STRATEGIC SERVICE PARTNERSHIPS AND BOUNDARY-SPANNING BEHAVIOUR: A STUDY OF MULTIPLE, CASCADING POLICY WINDOWS.

by

KEITH PHILIP BAKER

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ABSTRACT

This study explores the role of boundary-spanning individuals in the development of Strategic Service Partnerships (SSPs). SSPs are the latest manifestation of Public-Private Partnerships (PPPs). However, these partnerships are remarkably under-researched. Furthermore, the role of key boundary-spanning individuals in developing and maintaining PPPs and other partnership forms is poorly understood. This study closes these gaps in the literature by examining the development of SSPs and showing how the role and contribution of boundary-spanning individuals can be understood.

Boundary-spanners are shown to exist as dynamic, structurally contextualised agents whose actions are shaped by a combination of organisational and contingency pressures and their own individual psychology. To understand the development of an SSP and the role of boundary-spanners, the study develops and tests a conceptual framework. This framework combines a sequential account of emergent interorganisational relationships with a policy process model. The thesis presents case study evidence from an in depth qualitative investigation of an emergent SSP in an English Local Authority to show that interaction between public and private sector organisations is critical to development of an SSP. It is also shown that boundary-spanning individuals are of critical importance in managing and shaping these interactions. This study represents an advance in understanding both PPPs and boundary-spanning individuals.

DEDICATION

To my parents and the most wonderful girl in the world who was just there when I needed her.

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Any errors or omissions are, of course, entirely my own.

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LIST OF ABBREVIATIONS

CCT	Compulsory Competitive Tendering.
DCLG	Department of Communities and Local Government.
ERM	Enterprise Relational Management [Software]
EU	European Union.
HR	Human Resources.
ICT	Information and Communication Technology.
ISOP	Invitation to Submit Outline Proposals.
IT	Information Technology (see ICT).
ITN	Invitation to Negotiate.
NDC	New Deal for Communities.
NPM	New Public Management.
NPV	Net Present Value.
ODPM	Office of the Deputy Prime Minister.
OJEU	Official Journal of the European Union.
ONS	Office of National Statistics.
PE Ratio	Price Earnings Ratio.
PLC	Public Limited Company.
PPP	Public-Private Partnership.
PQQ	Pre-Qualification Questionnaire.
PV	Present Value.
SMT	Strategic Management Team.
SPT	Strategic Partnership Team.
SSDP	Strategic Service Delivery Partnership.
SSP	Strategic Service Partnership.
TCE	Transaction Cost Economics.
T&GWU	Transport and General Workers Union.
TUPE	Transfer of Undertaking (Protection of Employment) Regulations
UK	United Kingdom.
US	United States (of America)

CHAPTER 1: INTRODUCTION

Introduction

Public administration has been concerned with the nature of the relationship between the public and private sectors for some considerable time. This debate has become increasingly relevant with the growth of hybrid organisational forms involving both public and private sector organisations: the so-called Public-Private Partnership or PPP (Sternberg 1993, Ferlie *et al.* 1996, Falconer and McLaughlin 2000, Lonsdale 2005). However, the study of these relationships has tended to focus on the structural form of the partnership, the theory of partnering or the consequences for public sector organisations and this has led to two major failings in the existing literature.

First, little attention has been paid to the process by which such partnerships actually develop. Secondly, there is an absence of research that examines the role of individuals within the development of partnership arrangements. This has produced a situation in which the development of partnerships is seen as something of a 'black box' in which both the process itself and the role of individuals within the process are poorly understood. Although Murray (1997), Takahashi and Smunty (2002) and Noble and Jones (2006) may be regarded as exceptions to this, the fact remains that there is a surprising dearth of academic study into the process by which Public-Private Partnerships emerge.

This study addresses these gaps in the existing literature by providing an analysis of the process by which a Strategic Service Partnership (SSP) develops. Strategic Service

Partnerships are the latest iteration of the Public-Private Partnership and are increasing advocated by Government (ODPM 2004, Baker *et al.* 2006). In order to study the development of an SSP it is necessary to recognise the role of key individuals known as 'boundary-spanners' within the process. Boundary-spanners form the linkages between the organisations and exploit the opportunities to develop the partnerships (Sullivan and Skelcher 2002, Williams 2002). Whilst boundary-spanning is extensively documented in the academic literature, it is a poorly theorised phenomenon and given the critical role of these individuals, any attempt to understand the development of SSPs must also tackle the role of boundary-spanners. Several writers including Sullivan and Skelcher (2002), Williams (2002) and Noble and Jones (2006) have also realised the importance of boundary-spanning individuals and this study may be seen as a continuation of their research agendas.

The Problem of Boundary-Spanning Activity

The individuals who are involved in the creation and development of interorganisational partnerships are known as boundary-spanners (Sullivan and Skelcher 2002, Marchington and Vincent 2004). They are of critical importance in public administration and in organisational theory more generally, as they form the linkages that connect the organisation with the external environment (Thompson 1962, Organ 1971, Alter and Hage 1993). Although this linkage has a variety of purposes, ranging from the conduct of exchange relationships (Aldrich and Herker 1977, Steadman 1992, Kicket *et al.* 1999) and the gathering of information (Brown 1966, Boulton *et al.* 1982) to the achievement of interorganisational coordination (Levine

and White 1961, Webb 1991, Snow and Thomas 1993), this study focuses on the role of boundary-spanners in developing and maintaining interorganisational collaboration or partnership (Sullivan and Skelcher 2002, Williams 2002, Marchington *et al.* 2005).

Boundary-spanning individuals have also been observed to be important in spanning boundaries *within* organisations, in order to achieve cooperation between departments (Pruden 1962, Lyonski 1985) or organisational restructuring (Balogun *et al.* 2005). However, despite the extensive recognition of the importance of these individuals, boundary-spanning is generally under-theorised, which has contributed to a substantial degree of theoretical confusion (Williams 2002).

This theoretical confusion regarding boundary-spanning can be considered as originally terminological. The term 'boundary-spanning' denotes an activity (Miles 1974) which is subject to little agreement on terminology (Liefer and Delbecq 1978, Friedman and Polomy 1992, Williams 2002). For example, Obstfeld (2005), drawing on Granovetter (1985), uses a Latin expression to characterise its practitioners, whom he designates the 'Tertius Lungens'; Sullivan and Skelcher (2002) draw upon planning theory (Friend *et al.* 1974) and use the term 'reticulist'; Adams (1976) prefers to use the term 'boundary-role person' and Leat (2002) names these individuals 'boundroids', whilst Robertson (1995) and Noble and Jones (2006) use the more conventional term 'boundary-spanner.'

In all, Leifer and Delbecq (1978) note twelve different terms used to refer to boundary-spanning and their list is by no means exhaustive. However, the different language

used to denote these individuals is not simply a case of flamboyance or eccentricity on the part of the various academics (Williams 2002) may be a reflection of the absence of a workable conceptual framework within which to understand boundary-spanning as an activity. Thus the priority for any serious study of boundary-spanning and its contribution to the development and operation of interorganisational relationships is to develop a conceptual framework for understanding the subject. This can be achieved by returning to the principles that Miles (1974) initially outlined, whereby boundary-spanning is an activity whose description requires attention to be placed on the issues of structure, role and behaviour.

The Research Questions

The creation and operation of an SSP, or indeed any public-private partnership arrangement, requires boundary-spanning individuals to develop and maintain the partnership. As these individuals are acknowledged as important but their role is under-theorized, it is vital that research proceeds from an adequate theoretical approach to understanding the roles, activities and contributions of boundary-spanning individuals. Therefore, the first research question can be identified as:

1. **How should boundary-spanning individuals be understood within organisational theory?**

Whilst there is a substantial volume of work on interorganisational relationships (Huxham and Macdonald 1996, Ring and van de Ven 1994, Kanter 1994, Gulati 1998,

Joldersma and Winters 2002, Huxham and Vangen 2003, 2005) and a great deal of research into PPPs (Ferlie *et al.* 1996, Falconer and MacLaughlin 2000, Linder 2000, Field and Peck 2004, Lonsdale 2005), there is very little work on the development of PPPs (Noble and Jones 2006). The present research takes as its point of departure the contention of Noble and Jones that there is a gap in the literature concerned specifically with the development of partnership forms between the public and private sectors. It is also noted that there is very little work on the latest form of the PPP – the Strategic Service Partnership (Hughes 2005, Watt 2005) – and that what research does exist tends to conflate SSPs with PPPs (Bovarid 2004, Rubery *et al.* 2005). Therefore, SSPs are identified as suffering from a distinct gap in the literature and the second question can be formulated as:

2. **How and why do Public-Private Partnerships, in particular Strategic Service Partnerships, develop?**

The final question seeks to examine the role of boundary-spanning individuals in the creation and operation of SSPs and to bring together the two issues of boundary-spanning and partnerships between the public and private sectors. In doing so, the third question seeks to connect the issue of boundary-spanning to wider debates in public administration and the issue of partnerships between the public and private sectors to wider debates in organizational theory.

3. **What is the role and contribution of boundary-spanning individuals in the development of Strategic Service Partnerships within and between organisations?**

The Structure of the Thesis

This thesis is divided into three parts, the first theoretical, the second empirical and the third reflective. The first part consists of Chapters 2 – 7 and these chapters discuss theoretical and methodological issues relevant to the empirical analysis. The second part consists of chapters 8, 9 and 10 and uses the theory developed in the first section to study the development of a Strategic Service Partnership in the English Borough of North City. The final section, Chapter 11, is reflective and highlights the differences between the theoretical propositions and the empirical data. This chapter then shows how the theoretical propositions and conceptions may be revised and concludes by offering some thoughts on the implications for policy makers and outlines a potential agenda for future research into boundary-spanning and SSPs.

To address the problem of boundary-spanning within an organisational context, Chapter 2 examines the relationship between the organisation (structure) and the individual (agency). It is shown that the most effective way of understanding this relationship is through a modified version of the strategic-relational approach of Jessop (1996) and Hay (2002). This allows boundary-spanning to be seen as an activity conditioned by structural roles but performed by individuals.

The third chapter examines the issues of context and focuses upon issues of culture, policy and commerciality that are relevant for understanding partnerships. The fourth chapter is concerned with the motivations that drive interorganisational working and shows that these motivations inform the objectives of boundary-spanning individuals and provide a particular structural context. To realise these motivations, Chapter 4 shows that boundary-spanning individuals deploy particular behaviours, which can be understood in terms of the individual psychology of boundary-spanners, and some of the key issues involved are identified. Chapters 5 and 6 examine the process by which interorganisational relationships develop, outlining an account that is compatible with the strategic-relational approach and is suitable for examining partnerships involving public sector organisations. This framework draws upon the sequential accounts of Ring and van de Ven (1994) and Noble and Jones (2006), as it is argued that a sequence is a useful heuristic device (Murray 1997).

To examine the processes of policy formation and the actions of dynamic individuals throughout the process of implementation, the framework combines the sequential accounts with an agenda-setting or policy formation model derived from John Kingdon (1984, 1995) and the work of Lober (1997) and Takahashi and Smunty (2002). From the initial proposition that there are four process streams – proposal, political, problem and organisational – the framework follows Kingdon's approach and argues that problems and proposals align in the right political circumstances to produce a policy window which is exploited by [boundary-spanning] policy entrepreneurs. This allows for a proposal to be elevated to the status of a policy. However, it is then argued that policies have to be implemented and that to implement a policy for partnership, the

organisational stream must combine with the policy window to form an implementation window. This concept of an implementation window is based on arguments of Lober and Takahashi and Smunty and it is argued that should an opportunity arise to implement the policy of partnership, collaborative entrepreneurs may emerge to exploit this opportunity. The collaborative entrepreneurs are entrepreneurial individuals who recognise the opportunity to realise the policy of collaboration. Thus, it is proposed that the successful development of partnership is dependent both upon the correct political circumstances and upon the correct organisational circumstances.

Chapter 7 examines methodology underlying this study and exploring the decision to adopt a qualitative means of data collection. This chapter justifies the use and selection of the particular case study (North City). Chapter 7 also shows why the framework developed in Chapters 5 and 6 requires the use of an iterative approach to data collection (Miles and Huberman 1994, Maxwell 2005) rather than a grounded theory methodology (Strauss and Corbin 1998).

Chapters 8, 9 and 10 report the analysis of the North City case study. Chapter 8 is concerned with the political context of North City and contains a detailed discussion of the new public management, the partnership agenda and the emergence of the SSP as a policy pursued by the UK Government. The chapter proceeds to identify other factors relevant to the policy, political, problem and organisational streams, such as the institutional history of North City, the change in the composition of the senior management and the impact of electoral defeat on the major political parties.

Chapter 9 is largely concerned with the formation of policy and is intra-organisational in its focus, showing how these different process streams are combined to produce policy windows and an implementation window. It is shown that the development of the SSP is dependent upon multiple policy windows which form a cascade, these different windows providing the context in which the implementation window is formed. Chapter 9 also demonstrates that policy entrepreneurs seek to displace rival agendas, but that the process of doing this limits their options later in the process. The final part of the empirical section is Chapter 10, which builds upon the examination of the intra-organisational processes and shows how a strategic service partnership develops. Chapter 10 not only examines the public sector organisation (North City Council), but in keeping with the logic of a case study (Stake 2005) also examines the private sector bidders and applies the conceptual framework from Chapter 6 to these organisations. This allows the empirical section to develop a far richer understanding of the process.

The final section consists only of Chapter 11 and is reflective in tone. It compares the theoretical with the empirical observations and uses the empirical data to revise the conceptual framework. It then proceeds to address the three research questions directly, showing how boundary-spanning can be understood and how SSPs develop, examining the role of boundary-spanning individuals within this process.

CHAPTER 2: STRUCTURE AND AGENCY – UNDERSTANDING THE ORGANISATION AND THE INDIVIDUAL

Introduction

Although boundary-spanning is an essential activity in the development of interorganisational relationships, it is a poorly understood concept (Williams 2002), as was noted in Chapter 1. The root cause of the confusion being the paucity of theory, it is proposed that a solution to this problem is to locate boundary-spanning within the wider framework of structure, agency and organisational theory.

This chapter addresses these problems and can be divided into five sections. The first discuses the concept of structuralism, the understandings of the organisation that follow from a structuralist ontology and their implications for boundary-spanning. This section concludes, after Hay (2002), that an approach to organisational theory and boundary-spanning based upon structuralism alone is flawed. The second section examines the concept of agency and its implications for boundary-spanning; here it is concluded that agency alone is also insufficient.

The third section of the chapter draws upon the arguments regarding structure and agency to show that a strategic-relational approach is an effective means of

understanding the relationship between the two; however, it will be shown that because this approach is theoretically underdeveloped it is again inadequate on its own. The fourth section argues that a new institutional approach provides a more detailed account of the relationships between structures and individuals than the strategic-relational approach, although it is accepted that the new institutionalism does not properly engage with structure and agency.

The fifth section of the chapter draws together the strategic relational approach and the new institutionalist arguments and shows that they can be used in conjunction to explain individual action within organisational structures. The implications of this for boundary-spanners are then developed.

The Problem of Structure and Agency

Within organisational sociology, a recurring debate concerns the respective roles of structure and agency in determining the actions of individuals. This debate has profound implications for organisational theory, as the position that is taken influences how the organisation can be understood. Thus, considerable care must be taken to ensure that the ontological position of a study is both clearly explained and justified. This is particularly important with an under-theorised subject such as boundary-spanning, as ontological decisions will shape the way in which boundary-spanners can be conceptualised as part of an organisation.

Theories that locate themselves within a structuralist ontology place great weight on the roles of institutions, rules and regulations as the critical factors in explaining human action, which is determined by the structural context in which an individual exists. In contrast, theories which locate themselves within an ontology of agency argue that individuals have an innate capacity for action and that investigative efforts should be focused on people and not on institutional arrangements. These two positions are traditionally seen as mutually exclusive (King 1999) or as a dualism (Ladyer 1994), in that the theories rooted in structure see an objective social world that can be isolated and studied using the techniques derived from natural science, whilst agency theories argue for a subjective social world that cannot be separated from the individual.

Theories of Organisational and Social Structure

Structural or structuralist theories are based on an assumption that the social world is comprised of objective phenomena. In particular, structuralist arguments are closely associated with functionalist sociology (Burrell and Morgan 1979) and the variant of functionalism popularised by Talcot Parsons (1951), which has led to the approach referred to as structural-functionalism. Parsons argues that the structure of a social entity is determined by its function and this has led to mechanical and biological metaphors becoming popular throughout functionalist analysis (Morgan 1986), a tendency which manifests itself most clearly in systems theory (Rigg 2001) and to a lesser extent in contingency theory which is derived from systems theory.

In a systems theory approach, organisations are seen as comprising a number of departmentalised sub-units which are arranged sequentially for the purposes of transforming inputs into outputs (Reed 1985). These inputs are transferred from the external environment and the outputs returned to it through dedicated boundary-spanning units or departments. The boundary-spanners are linked to the technical core of the organisation where the actual transformation takes place (Thompson 1967). Thus, boundary-spanning is seen as an activity that is externally directed; but it is also implicitly argued that boundary-spanning must occur within the organisation, as inputs/outputs are transferred between organisational subunits (March and Simon 1958). The organisation and the process of transformation is coordinated by the hierarchy in which the senior managers – viewed as office-holders rather than individuals – direct the process through centralised command and control (Fayol 1949).

Although systems approaches appear to have greatest affinity with the production of commodity goods (see Biggs 1996, Hales 1993), the approach can also be used to successfully understand organisational bureaucracies; as March and Simon (1958: 37) acknowledge, "studies in bureaucracy belong to a single class of theories." The difference between the two is that the units of input and output may be seen not merely as raw materials and finished goods, but instead as information, decisions or events, the provision of particular services or the application of knowledge.

However, systems theory can be strongly criticised for how it conceptualises the relationship between the organisation and the external environment. In a simple

systems account, the environment is viewed as a neutral, static space from which inputs can be acquired and into which outputs can be discharged. This understanding of the external environment is limiting, in that its relationship with the organisation is largely unexplored. Recognising this problem, Thompson (1962, 1967) makes some attempt to address it by arguing that the external environment is a source of potential disruption or turbulence to the smooth operation of the organisation, which requires stability and continuity of inputs. Thompson goes on to argue that organisations task their boundary-spanners with buffering activities by which they absorb and manage the turbulence to protect the organisation. However, whilst Thompson does offer some understanding of the relationship between the organisation and the external environment, his argument is relatively unsophisticated, as it still imposes a separation between the organisation and its environment.

A second problem with systems theory is that it does not consider the possibility of organisational adaptation; rather, it assumes that organisations are static entities created to fulfil a particular function. The final problem with systems theory is that it tends to assume that the different parts of an organisation function harmoniously, so that there is only limited scope for intra-organisational conflict between different sub-units, although it must be noted that because of the mechanical or biological metaphors underpinning systems theory, the assumption of intra-organisational harmony is epistemologically determined. Whilst it is unfair to criticise a theory for being consistent in its epistemology, it is fair to argue to that the prevailing assumptions are mistaken and unrealistic.

This limited understanding of the external environment and the unrealistic assumption of intra-organisational harmony has led to the systems account of the organisation falling into disfavour. However, scholars were generally unwilling to abandon systems approaches altogether, as they offer an attractive metaphor for understanding the organisation and its operations; thus contingency theory (Aldrich 1976, Aldrich and Herker 1977) became popular. This is a development of systems theory which accepts that the organisation is divided into functional subunits whose operation can be understood in terms of the purpose of transforming input into output.

Contingency theory departs from systems theory in two major ways: first, it argues that the precise arrangement and composition of the sub-units (the organisational form) are in response to pressure from the external environment. The theory also argues that organisations are plural entities (Morgan 1993) in which each sub-unit is capable of a degree of independent action and pursues its own objectives (March and Simon 1958) as well as those of the organisation per se; therefore the possibility of conflict between subunits is inherent in the model.

The contingency pressures faced by an organisation take the form of supply of resources, availability of personnel, size of market, position in the supply chain, etc, pushing it to adapt to a dynamic external environment (Lawrence and Lorsch 1967). For example, organisations that exist under conditions of resource scarcity are likely to be very efficient and to have devoted significant capacity to locating and acquiring these resources. The organisation is seen as an entity that adapts to the external environment, a process of organisational change which can be performed in two ways.

This process can be seen as hierarchically directed, as senior managers recognise the need for change based upon information acquired from their own environmental scanning (boundary-spanning) activities (Boulton 1982) or from dedicated boundary-spanning individuals (Brown 1966) reporting upwards. However, it should not be assumed that senior management is able to impose change without resistance, as the imposition of change may lead to a situation in which the interests of a particular sub-unit are harmed, in turn engendering resistance (Nicholson 1993: 208).

Although organisations adapt to the environment, the relationship is not simply one in which the organisation adapts to external pressure, but one where the size and composition of the organisation affects the contingency pressures it faces (Donaldson 2001). Organisations are also seen as having the ability to influence the external environment, both in that their very presence forms part of the environment that other organisations face and in that their actions are capable of changing their own environment. In other words, the separation between the organisation and the environment is substantially weakened, so that organisations exist in a state of "mutual influence and interdependence" with the external environment (Burrell and Morgan 1979: 168).

The concept that organisations adapt to and can change their environment has significant implications for boundary-spanning. As contingency theory is derived from systems theory, it has a number of commonalities with it and accepts that boundary-spanning activity is carried by out by dedicated boundary-spanning units or because a particular task role requires its occupant to engage with the environment. It is also

accepted that boundary-spanning has an internal, intra-organisational dimension as well as an external dimension, as boundary-spanners transfer inputs/outputs between units (Strauss 1962, Brown 1966, Tushman and Scanlan 1981a).

Because organisations are seen as been intimately connected with their environments, the boundary-spanner is viewed as representative of the organisation (Aldrich and Herker 1977). However, because organisations are seen as interdependent with and adaptive to their external environment, the boundary-spanner also represents the external environment within the organisation (Adams 1976) by providing the information necessary to permit the adaptations (Brown 1966) that Lawrence and Lorsch (1967) describe. As the organisation can be seen as a contested, unstable entity in a contingency theory account, the concept of power can be understood as critical (Morgan 1993); and individual sub-units may be understood as engaged in a process in which they seek to leverage different organisational resources to give themselves an advantage (Strauss 1962). In this understanding, the boundary-spanning sub-units may be able to gain considerable advantage, as they form the interface between the different units of the organisation and the environment and have the ability to shape, delay or channel information and resource flows in particular ways.

Although systems and contingency theories offer simple ways of understanding the organisation (Rigg 2001) and the role of boundary-spanners, structuralist accounts can be subject to strong criticisms. The first concerns structuralism's contention that organisational forms are the product of deliberate design or adaptation. Merton (1940) and Hall and Taylor (1996) argue that this fundamentally misunderstands the nature of

organisational development, that in reality unforeseen events and consequences engender particular organisational procedures and forms to which individuals then adapt, thus creating a false impression of functional design. The second criticism is closely related to the first, claiming that structuralism is overly formal and tends to focus largely on formalised (i.e. written) rules and procedures, thus neglecting the informal rules and conventions that govern organisations (March and Olsen 1989).

Whilst these attacks are strong, they constitute criticisms only of the applicability of structuralist accounts and do not challenge the ontological assumptions of the approach. However, Colin Hay (2002) goes further than other critics and attacks the ontology itself by branding (pure) structuralism as illogical and the product of circular reasoning. For Hay, a structuralist position precludes the ability of an individual to step outside structures to identify them and to analyse the impact they have on the social world. If it is accepted that individuals can do this, then structuralism introduces agency and is incoherent. Furthermore, if a structuralist ontology is accepted, then structuralism can brook no criticism at all, because all the arguments advanced by its (many) critics are actually shaped by structure and the theory is self-referential. It is worth quoting Hay (2002: 109) in full:

> If, as for purist structuralists, human subjects are products of their environment to the extent to which the ideas they hold are not their own but those they imbibe from the context they find themselves in…, then what capacity does this give the structuralist critic to analyse the process? In short, unless the structuralist critic is afforded greater autonomy, agency and insight than the rest

> of us (a proposition inconsistent with a structuralist ontology) then we should surely dismiss her theories as the product of a consciousness no less distorted than our own.

Although Hay's (2002) argument does appear to favour strongly the arguments of agency, Hay is actually unwilling to reject structural explanations entirely, given that organisations and their boundaries can be positively identified and that the existence of formal rules and regulations do have some influence upon the actions of individuals.

Theories of Individual Agency

Theories of agency have to a large extent been influenced by the failure of structuralist arguments to provide an account of the role of individuals in determining events; thus, they place great emphasis on the role of free will, contending that individuals will take decisions to act based upon how they subjectively perceive the world.

Agency accounts of organisations can be seen as being concerned with the role of meaning in social life. They typically seek to address how individuals come to make sense of their environment and how their value systems affect their propensity for action (Hatch 1993, Alvesson 2002). Furthermore, as individuals interact in a particular context, they come to develop shared meanings and values or to accept one particular set of meanings as valid. In developing these values and meanings, they now place importance on achieving certain objectives. However, as some of these

objectives cannot be achieved alone, individuals must interact with others and attempt to elicit their cooperation.

In terms of organisational theory, an agency approach would suggest that organisations cannot be seen to exist outside of the individuals that create them (Reed 1992). This is because to accept the organisation as a real and tangible entity would be to adopt a structuralist ontology, but this does raise some definitional problems as to the distinction between an organisation and a group. For agency theories, organisations are both solutions to collective action problems and social groups that replicate themselves by socialising particular sets of values and meanings into individuals and new members. As such, an agency approach allows organisations to be seen as something beyond the formalised, codified entities of structuralism and this allows informal organisations to be considered. However, it should not be assumed that an organisation consists of a single set of values; rather, organisations should be seen as comprised of many different groups of which individuals have multiple memberships. For example, an individual can be a member of a particular department and of a trade union as well as of the organisation per se. As different sub-groups exist, the process of socialisation can be a contested one in which different value systems and meanings compete (Alvesson and Willmott 1996).

As agency theory sees the organisation as residing in the individual, it supposes that an individual's tasks and role within the organisation are subject to the meanings that are attributed to these roles by the individual and his or her peers (King 1999). However, because these meanings are continually subject to reinterpretation and development,

organisations can be seen as arenas of conflict rather than consensus. This argument suggests that the objectives individuals seek to pursue are constantly in a state of flux and that they will interact with a number of others to pursue a variety of changing objectives (Strauss *et al.* 1963). This offers the possibility that the organisation should be seen as series of shifting coalitions of individuals (Burrell and Morgan 1979) who assemble and disperse as objectives are achieved or displaced.

Agency accounts of organisations offer a significantly different understanding of boundaries and boundary-spanning from those of structuralist accounts. For an agency account, a boundary can be seen as delimiting a particular value system or as a line at which a particular meaning ceases to be a satisfactory way of making sense of an event. Boundaries must therefore be understood in terms of how they are defined by individuals and may be characterised by tensions that exists between the different meanings and interpretations held by individuals (Alvesson 2002). Therefore, boundary-spanning is seen as activity that bridges the different meanings and value systems of individuals. This conception of boundary-spanning behaviour has been widely documented within the literature on interorganisational working; for example, Huxham and Vangen (2003) found that their research participants often commented that it took a considerable time for all parties involved to understand each other's modes of working and languages. In other words, it was necessary for boundary-spanners to come to understand the meanings of the other parties involved (Sullivan and Skelcher 2002). However, this argument implies that a boundary-spanner is actually any individual who has to work or interact with another who operates with different meanings and the term thus assumes a rather broad character, which reduces

its analytical usefulness. This should not in fact be particularly surprising, given that the term 'boundary-spanner' actually has its roots in systems theory and has been rather awkwardly applied to an agency conception of the organisation or the social group.

Although agency accounts offer a useful way of understanding the roles of individuals, they do have significant problems as tools of organisational analysis. The first problem with agency accounts is that they have trouble in explaining organisational stability. If individuals are continually developing meanings both within and beyond the organisation, then the continued stability and replication of an organisation becomes questionable, as the competition between value systems could undermine the organisation fatally. One attempt to resolve this problem has been made by Alvesson and Willmott (1996: 105), who suggest that organisations are totalising entities in that they have a set of approved values (usually those authorised by management) which are socialised into their members. However, this argument rests upon an understanding of power dictated by status – manager or non-manager – and as such treads very close to a structuralist ontology.

A second problem with agency accounts concerns the process of socialisation and how social groups behave. When an individual enters a social group, he or she is not socialised, so does not subscribe to the value system of the group and will not attach the same meanings to events. Therefore that individual will act in accordance with a personal value system and will tend to pursue private objectives rather than those of the group. To prevent this from occurring, the behaviour of unsocialised individuals

must be constrained. An agency account offers two possible explanations of how this may occur, the first being through an appeal to rational choice and the second by the adoption of a normative position. The rational choice position argues that to enter a social group, an individual must already share some commonality in values and objectives, so will not need to be extensively socialised. However, this argument is logically unsustainable, because it is actually more rational for individuals to engage in free rider behaviour on the back of groups while pursuing their own objectives. The second, normative argument suggests that individuals who have voluntarily decided to seek membership of a group are thus vulnerable to pressure from the group, so that the desire for acceptance into the group motivates them to adopt its prevailing value system. However, such pressure constitutes an implicit social structure, as it requires 'rules' to exist which can be enforced; therefore the position is rather illogical.

By contrast, these problems can be easily resolved if organisations are recognised as structural entities. Structure provides a means by which organisational stability can be maintained, as the rules and procedures have the effect of moderating behaviour. They will also tend to constrain individual action, obviating the need for individuals to be extensively socialised. As such, structures provide a means by which organisations can be maintained and survive the recruitment of new members. Despite the strength of the criticisms levelled against them, agency approaches should nevertheless not be dismissed entirely, as they offer a substantially more detailed understanding of the role of individuals and are less deterministic than structural accounts. Finally, agency accounts offer the potential for a deeper understanding of boundary-spanning as an activity that should be seen in terms of its psychological impacts and as involving

others. In other words, an agency perspective is substantially more likely to draw in individuals to whom the boundary-spanner is directing effort, as they are recognised as equally important to the process.

The discussion has examined structure and agency and has found that both have serious defects, which must then carry through to any argument that draws exclusively on one approach. However, structure and agency have been presented as forming a dichotomy, forcing the theorist to choose one approach over the other (Abrams 1982). This position is rather unsophisticated, as there are alternatives to the separation of structure and agency and it is possible to use an ontological approach that combines them. This is particularly important in a study of boundary-spanning, which is an action performed by individuals (Sullivan and Skelcher 2000, Teiland and Walso 2003) and as such lends itself well to an agency-based analysis, while the notion that boundaries can be spanned implies that they are objective phenomena, so that boundary-spanning responds equally well to a structural analysis.

Resolving the Dichotomy of Structure and Agency

There have been various attempts to resolve the dichotomy of structure and agency, the most famous of these being Antony Giddens' theory of 'structuration' (Giddens 1979, 1984), which attempts to examine individual action in terms of situated agents. Structuration has become a popular alternative to the structure and agency debate, but as the discussion will show, it is both theoretically and practically flawed, so unsuitable for use in an empirical study.

The theory of structuration proceeds from an assumption that structure and agency exist in a duality whereby individual agents are presumed to create social structures which in turn enable and constrain social action. In this account, human agency is seen as the "*durée* of daily social activity" (Giddens 1984: 27 [emphasis in original]). This daily social activity is situated in time and space. However, for Giddens (1984: 35) time is "reversible", because individuals are influenced by memory and their understanding of history, as well as their desires and intentions. Thus, agency is not simply the actions that an individual *has* performed in the past but also the actions that he *may* perform in future. Although this argument is implicit within a conventional agency position, as individuals are always assumed to have the potential for future action, Giddens makes this notion explicit. These actions, both actual and potential, are held to exist within a system of institutions which serve to pattern and constrain social action. These institutional arrangements form a means by which social relationships can be organised and replicated. In this way Giddens chooses to ignore the physical existence of institutions in favour of a focus on how they impact upon the individuals who interact within them. In other words, the focus is upon their operation rather than their presence and it is this redefinition that produces the theoretical problems faced by structuration theory.

By redefining social structures as systems, Giddens attempts to offer a replacement definition, arguing that structure constitutes an understanding of the rules and underpins the social system and the capacities of the entities within it. Knowledge of

these factors allows individuals to replicate the system through their behaviour and interactions with each other. This is most clearly expressed by Giddens himself:

> Social systems are systems of human interaction; as such they involve the situated activities of human subjects, and exist syntagmatically in the flow of time. Systems, in this terminology, have structures, or more accurately they have structural properties; they are not structures in themselves… To study the structuration of a system is to study the ways in which that system, via the application of generative rules and resources, and in the context of unintended outcomes, is produced and reproduced in its interaction.
> Giddens (1979: 66)

The theory of structuration therefore argues that the structure of a system become evident at the moment in which the system is replicated or created. As such, social systems comprise a number of structural elements which serve to regulate and enable the action of individuals, which in turn serves to perpetuate those systems. Thus, structure and agency can be seen as mutually dependent and bonded together through the system that they create and support.

