organisation. These benefits include active experimentation, increased flexibility to cope with rapid market change and enabling higher levels of innovation and performance across the organisation (Khoja, 2008 and Birkinshaw, 2001). Khoja (2008) goes on to argue that the allocation of objective rewards (rewards based on outcomes) in such organisations, signals business units to focus more on business unit performance rather than the collective interest of the organisation and this results in more aggressive internal competition for market share, which in turn leads to increased levels of business unit and overall organisation performance.

However various authors (Deutsch, 1949; Birkinshaw, 2001; Beersma, Hollenbreck, Humphrey, Moon, Conlon & Ilgen , 2003; Enns & Rotundo, 2012; Bittner & Heidermeier, 2013) highlight the negative impact of competition within an organisation. Competitive environments can result in the duplication of costs resulting from overlap within the organisation and ambiguity around strategic direction (Birkinshaw, 2001). Competing individuals or teams also tend place their own goals above those of the larger organisation and the gains of one are often at the expense of others (Deutsch, 1949; Beersma *et al.,* 2003). Bittner & Heidermeier (2013) go so far as to contradict Khoja (2008), in arguing that competition and the resulting conflict led to rigid, local thinking and a narrower range of attention which ultimately diminishes creative performance.

Competition can therefore result in either constructive outcomes or destructive outcomes. Tjosvold *et al.* (2003) identifies the measures of constructive competition as positive experiences, increased efforts to achieve, more positive interpersonal relationship and greater psychological health and wellbeing. They go

14

on to argue that competition within an organisation is more likely when the rules and criteria for winning are clear and fairly enforced. Also their study indicated that the stronger and more positive the relationships between members of an organisation were, the more constructive the competition tended to be.

In a later study Tjosvold *et al.* (2006) identifies five motives for engaging in competitive behaviour: ego-orientation, task-orientation, extrinsic pressures, intrinsic pressures and a desire to deprive others of the benefit of winning. They explained that an individual engaging in competition due to a task orientated motive will seek to increase productivity in completing a task. This is in contrast to an ego orientation motive which engages in competition to compare one's performance with others to feel superior or more competent. Group members may be persuaded to compete due to external extrinsic pressures, such as performance rewards. However some individuals prefer to compete and are driven to do so by their own personal preference (intrinsic pressure). Chang and Chen (2012) built on Tjosvold *et al's.* (2006) work by proposing that the motives driving internal competition directly contribute to whether outcomes are constructive or destructive. They argue that that the greater an individual's task-orientation motive, the more constructive the competition will be and the greater the ego-orientation motive, the more destructive the outcomes of competition. They also highlight that the stronger the extrinsic pressure to compete as opposed to the intrinsic pressure (the more an individual is forced to compete) the more destructive the outcomes. Chang and Chen (2012) went on to state that when competitors perceive a rival is in competition with them to deprive them of benefits, they perceive the rival to be hostile towards them, which in turn will inevitably result in destructive competition outcomes. They go on to argue that it is also the competitor's behaviour that contributes to whether competition in an organisation will result in constructive or destructive outcomes (Chang & Cheng, 2012).

Moon, Quigley and Carson Marr (2012) support the work of both Tjosvold *et al.* (2006) and Chang and Chen (2012) by arguing that individuals can be driven by competitive motives. However they argue that the need to compete is driven by an

underlying assumption behind these motives – which is "a belief that the world is a challenging place where limited resources…make for conditions that create winners and losers." (Moon *et al.,* 2012, p.117). They highlight that in a competition-based performance model, positive organisational performance can be achieved through individuals striving for achievement. They do however go on to caution that "achievement strivers" tended towards self-centred decision making and are less likely to offer suggestions to improve the organisation (Moon *et al.,* 2012, p.119).

2.2.2 Collaboration

In contrast to competitive systems, a collaborative system embodies equality amongst team members and emphasises group accomplishments. They emphasise minimizing performance based distinctions between team members, as differentiating between team members may impede teamwork and information sharing (Deutsch, 1949; Beersma *et al.,* 2003).

The terms "cooperation" and "collaboration" are often used interchangeably in literature to refer to a set of collective behaviours that describe the act of working together to a common end. However there are subtle differences between the respective terms.

Collaboration has been defined as "the collective work of two or more individuals where the work is undertaken with a sense of shared purpose and direction that is attentive, responsive and adaptive to the environment" (Beyerlein & Harris, 2004, p.18). Beyerlein and Harris (2004) go on to identify three main characteristics of collaborative environments, namely, where individuals work together toward a shared goal, where completing work is dependent on purposeful relationships and where individuals are committed to each other's success. Polenske (2004) defines cooperation as the sharing of information, supplying capital or providing market information. Polenske (2004) goes on to argue that cooperation could be viewed as a non-exclusive arrangement while collaboration is as a purely exclusive arrangement between parties.

Houston *et al.* (2001) goes on to explain that cooperative behaviour across different business units is further enhanced when members have a common organisational identity. This is often fostered by the use of "integrating mechanisms to achieve lateral communication among strategic business units" and together with the use of both subjective (extent of collaboration between business units) and objective (overall organisation growth and market share) performance criteria (Houston *et al.,* 2001,p.21).

Collaboration or cooperation between business units are often characterised by a centralised organisational configuration that encourages integration, control practices and incentive systems that reward organisational performance as opposed to individual business unit performance (Houston *et al.,* 2001 and Birkinshaw, 2001).

Within the context of this study, the terms collaboration and cooperation are used synonymously.

2.2.2.1 Outcomes of Collaboration

There is clear agreement in literature that collaborative approaches between individuals, teams and organisations are beneficial in an interdependent environment, where the tasks of one individual is affected by the performance of other individuals within that environment (Deutsch, 1949; Beersma *et al.,* 2003; Birkinshaw, 2001). The general consensus is that collaboration promotes trust, cohesiveness and supportive behaviour amongst team members, which promotes performance in the organisation (Beersma *et al.,* 2003).

Pillai and Williams (2004) explore the overall impact of a collaborative environment on team dynamics. They propose that by using the strategies of communicating a common vision and setting high performance expectations for the group as a whole, managers can motivate group members to remain attracted to the group, and work towards a common goal. Van den Bossche, Gijselaers, Segers and Kirschner (2006) also note that collaboration results in teams building and

17

maintaining a shared understanding of a problem or task, distributing responsibility across members of the group and sharing expertise. By sharing resources between teams, costs are lowered. Individuals and teams work towards centrally defined goals and incentives. These goals and incentives must be specifically designed to increase organizational performance (Libby & Thorne, 2009).

Collaboration also has an effect on creativity and innovation in an organisation. Bittner and Heidemeier (2013) suggests that individuals in a collaborative environment show a broader range of attention and have a tendency to see relationships between concepts and are able to group them together and that it is this holistic thinking that results in higher levels of creativity. Moon *et al.* (2012) support this argument by proposing that collaboration, together with autonomy, is critical for innovation and creativity as it supports the forming of new and novel ideas.

However performance levels of individuals within team structures vary and collaborative team environments can make it difficult to distinguish individual contribution or performance (Loch *et al.,* 2000; Beersma *et al.,* 2003). Poor performers in collaborative groups can therefore resort to avoiding or shirking their responsibility with little repercussion. This has been recognized as the key source for resisting team based structures in organizations (Loch *et al.,* 2000; Beersma *et al.,* 2003; Ross, Rausch & Canada, 2003).

Beyerlein, Freedman, McGee and Moran (2003) advises that collaborative processes should be treated as a carefully disciplined process to ensure that only appropriate information is considered, deliberations are focused and balanced and that decisions are workable. If not carefully managed collaboration activities can be dominated by individuals with more power than their information or accountability warrants. Collaborative activities can also be characterised by chaos, or where the same decisions are being made repetitively (Beyerlein *et al.,* 2003). These negative outcomes of the collaborative process will result in sub-optimal business results and outcomes.

2.3 Elements Contributing to Collaborative or Competitive Environments

Literature identifies various factors that influence teams or organisations towards collaborative or competitive work environments.

2.3.1 Goals

In his theory of cooperation and competition Deutsch (1949) argued that an individual's belief about the interrelated nature of their goals with others determines how they interact with each other. Ferguson (2000) presents this same concept in Adlerian theory, which also emphasises that goals form the basis of motivation, team dynamics and direction.

Podsakoff, MacKenzie, and Bommer (1996) emphasised the importance of leaders in influencing higher levels of commitment and performance by communicating a common vision and by fostering acceptance of organisational goals. As such, how managers set individual, team and organisation goals can influence individual, team and organisational behaviour (Ferguson, 2007; Libby & Thorne, 2009; Beersma *et al.,* 2003). Tjosvold *et al.* (2003) build on Deutsch's (1949) work by proposing that when a situation is structured competitively, goal achievement is negatively correlated between individuals or teams. Each individual or team perceives that when one party achieves their goal, all other parties with whom they are competitively linked fail to achieve their goals. In contrast, they argue that situations can also be structured cooperatively where goal achievement is positively correlated between individuals or teams. In such instance, individuals or teams perceive that they can fulfil their goals only if others reach their goals.

Ferguson (2007) goes on to describe goals as being either horizontal or vertical in relation to the organisation. Goals that strive for contribution towards team or organisation performance are defined as horizontal goals. Horizontal goals encourage equality and a collaborative environment across business functions. In contrast, vertical goals seek to set the individuals apart, with rewards resulting in

19

superior status for the individual and as a result more competitive environments (Ferguson, 2007; Loch *et al.,* 2000).

2.3.2 Rewards

Deutsch's (1949) theories proposition that collaborative structures create perceptions of shared fate, promotes supportive behaviours and the sharing of insights and lessons learned. He goes on to propose that rather than sharing their knowledge, individuals in competitive environments tend to hoard valuable information. In addition rather than supporting each other, individuals placed in competitive reward structures may be inclined to deter the progress of others in an effort to gain personal advantage (Enns & Rotundo, 2012). Therefore, when an organisation's environment is structured collaboratively, there are "positive correlations among team members' rewards" but when an environment is structured competitively, there are "negative correlations among team members' rewards" (Beersma *et al.,* 2003, p.574).

Studies indicate that collaborative rewards are ideal for team performance where there are high levels of interdependence between individuals' tasks or responsibilities within the team or organisation. In comparison, competitive reward structures are considered more suitable to organisations and teams where there are low levels of task and performance interdependency (Ross *et al.,* 2003; Beersma *et al.,* 2003; Houston *et al.,* 2001). Competitive systems reward individuals and emphasises performance differences bewteen teams members, typically rewarding high performing individuals or penalising low performing individuals (Deutsch, 1949; Beersma *et al.,* 2003).

Beersma *et al. (*2003) further explore the differing impact of competitive and collaborative reward structures on tasks requiring either speed or accuracy. Their findings indicate that collaborative reward structures drive higher levels of performance when the accuracy of task results are valued and competitive reward structures drive higher levels of performance when speed of task completion is more valued.

20

2.3.3 Performance Management

Performance management refers to a set of activities that are utilised by an organisation to enhance individual and organisational performance and effectiveness (Biron, Farndale & Paauwe, 2011 and DeNisi, 2000). These activities include the setting of cascading goals and objectives at every level within the organisation (that is corporate, departmental, team and individual), the use of appraisal systems and performance measures, reward strategies, training and development programs and individual career plans (Roberts, 2001). Aguinis (2007) defines performance management as a continuous process that identifies, measures, and develops the performance of individuals within an organisation and aligns this performance with organisations' strategic goals. Performance measurement is only one element of performance management, yet these measures play a significant role in both decision-facilitating and decision-influencing within an organisation (Sprinkle, 2003).

Ferreira and Otley identify the tendency for individuals to "be most affected by areas that senior managers signal as important, with success in these areas potentially determining status and progression in the organization" (Ferreira & Otley, 2009, p. 272). As such performance measures and the corresponding rewards and incentives directly influence the behaviour of individuals within an organisation.

Biron *et al.* (2011) build on this by exploring the link between performance management and organisational signalling. They argue that signalling exists when the organisation promotes certain practices, which employees perceive as signals of acceptable or unacceptable behaviour. They argue that performance management systems signal the required behaviours and attitudes of employees.

Lee and Yang (2011) describe the cause-and-effect relationship between management objectives, measures and outcomes. They argue that the achievement of goals is of greater attractiveness to managers when they are rewarded in terms of their achievement of said goals. Managers can therefore drive

performance in an organisation by defining objectives and outcomes and connecting them to incentives with performance measures.

2.4 Combinations of Competition and Collaboration

2.4.1 Co-opetition

Research and business practice has placed a growing emphasis on the simultaneous cooperation and competition between organisations, as a strategy for competitive advantage (Dagnino Castaldo, LeRoy & Yami, 2009). This combination of both cooperation and competition is commonly referred to as co-opetition and exists when two or more competing organisations cooperate to create a larger business market and then simultaneously compete for share in that market (Nalebuff & Brandenburger, 1996). In co-opetition, organisations will collaborate on some business aspects (like standards setting, and market development) while simultaneously competing on others (like price and quality) (Bengtsson, Eriksson & Wicen, 2010; Bengtsson & Kock, 2000).

The arguments outlined in the existing literature suggested that, at its best, co-opetition may have positive outcomes similar to those of cooperation and competition. At its worst, co-opetition could lead to collusive behaviour (Bengtsson *et al.,* 2010; Chen, 2008; Mariani, 2007, Nalebuff & Brandenburger, 1996).

Co-opetition creates value by aligning participating organisations towards their common objectives and interests; removing common external obstacles and threats and allowing tacit collusion in dealing with customers or other competitors (Bengtsson & Kock, 2000; Chin *et al.,* 2008). Co-opetion can take the form of strategic alliances, joint ventures, joint research and contractual agreements (Nalebuff & Brandenburger, 1996).

An example of such a relationship between competing organisations example is the software company Symbian's open innovation efforts, in which Nokia, Sony Ericsson, Samsung, and other cellular phone companies worked together to

22

develop an alternative operative system to that of traditional computer companies (Bengtsson *et al.,* 2010).

2.4.2 Cutthroat Cooperation

Organisational teams should be viewed as complex, adaptive and dynamic systems that perform in dynamic contexts over time (McGrath, Arrow & Berddahl, 2000). In ever changing environments one may often find team structures evolving from competition to collaboration and vice versa. Johnson, Hollenbeck, Humphrey, Ilgen, Jundt and Meyer (2006) introduce the concept of "cutthroat cooperation" (p.103), in their study of changes in team reward structures. They argue that, while social interdependence theory (Deutsch, 1949) prescribes competitive and collaborative reward structures for competitive and collaborative situational structures, groups experiencing dynamic change in goals and reward structures (specifically from competitive to collaborative goal structures) need not necessarily change the reward structures.

They argue that the benefits associated with cooperative reward structures will be less noticeable in groups that have a past history of competition. They observe distinct behaviour differences in the type of cooperation among past competitors when compared to groups that have only experienced a history of collaboration. They refer to this form of collaboration (resulting when teams share a history of competition) as cutthroat cooperation. In this dynamic context, where teams move from competitive team environments to an environment where collaboration is necessary for goal attainment, expected benefits were reduced or negated. Johnson *et al.*(2006) found that teams with a history of competition showed significantly lower levels of information sharing when compared to teams with a history of cooperation and that the level of information sharing partially mediated the relationship between rewards and task accuracy.

Managers considering shifting from a competitive reward structure to one that necessitates collaboration must therefore be cognisant that the history of teams

23

and past relationships can negatively impact the anticipated benefits of such change.

2.5   A Summary of the Literature Review

The literature review indicates that there are currently many dilemma's facing managers and that by purposefully responding to management paradox and dilemmas, organisations can distinguish themselves from their competitors. One such dilemma is managing the inherent tension between collaboration and competition.

Competition and collaboration are terms used to describe particular management approaches. There has been a magnitude of research assessing the merits and shortcomings of implementing each approach within team structures and the factors that influence organisational environments toward either approach. There is also a school of thought that strongly supports organisations leveraging collaboration with external competitor organisations, to achieve higher levels of performance for both organisations.

With organisations focusing on leveraging team based structures to enhance performance, managers have to decide between fostering environments that are collaborative or competitive. This study will aim to investigate the seemingly contradictory nature of internal competition and internal collaboration as management approaches within an organisation, specifically exploring the factors driving the adoption of the management approaches under review, the consequences of adopting either approach and the effectiveness of different combinations of internal competition and internal collaboration.

Chapter 3: Research Questions

This chapter draws on the issues emerging from the literature reviewed in Chapter 2, together with the concepts and the purpose of this research study described in the introduction.

The reviewed literature highlights the study of internal competition and internal collaboration as separate management approaches (Khoja, 2009; Beersma *et al.,* 2003; Humphrey *et al.,* 2003; Birkinshaw, 2001; Houston *et al.,* 2001), and collaboration with external competitors (Nalebuff and Brandenburger, 1996; Bengtsson and Kock, 2000). There is however, little consensus on how to manage the seeming paradoxical management approaches of internal competition and internal collaboration within an organisation.

This research study seeks to provide managers facing the management dilemma of internal competition versus internal collaboration with a framework that will help clarify the components of the dilemma. This will be accomplished by answering the four research questions listed below and by interpreting the findings into a practical and meaningful framework.

Research Question 1:

What are the key factors that are driving internal competition and internal collaboration within organisations?

Research Question 2:

What are the potential benefits and drawbacks of adopting internal competition and internal collaboration?

Research Question 3:

How does the level of internal collaboration or internal competition vary based on organisational level (ie executives versus non-executives)?

Research Question 4:

Are managers able to simultaneously combine internally collaborative and competitive management approaches to improve performance sustainably?

