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## **Building Collaborative Capacity in U.S. Federal Agencies**

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### **Part One: Evolution of a Public Organization from Birth to Adolescence: Institutionalizing, Legitimacy Seeking, and Collaboration in the U.S. Institute for Environmental Conflict Resolution**

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On February 11, 1998, Congress passed P.L. 105-156, the Environmental Policy and Conflict Resolution Act, creating the U.S. Institute for Environmental Conflict Resolution (USIECR), a new federal agency to assist in the resolution of environmental conflicts involving federal agencies.<sup>1</sup> While the emergence of a new program in the federal government is nothing new, the USIECR faced a statutory requirement not seen in many other agencies – to link its services to regional conflict resolution providers, and to work closely with the private sector to fund and carry out its mission. Kirk Emerson, then a member of the research faculty at the Udall Center at the University of Arizona, was tapped as the first director of USIECR.

Immediately, Emerson faced many questions. What first steps should she take? Where would the USIECR find the capacities to work across sectors? How does such a mandate play into all other internal and external forces affecting organizational evolution in formative years?

We were able to track Kirk Emerson as she “grew” the USIECR from birth to adolescence. We were given wide access to board and staff members, congressional staff and advisors who were involved with the creation of the agency from the very beginning. We were given wide access to meetings, archival data and agency communications. But most importantly, we were given wide access to Kirk Emerson. In this article, we report phase one of our findings.

First, we review the literature on the birth and evolution of organizations, the institutional nature of the public sector organizational environment, and strategic management. Next, we present the propositions that guided our research and we explain our methodology. Third, we present the results of our initial analysis, focusing on both the external forces and the internal factors that influenced the evolution of the USIECR. Finally, we close with lessons learned for public management with particular attention paid to collaborative strategy in the public sector.

### *Birth and Early Evolution of an Organization*

Most theories concerning organizational emergence largely center on private sector organizations and examine cost-minimizing, profit maximizing entrepreneurial arrangements in resource competitive environments (Aldrich 2001; Aldrich & Martinez 2001; Zucker 1989). From a population ecology perspective, organizational birth occurs within an existing population of organizations that is dense (Hannan & Freeman 1977) and where the resource environment is rich and conducive to innovation and competition (Carroll 1984). The period of time immediately after the initial emergence of an organization is a time of rapid evolution of boundary setting and the development of routines and norms (Aldrich 2001). At the organizational level of analysis, these early processes are highly subject to forces present in the organizational environment such as stakeholder demands, resource availability, and legal requirements (Scott 2003) as well as how embedded the organization is in a competitive market environment (Aldrich 2001). Legitimacy is seen as an essential factor in driving these evolutionary processes, the lack of which creates a “liability of newness” against the organization in its search to obtain the resources necessary for survival (Stinchcombe 1965). External forces are not alone, however, in influencing the direction of young organizations. Individual entrepreneurs and leaders interact with the organizational environment to shape the emergence and adoption of norms (Aldrich et al. 2001; Finnemore & Sikkink 1998).

Direct application of these theories to public organizations may only produce partial explanations because of differences in the environment of public organizations. First, birth processes in the public sector are distinct from the private sector. Rather than entrepreneurial emergence in a resource competitive environment, the public agency creation mechanism occurs through political processes. While entrepreneurship often is present, it typically is not the primary driving force behind the creation of a new public organization. In addition, a new agency may emerge through the merging of two or more older agencies, as is the case of the Department of Homeland Security. This type of new

public organization pursues a new mission and develops new technologies and processes but often absorbs old organizational cultures, structures, and personnel.

After emergence, public sector organizations differ from private sector organizations in many additional ways, including the composition and arrangement of their institutional, resource, and stakeholder environments (Frumkin & Galaskiewicz 2004). They have different sets of stakeholders, performance measures, authority mechanisms, expectations of accountability, and legal constraints on personnel and other agency actions (Alexander & Van Slyke 2006; Rainey 2003; Rainey & Bozeman 2000).

Only a few scholars have empirically examined how these differences may affect evolutionary processes; most of these studies have taken place in the context of general organizational theory (see e.g., Ritti & Silver 1986). Boin (2007) asserts that it is the relatively more important role of the political and institutional environment that delineates how public sector organizational evolution differs from that of private sector organizations, leading to the notion that public organizations *institutionalize* more than they seek survival in a competitive market environment.

In this conceptualization of organizational survival, institutionalization occurs when an agency has assumed a certain level of “taken for grantedness” or legitimacy that secures a level of political and financial resources that assure perpetuation of organizational activity. Public managers successfully leading their organization to institutionalization must maintain a skill set highly reliant upon legitimacy management.

Briefly, legitimacy describes how organizations seek to establish congruence between social norms and values of the status quo and the social values associated with the activities of the organization (Ritti & Silver 1986; Suchman 1995; Zucker 1989) to enhance organizational survival and decrease the liability of newness (Aldrich & Fiol 1994; Singh, Tucker, & Meinhard 1991; Suchman 1995). It is important, therefore, to examine legitimacy both from the perspectives of how organizations create activities and structures to seek legitimacy, but also how external stakeholders, in turn, shape these strategies (Ashforth & Gibbs 1990; Hybels 1995; Oliver 1997; Walker, Thomas, & Zelditch Jr 1986).

