**Adaptive Responses to Performance Gaps in Project Networks**

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**Abstract**

Project networks are an increasingly salient organizational temporary form to deal with complex problems. It remains unclear, however, whether and how project networks adapt over time, and hence implement changes, both within the span of the specific project, and across projects. We apply the performance feedback perspective to explore how adaptive responses to performance feedback are organized and absorbed within project networks. We investigate these matters in the area of humanitarian and development aid efforts, which represent complex social issues. In this context, project networks involve a multitude of actors at different distances from the implementation field, from the donor, through an international Non-Governmental Organization, to the NGO’s country offices, local NGOs and the beneficiary communities. Our qualitative findings, which we generate through an abductive analytical process, highlight that project networks dealing with complex social issues face six paradoxes based on DeFillipi and Sydow (2016): the distance, difference, identity, learning, temporal and performance paradoxes. Collective goal-setting, adaptive monitoring and evaluation practices, and continuous re-negotiation of aspiration levels emerge as coping mechanisms enabling project networks to internalize insights from the field and translate them into adaptive behavioral responses, mainly at the intra-project level. We contribute to a better understanding of adaption in these temporary forms, and particularly in its behavioral consequences. The study also advances knowledge on the performance feedback perspective, through its application in temporary settings, on the level of the project network and in the context of complex social issues, where organizational arrangement strive to pursue multiple interdependent goals.

Keywords: project networks; organizational paradoxes; adaptive responses; performance feedback theory; non-governmental organizations; development sector.

**Introduction**

This article examines how project networks, as temporary organizational forms, addressing complex social challenges adapt due to performance feedback. The learning from performance feedback perspective (LPF hereafter) posits that the gap between the actual organization’s performance and pre-existing performance-related aspiration levels is one of the main triggers for search and change (Ben-Oz & Greve, 2015). By enacting responses to close the performance gap, especially if negative, decision-makers engage in a process of feedback adaption. While the perspective has proven very relevant in a number of sectors (Lucas, Knoben, & Meeus, 2018), applications in the context of temporary organizations, especially in project networks and in the context of social performance, are very limited (Wilhelm, Steigenberger, & Juntunen, 2017). In fact, LPF argues that organizations benchmark their performance either historically, i.e. they compare current outcomes with previous time periods, or socially, i.e. they compare with similar organizations or competitors (Greve, 2003) in the same time period. However, since temporary organizations are potentially unique and oriented to complete tasks and not goals in a predetermined time period (Lundin & Söderholm, 1995), both social and historic comparisons are hard to achieve. Rather, temporary organizations are usually evaluated with a predetermined set of criteria with regard to for example cost, time to completion and quality.

We investigate responses to performance feedback in project networks in the area of humanitarian and development aid, which are often dealing with ‘wicked problems or ‘grand challenges’. These problems are regarded too large and complex for the sole action of individual organizations (Eisenhardt, Graebner, & Sonenshein, 2016). Multi-actor inter-organizational project networks are seen as an important and flexible way in which these social challenges can be dealt with (Pinkse & Kolk, 2012). This is because inter-organizational project networks, as specific forms of temporary organizations, often bring together a heterogeneous set of relevant actors, capabilities and resources necessary to tackle problems spanning the boundaries of the participating organizations (Sydow & Braun, 2018). In the field of humanitarian and development aid, typically, a donor organization will supply the finances for a project suggested by an international (consortium) of Non-Governmental Organization. The implementation of the project is done by a configuration of the NGO’s headquarters, its country offices, local NGOs, local governments and the benefiting communities. We argue that the constellation of actors involved forms a project network in which the project is the actual implementation of negotiated goals between stakeholders (for a firm-level account of this line of thinking see: Nason, Bacq & Gras, 2018). Humanitarian and development aid is typically delivered in the form of temporary projects that can span a few weeks to several years.

Like other temporary organizations, project networks, because of their *ad hoc* nature and their frequent decoupling from permanent organizations, enable experimentation, adaption, and learning which can help to work towards making real progress on these issues through repeated projects (Stephan, Patterson, Kelly, & Mair, 2016). However, because of their temporary and fluid nature, the establishment of an organizational memory that leads to long-term repertoires in these networks is plausibly challenging (DeFillippi & Sydow, 2016). Additionally, for project networks addressing social challenges, performance goals are likely to be complex and difficult to identify, as they include both social impact on the beneficiary communities and financial viability of the project activities.

In addition to their temporally-bounded nature, project networks addressing complex social issues also face goal multiplicity, as they strive to achieve both social outcomes and financial viability. Because the two are interdependent, project networks addressing complex issues operate in a situation of multiple interdependent organizational goals. The presence of social performance makes it difficult to fruitfully use performance feedback, as reference points are oftentimes lacking (Nason et al., 2018). Moreover, there is little agreement on how to measure social performance, hence social performance feedback becomes ambiguous (Nason et al., 2018). Relatedly, the composition of such project networks implies that multiple stakeholders are involved in performance evaluation and in the formulation of strategic responses, which might affect both the ongoing projects and the permanent organizations. In addition, the performance of project networks is likely to be evaluated by the permanent organization(s) setting up the project, the donor organization supplying the funds, and the community that the temporary network organization attempts to serve. These different actors are likely to hold different understandings of performance and different aspiration levels, which might lead to inconsistency of performance feedback.

Considering the above, we expect these organizational forms to face a number of paradoxes. DeFillippi & Sydow (2016, pp. 6-9) identify five paradoxes typical for project networks and of interest to our study: the distance, identity, difference, learning and the temporal paradoxes to analyze how learning takes place in project networks with multiple interdependent goals. We will use these paradoxes as sensitizing concepts in our attempt to understand organizational adaption in project networks and combine them with an application of a LPF view, we aim to make two main contributions. First, because only a very limited amount of studies exist connecting social performance feedback and projects, this study aims to explore to what extent the LPF perspective holds valid in case of temporary organizations. Relatedly, we increase insight in how such specific arrangements use performance feedback to inform organizational search and change, and what kind of adaption occurs at the project or at the level of permanent organizations. We hereby focus on the initial stage of the learning process, i.e. the behavioral adaption after the identification of a performance gap. For actual learning to occur, however, behavioral changes have to be institutionalized, which is beyond the scope of this paper. Therefore, if we refer to the LPF framework in the following, we focus on the initial stage of behavioral adaption (see Fiol and Lyles [1985] for a similar argument).

