



PRESIDENTIAL SOE REVIEW COMMITTEE

Collaboration

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Collaboration



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1. PREAMBLE

... in the long history of humankind those who learned to collaborate and improvise effectively have prevailed..."

Darwin (1802-1889)



Collaboration has been around since the beginning of civilisation. The leveraging of individual resources provides a synergy that exceeds individual effort.

Recently, the benefits of collaboration have been rediscovered because of the increase complexity of problems, globalisation and especially the proliferation of technology.

Benefits of collaboration are both qualitative and quantitative.

Qualitative Benefits

Collaboration generates greater commitment through empowerment. Participants take greater personal ownership for their work. They require less direct supervision and self-initiate to solve problems.

More durable decisions are made because complex; cross boundary problems are better understood through information sharing and participation. Problem solving rather than procedural decision making is promoted, which create the potential for joint gains and proactive decisions.

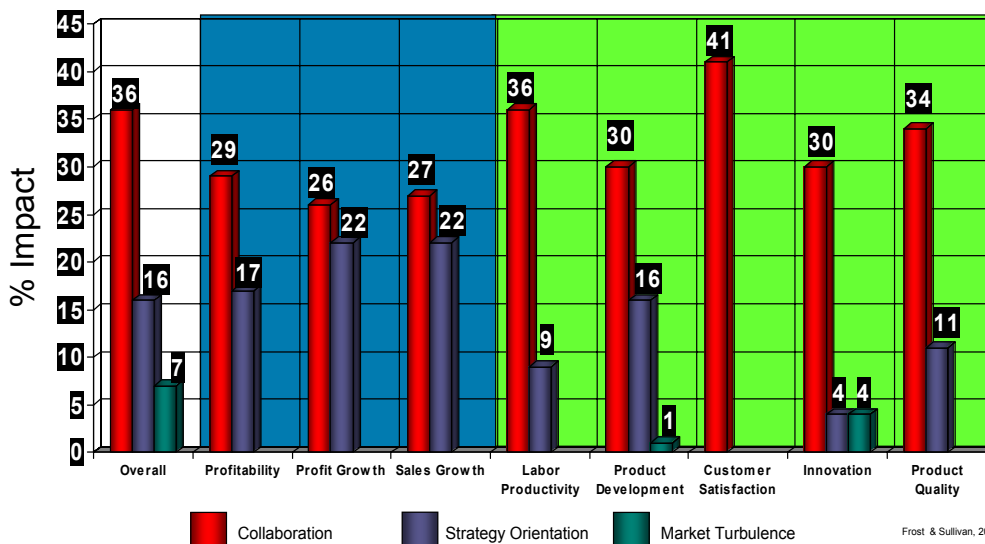
Collaboration enables action across boundaries defined by geography, authority, values and perceptions and develops an appreciation for multiple sources of expertise. It builds social capital through relationship and trust building.

Collaborative organisations tend to be more flexible and better able to adapt to changing conditions.

Collaborative organisations attract more talented people.

Quantitative benefits

Various researchers have established the link between collaboration and quantitative benefits. Macy & Izumi (1993), Kravetz (1996), Lawler, Mohrman, & Benson (2001).



In 2006 Frost & Sullivan confirmed this link and establish that collaboration has twice the impact than strategy orientation and five times the impact than turbulent markets on performance.



The body of evidence is now clear that collaborative-based organisations significantly improve overall performance by any number of measures used.

Collaboration has even more benefits in public organisations, which naturally have many stakeholders to accommodate in delivering services.

Some drawbacks

While collaboration can create substantial value, it also has a downside that needs to be managed. This is that it can easily be overdone. Prompted by collaboration initiatives, employees may begin to participate in all kinds of meetings in which nothing of substance is accomplished. Such unproductive collaboration will undermine overall integrity of the process and impact negatively on performance.

Organisations may inherently resist collaboration, which means a longer time to adoption through a change program. Markets and stakeholders are impatient for results and might force the organisation to abandon collaboration before the results are shown.

This paper will distinguish collaboration from other forms of “working together” and highlight the critical success factors for and barriers to collaboration using evidence from various researchers. It will ensue with practical application through a case study for an existing state owned enterprise (SOE), additional global public sector examples and conclude with recommendations for SOEs in general.

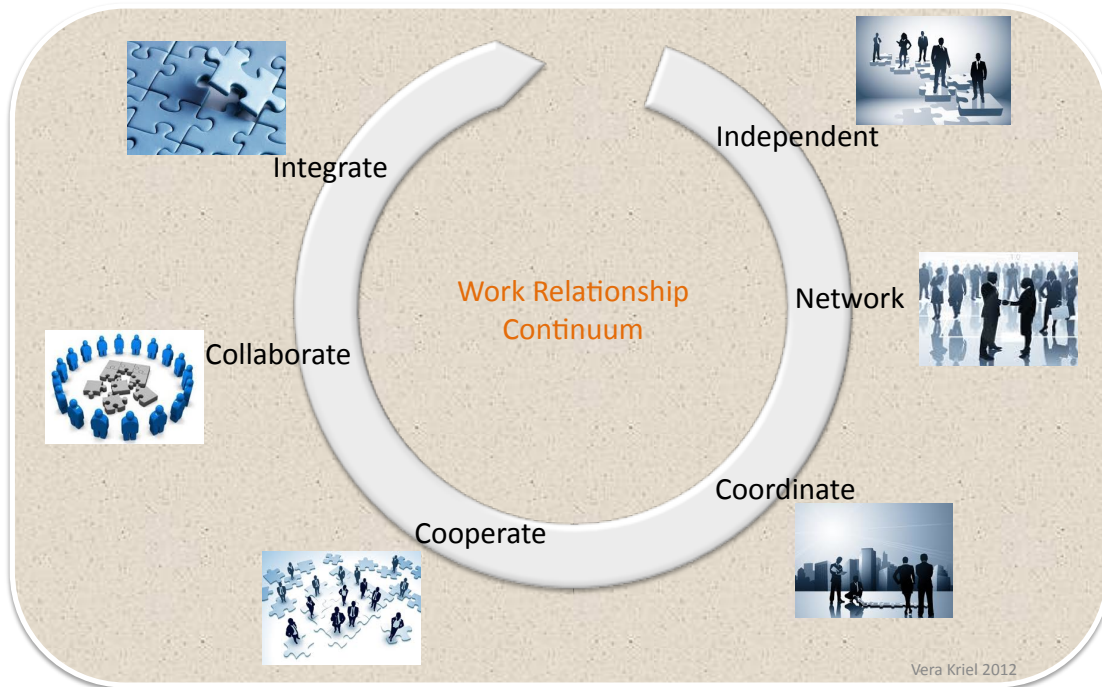


2. WHAT IS COLLABORATION?

Researchers have defined collaboration as a process in which people engage toward the accomplishment of a shared goal (Gray 1989, Bardach, 2001, Agranoff & McGuire, 2003). The term “collaboration” has often been used synonymously with other “ways of working together”, such as cooperation and coordination.