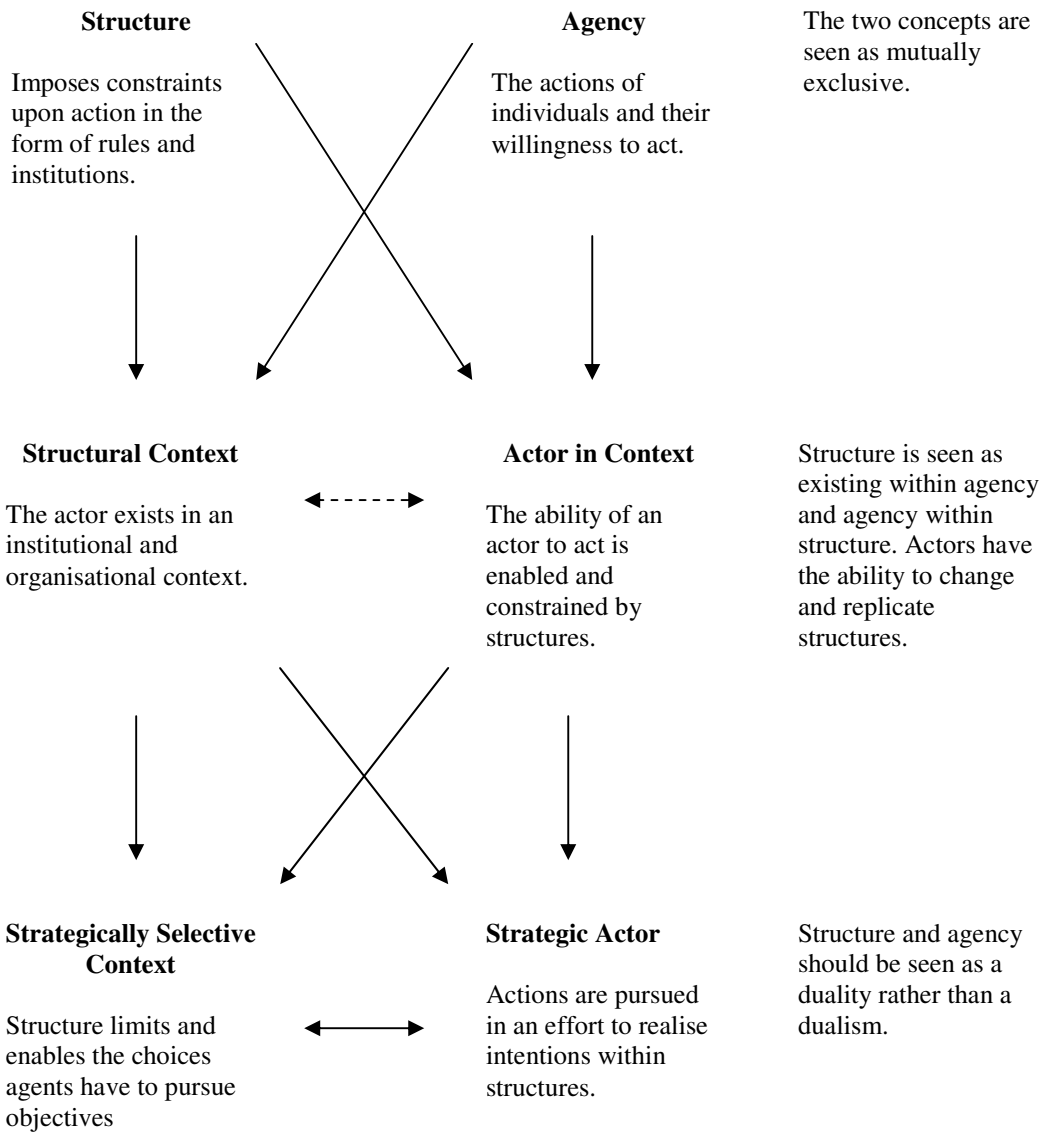
However, both Layder (1994) and Hay (1995, 2002) are sharply critical of this argument and point out that all Giddens has succeeded in doing is to establish the duality of structure and agency on his own terms. This has been achieved by redefining as system what is commonly understood as social structure, so that the concept can be sidelined from the argument. Thus, if a conventional definition of structure is adopted,

the theory of structuration actually replicates the dualism of structure [system] and agency – and Giddens does not succeed in overcoming the problem. These theoretical criticisms have practical implications, because if it is impossible to identify system as separate from structure then the arguments of structuration cannot be subject to empirical test. As a result, structuration has not (yet) been used successfully as an alternative to the structure/agency dichotomy (Crosbie 2004).

The theoretical and practical objections to structuration have led this study to reject it in favour of the strategic-relational approach of Hay (1995) and Jessop (1996). Initially, this is rather similar to the Giddens model (1979, 1984) in that it recognises that structure and agency should not be seen as two mutually exclusive accounts, but rather as interdependent (Jessop 1996). Thus, while Hay (2002: 127) does concede that structure and agency must be separated for the purposes of analysis, he is at pains to stress that that this separation is artificial. The strategic-relational approach assumes that individuals act in pursuit of objectives and take decisions in an attempt to realise these; i.e. they have a strategy for realising their objectives. However, this action takes placed in the context of an organisation, whose composition, rules, regulations and standard operating procedures will affect both the capacity of individuals to realise their objectives and the strategies that they can employ. Furthermore, it is important to realise that their intentions are subject to bounded rationality (March and Simon 1958) in that their knowledge is not perfect: individuals may misunderstand the nature of the organisation and the situation they face. The approach is therefore concerned with placing actors within their particular organisational context and exploring how their intentions and actions to realise these intentions are constrained or enabled by the

organisational structure. This can be explained most clearly in graphical form, as shown in Figure 1.

Figure 1: The strategic-relational approach (Adapted from Hay 2002)



Initially, the strategic-relational approach accepts that structure and agency should be seen as conceptually distinct or dualistic. However, if agents are seen as existing within structures then it is possible to establish the context in which they may take action, or what Hay (2002: 128) calls an 'action setting.' Conversely, if structures are placed within agency then individual agents become situated in a particular context. At this point, two new concepts – the structural context and the actor in context – have been established, in which agency is seen within structure and structure within agency. Jessop (1996) terms this a "doubled dualism", in that the dualism of structure and agency is now mirrored by the dualism of agency and structure. The concepts of the structural context of action and the actor in context are reversed again to place the actor within a structural context and situate the structural context within the actor. It is this aspect of the approach which is the weakest theoretically, as it is not entirely clear how individuals internalise structures. Logically, Jessop (1996) and Hay (2002) are referring to the knowledge which individuals have of their structural context, but in recognising the role of knowledge they are arguably treading very close to the position of structuration (Giddens 1979: 66).

This creates a situation in which actors have objectives and intentions which are informed by the structural context in which the actors exist, whilst simultaneously they are aware that the structural context provides both opportunities and limitations, dictating the course of action that can be employed to realise their (bounded) intentions. However, it should not be assumed that individuals or structures exist independently of time. As individuals are affected by the structural context in which they exist, they are bound by temporal factors, since previous actions may have created

particular structural circumstances in which the strategic options are limited. Furthermore, the objectives that individuals seek to realise are themselves products of previous actions and interaction with structures (Pierson 2000, 2004). In other words, the model allows for a process of path dependency. Nor does structure refer only to organisations: in Hay's understanding, it can refer to the institutional context in which individuals are able to act. As Hay puts it:

> A government seeking re-election is likely to find itself in a position of strategic choice as the election approaches… Yet, given the nature of the (strategically selective) environment in which it finds itself… certain strategies are more likely to be rewarded at the polls than others.
>
> Hay (2002: 129)

This means that the key decision-makers of a government are constrained by their previous actions and decisions, which in turn affect the electorate. Although the electorate is not part of the government, its members have the opportunity to act through the institution of regularised elections, which occur at (largely) predictable intervals but present voters with a limited number of choices. In this way the influence of structure on agency and of agency on structure are clearly evident. However, it should be noted that Hay's argument accepts that individuals are capable of existing within multiple structures, as an individual may be part of the government but is also part of the electorate, while the government itself is part of a democratic system which is formalised in a series of rules regarding the conduct of elections and other aspects of the democratic process. This distinction is also made by Peters (2005), who argues that

drawing a distinction between institutions and environments is important, as individuals can simultaneously be members of both. The institution is formed by the wider 'rules' (Scott 1995) of the system, which are accepted by all involved as necessary to structure interactions, whilst the organisation is constituted by the specific memberships of individuals. Thus, individuals can be members of both the government (the organisation) and the institution (the electoral system).

As the strategic-relational account argues for the understanding of structure and agency as interrelated, the organisation too must be seen as an entity that comprises formal (and informal) structures, but one that is composed of individuals pursuing their objectives within the context of bounded rationality. In other words, the organisation is a framework for action. There are two problems with the strategic relational approach. The first is that it is based on an ontology of rational choice in that individuals are strategically selective, while Hall and Taylor (1998) argue that an individual's choices are culturally conditioned. The second problem concerns the fact that the strategic-relational approach offers only a limited account of how individuals and organisations actually interact; in other words, it provides a broad outline, but no detail. This can, however, be provided by the new institutionalist approaches, which, as Lowndes (2002: 91) points out, "concern themselves not just with the impact of organisations upon individuals, but with the interaction between institutions and individuals".

Institutional Approaches to the Organisation

Institutional approaches themselves are sometime used as an alternative to structure and agency debates, as they accept that individuals exist within an organisational context (Zucker 1987, Goodin and Klingemann 1996). However, the suggestion made by Goodin and Klingemann (1996) and to a lesser extent Lowndes (2002) regarding the ability of institutionalism to transcend structure and agency is perhaps ontological wishful thinking. Peters (2005), in his review of the different types of institutionalism, notes that it there is an acknowledgment of both structure and agency, so that the belief that it does not need to engage seriously with the debate because it accepts both is essentially avoiding the issue. Thus, institutionalism may need to be reconnected with a serious consideration of structure and agency.

Institutional approaches to organisational theory are not new; indeed, March and Olsen (1989: 1) write of the "reappearance" of institutionalism, which can be attributed to an increased recognition that the potential of individuals for action is influenced and constrained by institutional structures and long-established routines and values which were simply excluded from consideration by a purely agency-based account of the organisation. John (2003: 484) would appear to agree: "It is possible that intellectual reaction against systems theory and functionalism has gone too far and that social science should start examining complex systems again".

New Institutionalism comprises a number of different strains, of which Scott (1995) identifies three – the Normative, Regulatory and Cognitive variants – whereas Peters

(2005) claims that there are seven – Normative, Rational Choice, Historical, Empirical, International, Sociological and Network Institutionalism – to which North (1986) and Hall (1986) would add economic and political institutionalism. However, Lowndes (2002) argues that in reality these seemingly disparate strands of institutionalism are actually variations on rational choice and normative institutionalism. Lowndes reaches a similar conclusion to Scott (1995) and Hall and Taylor (1996), arguing that it is counterproductive to see the different accounts of institutionalism as mutually exclusive, since they contain elements of each other and are, in fact, complementary.

Normative Institutionalism

Normative institutionalism can be considered quite sociological in its understanding of the organisation, but it also has strong links to role theory (Peters 2005: 31) and psychological understandings of boundary-spanning, linkages which will be developed more substantially in Chapter 3. For a normative institutionalist, individuals are seen as existing in an environment where they have connections to (or membership of) multiple different organisations, which are considered to constitute both formal and informal structures and are defined by their ability to replicate a particular series of practices (or routines) amongst their members (March and Olsen 1989). These routines are believed to be the product of particular norms and values, and this generates what are known as 'logics of appropriateness', which provide a guide for individuals as to what is considered appropriate in a particular situation. Individuals are considered likely to follow the logics of appropriateness because of their need to seek social and cultural legitimacy. To be seen as socially legitimate, individuals must follow the

prevailing logics of a particular social group. The system becomes self-maintaining, as those who deviate from the norms are subject to social sanctions (DiMaggio and Powell 1991), although it is acknowledged that formalised rules are required in order to constrain new members who have not been fully socialised (Zucker 1987).

The fact that organisations are seen in terms of routines also suggests that organisational boundaries can be defined simultaneously as the lines at which the rules cease to apply to individuals and as frontiers beyond which different logics of appropriateness apply (Alvesson 2002). However, the normative institutional position sidesteps the problem associated with agency understandings of the organisation in that it allows for the existence of structures which are capable of defining the boundaries of the organisation and thus determining which logic is appropriate. This creates a particular problem for individuals when these logics clash or when the logic of appropriateness clashes with a formally defined boundary. For example, Steadman (1992) studied the place of mental health professionals in the criminal justice system and found that there existed tension between its procedural aspects and the professionals, whose decisions had to be motivated by patient welfare, not necessarily the demands of the legal system.

Although normative institutionalism offers an account of the organisation and how it may impose limitations on an individual's behaviour, the approach has trouble in dealing with the concept of organisational change and is prone to circular reasoning. If individuals act in ways that are considered appropriate according to structurally defined norms, then these norms will not change unless the structure changes.

However to effect structural change, the norms that guide action would have to change. However, Lowndes (2002) points out that normative positions allow for ambiguity in the rules and regulations which generate norms – and as individuals can interpret these differently, it is possible for the norms themselves to change. Whilst this explanation does offer an account of how change may occur, it is rather unconvincing, as it tends to see change as a gradual process – a series of small evolutions rather than radical shifts in direction.

Rational Choice Institutionalism

Rational choice theory adopts a fundamentally behavioural understanding of the individual, who it argues will always seek to maximise utility and will act rationally to achieve this. The organisation is then seen as a structure created by individuals to maximise their utility or to solve collective action problems (Lowndes 2002). Economic institutionalists suggest a similar understanding, in which the organisation is seen as a governance structure to regulate exchange (North 1986), and for this reason the two variants are often conflated (Peters 2005).

Rational choice institutionalism initially appears to be hostile to the very concept of institutions, because these would constrain action (Weingast 1996) and rational, utility-maximising individuals would be expected to resist this. However, membership of an organisation can be seen to be an entirely rational choice, because although organisations limit action, membership allows individuals to achieve objectives that they could not achieve alone (Scott 1995, Lowndes 2002), by leveraging the power of

an institution for their own ends. Furthermore, the fact that organisational rules apply to and have been accepted all members reduces the risk of individual opportunism and this permits cooperation or exchange (Macneil 1974).

A rational choice understanding of institutionalism can almost be seen as contradictory to a normative account, as this focuses on the role of norms in guiding action, which can produce irrational behaviour, whereas rational choice assumes the occurrence of utility maximisation, albeit compromised, and that to pursue rational objectives individuals may cooperate or seize control of the agenda of an organisation. Rational choice variants of institutionalism argue that organisations are created to serve a specific purpose (advancement of interests or governing economic exchange) and they are changed when they can no longer fulfil this function. However, this assumes that all individuals benefit or fail to benefit equally from the structure, whereas Niskanen (1980) points out that some individuals benefit more from an organisation than others. This gives individuals no incentive to cooperate in changing the organisational structures. This argument can be quite easily overcome by recognising that individuals may have multiple incentives to remain within the organisation, whilst they may resist change (see Nicholson 1993).

Institutionalism and the Strategic-Relational Approach

Although the strategic-relational approach provides an account of how the division between structure and agency can be overcome, it is rather patchy on the mechanics of the relationship between individuals and organisational structures, and is overly

concerned with rational choice. By contrast, institutional approaches offer an effective means of understanding how individuals act within structures, but seem to wish to sidestep the structure and agency debate. Thus the two approaches can be seen as complementary and combined to produce a more complete account of structure and agency, to understand both the organisation and boundary-spanning individuals within them.

The strategic-relational account proceeds from an acceptance of social structure and like an institutional account defines structures in comparatively broad terms, in that structures are both formal and informal rules and prevailing social norms (Scott 1995, Hay 2002). These influence how individuals construct and define their objectives (Hall and Taylor 1998), although the personalities of individuals also influence the way in which they construct their objectives (Goodin and Klingemann 1996).

In keeping with the strategic-relational approach, social structures both enable and limit individual action, as the structure that exists in a particular situation is path dependent, in that it is the result of the historical actions of individuals, which means that the strategies which individuals can deploy in pursuit of their objectives are limited. However, the strategic-relational approach tends to understand this limitation of strategic choice in terms of what is physically possible rather than what is socially appropriate. The combination approach argues that strategies are indeed constrained by what is possible, given the path-dependent effects of historical actions, but strategies are also constrained by what is considered appropriate. Thus, the strategic selection of individuals operates within a cultural as well as a practical context where individuals

can be seen as having multiple choices and selecting the appropriate course of action; in other words, the decision mechanism is rather more of a 'garbage can' (Cohen *et al*. 1972).

The second half of the strategic-relational approach suggests that individuals situate the structures within themselves. This internalisation rests upon the ability of individuals to recognise and understand the structural environment in which they exist (Berger and Luckman 1967). Logically, this can be achieved by the process of socialisation. However, as was noted previously, this argument is very close to structuration theory. This problem can be resolved by considering the fact that socialisation merely provides individuals with the ability to recognise and the capacity to internalise a structural situation.

In this process of recognition and internalisation, individuals are subject to ambiguity and they interpret structures and situations based on what they understand and know (March and Olsen 1989 and Lowndes 2002), so that their ability to recognise a situation is contingent on their socialisation. Secondly, individuals must be receptive to the structure. Individuals have norms and values which they have internalised through socialisation and these must not be substantially dissimilar to those of the organisational structure, as individuals will simply not be receptive to a set of radically different norms and social values. This concept that the ability to internalise a structure is not automatic is distinct from structuration theory, which argues that the knowledge individuals have is complete, whereas the combination approach suggests that individuals may not be able to internalise a structural situation. When this occurs,

individuals are unable to exploit the opportunities for the realisation of their objectives, as they are unable to recognise or take advantage the situation that would allow this. It is thus by understanding the process whereby individuals situate structure within themselves in terms of socialisation that the rather confusing nature of the second half of the strategic-relational approach is resolved and the approach is theoretically strengthened.

The strategic-relational approach suggests that individuals exist as part of a large number of structures simultaneously (Hay 2002), making them subject to norms and practices that exist beyond their immediate structural (i.e. organisational) context (DiMaggio and Powell 1983, Peters 2005). Therefore, individuals may be understood to act in accordance with norms and practices and in doing so they may act in response to isomorphic pressure and attempt to bring their activities within one structure into compliance with those operating within another. This allows a combination approach to account for organisational change and in doing so to address a problem with institutional analysis.

The arguments developed above have particular importance for an understanding of boundary-spanning individuals. In principle, the boundary-spanner should be seen as making choices in pursuit of objectives which are culturally shaped. Therefore, boundary-spanning is a process driven by the objectives that boundary-spanners wish to achieve. However, they should also be seen as members of multiple organisational structures, which implies that the majority of individuals within an organisation could be understood as boundary-spanners. Hence it might be argued that the approach is

little different from the way in which an agency account of the organisation would understand boundary-spanning.

This argument can be rejected on the grounds that whilst the norms, values and objectives of individuals are shaped by multiple structures, their actions are strategically selected within a much narrower range of structures. As such, individuals may be members of multiple organisational structures, but not all structures are relevant all of the time. Therefore, it is actually the particular structural context in which boundary-spanners are located which is the most important factor, because it is this which imposes the expectations to which they work, generates the logics of appropriateness that they follow and limits or enables their ability to realise their objectives.

Conclusion

This chapter has reviewed the debates surrounding structure and agency and has concluded that boundary-spanners must be understood in terms of both structure and agency, in recognition of the fact that the spanning of organisational boundaries implies that organisations are structural entities, while it is also true that boundary-spanners are independent agents.

This problem of structure led the study to consider two different approaches to tackling the problem: the strategic-relational (Hay 1995, Jessop 1996, Hay 2002) and institutional approaches (March and Olsen 1989, Scott 1995, Lowndes 2002, Peters

2005). It was found that whilst the former demonstrates that structures can be created by individual action, which they both constrain and enable, the approach itself is rather unsatisfactory, because it embeds itself firmly in an ontology of rational choice, which as Hall and Taylor (1998) point out, neglects that fact that rational choices are culturally constructed. Furthermore, the strategic-relational approach offers a limited account of the relationships between individuals and organisational structures. To address these problems the approach was coupled to the new institutionalism and a combination approach developed.

This new approach suggests that objectives are influenced by a combination of rational choice and cultural factors, but that their realisation is constrained by structures. However, the process of strategic selectivity should be seen more in terms of a garbage can than a rational calculation. It was also argued that the socialisation process by which individuals come to understand and interpret structures also grants them the capacity to internalise the structures they encounter in a given situation. In this way, the combination approach is able to overcome one of the weakest and most conceptually confusing aspects of the strategic-relational approach.

This chapter has also developed the implications of the combination approach for boundary-spanning individuals, arguing that they will work in pursuit of objectives that are structurally shaped, i.e. by culture, their own rational interests and those of their organisation. In other words, boundary-spanners span boundaries to achieve objectives. The structural context in which they exist is also deemed important, because this shapes their objectives and both creates and constrains the opportunities for them to

engage in boundary-spanning. Therefore, it is possible to conclude that research into boundary-spanning individuals must identify their objectives and the structural context in which they work. Once this task has been accomplished, the research would be able to determine how this context shapes the objectives of boundary-spanning individuals and the process of strategic selectivity. Therefore, it must examine the garbage can.

CHAPTER 3: UNDERSTANDING THE CONTEXT OF BOUNDARY-SPANNING ACTIVITY

Introduction

The previous chapter examined the debates around structure and agency as an explanation for individual action. The conclusion reached was that boundary-spanning activity is driven by the structurally determined and culturally influenced objectives that an individual boundary-spanner wishes to achieve (See March and Olsen 1989). Therefore, a study cannot focus exclusively on formal structures such as rules and regulations but must focus on issues such as organisational culture, norms and values and the political and commercial context in which partnerships develop.

This chapter is divided into two parts; the first examines issues of organisational culture and considers the culture that is believed to predominate in both public and private sector organisations. The implications that these cultures have for boundary-spanners is also discussed. The second section explores the policy context that has surrounded the development of SSPs. This covers the New Public Management (NPM), the partnership agenda and the emergence of PPPs.

Organisational Culture

Chapter 2 suggested that one way to resolve the dispute regarding structure and agency (see Giddens 1984, Layder 1994) was to draw upon the strategic-relational approach of (Hay 1995, Jessop 1996 and Hay 2002). The strategic-relational approach argues that individuals exist in a structural context which enables and constrains their actions. These individuals then create or alter structures through their actions and therefore individuals affect the structural context of future actions. This study has argued that the strategic-relational approach does not pay sufficient attention to informal structures such as organisational norms and values (see March and Olsen 1989). As such, this study takes the view that informal structures are structures and must be recognised having a role in enabling and constraining individual action. However, some caution must be exercised at this point as organisational norms and culture are voluminous field in their own right. Therefore, the argument below must be seen as only as a brief discussion that does not claim to be comprehensive. (see Peters and Waterman 1982, March and Olsen 1989, Hammer and Champy 1993, Hatch 1993, Clegg *et al.* 2002 for a more in-depth analysis of these issues).

As useful way of understanding the cultural distinction between public and private organisations draws upon the work of Jacobs (1992) and Joldersma and Winter (2002). Jacobs argued that organisational culture was determined by whether a guardian or commercial ethos dominated the organisation. A guardian organisation tended to be a government body and placed importance on loyalty, avoidance of commerce and preservation of procedure and hierarchy. Newman (2001) and Du Gay (2002) argues that such organisations subscribe to a ‘public sector ethos’ in which issues of

accountability, accessibility and representation were valued above those of commerciality. By contrast, commercial organisations were thought to be more willing to seek competition and profit, more adverse to conflict and more respectful of agreements (Klijn and Teisman 2003).

In a similar vein, Joldersma and Winter divide organisations into task and market organisations. Task organisations are understood to exist predominantly in the public sector where they are structurally subordinate to government, have limited digression and are responsible for implementing political objectives. Task organisations are also considered to be risk adverse as to accept risk would potential undermine their ability to deliver upon the task which they were created to do. This is opposed by market organisations which are seen as commercial entities which seek profit, have a greater degree of operational autonomy and recognise that risk is an essential part of achieving commercial objectives.

Although Jacobs (1992) and Joldersma and Winter (2002) create a dichotomy between the public and the private sector, they are actually concerned with hybrid organisations which combine the culture attributes of both sectors. This is particular important in this study as PPPs and SSPs are organisational hybrids through which public and private sector organisations pursue shared interests (Borys and Jemison 1989). However Jacobs is extremely critical of hybrid forms and suggests that such organisations are actually harmful as their actions are unlikely to be appropriate to the situation they operate in. For example, commercial organisations may make decisions based upon financial imperatives and this allows a business to discriminate against unprofitable

customers. However, a public sector organisation must provide equality of access (Du Gay 2002) and these two value systems are in opposition to each other. Joldersma and Winter also accept that hybrid organisations would be extremely difficult to manage due to conflicting strategic objectives. These tensions have lead Klijn and Teisman (2003) to question the ability of hybrids to survive over the long term, although it might be argued that this simply increases the significance of boundary-spanning individuals who will attempt to moderate the tensions.

Public Sector Boundary-Spanners

It was argued in Chapter 2 that the behaviour of individuals is enabled and constrained by informal structures and that organisational culture could be seen as an informal structure (March and Olsen 1989). As such, the different cultures that exist in different organisations will have significant implications for boundary-spanning activity.

Public sector organisations are thought to be largely hierarchical and dedicated to achieving political objectives as such a public sector organisation derives its legitimacy and authority from the political system. Furthermore, public sector organisations are thought to value accountability, equality of access and their ability to provide the same level of service to all. Du Gay (2002) argues that procedure and hierarchy exists to ensure that individuals (who as Mintzberg 1996 points out are citizens not customers) are protected. Although it must acknowledged that the advocates of the New Public Management argue that the guardian or task approach to the delivery of public service promotes inefficiency and leads to deteriorating service (these arguments will be

discussed in greater detail later in this chapter). This understanding of a public sector organisation has distinct implications for how boundary-spanners can be understood.

As public sector organisations are operating under the authority of the state, they are likely to seek primacy within an interorganisational relationship (Klijn and Teisman 2003) or may be resistant to the notion of sharing responsibility. This is because the public sector believes that it has been granted the exclusive right to operate in a particular area through the democratic process. Furthermore because public sector organisations are subordinate to Government (Joldersma and Winters 2002) they may also form interorganisational relationships because they are compelled to do so (Oliver 1990). Therefore boundary-spanners may be resistant to the formation of interorganisational relationships or may be critical of others who do not share the supposed democratic mandate. As public sector organisations are task based, they may see their role as dealing with a specific issue rather than a domain (see Gray 1985, Gray and Woods 1991). This may lead to public sector boundary-spanners being reluctant to engage in actions that intrude into the areas of authority claimed by others (Levine and White 1961, Webb 1991).

The concept of task and guardian organisations suggests that public sector organisations are concerned with accountability and inclusion and these concepts will inform the behaviour of boundary-spanners. Therefore boundary-spanners are likely to seek to ensure that interorganisational relationships are representative of the wider community and include those individuals or organisations who can be considered to be stakeholders. Furthermore, boundary-spanners will attempt to ensure that the

interorganizational relationships they are involved in do not degrade protection for vulnerable individuals or members of the community. Finally, it may be argued that because public sector organisations are hierarchical entities, individuals within them possess as much authority that is afforded by their structural position. As such, boundary-spanners may not be capable of actually making agreements without reference to higher authority and this may impede the relationship (Wilson and Charlton 1997).

Private Sector Boundary-Spanners

The previous discussion has argued that private sector organisations are commercially focused, more willing to incur risk but are more likely to seek to establish agreements. Although Klijn and Teisman (2003) argue that private sector organisations are motivated by profit, commerciality should not be confused with profit seeking as the actions of private sector organisations are driven by a variety of motives. For example, commercial organisations may act to develop legitimacy (see Chapter 4), or they may wish to establish a foothold in a particular sector or develop new technologies and as such are quite prepared to incur a financial loss. However, the key point remains; that private sector organisations are driven by commercial imperatives and are fundamentally self-interested. As such, boundary-spanning individuals can be understood as acting in pursuit of the commercial objectives of their parent organisation.

In order to realise commercial imperatives, private sector organisations must engage

with other organisations and in doing so they incur risk. Although private sector organisations are prepared to countenance risk, they will as rational actors seek to minimise the level of risk they incur (Child *et al.* 2005). This suggests that boundary-spanning individuals make judgements about the level of risk that can be tolerated by their organization. This is compatible with the argument of March and Simon (1958) and Thompson (1967) who argued that boundary-spanners engaged in uncertainty absorption. However, the process of making these judgements may place boundary-spanners under a considerable degree of tension (Adams 1976) as others in the organisation may not accept their judgements.

Private sector organisations are also though to value the establishment of open and honest transactions and to seek agreements (Jacobs 1992). This is because in order to act commercially, private sector organisations must engage in exchange and exchange cannot operate unless there is mutual agreement and those involved honour their agreements. However, it has long been recognised that self-interested parties will seek to exploit others if the opportunity exists (Williamson 1975, 1996). Therefore, it might argued that private sector boundary-spanners are simultaneously engaged in a process were they are seeking to exploit agreements whilst honouring the terms of the agreement (Marchington and Vincent 2004). This suggests that boundary-spanners will seek to structure an interorganisational agreement to permit exploitation within the terms of the agreement. This will permit an organisation to be self-interested whilst 'honouring' the letter of an agreement. As Williamson (1975) commented, exploitation is opportunism with guile.

Boundary-Spanning and Hybrid Organisations

Organisational hybridity has a number of implications for boundary-spanning, however these are actually rather complex. This is because a distinction must be made between the behaviour of private sector boundary-spanners and public sector boundary-spanners during the creation and operation of a hybrid form. During the creation of the hybrid, it would be expected that boundary-spanners are acting on behalf of their own organisations (see Chapters 5 and 6 for a more detailed discussion). However, during the operation of the hybrid, boundary-spanners may act on behalf of the hybrid or they may act on behalf of their parent organisation. It can be argued that the key variable in the activities of boundary-spanners is the nature of the interorganisational relationship itself. If the relationship requires collaboration, then boundary-spanners would play an important role in moderating the tensions between the different cultural orientations and in creating the structure of the partnership or hybrid form (Lowndes and Skelcher 1998, Sullivan and Skelcher 2002). However, if the relationship simply requires cooperation or coordination then boundary-spanners may remain much more entrenched within their organisation.

The discussion above has highlighted the different cultural orientations of the public and private sectors and how these may impact on the behaviour of boundary-spanning individuals. The argument has implied the public sector is inherently incompatible with the private sector. However, recent years have seen reforms which may have narrowed the cultural gap between them. These reforms are grouped together under the rubric of the New Public Management (Pollitt 2003) and these will be examined in the following section which addresses the policy context of partnerships.

The Policy Context

This study is concerned with understanding the role of boundary-spanners within the development of Strategic Service Partnerships. These are complex organisational forms that involve both public and private sector organisations working in some form of collaborative relationship (Hughes 2005). However, SSPs did not develop in a political vacuum and as such care must be taken to locate them within their correct policy context. This is particular important as the theoretical approach taken in Chapter 2 argues that individuals are embedded with an particular organisational structure and as such issues of context are particularly relevant.

The New Public Management

Strategic Service Partnerships and their forerunners, Public-Private Partnerships can be located within the wider context of the New Public Management or NPM (Ferlie *et al.* 1996). As such, it is necessary to explore the arguments that have informed the NPM and how the concept has developed over time.

The NPM is a rather nebulous concept (see Pollitt 2003: 27) but it has come to refer to a wide variety of public sector reforms that have been implemented since the 1980s. However, despite Pollitt's concern over the lack of precision as to what the New Public Management actually is, it is possible to identify a number of key arguments that have informed the NPM. The first of these is a belief in the inefficiency of the public sector and the superior efficiency of the private sector (Ranson and Stewart 1994), so the

NPM argument is that the private sector can deliver public services at lower financial cost and at a higher standard.

This ability to raise standards and reduce costs is attributed to the presence of competition (Deakin and Walsh 1996), which has forced private sector organisations to become more efficient. To take advantage of these efficiencies, NPM argues that the public sector should divest itself of activities that it cannot perform well and contract these out to the private sector, which can accomplish them to a higher quality standard and at lower cost (Linder 2000). The public sector would divest itself of the functions, serving only to distribute the contracts for service delivery, which would allow financial savings to be achieved. Although the concept of outsourcing (load-shedding) could in theory produce savings, Roseanu (2000: 234) argues that the margins are usually small and that "externalities could easily overturn any savings". Prager (1994) agrees with this somewhat more pessimistic assessment and notes that the costs of monitoring contracts are rarely factored into the argument regarding financial savings; enforcement would introduce further costs, reducing or perhaps eliminating any savings.

A second element of NPM is that the users of public services (citizens) should be seen as 'customers' (Osborne and Gaebler 1993). The logic underpinning this argument is that the private sector is able to offer superior performance because it sees the consumers of its services as customers whose wants and needs are paramount, whereas the public sector sees the needs of the organisational bureaucracy and its members (Niskanen 1980) as paramount, rather than those of the individual service user.

However, Gaster (1995) points out that the assumption that treating users as customers leads to better service depends upon the threat of exit, but that the users of public services have no choice as to the organisation delivering their public services. The notion that the users of a service can be seen as customers is also corrosive to democratic accountability, according to which public services are subject to evaluation by individuals who may not be their consumers (Johnson and Romzek 1999). This is because individuals are not customers but citizens and have "rights that go far beyond those of customers" (Mintzberg 1996: 77), derived from the fact of citizenship, whereas the rights of customers are governed merely by the principle of exchange (Du Gay 2000). As the logic of considering the user a customer is fundamentally an economic one, the existence of political rights does not sit easily within this framework.

NPM is also driven by an inherent distrust of bureaucracy, an argument that organisational bureaucracy is inherently stifling and leads individuals to act in the interests of organisations rather than of service consumers. To address this, NPM argues that organisations should reform their structures to reduce the number of managers. This would achieve a 'flat' organisation whose workforce would be empowered to take decisions and thus would deliver performance improvement. This aspect of NPM is very much in keeping with the management theories of the 1980s (Pollitt and Bouckaert 2000), which placed considerable emphasis on flat organisations with reduced managerial capacity.

The fourth element of New Public Management is a belief in what Alvesson and Wilmott (1996) would see as the elevation of the manager to heroic status. This argument, stressing the power of the individual, also draws upon the management theories of the 1980s (Pollitt and Bouckaert 2000) and as Grimshaw *et al.* (2002) point out, this belief in the power of the individual exercised a powerful hold on political thinking in the 1980s and early 1990s. For the advocates of NPM, it was supposed that because private sector managers were subject to the pressures of competition and the need to satisfy the customer, they were considerably more entrepreneurial and fiscally disciplined (Linder 2000). This entrepreneurial nature was seen in contrast to the public sector, whose actors were regarded as bureaucrats, driven by the need to maintain their organisational status and procedure rather than to produce results. NPM suggests that if these skills can be cultivated in the public sector, then reform can be achieved on several fronts: first, the creation of quasi-markets in the public sector, it is argued, would lead to public sector managers assuming the characteristics of their private sector counterparts. At this point, NPM becomes logically incoherent, as it argues that managerial skill is interchangeable – public sector managers are managers and will act like private sector managers if free to do so – whilst simultaneously damning public sector managers as bureaucrats, wedded to procedure. A second way to achieve reform is by importing private sector managers into the public sector, which they would be able to reform by deploying the skills gained in the private sector.

Closely related to the notion of the heroic manager is that of performance measurement. This aspect of NPM involves what Pollitt (2003: 27) terms "measurement and quantification" to be carried out so that managers can assess the

performance of their organisations and respond accordingly. This is in keeping with management writers such as Drucker (1998), who take great care to stress that a sizable part of a 'professional' private sector manager's role is responding to multiple performance measurements in pursuit of organisational objectives. The argument is based on the assumption that professional managers from the private sector are concerned with performance measurement and that to become professional, the public sector must adopt similar practices (Hood 1991). Thus the intense dislike of the public sector expressed by exponents of NPM is evident (Du Gay 2000) in their implication that it is unprofessional. Indeed, Osborne and Gaebler (1993) cite examples of public employees checking share prices or purchasing boats. The clear implication is that these employees are wasting public money and this behaviour is tolerated in the unprofessional public sector. However, Osborne and Gaebler do not pause to consider that similar behaviour undoubtedly goes on in the private sector.

