



Boundaries in the study of organization

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The concept of boundaries as relational processes has been central and ubiquitous in the social sciences, especially in areas such as the formation of individual, group or national identities, the creation of class, ethnic or gender inequalities, or the social construction of professions, knowledge and science itself. A key theme running through these literatures is how symbolic resources are used to create, perpetuate, or challenge institutionalized differences or inequalities by creating distinctions between ‘us’ and ‘them’, the legitimate or illegitimate, the acceptable or unacceptable, the in or out (Lamont & Molnar, 2002). A central focus of study has thus been how ‘symbolic boundaries’ (Lamont, 2001), particular classification systems enshrined in cognitive schemata have very real consequences in forming and sustaining corresponding social boundaries.

In the management literature, however, there has been little serious and concerted study of the formation, properties and consequences of boundaries per se as complex, shifting, socially constructed entities. Organizational boundaries are often treated as socially and organizationally unproblematic, to be determined by considerations of economic efficiency, as, for example, in the case of transaction cost economics (Williamson, 1985), advancing a perspective originally proposed by Coase (1937). From a transaction cost perspective, for example, new technologies such as the internet can either enlarge or shrink firm boundaries through their effects on production costs that influence whether a productive task is outsourced or carried out internally (Afuah, 2003). The property rights approach (Grossman & Hart, 1986) has also been very influential in the theorizing of boundaries. In this approach, the boundaries of the firm are determined by the common ownership of assets that grants the owner bargaining power when issues of incomplete contracting, opportunism or hold-up problems emerge.

In spite of the fundamental influence of the transaction costs and property rights approaches on theorizing firm boundaries, they can arguably be seen as parsimonious to the point of reductionism, caricaturing complex phenomena in terms of propositions that are clear but perhaps not always enlightening on actual boundary decisions taken by managers. Holmstrom and Roberts (1998), for example, suggest that the complexity of firms and the problems they have to deal with necessitate a broader view of how boundaries are drawn, and they propose several additional considerations that can influence firm boundaries. In addition, Schilling and Steensma (2002) found that firms' technology outsourcing decisions cannot be explained by a single perspective, but rather by an ensemble of efficiency, sustainable advantage, and flexibility concerns. Others have argued that capability-building efforts (rather than simply efficiency concerns) are crucial to firms' make or buy decisions influencing organizational scope (Araujo et al., 2003; Barney, 1999; Brusoni et al., 2001).

In organization theory, the concept of organizational boundaries has been advanced since the 1950s by general systems theory (and its influence on subsequent theorizing), which viewed social systems through both mechanical and organic metaphorical lenses. Social systems were seen as clearly demarcated entities that interacted with an external environment, securing the necessary resources for system maintenance. 'Boundary maintenance', the preservation of the system as a defined entity, was thus a crucial function. Talcott Parsons, for example, advancing a functionalist frame of reference,¹ viewed societies and organizations as internally differentiated social systems, operating within an 'external' environment. These social systems had to address certain 'functional prerequisites' such as adapting to their external environment, goal attainment, integration of sub-systems and maintaining commitment to shared values (Parsons, 1951, 1956). Systems theory, however, privileged the system and the maintenance of systemic order, rather than the in-depth study of boundaries themselves as defining features of the system (Cooper, 1986).

In the organization theory and management literature, therefore, the study of boundaries as domains of study in themselves, as complex, socially constructed and negotiated entities that have fundamental effects on organizational life, has not received substantial attention. Paulsen and Hernes' (2003) edited volume begins to address this gap. This volume is a welcome addition to organization studies, containing research embodying diverse understandings and theorizations of boundaries. The contributions to this volume are theoretically informed and the volume as a whole is multidisciplinary, as befits the nature of the complex phenomenon that is the subject of the book.