### *Strategic Management*

Leaders engage in strategic management of their internal resources and their external environments (Nutt & Backoff 1993). Because legitimacy is an important resource for agencies seeking institutionalization, legitimacy-seeking strategies likely prevail in public agency leadership in early stages. These strategies include adapting and conforming to prevailing definitions; communicating to alter the definition of legitimacy so that the definition conforms to the reality of the organization; and communicating so that they are identified with highly legitimized symbols, values, and institutions (Dowling and Pfeffer 1975). Leaders select such *actor-based* strategies to identify, understand, and manage key stakeholders. On the other hand, *agency-based* strategies focus upon the

organization's capacities and its place in its environment. Such strategies include adaptive management which maximizes organizational learning and the development of planning systems (Nutt et al. 1993).

In the public sector, Chun and Rainey (2005) find that the leeway for interpreting ambiguous organizational goals in public organizations negatively impacts managerial effectiveness because political forces in the agency's environment are interested in ambiguous goals while managers have an interest in goal clarification. However, the influence of political forces does not induce greater practices of bargaining as supposed by some theorists, but rather a preference for reliance upon experts and expert opinion to conduct analyses and raise the legitimacy of decisions made to their multiplicity of stakeholders (Nutt 1999; Nutt et al. 1993).

Integrating that notion that public organizations institutionalize as they evolved with strategic management, Boin (2007) suggests that public leaders growing a new agency facilitate trial and error, direct the development and embedding of norms, and exhibit constant adaptation while preserving identity and autonomy. These strategies contribute to building the level of legitimacy the organization must maintain to build sufficient political and institutional support.

### *Not Your Typical Public Agency*

Yet, as mentioned above, the USIECR has characteristics that challenge what organizational theory has to say about strategic management of public agencies during emergence and early evolution. Kirk Emerson faced statutory requirements to seek funding from beyond traditional government sources and to somehow leverage professionals based in the region where environmental conflict cases take place. In addition, the organization was to be located within the boundaries of a federal agency (the Morris K. Udall Foundation) outside of the high federal agency density of Washington, D.C. (in Tucson, AZ) and was to be kept as small as possible (e.g., less than twenty full time employees).

We wanted to know how these factors would impact the strategies that the literature expects from public agency leaders during the founding and early evolution of their agencies. Accordingly, we developed the following propositions which guided the first phase of this study.

### **Propositions**

*Proposition 1: Early strategic management of the USIECR will include agency-based strategies that are reactive in nature and include frequent occurrences of learning.*

New organizations face a high learning curve in regards to the influence of their organizational environments. As such, leaders of these organizations are likely to be

agency-focused and will likely exhibit strategies of adaptive management where organizational learning is high.

*Proposition 2: Early strategic management of the USIECR will center upon legitimacy-seeking, including strategies targeting key political and budgetary stakeholders.*

Due to the institutional context of public organizations, the diminished role of market forces in early evolutionary processes, and the goal ambiguity derived from multiple, conflicting stakeholders, we expect public managers to exhibit a high prevalence of legitimacy-seeking strategies in pursuit of agency institutionalization.

*Proposition 3: Institutional and cultural variables of mission, statute, and professional experiences will encourage collaborative management strategies to be used in early strategic management of the USIECR.*

Due to the very small size of the agency at birth, we expect the strategic management processes of the USIECR in its initial phases of institutionalization to be susceptible to specific cultural and institutional influences such as mission and staff professional backgrounds.

### **Sources of Data and Methods**

The primary source of data for this study came from fifty-two semi-structured interviews collected in two phases. An initial round of seven interviews occurred in 2002 for the purpose of informing development of a more detailed interview protocol applied to fifty-two subjects that included the original seven. Those interviewed (see Table 1) included the USIECR and Udall Foundation staff, Udall Foundation board members, congressional staff of elected officials involved with USIECR legislation, USIECR federal agency clients, USIECR advisory committee members, consultants, professional mediators and facilitators, and academics who study conflict resolution. Program Director Kirk Emerson was interviewed formally using structured interview techniques three times, and again informally using unstructured interview techniques on eight occasions. We verified and supplemented interview analyses through the examination of archival records, newspapers, newsletters, and government documents including testimony, budget records, enacting legislation, and Udall Foundation board meeting notes. Further, we were participants at three USIECR conferences, a board meeting, and an advisory board meeting.

Interview protocols were developed for each stakeholder group. Individuals were asked questions intended to capture information about the external and internal forces affecting strategic decision-making and organizational evolution through the first seven years of the USIECR. Each protocol contained the same core of questions with additional questions tailored to each group (Table 1.) Interviewees who were members of

more than one group were interviewed according to their primary association with the USIECR. Generally, interviewees were asked when they first became aware of USIECR; what their expectations of USIECR were; what USIECR's greatest challenges have been; what innovations – if any – USIECR developed or promoted; and whether USIECR is considered a developed, credible agency. Additionally, they were asked at what point in time, if any, did they know the agency had “made it” as an established agency, and what were the key moments in its history. Interviews were taped. Transcripts were generated of all interviews.