Second, while the LPF view assumes inconsistency of feedback to arise from contradictory historical vs social benchmarks, the inconsistency of aspiration levels across stakeholders and its behavioral consequences has not often been investigated. Instead, the behavioral theory of the firm, which provides the theoretical anchoring of LPF, recognizes that aspiration levels stem from a negotiation process among internal stakeholders. Building on this, this study will consider the influence of stakeholders’ (e.g. NGOs, communities and donors) views on, and the involved organizations’ adaptive responses in the project network. Our research question therefore reads: *How do project networks dealing with multiple interdependent goals respond to performance gaps?*

**Theoretical Background**

***Paradoxes*** ***in project networks***

Temporary organizations are increasingly adopted, as fluid, flexible, short-term organizational arrangements with a high degree of autonomy and strong task-orientation (Schwab & Miner, 2008). Temporary organizations – in this case project networks - are often equated to project-based ventures, which involve a variety of actors that work together according to specific contractual arrangements towards the accomplishment of a well-defined activity (Prencipe & Tell, 2001; Schwab & Miner, 2008). Project networks are commonly defined by three characteristics (Hellgren & Stjernberg, 1995): (1) They consist of a set of relations, where no individual organization or actor acts as the legitimate director of the network as a whole. Due to the lack of traditional hierarchy, this characteristic poses specific governance and coordination problem to project networks; (2) The project network is an open network implying that there are no definite criteria by which the boundary of the network may be identified and controlled. Some project networks built on prior ties, whereas others are temporary constellations having projects as their centers of activity; and (3) Project networks function in environments where the networks in which they are embedded also can be temporal, changing, and (partially) reconstructed from one project to the next.

DeFillippi & Sydow (2016) identify a number of paradoxes typical for project networks and of interest to our study, where a paradox is a ‘persistent contradiction between interdependent elements’ (Schad et al., 2016, p. 10). The first one concerns the distance paradox. On the one hand, one can argue that detaching the project from the wider organization context helps projects to focus and accomplish their task (Cohendet & Simon, 2007). However, a too large distance will hinder the subsequent integration of the project organization’s activities in the overall organizational processes. In inter-organizational project networks, these tensions are stronger due to different roles and responsibilities at the different levels.

A second paradox concerns actor identity. Actors in project networks bring different identities to the table. They have, for example, an identity as a professional, as an organizational member, and as a member of a project. These different identities and related organizational commitments can create tensions due to differing cultural norms and work practices & ethics. Scholars (e.g. Pinto, Slevin, & English, 2009) have identified several mechanisms to deal with these tensions. Examples of these mechanisms are role assignments and (swift) trust (Meyerson, Weick, & Kramer, 1996).

Third, one of the defining characteristics of a project is that it conducts a relatively unique task and/or generates unique outcomes. Project and project networks are confronted with tensions between standard operating procedures and non-routine solutions to the project’s tasks and challenges. Standardizing approaches provide economies of repetition and repeatable solutions (Davies & Brady, 2000). However, such approaches can become dysfunctional when a project or a series of projects contains unique (innovative) requirements. DeFillippi and Sydow (2016) label this as the difference paradox.

Temporary organizations in general are known for their difficulties to achieve inter-project experience accumulation, knowledge articulation and knowledge codification, the three pillars of organization learning processes (Prencipe & Tell, 2001). Scholars consider that the unique nature of TOs’ activities reduces opportunities for routinization and long-lasting learning (Hobday, 2000). Here, an interesting and fourth paradox emerges. On the one hand, temporary organizations offer ideal conditions for new knowledge creation (Ordanini, Rubera, & Sala, 2008) and are preferred over other types of organization for their capability to flexibly foster knowledge recombination, and adaptation. However, on the other hand their attention is often so focused on the operational end goals that few organizational resources are left for self-reflection on current project activities for the benefit of future ones. A ‘doing versus learning paradox’ (Sydow, Lindkvist, & DeFillippi, 2004, p. 1483) is therefore apparent.

The fifth and last paradox is the temporal paradox. This tension is about the impact of shadows of the past and the future on the behavior of actor in and the governance of project networks. This is for example about the tension between working in projects with familiar partners (repeated ties) or invite newcomers to the table. This choice relates to the issue of trust and relational investments (Ebers & Maurer, 2016).

**Applying performance feedback theory to temporary organizations**

Performance feedback (PF) theory professes that organizations adapt their behaviour and hence devise strategic responses and guide organizational change based on comparisons between their current performance and their aspiration levels relative to the specific performance goal, along two main dimensions. Historical comparison relates to their current performance with respect to their past one; Social comparison relates to their current performance relative to their peers (Greve, 2003). Aspiration levels are in turn defined through internal negotiation processes (Ben-Oz & Greve, 2015), while performance relative to aspiration level is conceptualized as the main driver for feedback learning (Ben-Oz & Greve, 2015; Greve, 2003). The perspective has demonstrated that when performance lies below aspirational levels, risk-taking will be higher (Fiegenbaum & Thomas, 1988) along with the likelihood for the organizations to undergo more radical changes. Instead, if performance levels are higher than aspirations, complacency and stability will be more likely (Ben-Oz & Greve, 2015). Consequently, causality is theorized as circular: Performance becomes both the antecedent and the outcome, in an iterative, inter-temporal cycle of feedback learning and organizational change..

The application of a PF view to the understanding of project-based adaption is still very limited. Schwab and Miner (2008) apply a performance-outcome view to examine whether and under which circumstances project teams repeat collaboration in future projects. This line of investigation, further expanded by Ebers and Maurer (2016), adopts an inter-project perspective, along which the behavioral outcome – or strategic response - is repeated collaboration. At the project level, Wilhelm and colleagues (2017) applied PF theory to a sample of fundraising projects published on Kickstarters to demonstrate that performance below the aspiration level (i.e. negative performance feedback) has a non-linear effect on the change of narratives, which is attenuated by time pressure. Moreover, application of PF theory in a context of organizations pursuing multiple interdependent goals – such as project networks aiming at achieving social impact through financially viable activities – is still absent. A recent conceptual work has started to explore the application to social performance, and identified several challenges, such as difficulty to define social performance and find relevant reference points (Nason et al., 2018). Sparse prior work has identified tensions arising from the often conflicting goals (Jay, 2013) and how to manage them (Doh, Tashman & Benischke, 2019). This study will therefore attempt to extend existing theory on project networks through the application of PF theory in the context of multiple tensions characterizing project networks pursuing different goals.

**Methods**

***Empirical context***

This study analyses project networks as a temporary organizational form allowing for channeling development and humanitarian aid to areas in need, to tackle the needs of civil society while remaining independent from governments (Werker & Ahmed, 2013). Prior literature has highlighted the temporary nature of organizing for social challenges because of the inherent fluid and dynamic complexity characterizing the issues at stake (Alford & Head, 2017). Moreover, addressing complex issues requires new participatory forms that co-create solutions and interventions through involvement of multiple stakeholders (Pinkse & Kolk, 2012). In this scenario, actors such as NGOs are a particularly fitting example of project-based organizations that often retain a permanent organization and at the same time engage in project networks with powerful stakeholders, such as governments, local communities, social impact investors, institutional or individual donors.