The editors view boundaries as metaphors for understanding behavior in organizations and suggest that it may be impossible to talk about groups or organizations without assuming some kind of boundary (p. 5). Within the current vogue of the boundaryless organization, boundaries are believed to be crumbling to reveal dynamic, changing organizations.² The editors highlight that this fluidity of boundaries does not mean that they are disappearing, but rather that boundaries are changing in nature and perhaps even proliferating in subtle ways (p. 4). The editors rightly emphasize the importance of actual fieldwork rather than armchair theorizing in order to come to grips with the complex, socially constructed and shifting nature of boundaries. Almost all of the contributions comprising the volume draw on empirical work, which enables the authors to substantiate and illustrate their theoretical analyses.

In the first chapter, Paulsen draws from social identity theory and empirical studies of organization change to explore individuals' group identifications and actions in the context of change. In the next chapter, Hernes draws from a study of the formation of an internet-based university to highlight the enabling rather than the limiting or constraining role of boundaries. In chapter 3, Marshall outlines alternative conceptions of boundaries and suggests that existing notions cannot adequately encompass the plurality and hybridity of complex project organizations. The following chapter by Panteli draws from impression management theory to explore how actors create impressions of boundaries in the context of virtual work, highlighting the socially constructed nature of boundaries. Chapter 5 by Cyr and Trevor-Smith explores the issue of how to build customer loyalty and trust in e-commerce transactions across cultural and organizational boundaries. Jevnaker then addresses how the boundary work of industrial designers is related to innovation, and emphasizes the fluid and negotiated nature of boundaries. In chapter 7, Corswant et al. draw from an analysis of Volvo's activity system to argue that the formation of module teams creates new boundaries and new interdependencies that provide the context for further interaction among actors. In the next chapter, Rodriguez et al. adopt a political perspective to study 'mandated collaboration' in health care, emphasizing the socio-political issues that permeate attempts to manage across boundaries of organizations not highly conducive to cooperation. Chapter 9 by Keruoso is also based on research in the healthcare field, and draws on activity theory to explore how boundaries appear and evolve in and through actors' discussions. In chapter 10, Rafaeli and Vilnai-Yavetz report on a study of conversations about organizational artifacts, and what they can reveal about organizational stakeholders and stakeholders' role in interpreting and setting organizational boundaries as emergent entities. In

the next chapter Wels draws attention to the importance of researching physical boundaries, drawing from a study of electrified fences enclosing wildlife areas in Zimbabwe; illustrating the dynamics of physical and symbolic aspects of boundaries and the unintended consequences associated with these dynamics. Chapter 12 by Kamsteeg draws from social identity theory and anthropological studies of ethnicity to analyze the merger of three religious organizations and how organizational members reinvented organizational boundaries in the context of the merger process. The next chapter by Garsten addresses the 'boundary-making' and 'boundary-breaking' effects of temporary employees in the context of increasingly popular flexible work arrangements. The penultimate chapter by Nippert-Eng emphasizes the role of the individual in negotiating, maintaining or challenging boundaries through 'boundary work' within particular social contexts that influence this process, using the home/work boundary as an anchor for the discussion. The last chapter by Shamir and Melnik explores the theme of the rigidity or permeability of cultural boundaries, and their effects on cross-cultural workplace relations through a study of perceptions of American and Israeli managers working in multinational organizations in Silicon Valley.

In terms of the dominant perspectives on boundaries in the organization theory and management literatures, the work of these authors can be seen as a fruitful and needed departure. The authors draw from a diverse body of perspectives such as social identity theory, impression management theory, activity theory, and culture; perspectives that can more comfortably be located in interpretive organization theory and psychology, rather than the economics-inspired transaction cost and property rights approaches, or functionalist general systems theory.

Overall this is a useful, informative and interesting book for scholars intending to research organizational boundaries and their effects from interpretive, qualitative perspectives. I have four observations to make (perhaps to be considered in a second edition?), on issues that if addressed would have made this volume even more useful.

