

From focus group to information kleptocracy: Examining How A Boundary Organization Gains and Loses Power

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As firms increasingly leverage online communities, the need to mediate across divergent interests of various community members and the firm is increasing. To achieve this purpose, firms establish community governance mechanisms, for example, by defining formal organizational structures – boundary organizations – that comprise of various community and firm representatives. Understanding how such organizations gain and lose power as they strive to address the needs of multiple parties is an important part of governing crowd-based business models. In this paper, we investigate the establishment and evolution of such an organization within the complex virtual world of “EVE Online.” We conducted an eight-year long archival case study of this organization tracing how its form evolved over time. Multiple transformations were undertaken in response to various crises, which brought to the surface underlying tensions between different user groups and the firm. We adopt a field-of-practice lens to understand the nature of the relationship between the firm and various types of community members. We trace the agency of the boundary organization itself in the field in which it plays an intermediary role and show how the transfiguration of the boundary organization shifts the positions of various agents in the field. Our analysis highlights the various ways in which a boundary organization, while lacking formal authority over the firm, may gain or lose power in the field.

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