The humanitarian and development aid context is ideal for our study purpose. First, such networks involve multiple heterogeneous actors at various distances from the project implementation field, with different values, ways of working and agendas. The project networks are time-bounded; while some members may experience repeated collaborations over time, others do not. While all participating organizations are permanent, their collaboration around the specific project requirements is temporary. Second, these networks face multiple interdependent goals, in the way that they strive to achieve social impact with financially viable operations. Therefore, performance is a multifaceted construct negotiated across the participating actors.

***Sample and data collection***

The study has an exploratory character. We collected qualitative data through semi-structured interviews to examine how performance feedback of project networks dealing with complex social issues is set up, organized, absorbed and what kind of adaptive responses are triggered.

We use a saturation driven sampling approach, where we continued to recruit new respondents until no new overarching themes emerged (e.g. Angeli, Ishwardat, Jaiswal, & Capaldo, 2018). Eligibility criteria used are: Respondents should have acquired ample experience with and been involved in projects dealing with complex social issues; they should represent a diverse set of organizations in the project networks as well as come from different subfields within the humanitarian relief and development aid sectors. A first group of respondents was recruited through personal contacts by the authors followed by a snowball sampling method for additional informants based on recommendation of respondents from the first group. We have conducted 22 semi-structured interviews face to face or via skype. Our respondents represent professional organizations in project networks ranging from international NGOs to social enterprises. About 50% of our respondents are female, who work for example as project or program managers, or as consultants. .

The interviews lasted about 45 minutes each, were recorded and subsequently transcribed verbatim. Saturation was reached after about 11 interviews, where no new themes emerged, but only refinement of already existing categories (Angeli et al., 2018). The interview topic list contained questions about the personal experience and positions of the respondents with regard to project work, how aspiration levels are set, project outcomes are assessed and how that information is communicated and processed throughout the project network. We were especially interested in understanding what benchmarks were used for setting aspiration levels and assessing the outcomes, since the standard (social/historical) benchmarks within the performance feedback model are hardly available for temporary project networks. These often have a unique character or are conducted in specific and constantly varying contexts. We were also interested gathering insights about the consequences of projects’ under- or overperformance along both social and financial goals, and how the different stakeholders weigh social and financial outcome criteria. We also asked, how the performance feedback is absorbed, and which responses are developed to performance gaps.

***Data analysis***

We adopted an abductive approach to data analysis (Timmermans and Tavory, 2012). We followed a three-step approach. First, interviews were coded through thematic analysis (Ritchie, Lewis, McNaughton Nicholls, & Ormston, 2014) by two coders independently, to insure that the main themes emerging from the codes were corresponding. Thematic analysis facilitates the identification of groups of meaning within collected data (Ritchie et al., 2014). In order to ensure rigor to the coding process, we used Gioia’s two-step approach to identify first-order codes (categories that reflect the respondents’ voice) and second-order codes, which reflect the researchers’ understanding (Gioia, 2013). A third step involved the deductive use of existing theories, to define third-level, aggregate themes. We fitted the existing six paradoxical tensions identified by DeFillippi and Sydow (2016) to the second-order themes identified in the first two steps. Because existing categories did not explain all relevant insights, we identified an additional paradox, labeled “performance paradox”, to extend the existing theory in order to more accurately represent our data. In addition, three types of adaptive responses were identified that project networks used to cope with paradoxes.

Figure 1 shows the coding tree with the code structure and reports the number of segments coded for each first-segment code.

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**Results**

The coding process of 22 interviews yielded 506 coded segments, 104 first-order codes, and 9 second-order codes. Below, we present the results with regard to the six paradoxes faced by project networks – namely identity, distance, performance, learning, difference and temporal. From the data, also three types of adaptive responses emerged: collective goal setting; adaptiveness of M&E practices and continuous re-negotiation of aspiration levels.

***Identity paradox***

Organizations operating on a project-based, temporary basis to tackle complex issues – such as NGOs – are embedded in a network of heterogeneous actors that ensure that funding granted by donors is translated into time-bounded activities to provide humanitarian or development aid to disadvantaged communities. As indicated by the identity paradox, the network consists of actors with different organizational identities, goals, and relative power. These actors, however, need to work together towards a collective (negotiated) goal. Understanding the funding chain within the network is perceived as important to understand incentives and identities of the different actors involved. Typically, donors are considered the most powerful organizations in the network (“... *because the donors, they have the carrot and the stick, but really the donors have the most potent position, I think, in terms of enforcement.”* [Respondent **Beta,** *Independent consultant/donor advisor - Humanitarian relief*). The different power position is often related to a completely different way of working, and mindset characterizing the donors. As one respondent from an NGO mentioned:

The different identity and ways of working of donors is strictly related to the fact that they are more distant from the field (distance paradox) , more sensitive to global goals than to local needs (different paradox) and more careful about bookkeeping and financial auditing than to measure social outcomes (performance paradox).

*“The donors. The donors ... Okay, how shall I put this? The donors' methodology and agenda, which has to, you know, you have to make it bend enough for you to actually, the someone who knows the complexity, or the organizations who know the complexities, for them to be able to actually deliver, and really deliver, as much impact as we can. And for a lot and lot of cases, we would be like, "And why are we implementing this here? Do you know?"* [Respondent **Lambda,** *Technology and curriculum advisor, Social Enterprise*]

The wide variations across donors, ranging from governmental agencies, to private donors to social impact investors, expect varying returns on investment on the funds they provide to implement projects or start-up social enterprises. These variations determine differences in expected outcomes and ways of working, requiring constant (re-)adaption of NGOs. As one respondent mentioned: *“So it's really, every, let's say there is quite a different culture with each donor”.* [Respondent **Nu,** *Head of mission, inter-governmental agency*]

Tensions occur often times between the work practices of NGOs compared to the donors’ agenda. There might be a mismatch between the two. As one respondent put it:

*“So the WFP says if we are been given cash from our donors, this cash can only be spent on food. So from their perspective, if a beneficiary buys I don't know a sanitary pad or pays for medicine this is misuse of the money. Which of course from the beneficiary perspective is total nonsense.”* [Respondent **Beta,** *Independent consultant/donor advisor - Humanitarian relief*]