Huxman (1993; 22) argued that collaboration extends beyond cooperation because it involves more than the establishment of effective communication and positive mutual respect among those members involved in the problem-solving endeavour.

Collaboration requires significant interdependence in the design of work efforts and is all about achieving *value* through the synergy of diverse talents. To distinguish among collaboration and other forms of working together, Himmelman’s (1996) hierarchy of “mutually beneficial” relationships is supplemented by the principles of Tapscott and Williams (2008) and Surowiekcki (2005) to define the work relationship continuum.



Independent	Distinct boundaries. Solely focused on shaping own position in the sector or field.
Network	Exchanging information for mutual benefit. No common goal.
Coordinate	Exchanging information and altering activities for mutual benefit and to achieve a common purpose. Each cooperating organization remains totally independent and retains total authority. Most informal relationship lacking any common mission, structure or joint planning.

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Cooperate	Exchanging information, altering activities, and sharing resources for mutual benefit and to achieve a common purpose. Slightly more formal than cooperation. Coordination involves a low level of joint planning, sharing of resources, defining of compatible roles, and interdependent communication channels. Each organisation is able to maintain distinct boundaries and interests. However, they do work together with a very specific shared outcome that each has an important part in achieving.
Collaborate	Exchanging information, altering activities, sharing resources, and enhancing the capacity of another for mutual benefit and to achieve a common purpose. The most formal relationship involving shared authority and responsibility for planning, implementation, and evaluation of a joint effort. Collaboration brings autonomous organizations together to fulfil a common mission that requires comprehensive planning and communication on many levels.
Integrate	Some organisations may find that their interests are so similar and their futures so intertwined that they choose integration, which most commonly takes the form of a merger or acquisition.

Collaboration is unique among the reciprocal relationships in that it involves an investment in the capacity of another. While networking, coordinating, and cooperating each contribute to the accrual of one's own skills and resources, collaborating contributes to both one's own collaborative capital and to that of the other parties, enhancing all parties' potential for effective collaboration in the future both with each other and with others (Himmelman, 1996).

The benefits of collaboration are significant when organisations are truly interdependent in terms of common needs, interests, and goals. New results are achieved in contrast with organisations that proceed independently. Specifically, collaborative activities streamline processes and conserve scarce resources in ways that reinforce, rather than undermine, each organisation's role in the collaborative effort. In doing so, costs are saved.

Collaborative activities guide the interactions of those in the partnership toward avenues of exploration normally not pursued by a single organisation due to the sheer complexity of engaging in this type of approach for solving problems. It enhances quality, productivity and efficiency and since every participant is aware of the importance of their continuation, the level of commitment increases.

In order to achieve these collaborative benefits there are some critical success factors (CSF) and barriers to collaboration that need to be addressed.

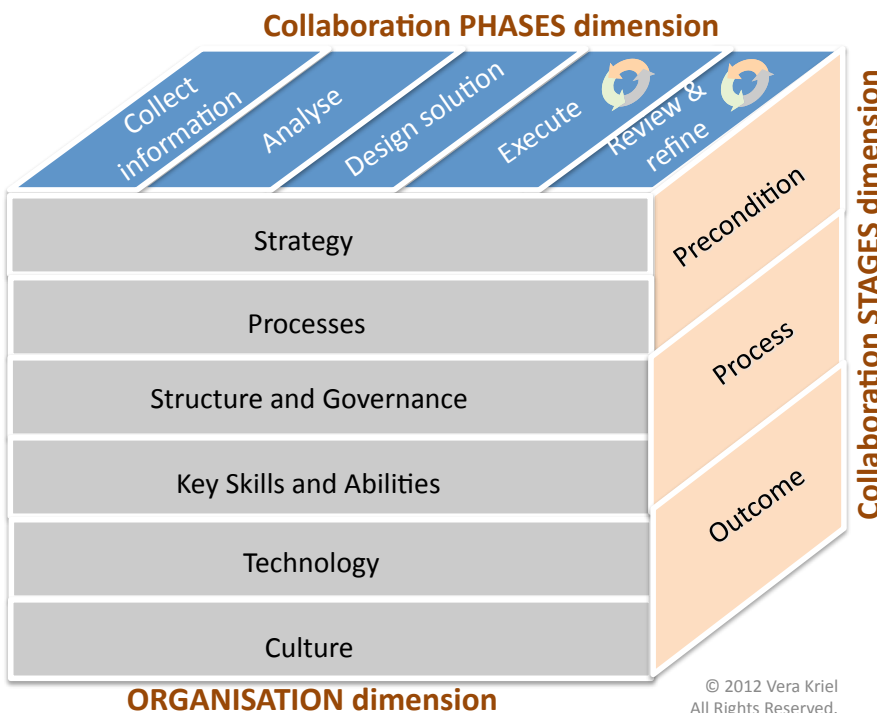
3. CRITICAL SUCCESS FACTORS AND BARRIERS

A collaboration model is used as backdrop to identify the critical success factors and barriers.

3.1. Collaboration model

In order to create a collaboration model the work of Gray (1989) on the stages of collaboration, Thomas et al (2008) on organisation design domains, Merchant (2010) on process for collaboration and Venter (2006) on various organisation architecture models, were used.

This adapted and combined model is depicted below:



Three stages of collaboration is identified by Gray (1989):

- (1) The precondition stage where collaborators come together to form the relationship,
- (2) The process stage where collaborators interact and make decisions, and
- (3) The outcomes stage where collaborators assess the effectiveness of their efforts and adapt to change.

These stages run parallel with the collaboration phase's dimension from collecting information to refinement after review.