In sum, NPM can be seen as having five principle tenets: the inherent superiority of the private sector, that the focus of the public sector is directed toward self-maintenance rather than meeting the needs of service users, that bureaucracy is inherently stifling and damaging to the ultimate purpose of the organisation, and that managerial skill and performance measurement would deliver continuous improvement.

The Application of New Public Management

The early NPM reforms consisted of two interconnected trends, the first being a push towards measurement in the public sector, which was increasingly asked to examine its

performance against predetermined targets (Hood 1991, Power 1997). The aim of this was twofold: first to diagnose the problems which managers could address and secondly to professionalise the public sector. The second trend within the NPM was a push towards outsourcing of public sector services to the private sector on grounds that private sector organisations were more efficient.

To achieve outsourcing, a system known as Compulsory Competitive Tendering (CCT) was employed. This required local authorities to outsource non-core functions to the lowest competitive bidder and this regime was imposed on the public sector from the 1980s onwards. The CCT regime was based on an ideological belief in the inherent superiority of the operational methods of the private sector (Falconer and McLaughlin 2000), which was held strongly by the Conservative governments of the 1980s and 1990s. The use of CCT was justified by the use of performance measurement, through which local authorities could identify their underperforming areas and outsource them to the private sector, which would improve performance. This, argued the advocates of the NPM, was simply in keeping with the practices of professional private sector managers who would outsource underperforming activities to other companies who could perform the task more effectively. As such, the newly professionalized public sector managers would respond to underperformance in the same way as their private sector counterparts. This drive towards outsourcing was very much informed by the management theories of the 1980s (Brereton and Temple 1999, Pollitt and Bouckaert 2000) which advocated lean organisations (see for example Peters and Waterman 1982).

The Partnership Agenda

The CCT regime proved extremely unpopular with the public sector and following the election victory of New Labour in 1997, the use of CCT was abolished (Boyne 1998). However, Corby (1999) regards this as part of a rebranding exercise designed to highlight the political differences between New Labour and the former Conservative Government. Martin (2000) agrees with this assertion and suggests that the ideological beliefs which underpinned the NPM remained very much intact. As part of this change in emphasis, the arguments of the NPM began to be reframed in the language of partnership and this formed the second iteration of the NPM. However, It should also be noted that language of partnership was informed by the management theories of the 1990s and the academic discussions arising from them (Kanter 1994). This reflects a change in academic and business fashions. For example, Alter and Hage (1993) argue that the relational exchanges between Japanese corporations are based on a partnership ethos in which contracts are managed relationally through mutual accommodation.

Although discussions of partnership have become popular, the term is often rather loosely applied and therefore some thought must given to how partnership can be defined. One popular definition of partnership is the notion that organisations have shared objectives (Gray 1989, Huxham 1996) but these objectives are such that collective action is the most effective way of achieving them (Sullivan and Skelcher 2002). However, this definition of partnership assumes that partnership is interchangeable with collaboration and neglects the possibility that partnerships can be cooperative rather than collaborative (Webb 1991).

In a cooperative relationship, the 'partners' do not have shared objectives but have mutually compatible objectives which can be advanced by some form of cooperative relationship. For example, in the relational contracts cited by Alter and Hage (1993), the organisations do not share a common objective, rather one organisation needs a reliable source of supply and another organisation requires a reliable customer. In other words, the objectives are compatible this encourages cooperation. A further form of partnership is a partnership that exists to secure resources (Wilson and Charlton 1997, Pollitt 2003). In these partnerships, the partnership is neither collaborative or cooperative and is premised on sharing and securing resources which enable organisations to pursue their own objectives.

Public Private Partnerships

The concept of partnership, as was noted above, implies that different organisations work together in pursuit of a shared goal. As such, the language is consensual rather than adversarial (Martin 2000, Newman 2001). Following this logic, outsourcing arrangements were increasingly described as Public-Private Partnerships or PPPs. These relationships were founded on the premise that public and private sectors organisations have mutually compatible objectives – the public sector requires the delivery high quality services and the private sector seeks profit. Therefore, the pursuit of profit would provide private sector organisations with sufficient incentive to deliver high quality services for the public sector. As such, the private sector is no longer regarded as inherently superior to the public sector and is instead seen as a means by which public sector organisations can achieve their objectives.

A particularly common form of PPP in the UK was the Private Finance Initiative or PFI (Field and Peck 2004). PFI partnerships usually took the form of Design, Build, Finance, Operate (DBFO) partnerships (Falconer and McLaughlin 2000), long-term contractual arrangements in which the private sector would assume responsibilities for designing, building, financing and operating public sector infrastructure, allowing for the risks and costs to be shifted to the private sector (Linder 2000). The assumption behind these contractual forms was that the private sector would bring financial expertise in respect of the management of risk and finance and innovative project management and operational management expertise. As a result, the public sector would be able to obtain financing for infrastructure without having to increase its spending and would leverage the expertise of the private sector. As is immediately obvious, these arguments are clearly underpinned by the logic of NPM. However, Lonsdale (2005) argues that making the private sector responsible for the provision of infrastructure can lead to the establishment of dependency relationships and this allows the private sector to lock the public sector into relationships that are less than advantageous, preventing the latter from realising the full gains of partnership. Lonsdale termed this 'post contractual lock-in' and suggested that this constituted a serious weakness in PFI style partnerships. A second aspect of a DBFO partnership is that the term 'operate' does not refer to the core functions of a public sector organisation, but to the maintenance of buildings or the systems within them.

The Development of Strategic Service Partnerships

The problems with PFI style partnerships have led to the emergence of Strategic Service Partnerships and these can be considered as a further extension of the partnership agenda. Although SSPs are sometimes referred to as Strategic Service Delivery Partnerships or SSDPs (Watt 2005), the difference is purely one of nomenclature and as such the terms may be used interchangeably.

Strategic Service Partnerships are large-scale, long partnerships between two or more organisations in which the core or strategic services of a local authority are delivered through a partnering arrangement. The contract itself is usually valued at several tens of millions of pounds (Watt 2005). These partnering arrangements also tend to characterised by multiple organisations involved in the delivery of multiple services (Hughes 2005), in contrast to earlier partnership forms, which tended to involve a single organisation delivering a single service; this allows SSPs to be regarded as a step change from earlier partnering arrangements (ODPM 2004) both in terms of size, value and complexity. Although SSPs are generally between a public sector organisation and a private sector provider, Baker *et al.* (2006) and Barder (2006) note that they can involve services shared between local authorities, i.e. public-public contracts; but this is highly unusual.

SSPs, as was noted above, can be seen as a logical extension of PPPs and are informed and justified by the philosophy of the NPM. The ODPM (2003a: 10), Hughes (2005), Rubery *et al.* (2005) and Watt (2005) argue that SSPs have the following characteristics:

- They are substantial contracts (typically in the order of several million pounds) which are designed to be implemented over a substantial period of time - usually between 10 and 25 years.
- Their long-term nature allows for partnering organisations to invest in the contract, establish synergies and develop a relational approach to managing the contract (Entwistle and Martin 2005).
- They are underpinned by a number of outcome-based incentives which through performance measurement will deliver continuous improvement.
- They seek to achieve cultural change in local authorities through the application of the knowledge of the partner organisation. However, the mechanism by which this is achieved is left open and may involve staff transfer (Rubery *et al.* 2005) or knowledge-sharing through joint management boards.
- Risk and rewards are shared within the partnership through the construction of a contract that depends upon joint investment, objectives and outcomes.

As can be seen the characteristics of an SSP have substantial similarities with the arguments of the NPM, in particular in the way in which an SSP depends upon performance measurement and the claims that the public sector will be transformed by the application of knowledge, which comes presumably from the private sector. Thus the arguments in favour of SSPs resemble those of the NPM, which assumes that the private sector has knowledge which the public sector requires. Strategic Service Partnerships can also be deemed to be an attempt to address the issues of contractual lock-in within PFI-type contracts (Lonsdale 2005), as they seek to generate

interdependency (Alter and Hage 1993) between the parties to contracts; theoretically, this will arise from the equal distribution of risk and reward (Hughes 2005), but in practice it has been achieved by the integration of operations. This involves a public sector organisation seeking to outsource its back-office functions and core operations, for which the partner organisation then takes responsibility. This makes the organisations interdependent, because the public sector cannot operate without these functions, so that if the partner (private sector) organisation does not operate them effectively, the operation of the entire public sector organisation breaks down. Therefore, the continued survival of the contract and the profit-making opportunity it represents are conditional upon the contract's successful operation. Furthermore, the establishment of performance measurement allows for the performance of both parties to the contract to be assessed.

Although SSPs are very complex partnerships, the contractual structure that underpins them is comparatively light. This rather skeletal contractual form is adopted because it is believed that the interdependency between the partners will permit the development of interorganisational trust which will remove the need for highly structured, legalistic contracts. Whilst the rhetoric of SSP schemes suggests that the partners will make joint investments, the reality is that local authorities seldom have the necessary financial capital, so backing tends to come from the private sector. In this respect an SSP may be regarded as similar to PFI-type partnerships in terms of its financial mechanisms.

Although PFIs and even outsourcing schemes are commonly referred to as partnerships (Linder 2000, Falconer and McLaughlin 2000), they fall short of the defining

characteristics, as they do not involve the pursuit of a shared objective in the manner of a collaborative partnership. However, a SSP is thought able to overcome this as the level of independency between the organisations involved is such that the realisation of shared objectives requires close cooperation, i.e. the different parties are obliged to collaborate. This close cooperation should work in conjunction with the length of the contract to allow for interpersonal norms to develop (Macneil 1978) between the individuals operating the interorganisational relationship. Thus the contract will come to operate as a relational one and the SSP can be seen as a true partnership of collaborating organisations.

Understanding the Development of Strategic Service Partnerships

Although is possible to understand the operation of SSPs in terms of the established literature on public-private partnering (Sternberg 1993, Prager 1994, Falconer and Mclaughlin 2000, Linder and Rosenau 2000), this literature suffers from two deficiencies: first, it has so far tended to focus on the form of PPPs and is therefore slow to respond to new developments such as SSPs; secondly, the literature does not specifically explain how PPPs develop (Noble and Jones 2006), concentrating instead on exploring the operation of such partnerships.

The focus on the form, theory and consequences of public-private partnerships can be attributed to four interrelated problems. There is a desire to maintain existing taxonomies (e.g. Rubury *et al.* 2005), a desire to seek to make wider philosophical points about partnerships (e.g. Jacobs 1992, Newman 2001, Du Gay 2000), a

preference for examining the consequences of partnership (e.g. Lonsdale 2005, Watt 2005) rather than the partnership itself and finally a tendency for academic research to be post hoc, due to its analytical nature. These problems have combined to produce a situation where the emergence of the Strategic Service Partnership has gone virtually unremarked in the academic literature; although there are some exceptions (e.g. Bovaird 2004, Hughes 2005, Watt 2005), these are few and far between. Instead the literature has tended to consist of either reviews of the origins of the concept (Baker *et. al.* 2006) or of normative practitioner guidelines (e.g. 4ps 2001, Allen 2002, ODPM 2003a, 2004). Thus there is a pressing need to make SSPs the locus of serious academic study.

Noble and Jones (2006) argue that studies of partnerships have tended to treat Public-Public Partnerships as analogous to an interorganisational relationships between commercial organisations. As such the analysis of PPPs has variously focused upon the way in which interorganisational relationships between public and private sector organisations can be conceptualised (Gray 1985, Sullivan and Skelcher 2002), the motivations that drive such relationships (Levine and White 1961, Kickert *et al.* 1997) or the process by which the relationship emerges (Gray 1989, Murray 1997, Wilson and Charleton 1997, Noble and Jones 2006).

However, the process accounts of how public and private sector organisations develop interorganisational relationships tend to be both normative and rather mechanical, focusing on the implementation of process rather than policy formation. This is unsatisfactory as PPPs are the result of policy decisions taken by public sector

organisations and are therefore located within a political context. Although Noble and Jones (2006) make laudable efforts to explain the role of individuals – the boundary-spanners – within the development of interorganisational relationships, the role of these boundary-spanning individuals within the context of interorganisational relationships is generally neglected. As such, there is need for a new a theoretical account of the development of partnerships that is able to incorporate the politics into the formation and implementation of a partnership whilst simultaneously explaining the role of individuals within the process.

Conclusion

This chapter has examined the different cultural orientations of public sector, private sector and hybrid organisations. It was shown how the culture of an organisation is likely to impact upon the behaviour of boundary-spanning individuals. In the public sector it was argued that boundary-spanners may seek to dominate an interorganisational relationship and will place great importance on issues of accountability. The argument also highlighted that private sector boundary-spanners are commercial driven and therefore they may seek to create relationships that give their parent organisation the ability to engage in exploitation. The discussion also examined boundary-spanning in organisational hybrids and it was suggested that the activities of boundary-spanners are dependent upon the nature of the interorganisational agreement, i.e. the governance structure.

The chapter has also discussed the political context in which Public-Private

Partnerships developed. The discussion suggested that Strategic Service Partnerships are an extension of the partnership agenda and are an attempt to address some of the problems (such as contractual lock-in) that have affected early partnership forms. Although the cultural and political context of partnerships was considered, no attempt was made to address to specific motivations of organisations when they seek to develop interorganisational relationships and this will be the subject of the next chapter.

CHAPTER 4: UNDERSTANDING THE MOTIVATIONS OF BOUNDARY-SPANNING ACTIVITY

Introduction

The previous chapter examined the cultural and political context in which Strategic Service Partnerships developed. It was concluded that these issues have a profound impact in shaping the behaviour of boundary-spanning individuals and the objectives that they may wish to achieve. However, no attention was made to the specific objectives that drive organisations to seek to develop interorganisational relationships or to explore the strategies that boundary-spanners use to achieve these objectives.

This chapter examines the motivations that both public and private sector organisations may have for seeking to develop interorganisational relationship and examines their implications for boundary-spanning individuals. To achieve this, the chapter examines some of the major understandings of interorganisational relationships. However, it is shown that whilst these theories may explain the overall objectives of the boundary-spanner, they cannot explain the strategies they may use. In other words, a theory of interorganisational working explains the strategic objective, but not strategic selectivity. It is shown that this is rather more effectively understood by considering the boundary-spanner as an individual.

Understanding the Motivations of Boundary-spanning Individuals: Theories of Interorganisational Working

A discussion of interorganisational relationships must begin with a careful definition of the topic, without which it runs the risk of conflating discreet exchanges with more expansive partnerships and long-term collaborative relationships. To address this issue, Gulati and Singh (1998) and Hiede and Miner (1992) suggest that an interorganisational relationship is a voluntary interaction that is conducted in a manner that allows for repetition and with the expectation that repetition will occur. A partnership-type relationship can thus be understood as one that has the explicit aim of long-term repetition, excluding by definition discreet exchange transactions.

Among the substantial number of theories as to why organisations should choose to develop interorganisational relationships, it is possible to identify six distinct theoretical approaches which will drive boundary-spanning activity. However, it should not be assumed that these perspectives are mutually exclusive, as an interorganisational relationship may be underpinned by a combination of motives (Christopoulos 2006). Furthermore, the motivations driving the development of an interorganisational are dynamic (Oliver 1990). As such, the initial motivations an organisation has for entering into an interorganisational relationship may change over time as the relationship evolves. This insight is particularly important in respect of the case study developed in chapters 8 - 10 where the rationale that underpinned the emergent SSP shifted on a number of occasions.

Although there are a great many theories of why organisations should seek to enter into interorganisational relationships (see Oliver and Ebers 1998 for an empirical examination of the literature), it is beyond the scope of this study to examine them all. As such, the study has opted to examine some of the most relevant and to highlight their implications for boundary-spanning. These theoretical approaches to interorganisational relationships are:

- Resource and Power Dependency Theories
- Management of Transaction Costs
- Collaborative Advantage
- Interdependency Theories and Wicked Issues
- Hierarchical Pressure
- Isomorphic Pressure for Legitimacy.

Resource and Power Dependencies

A systematic review of the literature on interorganisational relationships by Oliver and Ebers (1998) concludes that resource dependency theory underpins the majority of that literature. Resource dependency argues that in order to operate, an organisation requires resources and that these are controlled by other organisations in the external environment, upon which the first organisation is therefore dependent (Benson 1975, Pfeffer and Salancik 1978). This can generate a power relationship (Emerson 1962) in which one organisation has the potential to exercise power over another which is dependent upon it; in this way, resource and power dependencies are closely related.

This conception of interorganisational relationships as a series of dependencies leads to a view that boundary-spanners are motivated by the need to address these dependencies, by management or mitigation, being tasked with the acquisition of resources or the disposal of finished outputs (Aldrich 1976). However, the existence of a resource dependency between organisations creates a situation in which a power dependency may exist, so that boundary-spanners from one organisation may seek to exercise influence over another (Emerson 1962, Pfeffer and Salancik 1978). In order to mitigate their dependencies, organisations may attempt develop multiple sources for inputs or multiple possible avenues to dispose of their outputs, making it impossible for a power dependency relationship to emerge.

It should be noted that the ability of organisations to create these other avenues for output or other sources of input is conditional upon the type of outputs they produce and the type of inputs they require. Organisations with highly specialised outputs or resource needs may find themselves unable to acquire new customers or suppliers easily. Furthermore, the dependencies of organisations are also affected by their location, as those which are separated from customers or suppliers may find that geography acts to restrict their ability to secure new resources (Takahashi and Smunty 2002).

A dependency account suggests that organisations will seek advantage over each other, as one organisation has the potential to exercise power over another by exploiting the dependencies. Dependent organisations may then find themselves subject to the

exercise of power by another.

In a resource dependency position, boundary-spanning is seen as a functional activity that is associated with particular roles on the edge of an organisation (Thompson 1962), where the boundary-spanning units of an organisation are located. As such, boundary-spanners are individuals who occupy a role in the organisation which mandates that they will engage in boundary-spanning behaviour, governed not only by the formal rules of the position but also by the logics of appropriateness (March and Olson 1989) or the standard operating procedures (Hall 1986) associated with the position.

The actual process of boundary-spanning consists of a process of exchange relationships which are underpinned by a contract (Williamson 1975), be it formal or informal (Ring 2006). However, as Macneil (1974, 1978) points out, contracts (of any form) are embedded within and are reflections of wider social and institutional norms, as without mutual acceptance of these it would be impossible to conduct exchange (North 1990). It is thus implicit in the argument that boundary-spanners have systemic trust (Simmel 1950, Luhman 1979) in the wider norms or the institutional environment in which they operate.

A resource dependency position therefore situates boundary-spanning individuals at the edges of their organisations in specialised roles where they conduct exchange relationships. In this position they are subject to the social norms and conventions which form the structures underpinning exchange relationships, so their strategic

options are limited by what is considered socially acceptable within contracts. The strategic options of boundary-spanning individuals are also affected by the nature of the dependency relationship between organisations, i.e. the existence or non-existence of a power dependency and its extent. Finally, geography and the nature of an organisation's operations also impose structural limits on the strategic options of boundary-spanning individuals seeking to realise exchange.

Although resource and power dependencies can explain why one organisation may interact with another, the theory reduces the relationship between organisations to one of economic exchange and this does not allow interaction between an organisation's boundary-spanners to be motivated by anything other than a desire to conduct exchange on the most advantageous terms. This led to the argument being branded by Lowndes and Skelcher (1998) as unsophisticated. However, as the discussion above has demonstrated, resource dependency positions are quite capable of a degree of sophistication in explaining the limitations and enabling factors affecting boundary-spanning.

Management of Transaction Costs

Child *et al.* (2005) suggest that commercial organisations may form interorganisational relationships in order to minimise the costs of exchange and this may be examined through transaction cost analysis (Coarse 1937, Williamson 1975, 1987, 1996). Transaction Cost Economics (TCE) proposes that exchange of assets (goods, services, resources or even information) between buyers and sellers incurs costs relating to

finding exchange partners (DiMaggio and Powell 1991), negotiating over prices (Bowen and Jones 1986), monitoring the exchange and enforcing exchange contracts (Williamson 1975, 1987).

Williamson (1975) after Coase (1937) proposed that the level of transaction costs incurred in a particular transaction determined the way in which the exchange would be governed. Thus organisations would choose to organise transactions in a market where they would rely on price signals or they would incorporate the exchange into themselves to form a hierarchy. However, Williamson (1987, 1996) later expand this typology to argue that a network mode of governance exists between the market and the hierarchy.

The costs of a transaction between two or more organisations are affected by a variety of factors. These factors are the risk of opportunism, bounded rationality (Simon 1961), the number of potential exchange partners, uncertainty, turbulence and complexity, information asymmetry or impactedness and the level of asset specificity. In Williamson's (1975, 1987) view, organisations are faced with a situation in which may lack knowledge of a complex market environment where exchange opportunities are limited (DiMaggio and Powell 1991) or uncertain, that the assets been exchanged are highly specific (Klein 1988) or where one party has superior information regarding the exchange. In these situations Williamson argued that one organisation would have the ability to act opportunistically and exploit their exchange partner. As such, the market mechanism incurs unacceptably highly transaction costs. This is because of the risk of opportunism and the costs of locating exchange partners, transferring assets and

addressing issues of uncertainty. In this situation, an organisation may take transactions out of the market to form a hierarchy (Coase 1937). However, a hierarchy is not as efficient as the market over the long term as internal costs are difficult to quantify and the process of incorporation itself incurs significant costs (Williamson 1993).

Organisations, therefore, are faced with a tension between transacting in a market (which incurs the risk of exploitation) or forming a hierarchy which is inefficient over the long term. One solution to this is to form interorganisational relationships (Oliver 1990) or strategic alliances (Child *et al.* 2005). Williamson (1987) suggests these interorganisational relationships can be termed 'networks' and that they constitute an intermediate form between the market and the hierarchy. This intermediate form may be created when organisations create stable patterns of exchange amongst their partners (Alter and Hage 1993) within a market or may be created when transacting within a hierarchy becomes inefficient and organisations begin to contract out operations (Oliver 1990, Linder 2000).

Although TCE perspectives are a popular way of explaining interorganisational relationships, there are considerable problems with the approach. The first problem is the distinct private sector bias in TCE as the majority of argument is developed from examining private sector organisations (Klein 1988, North 1990, DiMaggio and Powell 1991, Child *et al.* 2005). However, this argument is not as problematic as it first appears as it is quite simple to adapt a TCE argument to the public sector. Chapter 3 argued that the first phase of the NPM reforms in the 1980s and early 1990s could be

seen as a programme of 'load shedding' (Linder 2000) in which the public sector divested itself of responsibilities and began to tender contracts (Ranson and Stewart 1994). In transaction cost terms this can be seen as a switch from a hierarchy to a market. The second wave of the NPM, the formation of partnerships can also be understood in TCE terms as the partnerships were underpinned by relational contracts and therefore they constitute network modes of governance.

A more serious criticism that can be levelled against transaction costs is its inability to examine relational contracting in a substantive way. A TCE analysis assumes that in a relational contract there is mutual interdependency. However, Marchington and Vincent (2004) note that such interorganisational relationships are actually characterised by power asymmetries. This is because one organisation may place considerably more importance on a relationship than another because buying power varies or the relationship is valued differently by different organisations. Relational contracts, by their very nature, require mutual accommodation between the different organisations (Macneil 1978). However this process of mutual accommodation requires organisations to believe that they will not be exploited, in other words they must *trust* their partner (Axelrod 1997, Rousseau *et al.* 1998). Although the existence of trust important to the operation of relational contracts, Child *et al.* (2005) point out that because TCE is an economic approach, it does not wish to deal with individual level interactions such as the formation of interorganisational trust. This problem of individual dynamics means that a TCE approach excludes the possibility that individual perceptions, organisational culture or even the attitude of the boundary-

spanners affects the transactions (Ring and van de Ven 1994). In other words, a TCE approach focuses exclusively on structures and neglects individual agents.

Although a TCE approach neglects the role of individual agents, the approach implicitly depends on boundary-spanning agents as boundary-spanners form the interface between two organisations. However, the boundary-spanner is treated as an indivisible agent of the organisation. In this respect, a TCE approach to interorganisational relationships is similar to resource dependency approach in that it is a highly structural approach which leaves little room for boundary-spanning individuals. Despite this problem, it is possible to infer some activities that boundary-spanners may perform within the different modes of governance.

In a market mode of governance, organisations will conduct exchange through their boundary-spanning agents who transfer assets (of some description) to and from the organisation (Thompson 1967). However, in order to conduct these exchanges organisations must locate potential partners and engage in negotiations over price. Therefore boundary-spanning agents can be understood as individuals who conduct these searches and engage in the negotiations. As boundary-spanners are excluded within a TCE approach, it is difficult to infer the relative status of these individuals within the organisation. However, it would not be unreasonable to argue that the key variable involved in determining the status of the boundary-spanner would be the value of the exchange and more valuable (or more critical) exchanges would be overseen by more senior individuals or managers. Although, it seems unlikely that senior, strategic

managers would concern themselves with the actual mechanics of the transaction which would be handled by more junior individuals.

The decision to employ a particular mode of governance in an exchange may be understood as a strategic one and such decisions are invariably taken by strategic managers. Therefore, some form of informational transfer must occur between boundary-spanners and senior managers as to the level of transaction costs incurred in the process of exchange. As such, boundary-spanning individuals can be understood to have an informational and reporting activity (March and Simon 1958). However, if an organisation opts to incorporate transactions into itself to form a hierarchy, boundary-spanning activity would logically become concerned with negotiating the terms of acquisition (Child *et al.* 2005). Therefore boundary-spanning could be seen as important in negotiation (Friedman and Podolny 1992). If the acquisition is successful and a hierarchy is formed, it ceases to be appropriate to talk about inter-organisational boundary-spanning activity and instead boundary-spanners may be seen as possessing intra-organisational functions in that they conduct exchange across intra-organisational boundaries.

In a network mode of governance, boundary-spanning individuals can be understood as the individuals necessary to create and maintain the relational contract that underpins the contract (Ring and van de Ven 1994, Marchington and Vincent 2004). However, the identity of the individuals involved in the creation of a relational contract is somewhat unclear. Alter and Hage (1993) suggest that relational contracts emerge from shared commitment to continued interaction on the part of salesmen. Ring and

van de Ven (1994) argue that senior managers are involved in the initial negotiations whilst the details of the contract are the domain of technical specialists (also identified as boundary-spanners). Lowndes and Skelcher (1998) also found that during attempts to form interorganisational relationships, senior managers were involved during initial discussions but more junior individuals were responsible for establish operational details.

Collaborative Advantage

The concept of collaborative advantage was initially developed from the Resource Based View (RBV) of the firm as an attempt to explain the motivations that underpin the development of interorganisational relationships (Kanter 1994, Dyer 2000). The resource-based view argues that the competitiveness of organisations is rooted in the specific financial and physical assets they control (Wernerfelt 1984, Barney 1991) and the capability of an organisation to utilise these resources (Amit and Shoemaker 1993). In this respect, the RBV is not dissimilar to the arguments of new-institutional economics (see Williamson 1975). However, the RBV has been criticised by Priem and Butler (2001) who argue that it is tautological as suggesting that competitiveness is based upon resources cannot be subject to empirical testing. This argument was rejected by Barney (2001: 41) who pointed out that the logic of such a critique could apply to all theories of strategic management.

The RBV argues that an organisation's ability to be competitive is derived the resources that it controls, i.e. its internal resources. However, Dyer and Singh (1998)

argued that this neglected the possibility that competitive advantage could be generated through interorganisational relationships whereby advantage is the result of collaboration (Huxham and MacDonald 1992). Kanter (1994), in common Huxham and MacDonald, suggests that such relationships are premised on the notion of 'collaborative advantage' in that by working together organisations are able to achieve results that they could not achieve individually (Huxham 1993). This may involve organisations seeking to coordinate their activities to achieve mutual beneficial goals or address complex multi-dimensional problems (Huxham and Vangen 2005). Organisations may also form collaborative relationships in order to gain access resources (Huxham and Vangen 2003), to learn from their partners (Powell *et al.* 1996), reduce risks or form cartels (Contractor and Lorange (1988). Child *et al.* (2005) suggest that organisations may also enter into collaborative ventures in order to obtain access to the resources and capabilities of other organisations which will enhance their own capabilities (Teece 1986, 1992). In these collaborative relationships, collaborative advantage is delivered through the mutual exploitation of complementary capacities (Mody 1993). For example, Baum *et al.* (2000) suggest that in the medical and biotechnology industries, collaborative relationships between private companies and universities or government research laboratories allow for innovative ideas to be developed and commercialised.

As can be seen, accounts of collaborative advantage (e.g. Contractor and Lorange 1988, Kanter 1994, Powell *et al.* 1996, Child *et al*. 2005) examine relationships between commercial organisations and as such economic gain can be seen as a primary motivating factor. However, Huxham and Macdonald (1992), Huxham (1993) and

Huxham (1996) argue that the concept of collaborative advantage can be used to explain interorganisational relationships between public sector organisations or between public and private sector organisations. In these relationships, economic gain is rather less important as public sector organisations are not commercial entities. Instead, they may seek relationships that permit them to gain access to resources (Huxham and Vangen 2003) or to create coalitions to tackle complex, multidimensional problems (Huxham and Vangen 2005). Although, it should be noted that this latter formulation of collaborative advantage is very similar to the approach suggested by Child *et al* (2005) in which organisations seek interorganisational relationships which complement their own capabilities.

As there is broad agreement on how collaborative advantage should be understood, the key issue is not defining collaborative advantage but understanding the process by which collaborative advantage may be realised. As such, the discussion shifts from the definition and sources of collaborative advantage to the formation of interorganisational relationships and it is this discussion that allows the implications for boundary-spanning activity to be drawn out.

Kanter (1994) proposes that the process by which collaborative advantage is realised should be likened to a romantic relationship in which organisations meet, court, marry and either grow old together or divorce. The relationship begins with a recognition by (senior) strategic managers that they possess shared strategic objectives which can be achieved more effectively or efficiently through cooperation. The relationship then proceeds into a period of engagement in which the two organisations formalise their

relationship. This process of formalisation sees specialist boundary-spanners such as lawyers creating the legal agreements that will underpin the alliance. However, Kanter (1994: 99) notes that as relationships process into their operational stages, differences are discovered and in order to manage these differences, organisations must adapt internally. This task is performed by relationship managers who engage in negotiations and make internal adjustments in order to preserve the relationship, this process of internal adjustment leads to a situation in which the organisations have become mutually interdependent or are in Kanter's terminology "old marrieds."

The approach that Kanter (1994) outlines for understanding the development of collaborative relationships incorporates the two conceptions of boundary-spanning that are observed in the interdependency account of interorganisational working: boundary-spanning is both a mechanism by which individuals realise strategic objectives (senior managers forming a voluntary partnership) and the product of structural boundary-spanning roles (lawyers and formal negotiators). This formalisation of the partnership then creates the structural circumstances in which the individuals who manage the partnership operate, leading to a situation in which individuals who may not have structurally defined boundary-spanning roles within their own organisation actually become structurally defined boundary-spanners.

Although Kanter's (1994) understanding of the development of interorganisational relationships incorporates the individual, it is fundamentally a sequential account of an interorganisational relationship (see Chapter 5). In sequential accounts there is a tendency to underplay the role of individuals in favour of the logic of the process. This

may be observed in Kanter's argument where the metaphor and sequence of a romantic relationship is privileged. Whilst a sequential account is a useful heuristic (Murray 1997), Huxham and Eden (2001), Huxham and Vangen (2003, 2005) propose an alternative which focuses on the role of individuals. Huxham and her co-authors examine the role of the boundary-spanning individuals involved in developing collaboration between organisations, in other words their concern is with the realisation of collaborative advantage. In this approach, collaboration between organisations is generally thought of as a temporary solution to a specific problem and therefore the boundary-spanning individuals involved are often managers (Huxham and Vangen 2005) for whom working with other organisations is not a pre-requisite of their structural role.

Both approaches to the realisation of collaborative advantage detailed above recognise the importance of interactions between individuals and both suggest that it is essential that individuals come to trust one another. However, in Kanter's (1994) argument the role of trust is not well developed. Instead it is implied that trusting relationships emerge simply on a basis of personal 'attraction' between senior managers and through the repeated interactions of 'relationships managers.' As such, Kanter's arguments may be understood as drawing upon concepts of affective trust (McAllister 1995) and calculative trust (Rousseau *et al.* 1998). The approach taken by Huxham and her co-authors as to the development of trust is rather more substantial as a mechanism 'the trust-building loop' is explicitly outlined (Huxham and Vangen 2003, 2005). In this model, trust is held to develop through repeated [successful] interaction between

boundary-spanning individuals and therefore the approach may be understood to rely on a calculative model of trust (Rousseau *et al.* 1998).

Organisational Interdependency

Interdependency theory argues that organisations are mutually dependent and that interorganisational working occurs as a way of managing this interdependency. Pfeffer and Nowak (1976: 402) argue that two distinct forms of interdependency exist: horizontal and vertical. These may be seen as indicative of the direction of an organisation's (or an individual's) relationships. Vertical interdependencies concern the linkages between organisations which are vertically integrated in supply (Alter and Hage 1993) or process chains; this includes not only purchaser/ supplier relationships but also linkages between organisations such as the police, the courts and psychiatric hospitals (Steadman 1992). These relationships are considered distinct from dependency relationships in that each of the parties involved is dependent upon the other. For example, manufacturers may be dependent on specialist suppliers but at the same time these suppliers are dependent upon their customers, making the resource dependency bidirectional rather than unidirectional, so that the relationship is interdependent, because it is impossible for a power dependency to be established.

Horizontal interdependencies exist when organisations have the ability to influence each other's environment but do not engage in exchange or transfer relationships. Horizontally interdependent organisations thus exist in a situation in which the success of their operations is dependent upon some form of cooperation or coexistence with

others. This form of interdependency underpins the notion of wicked issues, which will be discussed further below. An example of a horizontal interdependency would be the relationship between two local authorities sharing a boundary, since events in one council's area will have an effect in the other and the councils will to a certain extent have common interests.

Closely related to horizontal interdependencies are wicked issues. This term refers to a particular class of problems that Trist (1983) and Challis *et al.* (1988) see as having multiple aspects, being extremely complex and exceeding the capacity of any one organisation to address them (Rittel and Weber 1973, Sullivan and Skelcher 2000). Problems which can be classified as wicked include drug abuse and homelessness, which can only be tackled through a combination of policing, social care, housing policy and national legislation. Despite their obvious similarity to horizontal interdependencies, the desire of organisations to address wicked problems is often classified as a separate theory of interorganisational working. However, as it is beyond the capacity of any single organisation to find effective solutions to wicked problems, the organisations attempting to address them are interdependent and the problem can be equally effectively understood as a situation of horizontal interdependency.