Tensions however are visible in the different systems of incentives stimulating actions of headquarters vs. country offices. Especially, the latter may be involved in many different projects, which decrease their commitment to any specific one. However, headquarters are responsible to donors, and hence are inclined to enforce correct implementation of the activities. This creates a competition for organizational commitment. As a respondent observed:

*“..Staff might be booked 50% on the grant, but in reality they spend only 25% because they're being asked to do many other things. And for them it's just one of those grants and for us it's because we are liable to the donor. This is important!”* [Respondent **Delta,** *Program Manager at international NGO headquarters*]

***Distance paradox***

As indicated by theory, project network members suffer from the divide between the need for embeddedness into the project context and into their permanent organizations. Despite mechanisms and professional figures set in place to create additional information channels between the field and the donor level, funders are “far removed” from the communities. This distance often hampers full appreciation of the local conditions and complexities and therefore the necessary contextualization of customization of activities to local needs. One respondent maintained:

*“They [the donors] develop global goals and they think that they can be adapted in a way or another, and here comes, really, the role of the organization on how to coordinate or to channel this challenge and tell them that, "Well, this goal needs to be contextualized to these specific needs.”* [Respondent **Eta,** *Design monitoring and evaluation manager, Social Enterprise*]

The existence of different views on how activities should be organized is regarded as a fundamental cognitive distance from the field. Donors, country offices and communities often have very different perceptions about content and expected results from ongoing project activities. A respondent stressed the need for “translation in donors’ language” and the distance between a project and a donor:

*“It almost needs to get translated that way. And I don't think that there is a...in a sense maybe there is a disconnect between the donor and the country office but it goes through our office to be able to kind of translate it into that language. I think almost categorizing it too they [the donors] almost have like a different vision in their head of how the project is organized. Because they have their goals beyond this project and what they achieve.”* [Respondent **Iota,** *Program Manager at country office, International NGO*]

***Performance paradox***

Such distance and the associated cognitive divide seem to lead to donors having different expectations and priorities associated to projects’ results than NGOs. The performance paradox that we additionally have identified in our data, points to an essential paradox between social and financial goals. According to many respondents, funders seem to prioritize accountability and thorough bookkeeping over social impact. A respondent summarizes very well a widespread feeling:

*“Actually, many donors spend a lot of time of looking just at expenditure and they do not spend enough time on whether the money has been spent in order to make the situation of affected people better. And you can get away with a lot of wasted impact opportunities. I say with really crappy impact as long as you have your bookkeeping in order and you have your procurement rules well documented et cetera*.” [Respondent **Beta,** *Independent consultant/donor advisor - Humanitarian relief*]

Consequently, financial deviations or irregularities seem to have a higher impact for the project or the organization than social underperformance. In particular, issues of safeguarding or corruption are most serious, as they might lead to withdrawal of funding and interruption of the relationship with the donors. A respondent stated:

*“In the end, the best project, the best achieved project that your finance is not okay, you're out. Cause no donor wants to have the brand offset. You know, your financial reputation at stake. That has a higher order than content.”* [Respondent **Delta,** *Program Manager at international NGO headquarters*]

The paradoxical focus of sponsors on financial aspects of social projects is ascribed to the distance from the field and the closeness to financial control mechanisms under which funders operate. In this way, the distance paradox seems to be leading directly to the performance paradox, as is illustrated by this quote:

*“the more far removed you are from the field the more the bookkeeping and the financial outcome is important than the social sort of. Because also the further you are removed from the field the closer you get to your own supervisory reports, you know the court of auditors or like because every donor agency also has governmental control mechanisms. So further removed from the field, the closer you are to these control mechanisms.”* [Respondent **Beta,** *Independent consultant/donor advisor - Humanitarian relief*]

The performance paradox is also linked to the identity paradox. Difficult-to reconcile clashes of identities and cultures within the project network lead the donors to be most focused on short-term output rather than longer-term impact, in stark contrast with NGOs’ perspective. In elaborating on this point, several respondents refer to the theory of change, which distinguishes between *outputs*, easy to measure indicators of the number of products and services delivered through the project activities; *outcomes*, which evaluate the short-medium term improvement of individuals’ well-being; *impact*, which considers the medium-long term benefits at the community level due to the project activities. It clearly emerges that most funders devote more attention to outputs, because of two underlying reasons: visibility and control. Output measures warrant the possibility to craft easy, effective messages, that are immediately comprehensible to the wider public to the benefit of funders’ visibility:

*“Yeah, and often more attractive to donors because donors themselves are under pressure to have visibility for their program. They're actually often quite keen on being able to fund where they can say without fail, "Yes, we have serviced 68,000 families with food and water," rather than, "239 carpenters whose capacity we've built." That's not very sexy.”* [Respondent **Alpha,** *Independent consultant/project manager - Humanitarian relief*]

The second important aspect relates to the extent to which temporary project networks can control and effectively monitor project outcomes. While financial aspects are perceived to be fully under organizational control and monitoring capabilities, social impact is much more dependent on unexpected fluctuations of contextual conditions:

*“For the financial part, no there's no justification. Because it's the easiest way to understand or to measure if something has worked or not. The second part, it's implementation of the project and the impact of the project. And, the impact is the hardest part to measure. Maybe it's the most important one but it takes a lot of time as well money maybe to get a good honest impact evaluation of the projects so, I think if something doesn't work in the financial part the donor will be behind us. The other one we can justify.”* [Respondent **Kappa,** *International team manager, local NGO*]

***Learning paradox***

The learning paradox is characterized by a tension between knowledge acquisition and knowledge dissemination (De Fillippi and Sydow, 2016). It emerges in the opposition between intra-project vs inter-project learning. While disseminating and embedding valuable insights from one project to another would be very valuable according to all respondents, it is also most difficult to achieve.

Respondents recognize that there is increasing emphasis on learning in both the humanitarian and development field, as demonstrated by the learning tools implemented to facilitate dissemination of best practices across projects, including policy briefs and stakeholders’ reports. However, different types of learning happen at different levels of the project network, because of the difficult-to-reconcile nature of the insights and knowledge created in different areas of the network.

*“So there are more or less three levels of learning based on the implementing level, on the donor level, and on international headquarters level. You can imagine they all pick out different things. So we pick out these things at our donor level which has to do with Project Management, risk management, project design, things that can be transferred to other countries. On national level, they very much look for those things that are applicable to their national context. And on the international level, they look much more for these ingredients that are more of a strategic level.”* [Respondent **Pi,** *Director for international development and emergency services, International NGO*]

Strategic learning is recognized especially at the donor and cluster levels. Donors are regarded to be placed best for developing learning across projects, because they retain an “ecosystem view”. However, donors, although having the possibility and probably the moral obligation to appreciate long-term impact and replicate best practices, are still focused on short-term outputs, which hinders higher order learning.