The *strategy* dimension consists of the need to collaborate, strategy design and resource investments in collaboration. When organisational goals or missions overlap, the requirement to work together to achieve those goals through inter-organisational collaboration becomes the logical approach.

The *process* domain is the institutional support structures necessary for helping people implement collaboration. These include the policies underpinned by the processes.

Structure involves formalised positions and forums for collaboration. By establishing clear roles with sufficient authority to make decisions, accountability as well as legitimacy is assigned. When organisations provide a formal framework that parties can use for managing the activities, collaboration is supported as a legitimate activity.



Key skills and abilities (KSA), also often called competencies, include the requisite expertise and know-how necessary to collaborate efficiently and effectively. These include technical but also “soft” skills.

The IT systems and applications to support the collaboration are part of the *technology* dimension.

The *culture* dimension is a system of norms, values, and beliefs and as such, serves to underscore the drivers of process, laying the foundation for the structure and system adopted, as well as the nature of KSAs and absorption of technology.

3.2. Critical Success Factors

3.2.1. Collaboration STAGES

During the *precondition stage* collaboration success factors include: determining the reasons for collaboration, reviewing compatibility and developing a common purpose, goals and objectives. Relationship factors are most critical at this stage with trust being the major relationship factor. Sufficient human resources must be allocated before moving to the process stage (Mattessich, Murray-Close & Monsey, 2001).

At the *process stage* collaborators must clearly identify their roles and responsibilities, create joint decision-making and governance processes, set up methods for open and frequent communications, and select a skilled convener (Mattessich, Murray-Close & Monsey, 2001). Development of interdependence at this stage is critical.

Installing shared governance or a joint decision-making process at this stage fosters interdependence. Joint decision making provides ownership of the collaboration by bringing parties together to develop plans to carry out the collaboration agreement and identify organisational or systems changes that are needed to meet the goals of the collaboration effort (Kanter, 1994).

The group must remain open to a variety of ways to organise to accomplish tasks and adjust the process if it is not moving the collaboration toward the goal. Commitment of sufficient human resources also fosters inter- dependence during the process stage. Partners must assign key people interested in the success of the collaboration to lead the project .

At the *outcomes stage*, collaboration success is measured by assessing whether the expected outcomes defined at the precondition stage were met. If additional needs or problems were identified, how these needs can be addressed must be evaluated. Summative program evaluation methods should be implemented at this stage to include whether and how the collaboration itself may have been transformed during the process stage (Gray & Wood, 1991). Summative evaluation feedback loops should be established to determine whether the collaboration should continue, be restructured or ended.

These success factors are grouped in themes and developed further into actions by Czajkowski (2006):



Success factors by Themes

Precondition stage THEMES	Process stage THEMES	Outcomes stage THEMES
<ul style="list-style-type: none"> ▪ Communication ▪ Benefits to institution ▪ Political/social climate ▪ Respect that leads to trust ▪ Purpose and attainable goals ▪ Human Resources ▪ Cross-section of members 	<ul style="list-style-type: none"> ▪ Communication ▪ Roles and Responsibilities ▪ Joint decision making 	<ul style="list-style-type: none"> ▪ Communication ▪ Benefits to institution ▪ Purpose and attainable goals ▪ Outcomes assessment

Actions needed for successful collaboration

Precondition stage ACTIONS	Process stage ACTIONS	Outcomes stage ACTIONS
<ul style="list-style-type: none"> ▪ Identify benefits for the institutions ▪ Scan political climate ▪ Define purpose and attainable goals ▪ Select collaborators you respect/trust ▪ Select appropriate members ▪ Commit human resources ▪ Assess trust levels and understanding of context 	<ul style="list-style-type: none"> ▪ Define roles and responsibilities ▪ Set formal communication channels ▪ Monitor political/social climate ▪ Adjust group membership ▪ Select a skilled convener/facilitator ▪ Create decision-making process ▪ Develop measures for goals ▪ Assess trust levels and understanding of context ▪ Complete formative evaluation 	<ul style="list-style-type: none"> ▪ Collect and review measurable data ▪ Determine if goals were met ▪ Assess accuracy of problem domain ▪ Feed information back to process ▪ Complete summative evaluation ▪ Continue/disband the collaboration ▪ Identify emergent problems ▪ Assess trust levels and understanding of context



3.2.2. ORGANISATION Dimensions

The table below summarise the work of various researchers on success factors needed for effective collaboration with regard to the organisation dimension. [Coe (1988), Dodge(1988), Gray (1989), Hall etal. (1977), Harrigan and Newman(1990) Huxham(1993), Schermerhorn (1975), Thomas etal. (2008) Van de Ven and Ferry(1980)]

Organisation Dimension	Success Factors
Strategy and Purpose	<ul style="list-style-type: none"> ▪ Intention to collaborate ▪ Common goal and recognised interdependence ▪ Adaptability to the interest of the other party ▪ External mandate for collaboration in organisations whose culture inhibit collaboration
Process	<ul style="list-style-type: none"> ▪ Effective communication and information exchange ▪ Collaborative decision making processes ▪ Supportive policies
Structure and Governance	<ul style="list-style-type: none"> ▪ Formalised collaboration structures or liaison roles Cross-organisational work teams ▪ Sufficient delegation of authority, Participative decision making ▪ Accountability for the collaboration process
Key skills and abilities	<ul style="list-style-type: none"> ▪ Skills and competencies for collaboration – understanding collaborative processes and technologies ▪ Ability to manage change ▪ Ability to work across teams and cultures ▪ Commitment and motivation
Technology	<ul style="list-style-type: none"> ▪ Technical interoperability – systems talking to one-another ▪ Knowledge sharing system ▪ Collaboration supported system and tools
Culture	<ul style="list-style-type: none"> ▪ Leadership support through action – “walk the talk” ▪ Absence of competitive rivalries ▪ Good interpersonal relationships ▪ Mutual trust ▪ Team work – sharing, peering ▪ Power based on expertise and accountability ▪ Collaborative incentives and rewards ▪ Understanding of local context



3.3. Overcoming Barriers

The work of Hanson and Nohria (2004), Surowiecki (2005), Friedman (2006), Thomas(2008), Shirky (2008), Tapscott (2008), Kleindorfer and Wind (2009), Gratton and Erickson (2009), Evans and Wolf (2009), Weiss and Hughes (2009), Raynor and Bower (2009), Gulati (2009), Hansen and Oetinger(2009), Christensen etal (2009), Druskat and Wolff (2009) and Merchant (2010) were used to consolidate the barriers to collaboration and to identify the levers to pull to overcome these barriers. In practice, many of these levers will overlap with the critical success factors.