Although interdependency theory as envisaged by Pfeffer and Nowak (1976) tends to impose a distinction between vertical and horizontal interdependencies, more modern forms of the approach have argued that these exist simultaneously, so that organisations can be understood to exist within a network of relationships with their peers, suppliers, customers and competitors (Granovetter 1985, Kickert *et al.* 1997).

Importantly, such networks are also seen as containing structural 'holes' and organisations as varying in position within networks. As for boundary-spanning individuals, they exist within both the structural context (physical and normative) of their own organisation and that of the network. The structural position of the organisation and the relative density of the network (Ahuja 2000) may afford or constrain strategic options (Wasserman and Faust 1994). The network is also geographically bounded, in that the physical position of organisations and the distance between them can serve to limit or enable the strategic options of individuals (Powell *et al.* 1996).

Interdependency accounts of interorganisational relationships vary substantially in how they conceptualise the purpose and motivation of boundary-spanning individuals within the organisation; the majority of accounts tend to understand boundary-spanners in a similar manner to resource dependency approaches (See Aldrich 1976, Aldrich and Herker 1977, Alter and Hage 1993), in that the boundary-spanner is seen as an individual in a functional role at the edge of an organisation, which is not surprising, given that interdependency is a logical extension of a resource dependency account (Pfeffer and Nowak 1976). This approach to boundary-spanning tends to see boundary-spanning as based upon the need for organisational exchange (Morgan and Hunt 1994) and its maintenance (Alter and Hage 1993), while the objectives of the boundary-spanners are the creation and maintenance of successful interorganisational relations designed to manage the interdependency.

To achieve this, boundary-spanners are thought to engage in a process of negotiation

throughout the relationship (Ring and van de Ven 1994), in order to preserve the relationship by dealing with unforeseen problems and responding to events. As this relationship is understood in terms of organisational exchange, it can be depicted as a contract, underpinned by the systemic trust the boundary-spanners have in the contractual system. Although systemic trust exists within an interdependency relationship, Sako (1992) argues that such relationships are underpinned by interpersonal relationships and characterised by evolving contracts (Macneil 1978), which can themselves be understood to be underpinned by a calculative and competency-based trust, as individuals are only prepared to engage in long-term relationships to manage the exchange relationship with those who have proven their reliability and competency (Marchington and Vincent 2004).

Meanwhile, the more network-orientated theorists of interdependency (e.g. Tushman and Scanlan 1981a, 1981b, Kickert *et al.* 1997, Lowndes and Skelcher 1998) have a slightly different conception of the role and position of the boundary-spanning individual within the organisational structure. For these writers, boundary-spanners do not occupy a dedicated boundary-spanning role within the organisational structure, but one which requires some boundary-spanning activity (Levine and White 1961, Lowndes and Skelcher 1998) in pursuit of certain objectives which may be as varied as the need to acquire specific information (Aldrich and Herker 1977, Tushman and Scanlan 1981a), to establish coordination between organisations or individuals (Strauss *et al.* 1963, Webb 1991), or even to complete a relatively minor aspect of a job role (Steadman 1992). Although these individuals do engage in boundary-spanning, their organisational role is not defined by it, as it is only one of several activities associated

with their position. Whilst the distinction between these individuals and the dedicated boundary-spanners envisaged by resource dependency accounts may appear to have elements of hair-splitting, in that both can be seen as occupying structural roles that permit boundary-spanning, the recognition that individuals whose role within an organisation is not necessarily associated with boundary-spanning do nevertheless have the opportunity to engage in it represents an important insight into how organisations actually operate.

Isomorphic pressure for Legitimacy

An isomorphic account of interorganisational relationships is based on the concept of legitimacy. In this approach, organisations are believed to seek legitimacy in their field of operations, causing them to adopt particular structural forms and behaviours that are considered appropriate by their peers through a process of mimetic isomorphism (DiMaggio and Powell 1991). Thus, they will engage in interorganisational relationships because their peers do so or because it is considered appropriate by a particular authority. This approach is slightly different from the other motivations that drive interorganisational working, in that it is neither a specific objective (as in the collaborative advantage or interdependency approaches) nor a specific requirement (as in the independency or resource dependency approaches) which leads to interorganisational relationships; rather, it is the structural composition of the external environment. Although an isomorphic approach to interorganisational relationships can explain boundary-spanning as an activity that is motivated by a variety of different objectives, it deals explicitly with boundary-spanning only as an information-gathering

exercise (Aldrich and Herker 1977), as organisations must understand the nature of their environment. However, an isomorphic account does suggest that both the identities and activities of boundary-spanners must also be seen as legitimate by the organisation's peers and those of the boundary-spanners. In other words, boundary-spanners will tend to be similar and will adopt similar behaviours; therefore the strategic selection mechanisms of boundary-spanners and the individuals who appoint them are influenced by considerations of what is appropriate and legitimate – and for this to take place, the boundary-spanners must accept the legitimacy of the wider institutional and organisational environment.

Hierarchical Pressure

Oliver (1990) notes that much of the literature on interorganisational relations assumes that organisations form relationships on a voluntary basis. However, as Oliver points out, organisations may form interorganisational relationships because they are mandated to do so by higher authorities who are able to exert pressure through a hierarchy and through the application of sanctions (Whetten 1981).

The higher authorities such as Governments who are able to compel interorganisational working can be understood as institutions (Leblebici and Salancik 1982). However, it is necessary to give some careful consideration to the nature of the relationship between these institutions and the organisations that are subordinate to them. Warren (1967) suggests that there is substantial difference between mandated interactions that occur as a consequence of an organisation voluntarily joining an institution (see

Skelcher 2005 for a more detailed discussion) and those interorganisational relationships which emerge as the result of compulsion.

If an organisation voluntary joins an institution, Whetten (1981) argues that they create a corporate form. In accepting membership of the corporate form, organisations agree to be bound by the rules of the institution but they retain the right of exit. However, should the organisations wish to remain part of the institution, they will accept the rules and that the institution can exercise authority over them. Examples of these arrangements may include trade federations or professional bodies (Oliver 1990). As such, within corporate forms interorganisational working may be mandated in these institutions to reduce transaction costs through standardisation of exchange (Leblebici and Salancik 1982) or ensure that effort is directed towards a common goal (Lober 1997).

This can be contrasted with Governmental authorities in that those organisations who are subject to Governmental authority have no right of exit. This is particularly important when discussing interorganisational relationships involving local government (see Chapters 8 – 10). In the UK, local government operates according to the principle of *ultra vires* in that they are allowed to exercise as much authority as Central Government cedes to them in law, but they remain subordinate to Central Government (Bennett 1993). As such, Central Government acts to oversee local government and may choose to mandate certain activities in pursuit of particular objectives. This can be well illustrated by considering, for example, the 1999 Local Government Act which imposes a duty upon local government to continuously

improve. However, should local government fail to do this, Central Government has granted itself the right to compel local governments to enter into interorganisational relationships in order to improve public services.

If organisations work together because of hierarchical pressure, it is important to recognise that the activities of boundary-spanners will be affected by the nature of relationship between the institution and the organisation and willingness of the organisation to work with others. In cases where interorganisational working is mandated by an institution, but the organisation(s) in question are resistant, it is likely that boundary-spanners will interpret their role as one in which requires them to protect their organisation. (Aldrich 1976). As such, boundary-spanning individuals can be seen as acting as a buffer (Thompson 1962) between the organisation and the external environment.

However, this assumes that both parties in the interorganisational relationship are equally uncommitted to the success of the [mandated] relationship. Further, it is also assumed that the organisation(s) do not value their relationship with the institution itself. As such, the boundary-spanning individuals from one organisation may be attempting to develop an interorganisational relationship, whilst being frustrated by their counterparts in another organisation. The boundary-spanners from the uncooperative organisation may also be seen as operating under considerable tension as they may be seeking to protect their organisation whilst preserving the relationship with the institution or at least protect the organisation from more stringent sanctions. As these goals are contradictory, tensions will result.

In institutions were organisations have joined voluntarily, boundary-spanning individuals may be engaged in the task of attempting to gain influence within the institution to ensure that environmental conditions are favourable to the organisation. This process of influencing institutions may involve the building of interorganisational relationships in an effort to sway the institution's membership or they may simply attempt to influence the institution's administrative structure. Therefore, the attention must be focused upon the methods that boundary-spanning individuals use to influence other organisations within institutions or the institutions themselves. To achieve this boundary-spanners may seek to leverage resource dependencies, exploit power asymmetries or simply highlight common interests. As such the dynamic nature of interorganisational relationships manifests itself. However, if organisations and their boundary-spanners attempt to influence an institution's members and develop these interorganisational relationships within the framework of the institution, then the corporate form described by Whetten (1981) is underpinned by a network (Granovetter 1985).

This section has reviewed six different accounts of why organisations should seek to form interorganisational relationships and has examined their implications for boundary-spanning individuals, which are summarised in Table 1.

Table 1: The Implications of Theories of Interorganisational Working for Boundary-spanning

Theory of Interorganisational working	Structural Context	Structural context of the Boundary-spanner.	Strategic Objectives of Boundary-spanner	Strategic Selective Context of Boundary-spanner
Resource/ power dependency	Organisations require resources in order to operate and need to dispose of outputs. Organisations exist in a particular geographic context. Particular social norms govern exchange. The use of a single supplier or customer may generate a power-dependent relationship.	The geographic position of the organisation creates and limits particular opportunities. Boundary-spanners are seen as occupying functional roles on the edges of organisations.	Boundary-spanners will act to secure resources and to dispose of outputs on the most advantageous terms for the organisation.	The strategies are dependent upon the nature of the dependencies and the geographic position of the organisation. The roles occupied by boundary-spanners affect their decision-making strategies. Strategies are affected by what is appropriate.
Interdependency	Organisations are mutually dependent upon each other both vertically and horizontally. They exist in a network of relationships. Organisations may not have direct links; structural holes may exist in networks. Organisations exist at different positions within networks.	Boundary-spanning can be seen as a functional task in which the boundary-spanner has a dedicated boundary-spanning position. Boundary-spanners' opportunities are limited by the position of an organisation within a network	Boundary-spanners develop and oversee exchange relationships to manage interdependencies. Boundary-spanners build relationships to achieve coordination or acquire information. Boundary-spanners seek to overcome structural holes.	The strategies of the boundary-spanner are conditioned by the nature of the interdependency, the organisation's position within the network and the existence of structural holes. Boundary-spanning is the strategic option pursued to achieve an interorganisational relationship.
Collaborative Advantage	Organisations seek to achieve mutual or compatible objectives.	Boundary-spanners are required to create, manage and implement the collaborative relationship. Boundary-spanning is both a consequence of and integral to a structural position.	Boundary-spanners seek to create, maintain and operate an interorganisational relationship to realise organisational objectives.	The nature of the relationship between organisations and the individual's role affects their strategic options.
Management of Transaction Costs	Organisations must engage in exchange in order to operate. This exchange incurs transaction costs. Organisations seek to find the most efficient form to govern exchange from markets, hierarchies and networks.	Boundary-spanning varies depending upon the mode of governance. In a market boundary-spanners oversee discreet transactions but are tasked with information transfer within the organisation. In a hierarchy boundary-spanners	Boundary-spanners seek to oversee exchange relationship and create the most efficient form of exchange. In a network mode of governance, boundary-spanners seek to develop trusting relationships and make necessary adjustments to the	The options that a boundary-spanner has are dependent upon the nature of the mode of governance and upon the level of asset specificity.

		assume an intra-organisational role. In a network, boundary-spanners are required to create and maintain an interorganisational relationship. The boundary-spanner is the key individual in the operation of the network.	relationships. In network or market mechanisms boundary-spanners may attempt to leverage specific assets to gain advantage so that exchange can be conducted on more favourable terms.	
Isomorphic Pressure for Legitimacy	Organisations exist in an environment composed of other organisations	Boundary-spanners exist in an institutional context and their organisational context.	Boundary-spanners seek to develop an interorganisational relationship	Boundary-spanners must be seen to be legitimate within the institutional and organisational context.
Hierarchical Pressure	Organisations are members of institutions and are subject to the authority of these institutions. Organisations may opt to join some institutions and may be members of another by default.	Boundary-spanners exist in an institutional context and their organisational context.	If an organisation is unwilling to engage in mandated interorganisational working, boundary-spammers will seek to protect the organisation. However they may be simultaneously seeking to preserve the relationship with the institution. Boundary-spanners may also seek to gain influence within the institution. This may be achieved by influencing the member organisations or the institution itself.	The options a boundary-spanner has are affected by the nature of the relationship between the organisation and the institution, the value that is placed on institutional membership. Boundary-spanners may be able to leverage resource dependencies, shared interests etc. to gain influence.

The six different accounts of interorganisational working, all have distinct implications for the identities and activities of boundary-spanning individuals. However, as this study is underpinned by a strategic relational understanding of structure and agency, it is necessary to pay attention to the boundary-spanning individuals themselves. This can be achieved by examining their personal attributes. The importance of examining the personal attributes of boundary-spanners has been recognised for some time in the literature (Friend *et al.* 1974, Kingdon 1995, Bartel 2001, Sullivan and Skelcher 2002, Williams 2002). This is because a focus on the attributes of boundary-spanners allows an investigation of the individuals as *agents* rather than rather than focusing upon their actions.

Understanding Boundary-spanning Individuals

The understanding of structure and agency developed in Chapter 2 argues that structure and agency do not exist in a dualism; rather they contextualise one another. Whilst the theories discussed above explain the motivations of boundary-spanning individuals, they offer little discussion of the individuals themselves. To understand the way in which individuals operate as agents within the structural context and how this affects their behaviour, it is useful to draw upon organisational psychology and in particular upon the concepts of cognitive psychology.

Cognitive Psychology

Cognitive psychology arose as a reaction to behaviourism (Martin *et al.* 2007) which argued that only aspects of personality which could be empirical tested (see Eysenck

and Eysenck 1985) could be considered as subjects for research. This lead to great emphasis been placed upon notions of internal and external validity (See Chapter 7) and this resulted in an approach to organisational theory which was heavily experimental. Cognitive psychology argues that examinations of human behaviour should be focused upon explaining behaviour in terms of how individuals perceive events, their thoughts and feelings, expectations and understandings.

As such, a cognitive approach would argue that the actions of individuals can be explained in terms of how they construct a view of the world and the different factors that influence their actions in a given situation. Therefore, an investigator should focus upon the psychological factors that inform an individual's understandings and influence their actions.

Identifying Psychological Factors.

As a cognitive approach is concerned with the different [psychological] factors that affect how individuals act and perceive the world, careful thought has to be given to how these factors are identified. One approach to identifying these factors is to utilise a grounded theory methodology (see Chapter 7). However another approach is simply to consider the factors that identified in the empirical work of other authors and those that are suggested by theory (Miles and Huberman 1994). This technique has the advantage in that the research does not simply repeat the work of other scholars.

The theoretical approach taken in this study argues that individual action is structurally contextualised. Therefore boundary-spanners are likely to be affected

organisational norms and values (March and Olsen 1979, Schein 1996) and by the specific role that they occupy or are asked to assume (Adams 1976, Singh *et al.* 1996) This argument regarding the importance of roles is supported by Gray (1989) and Bartel (2001) who indicated that the way in which boundary-spanners understand their role has important implications for their behaviour. Williams (2002), in common with Huxham and Vangen (2005) argues that boundary-spanning individuals are required to show leadership abilities in the development of interorganisational relationships and Friend *et al.* (1974) and Alter and Hage (1993) suggest that boundary-spanners must be skilled networkers.

Both Gray (1985) and Williams (2002) also draw attention to the ability of the boundary-spanner to recognise and exploit opportunities to develop interorganisational relationships. Marchington and Vincent (2004) in their studies of relational contracts point to the importance of interorganisational and interpersonal trust in overcoming differences between organisations. Finally, Gray (1989) and Sullivan and Skelcher (2002) indicate that boundary-spanners must be able to empathise with others in order to develop a successful interorganisational relationship.

Norms and Values

The importance of norms and values has been discussed extensively in Chapter 2 in reference to the notion of normative isomorphism; while it is rather unproductive simply to repeat this discussion, it is necessary to acknowledge that norms and values are important factors affecting boundary-spanning (Sullivan and Skelcher 2002).

Norms refer to the prevailing practices of an organisation (March and Olsen 1979); while these may be regarded as structural phenomena, they also exist at the psychological level within individuals. Norms are internalised by individuals through the process of socialisation (Zucker 1986) and as such they should be seen as existing at a psychological level, but they are also capable of hardening into structures (Schein 1985). They inform individuals as to what is considered to be the appropriate action in a given situation, so boundary-spanning individuals will base their actions upon prevailing norms and values.

The concept of values is closely related to that of norms. Both are considered by Schein (1996) and Clegg *et al.* (2002) to be reflective of the prevailing culture that exists in an organisation or an institution. The norms of an organisation refer to the prevailing practices that are considered acceptable, while its values inform individuals as to the correct *attitudes* to hold and what they should value or seek to achieve. These two factors combine to produce organisational culture, which influences both the strategic selection of individuals (see Chapters 4 and 5) and, over time, organisational or institutional structures, so that the system becomes self-reinforcing.

Organisational Roles and Expectations

The modified version of the strategic relational approach that is used to understand the organisation itself draws heavily on role theory to understand the activities of individuals within the organisation. Role theory argues that individuals within an organisation occupy certain positions and that these positions generate an

understanding amongst the members of an organisation as to how the holder of that position is expected to behave (Biddle 1986). These expectations, held by the individual themselves and their peers in the wider organisation (Kahn *et al.* 1964), arise from the negotiations and interactions between individuals, resulting in a particular understanding becoming dominant and so influencing the structure of the organisation, as particular understandings come to be associated with specific roles.

However, this process of generating expectations can lead to situations in which the role is unclear or ambiguous (Singh and Rhoads 1991, Rhoads *et al.* 1994) where the expectations of some individuals are different from those of another (Adams 1976). This problem is particularly important for boundary-spanners (Liefer and Delbecq 1978), who by their very nature have to operate in situations where the accepted rules of conduct are unclear (Alvesson 2002) or where the demands of their roles place them in conflict with the practices of the institution or organisation. These problems are most effectively understood through the concepts of role conflict and role ambiguity.

Role ambiguity is generated when boundary-spanning individuals lack a clear understanding of their roles; this has negative effects on their psychological wellbeing (King and King 1990) in areas such as job-satisfaction or motivation (Behrman and Perreault 1984, Rhoads *et al.* 1994) and may therefore influence the strategic selection mechanism of boundary-spanners. These ambiguities have two sources: external and internal interactions. External ambiguities are caused by the ignorance of boundary-spanners as to the values, norms, attitudes and motivations that exist amongst the individuals with whom they are interacting (Singh and Rhoads 1991).

Here, the boundary-spanner runs the risk of an unintentional faux-pas or simply being unable to operate within that environment. This risk of external ambiguity is somewhat lessened when individual boundary-spanners are interacting within the same institution (North 1990, Peters 2005), which will provide a number of common rules to structure their interactions. However, even within a single institutional context, organisations will have different roles and procedures, while boundary-spanners working across institutional boundaries (Levine and White 1961) may find themselves lacking even a common language. In fact, Huxham and Vangen (2003) found that boundary-spanning individuals involved in partnerships often wished for a 'year zero' in which the different organisations could learn to talk to each other. It can be argued, after Huxham and Vangen, that boundary-spanning individuals who are subject to ambiguities will invest significant efforts in finding ways to lessen the ambiguities by gathering information (Aldrich and Herker 1977) to further their understandings.

In addition to external ambiguities, boundary-spanners are also faced with internal ambiguities such as uncertain levels of support from managers and organisational peers (Rhoads *et al.* 1994), or even uncertainty over how to interpret the actions and expectations of their managers and co-workers (Kaufmann and Beehr 1986). They may then find that their status within the organisation is subject to constant redefinition as others' expectations of them change. However, it should be recognised that boundary-spanners themselves are capable of creating these changes and influencing how their role is understood within the organisation through their own actions.

The second aspect of role theory is the notion of role conflict. Role conflicts exist when the understanding of a role possessed by one individual contradicts that of another person (Adams 1976). This creates a situation in which the different understandings compete, putting psychological pressure upon the boundary-spanner. An example of this is the case of boundary-spanners engaged in negotiations with other organisations. In order to be successful, they must be able to detect and respond to the values, attitudes and aims of other organisations and the individuals within them (Friend *et al.* 1974, Sullivan and Skelcher 2002) in order to develop the contacts necessary to facilitate exchange and then engage in bargaining activities. However, the process of bargaining may see the boundary-spanner becoming charged with disloyalty by peers within the parent organisation, which generates conflict. This is because boundary-spanners will have to compromise to achieve desired outcomes, whereas their peers may be expecting them to maintain the organisation. This tension between boundary-spanners' interpretation of their role – to gain cooperation – and that of their peers – to gain maximal advantage – may lead to significant job-related stress for boundary-spanners, who may be seen as 'disloyal' or ineffective if they conclude an unfavourable agreement (Webber and Klimoski 2004).

A more subtle argument regarding the possibility of role conflict during the formation of interorganisational relationships states that boundary-spanners may become overly committed to the development of an organisational relationship. This is based on the belief held by many writers (Webb 1991, Sullivan and Skelcher 2002, Williams 2002) that boundary-spanners, being critical to the development of interorganisational relations, must champion these (Noble and Jones 2002, 2006), to the point where their 'role' is to develop interorganisational relationships. This raises the possibility that a

boundary-spanner may interpret her role as the development of a relationship at all costs and this may be resisted by others in the organisation who are more cautious, which then generates conflict.

The literature on role conflict experienced by boundary-spanning individuals suggests that the associated stresses can be mitigated by the existence of a social support network within the organisation (Kaufman and Beehr 1986, Stamper and Jonlke 2003). Thus, it can be argued that boundary-spanning individuals may respond to the existence of role conflicts by seeking to develop intra-organisational support for their activities (Balogun *et al.* 2005) through the building of a coalition (Buchanan and Boddy 1992) of individuals to provide a social support network. The assembly of such a coalition also has the effect that the boundary-spanner is able to manipulate the expectations which others have of him, consequently reducing the role conflict because the actions of the boundary-spanner are not seen to be in conflict with the expectations of others.

A further variation on the psychological aspects of boundary-spanning is found in social identity theory. As its name suggests, this is concerned with the way individuals construct their identities and how this influences their behaviour (Stryker and Serpe 1982). It is concerned with how the self-defined, socially constructed identities of individuals influence their strategic selection process.

As individuals interact with the environment, they are engaged in the process of developing identities and will come to identify themselves as members of a particular group, organisation (Tajel and Turner 1985) or even sub-group within an organisation

(Albert and Whetten 1985); this process of identification helps individuals to understand the roles that they occupy and to feel that they belong to a wider whole (Ashforth and Mael 1989). In adopting a given identity, individuals become aware of and internalise the values and norms that are carried within a particular identity or role, using these to guide their behaviour (Stryker and Serpe 1982). However, individuals also maintain multiple identities (Leary *et al.* 1986) and have multiple sets of norms and values considered appropriate in different situations; but under a social identity approach, it is the identity that an individual is using at a given time that affects his selection process. The social identity approach thus provides a means of understanding how individuals sort through conflicting and competing norms and values.

Social identities are not fixed (Bartel 2001): as individuals make comparisons between themselves and other groups, they may come to re-evaluate their existing identities (Hogg and Terry 2000) and the strength of their commitment to them (Dutton *et al.* 1994), before selecting new identities based upon factors such as perceptions of their social prestige or desirability. For example, Marchington *et al.* (2005) found that baggage handlers at airports identified themselves with an airline rather than their own organisation, as they felt that a greater degree of social prestige was conferred upon them by constructing their identity as part of the airline.

As boundary-spanners are exposed on a regular basis to new information and other groups, they will have opportunities to make comparisons, which may lead to changes in the strength of their organisational identities and consequently in their levels of commitment towards their organizations (Bartel 2001), thus affecting their decision-

making processes. Furthermore, this exposure to groups external to the organisation may lead individuals to adopt new identities that are in conflict with their organisational identities (Ashforth and Mael 1989) or cause changes in the norms and values that they hold, which may also cause conflict with others in the organisation.

The Role of Trust

Although trust is widely acknowledged as critical to the development and operation of interorganisational relationships (Mayer *et al.* 1995, Bachmann 2001), it is a rather difficult concept to engage with. This is particularly true in this study, because the existence or absence of trust enables, constrains or dictates particular actions, but the development of trust can be seen as an objective in itself.

Whilst trust is difficult to define, a general consensus exist that it is a general confidence in the predictability of behaviour of others which allows individuals to make themselves vulnerable to exploitation because they are confident that their behaviour will not be exploited (Luhnman 1979, Axelrod 1984, Lewis and Weigert 1985, Gambetta 1988, Rousseau *et al.* 1998, Edelenbos and Klijn 2002). A trusting individual is able to undertaken particular actions – he or she has strategic options – because he or she trusts that whilst their actions create conditions for another to act, this second individual will not act to his or her detriment. Therefore, the existence of trust makes it possible to pursue joint objectives.

Although there is broad consensus on what trust is, there are different forms of trust and the presence (or absence) of these can be seen as influencing the objectives and

strategic selection mechanisms of boundary-spanning individuals. The different forms of trust can be summarised as systemic, calculative, affective and competency-based trust. However, it is important not to take these as mutually exclusive denotations, since they are dependent upon each other (Zaheer *et al.* 1998, Boas and Lapidot 2003).

Systemic Trust

Systemic trust is described by Luhnman (1979) as the confidence which individuals have in the correct 'functioning' of the systems that underpin society, an institution or an organisation. In a systemic understanding, individuals are willing to trust that an institution or social structure operates in a particular fashion and will continue to operate in that manner. This has particular implications for boundary-spanning individuals, since it is systemic trust in wider economic institutions that permits boundary-spanning individuals to develop exchange relationships, as they are confident that the contracts will be honoured and that norms of reciprocity will be obeyed. Indeed, it can be argued that without the trust that boundary-spanning individuals have in the structural environment in which they operate, it is difficult to form interorganisational relationships, as structured interaction becomes impossible. Thus, interpersonal forms of trust are seen as embedded within a systemic context and trust in the overarching system – the institution or organisation – is considered a prerequisite for the establishment of interorganisational relationships. In terms of behaviour, a systemic trust argument implies that individuals will take strategic decisions based upon the prevailing practices of the institutional or organisational context in which they operate, because they have trust in them. It can therefore be

seen that a systemic trust argument is not altogether dissimilar to a normative one.

A second element of systemic trust is the notion of legalistic agreements (Sitkin and Roth 1993) to underpin contracts. This form of trust tends to manifest itself when the parties to an agreement are unable to establish a working interpersonal relationship or seek to enshrine mechanisms for protecting themselves, using structures to constrain the agency of others. For this to happen successfully, all the parties to a relationship must be willing to trust in a wider set of institutional structures (such as contract law).

Calculative Trust

Although systemic trust is able to explain the underlying principles of operational interorganisational relationships – that of trust in the wider system – it is incapable of explaining how trusting relationships develop and how these are maintained between individuals. The most common explanation, for how trusting relationships develop and are maintained is known as calculative trust (Lewis and Weigert 1985). This is founded on behaviourist understandings of individual action (Deutsch 1958, Alexrod 1984), arguing that trust can only be inferred from cooperative behaviour or a willingness to accept the risk of exploitation. A calculative trust approach argues that individuals will seek to reduce the level of risk (Deutsch 1958) associated with their interactions with others, so will base decisions to cooperate (i.e. to trust) upon their observations of the prior behaviour of those with whom they are interacting. This observation of prior behaviour allows risk to be assessed. The calculative mechanism also suggests that individuals may operate on a graduated scale, initially engaging in low-level cooperation where the consequences of exploitation and thus the level of

risk are small, while successful interactions will allow them to gradually increase the level of risk they are willing to tolerate.

However, a purely calculative mechanism requires an initial 'leap of faith' to initiate what Huxham and Vangen (2003) term 'the trust building loop' and the logic of the calculative mechanism renders this impossible. This argument appears at first blush damning to the calculative approach, as while it may explain how trust is maintained it cannot explain how the initial leap of faith is made; but the objection is valid only if a purely behavioural approach is adopted, as behaviourism refers only to actions. This approach is rejected by Axelrod (1997), who argues that behaviour is actually linked to expectation and as such it is not observations of the prior behaviour of an individual which initiate the cycle of cooperation but rather the expectations of his behaviour. Axelrod demonstrates this through a prisoner's dilemma game played between a Soviet nuclear strategist and an American academic, where the Soviet player was beaten because he expected his American counterpart to be more cooperative on the basis of her nationality and her gender – which turned out to be faulty expectations. The introduction of expectations into the calculative mechanism argues for a situation in which factors such as culture are relevant; furthermore, it can be argued that these expectations may be derived from the operation of systemic, affective or competency-based trust.

The operation of a calculative trust mechanism has particular implications for boundary-spanning individuals, as it suggests that they will seek to establish a cycle of repeated, successful interactions as a means of generating trust. This suggests that boundary-spanners may initially be guarded in their interactions and will prefer

comparative low-risk interactions until the individuals or organisations with whom they are interacting have demonstrated their reliability (Huxham and Vangen 2003). A second possibility is that boundary-spanners involved in interactions where there is no established history may be comparatively senior individuals in the organisation (Lowndes and Skelcher 1998), for whom the management of risk in decision-making is part of their organisational role. This interaction between comparatively senior individuals continues until a pattern of reliable interactions has been established and the level of risk associated with the interactions is considered to be relatively low.

Affective Trust

Affective trust is more emotionally based than calculative trust and refers to the emotional perception that one party has of another, in other words, whether they like each other or not. In fact, Kanter (1994) believes that personal chemistry underpins the decisions of senior managers to seek collaborative advantage. Unlike calculative trust, which can be undermined by the failure of one party to live up to the predictions of another (Deutsch 1958), affective trust is rather more stable. Although it is possible for affective trust to pre-date the emergence of calculative trust, in that the initial decision to take the leap of faith is based on personal preferences, it is also possible for the reverse to be true; McAllister (1995) suggests that affective trust can develop from calculative trust and that whilst the latter forms the initial basis of a relationship, once the parties involved have established their 'trustworthiness', i.e. their reliability, it is possible for personal emotional links to develop. In terms of boundary-spanning activity, affective trust supposes that boundary-spanners will be more likely to be successful at establishing and maintaining interactions with individuals with whom

they have strong personal relations (Lowndes and Skelcher 1998: 322). This argument also suggests that boundary-spanners themselves will seek to be perceived as likeable individuals, although this is likely to be an innate personal attribute of the individual boundary-spanner rather than a learned behaviour.

Competency Based Trust

Finally, competency-based trust assumes that individuals are more likely to trust others if they deem them competent (Sako 1992). This is closely related to calculative trust, as it argues that individuals ascribe competence on the basis of the observation of previous behaviour, but also of their expectations, which are generated through the display of particular symbols or the fact that individuals occupy particular roles. For example, Williamson (1975) argues that the choice of language and dress adopted by a businessman is in fact a way of signalling to observers, through the display and use of symbols, that he is competent in the position or role he occupies (Synder 1987). This perception of competence allows others to develop positive expectations of the outcome of interactions with this individual. The importance of competency-based trust is likely to manifest itself in the way that boundary-spanners may seek to be perceived as competent and to achieve this by ensuring that they display the appropriate symbols and behaviours or occupy particular roles.

The discussion above has highlighted the importance of trust between individuals, organisations and institutions in understanding boundary-spanning. It has been argued that trust exists in multiple different forms and that the four types of trust identified explain different aspects of the ways in which interorganisational and interpersonal

relationships develop and are maintained by boundary-spanners. Systemic trust arguments indicate that there must exist a basic level of trust in the wider institutional environment in order to permit interaction. In other words, the parties involved in an interaction must have a certain degree of trust in certain underlying principles (North 1990, Peters 2005) to structure the interaction. However, a systemic argument merely explains why individuals would be willing to engage in a particular form of interaction, not how they develop and maintain trust. These issues may be addressed through calculative, affective and competency-based trust, which point to the importance of perceptions of competence and repeated successful interactions to confirm expectations and of the strength of interpersonal relationships within boundary-spanning activities.

Reticulism

The concept of reticulism was developed by Friend *et al.* (1974) as a way of explaining the ability of boundary-spanning individuals to operate within networks of interconnected organisations (Prior 1996). For Sullivan and Skelcher (2002), the reticulating boundary-spanner is an individual who is able to recognise the configuration of the network within which she exists and be sensitive to the aims and objectives of the different organisations. This ability to empathise with others is believed to permit the boundary-spanner to identify the 'correct' way to approach other individuals and organisations, so the successful development of reticulist abilities allows boundary-spanners to recognise the existence of structural holes and to bridge them.

Although reticulism can be understood as referring to the ability of the boundary-spanner to 'connect' with another organisation, Sullivan and Skelcher (2002) suggest that it is the aptitude of reticulists to emphasise with other individuals which allows them to create win-win situations. This is because the boundary-spanner is sensitive to the aims and objectives of another organisation (Friend *et al.* 1974) and is able to understand how these are compatible with their own.

The Boundary-Spanner as an Entrepreneur

Boundary-spanners are often recognised as entrepreneurial individuals in that they are able to recognise and take advantage of opportunities to advance their objectives (Challis *et al.* 1988, Sullivan and Skelcher 2002, Williams 2002). To do this, boundary-spanners must be aware of structural holes within a network and the shared objectives of different organisations. In other words, they are able to recognise a particular structural situation and the fact that they are strategically selective actors within this context.

The prevailing understanding of the boundary-spanner within the literature as an entrepreneurial individual tends to refer to someone who is not a structurally defined boundary-spanner but a person who has the opportunity to engage in boundary-spanning (Sullivan and Skelcher 2002, Takahashi and Smutny 2002) in the prevailing structural circumstances. However, this is not supported by evidence in other literature, as individuals in structurally defined boundary-spanning roles such as salesmen are regularly able to act entrepreneurially to develop new opportunities. To resolve this problem, the strategic-relational approach would simply note that the

structural context is the key variable and that individuals in a particular context have the ability to take advantage of opportunities that are not open to others in different contexts.

Whilst an individual's ability to take advantage of a particular situation is dependent upon the structural context, his ability to act remains dependent upon a critical incident – the strategically selective context. However, the strategic-relational approach suggests that individuals through their actions have the opportunity to shape the context in which they act, so an entrepreneurial individual may be understood as actively attempting to create the critical incident (Mucciaroni 1992).

Leadership

Yukl (2002: 7) argues that leadership is a process by which individuals influence others to apply collective effort. Leadership also confers power and in interorganisational relationships, leadership allows an individual (or the organisation) to determine the agenda of the relationship (Huxham and Vangen 2005: 208). Leaders also have the opportunity to influence the composition of an interorganisational relationship (see Wilson and Charlton 1997) and can have a great impact upon the activities that a relationship undertakes. As such, the ability to exercise leadership is seen as an important aspect of boundary-spanning behaviour (Sullivan and Skelcher 2002, Williams 2002).