Interviews were coded using the NVivo qualitative analysis software package. We coded for environmental and internal forces as well as strategic decisions and evolutionary change during the agency's first seven years. Secondary analysis by two separate researchers confirmed the frequency and distribution of mention of these forces in interviews. These were compared with archival materials, first hand observations and government documents to verify validity. “Chains of evidence” (Yin, 2003) were established and the credibility/logic of explanations was analyzed. Conclusions were reviewed by a set of interview participants to check our assumptions and interpretations of evidence.

## **Results**

This first phase of our research requires an understanding of the organizational context in which strategic decisions were made during the first seven years of the USIECR. This is best described in two parts – the influencing forces from outside the organization and those shaping the decision-making environment from within. We paid particular attention to the development of organizational structures and the rapid institutionalization of work processes and external relationships.

Woven throughout these analyses are various references to the strategic management approach of Kirk Emerson in reaction to and anticipation of the internal and external forces both perceived and unknown. A final section discusses how research on design and early evolution of “new public management” public agencies should proceed.

### External Forces Influencing the Evolution of the USIECR

The major external forces influencing the early evolution of the USIECR and its institutionalization were numerous. Out of the fifty-two full-length interviews of key stakeholders and analysis of USIECR communications, seventeen major external forces repeatedly emerged and are compared in Figure 1. Table 2 then summarizes which of the interviewees mentioned each of the external forces most frequently. Of these seventeen forces, the top four pertain to actors in the USIECR environment while most of the rest pertain to institutional and cultural forces. We describe the top six most frequently mentioned forces in this section.

*Competition/Competitors.* The external forces most often mentioned in interviews as influencing the evolution of the USIECR emerged varyingly as “competition” and “competitors” and were mentioned 179 times in fifty-two interviews. These factors were mentioned most by three types of interviewees: competitors themselves, insiders, and ECR field professionals. Competitors are firms that also offer ECR services. Insiders are those who work within the Udall Foundation. ECR field professionals are mediators and facilitators.

In this context, these factors were most frequently coupled with a discussion of history. For example, field practitioners pointed out that “we were here first.” They also expressed concern that their expertise, experience, and prior successes in the field were not adequately appreciated and acknowledged by the “new kids on the block.” Similarly, some EPA employees continually pointed out that they “have been doing environmental conflict resolution for twenty years,” expressed concern that USIECR staff were not as “street-smart” about ECR as EPA employees, and also expressed a desire to have USIECR show greater recognition for what they do and what they have to offer.

The second group to discuss the external force of competition or competitors in length was comprised of insiders, including Kirk Emerson (the Director of the USIECR), the USIECR staff, congressional staff, Council on Environmental Quality (CEQ) staff, and Udall board members. Driving much of this discussion was the legislation that created the USIECR as well as the philosophy of OMB from 1998 to 2006 that created economic and political pressures for the organization to strive to become fee based. Hence, this factor was frequently coupled with the political and economic factors. Finding a unique niche within the ECR field as well as the federal agency community was expressed by USIECR insiders as of paramount importance for organizational survival purposes.

The third group to discuss this external force was comprised of other field practitioners. In this context the comments can generally be characterized as stories passed on by those in the know. In some interviews, practitioners marveled at how USIECR had successfully co-opted the competition by seeking their advice, putting key competitors on USIECR committees and by creating a networked roster program that allocated the ECR case load in a judicious and transparent decision-making process. In other interviews the stories were as simple as, “the EPA is angry [that USIECR might tread on their territory].”

*Political.* The second external factor mentioned most often in interviews as influencing the evolution of the USIECR was politics or political influences. In this context, the 157 discussions almost always revolved around Congress, the USIECR enabling legislation, and OMB. This factor most often emerged in interviews with insiders: Kirk Emerson, other USIECR staff, congressional staff, CEQ staff, and Udall board members. Discussion of political forces was coupled with a discussion of legal forces in half of the interviews and with macro federal government factors in a third of the interviews.

A large portion of the points made by interviewees here could apply to nearly all federal programs: the need for congressional support, the imperative not to exceed the mandates of the enabling legislation, and the challenges in dealing with a sometimes unsupportive OMB.

Unique to USIECR, however, were three discussions. The first discussion revolved around the tensions between the desire of some politicians and OMB officials to make USIECR fee based, and the difficulties in doing so. The difficulties arise from the fact that most federal agencies do not have the money to pay fees to the USIECR for its services, as well as the fact that for some of its cases the USIECR needs the independence that can only come from an independent source of money – such as congressional funding.

The second discussion revolved around statements made by Udall board members who lobbied for the creation of USIECR in 1997. Based on these impressions, some OMB staff thought that USIECR would become a fee-based agency after its first 5 years and that congressional support for them would be phased out. When this did not become a reality, the survival of USIECR came into jeopardy during the reauthorization process and continues to be a consideration in all USIECR strategic planning endeavors.

The third discussion revolved around a joint policy statement issued by OMB and CEQ in November of 2005 that directed agencies to increase the effective use of ECR and their institutional capacity for collaborative problem solving. It included a definition of ECR and sets forth "Basic Principles for Agency Engagement in Environmental Conflict Resolution and Collaborative Problem Solving." It also included a compilation of mechanisms and strategies that may be used to achieve the stated policy objectives.