Chapter 4: Research Methodology

This chapter discusses the research methodology utilised in this study. From the literature review, several authors have identified various forms of collaboration and competition. They also describe the resultant organisational environment when either approach is adopted (that is, competition or collaboration) (Birkinshaw & Lingbald, 2005; Khoja, 2008; Houston *et al.,* 2001; Beersma *et al.,* 2003). While many studies have explored the dynamics of competitive or collaborative environments (Tjosvold *et al.,* 2006; Chang & Chen, 2012; Libby & Thorne, 2009; Loch *et al.,* 2000) and the collaborative relationship between competitive organisations (co-opetition) (Nalebuff & Brandenburger, 1996; Bengsson & Kock, 2000; Chin *et al.,* 2008), this study specifically investigated how managers can best address the dilemma of internal competition versus internal collaboration within an organisation.

The study was highly explorative and qualitative in nature. This is evident in the research method, design, population, sampling and data analysis techniques employed. The research details a qualitative study exploring the management dilemma of choosing between two seemingly conflicting management approaches, namely internal competition and internal collaboration.

4.1 Research Setting

The research consisted of a series of unstructured in-depth interviews with senior executives at SAB Pty Ltd. SAB was identified as a suitable organisation to conduct this study, as intra-organisational competition had been previously fostered to ensure on-going organisational efficiency.

SAB, founded in 1895, is a brewing and bottling company headquartered in Johannesburg and is a wholly owned subsidiary of SABMiller. It is the leading brewing and beer and soft drinks distributing company in South Africa.

SAB employs nearly 9,400 people and operates seven breweries and 40 depots, with an annual brewing capacity of 3.1 billion litres. Its portfolio of beer brands

includes eleven beers and five flavoured alcoholic beverages. SAB's soft drinks division, Amalgamated Beverage Industries (ABI), is one of the largest producers and distributors of Coca-Cola brands in the southern hemisphere. With five manufacturing plants, ABI accounts for approximately 60% of Coca-Cola's sales in South Africa. SAB also owns a hop production company (The South African Breweries Hop Farms), a barley farming company (The South African Breweries Barley Farms), a barley malting company (The South African Breweries Maltings) and holds a 60 per cent stake in the metal crown manufacturer, Coleus Packaging ("SAB Overview", n.d).

During interviews with the supply chain director at South African Breweries Limited (SAB) (A. Wolff, personal communication, January 11, 2013), it was confirmed that in the early 1980's, post purchasing the beer interests of the Rembrandt Group, SAB senior management began encouraging internal competition between manufacturing breweries, regional depots and brand marketing teams. This management decision was taken to ensure that, with the absence of external competition, SAB business units remained efficient and continued to strive for growth.

Since 2007, SAB has been facing growing external competition and SAB senior management has since been motivating for increased collaboration between business units. As such, SAB provides an ideal environment to explore management decisions regarding internal competition versus internal collaboration (A. Wolff, personal communication, January 11, 2013).

4.2   Research Method

As stated previously, there is currently little consensus in the literature on how to manage the dilemma of internal competition and internal collaboration within an organisation. As such the objective of the research was to seek clarity and to delve deeper into the constructs and principles pertaining to the management dilemma of internal competition and internal collaboration. It is for this reason that a qualitative

explorative research design was deemed appropriate for this study (Zikmund, 2003).

Tharenou, Donohue & Cooper (2007) state that superficial analysis is not suitable to answer research questions and that a deeper, probing investigative design is more effective. Leedy & Ormrod (2001) supported both Zikmund (2003) and Tharenou *et al.* (2007) in stating that an exploratory study is useful technique "to answer questions about the complex nature of phenomena, often with the purpose of describing and understanding the phenomena from the participants' point of view" (p.101). The research methods that apply to exploratory research are considered to be "highly flexible, unstructured and qualitative" (Tustin, Ligthelm, Martins & Van Wyk, 2005, p.87) and as such were able to extract the information required to answer the specific questions relating to this research study.

This research study aimed to clarify the management dilemma of internal competition versus internal collaboration with empirical research, and took the form of a case study (Saunders & Lewis, 2012). Saunders and Lewis (2012) state a case study research method is suitable when trying to understand why managers make decisions in a certain manner and that the key to understanding the rationale behind such management decisions is context. Given the nature of the research questions in this study, a case study was deemed an appropriate research technique for this specific study. The case study was conducted across SAB's marketing, distribution and manufacturing business units and was explorative and qualitative in nature.

Since SAB had been selected to be the sole subject of this research study, the case study method was specifically selected to allow the researcher to conduct a detailed in-depth investigation across the entire organisation (Zikmund, 2003). Since the research focussed on contextual and real world issues, an interactive and humanistic approached was deemed necessary (Marshall &Rossman, 2006).

Semi-structured interviews were selected as the method of conducting this exploratory research study (Saunders & Lewis, 2012). Welman, Kruger and

Mitchell (2005) also affirm that this is an appropriate method of data collection when the researcher has a broad list of themes and questions to be covered. Tharenou *et al.* (2007) goes on to state that semi-structured interviews provide an "overall topic, general themes, targeted issues, and specific questions" (p.104) to extract definitive information from selected interviewees.

The selected research method was chosen specifically to conduct an exploration study, which aimed to provide a greater understanding of the concepts, factors and constructs of the specific topic under review (Zikmund, 2003).

4.3   Population

The population for this research study was defined as senior executives, in the Fast Moving Consumer Goods industry, who are currently exposed to varying levels of internal competition and internal collaboration. In this study managers were categorised as directors, general managers or senior line managers. Directors were defined as individuals managing functional business divisions. General Managers were defined as individuals managing business units comprising of a number of separate and interdependent teams, reporting directly to company directors. Senior line managers were defined as individuals managing a single purpose team, reporting directly to a general manager. Business divisions in SAB included supply chain, manufacturing, marketing, sales and human resources.

4.4   Sample

The actual size of the population was known based on employee records and annual meeting calendars. It would therefore have been possible to use a probability sampling technique to select the sample (Zikmund, 2003). However given that this research study was explorative and sought to clarify the management dilemma rather than conclusively prove the research findings, non-probability sampling techniques were chosen instead. A combination of quota sampling and judgement sampling techniques was used to ensure that the sample selected represented the characteristics of senior executives who were exposed to

the complexities of managing the dilemma of internal competition and internal collaboration within SAB (Zikmund, 2003, Saunders & Lewis, 2012).

The SAB business areas considered for this study include marketing, sales, manufacturing, supply chain and human resource development. A quota sample of twenty senior SAB executives was then selected from each of these business areas. This included the business area director, two general managers and one senior line manager (as shown in Table 1 below). The executives engaged during this study, were purposively selected based on the seniority of the role, the years in service at SAB and their level of influence in the organisation. These executives were positioned in the organisation such that their locus of control defines or influences the level of internal competition or collaboration between their business unit and other business units in the SAB organisation.

Table 1: Quota Sample

	Manufacturing	**Marketing**	**Sales**	**Supply Chain**	**HR**
Director	1	1	1	1	1
General Manager	2	2	2	2	2
Senior Manager	1	1	1	1	1
Total	**4**	**4**	**4**	**4**	**4**
					20

4.5 Unit of Analysis

The unit of analysis in this study was the opinions and perceptions of the SAB senior executives on the management dilemma of internal competition and internal collaboration.

4.6 Data Collection

The case study data collection technique used in this study was semi structured, face to face interviews (Zikmund 2003). Twenty in-depth interviews were conducted across SAB business unit teams to obtain complete and precise information, which was then clarified and confirmed (Zikmund, 2003).

An interview guide was developed and used to ensure interview consistency (Zikmund, 2003). The interview guide included an introductory statement clearly explaining the purpose of the research and thereby initiating all interviews with a standard opening. At the beginning of the interview all respondents were requested to sign the interview consent form (see Appendix 1). The respondents were then guided through the interview guide as per Appendix 1.

A memo of introduction was then developed (see Appendix 2) and was sent from the desk of the Supply Chain Director to the identified interviewees. The personal assistants of all interviewees were then contacted directly to schedule the interviews.

The interviews were semi-structured in nature, with the interview guide including a few pre-determined leading questions (Welman *et al.,* 2005; Saunders and Lewis, 2012). Respondents were encouraged to talk openly and widely about the research themes as described in the previous chapter. Probing techniques were also used to extract additional information from respondents (Zikmund, 2003). Respondents proved to be engaged and open during the interviews. Often respondents used real examples from their own experiences to clarify their position on the topic.

The order in which the themes were covered and the questions were asked varied from interview to interview. Also in some interviews certain questions were omitted, with additional questions being added in other interviews to explore and extract information that was unique to a particular team or individual (Saunders & Lewis, 2012; Mouton, 2001). All interviews were digitally recorded, transcribed and coded for the analysis process.

4.6.1 Interview Guide Development

The interview guideline initially contained thirty open-end questions pertaining to four distinct research areas. These research areas included:

- Internal Competition
- Internal Collaboration
- Internal Competition and Internal Collaboration at different organisation levels
- Hybrid approaches (combinations of internal competition and collaboration)

Trial interviews were conducted with three line managers in the supply chain and finance teams to test the viability of the questions, the models being used and the order of the questions.

Initially some questions were phrased to extract values in the form of percentages which would indicate an estimate of internal competition and internal collaboration in the organisation. Figure 4 provides an example of one such question:

Figure 4: Percentage Type Question

What is your belief regarding the optimal mix of internal competition and internal collaboration in the organisation?

| % Internal competition | | % Internal collaboration | |

This type of question proved difficult for respondents to answer. They were not comfortable specifying a percentage that they could not substantiate. After careful consideration, these types of questions were replaced with diagrammatic illustrations that required the respondent to select a level of combination as demonstrated below in Figure 5.

33

<u>Figure 5: Diagrammatic Representation Type Questions</u>
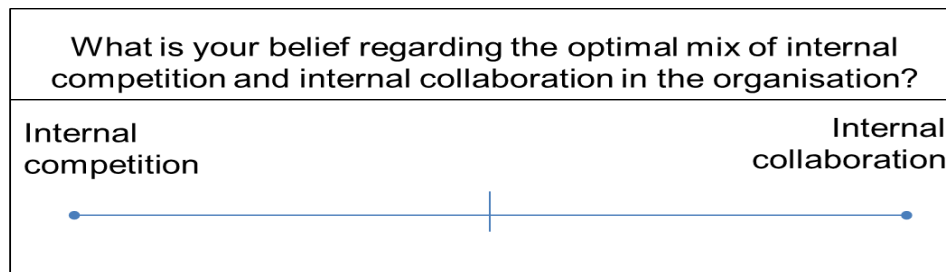
Respondents proved more open and responsive to questions pertaining to levels of combination when they were framed using diagrammatic representations as opposed to when the same questions required answers to given as estimated percentages. All questions including percentages were therefore changed to include diagrammatic representations.

On review of the Interview guideline post the first two trial interviews, a number of questions were reworded and simplified to clearly convey the questions being asked. It was also noted that some respondents were reverting to the concept of external competition and competitors in their responses. To ensure better alignment between the interviewer and the interviewee, an introductory question as added to the guideline requesting the respondent to define, in their own words, the concepts of internal competition and internal collaboration? This allowed the interviewer to confirm that the respondent understood the context of the interview and also allowed the respondent an opportunity to broadly explore the core concepts. The third trial interview ran more smoothly and confirmed that the revisions made resulted in a more forthcoming discussion.

This review process also resulted in ten questions being removed from the questionnaire as they were extracting similar insights as previous questions. The final interview guideline was therefore revised to include twenty questions pertaining to the research questions identified in this study.

34

4.7 Data Analysis

It is important to note that as this is a qualitative study, it was therefore possible to start analysing data before all interviews are conducted (Saunders & Lewis, 2012; Rubin & Rubin, 1995). Doing this allowed the researcher to follow up on insights suggested by early interviews in later interviews, as well as to recognise when data saturation was reached (Saunders & Lewis, 2012).

4.7.1 Qualitative Data Analysis

According to Mouton (2001), data analysis involves breaking up the collected data into "manageable themes, patterns, trends and relationships" (p. 108). Data analysis therefore refers to the examination and distilling of the interview transcripts into structured themes to develop insights on the research focus area (Mouton, 2001). Saunders and Lewis (2012) and Rubin and Rubin (1995) both assert that data analysis refers to the examination and analysis of the interview transcripts into logical and structured themes to unearth insights and clarify new understanding of the topic under study. Rubin and Rubin (1995) go on to state that the purpose of this data analysis approach is to "integrate themes and concepts into a theory that offers an accurate, detailed, yet subtle interpretation" of the research area (p.227). In this way the information gathered from interviews was used to answer the proposed research questions.

All interviews were recorded and transcribed. These transcripts were then loaded on the quantitative analysis tool, ATLAS/ti. The use of computer-aided qualitative data analysis software allowed for the systematic storage, retrieval and coding of the data into relevant themes.

Zikmund (2003) warns that the researcher's interpretation of the data can often influence the research findings. It is therefore advised that a high level approach be taken when analysing the data to ensure objective data analysis and interpretation. The content analysis technique was therefore used to diminish these potential risks.

35

4.7.2 Content Analysis

Neundorf (2002) defines content analysis as the systematic, objective, quantitative analysis of message characteristics. This technique is a research method that uses a set of procedures to make valid inferences from text and involves counting the sequencing and frequency of articular words and phrases (Weber, 1990). Content analysis was used to segment the collected data into relevant themes and categories.

The use of frequency analysis allowed for the ranking of themes according to the number of respondents who identified such themes during their interview. In this way a set of data was summarized using the number of times a particular theme occurred in the sample set (Zikmund 2003).

All interviews were transcribed and uploaded onto the qualitative data analysis tool ATLAS/ti. This tool facilitated the use of content analysis and frequency analysis to identify themes (see Appendix 4), group such themes into categories and measure the frequency at which these constructs occurred across respondents. The tool also enabled the use of a comparative approach to compare responses between the defined quota segments, thereby strengthening the study's overall outcome (Mouton, 2001).

4.8   Potential Research Limitations

The following aspects were identified as limitations of this study.

As the sample for the research study was selected from a single company, SAB, the views of the executives interviewed may be biased, in that they share a common corporate culture and history.

The SAB recruitment strategy is specifically biased towards individuals who fit a strong achievement driven profile. Such individuals are inclined to enjoy competition and the sample may therefore not be fully representative of the population.

Chapter 5: Results

The results presented in this chapter are laid out as per the research questions in Chapter 3. The key observations are discussed under the relevant research questions. As discussed in Chapter 4, the research methodology was qualitative and exploratory in nature. Semi-structured interviews were utilised as the research technique, which provided a level of flexibility to uncover new insights.

All twenty face-to-face interviews were conducted over a period of six weeks. The interviews were conducted with senior executives across the five business areas in SAB. These business areas included manufacturing, sales, marketing, supply chain and human resources. Interviews ranged between forty and seventy minutes each based on respondent availability. Due to time restrictions and the semi-structured nature of the interview, not all respondents answered all twenty questions in the interview guideline (as shown in Appendix 1).

5.1   Research Question 1

What are the key factors that are driving internal competition and internal collaboration within organisations?

Using inductive content analysis, numerous factors were identified from the interviews as being likely to influence the level of internal competition and internal collaboration within an organisation. These factors were then ranked according to the number of respondents identifying each respective factor. A high ranking value was deemed to indicate that the factor has a broad level of acceptance as a strong driving factor of internal competition and internal collaboration. Table 2 and Table 3 reflect the various factors influencing internal competition and internal collaboration respectively.

5.1.1 Factors Driving the Adoption of Internal Competition

Eleven factors were highlighted by the interview respondents as driving the adoption of internal competition as a management approach.

Table 2: Ranking of Factors Driving the Adoption of Internal Competition

Ranking	Factors Driving the Adoption Internal Competition	Number of Respondents
1	Performance Measures	17
2	Employee Rewards (performance based incentives)	17
3	Employee Personality	13
4	Employee Recognition (of work well done)	10
5	External Market Structure	10
6	Leadership (behaviour and decision making)	10
7	Performance Ranking	10
8	Goals (targeted business outcomes)	7
9	Organisational Structure	7
10	Organisational Culture	5
11	Strategy	3

Factors that were identified by ten or more respondents were deemed to be leading factors. These seven factors are discussed in more detail below.

5.1.1.1 Performance Measures

Performance measures were considered a leading variable that drives internal competition within an organisation with seventeen respondents identifying it as a driving factor. Respondents highlighted their perspectives as follows:

- *"Our KPIs [key performance indicators] are set up in a very [internally] competitive way, and you know in SAB, if it moves - we measure it. If it doesn't move, we kick it till it moves and then we measure it. So everything is measured and everything, literally, is set up to look at the performance scorecard."*
- *"We are an output driven organization, where there's lots of detail, targets and KPIs. Everything is measured, so you are able to, throughout the*

38

organization, look at some kind of metric that you can stack up next to each other. The next logical thing is to ask - why is it that the one [employee or team] is better than the other [other employee or team]. That is where [internal] competition comes from.”