First, it appears that it is very tempting to think of boundaries as 'real' and 'out there'. Despite the theoretical subtlety of the volume and the overall interpretive and qualitative orientation, the editors appear to sometimes retain a hint of realism³ in their discussion of boundaries, alluding to a unitary 'reality' out there as a benchmark for understanding boundaries (p. 80; 'in mainstream organization theory, notions of boundaries have been driven by theory more so than by reality' (p. 8), and asserting that 'boundaries exist whether we observe them or not' (p. 303). This viewpoint, however, sits rather uncomfortably with the assumption that organizational

boundaries are in the final analysis inter-subjective, negotiated, and set through the decisions and actions of organizational actors.

This is a point of continuing ambiguity, no doubt related to the more broad theoretical polarization in the social sciences between action and structure approaches. Lamont (2001) indeed poses as a critical challenge in the study of boundaries, the development of a better understanding of the relationship between boundaries in the mind (symbolic boundaries) and 'objective boundaries'. Rather than positing a dichotomy between symbolic and objective boundaries, however, it may be more fruitful to think in terms of structurational, recursive and constructive processes (Giddens, 1984) between them. In this perspective, what we recognize as 'objective' boundaries can be seen as social structures that are in the final analysis and in a fundamental way produced by, based on, and legitimated by ongoing social processes at the action level of analysis.

Second, it would have been useful if the volume provided an extended discussion of the potential fruitfulness of researching boundaries in their own right. The discussion often remains at the level of highlighting the potential usefulness, but there is no significant, relatively comprehensive discussion of the theoretical contributions to organization theory that such research would bring. Perhaps what makes such a discussion difficult is the inter-disciplinary, multi-faceted and diffuse nature of the boundary concept. Nevertheless, it would have been useful to be more specific about the particular theoretical contributions of a focus on boundaries per se, to particular theoretical domains. Related to this, it would have been useful if the book contained a more concerted editorial effort to provide working definitions of boundaries that are empirically and analytically more clearly specified. One definition provided, for example, is boundaries as 'subtle descriptions of entities that are dynamic and elusive' (p. 304), which might not be immensely useful in guiding empirical work. Indeed, clear definitions of boundaries remain implicit or absent in many of the contributions in this volume. Even though definitions are arguably contestable and even changeable in social science, we can hardly build robust theory without them.

Third, and importantly, the volume would have been more useful to researchers who wish to take up the challenge of studying boundaries, if it provided a more structured, synthetic review of existing research on organizational boundaries, a task that has not yet been accomplished in the social sciences (Lamont & Molnar, 2002). Hernes' chapter does offer a useful typology of boundaries in terms of physical, social and mental boundaries, and outlines their constraining as well as enabling effects (pp. 36–42); and Marshall's chapter offers a helpful discussion of boundaries as metaphors of containment, as permeable membranes, as socio-culturally constructed, or as

problem concepts that need to be replaced (pp. 56–66). However, for a volume dedicated to boundaries, it would have been helpful if individual chapter contributions were complemented with a more extensive, integrative discussion on boundaries from a multidisciplinary perspective. This is of course not an easy task and arguably a more comprehensive, integrative theoretical discourse on boundaries was not a goal of this volume. Related to this, it would have been useful if the editors had attempted to provide a more structured view, framework or typology of the specific contributions to the volume; and how they relate (or do not relate) to existing research on boundaries. Either or both of the above efforts (a synthetic overview of existing research on boundaries and a framework locating the particular contributions of this volume) would have helped readers develop a clearer mental map of boundaries as a domain of research and thus encourage further, potentially cumulative research on this area.

Lastly, this book would not be immensely useful to those interested in a managerial perspective of how to effectively and efficiently manage boundaries to bring about enhanced organizational performance. There is a section on ‘reflections on practice and future directions’ (pp. 304–7), but this still remains at the conceptual level. This is of course not a significant drawback since the book is primarily aimed at researchers and scholars of boundaries rather than managers. The title, in this regard, would have been considerably more befitting of the contents if it was ‘Understanding boundaries in organizations’ rather than ‘Managing boundaries in organizations’.