The memorandum developed from a request in August 2003 by CEQ Chairman Connaughton to USIECR to work with senior staff of key federal departments and agencies to develop basic ECR principles and recommended guidance on ECR. The memorandum required annual reporting by departments and agencies to OMB and CEQ on progress made each year, periodic leadership meetings, and quarterly interdepartmental senior staff meetings to be facilitated by the U.S. Institute for Environmental Conflict Resolution. This memo increased the legitimacy of the USIECR in the federal government.

*Collaborators.* The next external factor mentioned most often in interviews as influencing the evolution of the USIECR was collaboration or collaborators, and was mentioned 122 times. Collaboration “involves varying degrees of sharing power and resources (such as information, money, clients, and authority) between units to achieve common ends that each unit could not achieve separately” (Bryson, 2003). This factor was mentioned most often by interviewees who were clients and customers of USIECR, especially those who represented the U.S. Department of Interior, the U.S. Department of Transportation, and the Federal Energy Regulator Commission. Collaboration or collaborators also were mentioned as important by representatives of the EPA, USIECR’s

advisory committee members, private dispute resolution firms, and ECR field professionals (including the early review committee comprised of “old timers” and leaders in the ECR field). It is interesting to note that USIECR both collaborates and competes with many of these entities. Much of the collaboration philosophy that underpinned the evolution of the USIECR can be traced back to OMB and USIECR’s enabling legislation when the message was sent that USIECR was not to displace or disadvantage others currently in the field.

The collaboration factor affected the evolution of the USIECR in its first seven years in several ways. First, one of the primary programs of USIECR is its roster of trained mediators. That roster – developed in response to a suggestion by a career EPA conflict resolution staff person and initially paid for by the EPA – is a networked program. This network is essentially a spider web of dispute resolution professionals working collaboratively to deliver conflict resolution services. The USIECR runs this collaborative network by collecting applications from mediators, screening those applications, and maintaining a list of experienced mediators available to government organizations and the public through the USIECR website ([www.ecr.gov](http://www.ecr.gov)). As of this writing, USIECR was also implementing a program evaluation system to assess outcomes of these dispute resolution processes.

Second, as a government agency whose primary job is to serve other government agencies, the USIECR collaborates with other agencies facing ECR challenges. Examples include helping the U.S. Department of Transportation to create a four-part conflict resolution system, advising the U.S. Department of Interior how to apply ECR to natural resources settings, and creating inter-agency working groups on specific ECR challenges.

*Clients and Customers.* The fourth major external factor affecting the evolution of the USIECR was clients and customers. Given the fact that USIECR was created primarily to be of service to other governmental organizations, coupled with the expectation that the USIECR would become a fee-based agency, much of their strategic management actions became customer-focused. Those interviewees who most often expressed a concern for obtaining clients and customers were (not surprisingly) the insiders: Kirk Emerson, other USIECR staff, CEQ staff, and Udall board members.

This focus on clients and customers, while not unique to the USIECR, is different than that of the typical public organization because it was most often coupled not only with statements about competition, economics and education. Specifically, USIECR and Udall Foundation staff expressed great pressure to continually educate politicians, OMB, and the public about the need for their services. This pressure also manifested itself as a tension, expressed by employees, between the need to have a “sane” workload versus the need to proactively look for new clients. Exacerbating this challenge is the culture of neutrality that the USIECR felt it had to develop in order to gain and retain legitimacy as a broker of ECR services which in part made the search for clients and customers more sensitive.

*Economic.* As already mentioned, economic forces strongly affected the evolution of the USIECR during its first seven years. Economic forces were mentioned 99 times in fifty-two interviews and usually manifested themselves as the need for funds to run the Institute. This factor was most often mentioned by insiders: Kirk Emerson, other USIECR staff, CEQ staff, and Udall board members. It was mentioned secondarily by competitors, especially the EPA and those associated with private dispute resolution firms who, while asserting that the USIECR was an “established” organization wondered aloud what the future held for the organization in terms of congressional budgetary support.

On the one hand, the USIECR is like every other public organization hoping for a piece of the budgetary pie, struggling with the economics of cutback management, OMB and tough oversight committees. On the other hand, the USIECR is unique because of the expectations of many that it will eventually raise its own revenue. This tension has been a significant factor influencing the evolution of USIECR and strategic choices concerning future actions.

*Legal.* Legal factors and forces were discussed seventy-eight times in the interviews with major stakeholders. Most of these utterances concerned the need for USIECR to comply with the organization’s enabling legislation and other laws. Not surprisingly, this factor was mentioned by each of the ten lawyers interviewed as the strongest force in the organization’s environment. Others who mentioned it frequently were Kirk Emerson, other USIECR staff, congressional staff, CEQ staff, and Udall board members. Discussion of this factor was often coupled with a discussion of political factors and to a lesser degree discussion of factors that concerned being a part of the federal government system.

A large portion of the points made by interviewees concerning legal factors might apply to nearly all federal programs, as they concerned the importance of the empowering and constraining aspects of the law, and the desire not to exceed the mandates of enabling legislation. Unique to USIECR and complicating the effect of external legal factors, however, are two other factors. First, the organization is housed within the Udall Foundation – a federal agency chartered by Congress supported by a federal trust fund established to continue the legacy of Congressman Morris K. Udall, a prominent conservationist. Second, the USIECR is a networked, collaborative organization. An estimated 70% of the project revenues it takes in are redistributed to those on its rosters: ECR professional mediators and facilitators. USIECR also gets an appropriation and has fee-for-service authority, which is unusual for a federal agency.