- *“Part of it are the measures we put in place that force us to sometimes look more internally - than externally.”*

5.1.1.2 Employee Rewards

Similarly employee rewards were also identified by seventeen respondents as a leading variable that drives internal competition. Rewards are linked to employee or team performance and can take the form of bonuses, share schemes, salary increases and in the case of inter-brewery competitions sponsored holidays and prizes. Respondents voiced their views on employee reward as follows:

- *“Internal competition is driven and, I suppose stimulated, through the awards programmes and rewards.”*

- *“..what we reward, what we recognize - that’s what drives [internal] competition.”*

- *“If you are looking at what is the reason for the internal competition - it’s actually being recognized and rewarded on the awards. That’s the trigger for the most internal competition outcome.”*

- *“..if you look at how the sales guys are rewarded, they are put against each other. There is no external competition…so they compete against each other.”*

5.1.1.3 Employee Personality

Thirteen respondents stated that the personality of employees influences internal competition. These respondents also affirmed that they recruit individuals who are naturally inclined to be competitive and performance driven. Respondents expressed their views on personality driving internal competition as follows:

39

- *"If you employ people [with] high aspiration - high achievers, high performance based individuals that have an innate desire, by virtue of their make-up, to succeed in everything that they ever try - then they will compete. Cause ultimately they have to feel that they have achieved better than their peer group."*

- *"So we want opinionated people that stand their ground and who are focused, assertive and all that stuff, but with that comes a competitive nature."*

- *"..the talent profile is very, very competitive. We recruit for it. So our profile of people is much more ambitious, much more hungry."*

5.1.1.4 Employee Recognition

Ten respondents identified recognition as a key driver in influencing internal competition. These respondents emphasised their views as follows:

- *"Everyone comes to work to do well and to win. This is the advantage of internal competition. [It] gives people an opportunity to really show how good they are and to strive to be the best and to get the recognition that comes with that."*

- *"If you get it wrong, people are going to stick to what they know. If you don't encourage healthy competition that aims at improving everyone through structured recognition … which is encouraged and managed, you are going to get the inverse where people will just be in it to win the competition and they will not share."*

- *"It's less about reward and more about recognition because the guys that get recognized, the guys that get the awards, are the guys in our business that move the fastest. So they get promoted -you see them moving up the hierarchy of the business quicker than the people who don't."*

5.1.1.5 External Market Structure

Ten respondents acknowledged that the external market structure was an important driver in influencing the internal competition. These respondents highlighted SAB's history of dominating the beer market share in South Africa and that the lack of strong external competitors was a key driver of SAB's historic focus on internal competition. In industries that lack strong external competitors, organisations must seek alternative motivators to drive performance. Internal competition is one such management approach to ensuring impetus to improve performance. Their views on this factor are further elaborated as follows:

- *"When a company faces no external threat or competition, there is a notion or a belief that without competing, you are the next Goliath that small David will take out. If you don't think ahead of the curve and if you don't stay abreast, you will fail….Creating internal competition will have people trying to better themselves all the time and therefore make sure the company stays in a dominant position."*
- *"…when you are in an environment where not-great work is being done then you're comparing yourselves to the tallest midget"*
- *"It [internal competition] does raise standards in the absence of a credible competitor."*

5.1.1.6 Leadership

Likewise ten respondents also identified leadership as a strong factor influencing internal competition. Respondents highlighted their views on leadership influencing internal competition as follows:

- *"As a leader, you have to direct the [internal] competition in areas that require it. Therefore you need to define what areas you want to compete [internally] in -which areas you think competition is going to make a difference in, on an internal process that you have been struggling with for years, an area where you think that the teams are losing momentum or in an*

area that you anticipate that the external world is going to do, before you do it yourself."

- *"You want to align internal competition with the external view of the organization of winning."*

- *"What leadership encourages and rewards, people respond typically in organizations, especially at the lower levels, they respond to the measure we give them and to the way we reward things, more than anything else in a South African context."*

5.1.1.7 Performance Ranking

Ten respondents identified performance ranking within the organisation as a factor influencing internal competition. Respondents used the terms "ranking" and "benchmarking" interchangeably to indicate the concept that positions individuals and teams against a set of performance criteria. Respondents further elaborated on this factor in the follow manner:

- *"So if you set up your measurement criteria where you're benchmarking teams or KPI's against each other. This will result in internal competition."*

- *"Well, how do we rank these guys and how does it link to the recognition and reward system. Because it actually, at the end of the day, serviced the customer's requirements and it achieves the broader goals."*

- *"If you look at our ranking system, I mean, each rep by sales region, is ranked based on his sales targets, his customer feedback [and] the customer scores…There is a ranking system throughout the organisation."*

5.1.2 Factors Driving the Adoption of Internal Collaboration

Nine factors were highlighted by the interview respondents as being the factors that drive an internally collaborative approach. These nine factors were then ranked by the number of respondents identifying them.

Table 3: Ranking of Factors Driving the Adoption of Internal Collaboration

Ranking	Factors Driving the Adoption of Internal Collaboration	Number of Respondents
1	Leadership (behaviour and decisions)	14
2	Performance Measures	10
3	Goals (targeted business outcomes)	10
4	Organisational Structure	10
5	Business Strategy	9
6	Recognition	9
7	Shared Vision	7
8	Employee Personality	7
9	Reward	6

Once more, factors highlighted by ten or more respondents were deemed to be the leading factors driving the adoption of internal collaboration within an organisation. These five factors are discussed in more detail below.

5.1.2.1 Leadership

Leadership was the most strongly rated factor driving internal collaboration. Fourteen of the respondents interviewed identified leadership as a factor driving the adoption of collaboration within an organization. They went on to emphasize this view as follows:

- *"Leadership must make it [internal collaboration] happen - through processes, through making resources and time available, through driving behaviour and so you have got to make it happen."*
- *"I [as brand general manager] was running around creating conviction and that's quite interesting leadership. I promise you, leadership sets the style - the collaboration or the competitiveness."*

43

- *"Over and above all of that the main driver [of internal collaboration] depends on the leadership."*

5.1.2.2 Performance Measures

As with internal competition, performance measures was again deemed a leading variable. Ten respondents indicated that performance measures or key performance indicators (KPIs) are a significant factor in adopting internal collaboration. Respondents highlighted their perspectives as follows:

- *"So what measures do you set that make you work as a team, as opposed to working as an individual? You want people to strive but you want people to strive within a team to do well, to deliver a result that's got a common purpose for the business."*
- *"You can choose horizontal measures versus vertical ones - horizontal meaning they span across the business…then if someone is battling somewhere [in the organisation], someone else is going to help him. It's in everyone's interest for everyone to do well."*
- *"If you look at say the performance of the Columbian breweries…You can see the improvements in the KPIs that they pick. They [are] focused in their approach. They don't try and boil the whole ocean. They pick one or two, four or five and then they collaborate on those. So they have a focused approach linked to working together. It's amazing to see the KPIs climb year in and year out."*

5.1.2.3 Goals

Ten respondents identified business goals or outcomes as another key driver of internal collaboration. Goals in the context of these interviews were simply the targeted objectives that individuals, teams or the business as a whole are required to achieve or accomplish. Respondents elaborated on goals as a driver of internal collaboration as follows:

44

- *"It's the setting of goals that a value chain can get behind as opposed to [goals] that are too focused on individuals - so how do you set an output where you have got a few people involved and how do you measure people on collaborating as opposed to competing."*

- *"I think internal collaboration is optimized in an environment where their goals are clear, where goals are shared."*

- *"I think it gets down to things like goals. How do you apply line goals, you know, giving focus on the right things - to get focus on [collaborative] behaviour."*

- *"You do need to find particular goals around collaboration. So they [goals] need to be expressed or to be defined in such a way, that it requires collaboration."*

5.1.2.4 Organisational Structure

Ten respondents also acknowledged organisational structure as an important driver in influencing the internal collaboration. Respondents' views were similar in that they believed that SAB's current organisational structure, processes and systems were hampering collaboration within the organisation and was resulting in "siloed" behaviour. They elaborated on this view as follows:

- *"We are functionally driven, and the functions are not necessarily…consumer facing. So therefore there isn't a natural pull for inter-functional collaboration, you have actually got to engineer it."*

- *"It [the organization] has got to have process and purpose and structure to make sure it stays aligned to the overall business objective."*

- *"Because we are so functionally biased in our business…there is not a natural drive for collaboration in the business. It is a thing that you have to consciously push and drive. You have got to enforce it."*

45

5.2 Research Question 2

What are the potential benefits and drawbacks of adopting internal competition and internal collaboration?

Inductive content analysis was also used to analyse responses regarding research question 2. Respondents identified a number of benefits to the adoption of either management approach. Once more, these factors were ranked according to the number of respondents identifying each respective factor. Higher ranking factors were again deemed more likely to have broader acceptance as a positive outcome of the specific management approach. The benefits of each management approach are listed in Table 4 and Table 5 below.

Respondents also highlighted a number of pitfalls that managers must be wary of when adopting internal competition or internal collaboration as a management approach. The same ranking approach was applied to the drawbacks of internal competition and to the drawbacks of internal collaboration. The drawbacks of each management approach are listed in Table 6 and Table 7.

5.2.1 Benefits of Internal Competition

While some interviewees had difficulty identifying positive outcomes for internal competition, a total of seven benefits were acknowledged by the conclusion of the data gathering.

46

Table 4: Ranking of the Benefits of Internal Competition

Ranking	Benefits of Internal Competition	Number of Respondents
1	Continuous Incremental Improvement	9
2	Performance	9
3	Employee Motivation	8
4	Efficiency	4
5	Speed	3
6	Collaboration	3
7	Innovation	3

Benefits that were identified by five or more respondents were deemed to be of a significant nature in this study and are discussed in more detail below.

5.2.1.1 Continuous Incremental Improvement

Nine respondents identified continuous incremental improvement as a key benefit of internal competition. This form of business improvement is one where there is steady improvement in various aspects of business processes and against specific performance measures. The respondents highlighted this benefit as follows:

- *"It's a continuously improving system where everybody might be competing for the same end result - only one can win but the knowledge in achieving the winning has been shared to make everybody as a whole better."*
- *"It [internal competition] is constantly lifting the bar. Constantly striving for a better organization - a better way of doing things, being both more effective and more efficient."*
- *"So they are trying to copy and they are trying to come up with their own ideas, and everybody is sort of upping their game, accordingly."*

47

5.2.1.2 Performance

In addition to continuous incremental improvements, respondents also identified internal competition as having a positive impact on performance – both for individuals and for the organisation as a whole. Nine respondents emphasised the positive effect internal competition has on performance and stated the following:

- *"[Internal] competition is probably a way of motivating people to higher standards, by getting individuals to challenge themselves or outperform each other."*
- *"So internal competition is where people drive better performance, better performance in one another by continuously exceeding or bettering key drivers or key performance indicators etc."*
- *"We dominated the market - we had a 98% market share. So how do you drive improved performance? The only way you can do it is by getting people to compete."*
- *"I believe that is the impact of that internal competition - that drive, to be the best, and it is good, that is why we perform so well."*

5.2.1.3 Employee Motivation

Eight respondents shared their view that internal competition resulted in increased employee motivation. They stated that internal competition could be used to energise employees. As stated previously SAB recruits individuals who have a natural inclination to compete, and therefore the perception exists that internal competition can increase employee engagement. Respondents highlighted their opinions on internal competition as a means of motivating employees as follows:

- *"It's probably more to do with the individual's motivation to do his job to the best of his ability. The nature of our jobs in manufacturing can be very monotonous and you do this one day and the next day it's the same thing. Somehow you have got to bring excitement into that situation…I think*

internal competitiveness is actually quite good and it's quite effective to get them to do a bit better than they did yesterday."

- *"You can motivate people to come up with new ideas, to actually really go the extra mile. You can get tremendous performance improvements, as a result of that [internal competition]."*

- *"[Internal] competition is probably a way of motivating people to higher standards, by getting individuals to challenge themselves or outperform each other."*

5.2.2 Benefits of Internal Collaboration

Respondents were more forth coming regarding the benefits of internal collaboration. A total of six benefits were identified for internal collaboration. These benefits are listed Table 5.

Table 5: Ranking of the Benefits of Internal Collaboration

Ranking	Benefits of Internal Collaboration	Number of Respondents
1	Knowledge Sharing	11
2	Accelerated Implementation of Best Practice	7
3	Organisational Cohesion	7
4	Reduced Costs	5
5	Innovation and creativity	5
6	Effectiveness	3

Again only the benefits of internal collaboration that were identified by five or more respondents were deemed to be significant and are discussed in more detail below.

49

5.2.2.1 Knowledge Sharing

In total, eleven respondents highlighted knowledge sharing as the most significant benefit of internal collaboration. They stressed this belief as follows:

- *"The biggest benefit is - if you can get everybody to do what some oke is doing well somewhere, it's just a matter of time before we are all great."*
- *"Collaboration would be things like sharing best practice - actually finding a unit, or part of the organization [that] is doing something particularly well, then actually going in and finding out what [it is] they are actually doing, and to then share the ideas."*
- *"Using the collaboration process - that person [a subject matter expert] should be able to bring everyone else to the same level. So you are essentially…bringing up the level of performance across the entire organization. So it's not the individual's path that is being optimised, but the entire whole that is being optimised."*

5.2.2.2 Accelerated implementation of best practice

Seven respondents highlighted the accelerated implementation of best practices within the organisation as an additional benefit of internal collaboration. It was highlighted that in a collaborative organisation best practices are identified and shared and implemented earlier than in organisations that are not collaborative. Respondents indicated these views as follows:

- *"I think you can just accelerate the implementation of good ideas. So if, you know, people are sharing, you don't have to look over the fence and go and see what somebody is doing, and then try to copy it, you can actually hear first hand, you can get hold of the expert that did it, and actually work with that person to fast track implementation."*
- *"So internal collaboration for me would be kind of sharing best practices across the various plants or breweries in our case and also supporting one*

another in terms of someone could be weaker than the other in certain areas and stronger organization would support the weaker."`

- *"So how do I take what I have in terms of best practice and make it available or share it or push it outwards [into the bigger organisation] faster."*

5.2.2.3 Organisational Cohesion

Once more a total of seven respondents indicated that organisational cohesion was benefit of internal collaboration. Organisational cohesion in this context refers to a sense of increased interconnectedness between employees and teams within the organisation. Employees are therefore more inclined to work together. Respondents voiced their opinions on this concept in the follow manner:

- *"Internal collaboration simplistically would be the different departments and cross-functional teams working together to a mutual positive outcome."*

- *"I think it [internal collaboration] creates a sense of belonging and as humans we like to belong… if you are collaborating and you are working in a team and things don't well someone else will help you. So there's a sense of - we are all working towards this thing. I am not on my own."*

- *"There must be a set of team building dynamic because of the nature of it [internal collaboration]. It's around people working together, people sharing ideas, people building on ideas so as an organization it has to be better. Because effectively you have more people talking to each other and so they are breaking down silos."*

5.2.2.4 Cost Saving

Five respondents identified the cost saving benefits of economies of scale and reduced duplication of skill and effort as an important benefit of internal collaboration. These respondents expressed their thoughts as follows:

- *"[If there is] a breakthrough in one part of the business, I can replicate it and get economy scale out of that quickly. I don't have to reinvent the wheel."*

51

- *"…is around reducing cost or getting efficiency that you can only unlock through cross functional collaboration. So in other words, reducing time to markets."*

- *"[Internal collaboration] frees up our resources because we are not reinventing the wheel. You know we are not duplicating, so it frees up resources."*

5.2.2.5 Innovation

Five respondents also believed that internal collaboration stimulated innovation within an organisation. They believed that the innovation or creativity was increased due mainly to the diversity of individuals contributing to such activities. Internal collaboration facilitates diversity in the creative process. These respondents reinforced their views as follows:

- *"I am a strong believer in collaboration because in marketing we create things. We have ideas and those ideas you have to make them tangible and not one individual has all of those skills. So in order to come up with an idea, you need multiple people to work on that idea."*

- *"I suddenly end up with a better product than I expected and that's because a guy in the value chain (he's not even a direct report of mine) is so passionate about what we are trying to do together….It [internal collaboration] makes more magic."*

- *"Collaboration is not a democracy and I think people often think that because you collaborate there is a democracy. There is one person that calls the shots…that gives the framework within whose boundaries people can be creative."*

5.2.3 Drawbacks of Internal Competition

Respondents were able to swiftly and confidently identify the negative aspects of internal competition. A total of six drawbacks were identified for internal competition. These drawbacks are listed in Table 6 below.

Table 6: Ranking of the Drawbacks of Internal Competition

Ranking	Drawbacks of Internal Competition	Number of Respondents
1	Limited Sharing of Knowledge and Resources	14
2	Unethical Behaviour	10
3	Duplication of Effort and Resources	8
4	Employee Disengagement	4
5	Inward Focus (as opposed to being Market Focused)	4
6	Friction (between individuals and teams)	3

Negative outcomes that were acknowledged by five or more respondents were determined to significant and are discussed in more detail below.

5.2.3.1 Limited Sharing of Knowledge and Resources

Fourteen respondents identified limited sharing as the key drawback of internal competition. The low level of organisational sharing refers to knowledge, ideas and people's skills and capabilities. The respondents articulated their views as follows:

- *"You end up not sharing, and you then detract from the core value of "we work in winning teams"…and actually everything's then "I" and "me", not "teams" and the "we" principle and SAB. So the broader organisation will suffer because of it."*
- *"I think that the reason today we are so siloed, is because of this internal competition."*

53

- *"Best practice isn't shared. Best practice is concealed in fact because you don't want to show somebody else what good looks like, in case they do it before you get the chance to make yourself look good. So I think that is a real problem, so I think it can really compromise your ability to move forward as a unit."*

5.2.3.2 Unethical behaviour

Another significant negative outcome of internal competition was identified as the perpetuation of unethical behaviour. Ten respondents acknowledged that incentives and the need to win had been known to lead to employee misconduct. Respondents demonstrated their opinions as follows.

- *"In some instances [there is] sabotage - people deliberately going out of their way to sabotage their peers because they want to win."*
- *"So teams as a result could often try to get a result by justifying the means - it could lead to unethical behaviour, could lead to isolated competition in marketplace, it could compromise in product quality to get to end results."*
- *"We had issues where people on the factory would try and fudge efficiency [outputs] and stuff like that just to make themselves look better…people will try and manipulate the system."*
- *"Because the rewards are significant…people will always try and find the grey areas to exploit."*

5.2.3.3 Duplication of Effort and Resources

Furthermore eight respondents identified duplication of effort and resources as a drawback of internal competition. Duplication is often the consequence of the low levels of sharing which results from intense internal competition. Respondents expressed their thoughts on duplication as follows:

- *"The negative aspects might be…loss of efficiency - in that people don't share, hide stuff from each other. Therefore everything is going to be duplicated."*
- *"I would say probably wasted resources. It's an energy being inappropriately applied when it could be better applied elsewhere."*
- *"There are a lot of overlaps so I think it [internal competition] is a negative thing. I think it sometimes creates a nasty environment so people don't trust each other…hiding their work, not sharing with each other…until it's too late."*

5.2.4 Drawbacks of Internal Collaboration

Respondents had more difficulty identifying the negative outcomes of internal collaboration. There was general consensus that internal collaboration was a positive concept that had very few negative consequences. However respondents were able to identify four drawbacks to adopting high levels of internal collaboration as a management approach. These drawbacks are listed in Table 7 below.