Organisational Dimension	Barrier	Lever to overcome barrier
Strategy	<ul style="list-style-type: none"> ▪ Divergent goals ▪ Lack of goal clarity ▪ Lack of planning 	<ul style="list-style-type: none"> ▪ Development of unifying goal with participation from the start across all structural and organisational lines ▪ Structured communication, supported by feedback loops ▪ Explain not only the goal, but also the reason for it, what will happen if achieved and what will happen if not achieved
Processes and policies	<ul style="list-style-type: none"> ▪ Impeding policies ▪ Inadequate communication and information systems ▪ Dissonance – duelling priorities 	<ul style="list-style-type: none"> ▪ Assess how the responsibilities and tasks assign to each person or team build or break down the chances of collaboration ▪ Formalised communication system – focus on face-to-face communication (physical or virtual), with opportunity for feedback ▪ Use of communications technology
Structure and governance	<ul style="list-style-type: none"> ▪ Inadequate authority ▪ Lack of formal roles for managing collaboration ▪ Loss of control ▪ Geographic distance 	<ul style="list-style-type: none"> ▪ Create collaborative workspaces – physically and virtually ▪ Develop delegation of authority with clear roles and responsibilities ▪ Use of technology to overcome geographic distance
Key skills and abilities	<ul style="list-style-type: none"> ▪ Inadequate competencies 	<p>Recruitment and training:</p> <ul style="list-style-type: none"> ▪ Negotiation and mediation training to navigate boundaries ▪ Emotional intelligence to understand the underlying drivers for actions

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Organisational Dimension	Barrier	Lever to overcome barrier
Technology	<ul style="list-style-type: none"> ▪ No supporting technology ▪ Not understanding technology ▪ Data incompatibility 	<ul style="list-style-type: none"> ▪ Invest in appropriate technology ▪ Training on technology through support groups and work interactions
Culture	<ul style="list-style-type: none"> ▪ Language ▪ Not adaptable to interest of other party ▪ Lack of trust ▪ Very hierarchical – fear of losing power ▪ Territoriality ▪ Fear of betrayal – the prisoners dilemma, which proves why two or more people would not cooperate even when the goal benefits both ▪ Intergroup bias 	<ul style="list-style-type: none"> ▪ Make use of interpreters – even own workforce talent ▪ Curb competitive urges that can spill over into unnecessary intergroup hostility through leadership example ▪ Link overall group, subgroups and individual interests rather than trying to erode subgroup and individual interests ▪ Endorse collaboration as an opportunity to contribute to other groups and the organisation, as well as to draw upon the resources and perspectives of other groups to enable individual growth and achievement.

It is clear that, as with many management practices, the culture barriers to collaboration are the most numerous, significant and difficult to overcome. It involves commitment and leadership.



4. PRACTICAL APPLICATION

4.1. Collaboration at South African Airways (SAA)

The information is based on personal application as head of corporate strategy, business planning and restructuring. All information is in the public domain through the Portfolio Committee on State owned enterprises (SOE), SCOPA, various media briefings and press releases.

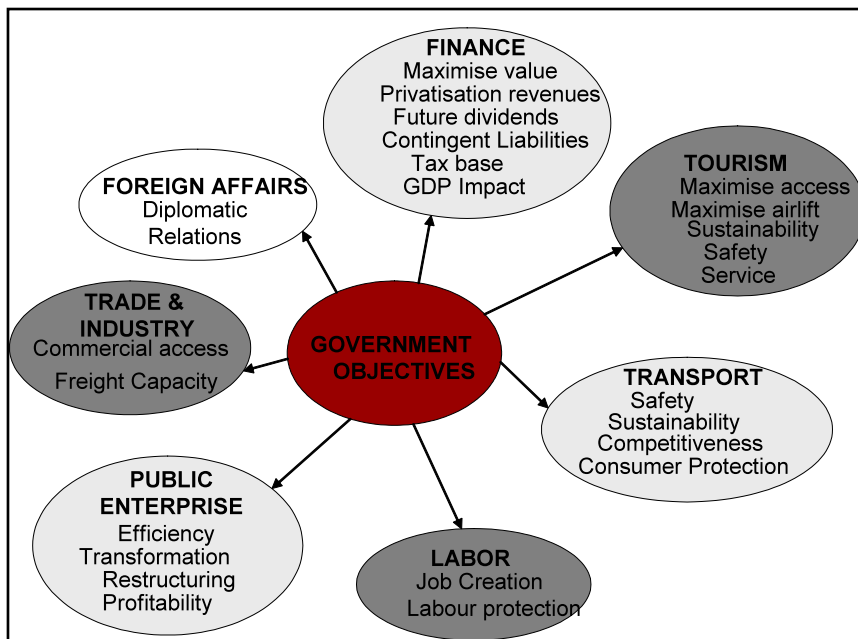
Two cases where collaboration was used are highlighted: Restructuring and Strategy Development

4.1.1. Collaboration during restructuring

The need for collaboration

SAA is a schedule 2 company in terms of the PFMA and as a SOE has multiple political stakeholders that are impacted by decisions it takes in the commercial arena. SAA’s formal mandate was profit maximization, based on DPE’s August 2000 policy framework for SOEs; ongoing guidance from the Department of Finance, which does not want the carrier to be a burden on the Treasury; and other policy directives.

However, SAA faces pressures from other government agencies with competing objectives, as shown the figure below. Thus, SAA comes under the same pressures as state-owned airlines in other countries, despite its commercial mandate.