In sum, in our fifty-two interviews with key stakeholders, environmental factors affecting the evolution of USICER and its search for legitimacy were mentioned 1,162 times. The next section examines the internal factors affecting the evolution of the Institute in its first seven years.

## Internal Factors

Internal factors moderating the agency's evolution included fixed internal organizational qualities present at the outset, dynamic organizational traits that derive from these original qualities and changing leadership and staff behaviors that interacted with each other and with the external forces described above.

The fixed qualities of personnel characteristics, size, and agency mission influenced the evolution of organizational culture and work processes. These, in conjunction with external forces, yielded leadership and staff strategic behaviors that included boundary spanning as well as buffering actions (Table 3).

## **Fixed Qualities**

Organizations are aggregations of social relations unified by a common purpose. Accordingly, with USIECR several characteristics inherent in personalities and institutions present at the outset established a baseline upon which more dynamic characteristics rapidly developed and evolved. The location in Tucson, Arizona, the small size of the organization and the authorizing language of the founding statute came together with individual leaders' traits, social networks, professional backgrounds, and personalities to greatly affect mission enactment, organizational culture, work processes, program development, and strategic behaviors.

*Size and Location.* The USIECR immediately was defined by the small size of its authorization, the rationale behind that small size, and the siting of the agency within the Udall Foundation in Tucson. In interviews, USIECR program staff stressed that the small size yielded a more horizontal organizational structure where staff members had more opportunity to engage in organizational-level decision making. At the same time, early work processes governed by rules and regulations for federal agencies were much more difficult to develop both due to the distance from Washington, D.C., the lack of direct federal agency experience of the staff, and the necessity of a few staff members to handle a multiplicity of regulation compliance activities.

Fifteen external stakeholders familiar with the federal agency system discussed the small size of the USIECR as both a liability and an advantage. Liabilities mentioned include the challenge of pursuing their mandate of integrating ECR into federal agency practices with so few resources and personnel, as well as the difficulty of maintaining legitimacy with OMB and Congress when they barely registered on the federal "radar screen." At times USIECR was thought by users of its services not to be a federal agency at all. Perceived advantages of this state mentioned by interviewees included being able to exist under the radar in political climates not very supportive of the kind of work they promote.

Twenty-five percent of external stakeholders mentioned the Tucson location as a factor in shaping USIECR relationships in both enabling and limiting ways. For some,

the distance from Washington, D.C. enabled the Institute to craft an image of being different from the traditional Washington culture of federal agencies and to maintain its identity as neutral in its dealings with agency clients. For others, this distance limited the ability of the agency to establish relationships with client agencies.

Congress established the USIECR by amending the law authorizing the Udall Foundation to include the Institute in this preexisting organization. Udall Foundation staff members and USIECR leadership described an intensive learning process where boundaries between the Foundation and the USIECR were tested and retested as the USIECR rapidly developed structure and processes. Interviews with Foundation Board members reflected a desire to describe all Foundation programs (including the USIECR) as being integrated. Yet interviews with Foundation and USIECR staff indicated little interaction between them initially. USIECR was a young agency with a young program that has a very different mission than other Udall Foundation programs. Integration was not easy at first.

*Personnel characteristics.* In the first seven years of the agency, there were two distinct staff hiring periods. In the first, program staff were hired with the intent that they would provide direct mediation services and come on board with professional expertise in mediation and facilitation. However, when the decision was made to establish a roster of private sector mediators who would be contracted to mediate and facilitate USIECR-managed conflicts, it became quickly apparent that program staff needed to function more as project managers. A second wave of program staff hiring within the second year infused USIECR with a majority of the existing senior program staff who as a team brought together experience with environmental issues, law, and conflict resolution. External stakeholders perceived these professional characteristics and skills as greatly influencing the work environment in which USIECR processes and programs developed.

Twelve interviewees perceived the organizational culture of the USIECR in its first seven years as being “academic” and most link this perception to the academic background of Kirk Emerson. Six of these interviewees worked at the Environmental Protection Agency (EPA), and indicated a desire to differentiate themselves from USIECR, seeing USIECR as a competitor. In addition, several interviewees noted that for the first six years, the Institute did not have any senior level staff with significant federal agency experience. On the one hand, this allowed considerable innovation. On the other hand this yielded legitimacy challenges that served as a barrier to working collaboratively with other federal agencies. The USIECR staff were “a bunch of outsiders.”

*Founding statute and publicness of agency.* Although previously described as an external force, the statutory language establishing the USIECR was mentioned by twelve of fourteen insiders including USIECR program staff and leadership, and Udall Foundation board members and staff as a defining feature of internal organizational characteristics, particularly as it pertained to staff enactment of their mission and purpose. Subsequently the statute served as their guideline for actions within the agency. One

member of the leadership team, legal counsel Ellen Wheeler, described how she examined the statute once a week in the initial years of the agency:

The core for us was certainly our statute and it still is, I mean, that's sort of the Bible, you have to go back to that all the time, you know to say ok, what is that we are authorized to do.