Table 7: Drawbacks of Internal Collaboration

Ranking	Drawbacks	Number of Respondents
1	Decreased efficiency	6
2	Groupthink	5
3	Limited ownership/responsibility	4
4	Complacency in the Workplace	3

Only two of the identified drawbacks were highlighted by five or more respondents. Hence only these two negative outcomes were deemed significant and are explained in more detail below.

55

5.2.4.1 Decreased efficiency

Six respondents identified the potential decrease in efficiency as a drawback of internal collaboration. The resultant inefficiencies identified included protracted decision making processes, high levels of collaborative activity without definitive outcomes and an overall slowing of work processes. Respondents explained their views as follows:

- *"The drawback is if you don't do that [structure the collaboration] you are going to have lots of activity but no outcome so you can really drown the business in non-value adding collaboration activities."*
- *"Its [internal collaboration] sometimes cumbersome when you have got to consult with a lot of people or talk to different people…it's just slower, it is slower."*
- *"Don't try and put collaboration in where collaboration isn't really necessary or it is not going to deliver high benefit. Because it [internal collaboration] will actually just create noise."*

5.2.4.2 Groupthink

Groupthink was the second significant negative outcome of internal collaboration and was identified as such by five respondents. Groupthink is a phenomenon where a group of individuals are more driven to achieve a level of consensus than in exploring the best alternative or decision. Respondents elaborated on their thoughts in the follow manner:

- *"I think if you become too collaborative you get group think - people don't challenge each other. It may lead to [choosing] the path of least resistant because you believe you have to collaborate."*
- *"It might mean that you make decisions which ultimately are not the best possible outcome. You might make decisions which are a compromise because everybody is trying to hug each other in an extreme sense."*

56

- *"It can stifle innovative thinking. So if I can come and steal your idea do I invest as much time and effort in coming up with my own idea…if it is a really good idea, then it is a great thing. But if it is a mediocre idea you are almost putting a barrier in place for further thinking...that has stopped me from really going away and applying my mind and even coming up with an even better idea."*

5.3   Research Question 3

How does the level of internal collaboration or internal competition vary based on the organisational level (i.e. executives versus non-executives)?

Frequency analysis was used to evaluate respondents' views on the amount of internal competition or internal collaboration at different levels of the organisation. The two organisation levels considered were executive and non-executive levels. Executive level is defined as senior managers, general managers and directors within the organisation. Non-executive level includes all employees in roles lower than senior manager.

Respondent's views were categorised across four groupings, per organisational level. These groupings were used to indicate high levels of internal competition, low levels of internal competition and low levels of internal collaboration and high levels of internal collaboration pertaining to the identified organisational levels (as per Table 8).

Table 8: Internal Competition versus Internal Collaboration at Different Levels of the Organisation

Organisation Level	Number of Respondents			
	High Levels of Internal Competition	Low Levels of Internal Competition	Low Levels of Internal Collaboration	High Levels of Internal Collaboration
Executives	4	3	1	12
Non-executives	14	1	2	3

All respondents agreed that the level of internal competition and internal collaboration does vary at the different levels in the organisation. There was also a strong pattern in respondents' observations of how the intensity of competition or collaboration played out at different organisational levels. The findings from the interviews pertaining to these organisational levels are discussed in detail below.

5.3.1 Executive Level

Of the twenty respondents twelve maintained that there were higher levels of internal collaboration at the senior levels and that as the level of seniority increased the level of internal collaboration also increased. Respondents claimed that the senior managers were more inclined to collaborate due to the nature of the business goals and objectives they were responsible for.

At senior management levels the business goals are usually overarching across teams and business units. In this way success is seldom determined by only business aspects within a senior managers' direct control and hence internal collaboration becomes key to realising their objectives. They believed that as the level of seniority increased, the level of internal collaboration also increased and executives tended to become less competitive within the organisation. They emphasised this view as follows:

58

- *"You have to collaborate with your peers especially the senior level to get it [the corporate strategy] out."*
- *"I suppose the higher you go up from a leadership point of view, the more important collaboration becomes."*
- *"The higher you go in an organization the more access you have got to the bigger picture and you understand [that] I am actually part of a bigger team."*
- *"I've seen this organisation pull together and get behind the strategy in a very collaborative manner certainly at a senior level."*

Four of the respondents however felt that the level of internal competition at the executive levels of the organisation was in fact higher than at the lower levels. They believed that the internally competitive behaviour at senior management levels was due to the competitive incentives being significantly higher at senior levels (example: the award for best sales district earned the senior management team a large cash bonus and an international holiday).

They explained their view point as follows:

- *"The recognition and the reward outcome. of being seen as the winner or being successful the higher you go into an organization, becomes higher – becomes more of a driver for competition."*
- *"So I think at that senior level we are seeing competition, individual competition…driven by the awards."*

5.3.2 Non-executive Level

Fourteen respondents reasoned that there were higher levels of internal competition at the lower non-executive levels in the organisation. They argued that this was due to these roles being more task orientated and low levels of dependency on others to fulfil their job requirements.

They also proposed that internal competition is encouraged at non-executive levels as there is a perception that internal competition drives individual performance. Current KPI systems were developed so that individuals at the same level in the

59

organisation are measured against a similar set of performance indicators. This, together with limited promotion opportunities, has led to high levels of internal competitiveness at the non-executive levels. Respondents supported their view in the following manner:

- *"I would say at the individual level it's [internal competition] still strong so you want to continue to drive that but as you go [higher in the organisation] the tension is more at the higher level"*
- *"So you want to be best in class with distribution, you want to be best in class packaging; you want to be best in class in procurement… You maintain strong competition at those levels to ensure that people are striving to be best in class."*
- *"I am thinking about a rep in a sales team - yes he's part of a team but ultimately he's looking after his own goals and targets."*

The remaining respondents' views were closely spilt across the three other alternatives and the number of respondents for each remaining option was too low to be deemed significant or to suggest broad acceptance within the organisation.

5.4   Research Question 4

Are managers able to simultaneously combine internally collaborative and competitive management approaches to improve performance sustainably?

All twenty respondents agreed that it was possible to achieve a hybrid combination of internal competition and internal collaboration within an organisation. Respondents also indicated which type of combination they believed would result in sustainably high levels of performance. Using frequency analysis, the number of responses per combination type was documented, as well as per business function. The suggested combinations were then ranked according to the corresponding number of respondents (see Table 9).

60

Table 9: Combinations of Internal Competition and Internal Collaboration

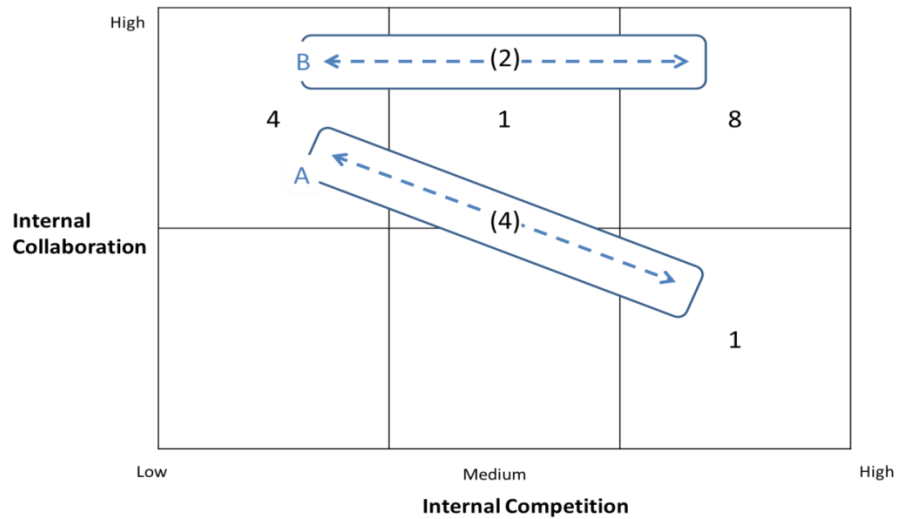| Rank	Combination of Internal Competition and Internal Collaboration	Number of Respondents
1	High Internal Competition and High Internal Collaboration	8
2	High Internal Collaboration and Low Internal Competition	4
3	Either High Internal Collaboration and Low Internal Competition or High Internal Competition and Low Internal Collaboration	4
4	Either High Internal Collaboration and High Internal Competition or High Internal Collaboration and Low Internal Competition	2
5	Medium Internal Competition and High Internal Collaboration	1
6	High Internal Competition and Low Internal Collaboration	1

While most respondents identified a single combination variation as being optimal for performance six respondents determined that there were benefits in positioning different functions across two different combinations of internal competition and internal collaborations. Their view on these multiple combinations are described in Table 9 as ranked options 3 and 4.

The above table was plotted on a 3 by 2 matrix to display the distribution of respondents' perspectives of optimal combination, as per Figure 6. Options A and B illustrate the views of respondents who believed that rather than one single optimal combination, two options were equally viable for driving high performance in an organisation.

Option A describes the approach, as identified by four respondents, of positioning teams such that there are either "high levels internal collaboration and low levels of internal competition" or "high levels internal competition and low levels of internal collaboration". Option B describes the approach, as identified by two respondents,

61

where high levels of internal competition must be maintained, but managers can vary between high or low levels of internal collaboration.

Figure 6: Distribution of Hybrid Combinations

The above distribution clearly shows a preference for high levels of internal collaboration, with 15 respondents identifying high internal collaboration with varying levels of internal competition as the most beneficial combinations of these two approaches.

It was also noted that there appeared to be definitive trends relating to the responses per business unit. The results of the interviews were then tabulated to illustrate responses per business unit (see Table 10).

Table 10: Combinations per Business Function

Ranking	Combination of Internal Competition and Internal Collaboration	Responses per Business Function				
		Sales	Marketing	Manufacturing	Supply Chain	HR
1	High Internal Competition and High Internal Collaboration	4		2	1	1
2	High Internal Collaboration and Low Internal Competition		3	1		1
3	Either "High Internal Collaboration and Low Internal Competition" or "High Internal Competition and Low Internal Collaboration"				2	2
4	Either High Internal Competition and High Internal Collaboration or High Internal Collaboration and Low Internal Competition		1	1		
5	Medium Internal Competition and High Internal Collaboration			1		
6	High Internal Competition and Low Internal Collaboration				1	

This tabulated result was then plotted as a scatter graph to illustrate the clustering of responses. Different colours were used to differentiate the different business functions (as indicated in the key in Figure 7). Two dots joined by a bi-directional arrow indicated the instances where respondents indicated an either/or combination as their preferred combination type.

Figure 7: Graphical Mapping of Hybrid Combinations
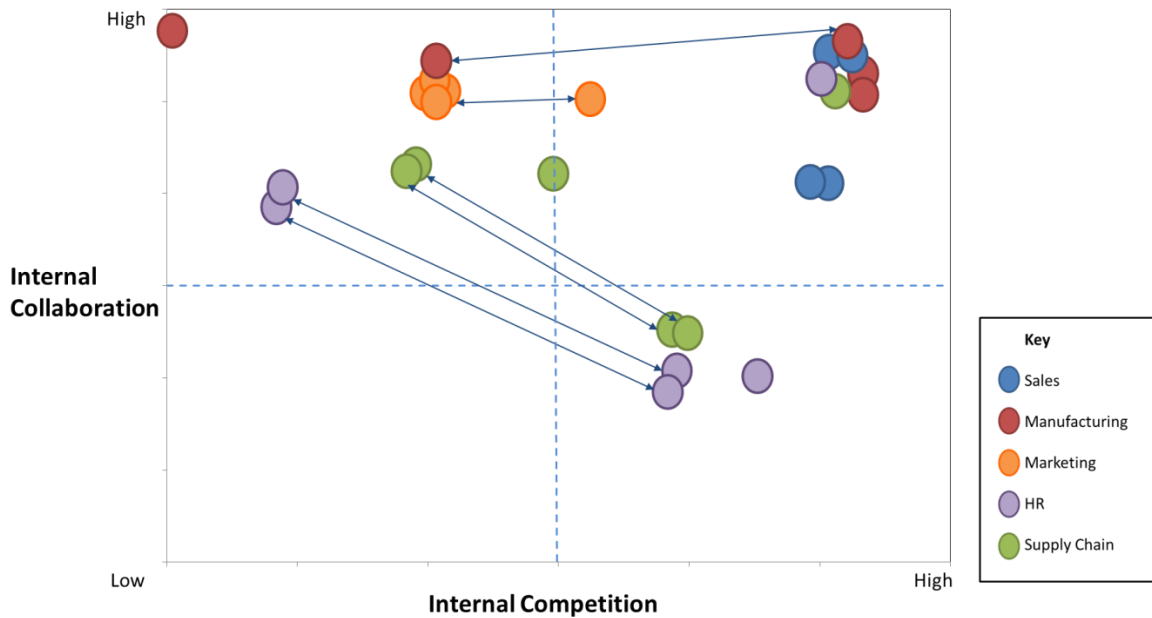
While all respondents felt that managers should consider a combination of both approaches and should aim to simultaneously balance the various combinations, they varied in their view of what the best combination approach should be. Combination options suggested by four or more respondents were deemed to be significant and are discussed in more detail below.

5.4.1 High Internal Competition and High Internal Collaboration

Eight respondents highlighted a combination of high levels of both internal competition and internal collaboration as being best suited to drive high performance in the organisation. Of the eight respondents four were from the sales, two were from the manufacturing, one from supply chain and one from HR. They supported this view as follows:

- *"What makes it different is in the sales organisation you are so dependent on individual performance that competition really would make a difference in our outputs. Whereas with our staff function - collaboration is also very important because it's about the whole."*

64

- *"I don't see them as two opposite ends of the coin."*
- *"If you compete for the right reasons and [if you're] collaborating with teams, adhering to social systems, process and so on…you do not need to worry about the score card."*

5.4.2 High Internal Collaboration and Low Internal Competition

Four respondents suggested that a management approach that considered a hybrid of high levels of internal competition and low levels of internal competition as more suitable for sustainable peak performance. Of the four respondents three were from marketing and one was from manufacturing. They emphasised their opinions in the following manner:

- *"..if the competition side is almost overplayed it can kill the collaboration side, and we've certainly seen evidence of that."*
- *"[It] can become a downward spiral that we've got to be very careful of too much competition and driving; too much of the "dog eat dog", you'll end up destroying the pack."*

5.4.3 Either High Internal Collaboration and Low Internal Competition or High Internal Competition and Low Internal Collaboration

Four respondents (two from supply chain and two from HR) proposed that depending on the business unit structure and scope of the employees' role, that either combinations of high internal competition and low internal collaboration or high internal collaboration and low internal competition would produce optimal results sustainably. They expressed their views as follows:

- *"Collaborative competition or competitive collaboration. I really see that as a technique or a thing that can be made to work"*
- *"You have got to choose those points of collaboration carefully – in terms of what is needed versus what is effective and what is not."*

65

- *"Your challenge then is, what competitive elements do we actually want to choose, because otherwise, what is going to happen, is that we are going to upset the apple cart. In the same way that you sit with that dilemma on the other side. Don't collaborate on everything, because you are just going to lose your cutting edge."*

5.5   Conclusion on Findings

The results of the four research questions demonstrated support of the existing literature regarding internal competition and internal collaboration. In addition the findings provided unique insights on how managers can manage these seemingly conflicting approaches for sustainable levels of high performance.

Chapter 6: Discussion of Results

In this chapter, the research findings from Chapter 5 are discussed in detail. Furthermore the research findings are also linked to the literature reviewed in Chapter 2. The research questions and the in-depth interview questions that formed the basis of this study were defined based on the existing literature pertaining to competition and collaboration. The level of data achieved in seeking to find answers to the four main research questions was elicited through the process of twenty in-depth semi-structured interviews with senior executives at SAB. The data coding and analysis allowed for the aggregation and refinement of the data, providing insights into the respective components and differentiating features supporting the paradox of internal competition and internal collaboration. The content analysis and frequency ranking techniques allowed for the identification and ranking of constructs according to the regularity of comments by the respondents.

Whilst the management dilemma of internal competition and internal collaboration is not an entirely elusive concept, the research results discussed in this chapter contribute to an enhanced understanding against existing published literature in the field of competition and collaboration. The relevance of the results and literature in the context of this study will be explored in this section.

6.1   Discussion of Results for Internal Competition

Research question 1 sought to understand the key factors driving the adoption of internal competition and internal collaboration, and research question 2 sought to discover the potential benefits and drawbacks of the management approaches under review. The research findings pertaining to these two research questions will be discussed in detail below for internal competition.

67

6.1.1 Factors Driving the Adoption of Internal Competition

The factors identified as driving the adoption of internal competition were ranked according to frequency of responses, with the different factors having varied weightings based on this ranking. These factors are listed in ranked order in Table 2. Seven factors were identified as being significant factors driving the adoption of internal competition within an organisation. These factors are:

- Performance Measures
- Employee Rewards (performance based incentives)
- Employee Personality
- Employee Recognition (of work well done)
- External Market Structure
- Leadership (behaviour and decision making)
- Performance Ranking

Seventeen respondents identified performance measures and employee rewards and ten respondents identified employee recognition and performance ranking as key driving factors (see Table 2). Respondents supported their perspectives regarding these factors by stating *"...what we reward, what we recognize - that's what drives [internal] competition."* and *"So if you set up your measurement criteria where you benchmarking teams or KPI's against each other. This will result in internal competition."*

These particular factors can be grouped together as they are some of the activities that make up a performance management system (Roberts, 2001). As such, a performance management system was viewed as being the most significant driving factor in the adoption of internal competition.