Intra-project learning equates to developing deep contextual knowledge of the implementation field, that allows for crafting and readjusting the project activities according to the local needs. Such knowledge is acquired through local visits and dedicated research, especially when performance gaps relate to the domain of social outcomes:

*“* *So you expect that at least once per year a person comes and visits the health post and then if you then calculate that of your utilization has only been like 0.6 you start wondering what's wrong. And then that tells you that somehow that clinic is not providing the type of assistance that people really need. Because people do fall sick. So if they do not come, they either don't trust or- In one occasion in Lebanon I realized that something is wrong here because there were only. there were too, too few patients even though there were Syrian refugees all around and after digging a little more I found out that the clinic staff decided that the Lebanese policy of giving free access of healthcare to Syrians they did not like that so they were still asking the people to pay.”* [Respondent **Beta,** *Independent consultant/donor advisor - Humanitarian relief*]

Our findings suggest that intra-project learning is facilitated by trust among network members. The stimulus to understand local conditions often arises from local failures, or unexpected outcomes. In order for these insights to be freely shared within the project, it is important that there is reciprocal understanding and a focus on partnership and improvement:

*“If you found, like, there is trust between the donor it's more partnership than a donor, you know, NGO relationship. And I think you would share more freely what you've learned, cuz, you know, learning is always about what you've done wrong.”* [Respondent **Upsilon,** *Senior program manager at international NGO*]

Our evidence also suggests a connection between the learning paradox and the performance paradox. Synthesizing knowledge from one specific context to be used across projects is even more difficult when social impact is the performance dimension under scrutiny. Stimulating social outcomes in a specific community often requires very in-depth understanding of the local socio-cultural context. The at times very idiosyncratic local conditions make it difficult to standardize approaches across settings. As one respondent mentioned:

*“I'll take the example of a well. The wells have not been used because there are local beliefs that there is a mermaid at the bottom of the wells. This is a true story. So basically, the money has been properly used, there's been no fraud, the wells have been dug, the work is technically sound, but you have not achieved your social impact. You see my point?”* [Respondent **Tau,** *Former HR director at international NGO, former humanitarian advisor at inter-governmental donor agency*]

***Difference paradox***

An important factor hindering inter-project learning is the high specificity of NGOs projects, where contextual factors – such as national regulations, socio-cultural and socio-economic characteristics of the target communities, interactions with local partners and donors – make every project virtually unique and difficult to replicate. DeFillippi and Sydow (2016) attribute this tension to the need to standardize operations vs the need to attend to local needs. As temporary organizations, these projects involve a set of highly specific organizational arrangements, that are difficult – if not impossible – to replicate. Moreover, political pressures may require brand new approaches, even when existing ones could be used:

*“It has to do with context, I think, and it has to do with different contexts. For instance, what's going on here in Mozambique is definitely not the same as what's going on in Jordan, where we are as well. And usually, when it comes to projects that are implemented in line with existing government strategies or plans, usually governments don't want to, at least here in Africa this is what I've seen, governments don't want to be told that this is what's being done in Malawi or in Jordan or in Yemen. They want something that is proper to the country.”* [Respondent **Zeta,** *Country director, International NGO*]

Hence, the difference paradox, which considers the difficulty of attending local needs and developing global standardized practice, directly lead to the learning paradox, and hence to a difficulty reconciliation of intra-project insights – that are highly context-specific – with inter-project exchange of best practices.

At the same time, the difference paradox seems directly related to the distance paradox, as organizations closer to the field will be more likely to focus on local needs and emphasize the uniqueness of the local context, rather than synthesizing lessons that inform standardization of practices across settings. As one respondent puts it:

*“I also see situation when actually, too many times, we refer to these lessons learned even when the situation is totally different. We keep on making reference to something that happened one day. Then we make it the truth forever, it would be that. That is so, so annoying. For something that happened once it doesn't apply to all the cases. Sometimes the things we believe in the past just belong to that special context. Always and forever, things can just change.”* [Respondent **Gamma,** *Independent consultant - Broker for social impact investing*]

***Temporal paradox***

The temporal paradox underlines the network members’ multiple embeddedness into past, present and future project participations. Project networks are temporary in nature and lasts for the duration of the project only. Temporality of organizational arrangements also varies within the network. Funders and NGOs (both headquarters and country offices) are permanent organizations. Projects are instead temporary organizations by definitions, and last from a few months to a maximum of 3-5 years. Projects identify a specific set of activities, funded by one or - in fewer cases – multiple donors, targeting specific communities through the involvement of a specific set of local partners. Especially international NGOs embed projects into programs or clusters, which identify larger areas of interest and are semi-permanent arrangements that ensure commitment to specific intervention areas, such as women empowerment, poverty alleviation, or environmental protection. The temporal paradox seems to be directly leading to the learning paradox. In fact, one aspect concerning the difficulty to learn across projects is the inherent short-term perspective of project networks, which hampers learning, because it hinders long-term intervention and reflection:

*“Yeah. So, yes, this is the problem, and something else. In the development here, you need to have like a multi-year intervention to make sure that you are reaching the impact you want. However, for some donors, they have a limited timeframe. Six months or twelve months. And even if some other donors, like, they have a long-term year, they are not certain that they will have the funding to provide for a multi-year intervention. So, they look on a year-by-year basis on ...”* [Respondent **Eta,** *Design monitoring and evaluation manager, Social Enterprise*]

The high turnover of people working in a temporary project network further exacerbates the temporal paradox. The short-term-ness of project assignments requires continuous re-adjustment between old and new members. One respondents argued:

 “*So I mean there are various reasons, cultural, society, economic. Before you could make a living out of working as a relief worker, now you can't. So all those elements makes it that the turnover is very big, and so keeping the learning curve or keeping the lesson learned, and keeping an institutional memory in an organization is extremely difficult.”* [Respondent **Tau,** *Former HR director at international NGO, former humanitarian advisor at inter-governmental donor agency*]

The temporal paradox is also connected to the performance paradox. When projects or project participants are focused on the short-term, immediately quantifiable project outputs within the short time span of a project, financial considerations seem to be more important than social impact. In fact, social impact - to be measured and appreciated effectively – requires a longer time horizon, because *“Impact starts when the project ends”* [Respondent **Pi** *Director for international development and emergency services, International NGO*]

Not least prominently, the temporal paradox seems very linked to identity considerations of project network participants, hence to the identity paradox. NGOs’ representatives have been outspoken against the short-sighted perspective of many donors. One of many quotes illustrative of this position is the following:

*“Basically, we try to outreach to donors who have long-term visions. However, even that we can't always find such donors who are willing to commit for a several years program. We try to do as much as possible with the timeframe that is provided by all the donors that we have now, even if it's only a few months intervention.”* [Respondent **Lambda,** *Technology and curriculum advisor, Social Enterprise*]

***Adaptive responses***

Given the six paradoxes identified before, how do temporary project networks respond to performance gaps identified and what type of adaptive responses do they use to turn them into valuable insights able to inform organizational action? We identify three main adaptive responses that require negotiation within the network and govern the process of setting performance goals, and monitoring and evaluating performance.

