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Collaboration Practices in Government and in Business: A Literature Review

By Tom Zizys | Sept/Oct, 2007

WHY HAS COLLABORATION EMERGED AS SUCH A PREVALENT THEME IN GOVERNMENT AND BUSINESS PRACTICES?

A paradigm shift

Collaboration in government and in business is a longstanding practice. In recent decades, however, it has taken on greater prominence. To cite just a few examples from the business world:

- One 2003 study noted that more than 20,000 corporate alliances had been formed world-wide over the previous two years, and that the number of such alliances in the United States had grown by 25% per cent each year since 1987 (Zineldin, 2003);
- Over half of America's fastest-growing companies have worked collaboratively with others, and almost two-thirds of Canada's emerging growth companies say building strategies alliances is one of the reasons why they've climbed so high, so fast (The Controllers Update, 2002; Shiffman, 2004);
- Most large companies participate in at least 30 alliances, and many have over 100 (Bamford, 2002).

This emphasis on collaboration is not simply some new technique or fad that has emerged as a best practice in the last few years. It reflects substantial changes that have taken place in terms of how organizations operate, both in the business and government realms. In essence, it represents the consequence of the weakening of hierarchical approaches to directing organizations, the erosion of a command-and-control form of top-down management (Fukuyama, 1999, pp. 195, 194)

The reasons for this transformation are varied and all self-reinforcing, and reflect technological, economic and political changes (Considine, 2005; Giguere, 2006; Stuart, 1993). The changes driving increased collaboration in **business** include:

- The overtaking of mass manufacturing by consumer-oriented approaches, including greater customization and shorter product cycles, and the emerging predominance of the service sector. These require innovation, flexibility and adaptability, so top-down management has been giving way to decentralized production and service processes such an outsourcing.

- Cheaper communications and transportation and globalization are pressing business to compete on cost and on speed, while staying ahead of the competition through quality improvements and constant innovation. Traditional contracting out is a highly structured process. Business is turning to more creative forms of continuous adaptability that rely on on-going relationships (partnerships) between buyers and suppliers to collaborate on mechanisms that lower cost, increase speed, improve quality and foster innovation.

- Information technology, which has made possible increasingly sophisticated and fine-tuned systems for managing product logistics, aimed at reducing costs related to supply, production, transportation and inventory. (Fulconis, 2005). These systems, known as supply chain management, require information sharing and incentives sharing (reduced costs, higher profits).

- Supply chain management is often conflated with strategic partnership or strategic alliance, but these are actually much broader categories of collaborations (Ellram, 1995; Vyas, 1995). In focusing more on their core competencies in the intensely competitive marketplace, companies are relying more on inter-corporate alliances to expand their markets, to innovate and to apply new technologies, to spread risk, to access capital and to take advantage of converging opportunities (Weiss, 2001).

The changes driving collaboration in **government** are somewhat different. They include:

- Increasing pressure since the early 1970s to reduce costs and improve efficiencies, in reaction to rising deficits and growing voter resistance to tax increases. Borrowing from the private sector, governments are increasingly focused on core competencies, exploring privatization, out-sourcing and downloading, and reassessing their essential functions (eventually moving from government as doer to governance as facilitator).

- Increasing pressure to demonstrate the effectiveness of government services. However, governments have been hard-pressed to demonstrate not only value for money but even evidence of actual results. The growing realization of the complexity of many social problems, coupled with an increasing tendency of citizens to question hierarchical authority, has diminished governments' perceived legitimacy as the ultimate arbiters of public concerns.

– However, in following business' lead in devolving functions and decisions, governments have also faced increasing segmentation or the "silo effect," where individual branches and departments act in isolation, or counterproductively. Governments are now working to integrate or join up government functions.

– As the complexity of social problems becomes more evident, governments have begun to try to become more inclusive, and to draw in a wider range of perspectives to produce higher quality decisions in response to these issues (such as neighbourhood revitalization or regional economic development). They have also tried to regain legitimacy by incorporating a more diverse variety of interests through multi-stakeholder policy development and strategy implementation processes (Considine, 2005).

What objectives underlie the drive for collaboration?

The move to partnerships and collaborations to address the above trends represents a sea change in business and government practice. What specific objectives does collaboration propose to achieve?