A key element of the statutory language planted the seed for the USIECR project that subsequently came to define much of the collaborative behavior of the Institute – the Roster of Neutrals:

In providing assessment, mediation, training, and other related services under clause (i)(II) to resolve environmental disputes, the Foundation shall consider, to the maximum extent practicable, conflict resolution providers within the geographic proximity of the conflict. (P.L. 105-156, sec 5.1.D)

It is this piece of the statute that was most often referred to as shaping program development in a collaborative sense.

USIECR leadership also indicated that organizational emergence within the public sector context immediately shaped internal actions as the agency struggled to quickly come into compliance with financial rules and procedures imposed by federal laws.

## **Dynamic Qualities**

*Organizational culture.* Culture is for the organization what character and personality are for the individual. The challenge of depicting an evolutionary conception of organizational culture lies in understanding how multiple perspectives, in this case interviewees, talk about and around this important construct. The idea of “culture” shapes stakeholder perceptions and influences individual behaviors. As suggested above, perceptions of USIECR’s organizational culture ranged across internal and external stakeholders from “academic” to “productive” to “collaborative” to “constraining.”

From an internal staff perspective, the organizational culture was one of high quality and committed work ethic where finding appropriate balances between work and personal life posed challenges. Two staff members likened their experience as being part of an entrepreneurial start-up in the private sector where passion and commitment fuel much of the productivity. Observations made at the 2005 ECR Conference and a recent Udall Foundation Board meeting reflect this feeling of pride and commitment in the work that was and is being done. Individual staff members also seemed to use the small size of the Institute as a starting point for this pride as if to say “look what we can do with such a small budget and small staff.”

A different piece of USIECR's culture mentioned by a majority of interviewees is the value of neutrality which shaped and was shaped by strategic action. Part of this value stems from the professional experience of internal staff in the field of ECR. Part of this value reflects the fact that USIECR is nested in the Udall Foundation and the conscious branding of the Udall group to emphasize Moe Udall's mantras of neutrality, civility and integrity. And part of this value comes from the strategic selection of neutrality a way of maintaining key support.

*Work processes.* As mentioned above, the authorizing statute, staff hiring, and organizational size all contributed to the development and evolution of work processes within the USIECR. Four program staff mentioned how the initial idea of hiring mediators to provide direct service originally did not match the context in which the organization operated. As it became evident that providing direct services would not enable the organization to provide a sufficient quantity of output and that the geographic use clause was not being fulfilled, staff members morphed into program managers who handled multiple cases mediated and facilitated by contracted private sector neutrals.

The combination of small size and the project management model elevated the role of information processing within the USIECR. The three administrative staff interviewed all discussed the important role of internal informational technologies for managing these high amounts of information.

### Strategic Behaviors

Several phenomena influenced strategic behavior during the first seven years of the USIECR. First, the mission of the organization required that employees already have training in ADR skills. These skills yielded collaborative behavior, as staff "practiced what they preached." Second, the language of the founding statute established institutional limits which forced the organization to reach across its boundaries at the very beginning. These limits included requirements to engage with the private sector as well as constraints on resources obtainable from the traditional congressional budgetary allocation processes. Third, the liability of newness and small size of the initial budgetary allocation encouraged USIECR leadership to strategically seek legitimacy from, and manage, key political and resource stakeholders external to the organization. Part of this legitimacy strategy involved positive perceptions that the organization was acting in a collaborative manner.

The data derived from our interviews, government records, and archival materials indicate that fixed and dynamic variables interacted with external forces and the organizational context of the public sector to influence behaviors of agency leaders and program staff. Much of the initial strategic behavior was driven by needs to gain legitimacy from external stakeholders and was shaped by the internal factors mentioned above. Decisions made by leadership and program staff reflect both boundary spanning and buffering strategies.

*Boundary spanning behaviors.* USIECR boundary spanning behaviors involved crossing organizational lines to couple with external stakeholders while managing crucial resources and legitimacy. USIECR leadership's boundary spanning activities began before their doors opened with interactions with the early advisory committee made up of leading practitioners in the field of ECR.

The roster of neutrals service contributed to multiple legitimacy strategies in this way. Stemming from an early idea by an EPA staff member who could have been a delegitimizing but was not, the EPA paid USIECR to create this roster. The roster created a direct path by which the USIECR could internalize private sector professionals through contracting out.

A third spanning behavior serving multiple legitimacy strategies was the organization's biannual ECR Conference. The Institute adapted this conference from a set of historical practitioner conferences and transformed it into a taken-for-granted feature of the organization attended by members of practically all stakeholder communities of interest. Pre-conference activities enabled the USIECR to build relationships with organizations through sponsorship and planning and advertise these relationships through the use of logos and "thank-yous" printed in the program. In-conference activities built legitimacy by selecting workshop presenters and keynote speakers from a broad array of stakeholder audiences, such as a prominent member of the environmental advocacy community. The conference also provided reinforcement for other boundary spanning activities. For example, at the 2005 ECR Conference in Tucson, one entire session was dedicated to roster members brainstorming with the roster manager ways of improving the program.

A fourth boundary spanning behavior was the development and implementation of the FACA committee. This project provided the means to bring otherwise unengaged stakeholders into USIECR. This committee also produced a report that has been used as a tangible product describing the relevance of the USIECR to national environmental policy that was widely circulated and presented to key stakeholders. Evidence of the collaborative symbolism behind this report was obvious at the 2005 ECR Conference.