Performance gaps are identified in relation to social impact, project time or budget. Social impact is notably more difficult to ascertain, however there are situations in which it is clear that the project did not deliver on its targets.

*“I mean for example in nutrition. That is where we are looking for malnourished children. There you do surveys what the percentage of malnourished children is and then the targets set are often.. Because it is not so easy to find all the cases. Sometimes the mothers are hiding them or very often the health post is just too far away from the villages et cetera. So for example the target is that you want to find 30% of the cases in an open situation and 50% in a camp situation. And then you calculate how many cases you expect then to see within a year. And then you can find that you easily reach that number or you find situations where even that low number that only should be found you do not even reach those. Which tells you you have to make even more effort to do active case finding and bring the services into the village et cetera. So that is something very common”* [Respondent **Beta,** *Independent consultant/donor advisor - Humanitarian relief*]

The most common financial gap encountered is underspending, which may lead to additional time, the possibility to allocate extra money to other activities to be implemented or to finance an extra funding wave.

*“No cost extensions are very very very common because they [NGOs] always underestimate the challenges and they always ask for too much money. Sometimes it results in sort of slapping their fingers. Because sometimes the excuses are just not very good. Sometimes.. Yeah it rarely leads to ending a contract then it must really be a disaster, but it can happen that the second phase is not funded.”* [Respondent **Beta**, *Independent consultant/donor advisor - Humanitarian relief*]

***Adaptive Monitoring and Evaluation (M&E) practices***. When it comes to social impact evaluation, data reliability and the choice of evaluators are very salient, along with the direct contact with the beneficiaries. Hence, contextualization and adaptiveness of M&E practices are very important to ensure effectiveness. The relationship of trust between evaluators and local NGOs or local partners is critical. The balance between controlling and coaching is a difficult one to achieve but can strongly influence the outcome of the evaluation process, to the point that *“you're going to get different results depending on your evaluator”* [Respondent **Theta,** *Independent consultant, former project manager for an International NGO*].

If trust is missing, information might be withheld from the upper actors in the chain, which creates problems for correctly evaluating performance and implementing changes:

*“The issue is that I feel like we do not always get this information and so I think one of the obstacles is that they still see us as a donor.. So I think they think let’s just patch it up as quickly as we can so we don't tell them what went wrong and I think there is this disconnect where what I feel I need is I just need that information, I need to know you know why this does not work out there were these huge delays this we had and sometimes we had when it’s extremely external they tell us.”* [Respondent **Iota,** *Program Manager at country office, International NGO*]

In addition to characteristics of the communities, M&E practices vary also depending on the donors’ requirements and budget constraints. One respondent stated:

*"Okay, how much funding do we have for monitoring and evaluation? What do we want? What does the donor want? What would be interesting indeed for us?" … So, it really depends. Usually this is a discussion that we had with the donor before and where we agree on, okay, we will do a mid-term review, and this is what a mid-term review entails. It can also be let's say a more elaborate annual donor meeting where we meet with the donors, and we go in depth.”* [Respondent **Nu,** *Head of mission, inter-governmental agency*]

It appears important to maintain a degree of flexibility and adaptiveness, particularly when longer-term social impact is involved, and when contextual conditions might determine high levels of uncertainty. One respondent commented:

*“So that's one thing I'm looking at, but what we're actually also looking at, part of our resilience strategy, is about being adaptive and being flexible. So not trying to stick setting out a log frame and setting out a project plan of looking at the key indicators which are normally set by the country offices. But also trying to build into this kind of outcome mapping, so for that where we're learning and we're growing in this, but really being a bit more flexible as to trying to track change and what change is happening and why. So that would be a slow change to our monitoring and evaluation.”* [Respondent **Xi,** *Independent consultant, former funding coordinator at large international NGO*]

Hence, a fluid process of negotiating, monitoring and assessment tools emerges within the network, which dynamically keeps stakeholders on-board.

***Collective goal-setting***. A second adaptive response mechanism that seems to allow temporary project networks to deal with paradoxes can be found in project goal-setting. Although funders vary substantially in their approach, goal setting – in relation to project activities, budget and time – is typically considered the realm of NGOs with an element of negotiation with the funders, and input from communities through needs assessment. This is in line with the typical process that leads up to the assignment of a project to an NGO, which often occurs through the submission of grant proposals that form the basis for the later contractual agreement. *“That is in basic the proposal stage but once they have submitted the final proposal, my line is: you have set the targets. You said this is what you can do, so do not tell me that I'm sort of have too high expectations if I am just reminding you of your own ambition.”* [Respondent **Beta,** *Independent consultant/donor advisor - Humanitarian relief*]

And: *“So the whole outcome or output, it's easier when the local partners are designing it.”* [Respondent **Kappa,** *International team manager, local NGO*]

However, respondents highlight that it is crucial to consider donors’ expectations and agenda, as well as community needs. Especially needs assessment should be considered as the starting point:

*“This is the main point. So you go to the community, you ask, "What do they want?" I mean, if we are not in an emergency. If you are implementing about like two years of the conflict, yeah. You go, you gather the opinions, you talk to people, you recognize some gaps, and then you start to put it all together for the concept note or the project proposal.”* [Respondent **Omicron,** *Base manager at large international NGO*]

Community needs, the local partners/country office understanding is coupled with donors’ available budget and expectations so that all stakeholders’ needs can be met.

*“I would say the implementing partners, the country based partners. They know what they're after, but I think quite often they set the general or, we want to target this kind of area or do this thing. But I would say that we, from a Sweden prospective, we then have to fit that to where our donor is getting the money. So I would then argue that it's the donor agenda.’”* [Respondent **Xi,** *Independent consultant, former funding coordinator at large international NGO*]

***Continuous readjustment of aspiration levels***. When projects face issues/ delays, almost all respondents agreed that the crucial aspects to handle the situation properly are transparency, early contact with the funders and mutual trust. This continuous process of updating and redefining project activities and expected outcomes readjusts the aspirational levels of all actors involved. This perspective is widespread across the various roles represented in our sample. An NGO international team manager representing the linking pin between donors and local partners stated:

*“It's more about to get a confidential relation to our partners that we can, if there's any problems we can search for a solution together and they tell me the problems in an early stage.”* [Respondent **Kappa,** *International team manager, local NGO*]

An independent consultant working with social impact investors noticed:

*“It's always, you got back to donors, you state frankly the problems, sometimes you're in contact with them daily so they are aware themselves what is happening. Sometimes it comes as a little surprise, sometimes it leads to conflict.”* [Respondent **Gamma,** *Independent consultant - Broker for social impact investing*]

Therefore, a process of fluid readjustments of aspiration levels during the project is a major adaptive responses to performance gaps.