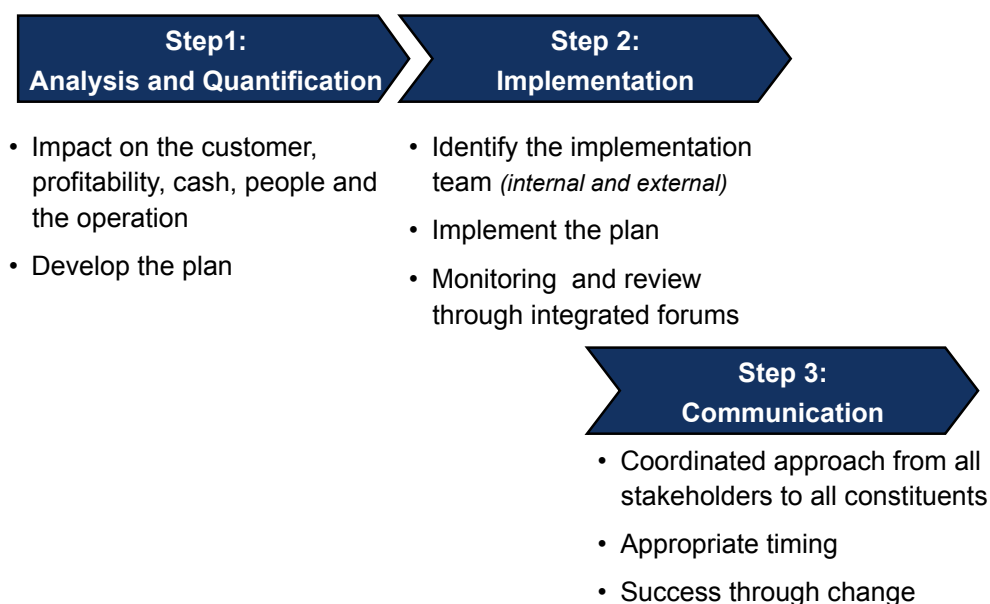
During 2006 SAA identified that it must restructure if it wants to survive and it needs to do this through the theme of “Simplify, rightsize, re-skill and incentivise”. The plan envisaged the airline

returning to profitability by latest March 2009 and revolved around group-wide operational, revenue improvement and cost-cutting initiatives to achieve a R2.3 cost saving from its loss-making position.

As the plan impacted on and needed the implementation support from various internal and external stakeholder groups a collaborative approach was taken in the design and implementation.

The collaborative approach

A three step collaborative approach was taken:



During **Step 1**, a smaller specialist team did an initial analysis, which explained the need for the restructuring. This was shared with the Exco and Board to obtain approval for further development and implementation. The shareholder was confidentially briefed to ensure alignment with SAA's mandate.

After this initial approval, the draft was shared internally first for input during workshops and meetings in the following order: (confidentially) employees with specific knowledge in each of the affected areas (to remove totally unworkable suggestions from the draft plan), broader management, unions and staff (simultaneously).

A refined plan was then work shopped with the Department of Enterprises (DPE) as shareholder and shared with other departments for further input before final approval.

Collaborative practices were introduced during **Step 2** through cross-functional and geographically disperse implementation teams, coordinated by a central programme office. Because of the size and impact of the restructuring a special Board sub-committee was established that met in between normal Board meetings to monitor the progress. In addition a collaborative forum was established consisting of SAA, DPE and National Treasury who met on a monthly basis. Additional union engagement forums were created.

During **Step 3** (which run parallel with the implementation), executives and cross-functional teams, led by the communication department, collaborated on the messages to various audiences. Various forums were created, physically and virtually, to distribute messages and obtain inputs.



The results

Buy-in was obtained from internal and external stakeholders because they assisted with crafting the solution. Because of participation at the design level implementation occurred more smoothly as everyone understood the reasons behind the implementation. There were no union strikes despite a workforce reduction of more than 2000 people.

Financial targets were exceeded (as independently audited): R3,6b costs savings were achieved of which R2,5b were identified as sustainable. A 36% return was achieved in 18 months and SAA posted profits for 3 years consecutively till yearend March 2011. These results were achieved during the 2008 economic crises, R1.2b hedging loss and the worst profitability year for the aviation industry in decades.

Main Lessons learned

Lesson one: Collaboration does not happen instinctively in large, complex and hierarchical organisations. Leadership commitment and example are needed. The Shareholder (DPE), National Treasury, Board and Executive team gave substantial time to collaborative efforts. This paved the way for broader collaboration.

Lesson two: A clear goal, around which could be collaborated – “Restructuring with cost savings and revenue improvements of R2,3b by March 2009” – assisted greatly. It was understood by all role-players that this can only be achieved through a collective effort and therefore established interdependency on one another.

Lesson three: Clear roles and responsibilities are vital. A collaborative governance model was established which assisted with decision-making and implementation. Collaboration does not mean unstructured.

Lesson four: Built trust through results. The results of the collaborate efforts were regularly communicated. Participants saw how their efforts contributed to the success and therefore started to trust the process more.

Lesson five: Collaboration does threaten traditional hierarchal power as it opens up information flows. Resistance was mostly experience from some senior management. One needs to spend time with these individuals (especially if they play a key role) to explain the benefits to them through the reciprocal nature of collaboration. But decisive action also needs to be taken if these individuals obstruct collaboration efforts for example by hoarding important information.

Lesson six: Expertise is dispersed in an organisation and is not level bound. In hierarchical and mostly government organisations a space must be created to extract this without fear of negative exposure. An email inbox, monitored by an independent person to protect contributors’ anonymity, was insufficient. More use could have been made of the vast collaborative technology available. In the same vein, to give geographically disperse employees (over all continents) a similar collaborate experience as those in the face-to-face workshops, collaborative technology should have been deployed.

Lesson seven: The reward system was misaligned with collaborative efforts. Although the balanced scorecard was expanded to include individual contributions, these contributions were not directly linked to collaborative efforts. The “collective restructuring target of R2,3b savings” and the resultant

bonus was limited to implementation members and ignored other participants which created discontent. More time should be spent to align rewards and collaborative efforts. This does not mean a whole redevelopment of the current system, just an enhancement.

Lesson eight: To ensure sustainability, knowledge management systems and the transfer of knowledge are crucial. When new critical members join the team or organisation they must be able to understand the collaborative efforts and its impact. The physical storage of all collaborative efforts is but one aspect. Time must be spent with new members to transfer institutional knowledge on the collaborative process and efforts in order to obtain buy-in. The latter was not done well with the new leadership team in 2010 at Board, SAA and shareholder level. The consequence is that many of the collaborative decisions were reversed which might have a negative financial impact on the sustainability of the collaborative restructuring efforts.