In support of this result, one should refer back to the work of Biron *et al. (*2011) and Lee and Yang (2011) who clearly articulated that performance management systems provide organisational signals to employees and as such influences employees behaviours and outcomes. By linking performance measures, rewards,

68

recognition and performance ranking to negatively interdependent outcomes (that is outcomes that do not require peer support for success) (Deutsch, 1949), managers can effectively use performance managements systems as a signalling tactic to drive internally competitive perceptions and behaviours among employees within the organisation (Biron *et al.,* 2011).

Employee personality was the second significant factor highlighted by respondents. Thirteen respondents identified employee personality as a strong driving factor for the adoption of internal competition within an organisation (see Table 2). Respondents went on to support this view by stating that "*If you employ people [with] high aspiration…ultimately they have to feel that they have achieved better than their peer group.*" This factor speaks to the innate competitive personality trait that influences how individuals respond to competition. This finding is consistent with the studies conducted by Mudrack *et al.* (2012); Hibbard and Buhrmester (2010) and Fletcher and Nusbaum (2008). They describe "trait competitiveness" as an intrinsic characteristic that influences how individuals approach competition. Mudrack *et al.* (2012) proposes that individuals with strong trait competitiveness will actively seek opportunities to compete. In this way employee personality, specifically their trait competitiveness will influence how employees respond to internal competition in an organisation.

Leadership behaviour and leaders' decisions was another key factor acknowledged by ten respondents (see Table 2) as being a significant driver of internal competition within an organisation. Typically leadership refers to an organisation's CEO or MD and the executive team. It is these leaders that are responsible for choosing internal competition as a management approach to enhance performance and it is also their behaviour and management decisions that drive the adoption of internal competition within the organisation. Respondents substantiated their views by stating that *"As a leader, you have to direct the [internal] competition in areas that require it. Therefore you need to define what areas you want to compete [internally] in…"* They also noted that *"What leadership encourages and rewards, people respond to."*

69

This finding is consistent with the work of Podsakoff *et al.* (1996) who clearly articulated that leaders influence their followers to higher levels of commitment and performance by communicating a common vision and by fostering acceptance of organisational goals. Pillai and Williams (2004) also emphasised leaders' influence on followers by role modelling what is deemed to be appropriate behaviours. It is therefore by their communications, decisions and behaviour that leadership drive the adoption of internal competition.

Ten respondents identified external market structure as the final significant factor driving the adoption of internal competition. In the context of this study, this factor refers to the lack of strong external competitors in the market. Strong external competition forces an organisation to strive for higher performance in the market place. However when an organisation is in an industry such that it is the market leader and does not face strong competition from other market players, the potential exists for the organisation's performance and efficiency to deteriorate. In such a market, it is proposed that internal competition becomes a viable management approach to drive and sustain performance in the organisation. Respondents emphasised their view that a lack of strong external competitors can drive the adoption of internal competition as a strategy to ensure on going improvements within the organisation. They went on to state, *"…when you are in an environment where not-great work is being done then you're comparing yourselves to the tallest midget"* and that by adopting internal competition one can *"… raise standards in the absence of a credible competitor."*

The absence of strong external competitors was not specifically mentioned in the literature but is seems credible that it is a factor that can drive the adoption of internal competition within an organisation. Figure 8 below illustrates the key factors that drive the adoption of internal competition within an organisation.

Figure 8: Key Factors Driving the Adoption of Internal Competition
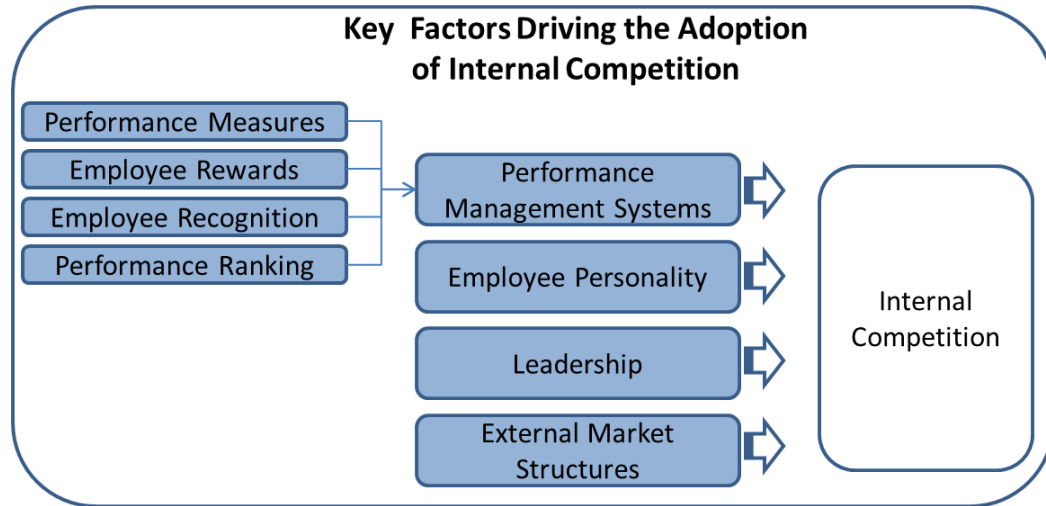
6.1.2 Benefits

Research question 2 sought to identify the benefits and drawbacks of internal competition. The results from the interviews, as listed in Table 4, identified the following as the most significant benefits of internal competition:

- Continuous Incremental Improvement
- Increased Performance
- Increased Employee Motivation

Nine respondents (see Table 4) identified continuous incremental improvements and increased performance as the most noteworthy benefits of internal competition. As employees strive to better their current performance levels against their peers, incremental improvements in efficiency and performance are gained for both the individual and the organisation as a whole. This phenomenon was articulated by one respondent when he observed that *"It [internal competition] is constantly lifting the bar. Constantly striving for a better organization - a better way of doing things, being both more effective and more efficient."*

71

In support of these findings one should refer back to the work of Tjosvold *et al.* (2003) and Khoja (2008). Khoja (2008) found that constructive internal competition drives increased performance levels by signalling for more aggressive focus on key performance measures. Tjosvold *et al.* 2003) found that internal competition resulted in increased effort to achieve. Internal competition can therefore result in continuous improvements and overall increased performance in an organisation

Employee motivation is another positive outcome of internal competition. This finding was supported by eight respondents (see Table 4). Respondents stated that *"[Internal] competition is probably a way of motivating people to higher standards, by getting individuals to challenge themselves or outperform each other."* The literature is consistent with this finding. Tjosvold *et al.* (2006), Chang and Chen (2012) and Moon *et al.* (2012) agree that some individuals prefer to compete and are driven to do so by their own personal preference. Internal competition can therefore result in employee motivation by creating an environment that satisfies employees' intrinsic need to compete.

6.1.3 Drawbacks

The responses pertaining to the negative outcomes of internal competition garnered the following concepts as the most significant drawbacks (see Table 6)

- Limited Sharing of Knowledge and Resources
- Unethical Behaviour
- Duplication of Effort and Resources

Fourteen respondents identified limited sharing of knowledge and resources and eight respondents identified duplication of effort key drawbacks of adopting high levels of internal competition as a management approach. High levels of internal competition often results in limited sharing of explicit and tactic knowledge between teams and individuals within the organisation as employees seek to preserve what they perceive as their competitive edge. Also senior managers can restrict the career progression of crucial employees for this same reason. This hoarding

72

behaviour then leads to duplication of effort and resources within the organisation which increases costs and erodes business value.

Ten respondents in this study identified unethical behaviour as another negative outcome of highly internally competitive management approaches. Unethical behaviour can take many forms. One respondent identified peer sabotage as one form of unethical behaviour when he stated that *"In some instances [there is] sabotage - people deliberately going out of their way to sabotage their peers because they want to win."* Other examples on unethical behaviour include fraudulent reporting, purposefully compromising quality to increase production volumes and backstabbing.

These research findings on the negative outcomes of internal competition are supported in the literature. Birkinshaw (2001) highlights the duplication of costs resulting from overlap within the organisation and ambiguity around strategic direction. Deutsch (1949) and Beersma *et al.* (2003) observed the gains of one individual are often at the expense of others and that rather than sharing their knowledge, individuals in competitive environments tend to hoard valuable information. Enns and Rotundo (2012) also noted that individuals placed in competitive reward structures are often inclined to deter the progress of others in an effort to gain personal advantage which is consistent with the research findings in this study.

In summary, there are key factors that managers can utilise to drive the adoption of internal competition within organisations. While adopting such a management approach can lead to significant benefits, managers must be aware that there are significant drawbacks to adopting a management approach that stipulates high levels of internal competition. Figure 9 illustrates a summary of the research findings pertaining to research questions 1 and 2 for internal competition.

Figure 9: Summary of Research Findings on Internal Competition
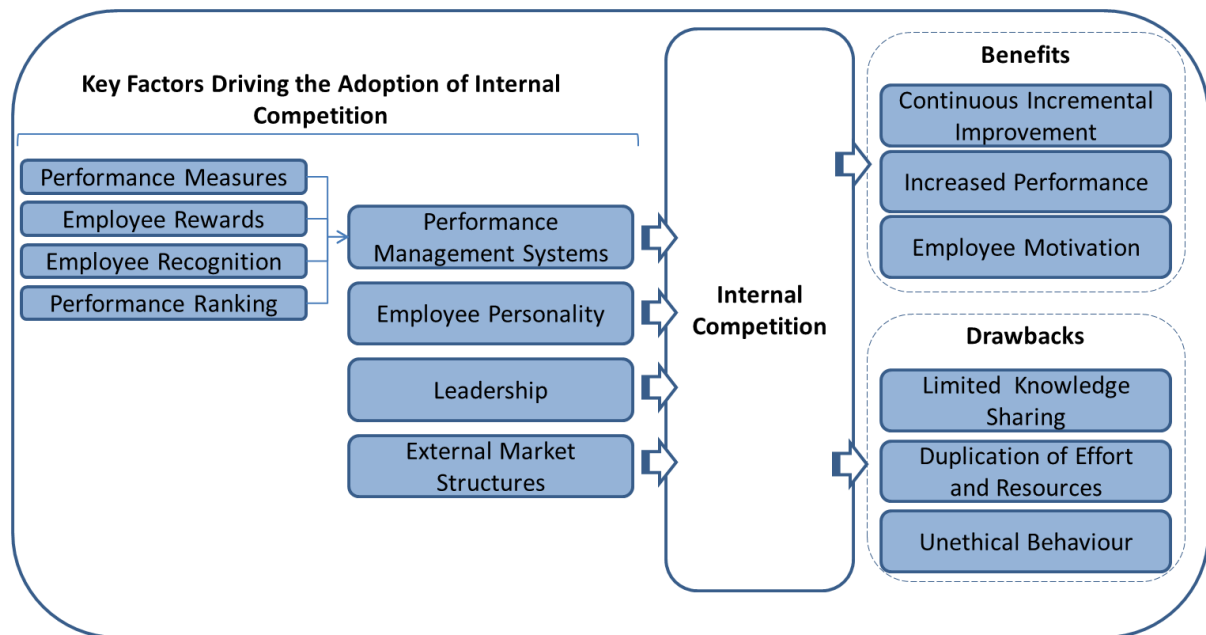
6.2 Discussion of Results for Internal Collaboration

The research findings pertaining to research questions 1 and 2 will be discussed in detail below for internal collaboration.

6.2.1 Factors Driving the Adoption of Internal Collaboration

The factors identified as driving the adoption of internal collaboration were also ranked according to frequency of responses, with the different factors having varied weightings based on this ranking. These factors are listed in ranked order in Table 3. Four factors were identified as significantly driving the adoption of internal collaboration within an organisation. These factors were:

- Leadership (behaviour and decision making)
- Performance Measures
- Goals (targeted business outcomes)
- Organisation Structure

Leadership behaviour and leaders' decisions was ranked as the most significant factor driving the adoption of internal collaboration within an organisation. Fourteen of the twenty respondents supported this view (see Table 3), with respondents emphasising their views by stating *"Leadership must make it [internal collaboration] happen - through processes, through making resources and time available, through driving behaviour and so you have got to make it happen.",* and *"Over and above all of that the main driver [of internal collaboration] depends on the leadership."*

By exhibiting internally collaborative behaviours with their peers, leadership strongly signals to the rest of the organisation that collaborative behaviour and activities are deemed appropriate and are preferable within the organisation. This finding remains consistent with the work of Podsakoff, *et al.* (1996) and Pillai and Williams (2004) in that leadership influences their employees with their communication, decisions and behaviour. In this way, leadership becomes a strong driving factor for the adoption of internal collaboration.

Performance measures and goals were each identified by ten respondents (see Table 3) and were therefore considered to be significant factors driving internal collaboration. In support of these factors respondents stated *"You can choose horizontal measures versus vertical ones - horizontal meaning they span across the business…then if someone is battling somewhere [in the organisation], someone else is going to help him. It's in everyone's interest for everyone to do well.",* and *"You do need to find particular goals around collaboration. So they [goals] need to be expressed or to be defined in such a way, that it requires collaboration."*

Goals (or targeted business outcomes) and performance measures are key activities making up a performance management system (Roberts, 2001). It is therefore clear that a performance management system is a key driving factor in the adoption of internal collaboration.

While performance management is considered a key driving factor for both internal competition and internal collaboration, it is the manner in which goals and performance measures are defined that can significantly impact the adoption of internal collaboration in an organisation. When goals and performance measures are defined in such a manner that they result in interdependencies across different teams and business functions, then internal collaboration is stimulated between employees who must work together to achieve their own individual success. In this way goals and performance measures that are designed to result in collaborative behaviours will drive the adoption of internal collaboration in an organisation.

This finding is supported by Deutsch's (1949) foundational work on social interdependence theory. He stated that an individual's beliefs about the interrelated nature of their goals with others determined how much they collaborated with each other. Various authors (Ferguson, 2007; Libby & Thorne, 2009; Beersma *et al.,* 2003) also agree that it is how managers set individual, team and organisation goals that can influence individual, team and organisational behaviour. Biron *et al.* (2011) also support this finding, when they propose that performance management systems signal acceptable employee behaviour and attitudes.

Organisational structure is another significant factor driving internal collaboration. This concept refers to how an organisation is designed in terms structural configuration, processes and systems. In the context of this study, an organisation was described as either having a decentralised structure with various functional business areas having autonomy on business decisions and strategy, or as having a centralised structure where strategy and overarching business decisions where driven from a common central function. Centralised organisational structures were deemed to be better able to drive collaborative behaviour across the organisation. Ten respondents supported this view (see Table 3), with one respondent explaining that the organisation *"…has got to have process and purpose and structure to make sure it stays aligned to the overall business objective".*

The concept of organisation structure influencing the adoption of internal collaboration is supported by the literature. Houston *et al.* (2001) and Birkinshaw (2001) both support centralised organisational structures as such structures have been shown to encourage collaboration, integration, control practises and incentive systems that reward organisational performance as opposed to business unit performance. Figure 10 below seeks to illustrate the key factors that drive the adoption of internal collaboration within an organisation.

Figure 10: Key Factors Driving the Adoption of Internal Collaboration
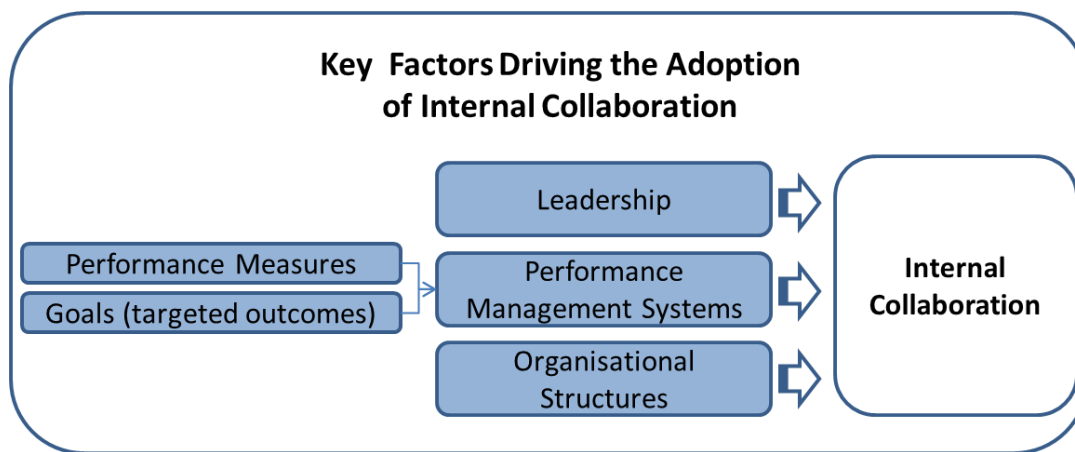
6.2.2 Benefits

Research question 2 sought to ascertain the benefits of internal collaboration. The results from the interviews, as listed in Table 5, identified the following as the most significant benefits of internal collaboration:

- Knowledge Sharing
- Accelerated Implementation of Best Practices
- Reduced Costs
- Organisational Cohesion
- Innovation

An increase in the sharing of knowledge was deemed to be the most significant positive outcome of internal collaboration with eleven respondents supporting this finding (see Table 5). One respondent emphasised this when he stated *"The biggest benefit is - if you can get everybody to do what some oke is doing well somewhere, it's just a matter of time before we are all great."* Knowledge sharing does not only take the form of explicit information but also includes the utilisation of skilled individuals with tacit experiential knowledge across business functions. Literature supports this finding. Van den Bossche *et al.* (2006) and Polenske (2004) both noted that collaboration led to the sharing of expertise and information across teams and structures in an organisation.