Leadership is often assumed to be associated with hierarchy, in that leaders are individuals or organisations occupying structurally defined roles. However, as

(Grimshaw *et al.* 2005) argue, this understanding of leadership is inadequate when discussing interorganisational relationships. This is because there is no structure in emergent relationships and hierarchical authority cannot be invoked over independent organisations and actors. Nor does the description adequately explain the nuances of interorganisational relationships as Marchington *et al.* (2005) observed individuals exercising leadership over others who *were not* structurally subordinate to them. This has implications for boundary-spanning individuals both during the creation and operation of interorganisational relationships as if boundary-spanners wish to assume leadership roles then they must be able to draw upon other sources of influence beyond their structural position.

Although leadership does not automatically flow from structure, it is unwise to discount structure entirely. This is because within interorganisational relationships one organisation or individual may have some form of 'positional leadership' (French and Raven 1959) in that they represent a powerful organisational constituency. As such, a powerful organisation may come to be acknowledged as a de facto leader and their boundary-spanners will be able to leverage these resources to achieve influence.

One important source of leadership in interorganisational relationships may be charismatic leadership (Yukl 2002). Charismatic leadership refers to the ability of an individual to gain influence by the simple force of their personality. Conger (1989) argues that such individuals gain influence because their 'followers' come to internalise the beliefs and values of the leaders. Individuals may also respond to charismatic leaders because of the perceived social desirability of supporting a charismatic leader or the vision articulated by this leader. As such, boundary-spanners

may be able to draw on personal charisma to gain control of an agenda within an emergent interorganisational relationship or to gain influence within an operational relationship.

Influence and therefore leadership within interorganisational relationships may also be derived from participation. In a participatory model of leadership, leadership operates on a democratic principle in which individuals have input into the ultimate decision. The extent of this participation by others in the decision making process varies from consultation through to joint decision making. In a consultation process, a formal leadership role exists and this individual consults relevant stakeholders. However, this assumes the existence of structures or at least a formally designated leader although it must be pointed out that the organisations involved may simply agree on a chairperson or nominate a leader (see Gray 1989). A joint decision making model of leadership, as its name suggests, involves a process where all participants take decision equally. However, this raises the question of whether a formal leader can be deemed to exist if decisions are made jointly.

The different types of participatory leadership have distinct implications for the activities of boundary-spanners. If a consultative approach to leadership is taken, boundary-spanners will attempt to gain influence with the leader to advance their case. Boundary-spanners are also likely to be active in attempting to influence the section of the leader. Boundary-spanners can be observed to be most critical where a joint decision making approach in that they are required to gain influence with their peers.

Empathy/ Suspicion

The concepts of empathy and suspicion are closely connected to reticulism and calculative trust in that they refer to the ability of individuals to detect and understand the motivations of other organisations and boundary-spanning individuals. Empathy can be seen as essential as it allows a boundary-spanner to recognise the concerns that other organisations or individual may have. This allows a boundary-spanner to achieve mutually beneficial outcomes by not attempting to advance their own agenda to the exclusion of others (Sullivan and Skelcher 2002). However, the inverse of empathy is suspicion in which a boundary-spanner is hostile and guarded and believes that there are hidden agendas at work. The discussion of calculative trust suggested that suspicion may be overcome through mutually successful interactions which demonstrate good faith (Lewis and Weigert 1985).

This section has reviewed the psychological factors that influence the behaviour of boundary-spanning individuals and these are summarised in Table 2.

Table 2: The Psychological Factors affecting Boundary-spanning Individuals

Psychological Factor	Implications for Strategic Action
Norms and Values	Boundary-spanner will act according to norms, adopting attitudes shaped by values.
External/ Internal Ambiguities	Boundary-spanner will act to gain information to lessen ambiguities. Boundary-spanners may seek to define their role in order eliminate or manage ambiguities.
Role Conflict	Boundary-spanners act in accordance with the expectations of their role. This may generate conflicts within organisations. Boundary-spanners may seek to assemble coalitions to provide social support networks or may seek to manipulate expectations.
Social Identity Theory	Boundary-spanners are likely to seek to associate themselves with the most desirable social identity.
Systemic Trust	Boundary-spanner's behaviour is shaped by their trust in the wider social system. This permits interaction to occur.
Calculative Trust	Boundary-spanners may engage in low-risk interactions to develop a pattern of successful interactions before attempting a higher-risk interaction. Boundary-spanners involved in interactions may be those deemed able to manage risk, i.e. managers.
Affective Trust	Boundary-spanners are likely to form relationships with those whom they personally like.
Competency Trust	Boundary-spanners are more likely to display the appropriate symbols to signal their competency and look for signals form other boundary-spanners.
Reticulism	Boundary-spanners will have an awareness of the network and will be able to detect which methods are likely to result in positive responses. Reticulists can also develop win-win outcomes.
Entrepreneurial skills	Boundary-spanners will act when structural circumstances allow them the opportunity. Boundary-spanners may actively seek to manipulate the structural circumstances to create the opportunities to engage in boundary-spanning.
Leadership	Leadership give boundary-spanners control over agendas and composition of the relationship. Leadership can be affected by structural position but can also be achieved through charisma or participation.

Empathy/ Suspicion	Boundary-spanners are able to understand the motivations of other organisations and boundary-spanners. Boundary-spanners may be hostile and guarded. This can be overcome by repeated successful interaction.

Conclusion

This chapter has argued that boundary-spanning can only be understood effectively by considering the motivations which underpin the activity and the psychological factors affecting the strategic action of the individual boundary-spanners themselves.

Although all the different theories of interorganisational working incorporate a theory of roles which necessitates the use of role theory to analyse them, they also place emphasis on different aspects of the psychological attributes of boundary-spanners. It was found that theories of resource and power dependency argue that boundary-spanning individuals will seek to develop exchange relationships, to gain maximal advantage within an interorganisational relationship and therefore to exploit or mitigate the dependency. However, it was argued that their ability to do this is conditional upon the nature of an organisation's inputs and outputs, as well as the geographic circumstances in which they operate. The exchange relationship between the organisations concerned was shown to rely on a contract which rested in turn on the presence of systemic trust.

Systemic trust was also shown to be important in interdependency relationships, although it was argued that these are also strongly influenced by more interpersonal relationships such as calculative and competency-based trust. Within network-based forms of interdependency, all forms of trust (systemic, calculative, affective and

competency) may be seen as important. Sullivan and Skelcher (2002) also observe that reticulist and entrepreneurial skills are critical to the development of interorganisational relationships in an interdependent network.

Collaborative advantage accounts of interorganisational relationships also seem to place great importance on the entrepreneurial and reticulist skills of boundary-spanners, and they too argue for the importance of interpersonal trust. However, the US school of collaborative advantage seems to place greater emphasis on affective and systemic forms of trust, whereas the European approach argues for a more calculative approach. By contrast, isomorphic accounts are underpinned by almost total reliance on the notion of systemic trust.

It can be argued that the motivations that drive boundary-spanning can be understood as referring to structural situations and form the structural context in which a boundary-spanner is situated. However, these accounts rest upon a number of assumptions regarding the individual behaviour of boundary-spanners and these can be effectively understood only by considering their psychology. This requires the development of a far more detailed understanding of individual agency and the importance of considering both structure and agency simultaneously. However, although this chapter has engaged with the issues of structure and agency as they relate to the development of interorganisational relations, it has not explained how an interorganisational relationship develops; it is this subject which will be examined in Chapters 5 and 6.

CHAPTER 5: UNDERSTANDING SEQUENTIAL ACCOUNTS OF THE DEVELOPMENT OF INTERORGANISATIONAL RELATIONSHIPS

Introduction

The previous chapter has examined how boundary-spanning should be understood in terms of the strategic relational approach and concluded that it can be theoretically described in terms of the motivations that drive the activity. It was also shown that these motivations rest upon a number of assumptions regarding the individual attributes of the boundary-spanners, so that boundary-spanning must be understood in terms of a theory of interorganisational working and of the individual psychology of the individual boundary-spanner. However, this approach did not explain how interorganisational relationships develop, as they are only capable of examining the reasons why a relationship may be initiated.

To explore boundary-spanning within interorganisational relationships, this chapter reviews four sequential accounts of the development of such relationships (Gray 1989, Ring and van de Ven 1994, Wilson and Charlton 1997 and Noble and Jones 2006). Although these accounts can be used to provide an initial framework, they are shown to be flawed, as they have trouble addressing dynamic processes within the development of interorganisational relationships. As such it is argued that an

alternative approach must be considered to provide a dynamic account of how the processes within the development of interorganisational relationships.

Sequential Frameworks of Interorganisational Relationships

Ring and van de Ven (1994) argue that it is analytically useful to separate out the development of an interorganisational relationship into a series of stages, as it imposes some conceptual order on events.Williams (2002) acknowledges the importance of drawing a distinction between developmental and operational stages of an interorganisational relationship. Murray (1997) agrees and suggests that the division of an interorganisational relationship into stages is an effective heuristic device. This approach also has instinctive appeal, as interorganisational relationships appear to pass through a series of stages, and a variety of writers such as Gray (1985), Snow and Thomas (1993), Alter and Hage (1993), Kanter (1994), Lowndes and Skelcher (1998), Osborne and Murray (2000) and Noble and Jones (2002, 2006) have followed this line. However, as this chapter will show, understanding interorganisational relationships in stages is inadequate, as it simply provides a description of how they develop, neither explaining how the stages progress nor providing a way of analysing the internal dynamics involved.

However, since it is impractical to review every single sequential framework of interorganisational relationships and develop their implications for boundary-spanning activity, the study has selected four of the most relevant accounts. Two of frameworks described (Gray 1989 and Ring and van de Ven 1994) are generic accounts in that they

attempt to provide a means to analyse the development of any given interorganisational relationship. The latter two frameworks are particular relevant in that they deal explicitly with the development of cross-sectoral partnerships (Wilson and Charlton 1997) and public-private partnerships (Noble and Jones 2002, 2006). These frameworks are of particular importance, because the case study discussed in Chapters 8 to 10 concerns the development of a public-private partnership which seeks to procure infrastructure for the public sector. Thus, it is necessary to base the conceptual account of how interorganisational relationships actually develop upon the established literature.

A Three Stage Process Framework

One of the most important frameworks for studying the development of interorganisational relationships is the three-stage (or phase) progressive approach developed by Gray (1989). Gray conceptualises the development of collaborative interorganisational relationships as proceeding through three sequential stages, a problem setting stage, a direction setting phase and an implementation stage. However, these stages are subdivided into a number of different activities that can be observed and as such Gray's account is distinctly normative. Furthermore, it is worth noting that although Gray does not explicitly build relationship failure or relationship termination into her framework, it is implicit that prospective relationships will fail if the various issues inherent in each cannot be resolved or if the parties to an established relationship do not honour (or cannot honour) their agreements.

In terms of structure and agency, Gray's (1989) framework is actually a rather structuralist account as the unit of analysis is the organisation rather than the individual. However, a closer inspection of Gray's arguments indicates that the framework is quite compatible with the theoretical approach to structure and agency outlined in this study. Although structure is emphasised in that the sequence of stages is privileged and the organisation is seen as the unit of analysis, the framework is actually broken down into a series of activities which depend upon interaction of individuals (Gray 1989: 57). These individuals are seen as responsible for conducting the negotiations and creating the legal agreements that will formalise the relationship. As such Gray's argument can be said to consist of individuals acting within and creating the structural context and this is compatible with a strategic-relational approach.

The Problem Setting Stage

In Gray's (1989) opinion, successful collaboration depends upon different organisations agreeing that a common problem exists and recognising that it is in their own interests to see that the problem must be addressed. Furthermore, organisations must also come to recognise the legitimacy of other actors as participants, that compromises must made and that collaborative relationships are not necessarily alliances of equals. In other words, differences in power, responsibility and size must be recognised and managed.

In terms of how organisations form collaborative ventures, Gray (1989) argues that organisations exist within domains which can be understood as a set of actors linked together by a "…common problem or interest …" (Gray 1985: 12). Therefore, organisations can be understood to exist within networks (Granovetter 1985) but may also be subject to hierarchical authority (Oliver 1990). Although, it is argued that organisations enter into collaborative relationships because it serves their interests to do so (Gray 1989: 59), Gray seems rather sceptical on the ability of organisations to form collaborative ventures without the intervention of third parties (Gray 1989: 71). These third parties may help organisations recognise the existence of interdependencies, invoke hierarchical authority to compel collaboration, provide initial resources to bring parties together or even help set the initial agenda. However, it is at this point that Gray's account becomes problematic.

For Gray (1989: 227), collaboration seems to be prefaced on the recognition of shared interests by the different organisations with a domain. As such organisations come to believe that collaboration is in their own self-interest and therefore collaboration is a voluntary decision. However, this sits oddly with the assertion that collaboration can be initiated by formal authorities, in other words collaboration can be compelled (Oliver 1990) as it seems unlikely that cooperation that is initiated by authority would produce that mutual effort necessary to address domain level problems. Another problem is that Gray seems to believe that organisations may not be capable of recognising their own interests or accepting that others are legitimate actors in within a domain. This also seems odd for a framework that purports to be a general account of the emergence of interorganisational relationships as the business-management

literature argues that organisations are quite capable of recognising their own interdependencies (see Pfeffer and Nowak 1976, Child *et al.* 2005), recognising the importance other actors (Ring and van de Ven 1994, Kanter 1994) and forming collaborative relationships to address these without recourse to mediators or third parties. This problem with Gray's (1989) account can be traced back to a fundamental bias in the literature that the framework is based upon. Gray chooses to draw on political theory – citing numerous examples of political problems such as environmental protection that require neutral mediation. However as Trist (1983) points out problems with political dimensions are often complex and somewhat emotive for the individuals involved (Lober 1997). Therefore, it is thought organisations may have difficultly in bridging the structural holes in the networks without the assistance of third party boundary-spanners.

The Direction Setting Stage

The direction setting stage is understood to involve a process by which organisations, having agreed that collaboration is in their own individual interests, attempt to identify establish how these are compatible with the objects of other organisations. As organisations establish how mutual objectives can be achieved, they will seek to formalise their relationship by establishing interorganisational structures that will underpin the relationship.

Gray (1989) argues that the most important element in the direction setting stage is that the organisations agree upon the rules that will govern their interactions. These rules

can be understood as organisational structures which enable and constrain individuals but they are created by individual interacting. As such, the strategic-relational approach (Jessop 1996, Hay 2002) serves to provide an effective way of understanding the formation of the rules that govern interaction between organisations. However, this process of rule-making can be criticised as unsophisticated. This is because Gray neglects the possibility that institutional norms (March and Olsen 1989) will shape the nature of the interaction.

Following the formation of the rules that will govern interaction, the different organisations must establish the objectives that they wish to achieve through collaboration and organise themselves accordingly. Furthermore, Gray (1989) suggests that organisations must come to develop shared understandings regarding the problem and the solutions that have been proposed. These shared meanings are developed through a process of interaction between boundary-spanning individuals in which disputes over language and facts are resolved. However, the way in which shared understandings emerge is rather underdeveloped. Huxham and Vangen (2002) draw upon empirical research to argue that developing shared understandings may take significant periods of time. This may have implications for the development of collaborative relationships as events may cause new problems to emerge or existing problems may be resolved. As such, the rationale for collaboration may breakdown. However, because Gray's framework is not dynamic, the issue of time goes unrecognised.

Finally, Gray (1989) suggests that organisations should seek to explore multiple options for organising their collaborative efforts prior to formalising their agreements. This process of exploring several different options is supposed to allow organisations to discover most equitable solutions. However, this assertion may be criticised because it does not allow for the passage of time or disparities of power between organisations. If organisations have succeeded in addressing the various issues that occur during the direction setting stage, they will reach some form of agreement which is usually formalised in the form of a written contract. However, Gray suggests that there is a difference between agreement in principle and the actual formalised agreement as the process of formalisation may reopen disputes over understandings and meanings. At this point it can be argued that Gray's framework becomes rather illogical. In order for formalisation to take place, organisations must have agreed upon shared meanings, but if these issues reoccur in the creation of a written contract, then the issues cannot be deemed to have been resolved.

The Implementation Stage

The implementation stage, as its name suggests, concerns the enactment of the agreements reached in the direction setting stage. However, Gray (1989) argues that the process of implementation is not mechanical and various issues must be managed throughout the process. These issues concern the ability of organisations to implement their side of the bargain, the creation of structures to manage the relationship and monitoring of the agreement to ensure compliance.

Gray (1989) argues, like Adams (1976), that the boundary-spanning individuals who negotiated agreements will be faced with the problem of convincing different factions within their organisations that the agreement they made is beneficial. This problem is particular acute in public sector organisations (Bingham 1986 in Gray 1989:87) where technical expertise is held by individual departments who may hold different views to their senior managers or the policy makers. This insight is particularly important in this study, as it was found that in the local authority studied (see Chapters 8 - 10) there is a disjuncture between the views of the technical specialists and the senior managers.

A further important aspect of Gray's (1989) understanding of interorganisational relationships is the nature of the of structure that exists to support the agreement Gray makes a distinction between agreements that are self-executing and those that required sustained effort. A self-executing agreement is one that is immediately implemented or whose implementation is "…self-evident…" from the substance of the agreement. As such the structure required to support this agreement is likely to be informal and based more on interpersonal relationships. A non self-executing agreement is an agreement that is considerable more complex and requires continual monitoring to ensure that both parties honour their agreement. These agreements are likely to involve a greater degree of contractual protection and will see the creation of more formal structures to support and monitor the agreement.

However, a common problem with non self-executing agreements is that the individuals involved in boundary-spanning change as the negotiators are replaced with technical specialists. Lowndes and Skelcher (1998) also observed that the identity of

boundary-spanners changes as a relationship becomes operational. This change in the identity of boundary-spanning individuals as individuals who did not create the structures must find ways of working within them. Kanter (1994) observes can cause problems as individual aspects of the agreement have to be renegotiated based on needs of the relationship. This allows the relationship to counter problems that are introduced simply by the dynamics of working together in pursuit of shared objectives.

In any form of complex interorganisational relationship, the issue of monitoring compliance is a serious problem due to the existence of information asymmetries (see Chapter 4) between the different organisations (Prager 1994). Furthermore power dynamics within the collaboration can produce situations in which one organisation cannot hold another to account (Lonsdale 2005). As such, Gray (1989) suggests organisations entering into collaboration must be aware of these problems through the process of developing the relationship as the simple willingness of collaborate is not enough.

Gray's (1989) framework offers a comprehensive account of how interorganisational relationships develop and the discussion has highlighted some of the strengths and weakness of Gray's approach. The framework itself is both simple and comprehensive and engages with some of the complexities of developing collaboration. Furthermore, Gray also correctly highlights the disjuncture that may exist between the boundary-spanners negotiating an agreement and those will be tasked with implementing the agreement. The framework also engages with the distinction between self-executing and non self-executing agreements and it is worth noting that this discussion is

virtually unique in the study of interorganisational relationships. This discussion is particular important in this study as Gray recognises that the nature of the agreement determines the structural form required to support it. As such, it is likely that an SSP would require a detailed contractual arrangement between the different organisations given its complexity (Hughes 2005).

The discussion also highlighted that Gray's (1989) approach only allowed for the possibility that divisions existed within organisations at the implementation stage. Therefore, the framework did not allow for divisions to exist during the formation of the agenda for collaboration. It can be argued that this understanding of an organisation is simplistic as there is little reason to believe that internal disputes within organisations only manifest themselves after an interorganisational agreement has been reached (Burrell and Morgan 1979, Reed 1992). However, more serious criticisms of Gray's framework concern the implicit argument that organisations are incapable of forming interorganisational relationships without third party assistance. Another serious problem is that the framework is insufficiently dynamic and does not take account of the importance of time.

A Three Stage Cyclical Framework

Another highly influential framework (Ring 2006) of how interorganisational relationships develop is the three-stage cyclical framework of Ring and van de Ven (1994), which conceptualises the first stage of a prospective relationship as one in which (boundary-spanning) individuals within organisations engage in a process of

negotiation with their counterparts over the terms, procedures and conditions of a prospective interorganisational relationship. The negotiation stage is followed by a commitment stage, in which the prospective relationship is 'formalised', either by mutual understanding or by legal contract. Finally the relationship is executed, in that it becomes operational; during this operational stage certain aspects of the relationship will be subject to renegotiation as events change the dynamics of the relationship and boundary-spanning individuals must be capable of adapting in order to preserve it.

Although Ring and van de Ven's framework has three stages, they argue that towards the end of the operational stage, the relationship may "discharge" (Ring and van de Ven 1994: 98) in that it has fulfilled its objectives and no longer serves any purpose, or that one partner has breached the conditions of the relationship so that it can no longer function. Thus, the framework treats the termination of a relationship under conditions of success as analogous to relational failure.

The approach of Ring and van de Ven (1994) to interorganisational relationships is quite compatible with the wider theoretical positions taken by this study, because Ring and van de Ven see the development such relationships in terms of the interplay between structure and agency. In this perspective, the process is driven by the need of organisations to engage in exchange relationships in order for them to gain the resources needed to continue their operations. This relationship exists at both the structural or macro-level and at the level of the individual boundary-spanner; and it is assumed that the boundary-spanning individuals are shaped by the structural context in which they exist and in turn shape the structure.

The Negotiation Stage

At the structural level, the organisations are embedded within a network which provides opportunities for them to locate each other or be introduced (by third party boundary-spanners). This search process is carried out by individuals and it is they who are introduced to other individuals, but it is important to recognise that they are only able to engage in these boundary-spanning activities in which they bridge structural holes or come into contact with each other because they occupy roles that are associated with boundary-spanning responsibilities. It might therefore be implied that boundary-spanning individuals can be seen as possessing a measure of reticulist ability. However, it is important to note a difference in definitions between this study and the account of Ring and van de Ven (1994), who seem to view boundary-spanners as specialists who perform back office functions (Marchington *et al.* 2005) and thus as individuals whose functional role is dedicated to cross-boundary working. In this view, although some individuals may engage in boundary-spanning activities, their function is not purely to do so and they cannot, therefore, be considered as boundary-spanners. This study rejects this position and argues that these individuals should also be seen as boundary-spanners, as this makes more logical sense.

As can be observed, Ring and van de Ven's (1994) argument sees boundary-spanning as something that is linked to formal role, so that the structure can be seen as constraining and enabling the opportunities that individuals have to engage in boundary-spanning. Furthermore, organisations are embedded within a network of

other organisations which also imposes structure by limiting opportunities for particular exchange relationships to develop.

Once boundary-spanning individuals from different organisations have made contact with each other, they enter into a negotiation and this causes them to become subject to ambiguities, as they do not know whether the party with whom they wish to develop exchange relations can be trusted or whether they can actually contribute towards the objectives of the first party. In order to deal with these uncertainties, boundary-spanners initially interact through their structurally defined roles and to this extent the structure can be understood to provide the context in which actors are able to act. However, the structurally contextualised individuals also have expectations associated with the roles that they and their counterparts occupy (Ring and van de Ven 1994: 95) and these expectations also influence their strategic decision-making. As the interaction proceeds, individuals will find that their expectations of the other party are either borne out or not, reducing the uncertainties associated with the interaction as individuals have observed patterns and a greater amount of information upon which to base decisions.

Therefore, it can be argued that the emergence of interorganisational trust at the negotiation stage is underpinned by a calculative mechanism (Lewis and Weigert 1985) which reduces ambiguity. These calculative interactions, if successful, allow individuals to move beyond the purely structural, role-based interactions to form more personal relationships with their counterparts, so that calculative trust is replaced by more affective forms.

The process of information exchange between the parties during the negotiation stage allows each side to come to understand the objectives that the other seeks to realise and how their objectives are compatible within an exchange relationship. This interaction between individuals leads to the formation of "joint (not individual) expectations" (Ring and van de Ven 1994: 98) which inform the strategies that individuals may use to realise their overall objectives. This occurs because the joint expectations serve to generate both an informal contract of behaviour and an informal commitment to the relationship, and this may be regarded as part of the structural background of the commitment stage.

The Commitment Stage

As the relationship enters the commitment stage, the boundary-spanning individuals have generated both interorganisational and interpersonal trust and have established an informal contract of behaviour associated with particular norms which have arisen through the generation of shared understandings during the negotiation stage. However, these norms are not generated spontaneously from the interaction between individuals; rather they are influenced by pre-existing social norms (Macneil 1978), so that individual interaction occurs within a structural context. Although the informal contract may be sufficient to guide the future relationship, Ring and van de Ven (1994) argue that the organisations may choose to formally constitute the relationship in the form of a legal contract, whose purpose is to ensure that misrepresentations or misunderstandings cannot occur. This may be understood in terms of the strategic-

relational approach as representing a desire to reduce the strategic options available to the other party by creating a structure that is more difficult to alter than the informal contracts that have previously emerged. Thus it can be argued that affective and calculative trust is replaced with a reliance on systemic trust to govern boundary-spanning interactions.

The Execution Stage

The final stage of Ring and van de Ven's (1994) framework is the execution stage, in which the identity of the boundary-spanning individuals changes from strategic decision-makers to operational managers. However, these individuals have not been involved in the process of repeated interaction, so the relationship is likely to retreat into role-based interactions informed by the formal structural agreements created at the commitment stage and this serves to constrain the options of the individual agents. This interaction through roles defined by the organisational and contractual structure continues until individuals come to meet the expectations they have of each other and are able, through the use of a calculative mechanism, to develop interpersonal trust; and this also leads to the development of norms and practices of behaviour (Macneil 1980). In other words, agency exists within a structural context and structure is altered by agency. As the framework is cyclical, it is argued that the operation of the relationship generates a situation in which the parties must engage in negotiations to manage unforeseen events and changes to the wider objectives of the organisations involved.

The analysis of Ring and van de Ven's (1994) framework has shown that it is compatible with the theoretical approach of this study and that it provides support for understanding boundary-spanning in terms of its structural and psychological aspects. However, the framework can be criticised, as it conflates the process of negotiation with that of evaluation. Ring and van de Ven suppose that organisations are negotiating with each other as they are evaluating each other, which makes little sense, as negotiation involves bargaining and disagreement, whereas evaluation is concerned with establishing whether the other party can be trusted and whether it can meet the first party's requirements for the partnership. These processes involve substantially different interactions and it is far more logical to separate them as other frameworks have done (e.g. Noble and Jones 2006); but Ring and van de Ven appear to neglect detail in favour of simplicity.

A Four Stage Process Framework

The framework developed by Noble and Jones (2002, 2003, 2006) is the most significant for this study. Their approach is explicitly concerned with the role of boundary-spanning individuals in the development of public-private partnerships. The account of Noble and Jones (2002, 2006) is based upon a grounded theory investigation of how partnerships develop in both Britain and Australia, which makes it methodologically rather stronger than most accounts of emergent PPPs.

Noble and Jones, like Ring and van de Ven (1994), draw a distinction between individuals whose functional role requires boundary-spanning, such as customer-facing

service staff (Bowen and Schneider 1985), and those whom they term 'boundary-spanners', who must engage in boundary-spanning to accomplish wider tasks. These individuals are seen as the managers tasked with the day-to-day contacts with other organisations who will eventually be tasked with the management of the partnership, as well as the project champions who drive the process forward. Although a distinction is made between boundary-spanners and project champions, it is suggested that both hold managerial positions and the former are not assumed to be subordinate to the latter. In Noble and Jones's account, boundary-spanning is also seen as an internal activity, in which the boundary-spanners find it necessary to engage with project champions – and through them the rest of their organisation – in order to complete the partnership.

The approach that Noble and Jones develop is outlined in three separate papers (2002, 2003 and 2006) and there is some variation between them, shown in Table 3.

Table 3: Noble and Jones: The Different Accounts

Year	**Stage**			
	1	**2**	**3**	**4**
2002	Trawling	Sizing-up and Structuring the partnership		Rolling out
2003	Trawling	Sizing-up	Incubation	Rolling out
2006	Pre-contact	Trawling	Sizing-up	Structuring the partnership

All three accounts of their development accept that partnerships are driven by resource dependencies and argue that partnership is an effective way of addressing these. In the first two accounts, Noble and Jones (2002, 2003) choose as their start point the 'trawling stage', in which organisations are actively engaged in the search for a

partner. Later, Noble and Jones (2006) acknowledge that this analysis misses the internal discussions that take place within an organisation regarding the need for a partnership, so a 'pre-contact' or internal discussion stage is included in the 2006 paper. All three account are in agreement that organisations search for potential partners and having located one engage in a process of evaluation and formal negotiation which results in a formal, legal agreement. At first, however, Noble and Jones (2002) suggest that these activities are concurrent, whereas in the later version of their framework, they see them as sequential. Finally, in their 2006 framework, they choose to ignore the operation of the partnership in favour of a discussion regarding its development. Thus, their later argument implies that a partnership operates in reference to agreements and contracts that were created during the fourth or structuring stage. However, this argument seems deficient when considered in reference to their previous accounts. In other words, it seems that their argument has actually gone backwards.

As the discussion above has shown, however, the differences among the three accounts can be considered as rather minor and it is possible to argue that Noble and Jones see PPPs as consisting of five stages. The first is a pre-contact phase in which intra-organisational discussion takes place to determine whether or not to engage in a partnership as a means of addressing resource dependencies within the organisation. The second stage involves a search for a potential partner and once one is found, a third or 'sizing-up' stage begins, in which the potential partners evaluate each other in order to develop trust. This stage concludes when trust has developed and the partnership enters a fourth or 'structuring' stage, where its formal structure is

developed. Finally, the partnership is 'rolled out' and becomes operational. As with Ring and van de Ven's (1994) framework, the approach of Noble and Jones (2002, 2003, 2006) is also compatible with the theoretical approach developed in this study.

The Pre-Contact Stage

In the first stage of a public-private partnership, Noble and Jones (2006) suggest that internal discussions take place between managers as to whether the organisation actually requires a partnership to address resource dependencies. At this stage, it is argued that the individuals involved are managers: individuals who occupy specific roles within the organisational structure. It is also recognised that individuals have specific objectives which may be personal (career advancement) or derived from the requirements of the organisation (i.e. resource dependencies). Organisations are also seen as existing within a structural context in which other organisations control required resources (see Chapter 4); these structural factors both limit and enable the courses of action that agents can use to realise their strategic intentions. It is also argued that individuals within organisations have beliefs regarding other organisations; Noble and Jones (2006: 911) note that private sector organisations often believe that the public sector is inefficient and in need of their expertise, and it is implied that the public sector also holds negative perceptions of the private sector (Osborne and Murray 2000).

During the pre-contact stage, Noble and Jones (2006) argue that the internal discussions do not involve boundary-spanners, but are conducted by project champions

who are understood as the strategic managers. Once the strategic decision to undertake a partnership has been made, the project champions delegate responsibility to boundary-spanning managers, who are expected to implement the strategic decisions of others. These boundary-spanning managers thus exist in a structural context (their role) but find that their strategic options are affected by decisions made by others. Noble and Jones also suggest that as the boundary-spanning managers become involved in the proposed partnership, they are subject to ambiguities because they do not have all the information required to evaluate the intended partnership. This ambiguity may be reduced if individuals are provided with sufficient information to allow them to evaluate the strategic decisions of others.

The Trawling Stage

The trawling stage involves a search for a prospective partner and boundary-spanners are tasked with this role, so their strategic objective can be understood as the location of a potential partner. However, the structural constraints on public and private sector organisations differ substantially. These exist at the institutional level, as public sector organisations are subject to "legal and regulatory requirements [which] demand a high level of due diligence, transparency and openness" (Noble and Jones 2006: 906). By contrast, private sector organisations exist in an institutional environment characterised by competition, which may require them to act in a more secretive manner. Thus, public sector boundary-spanners may adopt a comparatively passive approach to searching for a partner involving the use of open tenders and widespread publicity, in order to guarantee that the process is seen to be fair. While private sector boundary-

spanners are constrained by the nature of competition and may not wish to alert competitors, their structural situation also gives them a degree of freedom that their public sector counterparts lack, as they can exploit interorganisational networks.

Noble and Jones (2006) imply that private sector boundary-spanners require a combination of reticulist and entrepreneurial skills to locate partners and recognise the opportunity that partnership affords to solve resource dependencies, although the exercise of these entrepreneurial skills should be seen as reactive to the structure rather than an active attempt to change the structural circumstances. Both public sector and private sector boundary-spanners at this stage are also subject to ambiguities in that they may not understand the other. For public sector boundary-spanners, the capabilities and the interests of private sector organisations in the proposed partnership remain uncertain, while for private sector boundary-spanners the methods of operation and the norms that govern the behaviour of the public sector are unfamiliar. Noble and Jones (2006) suggest that for private sector boundary-spanners these ambiguities may result in considerable tensions within their organisations, as practices that are widespread in the private sector are not reflected in the public sector (Du Gay 2000). As public sector boundary-spanners are more constrained by their structural systems, they may not experience these tensions, being able to retreat behind procedure.

The existence of these ambiguities causes interaction between public and private sector organisations to be cautious and calculative (Noble and Jones 2002). This can be attributed to the fact that neither party has observed the behaviour of the other. Furthermore, as the organisations exist in different institutional contexts, it is not

possible for boundary-spanners to generate expectations based on prevailing institutional norms and role expectations. Noble and Jones (2006) suggest that this leads to the generation of expectations based on stereotypes of the sector concerned, which in turn causes interaction to be cautious, as these stereotypes are invariably negative. Thus it should be recognised that norms and values are of considerable importance during the trawling stage. However, it is equally true that as interactions occur, the parties are able to develop clearer understandings of each other and this reduces the ambiguities, allowing boundary-spanners to judge the potential value of the partnership, so that the relationship is able to proceed to the sizing-up stage.

The Sizing-up Stage

The principal objective of the sizing-up stage is for the individuals (and organisations) to discover whether they can actually work successfully together and whether the interorganisational relationship will produce the desire outcomes. This evaluation exists at both the structural and individual levels. The structural interactions between the organisations involve a formalised process in which boundary-spanners meet with a formal context and seek to evaluate the potential partner based upon factors such as financial stability (Noble and Jones 2003). At this stage, boundary-spanning activity is carried out by both the managers who developed the partnership and the project champions (the senior strategic managers who initiated the partnership), with the meetings providing a structural context in which individuals are afforded the opportunity to engage in boundary-spanning.

This context is believed to shape the opportunities for individuals to act in a number of ways. Initially, the project champions are able to use both their structural position in the organisation and their status within the formal meeting to shape the agenda. They are also able to use the opportunity afforded by the meeting to win support from individuals who may not share their enthusiasm for the project. Although Noble and Jones (2006) do not develop the point, it can be inferred that the identity of the chairs of these meetings is conditionally upon the location in which they are held, as it seems unlikely that a private sector organisation holding a meeting on its premises would allow a public sector employee to take the chair. Indeed, it might be argued that the structural context of such a meeting would be influenced by considerations of power dependency, where the most powerful (i.e. least dependent) organisation is able to set the agenda.