Lesson nine: Collaboration in the planning stage ensures faster and more focussed implementation, which reduces costs of rework. Those initiatives that took a bit longer during the planning phase in order to be more collaborative actually delivered faster results, while some initiatives that were not collaborative in its planning stage had to be abandoned and replaced during implementation.

4.1.2. Collaboration during strategy development

The need for collaboration

SAA, in addition to all its stakeholders mentioned previously, also operates globally with the complexity of different markets, customers and operating conditions. There is a need to understand all these different dynamics for strategy development. This need was emphasised when in 2006 SAA was separated from Transnet and had to develop its own strategy for the first time.

It was acknowledge that a collaborative approach is needed that tap into the knowledge and experience of various employees in the organisation in different markets despite their level.

The collaborative approach



The collaborative processes were introduced from 2006 (through the restructuring) and enhanced every year culminating in a more comprehensive approach in 2009 with the use of collaboration



technology that is described below. The collaborative approach was overlaid on the normal strategy development process.

The data gathering and analysis was done using many specialists across the organisation that contributed in compiling the needed information as input to the decision-making. CEO road shows were held across the globe to give and obtain information.

This information served as basis for the normal executive strategy session during which a base strategy was developed using collaborative software. The executive session was immediately followed up with a top leadership session consisting of those employees that were going to be at the forefront of the strategy implementation – regardless of their level. The team of approximately 150 people was given the opportunity to give input and enhance the draft strategy prepared by the executive team. A strategy was agreed upon by the end of the one-day session. Again collaborative software was used, which gave an equal platform to all for input with the add-on advantage of anonymity. Inputs were real-time consolidated and visible on overhead screens, which assisted with these contributions.

This strategy was then rolled out to the rest of the business for further development into divisional and departmental plans. Leaders in the different areas facilitated business plan development using the collaborate tools. This allowed the business to participate in strategy and business plan development at a scale that would not have been possible without the technology – approximately 400 people vs. the usual 15-20 people that were previously involved.

These individual divisional and departmental plans were shared at a business plan conference. During this time colleagues from other areas of the business were given the opportunity to enhance the plans by identifying any gaps or critical interdependencies. This created support for one-another's plans and highlighted again the interdependency for successful implementation.

As part of the implementation phase an internal social media platform was established which people could use to manage and contribute to projects, no matter where they were in the world.

The results

Much cohesion and agreement was build. Collaboration started to break down typical silos experienced in large, disperse and state owned organisations. Comments from participants included: "I have been with the company for 15 years and it is the first time I actually know what the technical guys are doing." The barriers for implementation were identified and build into additional projects.

Main Lessons learned





















Two additional lessons were documented to the aforementioned.

Lesson ten: Culture barriers are the most important to address. It is important to understand what culture exists in the organisation and how it support or detract from collaboration.

An analysis of SAA's culture, using the culture web of Johnson in Seagal-Horn (2004) and the dimensions of organisational culture by Grey and Larson (2006), as adapted, showed that its culture is inherently a barrier to collaboration. The latter is depicted below:



SAA's organisational culture in the context of collaboration

Member identity: The degree to which an employee identifies with SAA as opposed to the job/profession	Job   Organisation
Team emphasis: Degree to which jobs are done by teams rather than individuals	Individual   Team
Management style: Degree that management include or exclude employees from decisions	Exclusive   Inclusive
Unit integration: Degree which operating units are encourage to act independently	Independent   Inter-dependant
Control: The degree of control exerted over employees through policies, rules and supervision	Tight   Loose
Risk tolerance: The degree to which employees are encourage to take risks and innovate	Low   High
Reward criteria: Degree to which rewards are linked to collaborative efforts	Low   High
Conflict tolerance: Degree to which conflict is expressed and accommodated	Low   High
Means vs End: Degree to which management focus on outcomes rather than ways(means) its achieved	Means   Outcomes
Open-system focussed: Degree to which SAA is responsive to change in the external environment	Internal   External

Source: Adapted from Gray and Larson



=SAA position



Because of the large gap between the preferred culture state for collaboration and SAA's reality, collaboration had to be introduced in increments, starting with changing the leadership's view.

A new culture does take time to be embedded and survive without constant reminding by its leadership. The fact that SAA changed leadership with different views on collaboration, 3 times in as many years, impacted negatively on many of the earlier gains in a collaborative culture.

Lesson eleven: Technology is a supportive tool. When people were carefully guided through it, it was easy to use and had clear benefits to the individuals it was adopted. This was the case with the collaborative facilitation tool.

The internal social media platform on the other hand was closed down after the initial pilot. The main reasons being low adoption rate, which could be traced back to various factors summarised by the low maturity level of the organisation for collaborative social media. It was understood that further work needed to be done on change management to guide the organisation towards more sophisticated collaboration technology, which is supported by processes and resources. The cost/benefit analysis indicated another 18-24 month lead-time for successful implementation.



4.2. Collaboration at the U.S. Department of Transportation (USDOT)

Adapted from case study from IBM Centre for The Business of Government.

The need for collaboration

U.S. Department of transportation (USDOT) selected five urban regions to participate in a federal transportation initiative. Known as the Urban Partnership program, the initiative funded a total of \$1.1 billion in grants for integrated transit, highway pricing, technology, and telecommuting strategies aimed at reducing traffic congestion in major urban areas.

The Urban Partnership program involved complex collaborations among government agencies at local, county, regional, state, and federal levels, and between governments and private partners. The organisers of the program realised that a collaborative, multimodal approach was crucial for success in this long-standing, costly, nearly intractable public problem.

The collaborative approach

There were three phases to the Program: Phase I: Pre-award development phase, Phase II: Post award legislative phase focusing on securing state matching funds and needed legislation to move forward and Phase III: Project implementation period.

During phase I the decision making was fluid and the steering committee membership included not just leaders from the two primary partners but coalitions such as the i-35w solutions alliance, the Citizens league, the Centre for transportation studies and elected officials from metro cities and counties.

The outside members played significant convening, facilitation, and leadership roles and used their political capital to gain bipartisan support for the proposal. The tight timeline mandated by the USDOT and the direct role played by the secretary's office made possible going around normal channels and various organizational, functional, and budgetary boundaries.