Effective knowledge sharing also directly affects the accelerated implementation of best practices. By actively sharing knowledge pertaining to the identification and implementation of best practices and by leveraging the technical skills of experienced experts across the organisation, best practices are quickly and efficiently implemented across the organisation. The benefit of accelerated best practice implementation was identified by seven respondents (see Table 5). Since internal collaboration promotes the open sharing of knowledge (both tacit and explicit) and best practices across the organisation, it therefore also allows managers to leverage economies of scale and centralise specific resources for the use of the organisation as a whole, thereby reducing the need to duplicate skills and effort across business functions. This results in reduced costs and the efficient use of organisational resources, which was noted to be another benefit of internal collaboration. Five respondents supported this finding (see Table 5). Respondents emphasized these findings by stating, *"I think you can just accelerate the implementation of good ideas. So if, you know, people are sharing…you can get hold of the expert that did it, and actually work with that person to fast track implementation."*, *"[If there is] a breakthrough in one part of the business, I can replicate it and get economy scale out of that quickly..."* By leveraging knowledge sharing, managers are able to ensure that best practices are quickly implemented across the organisation, duplication of resources is limited and overall business costs are lowered. In this way managers are able to increase overall organisational

efficiency. This research finding is consistent with the work of Libby and Thorne (2009) and Houston et al. (2001). They state that collaboration results in the effective lowering of business costs by sharing resources and encouraging organisational integration. Van den Bossche *et al.* (2006) also support this finding in that they argue that collaboration results in the sharing of expertise and the distribution of responsibility across an organisation.

Organisational cohesion was identified by seven respondents as being a key benefit of internal collaboration. Organisational cohesion in the context of this study refers to a sense of increased interconnectedness between employees and teams within the organisation. One respondent supported this finding in stating that *"I think it [internal collaboration] creates a sense of belonging and as humans we like to belong".* As Beyerlein and Harris (2004) explained, when collaborative work is undertaken, there is "a sense of shared purpose and direction" (p.18). Internal collaboration generally results in minimising distinctions between team members, and as such stimulates cohesive team dynamics (Beersma *et al.,* 2003).

Innovation was identified by five respondents as another significant benefit of internal collaboration (see Table 5). This finding was strongly supported by respondents in the marketing function where creativity and innovation is a key value driver. The marketing director emphasised this by stating ""*I am a strong believer in collaboration because in marketing we create things. We have ideas and those ideas you have to make them tangible and not one individual has all of those skills. So in order to come up with an idea, you need multiple people to work on that idea."* Innovation requires multiple skills to conceptualise an idea and develop it into a viable product that is valued by the market. Internal collaboration facilitates this process and as such is deemed essential for innovation.

This research finding is consistent with the work of Bittner and Heidemeier (2013) and Moon et al. (2012). They both highlight the critical role collaboration plays in facilitating innovation by encouraging holistic thinking and new and novel ideas, which results in higher levels of creativity and innovation. This finding however also contradicts the work of Khoja (2008) and Birkinshaw (2001), who both strongly

insist that internal competition drives product innovation. They argue that internal competition drives active experimentation, increased flexibility to cope with rapid market change and enables higher levels of innovation in an organisation (Khoja, 2008 and Birkinshaw, 2001). While innovation was also noted to be a positive outcome of internal competition, this finding was supported by only two respondents (see Table 4) and was therefore not deemed a significant benefit to internal competition in this study.

In summary, the benefits of internal collaboration include knowledge sharing, accelerated implementation of best practices, reduced costs, organisational cohesion and innovation through leveraging diversity. By sharing both tacit and explicit knowledge, managers are able to drive improved organisational efficiencies by accelerating the implementation of best practices throughout the organisation and reducing business cost (by reducing duplication and leveraging economies of scale). These findings are illustrated below in Figure 11.

Figure 11: Benefits of Internal Collaboration
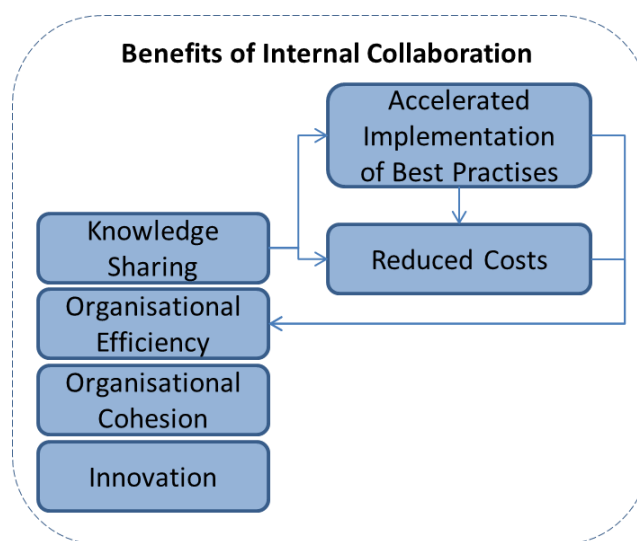
6.2.3 Drawbacks

Research question 2 also sought to determine the drawbacks of internal collaboration. While most respondents found it particularly difficult to identify the negative outcomes of collaboration, they were able to identify four drawbacks as

80

listed in Table 7. Two of these were deemed to be significant drawbacks of internal collaboration:

- Decreased efficiency
- Groupthink

Six respondents identified the possible loss of efficiency as a significant drawback to internal collaboration (see Table 7). They were referring to the potential inefficiencies caused by protracted decision making processes, high levels of collaborative activity without definitive outcomes and an overall slowing of work processes. As one respondent stated, *"The drawback is if you don't do that [structure the collaboration] you are going to have lots of activity but no outcome so you can really drown the business in non-value adding collaboration activities."*

This finding is consistent with the work of Beyerlein *et al.* (2003), which highlighted the need for a disciplined approach to prevent the collaborative process from becoming characterised by disruptive chaos, with few viable decisions or activities. Loch *et al.* (2000) and Beersma *et al.* (2003) also highlighted the risk of employee shirking. This is often prevalent when poor performers in collaborative groups resort to avoiding or shirking their responsibility with little repercussion. This behavior within an organization will also result in lower overall performance and a loss of efficiency which erodes business value.

Groupthink was the other significant drawback highlighted by respondents in this study. This negative outcome of internal collaboration was highlighted by five respondents (see Table 7), with one respondent emphasising his view by stating *"I think if you become too collaborative you get group think - people don't challenge each other. It may lead to [choosing] the path of least resistant because you believe you have to collaborate."* Groupthink can occur when group of individuals are more driven to achieve a level of consensus than in exploring the best alternative or decision. In this way the resultant decision or activities of the collaborative process is not made by considering all relevant information or all

81

viable outcomes and may therefore not be the best outcome for the business. While the literature does not specifically use the term Groupthink, Beyerlein *et al.* (2003) does however highlight the potential for collaborative process to result in decisions that are made again and again that sub-optimise the goals of the organisation, which is aligned to the consequences of groupthink as discussed by respondents in this study.

In summary, there are key factors that managers can leverage to drive the adoption of internal collaboration within organisation. While adopting such a management approach can lead to significant benefits, managers must carefully structure the collaborative process to avoid the potential drawbacks of internal collaboration.

Figure 12 illustrates a summary of the research findings pertaining to research questions 1 and 2 for internal collaboration.

<u>Figure 12: Summary of Researching Findings for Internal Collaboration</u>
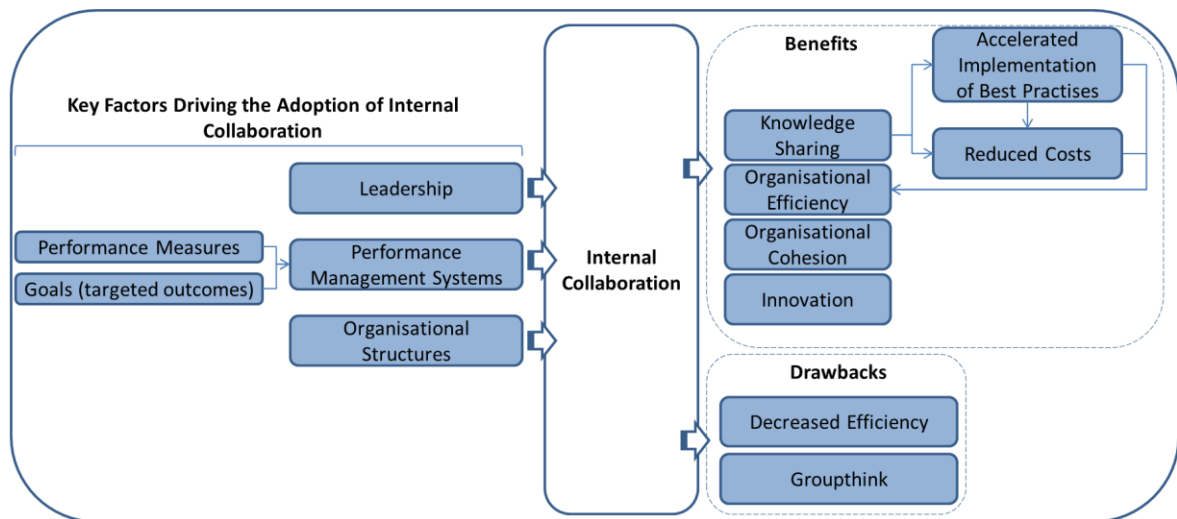
6.3 Dilemma at Varying Organisational Level

Research question 3 sought to clarify whether organisational level influenced the intensity of internal collaboration or internal competition within the organisation. The organisational levels considered in this study were defined as executive or

82

non-executive. Executives were defined as all employees at a senior management level or above. Non-executives were defined as including all employees below senior management levels. The results from in-depth interviews, data coding and analysis showed the following results.

6.3.1 Executive Level

The interviews highlighted the view that levels of internal collaboration were present at executive level in an organisation. Of the twenty respondents (refer to Table 8) twelve maintained that as the level of seniority increased, the level of internal collaboration also increased and that it was at the senior management levels that internal collaboration was most prevalent. As one respondent succinctly stated, *"I suppose the higher you go up from a leadership point of view, the more important collaboration becomes"*. Based on the frequency of this response, the perspective that executives were more inclined to collaborate internally was viewed as significant and broadly accepted.

This result was found to be consistent with Deutsch's (1949) theory of interdependence, where he argued that collaboration increases when the tasks of one individual is affected by the performance of other individuals within that environment. At senior management levels, the business goals determining an individual's success have a high level of interdependence on business elements that lie within their peers' locus of control. These shared goals or purposes lead to collaboration between executives. This was reemphasised by a respondent when he stated that, *"The higher you go in an organization the more access you have got to the bigger picture and you understand [that] I am actually part of a bigger team."*

However it was noted, that in certain unique circumstances, executives can demonstrate high levels of internal competition. Referring to Table 8, four respondents indicated that they experienced internally competitive behaviour at senior management levels and that this behaviour could be attributed to the high value incentives. As one respondent stated, *"The recognition and the reward*

83

outcome, of being seen as the winner or being successful the higher you go into an organization, becomes higher – becomes more of a driver for competition."

In support of this result, one should again refer back of Deutsch's (1949) work on negative interdependencies. These negative interdependencies exist when the attainment of one party's goals prevents a second party from attaining their goals. This is prevalent when executives compete internally for a high value incentive (example: the best brewery award), which can only be attained by a single business unit or team. As such there are certainly circumstances that support high levels of internal competition at the executive level in an organisation.

6.3.2 Non-executive Level

When considering the non-executive levels of the organisation, fourteen respondents reasoned that there were higher levels of internal competition at this level (see Table 8). This was the highest ranked perspective and was therefore deemed to be the most significant finding regarding the levels of internal competition and internal collaboration at non-executive levels.

Non-executive roles are often defined to be more task-orientated and generally require low levels of dependency for successful outcomes as noted by one respondent when he stated - *"I am thinking about a rep in a sales team - yes he's part of a team but ultimately he's looking after his own goals and targets."* These findings are once more consistent with Deutsch's (1949) social interdependence theory, in that when low levels of interdependence are noted, individuals are more likely to compete for common resources or outcomes. This finding is also strongly supported by the work of Tjosvold *et al.*(2003) who identified task-orientation, extrinsic pressures and intrinsic pressures as motives for engaging in competitive behaviour. These are most prevalent at the non-executive levels where work is generally task orientated and promotions are limited resulting in both extrinsic pressures and intrinsic pressures to compete. Although some variance in responses exists, there was overwhelming evidence supporting the finding that

within an organisation, executives are more internally collaborative and non-executives are more internally competitive.

6.4 Combinations of Internal Competition and Internal Collaboration

Research question 4 sought to understand whether managers are able to blend various combinations of internal competition and internal collaboration into a hybrid approach. An optimal balance would enable managers to enhance employee and organisation performance. While internal competition and internal collaboration appear to be paradoxical and contrary, the two management approaches are in fact able to co-exist. The results of the in-depth interviews, data coding and analysis phase of the research showed that managers are able to combine the benefits of internal competition and internal collaboration to achieve and optimal balance or "sweet spot".

The notion of internal collaboration contains essential attributes that contribute to the long term success of an organisation while internal competition contributes vital elements essential to an organisation's ability to unleash the potential of their employees. The two management approaches are not necessarily mutually exclusive, in that they can be simultaneously adopted as a hybrid approach. This finding was supported by all twenty respondents. All respondents showed strong preference for the two-by-two grid model that describes four different permutations of the two inter-related management approaches (as shown in Figure 2). In this way they validated that the management approach to this dilemma is not one of linear focus on either internal competition or internal collaboration, but rather one where both internal competition and internal collaboration are leveraged simultaneously. This view was emphasised when one respondent stated, *"Collaborative competition or competitive collaboration. I really see that as a technique or a thing that can be made to work"*

As shown in Table 9 and Figure 6, 15 respondents highlighted combinations of high internal collaboration with varying levels of internal competition as the

85

combinations that would result in high levels of performance for the organisation. Eight respondents believed that the optimal approach, for the dilemma under review, was to position the organisation at high levels of internal collaboration and high levels of competition, yet they also indicated that they were uncertain if such an option was sustainable over the long term.

Although internal competition and internal collaboration can co-exist, the two approaches at the extreme levels do not seem to be sustainably compatible. Tensions between the two approaches at very high levels will endanger an awkward pull and push effect, that together with the natural intrinsic tendency of employees to compete (Mudrack *et al.,* 2012; Hibbard & Buhrmester, 2010 and Fletcher & Nusbaum, 2008) will result in internal competition becoming the dominant force. As such, the negative outcomes of internal competition will therefore become increasingly significant at levels of very high internal competition and will result in business value being continuously eroded.

Figure 13 demonstrates the optimal balance or "sweet spot" that managers should strive to achieve between internal competition and internal collaboration. At moderate levels of internal competition, the two forces reinforce and leverage off each other in an increasingly positive relationship. This hybrid combination ensures that managers are able to extract the benefits of internal competition and internal collaboration while leveraging the inherent tensions of the hybrid combination to stave off the negative outcomes associated with these management approaches. Internal competition, in order to motivate employees to higher levels of performance, will focus attention and effort on organisational efficiencies and by driving individual accountability will limit groupthink. Internal collaboration by its very nature will ensure knowledge sharing and efficient use of resources in the organisation. Also as individuals and team collaborate to achieve common goals the likelihood of unethical behaviour becomes less likely.

Figure 13: The Sweet Spot between Internal Competition and Internal Collaboration
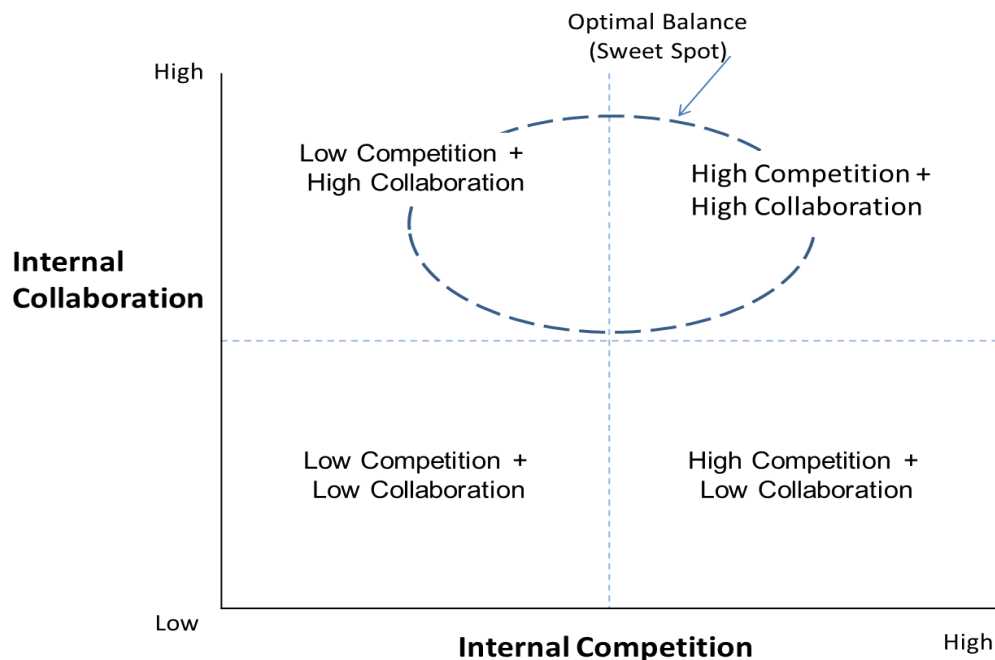
These research findings are consistent with the literature on paradoxes and dilemmas. Various authors emphasise the importance of bridging the horns of a dilemma and moving from the perspective of an *either/or* approach to a *both/and* approach (Gilbert & Sutherland, 2013; Kahane, 2012 and 2010; Peters, 2012; Yoon & Chae, 2012 and Smith & Lewis, 2011). Managers are able to combine internal competition and internal collaboration to achieve a hybrid management approach. As Kahane (2012 and 2010) explained with his dilemma of managing the contrary nature of power and love (relationships) in achieving social change - where power is the drive to achieve one's purpose and love is the need to reconnect, both forces are necessary and interdependent in achieving the desired outcome. Similarly high levels of sustainable performance are achievable when the forces of internal competition and internal collaboration are balanced optimally.