In Business

In the business sector, most of the reasons given for collaboration appear more instrumental in nature, that is, as a means to an end, to support above all else the bottom-line business goals of the corporation. In the context of a highly competitive, globalized environment, with relentless pressure on companies to deliver their products and services cheaper and faster, and where innovation is in constant demand, businesses must rely on their essential strengths, and seek partners to supply those capabilities which they lack. Thus, strategic alliances have been promoted on the basis of:

- Accessing the capabilities of other companies, namely their products, customer relationships or their technologies;
- Spreading the risk of a new initiative;
- Attracting more capital for a new venture;
- Gaining scale to compete with larger competitors;
- Adding scope to support integrated solutions;

- Gaining familiarity for entering new geographic markets;
- Securing industry buy-in for technological standards.(Ernst, 2000, Ernst, 2004)

In Government

For the public sector, the rationale for collaboration includes an instrumental component (like business, government seeks cost-savings and service improvements), but there is also a qualitative difference in its adoption of collaboration, namely, to transform how programs and policies are developed (more inclusive) and to fashion integrated solutions to complex social problems. Thus, joined up government is justified on the basis of:

- Better customer service:
  - *Convenience,* consumers can access services more easily and at less cost;
  - *Comprehensiveness,* consumers have access to a greater variety of services;
  - *Simultaneity,* consumers can access multiple services at the same time;
  - *Individualization of services,* services can be responsive to differentiated needs;
  - *Differential engagement,* consumers can engage services at different levels of intensity;
  - *Mainstreaming,* blended services reduce stigma for some population sub-groups;
  - *Broader coverage,* better outreach;
- Efficiency:
  - *Process efficiency,* less duplication of effort, and some activities and processes can be streamlined;
  - *Cost efficiency,* through reduction of transaction costs associated with fragmented services, elimination of duplication, harnessing collective purchasing power, and realization of economies of scale;
  - *Flexibility,* diverse funding streams can be blended in creative and more effective ways;
- Transformed government approaches:
  - *Taking a wider view,* moving from a silo approach to a wider perspective of program impacts;
  - *Addressing the complexity of issues,* by cobbling together interconnected and mutually supportive interventions;
  - *Promoting innovation,* by bringing together a wider set of perspectives and experiences;
  - *Focusing on outcomes,* rather than on process rules, inputs and/or outputs;
  - *Enhancing legitimacy,* through inclusive, participative processes.

(Considine, 2005; Corbett, 2006; National Audit Office, 2001)

WHAT DIFFERENT TYPES OF COLLABORATIVE ACTIVITIES ARE THERE?

Virtually all facets of organizational activity can be the object of a collaborative approach. Collaborations in business and in government can be categorized in various ways. One type of categorization is by the kinds of partners involved. However, this report discusses a limited sub-set of multi-partner collaborations: business-to-business collaborations, and in intra-government collaborations involving different branches or departments. Collaborations among these homogeneous partners are typically categorized either in terms of:

- relationship intensity: How intense or integrated is the collaboration?
- functional focus: At what operational level does the collaboration take place?

Collaboration by degree of relationship intensity

Collaboration that involves, say, informal information sharing among different companies is much less 'intense' than a formal joint venture involving major staff and financial sharing. Conceptual models of relationship intensity abound. Table 1 shows one model, developed primarily for the public sector (Corbett, 2006). Conceptual models of relationship intensity in business-to-business and intra-government collaborations are similar to those used in discussing NPO services (ref).

Table 1: Relationship Intensity Scale (Corbett, 2006)

Level 1

Communication: Clear, consistent and non-judgmental discussions; giving and exchanging information in order to maintain meaningful relationships. Individual programs are totally separate.

- Procedures for information sharing
- Regular interagency meetings
- Informal service "brokering" arrangements

Cooperation: Assisting each other with respective activities, giving general support, information and/or endorsement for each other's programs, services or objectives.

- Task forces, advisory groups, committees to review/approve plans
- Consensus concerning best practices
- Cross system dialogue and/or training
- Cooperative monitoring or case reviews

Level 2

Coordination: *Joint activities and communications are more intensive and far-reaching. Agencies or individuals engage in joint planning and synchronization of schedules, activities, goals, objectives and events.*

- Formal inter-agency agreements to "coordinate"
- Joint mission statements/principles
- Joint training
- Contractual procedures for resolving inter-agency disputes
- Temporary personnel reassignments
- Coordinated eligibility standards

Collaboration: Agencies, individuals or groups willingly relinquish some of their autonomy in the interest of mutual gains or outcomes. True collaboration involves actual changes in the agency, group or individual behaviour to support collective goals.