In contrast, the process for crafting the strategy to gain legislative approval for matching funds required for program was far less fluid and participatory (Phase ii). Decisions were made at the top as typically state public administrators cannot testify at the legislature without authorization from the top.

Phase III processes and structures were both were much more formal and hierarchical than Phase I. A UPA organizational chart was developed with a leadership team at the top composed of the heads of different organisations and a "project champion," a high-level official. The operational or technical teams within each of the department-like units were crucial for successful implementation and include people like county engineers and public works directors. The stakeholder meetings continued after the award, but changed in tone and substance from collaborative to more informative.

The results

The Urban Partnership program led to new or expanded coalitions of cross-sector, cross-level interests backed by significant policy and public funding incentives.



Main lessons learned

The main lessons learned are grouped under the four key success factors identified.

Understanding Prior Initiatives and the Environment

Lesson One: when initiating a program that involves massive multilevel collaboration, the program sponsors and champions should not underestimate the requirements for stakeholder involvement built in large part on existing relationships.

Developing Effective Processes, Structures, and Governance Mechanisms

Lesson Two: Project sponsors and champions should recognize that total agreement on “the problem” is not necessary to move forward; however, a coalition is needed of members who are in agreement enough to proceed.

Lesson Three: Critical to the success of a collaboration is a project manager who can connect all the parts of the collaboration, is willing to pursue tasks in ways that are at odds with normal procedures and sequences, and is willing to assume a reasonable amount of calculated risk.

Lesson Four: Sponsors and champions should recognize that inclusive processes and flat structures are initially necessary to reach agreements on how to proceed. Once agreements are reached, a more hierarchical structure involving limited participation processes may work better.

Lesson Five: Sponsors and champions should recognize the merits of relying on respected, neutral organizations and conveners to help stakeholders hammer out important project details during the planning phase.

Lesson Six: regular meetings among major subgroups of key stakeholders are very useful. This includes using pre-existing and new forums. Regular meetings in pre-existing and new forums are important components of building the cross-level, cross-sector, cross-boundary understandings and commitments.

Understanding the Roles of Key Actors

Lesson Seven: Sponsors and champions at all levels should pay careful attention to issue framing. The way in which an issue is framed determines the way in which key actors interpret their interests and assess the costs and benefits of various proposals.

Lesson Eight: Sponsors and champions at all levels should seek the support of key political leaders so that elected- official support is available when needed.

Demonstrating Leadership and Key Competencies

Lesson Nine: Sponsors and champions at all levels should work to have in place the competencies needed to lead and follow through on a successful cross-level, cross-sector collaboration effort.

Sponsors must have formal authority to secure political support and other resources for the effort. Champions, who often lack formal authority, must have considerable facilitation skills but also are able to articulate and frame the policy idea in comprehensible ways to multiple constituencies.

Lesson Ten: Organizational and collaborative ambidexterity is important to successful cross-sector collaborations. Ambidexterity means being able to manage tensions. Typical tensions include:



Stability versus change; Hierarchy versus lateral relations; the existing power structure versus voluntary and involuntary power sharing and formal networks versus informal networks • existing forums versus new forums.

Creating an Outcome-Oriented Accountability System

Lesson Eleven: A tracking system that tracks inputs, processes, and outcomes to evaluate the projects is crucial.

4.3. Collaboration at PUSH (Partnership for Urban South Hampshire)

The following two case studies were adapted from “The Work Foundation.”

The need for collaboration

After London, South Hampshire is the largest urbanised area in the south of England. However its economic growth rate has been consistently lower than that of the South East over the past two decades.

The Partnership for Urban South Hampshire (PUSH) comprises a partnership between the Portsmouth, Southampton and Winchester city councils, the surrounding borough and district councils, and Hampshire County Council. It aims to improve growth in the sub- region by collectively addressing the economic and infrastructural challenges facing the area.

To achieve its goals it needed to adopt a collaborative approach.

The collaborative approach

The Leaders’ and Chief Executives’ Panel, the governing body of PUSH, meets bi- monthly with representatives from the Government Office for the South East (GOSE), South East England Regional Assembly (SEERA) and South East England development Agency (SEEDA) who act as observers⁶.

The PUSH work programme is led by a working group, which is chaired by the Chief Executive of Southampton City Council and made up of representatives from the principle authorities. There are also several others ‘theme groups’ working on various areas of the work programme, including economic development, planning, transport, housing and sustainability. Member panels oversee working groups.

Connectivity and transport issues are dealt with by Transport for South Hampshire, which is a joint committee of the three strategic highways authorities and has a close relationship with PUSH.

The results

PUSH has faced some significant challenges, particularly the difficulty of agreeing common approaches across a diverse geography of rural and urban areas and capacity issues amongst district councils. Despite this it was formalised as a Joint Committee under the Local Government Act in November 2007 suggesting that it has achieved a high degree of buy-in amongst participating



authorities. This more formal structure is intended to strengthen PUSH's democratic accountability and transparency and to facilitate the engagement of the private and other sectors as partners in delivery.

One of the sub-regional partnership's most significant achievements are the successful bid to be designated a New Growth Point Area. PUSH was awarded £3.65m funding in 2007/8 for 14 projects to support housing and infrastructure improvements and the delivery of growth in South Hampshire.

Lessons learned

- Good communication and information sources are vital. The adoption of an easily remembered acronym and the use of a good website help disseminate information about what is being done.
- Achieving cross-party political consensus is vital for success.
- More formal governance structures may develop over time if the collaboration is sufficiently successful.

4.4. Collaboration at Tees Valley City Region

The need for collaboration

The Tees Valley Joint Strategy Unit was set up to carry out the following functions on behalf of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton on Tees Borough Councils:

- Strategic planning, particularly the Tees Valley Structure Plan;
- Sub-regional economic development strategy;
- Strategic transport planning and technical support;
- Information and forecasting service; and
- The management and administration of European programmes

The Tees Valley Partnership brings together the private sector with the five local authorities, the Local Strategic Partnerships, the Chairs of the Learning and Skills Council, Business Link Tees Valley, representatives from the Chamber of Commerce, the health sector, trade unions, the voluntary and community sector, colleges of Further Education, Jobcentre Plus, the police and the local universities.

It aims to integrate efforts to regenerate the Tees Valley in order to enhance their effect. The Partnership also works closely with English Partnerships, One NorthEast, and Government Office for the North East, the North East Assembly and other regional agencies.