It is also important to note that the research findings showed distinct preferences for specific combinations between the various business functions. Respondents in the decentralised sales and manufacturing business functions were more

87

predisposed towards higher levels of internal competition than the centralised business functions of supply chain, marketing and human resources (see Table 10 and Figure 7). This suggests that the level of internal competition can be dynamically managed within the organisation, with higher levels of internal competition being adopted in hybrid combinations for decentralised business functions and somewhat lower levels of internal competition being adopted in the hybrid combination adopted in centralised business functions.

This finding is consistent with the work of Houston et al. (2001) who found that organisations with a centralised organisational structure were more inclined to support and adopt internal collaboration, while organisations with decentralised structures where more inclined to higher levels of internal competition.

Gilbert and Sutherland (2013) found that the dilemma of autonomy and control should be managed in a "dynamic manner depending on a range of factors to achieve sustainable performance" (Gilbert & Sutherland, 2013, p.20). The dilemma of internal competition and internal collaboration should also be managed in a similar manner, with no single absolute combination of internal competition and internal collaboration being deemed the most suitable for the whole organisation, but with varying combinations (within the sweet spot) being determined by the context of the environment managers find themselves in.

6.5   Conclusion

Insights regarding the dilemma of internal competition and internal collaboration gathered from the twenty respondents have provided new understanding of the components of the dilemma under review. While there are a number of factors that managers can leverage to enable the adoption of this either internal competition or internal collaboration, there is a clear distinction between the adoption of each approach at executive and non-executive levels.

The outcomes for organisations and managers leveraging these approaches can be destructive or constructive. Internal competition and internal collaboration are

88

able to co-exist to form a powerful hybrid management approach which management can use to drive high levels of sustainable performance within an organisation. Both poles are simultaneously necessary and essential to ensure sustainable performance for both the individual and for the organisation as a whole.

Chapter 7: Conclusion

7.1 Introduction

In this chapter the Internal Competition and Internal Collaboration Model is presented in terms of the findings and insights gleaned from interview respondents as discussed in Chapter 5 and Chapter 6. Recommendations for managers are presented based on these findings. Finally, recommendations for future research are discussed.

7.2 Synthesis of Research Findings

This research combines the foundational literature that has preceded it and integrates these findings with new knowledge gleaned through the interview process. Respondents revealed deep insight that linked directly to the four research questions presented in Chapter 3.

While the research findings presented in Chapter 6 are consistent with existing literature, this study contributes to the broader theory around the complexity of the seemingly conflicting management approaches. The first contribution relates to the breadth and span of factors that are likely to drive the adoption of either internal competition or internal collaboration within an organisation. Respondents highlighted seven key factors that were deemed significant in driving the adoption of internal competition and five key factors that were deemed significant in driving the adoption of internal collaboration. The factors are wide ranging and offer useful insight for managers who are adopting a singular or combination management approach within their organisation. There is significant overlap across certain factors, in that they can drive either internal competition or internal collaboration. In particular, leadership (behaviour and decision making) and performance management systems (which include performance measures, performance rewards, recognition and goals), were factors that were identified as having strong influence in driving the adoption of either internal competition or internal

90

collaboration. It is therefore crucial to manage how these factors are applied as they can drive either collaborative or competitive interaction within the organisation.

The second contribution of this study relates to the understanding of internal competition and internal collaboration and the respective implications pertaining to each approach. Internal competition as a management approach can drive employee motivation and high levels of performance in both the employee and the organisation as a whole. Internal collaboration has been shown to drive organisational efficiencies by enabling knowledge sharing and optimal resource distribution. Constructive internal collaboration can also drive innovation and creativity within an organisation by leveraging employee diversity.

However very high levels of either approach results in negative outcomes that erode business value. In the case of internal competition, extremely high levels of sustained internal competition will lead to unethical behaviour, as employees seek to win to gain reward and status within the organisation. High levels of internal competition also result in limited knowledge sharing and duplication of effort and resources within the organisation as employees seek to preserve what they perceive as their competitive edge.

When driving very high levels of internal collaboration, managers must be aware that this particular management approach can lead to loss of efficiency and group think within the organisation. When employees are collaborating on all aspects of work contribution, there is a high risk for individuals to lose their sense of accountability and this can result in a sense of complacency within the organisation. Also by driving high levels of internal collaboration, organisations face the danger of groupthink which can actually erode innovation and creativity within the organisation.

Therefore management should consider rather electing- a moderate approach taken when adopting either internal collaboration or internal competition. A moderate approach will result in achieving the benefits of employee motivation and increased performance (for internal competition) or organisational efficiency,

91

increased innovation and creativity (for internal collaboration), while limiting the negative drawbacks of the respective approaches.

The third contribution of this study relates to how the level of internal competition or internal collaboration varies based on employee seniority in the organisation. As individuals progress through the organisation, the dependence on others for ultimate success increases as goals and objectives become broader. In this way, there are high levels of internal collaboration at the executive levels of the organisation. Conversely, at the lower, non-executive levels of the organisation there are high levels of internal competition as goals and objectives are more task-oriented, with limited levels of interdependence between peers.

The fourth contribution of this study relates to the paradoxical nature of internal competition and internal collaboration. Internal competition and internal collaboration can and must co-exist for optimal organisational performance. The management dilemma is therefore not internal competition versus internal collaboration in an absolute manner, but rather in defining the most appropriate hybrid combination of the two approaches for any specific situation.

As such this study confirms that dilemmas and paradoxes should be managed dynamically rather than be solved conclusively. Effective management is therefore the ability to straddle the horns of the dilemma with the deliberate intention of optimising employee and organisational performance by leveraging both internal competition and internal collaboration simultaneously.

On the whole, the research findings are consistent with the existing literature in the fields of paradox and dilemma management, competition and collaboration. Furthermore, it finds that if management is successful in achieving a balance with moderate levels of internal competition and internal collaboration, employees will be motivated both intrinsically and extrinsically to strive towards sustainable high performance.

92

7.3 The Internal Competition and Internal Collaboration Hybrid Model

A graphic representation of the dilemma under review was developed, based on the research findings as described in Chapter 6. This model is presented below in Figure 14 and highlights the in-depth insights garnered from the twenty interview respondents. The Internal Competition and Internal Collaboration Hybrid Model demonstrates how managers can optimally utilise a combination of internal competition and internal collaboration to drive high levels of performance sustainably within an organisation.

Figure 14: The Internal Competition and Internal Collaboration Hybrid Model
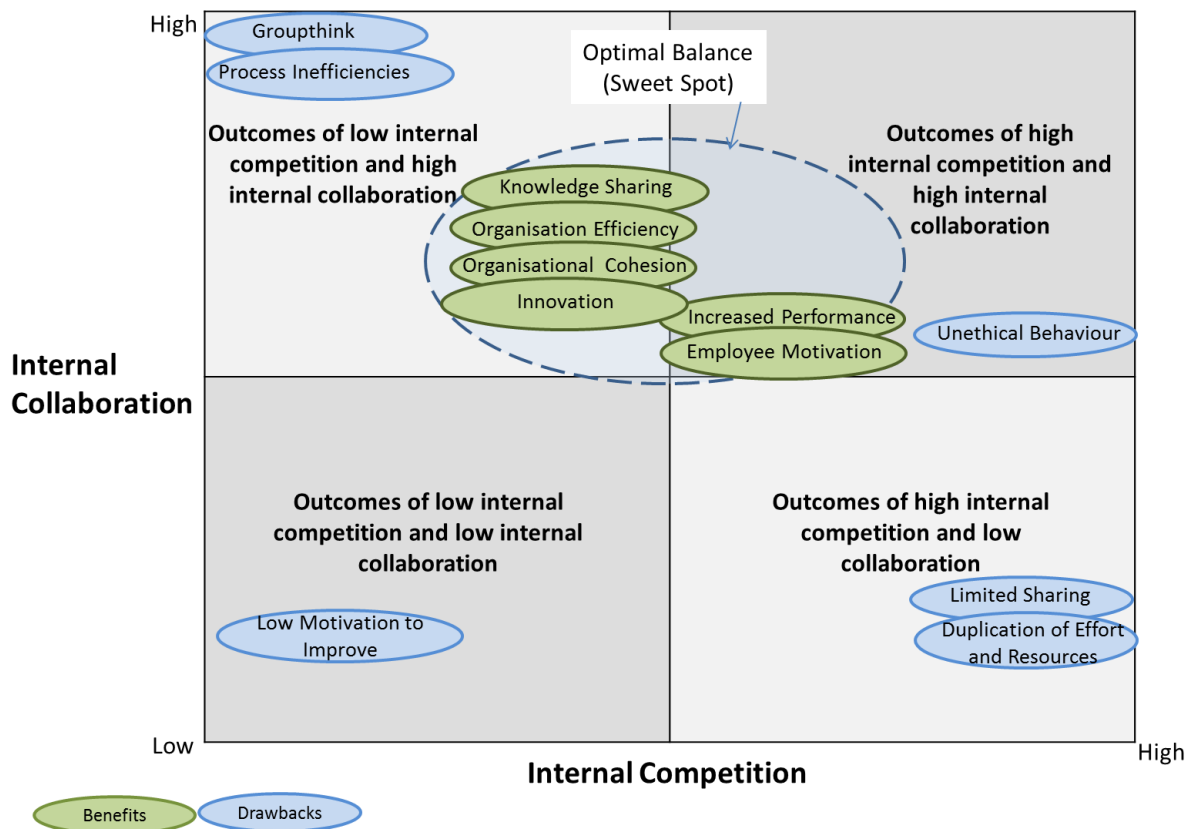
The model demonstrates the optimal balance or "sweet spot" that managers should strive to achieve. As illustrated in the above model, the sweet spot reveals that an

93

optimal balance can be sustainably achieved when managers adopt a hybrid approach that combines moderate levels of internal competition and internal collaboration. At these levels the two forces reinforce and leverage off each other in an increasingly positive relationship. This hybrid combination ensures healthy tension within the organisation, which in turn drives sustainable increases in employee and organisational performance. Managers are able to leverage the positive outcomes of internal competition and internal collaboration without engendering the negative outcomes that commonly occur at the more extreme levels of the approaches. The powerful outcomes of a moderate hybrid combination are increased performance, higher organisational efficiency and innovation whilst simultaneously improving organisational cohesion and knowledge sharing.

In addition, managers will need to consider the driving factors which must be utilised to maintain the optimal balance or sweet spot (illustrated in Figure 14). These factors include leadership behaviour and decision making, performance management factors (which include performance measures, performance rewards, recognition, goals and performance ranking), employee recruitment profiles and organisational structure. In particular, managers must pay close attention to factors that strongly impact both internal collaboration and internal competition – namely leadership and performance management factors. These particular factors must be specifically calibrated such that they effectively manage the collaborative and competitive tensions within the organisation. Internal competition and internal collaboration will therefore be optimised within the organisation when the factors mentioned in this study are utilised to drive the adoption of a moderate hybrid combination.

7.4   Recommendation for Managers

Through seeking an optimal balance (sweet spot), managers are able to blend internal competition and internal collaboration to achieve high levels of sustainable performance within the organisation. By carefully managing this hybrid approach,

94

the organisation will achieve increased performance and innovation, without the associated negative behaviours of either singular approach.

Managers should assess the key factors described in this study and identify which factors are already influencing the levels of internal competition and internal collaboration within the organisation. Managers must then carefully assess the level of interdependence required to achieve high performance and utilise the existing key driving factors appropriately or start introducing key factors not already well embedded in the organisation. In this way managers can achieve and maintain a balanced approach to leveraging the dilemma under review to drive sustainably high performance levels within the organisation.

7.5   Recommendation for Future Research

While there are many dilemmas under academic study, the management dilemma of internal competition and internal collaboration is relatively new in academic terms. Consequently the research design has been explorative in nature and has been aimed at uncovering insights on balancing the horns of this dilemma. Future research may be useful to confirm and validate the findings of this research study.

Areas for further research are suggested below:

1. This research was based on twenty interviews conducted with senior executives. Further research may be conducted to elicit responses from a broader sample of middle managers that may have a different perspective regarding the dilemma under review.
2. The study was conducted as a case study within SAB. Further study may be valuable in understanding the impact of the dilemma in alternative industries, particularly those not pertaining to fast moving consumer goods.
3. The research sought to reveal the key factors driving internal competition and internal collaboration within organisations. Further research may be useful to quantitatively test whether these factors are significant and to what

degree they drive the adopting of internal competition and internal collaboration.

7.6 Conclusion

Managers grapple with the paradox of adopting either internal competition or internal collaboration as a means to drive performance. This research project has attempted to understand the inherent tensions between these two approaches and offer a framework to navigate the intricacies of this dilemma. In addition various factors were identified that when utilised encourages the adoption of the management approaches.

Sustainably high levels of performance can be achieved when a hybrid approach that combines moderate levels of internal competition and internal collaboration is adopted. This hybrid approach results in increased employee motivation while also ensuring knowledge sharing, organisational cohesion, innovation and effective cost management.

Presenting the results from this research in the Internal Competition and Internal Collaboration model offers a graphic and integrated representation of how to combine the management approaches.

8. Reference List

Aguinis, H. (2007). *Performance management.* Upper Saddle River, NJ: Pearson Prentice Hall.

Anderson, C., & Kilduff, G. J. (2009). The pursuit of status in social groups. *Current Directions in Psychological Science. 18*(1), 295-298. doi: 10.1111/j.1467-8721.2009.01655.x

Andriopoulos, C., & Lewis, M. W. (2009). Exploitation – Exploration tensions and organisational ambidexterity: Managing paradoxes of innovation. *Organisational Science. 20*(4), 696-717. doi: 10.1287/orsc.1080.0406

Beersma, B., Hollenbeck, J. R., Humphrey, S. E., Moon, H., Conlon, D. E., & Ilgen, D. R. (2003). Cooperation, Competition, and Team Performance: Toward a contingency approach. *Academy of Management Journal*, *46*(5), 572-590. doi: 10.2307/30040650

Bengtsson, M., Eriksson, J., & Wicen, J. (2010). Co-opetition Dynamics – An outline for further inquiry. *Competitiveness Review: An international business Journal. 20*(2). 194-214. DOI: 10.1108/10595421011029893

Bengtsson, M., & Kock, S. (2000). "Coopetition" in business networks - To cooperate and compete simultaneously. *Industrial Marketing Management. 29*(5), 411-426. doi: 10.1016/S0019-8501(99)00067-X

Beyerlein, M. M., Freedman, S., McGee, C., & Moran, L. (2003). The ten principles of collaborative organizations. *Journal of Organizational Excellence, 22*(2), 51-63. doi: 10.1002/npr.10067

Beyerlein, M. M., & Harris, C. L. (2004)*. Guiding the journey to collaborative work systems: A strategic design workbook*. San Francisco, CA: Pfeiffer.

Birkinshaw, J. (2001). Strategies for managing internal competition. *California Management Review*, *44*(1), 21−38. Retrieved from http://0-www.jstor.org.innopac.up.ac.za/stable/41166109

Birkinshaw, J., & Lingblad, M. (2005). Intrafirm competition and charter evolution in the multibusiness firm. *Organization Science, 16(6),* 674−686. doi: 10.1287/orsc.1050.0142

Biron, M., Farndale, E., & Paauwe, J. (2011) Performance management effectiveness: lessons from world-leading firms. *The International Journal of Human Resource Management, 22*(6), 1294-1311. DOI: 10.1080/09585192.2011.559100

Bittner, J.V., & Heidemeier, H. (2013). Competitive mindsets, creativity, and the role of regulatory focus. *Thinking Skills and Creativity, 9,* 59-68. doi: 10.1016/j.tsc.2013.03.003

Chang, K. I., & Chen, H. J. (2012). Effects of a rival's perceived motives on constructive competition within organizations: A competitive dynamics perspective. *Asian Journal of Social Psychology, 15*(3), 167-177. doi: 10.1111/j.1467-839X.2012.01368.x

Chen, M.J. (2008). Reconceptualizing the competition-cooperation relationship: a transparadox perspective. *Journal of Management Inquiry. 17,* 288-304. doi: 10.1177/1056492607312577

Chin, K. S., Chan, B. L., & Lam, P. K. (2008). Identifying and prioritizing critical success factors for coopetition strategy. *Industrial Management and Data Systems*, *108*(4), 437-454. doi: 10.1108/02635570810868326

Dagnino, P., Castaldo, S., LeRoy, F. & Yami, S. (2009). *Coopetition Strategy: Winning Strategies for the 21st Century*. Cheltenham: Edward Elgar.

DeNisi, A.S. (2000). Performance Appraisal and Performance Management: A multilevel analysis. In K.J. Klien and S. Kozlowski (Eds.), *Multilevel Theory,*

Research and Methods in Organizations (pp.121-156). San Francisco, CA: Jossey-Bass.