- Coordinated personnel/qualification standards
- Single application form/process
- Common case management protocols
- Centralized functional administration
- Coordinated IT programming authority

Level 3

Convergence: Relationships evolve from collaboration to actual restructuring of services, programs, memberships, budgets, missions, objectives and staff.

- Contractual provisions for fund transfers/reallocations
- Contractual "lead agency" agreements
- Pooled resources/budget contributions

Consolidation: Agency, group or individual behaviour, operations, policies, budgets, staff and power are united and harmonized. Individual autonomy or gains have been fully relinquished, common outcomes and identity adopted.

- Multi-agency/multi-task/multi-discipline service plans and budgets
- Seamless inter-agency service delivery teams
- Fully blended inter-agency planning/division of labour/responsibility
- Shared human capital/physical capital assets

Collaboration by functional focus

Collaborations can also be categorized by function. Business and government collaborations tend to be categorized by three types of functions. The categories are broadly similar to those used in classifying NPO service collaborations (ref). However, the specific collaborative service mechanisms among NPO agencies – such as co-location, and client-based referral mechanisms and case coordination – are often quite distinctive to that sector.

Administrative support.

This typically involves behind-the-scenes integration such as back-office shared services). In government, this often takes the form of *shared services*, involving the consolidation of administrative or support functions (such as human resources, finance, information technology or procurement) from several departments into a single, stand-alone entity (Accenture, 2005). Sometimes shared services covers more, such as consolidation of professional and technical support (for example, architects or property management) or sub-regional services (waste) (Whitfield, 2007). The purported benefits of shared services include:

- Learning and sharing best practice through collaboration and lead authority roles;
- Pooling and sharing of resources and investment in new systems which may not otherwise be affordable by an individual business unit or government department;
- Achieving economies of scale and efficiencies, thus reducing the cost of services (fewer locations, systems and equipment) and redirecting savings to other services (e.g. customer service, front-line services);
- Applying new technology to simplify and standardize processes;
- Improving the quality of services by redesigning and reorganizing delivery methods;
- Sharing training and development costs;
- Increasing capability and flexibility to absorb peaks and troughs.

(Whitfield, 2007)

Operational support

These collaborations involve actual linkage of operations, such as found in information portals, service collaboration or supply chain management. Supply chain management, for example, involves coordination among the various actors involved in the flow of products and information, from raw materials to the final customer, based on the sharing of information and of decision-making, as opposed to relying on limited buyer-seller contracts. The coordination process seeks to cut costs, speed the process, and enhance innovation, with the benefits being shared among the partners. Activities that form part of supply chain management incorporate supply chain design (including procurement, transportation and distribution), collaborative manufacturing (including inventory management, product design and product development, and manufacturing planning), and integrated fulfillment (including order processing, sales, customer service and demand management). Anticipated benefits of supply chain management include improved efficiencies, increased sales, reduced assets and working capital, reduced inventory, and the potential for reducing a company's infrastructure. (Samuel. 2006)

Table 2 describes the key ways in which supply chain management differs from conventional supplier-bid contracting practice in business.

Table 2: Supplier Bid v. Supplier Partnering Approach (Stuart, 1993)

Traditional Contract Approach	*Buyer-Supplier Partnership*
Primary emphasis on price	Multiple criteria, including management philosophy
Short-term contracts	Longer term contracts
Evaluation by bid	Intensive and extensive evaluation
Many suppliers	Fewer selected suppliers
Improvement benefits shared based on relative power	Improvement benefits are shared equitably
Improvements at discrete time intervals	Continuous improvement is sought
Problems are supplier's responsibility to correct	Problems are jointly solved
Information is proprietary	Information is shared
Clear delineation of business responsibility	Quasi-vertical integration

Strategic-level development and implementation

These collaborations involve higher order coordination. Examples in business practice include industry convergence initiatives. In government, higher-order coordination often involves service systems integration. The latter attempts to integrate government services across vertical departmental or branch funding, regulatory, or policy-making ‘silos’. So, for example, an individual requiring income support may be obligated to seek employment, but their job prospects may be limited by one or more of: inadequate informal networks for finding employment, lack of formal work skills, limited English language proficiency, lack of access to affordable childcare, behavioural challenges, unstable housing, substance abuse issues, and so on. Services for addressing each of these challenges may be the responsibility of a separate government department (even a separate level of government), and/or delivered through a separate government office. Each of these services may have different eligibility requirements, different intake forms and procedures, different time frames, and impose different (and possibly conflicting) obligations on the client.