**Discussion and Conclusion**

***Theoretical contributions***

This study offers several contributions to current theoretical debates. Using the five paradoxes identified by DeFillippi and Sydow (2016) as its analytical starting point, it advances our understanding on how project networks – traditionally affected by paradoxes- adapt due to performance feedback, thereby contributing new theoretical insights on temporary organizations. The focus has been on project networks holding multiple interdependent goals. For this type of organizational arrangement, our empirical evidence reveals the existence of a sixth paradox related to performance, where stakeholders have different understandings of project goals and place different values and weights on social outcomes vs adherence to budget agreements. The two are often perceived to be in conflict, as budget constraints and strict financial reporting requirements can be detrimental to achieving long-term social impact and may distract attention from an in-depth understanding of the fluid and complex needs of communities. This contraposition recalls the performance paradox identified by Jay (2013), while the specific nature of social performance as opposed to other goals emerging in our study further elaborates the theoretical prediction of Nason and colleagues (2018).

Furthermore, the paradoxes should not be considered in isolation, but are interdependent. We provide evidence that the distance and difference paradoxes are tightly interlinked. Donors, for example, who hold an “ecosystem” view on projects across countries and areas, often struggle to appreciate local needs and contextual conditions (distance paradox). This leads to donors’ expectations of adopting standardized practices across contexts, which instead is often deemed impractical and unsuccessful by other project members (difference paradox). The temporal paradox and the identity paradox are interlinked and together contribute to the emergence of a learning paradox. The identity paradox points to different views on learning held by various actors in the network, who tend to extract different lessons depending on their operational level (local vs more strategic/operational). Different views and identities within the project networks also translate in different temporal foci, where donors show a shorter-term focus than NGOs (temporal paradox), but are also strictly related to the distance from the field (distance paradox), the relative importance placed on global goals vs local needs (difference paradox) and to financial aspects vs social project outcomes (performance paradox). Together, these paradoxes lead to a conflict between intra-project and inter-project learning (learning paradox). Intra-project learning seems possible as it relies on the collective consensus and goals created within the span of the project and in the situational sensemaking of project network members (Bechky, 2003). Instead, inter-project learning is hindered by the short-term nature of the collaboration and by the heterogeneous views held by different actors on what and how lessons can be internalized and disseminated. The third interdependency illustration relates to the co-evolution between learning and performance paradox. The presence of social performance, along with the challenges inherent to its definition and measurement, and its clash with financial constraints, absorb stakeholders’ efforts to renegotiate and redefine goals along the project. Few resources are therefore left to engage in self-reflection and to distill lessons that can inform future projects, which further exacerbates the difficulty to internalize and disseminate insights that might of use for other projects.

Our evidence also highlights that project networks delivering socially relevant activities manage to cope with the six paradoxes by adapting through the three responses described. First, network members define their goals through a collective process of consultation and negotiations, which arguably stimulates ownership and accountability of stakeholders involved. Second, monitoring and evaluation practices are adaptive rather than strictly defined a priori, to take into account the fluid and highly idiosyncratic nature of social performance as well as the multiplicity of views that stakeholders may have in relation to social performance, and across outputs, outcome and impact indicators. Third, rather than establishing fixed aspiration levels a priori it is at least implicitly understood that under- or over-performance might occur and therefore, project network members continuously negotiate and adapt aspiration levels based on current outcomes after identifying performance gaps, to cope with uncertain contextual conditions and beneficiaries’ beliefs and characteristics. These three responses allow project network members to make sense of performance feedback, internalize and translate it into adaptive behavior. Conceptually, the paradoxes are not a direct cause of the adaptive responses but all project activities happen against the backdrop and in light of these paradoxes (see figure 2).

By focusing on project networks, this article goes beyond the learning paradox identified by previous scholars at the organizational level (Burke & Morley, 2016; Schwab, 2009). Moreover, by applying the performance feedback view to temporary organizing, this study addresses the behavioral consequences of learning in the form of early stage adaption, beyond knowledge codification and dissemination (Prencipe & Tell, 2001). Therefore, while performance feedback seems effective to inform intra-project adjustments, inter-project learning remains difficult. However, rather than in the lack of data, the main challenge seems to reside in making sense of the conspicuous amount of data to guide network responses across projects. Distance and difference paradoxes determine that distilling lessons from highly specialized contexts is challenging. Moreover, the temporal paradox impedes the formation of institutional memory. Although no clear mechanisms are present to trigger inter-project learning, and many challenges are identified, there is an increasing awareness of the actors best placed to lead the way – donors and those who develop an ecosystem view – as well as possible factors facilitating learning from performance feedback, such as trust. Figure 2 depicts the six paradoxes, their interdependencies and the three adaptive responses representing our model for adaption to performance gaps in project networks.

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This study also offers theoretical advances to work addressing organizational learning from performance feedback with regard to the initial adaptive stage. By considering project networks dealing with multiple interdependent goals, we introduce a context in which performance is a fluid, socially constructed, situational concept requiring stakeholder negotiation at multiple stages of the performance feedback process. Although stakeholder negotiation is theorized by the behavioral theory of the firm (Cyert & March, 1963), it has received very scant empirical attention, particularly when a wide range of stakeholders contributes to goal-setting and the formation of aspiration levels. Concomitantly, while feedback inconsistency has been examined as a contradiction between historical and social benchmarks (Lucas et al., 2018), the aspiration levels inconsistency across stakeholders, and its behavioral consequences, have not been investigated yet. This study provides evidence of negotiation processes along the whole performance feedback chain (at the stages of goal-setting, monitoring, definition of aspiration levels). Continuous processes of negotiation and consultations allow project networks to implement timely changes and distill knowledge to inform broader inter-project strategies. A first contribution to the LPF view therefore relates to the location of agency. In LPF, agency lies with the (managers of) organizations. In the temporary projects dealing with multiple, interdependent goals, agency is distributed. Due to the specific organizational embeddedness of the projects, multiple internal and external stakeholders enact their agency.