Deutsch, M. (1949). A theory of cooperation and competition. *Human Relations, 2*(1), 129-152. doi: 10.1177/001872674900200204

Enns, J. R., & Rotundo, M. (2012). When competition turns ugly: Collective injustice, workgroup identification, and counterproductive work behavior. *Human Performance, 25*(1), 26-51. doi:10.1080/08959285.2011.631646

Farjoun, M. (2010). Beyond dualism: Stability and change as a duality. *Academy of Management Review, 35*(2), 202-225. Retrieved from http://amr.aom.org/content/35/2/202.short

Ferguson, E. D. (2000). Individual psychology is ahead of its time. *The Journal of Individual Psychology, 56*(1), 14-20. Retrieved from http://0-web.ebscohost.com.innopac.up.ac.za/ehost/pdfviewer/pdfviewer?sid=fa695521-be3e-47a4-9270-05f7c9e793f7%40sessionmgr112&vid=2&hid=114

Ferguson, E. D. (2007). Work relations and work effectiveness: Goal identification and social interest can be learned. *The Journal of Individual Psychology, 63*(1), 110-117. Retrieved from http://0-web.ebscohost.com.innopac.up.ac.za/ehost/pdfviewer/pdfviewer?vid=3&sid=fa695521-be3e-47a4-9270-05f7c9e793f7%40sessionmgr112&hid=114

Ferreira, A., & Otley, D. (2009). The design and use of performance management systems: An extended framework for analysis. *Management Accounting Research, 20*(4), 263–282. doi: 10.2139/ssrn.682984

Fletcher, T. D., & Nusbaum, D. N. (2008). Trait competitiveness as a composite variable: Linkages with facets of the big-five. *Personality and Individual Differences*, *45*(4), 312-317. doi: 10.1016/j.paid.2008.04.020

Gilbert, G. (2011). *A management dilemma: autonomy versus control* (Unpublished MBA research). Gordon Institute of Business Science, University

of Pretoria, Johannesburg. Retrieved from http://repository.up.ac.za /bitstream/handle/2263/21203/Gilbert_Paradox((2013).pdf?sequence=1

Gilbert, G., & Sutherland, M. (2013). The paradox of managing autonomy and control. *South African Journal of Business Management, 44*(1),15-27. Retrieved from http://repository.up.ac.za/bitstream/handle/2263/21203/ Gilbert_Paradox%28%282013%29.pdf?sequence=1

Hibbard, D. R., & Buhrmester, D. (2010). Competitiveness, gender, and adjustment among adolescents. *Sex Roles*, *63*(5-6), 412-424. doi:10.1007/s11199-010-9809-2. doi: 10.1007/s11199-010-9809-z

Houston, M.B., Walker, B.A., Hutt, M.D., & Reingen, P.H. (2001). Cross-unit competition for a market charter: The enduring influence of structure. *Journal of Marketing, 65*(2), 19-34. Retrieved from http://www.jstor.org/stable/3203378

Hulsmann, M., & Berry, A. (2004). Strategic management dilemmas: Its necessity in a world of diversity and change. *SAM/IFSAM VIIth World Congress on Management in a World of Diversity and Change.* (pp1-43). Gotesborg. Retrieved from http://www.sfb637.uni-bremen.de/pubdb/repository/SFB637-A3-04-001-IC.pdf

Johnson, M.D., Hollenbeck, J.R., Humphrey, S. E., Ilgen, D.R., Jundt, D., & Meyer, C.J. (2006). Cutthroat cooperation: Asymmetrical adaptation to changes in team rewards structures. *Academy of Management, 49*(1), 103-119. Retrieved from http://www.emeraldinsight.com/bibliographic_ databases.htm?id=1557389&show=abstract

Johnson, J.D. (2012). Knowledge networks: Dilemmas and paradoxes. *International Journal of Information Management, 32*, 347-353. doi: 10.1016/j.ijinfomgt.2011.11.014

Kahane, A. (2010). *Power and love: A theory and practice of social change*. San Francisco, CA: Berret-Koehler Publishers.

Kahane, A. (2012). *Transformative scenario planning: Working together to change the future.* San Francisco, CA: Berret-Koehler Publishers.

Khoja, F. (2008). Is sibling rivalry good or bad for high technology organizations? *Journal of High Technology Management Research, 19,* 11-20. doi: 10.1016/j.hitech.2008.06.006

Lee, C.-L., & Yang, H.-J. (2011). Organization structure, competition and performance measurement systems and their joint effects on performance. *Management Accounting Research, 22,* 84–104. doi:10.1016/j.mar.2010.10.003

Leedy, P.D., & Ormrod, J.E. (2001): *Practical Research: Planning and Design.* New Jersey: Merill Prentice Hall.

Libby, T., & Thorne, L. (2009). The influence of incentive structure on group performance in assembly lines and teams. *Behavioral Research in Accounting*, *21*(2), 57-72. Retrieved from http://0-search.proquest.com.innopac.up.ac.za /docview/56937931?accountid=14717

Loch, C. H., Huberman, B. A., & Stout, S. (2000). Status competition and performance in work groups. *Journal of Economic Behaviour and Organization*, *43*(1), 35-55. doi 10.1016/S0167-2681(00)00107-4

Luscher, L.S., & Lewis, M.W. (2008). Organisational change and managerial sensemaking: Working through paradox. *Academy of Management Journal, 51*(2), 221-240. doi: 10.5465/AMJ.2008.31767217

MacGrath, J.E., Arrow, H., & Berdahl, J.L. (2000). The study of groups: Past, present and future. *Personality and Social Psychology Review, 4*, 95-105. doi: 10.1207/S15327957PSPR0401_8

Mariani, M. M. (2007). Coopetition as an emergent strategy: empirical evidence from an Italian consortium of opera houses. *International Studies of*

Management and Organization, 37(2), 97-126. doi: 10.2753/IMO0020-8825370205

Marshall, C., & Rossman, G. B. (2006). *Designing qualitative research* (4th ed.). London: Sage Publications Ltd.

Moon, H., Quigley, N. R., & Marr, J. C. (2012). How interpersonal motives explain the influence of organizational culture on organizational productivity, creativity, and adaptation The ambidextrous interpersonal motives (AIM) model of organizational culture*. Organizational Psychology Review, 2*(2), 109-128. doi: 10.1177/2041386611433085

Mouton, J. (2001). *How to succeed in your master's and doctoral studies: A South African guide and resource book*. Johannesburg: Van Schaik.

Mudrack, P. E., Bloodgood, J. M., & Turnley, W. H. (2012). Some ethical implications of individual competitiveness. *Journal of Business Ethics, 108*(3), 347-359. doi 10.1007/s10551-011-1094-4

Nasim, S., & Sushil. (2011). Revisiting organisational change: Exploring the paradox of managing continuity and change. *Journal of Change Management, 11*(2), 185-206. doi: 10.1080/14697017.2010.538854

Nalebuff, B. J., & Brandenburger, A. (1996). *Co-opetition*. London: Harper Collins Business.

Neundorf, K. (2002). *The content analysis guidebook*. Thousand Oaks, CA: Sage Publications.

Peters, L. (2012). The rhythm of leading change: Living with paradox. *Journal of Management Inquiry, 21*(4), 405-411. doi: 10.1177/1056492612454456

Pillai, R., & Williams, E. A. (2004). Transformational leadership, self-efficacy, group cohesiveness, commitment, and performance. *Journal of Organizational Change Management, 17*(2), 144-159. doi 10.1108/09534810410530584

Podsakoff, P.M., MacKenzie, S.B., & Bommer, W.H. (1996), Transformational leader behaviors and substitutes for leadership as determinants of employee satisfaction, commitment, trust, and organizational citizenship behaviors. *Journal of Management, Vol. 22* (2), 259-98. doi: 10.1177/014920639602200204

Polenske, K. (2004). Competition, collaboration and cooperation: An uneasy triangle in networks of firms and regions. *Regional Studies*, *38*(9), 1029-1043. doi: 10.1080/0034340042000292629

Rijamampianina, R., & Carmichael, T. (2005). A framework for effective cross-cultural co-opetition between organisations. *Problems and Perspectives in Management, 3*(4), 92-103. Retrieved from http://businessperspectives.org/ journals_free/ppm/2005/PPM_EN_2005_04_Rijamampianina.pdf

Robbins, S., Judge, T.A., Odendaal, A., & Roodt, G. 2009. *Organisational behaviour: Global and Southern African perspectives*. Johannesburg: Pearson Education.

Roberts, I. (2001). Rewards and performance management. In I.Beardwell and L. Holden (Eds.), *Human Resource Management: A contemporary approach (3rd ed)* (pp.506-558). Edinburgh: Pearson.

Ross, S. R., Rausch, M. K., & Canada, K. E. (2003). Competition and cooperation in the five-factor model: Individual differences in achievement orientation. *The Journal of Psychology*, *137*(4), 323-337. doi: 10.1080/00223980309600617

Rubin, H.J., & Rubin, I.S. (1995). *Qualitative interviewing: The art of hearing data.* London: Sage.

"SAB Overview". (n.d). Retrieved March 29, 2013 from http://www.sab.co.za/sablimited/ content/en/sab-overview.

Saunders, M., & Lewis, P. (2012). *Doing research in business and management: An essential guide to planning your project.* London: Pearson Education Limited.

Serretta, H., Bendixen, M., & Sutherland, M. (2009). Core corporate governance dilemmas facing boards: A South African Perspective. *South African Journal or Economic and Management Sciences, 12*(2), 194-208. Retrieved from http://www.sajems.org/index.php/sajems/article/view/276/94

Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review, 36*(2), 381-403. Retrieved from http://amr.aom.org/content/36/2/381

Sprinkle, G. B. (2003). Perspectives on experimental research in managerial accounting. *Accounting, Organizations and Society, 28*(2–3), 287–318. doi: 10.1016/S0361-3682(01)00058-7

Tjosvold, D., Johnson, D. W., Johnson, R. T., & Sun, H. (2003). Can interpersonal competition be constructive within an organisation? *The Journal of Psychology, 137*(1), 63-84. doi: 10.1080/00223980309600600

Tjosvold, D., Johnson, D. W., Johnson, R. T., & Sun, H. (2006). Competitive motives and strategies: Understanding constructive competition. *Group Dynamics: Theory, Research and Practice, 10,* 87-99. doi: 10.1037/1089-2699.10.2.87

Tharenou, P., Donohue, R., & Cooper, B. (2007). *Management research methods*. Melbourne: Cambridge University Press.

Tustin, D., Ligthelm, A., Martins, J., & van Wyk, H. J. (2005). *Marketing research in practice* (1st ed.). Pretoria: Unisa Press.

Van den Bossche, P., Gijselaers, W. H., Segers, M., & Kirschner, P. A. (2006). Social and Cognitive Factors Driving Teamwork in Collaborative Learning

Environments, Team Learning Beliefs and Behaviors. *Small Group Research, 37*(5), 490-521. doi: 10.1177/1046496406292938

Yoon, S. J., & Chae, Y. J. (2012). Management of paradox: A comparative study of management practices in Korean and Japanese firms. *The International Journal of human Resource Management, 23(17),* 3501-3521. doi: 10.1080/09585192.2011.560885

Weber R.P. (1990). *Basic content analysis.* Newburry Park, CA: Sage Publications.

Welman, C., Kruger, F., & Mitchell, B. (2005). *Research methodology* (3rd ed.). Cape Town: Oxford University Press.

Zikmund, W.G. (2003). *Business research methods.* (7th ed). Cincinnati, OH: South-Western Cengage Learning.

Appendix 1 – Interview Guideline

Management Dilemma: Internal competition versus Internal collaboration

I am conducting research on the management dilemma of internal competition versus internal collaboration within an organization. I am trying to find out more about these management approaches and its resultant impact on performance. Your personal experience and views on the tensions and trade-offs between internal competition and internal collaboration will form the basis of this interview.

The interview is expected to last about an hour. Your participation is voluntary and you can withdraw at any time without penalty. All data will be kept confidential. If you have any concerns, please contact me or my supervisor. Our details are provided below.

Researcher: Soogandhree Naidoo
Email: soogandhree.naidoo@za.sabmiller.com
Tel: 071 360 2724

Research Supervisor: Margie Sutherland
Email: sutherlandm@gibs.co.za
Tel: 011 771 4000

Signature of participant: _____

Title of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

Questions	
Questions	
1	How would you define internal competition and internal collaboration?
Internal Competition	
2	What are the factors that are driving internal competition within the organisation? Are these factors internal or external to the organisation?

Factors:	Internal	External

3	How do these factors drive internal competition?
4	Which factor is most dominant and why?
5	What benefits of adopting an internal competitive approach?
6	What are the drawbacks of adopting an internal competitive approach?
Internal collaboration	
7	What are the factors that are driving internal collaboration in the organisation? Are
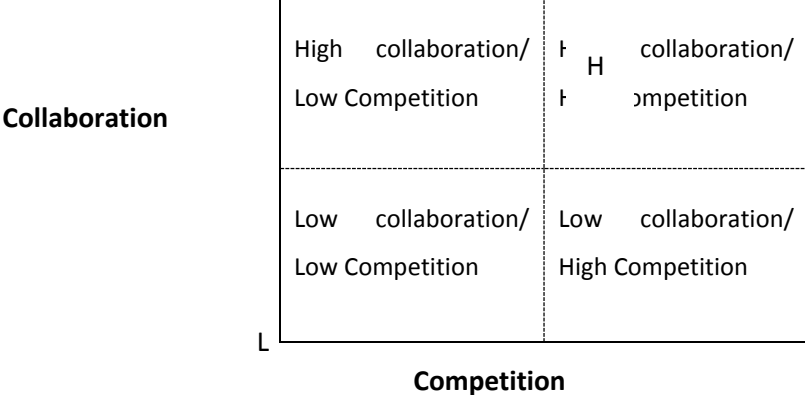
	these factors internal or external to the organisation?
	<table><tr><td>Factors:</td><td>Internal</td><td>External</td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>
8	How do these factors drive internal collaboration?
9	Which factor is most dominant and why?
10	What are the benefits of adopting an internal collaboration approach?
11	What are the drawbacks of adopting an internal collaboration approach?

Internal competition vs internal collaboration at different organisational levels

12	Do management approaches (regarding internal collaboration and competition) vary across different levels in the organisation (individual, team, business unit)? Yes No
13	What is your belief regarding the mix of internal competition and internal collaboration

108

at each level in the organisation?

Level	Internal competition	Internal collaboration
Individual		
Team		
Business unit		

14	What do you think drives the different approaches of internal competition and internal collaboration at each level?
15	Do the factors driving internal competition and internal collaboration vary in influence across the different levels? Why do these factors vary across levels?

A Hybrid Approach (Both)

16	Should an organisation adopt a single management approach (internal collaboration or internal competition) or consider a combination of both (internal collaboration and internal competition)? How will adopting a hybrid approach impact the organisation? (as opposed to a single approach)

Collaboration		Competition		Combination	

109

17	What is your belief regarding the most appropriate balance between internal competition and internal collaboration? Please explain your reasoning?
	Internal Competition Internal collaboration
18	Or would you balance internal competition and collaboration as a per the diagram below? Please explain your reasoning?

Collaboration

High collaboration/ Low Competition	H collaboration/ H ompetition
Low collaboration/ Low Competition	Low collaboration/ High Competition

L · · · · · · · · · · · · · H

Competition

Internal competition and Internal collaboration at SAB	
19	Do you think the SAB is leaning towards one approach more than the other? Why?
20	What are some of the challenges being faced by management in moving from one approach to another? What do you think is driving these challenges?

Appendix 2 – Director's Memo

SAB
The South African
Breweries

Memorandum from: SAB
The South African Breweries (Pty) Ltd
65 Park Lane, Sandown, Sandton 2196
Tel ((011) 881-8624 Fax 086 686 8553
PO Box 782178 Sandton 2146 South Africa

DATE : 11th July 2013

TO : Per Email Distribution List

FROM : Andrew Wolff

Re: MBA Interviews – Soogandhree Naidoo

Soogandhree Naidoo is a member of the Supply Chain team and is currently undertaking an MBA with GIBS. Part of the requirements to complete her degree is to conduct research on a topical management issue or challenge. She has chosen to focus her research on the management dilemma of internal competition versus internal collaboration and the impact of these approaches on team and organisation performance. She is specifically investigating the factors that drive internal competition and internal collaboration and how to optimally utilise such approaches to optimise performance. She will be conducting a case study at SAB (Pty) Ltd and would greatly appreciate an hour of your time for an interview.

Your support in her research would be valued.

Regards

Andrew Wolff
Supply Chain Director

Appendix 3 – Consistency Matrix

Research Question	Literature Review	Data Collection Tool	Analysis
What are the key factors that are driving internal competition and internal collaboration within organisations?	Biron et al. (2011), Lee and Yang (2011),Deutsch (1949); Mudrack et al.(2011), Hibbard and Buhrmester (2010), Fletcher and Nusbaum (2008), Podsakoff et al. (1996), Pillai and Williams (2004), Ferguson (2007), Libby and Thorne (2009), Beersma et al. (2003), Houston et al. (2001) and Birkinsshaw (2001)	Face to face interviews Question 2,3,4,8,9,10	Content analysis on open ended questions
What are the potential benefits and drawbacks of adopting internal competition and internal collaboration?	Khoja (2008), Tjosvold et al. (2003 and 2006), Chang and Chen (2012), Birkinshaw (2001), Beersma et al. (2003), Bittner and Heidemeier (2013), Moon et al. (2012), Loch et al, (2000), Beyerlein et al. (2003), Deutsch (1949) and Enns and Rotundo (2012)	Face to face interviews Questions 5,6,11,12	Content analysis on open ended questions
How does the level of internal collaboration and internal competition vary based on organisational level (i.e. executives vs non-executives)?	Deutsch (1949) and Tjosvold et al. (2003)	Face to face interviews Questions 13,14,15,16,17	Content analysis on open ended questions
Are managers able to simultaneously combine internally collaborative and competitive management approaches to improve performance sustainably?	Mudrack et al.(2011), Hibbard and Buhrmester (2010), Fletcher and Nusbaum (2008), Gilbert and Sutherland (2013), Kahane (2012 and 2010), Peters (2012), Yoon and Chae (2012) and Smith and Lewis (2011)	Face to face interviews Question 18,19,20,22	Content analysis on open ended questions

Appendix 4 – Data Analysis