Services system integration attempts to overcome these barriers and conflicts by streamlining and simplifying client access to a wide range of benefits and services that cross traditional program domains. The ultimate purpose is to improve client outcomes, based on the premise that each program is more likely to achieve its goal when it operates in a coherent and coordinated fashion with related programs serving the same client (Ragan, 2003). Services system integration appears to be most advanced in the United States, notably with respect to workforce development systems and integration of income-support programs with related programs (employment and training, childcare and child welfare).

Strategic-level collaborations in the NPO sector include multi-stakeholder, place-based comprehensive community initiatives, sector wide service alliances (e.g. hospice services, or mental health services), or advocacy/sector planning coalitions and networks. These types of collaborations are beyond the scope of the project of which this paper is part.

WHAT MEASUREMENTS OF EFFECTIVENESS APPLY TO COLLABORATION?

The business sector has a much more articulated framework for measuring the effectiveness of collaborations than does the public sector. Business has one fundamental metric – the bottom-line, which ultimately involves quantifying impact in terms of dollars and cents. The assessment of government actions often entails far more nebulous judgments relating to far more intangible outcomes. In practice, the business sector has evolved some very sophisticated tools for measuring performance. The government sector shows considerable lag in this regard, in part because it lacks the equivalent incentive that drives the business sector (personal financial reward for success, bankruptcy for failure), but also because its qualitative impacts are often less susceptible to isolation and quantification.

Measurements of collaboration effectiveness in the business setting

Collaboration in business is often undertaken for strategic, and not just tactical, reasons. That is, the goal may be one that has a longer time horizon, and so its immediate benefit may not express itself in increased sales or profits. For that reason, the business literature counsels that an assessment of the benefits of a collaboration should proceed along several dimensions, to capture immediate impacts as well as to measure performance that has a longer term or more intangible consequence. The outcomes-related dimensions are:

- Financial: The prime business yardstick, expressed in numerous ways, could involve such items as sales revenue, operating margins, profitability ratios, cash flow and return on investment. There might also be metrics relevant to the specifics of the partnership, such as reducing overlapping costs, achieving purchasing discounts, transfer pricing revenues and sales of related products by the parent companies. As well, there are surrogates for some of these assessments, such as tracking the share prices of the respective partners before and after the formation of the alliance, and comparing their changed value to that of industry averages.

- Strategic: These metrics involve the position of the alliance/partnership in the marketplace, items that in the long run should contribute to the initiative's business strength. These may include such measurements as market share, new product launches, customer loyalty, access to new customers, access to new technology, knowledge transfer and gains of employee expertise.
- Operational: These measurements focus on immediate outputs tied to effectiveness that should have a bearing on financial performance. These could include number of customers contacted, number of staff recruited, product quality, manufacturing throughput and the time it takes to make key decisions.

(Bamford, 2002; Sammer, 2004)

Measurements of collaboration effectiveness in the government realm

Measures of intra-governmental collaboration effectiveness are less developed than in business. This has as much to do with settling on what is to be measured, as on the well-known practical difficulties about how to measure public sector outcomes. This challenge has its roots in the initial discussion about the objectives for which collaboration is used. In the public sector, collaboration focuses on process goals as well as outcomes goals. For example, a consultative process regarding some policy initiative could conceivably come up with proposed solution that from a technical standpoint is exceedingly sound, but because the process used was so disappointing, results in no stakeholder support for the proposal.

Two types of measures are considered important in measuring the effectiveness of intra-governmental collaboration: (Canadian Health Services Research Foundation, 2006; Geddes, 2006; Ragan, 2003; Voets, 2006):

- Outcome assessments: Did the collaboration produce results and of what sort, having regard to outputs (changes in immediate behaviour) and outcomes (longer-term desirable changes);
- Performance assessments: Was the effort worth the cost (efficiency), how did it compare to alternative options (effectiveness).