Finally, boundary spanning behaviors were inherent when the OMB-CEQ policy memorandum was issued in November of 2005 that directed agencies to increase the effective use of ECR and their institutional capacity for collaborative problem solving, USIECR moved quickly. The USIECR staff worked proactively and collaboratively with senior staff from the Departments of Agriculture, Army, Commerce, Defense, Energy, Homeland Security, Interior, Justice, Navy, Transportation, the Office of Management and Budget, the Environmental Protection Agency, the Federal Energy Regulatory Commission, and the Council on Environmental Quality to develop basic principles and draft guidance within each interagency agreement (IAG) established to formalize service delivery between the USIECR and its client agencies. These formal agreements established institutional ties between the agency and many of its clients, collaborators, and competitors.

*Buffering behaviors.* Buffering behaviors served to protect internal characteristics of the USIECR (such as organizational culture, work processes, and programs from external threats) while maintaining legitimacy and the identity of the agency. For example, by law USIECR program staff cannot engage in the direct lobbying of Congress. Culturally, the perception that the organization engages in lobbying activity of any kind violates the neutrality value integrated throughout the organization. As a result, the USIECR leadership isolated program staff from contact with political gatekeepers and strategically selects and establishes relationships with “legitimacy champions,” individuals who positively support and believe in the USIECR mission who also have the ability to advocate for the USIECR to the OMB and Congress. Primarily, these individuals are the Udall Foundation Board members.

The selection of neutrality as part of USIECR’s organizational culture is another example of a buffering behavior. In cultivating this value, the USIECR branded itself as an entity that does not have additional agendas tied to its mission, as may be the perception of larger, multi-faceted agencies like the EPA or the Department of Interior.

A third example of a buffering activity is the evaluation program. Early on, the Institute developed a commitment to evaluating environmental conflict resolution and collaborative problem solving projects and services provided by its roster members. The stated rationale was that the evaluation system was necessary both to measure and report on performance and to facilitate continual learning and improvement when evaluation feedback is gathered, analyzed, and shared with appropriate audiences. While providing the USIECR with opportunities to bridge to external stakeholders, some stakeholders initially perceived the evaluation program as an imposition.

## **Conclusion**

The strategic management processes put in place by Kirk Emerson and her leadership team reflected much of what we expected. We predicted that the early strategic management of USIECR would center upon legitimacy-seeking, including strategies targeting key political and budgetary stakeholders, and it did. We predicted that the early strategic management of USIECR would include agency-based strategies that would be reactive in nature and include frequent occurrences of learning, and it did. We predicted that the institutional and cultural variables of mission, statute, and professional experiences would encourage collaborative management strategies to be used in early institutionalizing processes of the USIECR, and they did.

What surprised us most were the roles that competition and its seeming opposite, collaboration, played. Government organizations traditionally are characterized by a lack of competition. In addition, when we conceptualize that public organizations primarily institutionalize as they evolve, we do not immediately consider that competition plays a primary role. But in the case of the USIECR, competition and competitors were discussed more frequently in our lengthy interviews than any other variable affecting the evolution of the USIECR. This was buttressed by archival data and government

documents. Yet at the same time, competitors for resources and political support were also described as collaborators, suggesting that USIECR leaders recognized the importance of relationship building with key stakeholders to maximize legitimacy in pursuit of institutionalization.

We hypothesize that a statutory mandate requiring funding beyond direct appropriation encourages collaborative behavior in an effort to overcome and co-opt competition and detractors (Selznick, 1949) in the early evolution of a public organization. This is important because collaboration typically is portrayed as way to achieve common ends that each unit could not achieve separately. This was not the case in the early evolution of USIECR.

Future research on the birth and emergence of public agencies must focus on the role of collaboration in organizational evolution. Further, future research on collaboration must focus on the use of collaboration as cooptation, the use of collaboration as competition, and the impact of legal mandates on collaboration.