The boundary-spanning activity of the project champions is largely structurally determined, based as it is on the needs of the organisation and their formal position within it. However, this boundary-spanning also has a psychological dimension relating to the reduction of ambiguity, since the exchange of verifiable information allows for individuals to develop more accurate expectations of the likely behaviour of the potential partner as their level of knowledge increases (Noble and Jones 2002). These formal interactions also occur concurrently with continued interaction between the boundary-spanning managers who are expected to operate the partnership; and it is argued that this repeated interaction allows for more effective forms of trust to emerge as interpersonal bonds are formed between the managers, which will allow them to operate the partnership (Noble and Jones 2002). Hutt *et al.* (2000) also comment on the

existence of an interpersonal network underpinning a partnership. This suggests that that the boundary-spanners should also be seen as possessing reticulist abilities (Sullivan and Skelcher 2002), as these skills would allow them to create the network.

The Structuring the Partnership Stage

The outcome of the structuring stage is believed to consist of a formal contract that will provide the structural context in which the relationship operates in the 'rolling out' stage (Lowndes and Skelcher 1998). Although the boundary-spanners involved at this stage are attempting to create a shared structure, they remain as actors contextualised within their own organisations. However, their strategic objectives at this stage are devoted to creating a contractual structure that brings the greatest possible benefits to their own organisation. In other words, they act as contextualised agents who are seeking to create a structure which enables their actions but constrains their partner.

The ability and willingness of boundary-spanners to pursue these strategies is conditioned by their individual psychology and in particular upon their understanding of norms and values that exist in an organisation. The norms and values of an organisation influence the attitudes that boundary-spanning individuals may have during the negotiation process and as such they will inform their negotiating strategies. This is supported by the observation of Noble and Jones (2006) that private sector boundary-spanners believed that they held a dominant position in the negotiation by virtue of the fact their organisation operated in the private sector.

The second psychological element of boundary-spanning observed in the arguments of Noble and Jones (2006) concerns reticulist behaviour, which has been previously described as the ability of the boundary-spanner to operate within networks and generate win-win scenarios for organisations. Noble and Jones also see boundary-spanners as been able to locate the key individuals within an organisation and this may be understood as referring to their ability to operate within a network. It is also argued that boundary-spanners are able to generate win-win situations, which are considered necessary for the interorganisational relationships to survive, as boundary-spanners believe that compromise generates resentment, which would undermine the relationship.

Boundary-spanning individuals can also be seen as subject to role tensions within their own organisations. It is suggested that project champions are keen to secure the more advantageous contractual form and will pressure boundary-spanners accordingly (Adams 1976). However, as the latter may be considerably closer to the negotiation and structuring process, they will be able to sense – through reticulist (empathic) skills – the existence of non-negotiable areas and the point at which the other party will abandon the proposed partnership (Friedman and Podolny 1992). In this way, boundary-spanners are thought of as engaging with the project champions and by extension senior managers to argue that the contract negotiated is as beneficial as possible. This can be understood in strategic-relational terms as the boundary-spanners attempting to demonstrate the existence of the structural context in which they work and how this has limited their strategic options.

The Rolling-out Stage

As noted above, the rolling-out stage originally referred to by Noble and Jones (2002, 2003) is omitted from their 2006 paper, so that the account of this stage is rather underdeveloped. However, both Murray (1997) and Williams (2002) have argued that the existence of this stage is logical; it is certainly possible to make some comments regarding the nature of boundary-spanning at this stage. The creation of the contract that underpins the relationship between the organisations forms a structure that links the two organisations together and within which individual agency occurs.

Although the contractual agreement details the responsibilities that each party has and provides boundary-spanners with the formal structure in which they operate, as it constrains certain activities and enables others, the actual activities of the boundary-spanners must be understood in psychological terms. Nevertheless, it must be recognised that unless the partnership involves the creation of a special-purpose vehicle or the transfer of staff (Rubery *et al.* 2005), individuals remain embedded within the structure of their own organisations and so are contextualised within the contract and their own organisations (see Chapter 4 for a more detailed discussion). This may generate role tensions (Adams 1976), as boundary-spanners are faced with a multitude of strategic choices.

Turning to the operation of the contract, it is fundamentally underpinned by the prevailing societal norms and thus is founded on systemic trust (Simmel 1950, Luhman 1979). However, the contract itself is also deemed capable of generating its own norms of exchange, to which the boundary-spanners will thus be subject (Macneil 1978,

1980). During the sizing-up and structuring stages, boundary-spanners were observed to act as reticulists, in that they generated interpersonal networks which would underpin the partnership; initially, interaction in these networks was considered to be based on a calculative mechanism as the individuals attempted to manage ambiguities. These were considered to have been resolved during the negotiating and structuring stages, while in the rolling-out stage the interactions of boundary-spanners are thought to operate on affective trust (Noble and Jones 2003) between individuals.

The discussion above has reviewed the approach taken by Noble and Jones (2002, 2003, 2006) towards the development of interorganisational relationships. It has been suggested that these relationships can be understood in five stages: pre-contact, trawling, sizing-up, structuring and finally the rolling out or operational stage. At each of these stages it was shown that boundary-spanning individuals work towards particular objectives and that their actions can be understood as situated within a particular structural context. It was also shown that the psychological factors identified in Chapter 4 can be used successfully to understand the behaviour of the boundary-spanners during the process of developing an interorganisational relationship.

A Five Stage Process Framework

Wilson and Charlton (1997) propose that an interorganisational relationship develops in five stages. In the first stage, different organisations recognise a common interest and begin to develop a partnership. In the second stage, the prospective partners seek to develop a shared vision regarding the direction of the partnership and in the third

stage the partnership is formalised and structured. The fourth stage concerns the implementation of the agreements underpinning the partnership and finally the partners plan for the future in the fifth and final stage. This process of planning for the future may involving drawing up an exit strategy or developing some way of continuing the work of the partnership in another form.

Wilson and Charlton's (1997) framework was developed from a study of 12 different inter-sectoral partnerships and as such their work can regarded as rather more empirically driven than the theoretical account of Ring and van de Ven (1994). However, it is worth noting that Wilson and Charlton seek to create a normative framework that is of use to practitioners and as such their research makes little attempt to locate itself in the literature on partnerships and partnership working. Despite this criticism Wilson and Charlton's account is particularly valuable to the study of public-private partnerships because their account is one of the few (see Murray 1997 or Noble and Jones 2006) that specifically examines the development of cross sector partnerships.

In terms of its positioning within a strategic-relational understanding of an organisation, Wilson and Charlton's (1997) framework can be regarded as a structuralist account as it is concerned with process and treats organisations as the unit of analysis. However Wilson and Charlton do make some references to individuals and it make be safely assumed that individuals are seen as working within a structural context (i.e. their organisations) or particular networks. These individuals, through the

process of making agreements, create structures and therefore the argument is compatible with the strategic relational approach.

The Emergence of a Partnership

Partnerships, in Wilson and Charlton's (1997: 11) view are formed largely because the "…current political agenda…" sees partnership as essential for bringing different interest groups together in order to tackle complex problems (see Trist 1983). However, Wilson and Charlton suggest that the agenda for partnership is not only driven by a desire to a tackle a complex problem, but also by a desire to ensure that all relevant parties are represented when public funds are dispersed. In other words, cross-sector partnership is promoted because it is democratic. Although, this argument may be appropriate for partnerships involving voluntary sector and the public sector, it should be noted that it treads perilously close to an argument for 'corporate welfare' as it suggests that commercial organisations have a right to access public money, a view that both Jacobs (1992) and Mintzberg (1996) would reject.

As Wilson and Charlton's account is a normative, practitioner orientated account they adopt a similar argument to Gray (1989) and sub-divide each stage into a series of activities and issues that must be managed to create a successful partnership. The most critical of these issues concerns the identification of stakeholders – i.e. the individuals whose cooperation is actually required to address the problem and establishing the legitimacy of the partnership. In terms of identifying stakeholders, Wilson and

Charlton (1997) appear to draw strongly upon the idea of networks (Sullivan and Skelcher 2002) and concepts of legitimacy and power.

The argument regarding networks, legitimacy and power is that different organisations and individuals vary in their ability to tackle the problem and in their ability to contact other organisations or individuals. Furthermore, organisations and individuals are perceived in different ways. As such, it may be important for a partnership to involve particular organisations or individuals because they are well connected, recognised as legitimate or can deliver resources. Although, all of these issues are important, Wilson and Charlton's argument assumes that organisations involved in partnership are committed to the idea of cooperation. As such, no possibility is allowed for the possibility that organisations may attempt leverage resources to secure dominance within the partnership. This can be regarded as a serious intellectual failing of Wilson and Charlton's (1997) account.

If a prospective partnership is able to successfully involve different stakeholders, the individuals and organisations engage in a series of repeated interactions. This process allows the various stakeholders are attempting to ascertain the objectives of the different organisations. Furthermore, the process of repeated interaction allows both parties to learn about each other and discover how their skills and abilities will complement each others. In this respect, Wilson and Charlton (1997) appear to be suggesting that partnerships are successful if collaborative advantage can be developed. However, this conception of collaborative advantage appears to view collaborative advantage as the result of collaboration rather than the motivation for

collaboration. As such, the argument can be located in the same body of work as Huxham and MacDonald's (1992) or Huxham (1996) as opposed to the arguments of Kanter (1994) or Dyer (2000). However, a note of caution must be exercised with regard to the validity of Wilson and Charlton's argument. Wilson and Charlton argue that through the process of repeated interactions, the different organisations will become disabused of stereotypes regarding other. For example, private sector organisations often considered the public sector to be hidebound. However, Noble and Jones (2006) found that these stereotypes persisted throughout the process of developing an interorganisational relationship. It should also be noted that this research also found that stereotypes and distrust appeared to persist (see Chapters 8 - 10).

If a prospective partnership is able to successfully identify relevant stakeholders and is able to bring them together, the relationship is likely to proceed into the second stage. In the second stage, the members of the partnership attempt to establish a shared vision of the aim and objectives of the partnership.

The Development of a Vision and Structuring the Partnership

Although Wilson and Charlton (1997) view these stages as separate, it is useful to consider them together. This is because, as Gray (1989) points out, the structure of the partnership is a direct consequence of the objectives of the partnership. Furthermore, the act of creating documents such as mission statements involves the creation of a structure.

The development of a vision refers to the emergence of a shared understanding amongst the different members of a partnership as to the purpose of the partnership, a process that entails resolving conflicts between the different members. In this respect Wilson and Charlton's (1997) argument is very similar to Gray's (1989) account as Gray also recognises the importance of developing shared understandings between different organisations in collaborative ventures. Wilson and Charlton argue that the agreement that the different organisations reach as to the purpose of the partnership is closely linked to the reasons behind its creation. This suggests that the first stage of the prospective relationship is intimately linked with the second stage and that any separation between them is largely analytical (Ring and van de Ven 1994).

Wilson and Charlton (1997) highlight that a potential risk during the process of developing shared understanding is that the different organisations will spend too much time attempting to developing shared understandings. Huxham and Vangen (2005) termed this collaborative inertia. However, Wilson and Charlton do not follow the logic of their argument through its conclusion as if the purpose of a partnership is determined by the reasons underpinning its origin; it would follow that partnerships may be established simply to give the appearance that a partnership exists.

This process of developing shared understanding is logically conducted through boundary-spanning individuals. This argument suggests that the level of knowledge that the boundary-spanners have regarding the purpose of the partnership and the objectives of their organisations will be important in determining their actions. If boundary-spanners believe that the partnership is a genuine attempt to achieve

coordination and that their parent organisation is committed to the partnership, then it is likely that they will make sincere attempts to develop shared understandings. However, if the purpose is simply to give the appearance of a partnership, then the boundary-spanners purpose will simply be to create the appearance of action.

The process of structuring the partnership involves the organisations creating a formalised agreement that will determine the organisational form and the nature of the administration, supervision and management structure. In this respect the framework Wilson and Charlton advance is remarkably similar to Gray (1989), Ring and van de Ven (1994) and Noble and Jones (2006) who all recognised that creating a formalised legal agreement was essential prior to operation. However, were Wilson and Charlton different from the other accounts is that they attempt to be more prescriptive in respect of the role of executive committees, line management and individual boundary-spanning staff. The fact that Wilson and Charlton include this discussion is unsurprising given that their framework is fundamentally normative.

Implementing Agreements

In their discussion of the implementation of a partnership, Wilson and Charlton (1997: 52) state that do not wish to define what constitutes a successful partnership on the grounds that such a judgement would be subjective. However, it may be inferred from their argument that a successful partnership is one that has developed a "…systematic solution…" to the problem that it was created to tackle. In other words, the partnership has been able to address the causes of a problem. Wilson and Charlton also recognise,

as do Ring and van de Ven (1994), that as partnerships become operational individual managers will form informal relationships. Marchington *et al.* (2005) identify these individuals as boundary-spanners and Lowndes and Skelcher (1998) and Kanter (1994) also recognise their importance interorganisational relationships. Although it might be pointed out that Wilson and Charlton's recognition of the importance of these informal relationships is rather poorly thought out and it is worth quoting directly:

> Partners must be aware that any formal structure has an informal shadow. A partnership is no difference. The skill [of a successful relationship] is to use informal networks, links and alliances to build positive relations between all the different partners. If these informal relations are open and accessible to all, then the process will reinforce the values and ethos of the partnership.
> (Wilson and Charlton 1997: 7)

As can be seen Wilson and Charlton's argue that the establishment of informal networks is of importance to the partnership. However, this contradicts their previous assertion that partnerships are a democratic device. An informal network by its very nature is closed and relies on personal interactions and introductions, as such it is difficult to see how the emphasis that is placed on these networks fits with the assertion that partnerships are democratic. It is possible that Wilson and Charlton's intend their argument to suggest that partnerships are democratic in their instigation but not in operation.

Planning for the Future

The final stage of Wilson and Charlton's (1997) model concerns the termination of interorganisational relationships and in this respect, their framework is substantially different from Gray's (1989) and Noble and Jones (2006). Although Ring and van de Ven (1994) do include allow for the possibility that relationships terminate, their approach does not incorporate this as a specific stage. The reason why Wilson and Charlton include a termination stage is that their study focused on time limited partnerships created to address immediate problems. In the termination stage of a relationship, Wilson and Charlton suggest that organisations engage in a process that they term 'planning for the future.' This involves organisations attempting to determine whether or not the partnership or the networks underpinning it can survive in some amended form. However, it should be noted that this is not only conditional upon wider events such as the availability of funding but also upon the experiences that the partners had of working together. If the different organisations involved believe that the aspects of the partnership can survive the dissolution of the partnership, it can be argued that Wilson and Charlton's framework actually becomes logically unsustainable as a sequential framework and in effect becomes a cyclical framework.

The analysis of Wilson and Charlton's (1997) framework has indicates some broad similarities with other sequential accounts of interorganisational relationships. This similarity is unsurprising as Gray (1989) points out that the variations between different frameworks is often due to the way in which activities are understood. The discussion also found that Wilson and Charlton's account is overly normative and (in places) rather poorly thought out. For example, Wilson and Charlton's claim that

partnerships are more democratic actually treads very close to arguing for state subsidy of private sector businesses. Nor is the assertion that the partnerships are democratic compatible with the belief that informal networks underpin the operation of partnerships. However, Wilson and Charlton do draw attention to importance of considering the political context of emergent partnerships and this is of particular importance when studying Public-Private Partnerships and Strategic Service Partnerships.

Criticisms of Sequential Frameworks

Although multi-stage frameworks provide a useful description of how interorganisational relationships develop, they are subject to a number of major criticisms, the most important being that the frameworks have little explanatory power, in that they reduce analysis of interorganisational relationships to merely comparing observed events against the model, rather than providing an explanation of why a particular action or event occurred. As such they tend to be highly descriptive and this habit of providing a detailed description of events leads to their becoming highly normative. A second criticism of sequential models is that they are managerial, in that their description of the process is designed to allow practitioners to understand how an interorganisational relationship develops. Thus, the argument has tended to ignore Murray's (1997) suggestion that the stages should be seen as heuristic devices, in favour of a more normative description.

Sequential frameworks can also be critiqued on the grounds that they are insufficiently attentive to the wider context in which interorganisational relationships develop, having little to say regarding the relationship between the decision to seek an interorganisational relationship and the organisation's environment. This can be illustrated in the way in which the frameworks present the inception of interorganisational relationships. For both Ring and van de Ven (1994) and Noble and Jones (2002, 2003, 2006) the decision to seek an interorganisational relationship is driven by factors internal to the organisation (i.e. the need for exchange or resource dependencies), which neglects the wider context in which organisations are embedded, such as institutions or legal and political environments; thus it is assumed that organisations always have the capacity to realise interorganisational relationships, irrespective of wider structural circumstances.

Conclusion

This chapter has reviewed four different understandings of how interorganisational relationships (or partnerships) develop including the accounts of Gray (1989), Ring and van de Ven (1994), Wilson and Charlton (1997) and Noble and Jones (2002, 2003, 2006). The review indicated that the frameworks bare a number of similarities to each other and provide a comprehensive overview of the process by which interorganisational relationships develop. This supports the arguments of Murray (1997) who suggested that sequential frameworks are useful heuristic device. Although the different frameworks made some attempt to engage with the wider context in which interorganisational relationships develop, the arguments were found

to be unsophisticated. Furthermore the role of dynamic individuals within organisations is poorly conceptualised and nor can the models adequately explain the mechanism that underpins progression through the sequence. In other words, sequential models provide a description but have limited explanatory power.

To address these problems, this study argues that sequential frameworks can be used in conjunction with policy process models (which are themselves implicitly sequential). In the following chapter, several policy process models are critically examined and it is shown how these can be combined with a sequential framework to understand the development of an interorganisational relationship or partnership.

CHAPTER 6: UNDERSTANDING THE DEVELOPMENT OF PARTNERSHIPS – A CONCEPTUAL FRAMEWORK

Introduction

The previous chapter examined four sequential accounts of how interorganisational relationships develop (Gray 1989, Ring and van de Ven 1994, Wilson and Charlton 1997 and Noble and Jones 2002, 2003, 2006). It was concluded that whilst these accounts are useful as heuristic device, they are insensitive to the wider context and have limited explanatory power. To address this problem, it was suggested that sequential accounts could be combined with policy process models (Kingdon 1984, 1995, Lober 1997, Takahashi and Smutny 2002). These models provide an account of the dynamic processes within organisations and pay more attention to the context in which interorganisational relationships develop.

This chapter is divided into three broad sections. The first section reviews the agenda setting model of John Kingdon (1984, 1995) which was developed to explain the process of policy formation within the US Federal Government. The second section reviews two variants of Kingdon's original model which were proposed by Lober (1997) Takahashi and Smutny (2002) to examine decision making (agenda setting) within commercial organisations. The third section shows how policy process models can be integrated with the sequential frameworks of interorganisational relationships. This allows a conceptual framework to be constructed which explains the process by

which an interorganisational relationship emerges and is sensitive to the role of context and recognises the role of dynamic individuals.

Policy Process Models

Policy process models seek to give an account of the nature of the development of policies (Sabatier 1999). There are several different theoretical models that are grouped together as policy process models and these range from the agenda setting model which was proposed by Kingdon (1995), punctuated equilibrium (True *et al.* 1999) to the more recent evolutionary approach suggested by John (2003) which is informed by contemporary biology. This study has opted to use a variant of Kingdon's agenda setting model as this approach argues that policy formation is the result of interactions between individuals and events in the external environment. As such, Kingdon's model is able to explore the role of individual agents and the impact of structure factors that enable or constrain their actions and fits well with the strategic-relational approach.

Kingdon's (1984, 1995) original approach was developed to explore the process by which agendas (or policies) are created within the US Federal Government. However, Exworthy and Powell (2004) suggest that Kingdon's approach identifies too closely with the US political system and in particular with Washington DC. Therefore the model contains too many features specific to this environment. This problem is particularly problematic when Kingdon's model is adapted to examine policy formation within organisations such as local authorities. To resolve this problem, this

study has drawn upon Douglas Lober's (1997) adaptation of Kingdon's original model which is renders the model suitable for use in an organisational context.

The following sections first examine and clarify some of the terminology used in Kingdon's agenda setting model before proceeding to outline the model itself. The discussion then turns to Lober's (1997) modified policy process model and the way it has been utilised by Takahashi and Smutny (2002). Finally, some critical comments are made regarding problems that are inherent in the agenda setting model and its variants.

The Agenda Setting Model

Kingdon's (1984, 1995) original agenda setting model is a refinement of the garbage can model of Cohen *et al.* (1972). However, where Cohen and his co-authors sought to understand the process of organisational decision-making (Zaharidas 1999), Kingdon sought to examine the process by which the US Federal Government forms policies. Kingdon's approach is to conceptualise the policy-making process as a garbage can in which different factors interact and this was applied to the process by which a proposal can be elevated to the status of a policy agenda in the US federal political system. However, at this point it is necessary to briefly discuss some of the terminology used by Kingdon's model as it can be rather confusing.

Within the majority of political science, public administration and indeed general conversation, the term "policy" is understood to refer to the intentions of a government

department or elected official. However, Kingdon (1995:3) does not consider this to constitute policy, instead he argues that intentions should be more properly seen as "…agendas…" This redefinition allows Kingdon to expand his model to explore the way in which government comes to discuss particular issues which form the contents of the garbage can to use Cohen *et al.*'s (1972) terminology. Therefore agendas constitute both the intentions of government but also the issues that are being discussed at any given time and the model attempts to explain the way in which these agendas are formed. As Kingdon redefines 'policies' as agendas, his model is able to view policies as the proposals that different individuals (the policy entrepreneurs) are advocating but may not have been adopted as an agenda.

However, Kingdon (1984, 1995) terminology is rather esoteric as Zaharidas (1996, 1999), Sabatier (1999) and Exworthy and Powell (2004) recognise that Kingdon's 'agendas' are better understood as referring to the polices that government is pursuing. This creates a problem as Kingdon understands policy as proposals which have not become agendas whereas most writers understand government policy and agenda to be interchangeable. This problem is can be easily resolved by recognising that government policy is the result of a particular *proposal* being elevated to the status of an agenda. As such agendas and polices are interchangeable, but are the result proposals that have been adopted. Therefore what Kingdon argues is 'policy' is more accurately seen as proposals which individuals are seeking to establish as policies.

The Operation of the Agenda Setting Model

In operation, Kingdon's (1995) agenda setting model proposes that running through an organisation, in this case a department within the US Federal Government, are three distinct process streams: a problem stream, a political stream and what Kingdon originally called a policy stream but is bettered rendered as a proposal stream.

The problem stream refers to those issues that have been designated as 'problems' by a particular interest group, whilst the political stream refers to the various factors that impact upon a political environment, such as elections or the actions of the media. The final process stream is the proposal stream and this consists of the various proposals that have been generated by different groups in an effort to address the issues defined by the problem stream. These proposals are generated from what Kingdon terms a 'primordial soup' of different think-tanks and interest groups. Some of the proposals are championed by individuals Kingdon terms 'policy entrepreneurs' who are seeking to elevate their proposals to the status of an agenda so that they might become national policy. These policy entrepreneurs act as advocates to win support amongst a wider audience by engaging in boundary-spanning activities with organisations such as the media, lobby groups or even political figures. This process of boundary-spanning involves the policy entrepreneur seeking to develop a network or to use an existing one to secure the connections that will permit him or her to exploit an opportunity should it arise.

The problem and political streams occasionally come into alignment to open a 'policy window', which provides an opportunity for policy entrepreneurs to connect or

‘couple’ their proposals to problems and create an agenda. Such windows may arise in the problem stream as a result either of a problem suddenly assuming a greater importance or of a political event such as a change of government or an election. The formation of windows is thus governed by temporal factors (Zahariadis 1996) and chance. In order to be able to connect their proposals successfully to problems, policy entrepreneurs must be capable of recognising the convergence of the different streams, but must also be in a position to exploit the opportunity. In the opinion of Kingdon (1995), policy entrepreneurs who hold a central position in policy networks have a greater influence than those on the periphery and are more likely to be able to advance an agenda. In other words, a policy entrepreneur must be in the right place at the right time. The policy entrepreneur is seen as a dynamic individual who recognises the opportunity and is able to take advantage of this by exploiting a policy window which leads to their proposals becoming policy, until these are supplanted by another.

The Process of Coupling

It can be seen that Kingdon’s (1995) approach to the process of policy formation places considerable importance on the ability of the policy entrepreneur to join the different process streams together through the complex process of coupling, which requires him to recognise the objectives, aspirations or even attitudes of different actors and to ‘know’ how to portray their proposals as compatible or even part of another’s strategic objectives. Furthermore, policy entrepreneurs must possess an awareness of the wider environment in which they operate, such as the prevailing political trends, forthcoming elections or major political events. To operate in this

manner, they must be aware both of the structural context in which they can act but also of the strategic objectives, structural context and strategic selection processes of other agents, in order to gather support for these (Zahariadis 1996). To achieve this, policy entrepreneurs attempt to set the 'terms of debate' by manipulating the way in which arguments are presented and attempting to influence the way in which individuals understand issues (Riker 1986). Kingdon (1995) observes that this process begins long before the policy window actually opens, as policy entrepreneurs attempt to create coalitions of support for their proposals or raise the profile of a particular problem.

The description of the policy entrepreneur as an individual who is able to recognise the configuration of a network and the interests and objectives of others is strikingly similar to the skills that Sullivan and Skelcher (2002, after Friend *et al*. 1974), attribute to reticulists, so it is possible to argue that Sullivan and Skelcher, Kingdon (1995) and Zahariadis (1996) are simply using different terminology to describe the same individuals.

Criticisms of the Agenda Setting Model

Whilst Kingdon's (1995) model does provide a useful account of how policies come to be adopted, it is fundamentally rooted in the US political environment (Exworthy and Powell 2004) and is not without flaws. Zahariadis (1996) suggests that although Kingdon (1995) is correct to indicate that the structural position of the policy entrepreneur is important, his argument is largely silent on the strategies that could be

used by policy entrepreneurs to couple streams. Zahariadis' solution to this is to argue that the *origin* of the policy window will determine the way in which a policy entrepreneur will act. If a window opens in the problem stream, the policy entrepreneur who then advocates a solution will be likely to be successful, as the window follows consequential logic and can be seen in terms of rational choice – a solution connected to a problem. However, should the window be caused by the result of the political stream, then it will follow the logic of a doctrinal window in that the policy entrepreneurs best able to exploit it will be those who have pre-existing solutions which fit the problem. This notion of doctrinal windows is very similar to the insight of Cyert and March (1963), who argue that individuals tend to seek to couple pre-existing solutions to problems. Thus, two distinct types of policy entrepreneur can be identified: those who seek to apply solutions to widely accepted problems and those who seek to 'problematise' an issue in order to apply an existing solution.

A further criticism is made by Mucciraroni (1992), who rejects the assumption that the streams are independent and argues that they are interdependent, in that one stream affects another. This argument, as Zahariadis (1999) points out, gives a greater role to strategic actors who can alter the situation in one particular process stream in an attempt to make it more likely to align with the others. In other words, policy windows can be created by design and not by fortunate circumstances. A note of caution must be interjected into this analysis, as it assumes that policy entrepreneurs have sufficient power to manipulate streams. Kingdon would reject this concept, given that his unit of analysis is national politics and the separation of powers in the US makes it difficult for one individual to manipulate events. However, the present study is located in a

much more closely integrated political system - local government – and applies Kingdon's analysis to the organisational level, where individuals (particularly managers) have the potential to exercise power more effectively. Whilst it may be accepted that policy windows can be created by the strategic action of an individual entrepreneur, it must also be noted that their manipulation of the process streams may have unforeseen consequences and that by attempting to adjust one stream or even by creating a window, the policy entrepreneur may unwittingly start a chain of events which eventually leads to her agenda being supplanted. This notion of manipulating streams, when considered in terms of the distinction between a consequential and doctrinal windows, raises the possibility that different policy entrepreneurs may seek to manipulate different streams in different ways.

The final criticism of Kingdon's (1995) model regards a misunderstanding of the process of policy implementation. Kingdon suggests that the dynamic nature of he process streams, bounded by time, makes windows temporary creations and that this is necessary for a policy to become an agenda. However, Kingdon assumes that once an agenda is set, i.e. decision-makers have made a policy choice, then it will be implemented; but this assumption is unsafe, as the intentions of political leaders do not always translate downwards and there is great opportunity for agendas to stall as opposition emerges or as the agenda simply proves impractical in operation. This belief in automatic, uncontested policy implementation is common to both the advocates and the critics of policy process models, as Kingdon (1995), Zahariadis (1996) and Exworthy and Powell (2004) fail to recognise that bureaucratic entities

such as the civil service may seek to block or undermine an agenda with which they do not agree.

Agenda Setting and the Strategic-Relational Approach

In terms of structure and agency, Kingdon's (1995) policy streams approach is quite compatible with the strategic-relational approach. This compatibility is not surprising, as Kingdon seeks to explain how policies are formed, which is also the concern of Jessop (1996) and Hay (2002). The concept of policy windows supposes that agency occurs within a structural context and that the opportunities to exercise individual agency are constrained or enabled by the circumstances. Thus, an individual policy entrepreneur seeks, as their strategic objective, to elevate an their proposals to the status of policy and therefore, the proposal stream can be seen as a statement of their strategic objectives. However, the ability of individuals to realise these objectives is affected by the composition of and events within the political environment, such as the occurrence of elections, i.e. by features of the structures. Finally, the problem stream can be understood to refer to the level of recognition of a problem by other agents within organisational structures. If other agents within a structure recognise that a problem exists, their actions will create or will have created a context that provides the policy entrepreneur with strategic options (Hay 2002).

Zahariadis (1996) argues that policy windows are either doctrinal or consequential and proposes that the distinction affects how the policy entrepreneur will act. Policy entrepreneurs who respond to doctrinal windows are seen as having pre-existing

solutions, whereas those who exploit consequential windows develop ad-hoc solutions. This may be understood as follows: a consequential window produces a particular structural context, then policy entrepreneurs who are contextualised actors recognise the constraints and opportunities that are inherent within this context and develop proposals that can advance their strategic objectives in response to this. The strategic selective context of the policy entrepreneur therefore refers not to the options that he or she has in achieving her objectives, but to the formation of proposals that will work towards achieving objectives. A doctrinal window can also be seen as the result of a particular structural context; however, in this type of window the policy entrepreneur has already developed the proposals that they wish to see implemented and so their strategic choices are constrained by structure and context (Hay 2002).

In this account of the formation of policy, policy entrepreneurs are understood as engaging in boundary-spanning activity to develop support for their proposals from relevant parties (Callon 1986, Summerville 1997). This suggests that the policy entrepreneur should be should be seen as a reticulist who is able to recognise the existence of shared interests across organisational boundaries. They are then able to bridge these boundaries and are able to generate support. Policy entrepreneurs should also be seen in entrepreneurial terms, as they are able to recognise and exploit the opportunities afforded by the alignment of the different process streams. However, Kingdon's original formulation presents the policy entrepreneur as simply responding to structural circumstances, a position that Zahariadis (1999, after Mucciaroni 1992) views as overly structuralist, since it does not allow the policy entrepreneur to create situations in which to realise policies. As was discussed in Chapter 4, this study has

opted to accept the arguments of Mucciaroni (1992) and Zahariadis (1999), as they are more in keeping with the strategic-relational approach.

The review of the Kingdon model has indicated that it provides a useful way of understanding how policies are formed. This can be applied to interorganisational relationships as the decision to seek an interorganisational relationship can be treated as a policy. However, the model argues that interorganisational working is conditional upon events in the external environment and the attitudes of individuals within the organisation proper. However, it has been argued that a process model based on three-streams only explains the formation of policy intentions and cannot explain implementation. In order to examine the process by which a policy can be realised it is necessary to consider an extension of the three-streams approach: the four-stream models of Lober (1997) and Takahashi and Smutny (2002).

Four-Stream Variants of the Agenda Setting Model

Lober (1997) and Takahashi and Smutny (2002) follow the lead of Zahariadis (1995, 1996) in revising Kingdon's (1995) agenda setting model to fit the circumstances in which it is applied. Lober (1997) and Takahashi and Smutny (2002) seek to examine the process by which organisations form collaborative relationships. They suggest that this process must make reference to the structural composition of an organisation, its particular history and capacity and the wider environment context in which it operates. This is modelled by readjusting several aspects of the Kingdon (1995) model and through the addition of an 'organisational' process stream (Lober 1997: 8). The

organisational stream refers to issues such the technical capacity of an organisation and its willingness to act. Lober also recasts the political stream as referring to specific social and economic factors and this can also be understood to include the institutional context in an organisation exists. The problem stream remains unaltered and continues to refer the problems that an organisation may face. Finally, the proposal stream also remains unaltered and refers to the proposals that policy entrepreneurs advance in order to realise their strategic objectives.

Lober (1997) accepts Kingdon's (1995) argument that policy streams are independent of each other and will be driven towards convergence by factors that affect each individually. This convergence of the four process streams generates an opportunity which Lober refers to as a 'collaborative window.' This allows individuals known as 'collaborative entrepreneurs' the opportunity to develop an interorganisational relationship. These collaborative windows, in the view of Takahashi and Smutny (2002), are temporary creations which provide an opportunity for the development of collaboration, which is possible as long as the window remains open. As such, interorganisational collaborative may only occur when circumstances permit and the opportunity for collaboration is temporary.

Although Lober (1997) and Takahashi and Smutny (2002) use the term 'collaborative window' to describe the opportunity for collaboration, this term is not especially satisfying. This is because Kingdon's own policy windows can be seen as collaborative in nature as the elevation of a proposal to the status of an agenda or policy requires different organisations to collaborate with the policy entrepreneur in support of their

proposal (Kingdon 1995: 140). Furthermore, the model described by Lober and Takahashi and Smutny does not only apply to the development of interorganisational collaboration. In the four process streams model, an organisation exists in a particular combination of economic and social circumstances and within this environment it faces problems. To address these problems, solutions are proposed but to realise these solutions, there must be support in the organisation and it be must be capable of implementing the solution. As such, the four streams model actually describes the process by which key individuals advance and implement specific proposals and therefore the model is not unique to interorganisational collaboration. Therefore, what Lober and Takahashi and Smutny view as a collaborative window may be more accurate seen as an implementation window as the alignment of the process streams provides the opportunity for an agenda to be implemented.