Identifying appropriate outcomes measures is often difficult. In a number of the case studies reviewed, the evaluators and policy-makers simply zero in on concrete indicators by which to measure success. That is, instead of getting bogged down in a discussion on what to measure and how, some initiatives seem to take the view that, "if what gets measured gets done," then the best approach is to set a target to drive the activities of the collaboration. Table 3 shows the outcomes indicators adopted in Great Britain to assess the effectiveness of seven inter-departmental initiatives.

Table Three: Indicators for Selected Joint Working Initiatives in Great Britain (National Audit Office, 2001)

Initiative and Goal	Indicator
Rough Sleepers Unit To reduce the numbers sleeping rough	To reduce the number of people sleeping rough in England by two-thirds
Early Years Development and Childcare Partnerships To improve the coordination and delivery of childcare and early education services	Specific numerical targets for childcare spaces and nursery places
Sure Start To ensure the health and well-being of pre-school children and their families	Specific targets matched to program objectives (for example, reduce the number of mothers who smoke during pregnancy by 10%)
Business Link Partnerships to provide support to small businesses	Measurements relating to market penetration, customer satisfaction and productivity and profitability
British Trade International To help all businesses to develop businesses overseas and to improve existing services	Quantifiable improvements in business performance for existing exporters and new exporters

Process Outcomes

The literature on business-to-business and intra-government collaboration also emphasize the importance of 'good process' to effective outcomes. That is, a well-working collaboration process is necessary for successful outcomes. The health and fit of the partnership need to be tracked, to ensure that the process entered into can support the business objectives. This requires measuring such factors as trust between the partners, speed and clarity of their decision-making, and the effectiveness of their decisions and their implementation. (Bamford, 2002; Sammer, 2004)

WHAT EVIDENCE IS THERE FOR THE EFFECTIVENESS OF COLLABORATIVE ACTIVITIES?

This study relied on a fairly rapid survey of the business and government literature, which covered a very wide variety of documents (ranging from specific case studies to surveys of key informants to broad academic reviews of the field, often combining theoretical analyses with practical examples) and a wide variety of collaborative practices (from administrative shared services to regional economic development). Two observations derived from this cursory skimming of the literature may provide a context for interpreting the overall state of the quantitative evidence about collaborative activities.

Evidence and Its Interpretation

Firstly, there is a common view in the business literature regarding the high failure rate of alliances, variously described as “30-60% are under-performing,” “a long-term success rate of about 50%,” “a majority (roughly 70%) fail outright or achieve only initial goals,” and “a failure rate as high as 70%” (Bamford, 2002; Enrst, 2000; Weiss, 2001; Zineldin, 2003).

Yet it is very clear from the literature that this failure rate is viewed as a product of poor implementation (primarily poor or damaged working relationship between partners, or a lack of relationship management capability) and is not a consequence of collaborative approach itself. Indeed, survey data of CEOs demonstrates that the value of collaborative approach is widely accepted. One explanation for this is that it is in the nature of a paradigm that its validity relies on faith because it accords with current values and accepted wisdom.

The other view would be (and this would require further research) that the evident success with more mechanistic forms of collaboration in the business sector (supply chain management, consolidation of back-office services) has been successful to such a degree[1] in terms of the easy measurements (reduced costs, improved efficiencies) that the concept of collaboration has easily migrated to more challenging forms (strategic alliances for the purpose of innovation, convergence or market penetration) where the supporting anecdotal evidence is strong but where the quantitative data is still catching up to practices. This might especially be the case because these more strategic forms of alliances do require a greater attention to process and less to financial metrics, for which the business sector is still slow to adapt.

Lack of Evidence on Intra-Government Collaboration

The other observation is that there is a significant dearth of quantitative information about the practice of collaboration in the public sector. One U.S. report concluded that very little information exists in the US to answer such questions as: How many collaborative efforts among government, business, and civil-society entities are actually underway? How many people are involved in these collaborations? What proportion of government spending is channeled through such ventures? What share of rules and regulations are framed, influenced, or implemented collaboratively? How do these indicators vary across sectors and between countries? And how, if at all, are they changing over time? (Donahue, 2004)

It is well known that the public sector has a much less developed practice of evaluation that than found in the private sector and a large part of the reason for this relates to the difficulty of isolating cause and effect in complex social circumstances. In the case of collaborative work, this is compounded by the challenge of sorting out the influences of multiple players (never mind making assessments about the quality of the collaboration and how that affects the impact).