I conclude by offering some further thoughts on boundaries, relating to both research paradigm and theoretical approaches. First, I would like to reinforce Paulsen and Hernes’ (2003) call for further empirical research on boundaries. It would be particularly fruitful to organization theory if such research was conducted via a grounded, inductive approach that emphasizes actors’ first-order perceptions of what is ‘in’ and ‘out’ (or at the margins) of a certain domain, why this is the case, and how the positions, roles or boundaries of individuals, groups, and organizations, can dynamically shift over time. Carlile’s (2002) ethnographic study of ‘boundary objects’ (organizational entities such as product drawings, schedules or particular technologies, that can be shared across different domains) provides a good example of such a grounded approach that builds on actors’ first-order perceptions. Such a methodological (and ontological) approach would usefully challenge traditional views of boundaries such as those based on general systems theory (boundaries as entities that demarcate organization from environment), transaction cost economics (firm boundaries as determined by considerations of economic efficiency and opportunism), property rights (firm boundaries as defined by common asset ownership) or managerialism (boundaries as

potentially dysfunctional entities that should be loosened to enhance organizational effectiveness).

Finally, I would venture to suggest that three theories would be particularly useful to the study of organizational boundaries: strategic choice, negotiated order, and structuration theory. Strategic choice theory views organization and environment as interrelated but not thoroughly distinct, and their relationship as shifting and dynamic. In a re-assessment of strategic choice theory, Child (1997) argued that the early, pronounced distinction between organizations and environments in this theory (Child, 1972) has to be softened because 'organization and environment . . . permeate one another both cognitively and relationally – that is, both in the minds of actors and in the process of conducting relationships between the two' (Child, 1997: 58). Strategic choice theory acknowledges the dynamic nature of boundaries, their constraining as well as enabling consequences, and also the key role of actors' interpretive schemes in this process.

The negotiated order perspective developed by Strauss and associates (1963, 1964), in addition, views social order as continually (re)negotiated through communicative actions, within a context of existing structural arrangements, themselves the result of earlier negotiations (Fine, 1984). Heracleous and Marshak (2003), for example, explored an episode of negotiated order (a debate on what the organization's internal structure should be, and on how it should be labeled) through a discursive lens. The decision that would determine the re-positioning of internal boundaries in this case was a highly political, linguistically influenced, negotiated process and was fervently debated by senior organizational actors who stood to gain or lose significant power depending on how the re-positioned intra-organizational boundaries were set. A negotiated order perspective highlights that the study of boundaries cannot afford to ignore the messy socio-political processes that lead to particular organizational arrangements that are later perceived to be stable and 'real'.

Lastly, structuration theory (Giddens, 1984), emphasizes that what appears as stable, insitutionalized structures both inside and outside the organization are in fact the consequence of recurrent patterns of actions (based on interpretive schemes), and are thus subject to re-definition if these patterns and schemes change. Giddens's concept of the duality of structure⁴ points to the limitations of a static conception of boundaries as something stable 'between' individuals and groups, organizations and environments. Structuration theory can act as a meta-theory sensitizing empirical work to the deeper structures of domination, signification and legitimation that provide the context for boundary negotiation by organizational actors at the level of social interaction.

Notes

- 1 A mode of explanation in which the persistence of any feature of a social system relates to that feature's contribution to system maintenance.
- 2 This managerialist stream of literature encourages speed, flexibility, and organizational learning through the creation of 'boundaryless' organizations (Ashkenas, 2000; Hirschhorn & Gilmore, 1992). The notion of boundary in this literature is usually something to be loosened, broken down or abolished, in favor of unimpeded communication and information flows.
- 3 The ontological assumption that objects have a stable, external existence independent of, and un-influenced by, actors' perceptions.
- 4 That social structures are both constituted by human agency, but are also at the same time the medium of this constitutive process.

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