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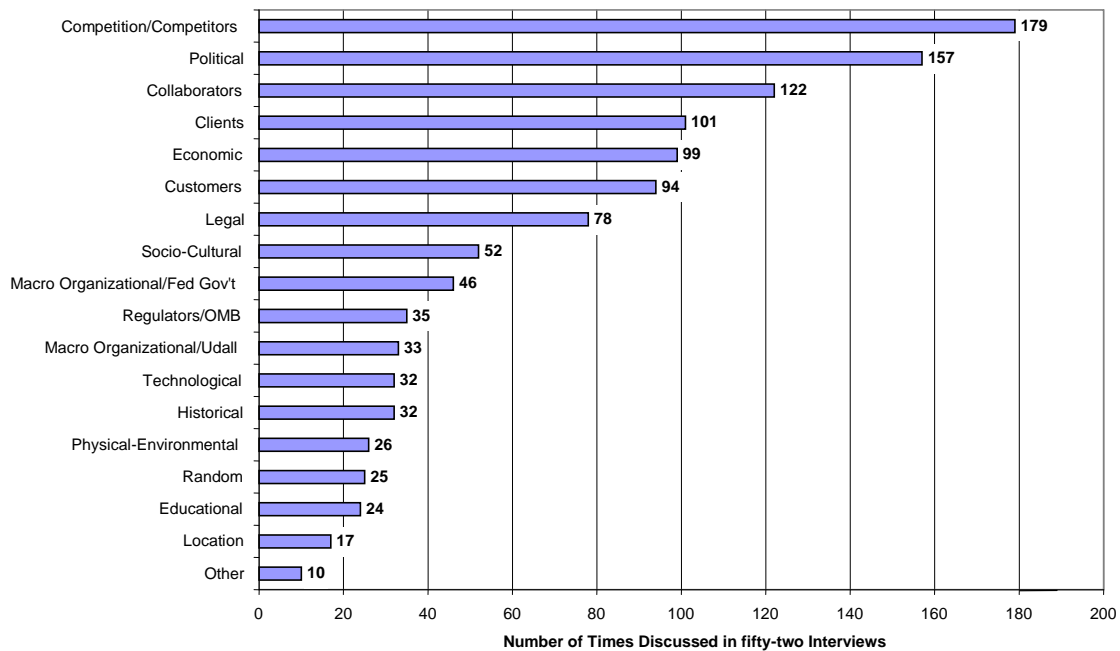
<sup>1</sup> Environmental conflict resolution (ECR) consists of an assorted set of techniques, processes, and roles that enable parties in a dispute to reach agreement, usually with the help of one or more third-party neutrals. See O'Leary, R., & Bingham, L. B. (Eds.). 2003. *The Promise and Performance of Environmental Conflict Resolution*. Washington, D.C.: Resources for the Future Press.

<sup>2</sup> As noted by prior theorists, the notion of organizational boundaries, and thus internal and external, serves an analytical role but results from individual perspectives of the beholder, limiting transferability to broader conclusions (Pfeffer, J., & Salancik, G., 1978; Scott, 2003; Weick, 1995.) Therefore, it is important to note that we as researchers enact “internal” and “external” of the USIECR based upon analysis of interview data in response to such questions as “Who do you think are important people or groups of people from whom the USIECR has needed to cultivate support?” and “Who does USIECR serve?” and “Who participates in program and project development decisions?” and not based upon direct questioning of what is internal and external.

**Table 1 – Persons Interviewed**

| <b>Category</b>                          | <b>Quantity</b> | <b>Agency/Organization</b>                                                                       |
|------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------|
| Academic                                 | 5               | Univ. of Michigan<br>Indiana University<br>University of Virginia                                |
| Federal Advisory Committee member (FACA) | 4               | Forest Service<br>Council of Environmental Quality<br>Friends of the Earth<br>Attorney           |
| Practitioner                             | 10              | Wilderness Society<br>RESOLVE<br>Meridian Institute<br>Consensus Initiative<br>GHK International |
| Staff                                    | 6               | USIECR<br>Udall Foundation                                                                       |
| Agency                                   | 10              | EPA<br>Interior<br>FERC<br>Federal Highway Administration                                        |
| Board                                    | 3               | Udall Foundation Board                                                                           |
| Congress                                 | 2               | U.S. House Staff<br>U.S. Senate Staff                                                            |

**Figure 1: Major External Forces Influencing the Evolution of the USIECR: 1998-2005**



**Table 2: Major External Forces & Interviewees Who Discussed Them**

| <b>External Force</b>  | <b>Most frequently mentioned by</b>                                                                                            |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Competitors            | Competitors: EPA and private dispute resolution firms;<br>Insiders: Kirk, staff, congressional staff<br>Field professionals    |
| Political              | Insiders: Kirk, USIECR staff, congressional staff, CEQ, Udall board members                                                    |
| Collaborators          | Clients and customers: Interior, DOT, FERC, EPA, FACA committee members, private dispute resolution firms, field professionals |
| Clients                | Insiders: Kirk, staff, CEQ, Udall board members                                                                                |
| Economic               | Insiders: Kirk, staff, CEQ, Udall board members and Competitors: EPA and private dispute resolution firms                      |
| Customers              | Insiders: Kirk, staff, CEQ, Udall board members                                                                                |
| Legal                  | Insiders/Lawyers: Kirk, Ellen, Udall board members, CEQ, USIECR staff                                                          |
| Socio-Cultural         | Field professionals; FACA members; Udall board members                                                                         |
| Macro Org/Fed. Govt.   | USIECR staff; Udall board members                                                                                              |
| Regulators/OMB         | USIECR staff; Udall board members; competitors (EPA and private dispute resolution firms)                                      |
| Macro Org/Udall        | Kirk; USIECR staff; Udall board members                                                                                        |
| Technological          | Kirk; USIECR staff; Udall board members                                                                                        |
| Historical             | Competitors and other field professionals                                                                                      |
| Physical-Environmental | Udall board members; Congress; CEQ; FACA committee members                                                                     |
| Random                 | Udall board members; Kirk; USIECR staff;                                                                                       |
| Educational            | Field professionals                                                                                                            |
| Demographic            | Field professionals                                                                                                            |

**Table 3: Fixed and Dynamic Internal Qualities Influencing USIECR Evolution**

| <b>Fixed Qualities</b>                                                                           | <b>Dynamic Qualities</b>                 |
|--------------------------------------------------------------------------------------------------|------------------------------------------|
| Personnel characteristics<br>Size and location<br>Founding statute<br>Public sector embeddedness | Organizational culture<br>Work processes |