It is noteworthy that when the business sector engages in collaborative practices that more closely approximate the activities of governments (that is, the use of strategic alliances, which can be of a complexity comparable to multi-stakeholder processes like regional economic development), their record in terms of measurement falls off substantially. Only a fraction of strategic alliances have adequate performance metrics in place: one account (of over 500

[1] Wal-Mart is the poster child for supply chain management, both because it pioneered its use in retailing and because it emerged as an industry giant as a result. A Google search of the combined terms “Wal-Mart” and “supply chain” produces 2,200,000 hits.

companies) says less than a quarter, another (of 200 companies and 1572 alliances) says 11%, and that half (51%) have essentially no performance metrics (Bamford, 2002; Dyer, 2001).

Thus it may likely be that the dichotomy in terms of measurement results may have less to do with what sector is being examined (that is, business versus government) and may have more to do with the complexity of the collaboration activity being examined.

Evidence of collaboration effectiveness in the business setting

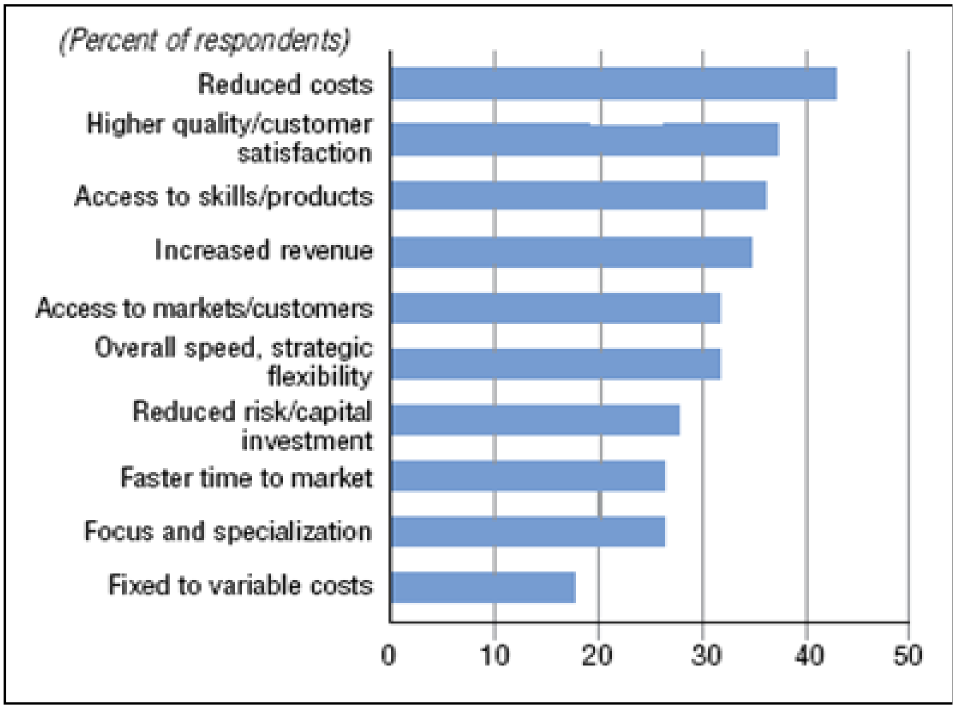
The evidence that has been assembled has focused on amassing large-scale results, not individual evaluations. As such, these typically rely on surveys of CEOs, but where financial data is also assembled. Usually CEOs are asked about collaboration practices (the extent to which they engage in specific collaboration practices and/or employ specific strategic alliance capabilities). The business performance of these corporations is then examined, in particular comparing those that score high in terms of collaborative approaches with those that score low. One major survey involving 765 in-depth interviews with CEOs around the world found the following:

- Companies innovating through strategic partnerships enjoyed the highest operating margin growth;
- Over 75% of CEOs indicated that collaboration and partnering is very important to innovation (even though only half of the CEOs believed their organizations were collaborating beyond a moderate level);
- Companies in which the CEO orchestrates a more team-oriented culture were decidedly more profitable than organizations with segregated pockets of innovators.

(IBM Global Business Services, 2006)

This same survey asked CEOs to identify the benefits of collaboration. Table 4 shows the findings. While this is not direct quantifiable evidence of the benefits, the opinions of CEOs who presumably know their business should count as relevant secondary evidence.