As such, it can be argued Lober (1997) and Takahashi and Smutny (2002) confused the process by which a policy (or agenda) is implemented with the process of collaboration itself because the focus of their research was interorganisational collaboration. Although, Lober and Takahashi and Smutny highlight the importance of a key individual (the collaborative entrepreneur), the collaborative entrepreneur is simply an individual who recognises the alignment of the process streams and seizes the opportunity to advance their proposal which happens to be a proposal for interorganisational collaboration. As such, other individuals may act entrepreneurially to advance their proposals (Kingdon 1995) given the opportunity to advance and implement their proposals. These individuals may be characterised by the nature of the proposals they are seeking to advance. Therefore ‘collaborative entrepreneurs’ advance

proposals for collaboration whilst 'reform entrepreneurs' may advance proposals for organisational reform and the key issue is the opening of the window; the opportunity for implementation.

The maintenance of collaboration

Interorganisational collaboration, by its very nature, must be sustained over the long term. However, the skills required to maintain collaboration are different from those needed to create it. In other words, entrepreneurial individuals may create interorganisational relationships, but they may not be the same people who maintain and operate them; instead, "…collaborative managers…" (Takahashi and Smutny 2002: 180) are required. These collaborative managers are individuals who are able to engage with the operation of collaborative relationships and make the necessary adjustments to the agreements that underpin the relationship (Marchington *et al.* 2005). Thus, Takahashi and Smutny recognise, as do Noble and Jones (2006), that the identity of boundary-spanning individuals varies throughout the process of developing an organisational relationship.

The model of Takahashi and Smutny (2002: 175-178) is also interesting in that whilst it is a process account based on Kingdon's agenda setting model, it actually recognises that there are different stages in the development of a relationship. The first of these can be identified as the formation stage, during which the partnership is formed in response to the opening of a collaborative focused implementation window, a "…dating or honeymoon…" period, in which the different organisations interact and

establish the governance structures for the relationship. This is followed by an implementation stage, at which the interorganisational relationship is operated. Although it is implied that different boundary-spanners are involved at the different stages, this argument is not developed and it is impossible to understand the behaviour of the boundary-spanning individuals.

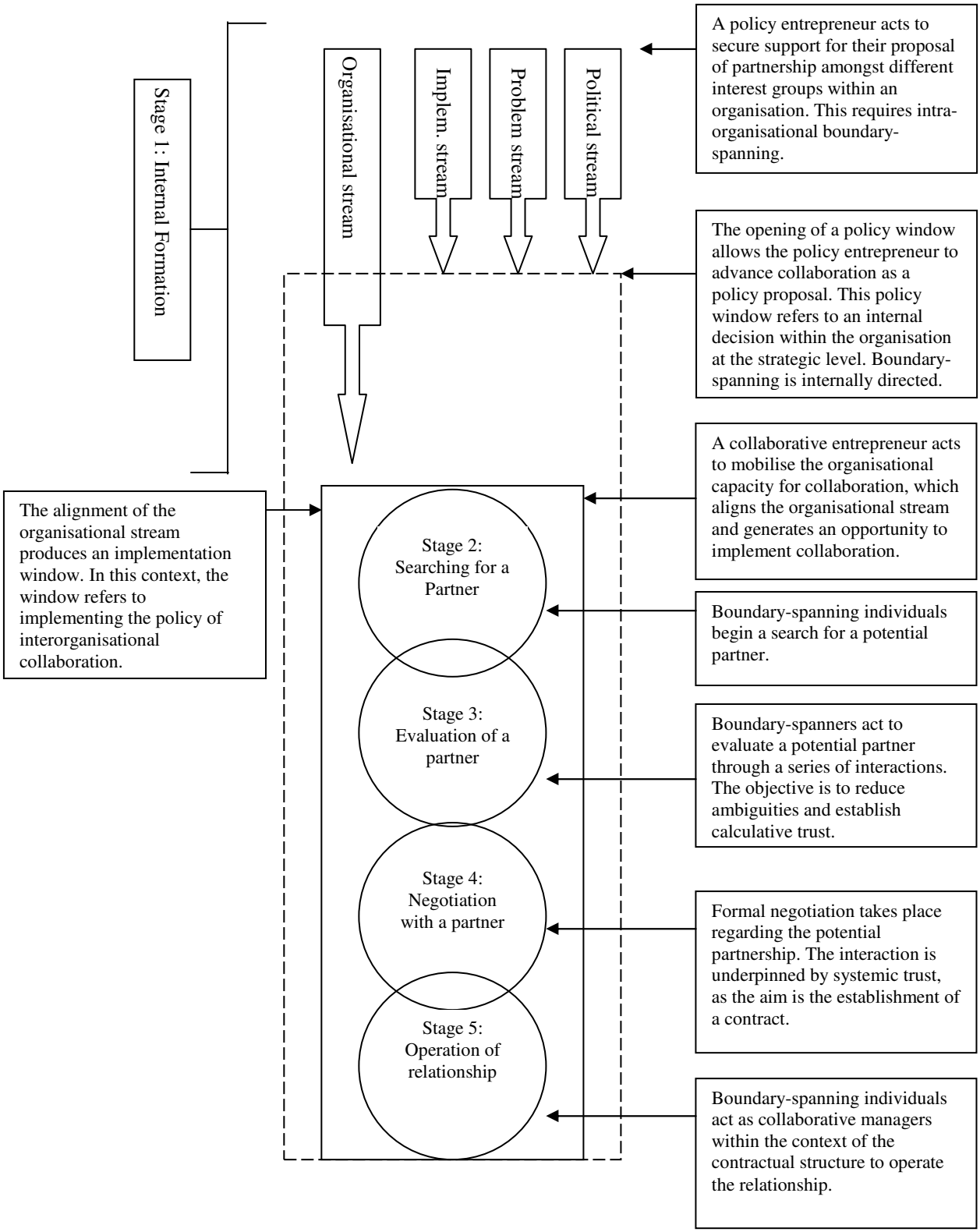
The argument of Lober (1997) and Takahashi and Smutny (2002) regarding four process streams has a number of important implications for understanding interorganisational relationships. It is indicated that it is impossible to understand the decision to undertake and develop an interorganisational relationship without considering organisational factors. Takahashi and Smutny also suggest that thought must be given to the maintenance as well as the creation of interorganisational relationships. However, as they acknowledge, when discussing the maintenance of interorganisational relationships, the argument separates into developmental and operational stages and as such interorganisational relationships may be understood in terms of stages (Murray 1997).

The Development of Interorganisational Relationships: Integrating the Models

This chapter has thus far discussed a multi-stage understanding of how interorganisational relationships develop and a policy process account of how interorganisational collaborations are initially realised. These two accounts are not

mutually exclusive, as Takahashi and Smutny (2002) show. However, these authors do not explicitly develop this aspect of the model, while to understand interorganisational relationships it is necessary to do so. This integrated or synthetic framework is shown in Figure 2.

Figure 2: A Framework for understanding the emergence of an Interorganisational Relationship



Stage 1: The Internal Formation of Policy and Implementation Windows

The policy stream models suggest that agendas can be set and interorganisational collaboration can occur when a particular combination of circumstances provides an opportunity for entrepreneurially individuals to advance and realise their proposals through policy and implementation windows respectively. A policy entrepreneur advances their proposal through a policy window and this leads to the proposal for collaboration been adopted as an organisational policy. In this context, a collaborative entrepreneur exists and the implementation window is one that permits the implementation of the policy for collaboration.

This study has adopted the arguments of Lober (1997) and Takahashi and Smutny (2002) that there are four process streams. These streams can be identified as the political stream, a problem stream, a proposal stream and an organisational stream. This allows for a distinction to be made between organisational and institutional structures, but also for it to be recognised that strategic decisions by senior managers do not always enjoy unqualified support in the organisation. The four policy streams are seen as interconnected, rather than independent (Mucciraroni 1992), and subject to manipulation by entrepreneurial individuals who are attempting to advance or realise their proposals. However, the ability of any individual to do this is constrained by his or her structural context within the organisation and the wider environment but also by the actions of other individuals. The framework proposes that organisations are faced with particular problems, which may be the existence of resource dependencies or interdependencies, excessive transaction costs or even the need for institutional

legitimacy. In response to these problems, entrepreneurs come to see collaborative interorganisational relationships as a solution and they propose this solution. However, their ability to realise this proposal is dependent upon the opening of a policy window which gives them the opportunity to advance the proposal and work towards the realisation of their strategic objectives.

Although Kingdon (1995) views the policy window as temporary, this study argues, after Zahariadis (1999) and Takahashi and Smutny (2002), that the continued presence of an open policy window allows a proposal to be advanced and that should the window close or collapse, any issue to which it speaks ceases to be relevant, either becoming an orphan proposal or being displaced through the opening of other windows. As individuals are seen as able to create such windows, the argument is that policy or collaborative entrepreneurs must invest effort in maintaining them throughout the development of the interorganisational relationship and that the activities needed to maintain a window will differ according to whether it is consequential or doctrinal. For example, it would be expected that under a doctrinal policy window, maintenance would involve constant affirmation of the problem amongst interest groups, whereas the policy advocated in a consequential window would be largely self-evident to the different actors involved.

Once a policy window has opened, a policy entrepreneur is able to advance her policy to the status of an organisational policy. However, this does not guarantee that their agenda will be implemented. This is because it is not decision-makers who implement policies but rather organisations and the individuals within them; furthermore, the

organisation must be supportive of an agenda or it cannot be realised, so the framework follows Lober (1997) in highlighting the importance of organisations. Indeed, the implementation of policy depends upon the ability of an agenda to successful gather support amongst those who will actually implement it. To achieve this implementation, a collaborative entrepreneur is required either to manipulate the organisational stream in alignment or to take advantage of its chance alignment. The alignment of the organisational stream then creates the opportunity for an implementation window to open and this allows for collaboration to realised and therefore the organisation is able to engage in collaboration. However, it is important to recognise that the policy and collaborative entrepreneurs may be two different individuals, as the skills required to create a proposal may not be the same as those required to implement it (Takahashi and Smutny 2002, Noble and Jones 2006).

The process by which policy and collaborative entrepreneurs create support within their organisations is similar to that documented by Noble and Jones (2006), in which these entrepreneurs engage with their peers to create a coalition of support (Buchanan and Boddy 1992, Balogun *et al.* 2005) by following a variety of strategies; for example, they may attempt to leverage the authority conferred upon them by their structural roles, or to persuade others by acting as reticulists and emphasising shared interests, or by showing how their strategic objectives are compatible with those of other individuals (Sullivan and Skelcher 2002: 100). A further strategy that might be adopted involves the establishment of quid-pro-quo exchanges with others in their organisation (Shrum 1990) to generate some form of relationship.

Thus, whilst policy entrepreneurs confine their attention to the strategic management of organisations and are very likely to be strategic managers, collaborative entrepreneurs can be seen as acting as internal boundary-spanners (Balogun *et al.* 2005), in that they must establish support in the wider organisation for the proposal that that was established as policy through the exploitation of the policy window. This process of developing internal support also requires the boundary-spanner to be seen as a reticulist, in that they must be aware of the internal configuration of their organisation (Katz and Kahn 1966).

Stage 2: Searching for a Partner

Following the opening of an implementation window, the collaborative entrepreneur is able to mobilise organisational resources to search for a potential partner and this constitutes the strategic objective that drives boundary-spanning individuals at this stage, where, as Noble and Jones (2006) indicate, boundary-spanning is not carried out by policy or collaborative entrepreneurs but rather by individuals who occupy a dedicated functional role. This activity essentially involves the boundary-spanners reducing ambiguities concerning the external environment by collecting information and acting as organisational gatekeepers (Brown 1966) and buffers (Thompson 1962) through a process of "uncertainty absorption" (March and Simon 1958: 165).

However, it should not be assumed that policy/ collaborative entrepreneurs are inactive during the search stage, as they will be faced with the need to maintain both organisational and strategic support for the proposal. The maintenance of support

should be seen as conditional upon the success of the search and subsequent stages, as failure at any one stage may be sufficient to discredit the policy, whilst continued success establishes structural circumstances that affect the strategic options of individuals at later stages. In other words, the successful completion of a stage limits the opportunities that other individuals have to undermine the potential partnership and creates a path-dependent logic.

While the structural context of the organisation affects the behaviour of boundary-spanners, the institutional context also has an impact their behaviour. As private sector organisations have greater freedom of action to search for potential partners, they can rely on networks (Ring and van de Ven 1994, Kanter 1994) and careful monitoring of the environment. This suggests that boundary-spanners from the private sector should be seen as reticulists, requiring these skills to operate successfully within a network. Noble and Jones (2006) suggest that this may be carried out quite subtly, due to the pressure of commerciality, and this assertion seems reasonable. However, as public sector organisations exist within a different structural context which values accountability and openness, they will conduct the search stage through the use of competitive tenders. In the UK, local authorities are legally obligated to use open tenders and must follow the procurement procedures laid down by central government (ODPM 2003).

The search stage is completed when one or more potential partners have been located and contact between the boundary-spanning individuals is established, at which point the boundary-spanners can be deemed to have achieved their strategic objectives.

However, the successful location of a potential partner generates a series of ambiguities regarding this organisation and the need resolve these drives the potential relationship into its third stage. Initially, these ambiguities may lead the boundary-spanners involved in the evaluation stage to base their assumptions upon stereotypes.

Stage 3: Evaluation of a Potential Partner

Following completion of the search stage, the framework argues that the organisation will begin to evaluate a prospective partner, through a series of repeated interactions between boundary-spanning individuals in which they attempt to determine how well the partner can meet the requirements of the organisation.

The evaluation process is characterised by repeated interaction between the two organisations as they attempt to reduce ambiguities surrounding their likely behaviour and demonstrate their reliability, hence the strategic objective of boundary-spanners can be identified as the evaluation of the potential partner. The structural context within which this evaluation occurs is quite complex and can be identified with the requirement of the public sector to show due diligence through the process of developing the interorganisational relationship. Thus, the public sector will conduct the evaluation through a series of structured information exchanges which are designed to allow the boundary-spanners to gather information regarding the potential partner. This exchange of information lessens ambiguities and is underpinned by a calculative mechanism in which increased information allows for greater confidence in predicting the actions of the other.

Although the interaction during the evaluation stage is likely to be quite structured, the boundary-spanners from both the public and private sectors will also engage in the formation of interpersonal relationships. These will occur as a result of the increased level of information exchange and of personal interactions, as boundary-spanning individuals seek to cultivate their counterparts in order to build the interpersonal relationships that will come to underpin the operational one.

During the evaluation stage, boundary-spanners of both organisations are interacting with the structural context of the procurement rules of the public sector; they are also subject to the structural context of their own organisations and as such they can become subject to tensions. Within this structural context, the policy and collaborative entrepreneurs may seek to exert pressure upon the boundary-spanners in order to develop the partnership rapidly. This occurs because the policy/collaborative entrepreneurs are aware that opportunity for collaboration is time-limited.

The evaluation stage can be deemed to have concluded when the information exchange between the organisations is such that the boundary-spanners in both organisations have resolved the ambiguities and each side is able to judge whether its potential partner is reliable and can contribute to the wider objectives behind the development of the partnership.

Stage 4: Negotiation with a Potential Partner

Once the evaluation stage is completed, the strategic objectives of the boundary-spanners shift to the establishment of a formal contractual structure that establishes the precise terms of the relationship, i.e. they negotiate over their rights and responsibilities. The boundary-spanning at this stage fundamentally relies on systemic trust, as the aim is to create a contract, although it is important to recognise that this will also reflect the wider institutional norms of the organisations that create it (Macneil 1974). For example, private sector organisations are used to contractual relationships and are likely to establish strong contractual protections for themselves.

In terms of the strategic objectives of the boundary-spanning individuals, each will seek to achieve the most advantageous contractual form for his or her organisation. As the contractual negotiations are critical to the operation of the relationship, it seems likely that the boundary-spanning individuals involved at this stage will be senior strategic managers, so policy and collaborative entrepreneurs are likely to be engaged in the process. However, as these entrepreneurs will have invested significantly in the potential collaborative venture, they will opt for a less favourable contract in order to realise their objective: that of partnership. This may create a situation in which tensions exists among members of the negotiating team, as the policy/collaborative entrepreneurs may need to be restrained by their colleagues in order to create a balanced partnership.

The process of negotiation involves the exercise of power as boundary-spanning individuals attempt to leverage the particular advantages their organisation may possess in an attempt to secure an advantageous contract. The exercise of power by boundary-spanners is conditional upon the motivations that each organisation has in seeking the relationship. For example, if a dependency relationship exists between the organisations, then boundary-spanning individuals will find themselves in a stronger negotiating position. The negotiation stage concludes, as would be expected, with a signed contract that forms a structure linking the organisations and the relationship then moves into the operation stage.

Conclusion

This chapter has reviewed several different accounts of how interorganisational relationships develop, finding that policy process and sequential models are quite compatible, that they can be reinterpreted using the strategic-relational approach outlined in Chapter 2 and that the behaviour and motivations of boundary-spanners can be understood using the typologies set out in Chapters 3 and 4.

The review of the different models of the development of interorganisational relationships has shown that whilst sequential models are useful heuristic devices, they cannot adequately explain the process by which an interorganisational relationship is initiated. To solve this problem, it was proposed that a modified version of Kingdon's original agenda [policy] setting model should be used as this is able conceptualise the process by which policy is formed and implemented. It was shown that this framework

is able to capture the initiation of a policy for an interorganisational relationship through to its inception. In keeping with the strategic-relational approach, it was argued that these models are particularly suitable, as they recognise the interrelationship between structure and agency. However, whilst process models explain the inception of interorganisational relationships, they do not explain the development process. In response to these problems, this chapter combined the two approaches and created a new framework that will be used to examine the case study developed in Chapters 8, 9 and 10, whose methodology is the subject of the next chapter.

CHAPTER 7: METHODOLOGY

Introduction

This study is divided into two broad parts, the first theoretical and the second empirical. This chapter concludes the discussion of theory by explaining the methodology that was used to collect and test the theoretical arguments developed in the first half of the thesis. The chapter initially examines the issues surrounding the concepts of validity, reliability and generalisability and shows in social research the definitions that attached in the natural science literature cannot be adopted wholesale. However, it is shown that the wider principles inherent within these concepts have use in qualitative social research. The chapter then critically examines the use of case studies as a method of research and shows that the critiques usually levelled against them are unfounded, being based on faulty reasoning. It is then shown that because of the complexity of Strategic Service Partnerships (SSPs) and the theoretical position adopted in this research, the case study approach is a particularly suitable method.

The chapter then considers a pilot study conducted between August and November 2004 which examined a New Deal for Communities (NDC). The NDC was selected for the pilot study on the grounds that NDCs are also complex partnerships. The third section considers the selection of the major case study and the data collection methodology. The discussion of the data collection methodology is informed by

arguments developed in the examination of the validity and reliability of qualitative data. Finally, the chapter engages with some of the ethical issues raised in the research.

Validity, Reliability and Generalisability

Within academic research, the issues of validity, reliability and generalisability are considered to be critical concepts as they speak to the credibility of the research, the accuracy of the research and the applicability of the research in the wider environment (Patton 2002). However, some writers have raised questions as to the appropriateness of their usage in qualitative social research (Lincoln and Guba 1985, Denizen and Lincoln 1998). The argument that these writers advance is that a focus on validity, reliability and generalisability is to suggest that qualitative social research is interchangeable with scientific research. In other words, it confuses the positivistic paradigm with the interpretative paradigm. Flyvbjerg (2001) goes further and suggests that by using the language of scientific disciplines, qualitative research effectively concedes its own illegitimacy as a means of analysis.

In an effort to address what is seen as scientific dominance, Lincoln and Guba (1985) and Denzin and Lincoln (1998) suggest that qualitative research should judge itself in terms of credibility, dependability and transferability. However, closer inspection of these concepts indicates that they are rather similar to the notions validity, reliability and generalisability (Mason 2002). Research that can be judged to be valid is, by nature, credible (Patton 2002) as the data and data analysis method supports the conclusions that have been drawn. In other words, the argument is logically consistent.

The concept of dependability is rather more complex as dependability incorporates the concepts of validity and reliability. This is because in order for something to be considered dependable it must be able to produce accurate and reliable data over the long term. However, this rests upon the assumption that the technique (or equipment) used to determine the accuracy and reliability of the data is valid and reliable in and of itself. For example, it is pointless attempting to assess the dependability of two different cars if no record is kept of the number of breakdowns and the distance travelled in one car is measured in metres but records are not kept for the other car. As such, it can be argued that because dependability rests upon validity, which Denzin and Lincoln (1998) wish to reject. Therefore the concept of dependability can be understood as flawed. Generalisability refers to the argument that conclusions of research will hold true for the wider population and this is often seen as a principle aim of research. Qualitative research, by contrast, argues that a situation often has some elements in common with others but also has differences. Therefore, the focus should be on establishing what aspects of the conclusions (if any) can be transferred to other situations. However, it can be argued that the concept of 'transferability' is simply suggesting that generalisability is not automatic and that some discretion should be exercised as to how widely conclusions can be applied (Mason 2002: 38). The discussion above has indicated that the concepts of validity, reliability and generalisability are important in qualitative research. Therefore, it is necessary to spend some time illustrating how these issues affect the research design.

Validity

Validity as a broad concept refers to the ability of the research to represent reality (Eisner and Peshkin 1990). There are various types of validity such as internal and external validity, construct validity, context validity, interpretative validity and natural validity (Maxwell 1992, Miles and Huberman 1994). The different types of validity offer different criteria by which research should be judged and each type is associated different threats. If the threats to validity are left unaddressed in the process of research, the conclusions drawn from the research are undermined. However, certain types of validity are inappropriate for judging qualitative research and therefore research must take care that it seeks to validate itself against an appropriate standard.

In scientific disciplines, the research design is used to eliminate validity threats and as such the data collection itself is rather straightforward. However, as Maxwell (2005) points out, in qualitative research threats to validity exist at both the research design stage, the data collection phase and even the data analysis stage. As such, Maxwell argued that qualitative researchers must engage with the issue of validity through the research process. Therefore, it is necessary to identify the different types of validity that are relevant for qualitative research and how the affect the research process.

Internal and External Validity

Internal and externality validity are generally associated with positivistic methodologies (Denzin and Lincoln 2005) and they are often demonstrated through tests of statistical significance. Internal validity refers to the ability of changes in one

variable to explain changes in another. External validity is closely related to the concept of generalisability and serves to indicate the extent to which the conclusion drawn from an experiment or study can apply to a wider population.

A variety of problems exist when attempting to establish internal and external validity. The most serious problem for establishing internal validity in social research is the nature of the independent/ dependent variable relationship. Internal validity can only be established if it can be shown that changes to the independent variable are the only possible explanation for changes in the dependent variable. However, if the dependent variable is affected by a third, unknown variable internal validity cannot be established. This has particular implications in social research where complex social issues cannot be easily reduced to independent/ dependent variable relationships. In other words, social environments may be too complicated for internal validity to be established. A further problem for internal validity may simply be selection bias, in the independent variable may affect the dependent variable in the cases selected rather than in the wider population.

External validity may be undermined by attempts to establish internal validity as the two concepts are logically opposed to each other. This is because maintaining rigid control over the independent and dependent variables necessary to establish a high degree of internal validity limits external validity (Steckler and McLeroy 2008) as the independent variable only explains the dependent variable under a narrow set of conditions. In other words if an experiment has a high degree of internal validity, its generalisability is usually low. However, the complexity of social environments

suggests that whilst different situations may have some factors in common, they will vary substantially. As such, generalising the results one study to make broad statements is difficult and therefore the external validity should also be discounted. Although external validity should be discounted on the grounds that it is too closely associated with positivistic epistemologies, the notion of generalisability should not be automatically be rejected as well (see Lincoln and Guba 1985).

Construct and Theoretical Validity

Construct validity is a rather complicated concept as it refers to how theoretical concepts are operationalised within the experimental or observational context (Cronbach 1986). In other words, construct validity is an indicator that the research is actually measuring or examining what it claims that it is (Mason 2002). Therefore, construct validity relates to the ability of research to draw wider inferences from the data and the generalisability of the research.

As construct validity depends on upon the operationalisation of theoretical concepts, one obvious threat to the establishment of construct validity is poor definition of concepts (Babbie 1989). However, this can be addressed by a careful examination of the literature and drawing upon those concepts that are supported by empirical research. A further issue with construct validity in social research is the risk that research examines one aspect of a complex construct at a single point in time (Cook and Campbell 1976). This may be tackled in survey research by using multiple measurements of a construct (Campbell and Fiske 1959, Cook and Campbell 1976)

and in more qualitative methods such as interviews by developing questions and seeking responses that examine different aspects of a theoretical construct.

This study has developed its understanding of boundary-spanning within interorganisational relationships from a review of the established literature on boundary-spanning (e.g. Sullivan and Skelcher 2002, Marchington et al. 2005, Noble and Jones 2006), interorganisational relationships (Gray 1989, Ring and van de Ven 1994, Wilson and Charlton 1997, Noble and Jones 2006) and process accounts of policy formation (Kingdon 1995, Lober 1997). As such, the study has outlined a conceptual framework based upon the theoretical concepts found in the literature (see Chapters 2- 6). The conceptual framework provides an account of the development of interorganisational relationships and the role of boundary-spanning individuals at different stages in the process. Therefore, the conceptual framework itself can be regarded as an operationalisation of the theoretical concepts described in the literature. However, in order to examine these concepts the data collection method must be capable of examining the actions of boundary-spanners, determining the contents of the four process streams and determining the point at which the streams converged.

Context Validity

Context validity is closely related to the concept of content validity. In quantitative research, content validity is a reflection of the extent to which measure to reflect all aspects of a phenomenon under investigation (Lawshe 1975). This can be achieved by a thorough review of the existing literature or by pilot research to identify relevant

aspects of a phenomenon. In qualitative research, it is rather more difficult to break social phenomena down into individual facets and instead it is considered more appropriate to see content validity in terms of context validity. Context validity is an indication of the thoroughness of the investigation (Becker 1970, Miles and Huberman 1994) and is signalled by the provision of a rich or thick description (Stake 1980). However, this thick description must accurately reflect the observed reality (Maxwell 1992). In a thick description, research can be observed to have engaged with the nuances of a social environment and is an accurate representative. As such, context validity can be undermined by a failure of a research programme to gather adequate data but also by the failure of a researcher to accurately record the data.

This has particular importance for qualitative research in naturalistic settings as researchers usually lack control over the situation and as such the level of access they are granted by gatekeepers may be limited (Marshall 1984). As such, a researcher may find that their ability to investigate aspects of the social world is curtailed and this can lead to highly important issues being neglected. Furthermore, in particularly sensitive topics (see Lee and Renzetti 1990) researchers may find that information is actively hidden from them. Therefore, the ability of research to produce an accurate description is lowered and context validity is affected. However, researchers can adopt various strategies to overcome these problems and increase context validity. These methods will be discussed in greater detail in later in this chapter but include granting participants a guarantee of anonymity or by engaging in quid-pro-quo relationships (Marshall 1984, Lee and Renzetti 1990).

Natural and Interpretative Validity

Some final forms of validity that are relevant to qualitative research are natural validity and interpretative validity. Natural validity (sometimes referred to as ecological validity) refers to the notion that the situation being studied is not artificial in that it was created for the purposes of the research. A second aspect of natural validity refers to the role of researcher in the presence of the researcher should not distort the research. This sometimes referred to as researcher bias effect (Maxwell 2005) and guarding against these issues is necessary for the research to claim that it is presenting an accurate representation of the social environment studied. Natural validity is closely related to generalisability and has links to external validity in that conclusions drawn from highly artificial situations only hold in that situation.

Interpretative validity is achieved when established when research accurately reflects the experiences, thoughts and attitudes of the individuals who took part in the research (Maxwell 1992). Interpretative validity is extremely important in qualitative research. This is because the ability of qualitative research to provide explanations for social phenomena rests upon its ability to engage with the motives, intentions and meanings of individuals (see Flyvbjerg 2006). As such, qualitative research cannot claim to be valid if the data is misrepresented. Therefore qualitative research must take particular care to ensure that the data actually supports that argument that is made from it.

The issues that this study seeks to engage with are extremely complex. As such, the issues of context validity, interpretative validity and natural validity are extremely

important. Therefore care must taken to ensure that the research takes these into account during the research design, the data collection and the data analysis stages.

Reliability

Reliability serves as an indicator that the data collection is accurate, stable and that similar (or even identical) data could be produced if the study was repeated using the same data collection methodology (Kirk and Miller 1986). In scientific disciplines reliability is usually achieved by ensuring that the data collection instrument produces stable and repeatable results. However as Miles and Huberman (1994) and Strauss and Corbin (1998) point out, in qualitative research the data collection instrument is the researcher. As Patton (1980: 11) comments:

> The validity and reliability of qualitative data depend to a great extent on the methodological skill, sensitivity, and integrity of the researcher. Systematic and rigorous observation requires more than being present and looking around. Skillful interviewing involves much more than just asking questions.

Following Patton's argument, qualitative research should aim to be systematic in its data collection but should also aim to produce in-depth information that would also assist in producing context validity. In the scientific disciplines, reliability is associated with repeatability in that the same results would be achieved is the study was repeated. However, qualitative research is often hard to repeat as it deals with complex situations which are populated by dynamic actors. As such, research that is conducted in 'real

time' is unrepeatable because of the passage of time and even if research examines historical events, the recall of the actors involved may be fallible. Therefore qualitative research cannot guarantee that the data collection could be repeated. However qualitative research can ensure (to a point) that data analysis is a repeatable process. This can be achieved through ensuring the data collected is properly documented and recorded through the use of interview guides, recording equipment.

Generalisability

As was previous discussed, the generalisability of research refers to the extent that the conclusions of the research can be applied to wider populations of circumstances. Mason (2002: 195) identifies two types of generalisability, empirical and theoretical. Empirical generalisability can be understood as analogous to externality validity in the intention is to infer that conclusions drawn also apply to a population at large (Miles and Huberman 1994). However, to establish this type of generalisability the sample must be typical of the population, statistically representative or must consist of a substantial number of cases (Eisenhardt 1989). Theoretical generalisability by contrast argues that it is possible to make wider assertions from research because of the subjects studied are likely typical of a wider population, the processes involved are likely to be widespread (Flyvbjerg 2006), the subjects studied are important due to the existence or absence of theory (Lawrence and Lorsch 1967) or because the subjects are extreme examples.

The Use of Case Studies

This study seeks to examine the role and contribution of boundary-spanning individuals in the development and operation of interorganisational relationships. It was proposed in Chapters 3 - 6 that boundary-spanners must be understood in reference both to their institutional and organisational context and to their individual attributes. The examination of prevailing literature on interorganisational relationships and boundary-spanning individuals has suggested that in pursuing such relationships, the objectives and identities of boundary-spanners may vary. These insights were incorporated into a general framework which examined the development of interorganisational relationships which was outlined in Chapter 6. This framework is a theoretical one and must be tested against empirical data to establish its validity.

To test the model, this study has used a case study method because it is particularly suitable for investigating boundary-spanning within interorganisational relationships. Case studies are seen by Stake (1980) as a way of examining the context (Yin 1994) surrounding the particular phenomena under investigation and this allows a detailed case study to contribute to the establishment of context validity. Because the case study allows investigations of the context, it is particularly suitable for examining political topics, as it is able to analyse the events and variables that affect particular decisions. A case study method also lends itself well to the theoretical approach developed in this study, in that the notion of examining the context allows for individuals to be contextualised and this is critical to the strategic relational approach. This contextualisation is achieved by the gathering of rich descriptive detail; therefore case

studies are particular suitable for the investigation of complex topics such as SSPs (see Chapter 1).

A second important advantage of this research method is that case studies are fundamentally iterative, not static (Adelman *et al.* 1980), which facilitates the examination of events in which the key variables are subject to change. This is important in an investigation of boundary-spanning, as the existing literature indicates that the identity of boundary-spanning individuals varies throughout an interorganisational relationship; therefore a method that focused on the boundary-spanners themselves rather than the wider context in which they work would prove unable to cope with their changing identities.

The final reason why a case study methodology was selected for this study is its effectiveness in demonstrating an example (Flyvbjerg 2006), which may be either positive, in that the empirical evidence gathered in the case study supports a particular theoretical approach, or negative, in that an examination of the empirical evidence shows that a theoretical approach cannot explain the observed data and therefore the theory should be discarded as incorrect (Scott and Duncan 2005). The ability of case studies to be used as negative examples also addresses one of the most common criticisms of the approach, that case studies cannot falsify theory.

However, the case study approach is not without criticisms; Flyvbjerg (2006) argues that these fall into three distinct categories: concerns over theory; in that case studies cannot test theory through falsification, concerns over reliability; in that they tend to

demonstrate the particular model or framework researchers are seeking to test and cannot be repeated, and concerns over validity; in that they are considered to be overly specific, making generalisation difficult.

The first criticism, that case studies cannot falsify theory and therefore are unscientific, is easy to dispose of, since case studies are indeed able to falsify theory, through negative examples. The second, that they are biased in favour of positive outcomes, appears more substantial. This argument implies that case study researchers select cases that are likely to support their theoretical arguments and as such case studies should be regarded with suspicion, because they are not reported objectively. To support their arguments, those making this critique assemble a considerable volume of empirical evidence from published sources. However, the criticism is deeply misleading in failing to recognise that publication bias (the exclusive publication of positive results) is common to almost all disciplines and is not unique to case studies. An example of how widespread publication bias is thought to be is that some disciplines such as economics have developed statistical techniques for eliminating publication bias from meta-analyses (Stanley 2005). In this light it seems unfair to criticise case studies for simply following wider trends in the academic literature.

The issue of repetition again appears to constitute a serious attack on the case study. However, this criticism is also founded on a false premise, as it confuses case studies with qualitative methods (Yin 1994). Although case study researchers do tend to use qualitative methods (see Maxwell 2005), Stake (2005) argues that because a case study constitutes an investigation into the wider phenomena, it may also employ quantitative

methods; furthermore, it is unsound to attempt to invalidate a method of analysis through a critique of the process of data collection. However, it is worth noting that whilst it is difficult to repeat the process of data collection, it is possible to repeat the process of analysis if the data collected is properly documented.

The final issue raised above, that case studies are overly context-specific, so that their results cannot be generalised, is rather more damaging. It has serious implications for the present study, as the theoretical framework developed in Chapter 6 is presented as capable of analysing boundary-spanning within interorganisational relationships, but an inability to generalise from the case study would undermine the case for the framework quite considerably. However, this criticism displays a profound misunderstanding of the case study as a technique within qualitative research.
As Eisenhardt (1989) and Miles and Huberman (1994) argue case studies can be selected through statistical sampling techniques so that they are representative of the wider population and this allows for empirical generalisations to be made. As such it seems unlikely that the critics of case studies mean to include statistically sampled case studies in their critique. Therefore, argument that it is difficult to generalise from case studies seems to be directed at those case studies which are not selected on the basis of statistical sampling. However, this ignores the fact that it is possible to make theoretical generalisations from a case study if it is representative of a body of theory (Lawrence and Lorsch 1967) or that the processes involved are likely to be widespread. As such, it is possible to discount the argument that it is impossible to generalise from case studies per se and instead the debate should focus on justification that case study research can offer for wider applicability.