 A second element of distinction pertains to the use of benchmarks. In the LPF perspective, behavior of organizations is informed by periodic comparisons between historical and social feedback against aspiration levels (Greve, 2003). This is very different from the projects in our study. Due to the temporary nature of the inter-organizational projects, historical feedback hardly plays a role. Projects’ uniqueness cause that social aspirations are not that often used either. This is also informed by the fact that the institutional environments in which the projects are developed and implemented are very different from previous projects and the subsequent performance feedback even demands uniqueness. Moreover, our project networks pursue multiple interdependent goals, in the way they seek for social impact, within predefined budget constraints. Social performance is known to introduce challenges for performance feedback learning, as it lacks clear reference points and might be subject to shifting definitions by the involved stakeholders (Nason et al., 2018). For the projects in our study, performance feedback is a function of organization set-up. Project networks are formed by multiple external stakeholders, for whom distance to the project determines the type of feedback provided. Overall, one can conclude that the further removed from the project, the more feedback on financial indicators become relevant, whereas stakeholders closer to the project tend to use non-market/financial indicators to construct their feedback. Monitoring and evaluation practices emerge as adaptive, and are customized and negotiated depending on the contextual conditions and the specific make-up and power of the stakeholders involved.

A third important point relates to the stage at which performance is assessed, since these project networks are temporary and operate in very specific contexts dealing with complex social issues. Such issues often do not have simple and linear cause and effect relations, which makes it difficult to attribute certain effects to specific interventions provided by a project. Further, outcomes or impacts will be visible only after a longer time period. Therefore, the question what impact a project has, is frequently very difficult to assess. Performance feedback is thus often focused on immediate outputs that can be measured more easily and less frequently on outcomes, i.e. the immediate effects of outputs, which are already more difficult to assess. This study advances the temporal perspective on performance feedback (Ben-Oz & Greve, 2015) and renews the call for research that considers adaptive responses to longer-term performance feedback.

A fourth contribution relates to the negotiation aspect underpinning aspiration formation (Cyert & March, 1963; Greve, 2003). In the LPF view, it is the organization’s decision makers setting aspirations and determine adaptive responses. This is very different in the inter-organizational hybrid projects studied for this paper. Aspirations are not set by the project (manager), but by NGOs often in a negotiation process with the donor(s). Comparison of aspirations set and performance takes place on an almost continuous basis leading to (re)adjustments of aspirations. This (re)adjustment process is a multi-stakeholder negotiation process. Furthermore, the temporary nature of the projects forces actors involved to monitor project performance more frequently as time might run out to reach project goals. Therefore, it happens very rarely that if projects grossly underperform that NGOs and donors are completely surprised by that and then would react with negative sanctions. This (re)negotiation process can develop and function due to structural and relational embeddedness. Repeated ties between several stakeholders in the network support a process in which trust develops. When projects face issues, the default response seems to be open communication based on transparency, early contact with the funders and mutual trust. It is through this continuous process or reporting progress, redefining project activities, and expected outcomes, that aspirational levels of actors involved are frequently readjusted. This implies that (in)consistent feedback triggers a social interaction process between stakeholders involved in which performance feedback and its implications are dealt with in a joint sense-making process to reach consensus. These interaction and negotiation processes serve as a substitute for the standard mechanism of performance feedback for permanent organization as stated in the LPF framework. However, that also means that learning from performance feedback for temporary organizations is more of a short-term mutual adjustment rather than of systematic and more long-term institutionalized adaptation.

Finally, in LPF, performance below aspiration leads to a host of adaptive responses (e.g. R&D budget mutation). In general, there seems to be no specific ranking of responses in case of permanent organizations. Such ranking does emerge from this research. In case of underperformance in which resource deficits play a role, the financial or human resources deficits in many cases are supplemented. This is, however, very different when financial or ethical irregularities are involved. Such issues lead to intense feedback levels in the network and strong adaptive responses (e.g. pay back of funds).

Because the organization is the focal unit in LPF, inter-project learning is not a topic of relevance. Inter-project learning is seen as relevant and very desirable in the projects we studied, but in reality not a strong practice. A lack of resources and short-time horizons and the need to bring in and implement the next project inhibit this type of learning. Therefore, despite increasing efforts to realize project and inter-project learning, most respondents emphasized that learning at the higher levels is slow.

**Table 1: Comparison of characteristics of the LPF perspective and this study’s result**

|  |  |
| --- | --- |
| **Features of LPF view** | **LPF view for project networks dealing with complex social issues** |
| Majority of LPF studies take the firm / organization as its level of analysis. Furthermore, theories assume the permanency of organizations involved. | The inter-organizational temporary project is the level of analysis. This temporary inter-organizational project is part of a temporary chain or network running from the project to donor level.This temporary chain or network builds on a latent (thus more permanent) network of repeated and cohesive ties |
| Aspiration setting based on historical and social aspirations | Due to temporary nature of the project, historical aspirations hardly play a role. Due to the uniqueness of many projects, social aspirations are not that often used either. This is also informed by the fact that the institutional environment in which the projects are developed and implemented are often very different from previous ones. |
| Initial aspirations are set by organizations’ managers and defined through internal negotiation processes | Aspirations are not set by the project (manager), but by NGO in negotiation with the donor(s). |
| Organization is tied to the environment via social comparison with relevant others | Project is tied to external stakeholders organized in a network. |
| Comparison of aspirations set and performance take place at regular (and fixed?) intervals | Comparison of aspirations set and performance takes place on an almost continuous basis leading to (re)adjustments of aspirations. This (re)adjustment process is a multi-stakeholder negotiation process.The temporary nature of the projects forces actors involved to monitor project performance more frequently as time might run out to reach project goals. |
| Below aspiration performance leads to intra-organizational learning and adaptive behaviors that can take many forms (e.g. change R&D budget). | Below aspiration level performance leads to adaptive behavior depending on the domain of the underperformance (e.g. ethical vs social). |
| Inter-project learning is not relevant | The importance of inter-project learning becomes more important but due to lack of resources and short-term orientation this type of learning is not developed strongly. |

Where does this leave us? For the type of projects studied, our main conclusion is that the LPF framework as shown in table 1 needs refocusing. In a world in which the realization of many products, services and problems exceed the capabilities of single organizations, and where interventions span a plethora of different, possibly conflicting goals, a network version of PF theory needs to be developed that accounts for the specificity or even potential uniqueness of temporary organizations. Understanding processes of stakeholder negotiation – that include both internal and external actors (Cyert & March, 1963) as well as of sense-making of performance constructs (Bechky, 2003) are crucial to develop a new theory of network learning from performance feedback in the context of multiple interdependent goals. This study provides the first building blocks for such a theory.

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