The collaborative approach

A Business Case was produced with the full cooperation and endorsement of the five local authorities, Durham and North Yorkshire county councils, Sedgefield Borough Council, Business Link Tees Valley, Tees Valley LSC, Tees Valley Regeneration, Tees Valley Partnership, One North East, Government Office North East and the North East Chamber of Commerce through various collaborative forums.

The results

The large number of collaborative bodies in the Tees Valley (the Joint Strategy Unit, Tees Valley Partnership, Regeneration, Housing Board, Tourism Board etc) suggests that collaboration has generally been successful in the sub-region. This impression is furthered by the impressively long list of Tees Valley Partnership projects that is available.

Recognising the complexity and inefficiency of existing governance arrangements, the Business Case proposed the creation of a Tees Valley Metropolitan Economic Partnership, to be known as Tees Valley Unlimited. The idea was to provide stronger, streamlined leadership whilst facilitating public, private and voluntary engagement in the Tees Valley. This was created to coordinate city region activities that are designed to improve the economic performance of the Tees Valley.

Main lessons learned

Cultivating relations with central government at an early stage can help cement local, regional and national commitment (including financial commitment) to a collaborative venture.

Robust data and evidence gathering is essential for successful strategic planning and collaboration, but it requires considerable time and effort. The provision of funding by a regional body (in this case the Northern Way) undoubtedly aided the process in the Tees Valley.

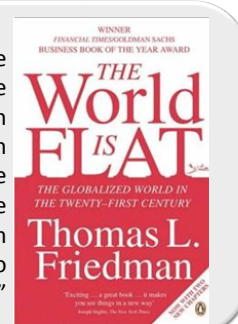
There is a need to balance participation with efficient decision-making processes.

4.5. Conclusion on case studies

Collaboration does not have one-size fits all approach. Understanding the context in which collaboration will happen is more important that trust in the beginning. Trust is gained over time by delivering tangible results.

Although there might be many barriers initially to be overcome, the benefits do outweigh the effort and possible drawbacks of collaboration.

“Rule #5; The best companies are the best collaborators. In a flat world more and more will be done through collaborations within and between companies for a very simple reason: The next layers of value creation are becoming so complex that no single firm or department is going to be able to master them alone.”



5. RECOMMENDATIONS FOR SOE COLLABORATION

Because SOEs have a vast network of interdependent stakeholders they must be encourage embracing collaboration *but* because of the prevailing cultures of change resistance, collaboration should be introduced incrementally for optimal success and sustainability.

With the aforesaid as background the following framework is recommended for implementing collaboration. The framework consists of six interrelated parts:



It is recommended that the main tools to be used for the collaboration implementation should be the *corporate/strategic plans* and *shareholder compacts* as per the PFMA and MFMA. These tools have been in use for some time and the extension of these tools will only require practice notes publication and not mass change to policies. In this way it will also reduce the change effort significantly.

Mandate and purpose

SOE's must be given permission to collaborate through the mandates from their shareholders. This must be made explicit in the shareholders' compacts as part of the corporate plan sign-off process.

The corporate plans should include:

1. An analysis of the interdependent stakeholder environment of the SOE as part of the environmental analysis
2. A collaboration plan, as subsection of the implementation plan, that needs to include how collaboration will be implemented externally and internally through its organisational architecture, culture, rewards and communication

Awareness

As part of the "collaboration practice note publication" awareness must be created of what collaboration is, the benefits it can achieve and what tools are available to assist.



This awareness should start at the leadership level by introducing the topic at the existing SOE Chairman, CEO and CFO forums as well as any interdepartmental and government forums.

It is recommended that the awareness campaign must include a practical application demonstration and not just a “PowerPoint” presentation. This ensures that people can see the benefits.

Organisational Architecture

The collaboration implementation plan should include a description of how the organisational architecture will be aligned to enable collaboration. This should include the following topics:

1. Structure and governance
2. Skills (recruitment and training)
3. Processes and
4. Technology to be used (if applicable)

Culture

Each SOE should understand its culture alignment to collaboration. This can be done quickly through a survey based on relevant research. Based on the results, a plan must be devised to close any gaps if needed. This results and plan must be included in the corporate plan.

Rewards

Annual performance plans and contracts must be adjusted to include successful collaboration as a goal based on the specifics of the corporate plan. This is applicable to the SOE’s own internal performance processes but also between the CEO, Board and Shareholder of the specific SOE.

Communication

The communication plan must include the processes that will be used to effectively communicate collaboration efforts.

It should be noted that all organisations required to deliver strategic or corporate plans must include a collaboration plan. The main reason being that even if an SOE is not the primary instigator of the need for collaboration they might be a key player in its execution.

Collaboration support team

The collaboration processes should be guided centrally to create a framework and ensure adoption. This team should be situated in an area with the most objective view of the SOEs and its interdependent stakeholders.

The current recommendation is the National Treasury, primarily because they are by legislation already required to receive all corporate plans (SOEs, government agencies and departments) and quarterly reports. This way they can ensure collaboration is addressed from the planning to implementation.



The support team may have the following responsibilities:

Aligner

The first and most important role for the support team will be to ensure that all collaboration plans (from the corporate plans) are aligned. This means that if a larger project has been identified with many interdependencies, that these also appear in the other identified collaborators' plans. This will prevent duplication and wasted effort and costs.

Convener

Play the role of community convener on significant issues that may, or may not, result in further community action. The convening role usually includes a highly visible public discussion of community issues. These discussions are often related to data gathering or studies, which provide information, intended to highlight a common understanding of the issues at hand. Such discussions are important prerequisites for collaborative community problem-solving.

Catalyst

Stimulate awareness. Uses influence and resource base to make the collaborative initiative "real" in the minds of various potential partners who may be waiting for leadership before making commitments.

Conduit

May serve as conduits for funding that is essential for collaborative action. For example, when foundations or donor organisation make grants available for collaboration efforts the support team may manage these funds on behalf of all collaborators.

Technical Assistance Provider

This collaboration approach will be new to many of the interdependent organisations and as such the support team can give guidance on processes, methodologies, best practices and technologies to assist.

Facilitator/ Mediator

The support team can help facilitate the collaboration processes and possible conflicts if required.



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