Table 4: Collaboration and partnering benefits cited by CEOs (IBM Global Business Services, 2006)



In addition:

- A three-year cross-industry study of over 150 alliance managers showed that companies with a very high relationship management competence (self-reported) tended to have a higher profitability ratio than that of their industry, while companies with a very low relationship management competence reported net profit margins and return on assets well below that of their respective industry (Weiss, 2001)

- A survey of 240 purchasing executives found important linkages between business benefit and the extent of partnership between the buyer and supplier as follows:
  - A correlation coefficient of .74 between short-term benefits (such as reduced downtime and rework, speedier throughput time, inventory reductions, and so on) and the degree of supplier partnership (measured in terms of committed resources and views on partnership);

- o A correlation coefficient of .79 between longer-term benefits (such as reduced cost structure, product sales gains and improved product quality) and the degree of supplier partnership (as defined above)

  (Stuart, 1993)

- The stock market also passes judgments on the value of collaboration. Presumably stock market analysts base their judgments on an analysis of how these collaborative vehicles have or can affect return on investment. Tracking the share prices of 2,102 companies that had announced alliances (comparing prices for the five days before the announcement and the five days after the announcement, and excluding data that was deemed corrupted), one study found:
  - o That alliances are better received than mergers and acquisitions in fast-moving, highly uncertain industries such as electronics, mass media and software;
  - o Alliances are also better received for companies trying to build new businesses, enter new geographic markets or access new distribution channels;
  - o Multiple partner alliances and consortia are well received;
  - o 52% of large alliances caused the share price of the parent company to move more than one standard deviation of its normal movement, and in 70% of these cases the movement was positive.

    (Ernst, 2000)

- A similar study of the movement of stock prices focused on financial institutions in Japan and the value difference that strategic alliances added, finding that:
  - o A strategic alliance on average increases the value of partner firms;
  - o The gains from the alliance are spread more widely among the partners than would be suggested by a random alternative;
  - o Smaller partners tend to experience larger percentage gains;
  - o The market values inter-group alliance announcements more than intra-group alliance announcements.

Evidence of collaboration effectiveness in the government realm

On the government side of the ledger, a completely different set of problems present themselves. With respect to collaboration that approximates private-sector approaches and philosophy (notably shared services and private-public partnerships), the topic generates ideological smoke which clouds the view. That is to say, the prospect of using techniques developed by the private sector or to propose a private sector role in government are propositions fraught with value judgments, and studies pro and con tend to produce findings that coincidently accord with the author's predisposition on that issue.

Collaboration that involves linking, joining up or integrating services appear to have some positive evidence, although it is clear that in many cases implementation and evaluation involve many challenges.

Thus, in the case of shared services, a major private sector management consulting firm surveyed 143 senior government executives across 13 countries. 66% were already using shared services or were in the process of implementing it, with its greatest application being with respect to IT (73% of those 66% respondents currently have these functions shared), finance (58%), human resources (56%), supply chain/purchasing (55%) and property/facilities management (53%). Almost two-thirds (63%) of these respondents rated shared services as extremely or very important in meeting their current business challenges (of which the top three were meeting efficiency targets, service improvements and controlling costs) (Accenture, 2005).

A different perspective casts doubt about the benefits of shared services, citing for example that:

- The 20%-25% savings figure claimed by the British government in the 1990s and authoritatively repeated elsewhere was subsequently shown to be a myth and averaged about 5%;
- The savings estimates do not include transaction costs;
- The studies do not assess impacts on local employment and the local economy, in the case of consolidations applied across geographical areas, or whether larger consolidations might not facilitate off-shoring services, further harming local economies.

(Whitfield, 2007)

In the case of joining up of government services, the evidence is more positive where the initiative set tangible targets in advance. Thus, in the case of the joint working initiatives cited earlier, several produced demonstrable achievement: Table 5 shows outcomes achieved for five intra-governmental UK initiatives.

Table Five: Outcomes for Selected Joint Working Initiatives in Great Britain

Initiative and Goal	Outcomes
Rough Sleepers Unit To reduce the numbers sleeping rough	The numbers of those sleeping rough was reduced from 1850 to 700 (the target had been 616). The number of entrenched rough sleepers in London (those who have multiple health and social needs requiring sustained help) reduced from 427 to 110).
Early Years Development and Childcare Partnerships To improve the coordination and delivery of childcare and early education services	The target to provide a free part-time nursery place for all 4 year olds had been achieved as planned; free part-time places were available for over 50% of 3 year olds; and 240,000 new childcare spaces had been created, exceeding the target by 70%.
Sure Start To ensure the health and well-being of pre-school children and their families	At the time of this report it was too early to report.
Business Link Partnerships to provide support to small businesses	At present no results because the methodology for the satisfaction surveys has changed.
British Trade International To help all businesses to develop businesses overseas and to improve existing services	At the time of this report it was too early to report.

(National Audit Office, 2001)

In the case of more complex initiatives, such a services system integration or local area improvements, the evidence becomes more difficult to produce, because of the nature of what is being attempted, the challenge in measuring outcomes and the limited practice of rigorous evaluation in such instances. Nevertheless there are some examples.

Thus, in the case of services system integration, one study suggests that such initiatives do make a positive impact, although their influence on community-wide measures of well-being has still not been determined. An extensive review of practices in 12 American states offered the following as the answer to the question what difference does the effort to integrate services make:

- *Impacts on clients:* There was extensive anecdotal evidence from staff about the positive effects of integration of services;
- *Impacts on service staff and managers:* Similarly, the review cites widespread enthusiasm and pride in what is seen as a better way of delivering services;
- *Satisfaction surveys of clients:* the limited number of satisfaction surveys reported very high positive feedback (over 90% saying they would recommend the service to a friend, or that staff were courteous and concerned);
- *Program performance measures:* Program statistics showed better results in achieving objectives compared to areas where there was not service integration (objectives such as reducing caseloads, level of client participation in work-related activities);
- *Community-wide metrics:* In the case of broader measurements, such as poverty rates, home ownership rates, high-school graduation rates, illegitimacy or teen pregnancy rates, only a few programs are attempting such assessments, and at the time of this report, no results were yet available.

(Ragan, 2003).

WHAT ARE THE FACTORS CRITICAL IN ACHIEVING EFFECTIVENESS IN COLLABORATION

There is considerable consensus across the literature about what contributes to effective collaboration. Four studies were relied upon, representing a cross-section of perspectives:

- An analysis of 12 case studies, involving either shared services or service delivery collaboration, in a number of jurisdiction throughout North America and Europe, representing different partnership configurations (public-private, public-public, public-non-profit) (Center for Technology in Government, 2004);
- A review of five case studies of joined up services in Great Britain (National Audit Office, 2001);
- A study of services system integration in 12 U.S. states (Ragan, 2003);
- A survey of over 150 senior government and NGO officials from across Canada (Crossing Boundaries National Council, 2006).

The following are the key factors that were identified:

- Clearly defined, shared goals: It's hard to fly a plane if two co-pilots are steering in different directions. Excitement about partnering may mask different perceptions about what is the purpose of the common initiative. It is necessary to make the goals explicit and without any ambiguity (best through a formal document).
- Leadership: There not only needs to be buy-in and support from the top, but also a willingness to champion the partnership, to mobilize a collaborative approach across the partnering organizations, ensuring the goals of the partnership are understood and actively supported.
- Measuring performance: Goals need to be made concrete in the form of outcome indicators, to ensure they are understood, to measure progress, to provide feedback on whether things are working or not, and where necessary to prod change.
- Strong communication, effective coordination and positive working relationships: Good partnerships rely not only on each partner being able to carry out their own function well, but on the ability of each partner to work also well with each other. Partnership work is not a series of discrete, disconnected tasks, but the interplay and conjunction of tasks.
- Resources: The synergy caused by collaboration, that is, the capacity to do more and/or to do it more effectively, does not by itself generate the resources to make it so, although parties entering partnerships sometimes seem to feel that will be the case. Partnerships require the dedication of staff, resources and time to realize their goals.
- Trust: Trust makes partnerships possible, because of the need to rely on the other partner. Trust needs to be assumed at the outset, but it also needs to be earned.

In addition to these primary factors, there are several other supporting elements that make these factors more likely, namely: good management skills; staff who are trained in alliance relationship management capability; a governance structure for the partnership that enables problem-solving and decision-making, and that is sufficiently flexible; and stability.

It is noteworthy that the business literature regularly highlights how the corporate sector will place far more attention to the legal, financial and technical elements of partnerships, including reliance of information technology to cement an alliance, and often neglect the human dimensions of what is needed to ensure that a partnership survives (Kanter, 1994; Legault, 2004; Svejenova, 2006).

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