Developing the Research Design

The selection of methods employed to collect the empirical data must be based upon their ability to yield data pertinent to the research questions. To achieve this, a series of pilot interviews were conducted in order to evaluate the data collection methods that would be effective and to highlight any ethical, commercial or political sensitivities (see Marshall 1984 or Sieber and Stanley 1988) which might be encountered. Furthermore, the pilot interviews were designed to explore briefly the process by which interorganisational relationships are developed within local authorities. This would allow the researcher both to explore the validity of the theoretical framework without wasting time on a fruitless case study and to determine the way in which the collaboration of individuals within local authorities could be obtained. In other words, the purpose of the pilot research was to test the theoretical concepts for prima facie validity and to examine appropriate research methods (Maxwell 2005).

The decision to employ interviews within the pilot research was motivated by the fact that an interview is essentially a process of interaction between a participant and the researcher (Kvale 1996) to which the interviewee's opinions are central (Fontana and Frey 2005) and through which insights and understanding can be uncovered. As the purpose of the pilot research was largely exploratory, the interviews themselves were conducted using a semi-structured design (Patton 2002), allowing them to remain broadly focused on the topic but maintaining sufficient flexibility for the interviewer to explore a wide variety of topics. Furthermore, the structuring of the interviews would allow the responses of different individuals to be compared. It should also be noted

that Marshall (1984) argues that when interviewing members of elites, such as senior managers, semi-structured interviews are effective in allowing individuals who are used to controlling agendas to speak freely. This would avoid the conflict which might arise within a more structured design if interviewees attempted to seize control, since in the semi-structured format they could choose to interpret questions in the manner they saw fit.

The Use of a Conceptual Framework

Glasser and Strauss (1967) and Strauss and Corbin (1998) argue that when investigating complex, under-researched topics a grounded theory technique is useful, as it permits the development of theory through induction that closely matches the data (Sarantakos 1994, Huxham and Vangen 2003). Grounded theory approaches have been used successfully to study the development of public-private partnerships and the role of boundary-spanning individuals within them (Noble and Jones 2002, 2006); and given the lack of research on the development processes of strategic service partnerships and the conceptual confusion surrounding boundary-spanning, a grounded theory approach would appear to be an appropriate choice of methodology.

However, this study has rejected the use of grounded theory in favour of a conceptual framework (see Chapters 5 and 6), a position advocated by Maxwell (2005), who follows Miles and Huberman (1994) in arguing that because grounded theory tends to support an unstructured approach to data collection, a researcher can be easily overwhelmed by the amount of data generated and considerable time may be spent in

subjecting each part of the data, no matter how trivial, to exhaustive scrutiny to evaluate its importance. Instead, a conceptual framework can be used to guide data collection and analysis, the framework itself then being validated, invalidated or refined on the basis of the data gathered (Flyvbjerg 2001).

A second reason why a grounded theory approach to the study has been rejected is that the topic of SSPs is not lacking theory, as shown in Chapter 3; nor is the process by which these relationships develop unknown, as it was indicated in Chapter 5 that there is a substantial theoretical literature on interorganisational relationships and on the way in which agendas and policies are created. The methodology adopted assumes that it is possible to use this literature to guide investigations into the development of SSPs, both within and between organisations.

However, it should not be assumed that the use of a conceptual framework requires the researcher to ignore evidence, or to seek evidence that fits his theoretical dispositions (Flyvbjerg 2006). Indeed, the purpose of the conceptual framework is simply to provide the researcher with a means of understanding the complexity of the data and to give initial indications of where he should look for data.

The conceptual framework developed in Chapter 6 is built around the interaction of four different process streams – political, problem, proposal and organisational – which align (or are aligned by policy and collaborative entrepreneurs) to form policy and implementation windows. The former relate to agenda-setting or policy formation amongst political decision-makers (Kingdon 1995, 2003) and the latter to agenda

implementation, which implies that a researcher should seek to examine the actions of these decision-makers and those who have access to these individuals. The argument that the implementation of an agenda following the implementation window requires the engagement of managers at varying levels of the organisation also suggests that research should examine the attitudes and reflections of these individuals.

The identification of the four process streams also serves to highlight factors that are relevant to assisting the investigation. The positing of the problem and proposal streams indicates that it is important to examine what problems are considered important by decision-makers within organisations and how policy solutions have been developed to address these or how a set of ideological assumptions have led to the recognition (or creation) of a problem (Zahariadis 1999). The concept of the organisational stream also indicates that research must study not only the institutional history and the prevailing attitudes of the organisation's members but also the capacity of the organisation to implement the policy. Finally, the political stream is rather less empirically based than the others; Kingdon (1995, 2003) suggests that it comprises political events such as the electoral cycle and the results of these elections, alerting the researcher to pay attention to the frequency of elections and their results.

The advocates of grounded theory argue that that by continually referring to the original data, they are able to ensure that the outcome of the research matches reality. However, this process of using the data to guide research is not the preserve of grounded theory, as the investigation of a social phenomena using a conceptual framework can also be iterative. Such an iterative approaches uses the conceptual

framework to guide the data collection process and analysis, but also uses the empirical observations to make adjustments during the data collection in order to gather further information. This is reflected in Figure 3, where the data gathered and analysed are fed back into the data collection process.

The Pilot Interviews (August–November 2004)

This study concerns the latest iteration of public-private partnerships, the strategic service partnership. As PPPs see local authorities becoming involved in partnership with other organisations, it was determined that the pilot interviews should be focused on some form of local authority partnership which involved the private sector. Furthermore, as noted in Chapter 1, SSPs are complex partnerships (Hughes 2005); therefore, the pilot study should seek to engage with a complex partnership.

To this end, the pilot study examined the development and operation of a New Deal for Communities (NDC) in a city in the North East of England. An NDC is a regeneration partnership involving local authorities, Regional Development Agencies, local businesses and the local community. In fact, the nature of its partnership working is perhaps best described by its own website: "...[the NDC] works with public, private and voluntary sector actors" (NDC 2007). NDCs can thus be seen to operate in partnership with a variety of actors from different sectors and it is this complexity that makes them suitable to serve as a pilot for investigating SSPs.

The pilot study, which was carried out between August and November 2004, consisted of a series of interviews with individuals involved in the NDC. This case was selected opportunistically, as the author had had contact with the individuals involved in his previous employment, when he had been involved in the development of a partnership between the NDC, the local authority and a local branch of a major retail business. Although this partnership ultimately did not materialise, the author's involvement provided for unproblematic access.

The project manager of the NDC was interviewed first, further interviewees being identified through the snowballing technique, whereby one interviewee is asked for the names of further potential interviewees. The result was that five individuals were identified, as listed in Table 4.

Table 4: The Identities and Organisations of Individuals Interviewed in the Pilot Research

Person	Organisation	Interview Method
Managing Director NDC	Coast City NDC	Face-to-face, semi-structured interview.
City Councillor	Coast City Council	Unrecorded semi-structured telephone interview.
Project Manager	Coast City NDC	Face-to-face, semi-structured interview
Project Manager	Coast City Decent Homes Team	Unrecorded semi-structured telephone interview.
Learning Services Manager	Coast City Council	Unrecorded semi-structured telephone interview.

As can be seen from Table 4, the majority of the pilot interviews were not conducted face to face. Whilst this is unimportant methodologically, as the study is not pursing a grounded research design, it did indicate the problems of gaining access to relatively

senior managers for face-to-face interviews. This problem was also raised by the interviewees themselves, who indicated that their consent to taking part in research was because the researcher had been referred to them. As Marshall (1984: 239) puts it, "Researchers can overcome barriers if they appear as valuable, politically knowledgeable people *with connections in high places* or with constituents" [emphasis added]. The pilot research thus indicated that access to the individuals necessary to study an interorganisational relationship in detail might be facilitated by enlisting a project sponsor or by exploiting contacts.

In this respect, the nature of the funding arrangements for the study actually proved to be a positive benefit. It was co-funded by the Economic and Social Research Council (ESRC) and the Office of the Deputy Prime Minister (ODPM) under a joint studentship which encouraged researchers to cultivate links with the then ODPM. At the time the ODPM was responsible for local government, the link between the ODPM and the researcher provided an obvious way to leverage access into Local Authorities. However, the Coast City NDC Project Manager (personal interview, August 2004) appeared to caution against this when she described the government as having"…foisted Local Strategic Partnerships on local authorities." This suggests that linkages with government must be exercised with caution and that internal sponsorship from a manager within the organisation may be a more successful strategy.

In terms of how interorganisational relationships developed, the interviewees concurred with the theoretical framework in Chapter 6, that the process could be seen as a series of stages. However, they were quick to point out that interorganisational

relationships were actually highly dynamic and that whilst they tended to be initiated by senior managers, their implementation and operation were often left to middle managers, so that the identity of the boundary-spanning individuals changed over time. Therefore, the interviewees argued that a study must take care to cover both the strategic and middle managerial levels rather than concentrating exclusively on the operational or elite levels. This data supports previous empirical work such as that of Lowndes and Skelcher (1998), who found that the individuals involved in interorganisational collaboration varied across time.

The pilot interviewees, when asked about their experience of working in partnerships, commented that the evaluations of interorganisational relationships were numerous but were often largely concerned with outcomes, so that they often had little time to reflect upon their experiences of the process itself. Finally, the interviewees stated that the process of developing and maintaining intra-organisational coalitions was very context-specific and dependent on the particular history and make-up of the organisation, so that the factors involved were unique to that particular organisation.

These points had a number of important implications for the research, the first being that the notion of seeing the process in stages was a valid theoretical position. Furthermore, it appears that to be successful in determining the development processes of interorganisational relationships and the actions of boundary-spanners, research would either have to be longitudinal or would have to study a relatively tightly defined interorganisational relationship in which only a limited number of individuals were

involved and where the organisations concerned were not particularly volatile, having low staff turnovers.

In terms of the actual data collection, the pilot interviews indicated that document collection and analysis would be a valuable technique, as it would show not only what had transpired but also who was involved. The pilot interviews also suggested that a qualitative methodology of data collection would be preferable to a more positivist one, because the latter would imply that the different factors affecting an interorganisational relationship had been clearly identified, while the evidence of the pilot interviews was that the actual process is highly context-specific, with factors unique to the individual situation. This presents a particular problem, as positivistic research presumes that only what can be measured is real, and given the existence of unique factors in each case, it would be impossible to design tests to collect this data, since it would be without precedent. In other words, a positivist method would exclude potentially relevant factors.

A final point regarding the pilot interviews is that the collection of socio-demographic information was somewhat haphazard, as is rather starkly illustrated in the appendix. This is largely a function of the fact that some of the interviews were unstructured ad-hoc conversations which took place because of opportunism and favourable circumstance – i.e. the individual happened to be in her office at the time of contact. As the conceptual framework argues that individuals are socialised in job roles, it was important to ensure that socio-demographic information was obtained in the major case study.

The pilot interviews pointed to several factors regarding data collection that had to be considered in respect of the final research design and which can be summarised as follows:

- Sponsorship or the support of a senior individual within an organisation is often necessary to gain access to participants, particularly busy senior managers.
- Referral from a known individual can allow an interviewer to gain access.
- Multiple different individuals are involved in boundary-spanning within an interorganisational relationship.
- Documents can provide an important source of data regarding the identities of boundary-spanning individuals and provide a means of [re]constructing events.
- To understand the process of an interorganisational relationship, research should be longitudinal.
- Researchers should study the emergent relationship from its inception or at least from as near as possible to inception.
- The development of interorganisational relationships are often characterised by complex series of factors that are unique to a particular context.
- Qualitative methods are preferable because they do not presume that the relationships between different variables and the outcomes are known.
- Qualitative methods such as interviews would allow participants to reflect on the activities, which they had rarely done before.

- Greater effort should be put into the collection of socio-demographic information regarding age, length of service, previous positions and political persuasion.

The Selection of the Case Study

As was reported in Chapter 1, there has been a great deal of academic discussion surrounding the various forms that PPP arrangements have taken (Ferlie *et. al.* 1996, Falconer and McLaughlin 2000, Field and Peck 2004, Lonsdale 2005, Noble and Jones 2006). However, there has been substantially less discussion of their latest iteration – the SSP. This is particularly galling, given that the UK has traditionally advanced partnerships further than most countries (Falconer and McLaughlin 2000) and has generally been at the forefront of their investigation (Newman 2001, Pollitt 2003, Gershon 2004). As such, it is important that the latest iteration of Public-Private Partnerships is subject to rigorous research (Baker *et al.* 2006).

A second reason for studying SSPs is rather more pragmatic, this study was co-funded by an ODPM studentship which sought to promote research into current policy issues. As SSPs are increasing advocated by the UK Government (ODPM 2004, Baker *et al.* 2006), the study of boundary-spanning within the development of SSPs is relevant to current policy debates in the UK.

As SSPs constitute the latest generation of Public-Private Partnerships and a number of different local authorities have begun to develop these partnership arrangements, it would be possible to make generalisations from a single case study. This is because the

procurement of partnerships by local government is governed by legal procedures (see Chapter 8) and these apply to all local authorities. Furthermore, as SSPs are a current policy issue, it is likely that all local authorities would be subject to similar pressures in the formation of such partnership arrangements. As such, it can be argued that the events and processes involved in their formation would not be especially unique.

However, a problem in researching Strategic Service Partnerships is that despite a literature exhorting local governments to undertake such partnership (ODPM 2004), there are comparatively few SSPs in operation (Unison 2004) among the vast number of partnerships (Sullivan and Skelcher 2002) involving local authorities. In fact, the UK Government tacitly admits this, accepting that of the 24 partnerships studied by the Strategic Partnership Taskforce, several should not be considered as true SSPs (DCLG 2007). Thus, the potential population for the empirical research is rather low.

This problem of a small population is complicated by two further factors. In 2005 the SSP between Bedfordshire County Council and Hyder Business Services (HBS) failed (Bedfordshire 2005, Unison 2005) and the Council was forced to buy HBS out of the contract. The experience of Bedfordshire has, understandably, made SSPs rather controversial and councils have become reluctant to take part in research concerning them, due to their political sensitivities. Marshall (1984) notes that researchers investigating politically sensitive topics may find it difficult to gain access, while Lee and Renzetti (1990) encountered similar problems. A solution was found by considering Hughes (2005), who argues that SSPs are often used by councils as a means of achieving organisational reform and performance improvement; such a local

authority, particularly if using an SSP to pursue reforms advocated by the Gershon (2004) efficiency agenda, might be rather more willing to be studied, since it would consider the SSP as positive and something that it would wish to advertise.

A second problem with the case study selection is that the framework developed in Chapter 6 is designed to examine the entire process through which an interorganisational relationship is developed. Although it would be possible to test this model retrospectively, examining the process by which an interorganisational relationship develops is best achieved by a longitudinal study. The use of a longitudinal research design is discussed in greater detail later in this chapter; at this stage it is sufficient to state that longitudinal methods allow for a researcher to observe changes in events and attitudes and to examine the reasons for them. The intention to use a longitudinal research design therefore required the selection of a strategic partnership that was as close to inception as possible.

The final issue in case study selection concerned research access and the ability of the principal researcher to travel easily to the research site. The pilot interviews indicated that gaining access would be considerably easier if a senior manager was supportive of the research process and willing to act as a project sponsor. Such sponsorship has a number of advantages: it allows the researcher to gain initial access to the organisation (Brewer 1990) and to overcome initial barriers (Marshall 1984). Furthermore, the use of a sponsor can serve as a signal to would-be research participants that the researcher's presence is 'authorised' and that cooperation would not be considered a breach of the 'rules.' It must, however, be noted that although the use of a project

sponsor allowed for access to be gained in the North City case study (see Chapters 8 - 10), the fact that senior managers were aware of the researcher's presence led some potential participants to be reluctant to co-operate, as they regarded the researcher as a managerial spy.

The issue of research access was also complicated by the fact that an SSP involves private sector organisations whose members must be willing to take part, as otherwise the evidence collected would be biased towards the public sector and the framework developed in Chapter 6 which purports to be a general model of interorganisational relationships (see Gray 1989 or Ring and van de Ven 1994), would have been tested only against the public sector. Thus, a case in which access could be gained to private sector organisations was considered preferable and the willingness of private sector organisations to take part influenced the selection of the major case study.

The final factor in respect of access was the practical one of travel, the researcher being reliant on public transport, so that a case selected would have to be within practical travelling distance of Birmingham on public transport links to make it possible to carry out longitudinal fieldwork.

The criteria which had to be met by a viable case study were thus considered to be the following: it must be an SSP which was still relatively close to its inception as a policy proposal, or at least one in which little progress at been made from the point of inception; both the local authority and the private sector organisations involved had to

be willing to allow the researcher access; finally, the case study site had to be within practical travelling distance of Birmingham.

North City was selected as a case study because it met these criteria. Although, as Chapter 8 will show, the inception of the SSP in North City can be traced back to 2002 and data collection did not begin until May 2005, the key actors involved in the policy decisions were still in post and North City had only just completed the search stage, so the process of developing an organisational relationship was sufficiently young to make possible the use of a longitudinal research design. North City was also selected because of its location (on major transport links) and because the University of Birmingham had contacts within the local authority, which made it possible for the researcher to acquire a project sponsor. Finally, the North City case had the added advantage that the author also had contacts with a private sector organisation which was a member of one the consortia that had expressed interest following North City's tender, so access could be gained to at least one private sector organisation involved.

The use of a project sponsor made it possible to gain access to North City as it provided the researcher with legitimacy within the organisation. However, it must be noted that the project sponsor was intimately involved in the development of the SSP. As such, some thought must be given to the reasons why this individual agreed to act as a sponsor for the research and the potential problems that sponsorship can cause. The project sponsor was a senior manager within North City and was one of the leading advocates of the SSP. As such, they may have seen the research as an opportunity to demonstrate to an external audience, their importance in 'turning' North

City around. In other words, the project sponsor may have seen the research as an opportunity secure bragging rights.

Although the project sponsor legitimatised the researcher's presence, the use of a sponsor actually had a negative effect on the process of data collection. In order to gain access to some individuals within North City it was necessary to highlight the support of the project sponsor – i.e. the researcher had to name drop (see Marshall 1984). However, once it became widely known that the project sponsor was involved some interviewee participants refused to be interviewed 'on the record' for fear that information would be passed onto senior managers. In other words, the use of a project sponsor caused some interviewees to assume the research was a management spy.

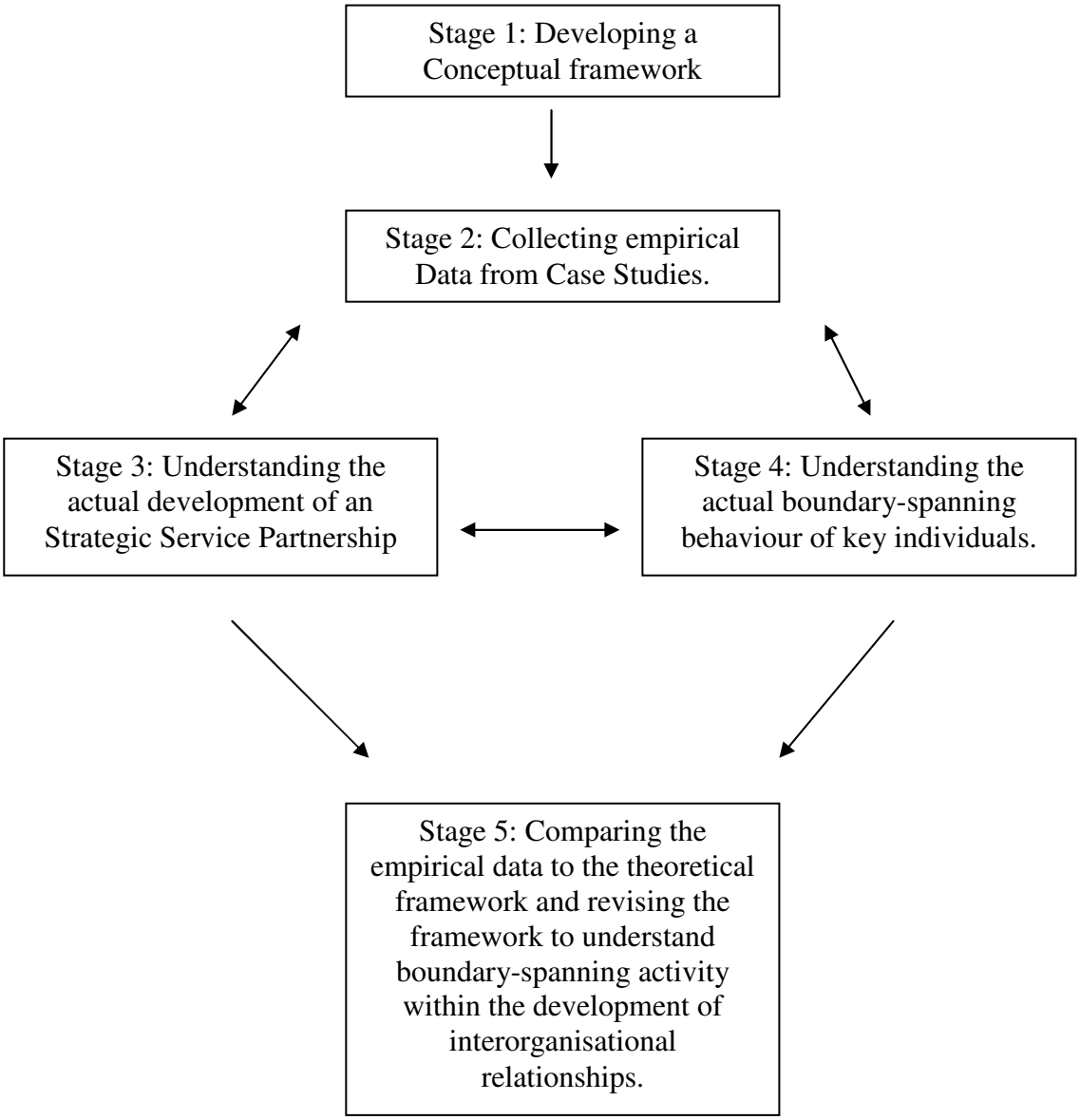
Finalising the Research Design

The previous sections of this chapter have examined both case studies and, through the pilot research, have highlighted some important issues that must be considered in the research design. This section develops the research design and explains how the case studies were selected and the data collection methodology that was employed to study them. Although these two issues have been separated for analytical purposes, the reality was that considerations of methodology were influenced by case study selection.

The Five Stages of the Research Design

This study seeks to understand the activities of boundary-spanners within the development and operation of interorganisational relationships. However, a comparatively broad approach has been taken in that the study seeks to examine both inter- and intra-organisational activities of boundary-spanning individuals. To perform this analysis the study has developed a conceptual framework which is tested against the empirical data. This can be seen in terms of a five-stage process (see Figure 3). At the first stage the conceptual framework is developed; at the second empirical data is collected; at the third and fourth stages this data is used to understand the development of the SSP and the activities of boundary-spanners within this process; finally, at the fifth stage the empirical observations are used to revise the conceptual framework. This technique of seeing case studies in terms of multiple analytical stages follows Crosbie (2004), who argues that to understand embedded phenomena (such as boundary-spanning) it is necessary to separate the issues under discussion before reuniting them at the final stage of the analysis.

Figure 3: The Five Stages of the Research Design



The Data Collection Methodology (May 2005 – Jan 2006).

Although the pilot interviews had indicated that qualitative research would be most suitable for investigating boundary-spanning within interorganisational relationships, there are a number of different qualitative methods which could have been used, ranging from document analysis and participant observation (Tredlock 2005) to interviews of various types (Fontana and Frey 2005). This study has opted to use a combination of document collection and semi-structured interviews as the primary means of collecting data.

Document Collection

The initial data collection methodology employed was document collection, which preceded the interviews but also continued throughout the process of examining the case study. The documents themselves were a collection of publicly accessible material from the local authority's website, visits to various council offices and specific requests to the local authority's press office and the trade unions. Further documents were obtained simply by asking individuals within the local authority for material related to the SSP and this allowed the researcher to acquire documents that were not publicly available.

The documents themselves consisted of the minutes of council meetings, promotional material related to the SSP, policy statements from the major political groups and the trade unions and the various internal memos and discussion documents relating to the

SSP. Care was also taken to acquire copies of the various reviews conducted by North City council, the ODPM and the numerous hired consultants involved. The research also was able to obtain copies of Pre-Qualification Questionnaire (PQQ) the Invitation to Submit Outline Proposals (ISOP) and Invitation to Negotiate (ITN) documents. This process of document collection allows the research to develop a substantive overview of the process by which the SSP emerged and various concerns of different parties involved. The fact that both publicly available documents and documents that were less widely distributed were collected allows the research to situate itself in the correct context and this contributes to achieving context validity.

Through the use of document collection, the research followed a well-established practice in social research (Connell *et al.* 2001). The document collection served several purposes, as it allowed for potential interviews to be located by seeding and supplementing the 'snowballing' techniques; it also provided a useful source of potential questions. Atkinson and Hammersley (1995) argue that documents are not an unbiased record but rather are created by individuals with particular objectives which they reflect, so that documents can be used to indicate the political shifts and concerns of particular individuals in an organisation at particular times. This allows the study to achieve some degree of triangulation in that shifts in political agendas would be reflected not only in the opinions of the interviewees but in the documentary record. Documents can also be used to construct a chronology of events within which the interviews can be located and to verify particular claims made by individuals through triangulation between the different sources and this assisted with establishing validity.

Whilst (non)participant observation would permit the researcher to observe the behaviours of boundary-spanning individuals in development of the strategic service partnership. Participant observation was also rejected on practical grounds, since to study how the key individuals involved engaged in both intra and interorganisational boundary-spanning would have required close observation for a substantial period of time and resources did not exist to support such an observation. Furthermore, whilst the author was able to gain access to the organisation and had permission to ask about the process, he would have been unlikely to have been allowed to observe negotiations between a local authority and a potential partner, as these would be subject to confidentiality agreements and the permission of the private sector organisations would also be required. Such problems can be overcome by interviews, which can be focused upon particular subjects, are less resource intensive and give interviewees the freedom to decide for themselves what information they pass on to the interviewer.

The Interview Methodology

The study opted to use semi-structured interviews (Patton 2002) because this particular method is seen as appropriate in situations when a researcher has a specific topic area that he wishes to examine but where its precise details are largely unclear (Marshall and Rossman 2006), as he is able to explore relevant topics if they emerge, while preserving similarity between the interviews to allow comparisons to be made (Kvale 1996). Marshall (1984) also argues that the semi-structured interview is effective when dealing with individuals such as senior managers who are used to interviews, as it

gives them the opportunity to discuss areas in which they are particularly knowledgeable.

The interviews themselves were based around a single set of questions. The questions were developed to examine the issues of boundary-spanning and interorganisational relationships (see appendix 1) in a systematic way. The research also took care to examine the aspects of the behaviour of boundary-spanning individuals that are affected cognitive processes. This was carried out by ensuring that some of the questions specifically addressed issues such as reticulism, the development of interorganisational trust and the role of leadership. Other questions sought to examine issues of structure and its impact upon individuals to test the assertions made in respect of the strategic-relational approach (see Chapter 2).

The vast majority of the interviews were carried out face-to-face although some interviews were conducted over the telephone for reasons of convenience and practicality. The initial interviews usually lasted between 1 hour and 1 hour, 30 minutes, although it must be acknowledged that this is substantial length of time, it was felt that this was necessary to ensure that all the relevant data was captured. It is possible that some would be interviewees were deterred due to the length of time the interview was expected to last. However, this was not found to be the case as the fact that the project sponsor was involved indicated that the research was considered valuable and interviewees were willing to spare the time. Furthermore, it might be noted that in North City, the interviewees were public servants and as such are generally receptive to inquiry from the public. Some individuals were interviewed

more than once in order to clarify points that were raised in previous interviews. A number of individuals were also interviewed several times in order capture their opinions at different stages in the process. These follow up interviewers were usually shorter and lasted around 20 minutes to half an hour. Follow up interviewers was carried out if the individual was found to be particularly critical in the development of the SSP.

In order to preserve a record of the interviews and to ensure accuracy, the majority of the interviews were recorded and in each interview detailed notes were made. The interviewees were partial transcribed as soon as possible after the interview. As the data analysis method is not using techniques such as Q-SORT or software such as NUD*ST, it was felt that full transcription was too time consuming. As such the interviewees were recorded and notes were kept the information is preserved for future reference. The interview participants were guaranteed anonymity in order to protect them from possible harm but also to encourage them to speak openly. However, two of the interviews were not recorded because the interviewees believed that a physical record of their comments would have lead to professional consequences. These issues will be explored more fully in the sector addressing ethical issues associated with research. The use of recordings has two principle benefits; it ensures that the data analysis can be repeated and that the comments of interviewees are reflected accurately. As such the research is able to achieve reliability and interpretative validity.

The initial interviewees were selected from the document collection and from the recommendations of the project sponsor, who was interviewed first. These interviews

were conducted in June 2005 and a complete list of the participants and the dates of their interviews is shown below in Table 5.

Table 5: The North City Case Study Participants

Interviewee	Date of Interview(s)	Interviewee	Date of Interview(s)
Deputy Chief Executive of the City Council.	June 2005 Nov. 2005 April 2006	IT Manager	Sept. 2005
SSP Project Manager	June 2005 Nov. 2005	Middle Manager 1 (Policy)	Oct. 2005
Leader of the Labour group.	Oct. 2005	Middle Manager 2 (Community)	Nov. 2005
Leader of the Liberal group.	Oct. 2005	Middle Manager 3 (Environmental Services	Sept. 2005
Partnership Committee Member.	Oct. 2005	Trade Union 1 (T&GWU)	Sept. 2005
Chief Executive of North City Council.	Jan. 2006	Trade Union 2 (T&GWU)	Nov. 2005
Environmental Services Manager. (Member of Strategic Management Team)	June 2005	Trade Union 3 (UNISON)	Nov. 2005
Legal Services Manager. (Member of Strategic Management Team)	June 2005	Project Officer 1	Nov. 2005
HR Manager (Member of Strategic Management Team)	Nov. 2005	Project Officer 2	Nov. 2005
Labour Councillor.	Nov. 2005	Infobid Manager	Jan. 2006
Finance Manager. (Member of Strategic Management Team)	Nov. 2005	Member of North City Campaign Group	April 2006 (tele)

Following the completion each interview, each participants were asked if they could recommend a number of other potential interviewees and relevant individuals were identified in this way. This technique is known as 'snow-balling' and by tracing interviewees from the recommendations of others it can help to address issues of access (Atkinson and Flint 2001), as the recommendation can confer status on the researcher – an issue that was also raised by the pilot interviewees. Following the completion of this snowballing process, the documents were reviewed and further sets

of interviewees were followed up to ensure that important individuals were not missed. This second review proved to be useful, as the SSP interviewees had not suggested that shop stewards be interviewed, nor did the managerial interviewees consider it important that the researcher should speak with the actual project team tasked with implementing the SSP.

In total 22 individuals were interviewed in the SSP case study and a brief profile of each individual is contained within appendix 2. Where the study quotes from an interviewee, the date the interview was conducted and the method of interview is listed in the citation.

Problems of Data Collection

However, it must be noted that given the political and commercial sensitivities of the research there were some problems in the data collection process. In several interviews, participants indicated that they wished to say things 'off the record.' As such, this information remained unrecorded and could not be used in the research. Although, this data could be used to help develop further questions or structure the data collection process, the most insightful and critical information often remained unusable. A second issue regarding the interviews concerned the level of access to participants. Although the interviewees were generally responsive to request to interviews, it was often made clear to the researcher that certain topics were 'out of bounds' – this was driven by a belief that commercial confidential information was privileged. As such the research was unable to obtain precise financial data and was

unable to assess to terms of the proposals that each private sector bidder had advanced. Although generic information was obtained from the OJEU and some information was inferred from the comments made by interviewees, it remains unsatisfactory that this information was not obtained and in this respect the research is lacking.

The final problem faced in the data collection process refers to the quality of the data itself. Although the research was often able to obtain some documents that were not generally available to the public, commercially sensitive information was not provided. It is also worth noting that documents should not be assumed to be equally important as some documents have more impact than others, Nor do documents always represent the final views of their authors. Therefore, research must take care to recognise the time and context of a document. Furthermore as Atkinson and Hammersley (1995) argue, it is important to recognise the agenda of the individual who produced the document and *their* objectives.

The interviews were generally conducted with senior managers and political leaders and these individuals tend to be accomplished speakers and used to giving interviews. As such, these individuals are able to hide information from questioners and can be evasive (see Marshall 1984). Elite interviewees are also wont to use the interview as a chance to advance their point of view and this was observed in several cases. For example, the leader of the Labour Group made repeated references to the behaviour of the [Liberal Democrat] opposition. As such, the individual was clearly engaging in political point scoring.

To manage these issues of quality, the data analysis took particular care to be reflective, to attempt to verify statements and to be aware that the interviewees had their own agendas. In other words, the researcher could not take the words of interviewees at face value.

These issues of quality are inherent to interview and document collection methodologies. To a certain extent the problems can be managed by carefully designing questions that are likely to elicit responses, paying attention to the wider context and the agendas that interviewees may have. In the document collection and analysis, research must recognise that documents are of varying quality and that they are not a neutral record but reflect their author's views and objectives.

Analysing the Data

The data collection was judged to be complete when interviewees suggested that the researcher speak to prior interviewees, offered no suggestions or highlighted documents of which the researcher was already aware. It was judged that in such cases, the researcher had reached the edges of the relevant issue network. The process of analysing the data was not static but iterative, in that the findings from one interview or the contents of a document were constantly referred to and used to guide further efforts and to generate further questions and topics.

The analysis of the data itself involved reconstructing the sequence of events that took place in North City during the development of the SSP and comparing the sequence of

events to the conceptual framework proposed in Chapter 6. The data also sought to identify the role of key individuals within the development of the SSP and this allowed the research to investigate their abilities as policy or collaborative entrepreneurs and boundary-spanners. However, exploring the different aspects of an individual's role required the development of conceptual schemata (Strauss and Corbin 1998) around specific events. This method allowed the research to gain an insight into how different individuals understood events and the issues and factors that they considered into important. The process of reconstructing events accurately was assisted by the use of documents, recorded interviews and the interview notes which ensured that reliability could be maintained after a substantial period (Pridham 1987, in Coaffee 2000). The process of reconstructing events and examining the role of individuals allowed the research to assess the effectiveness of the conceptual framework and to highlight the areas where revisions were needed; thus the methodology attempted to falsify the framework.

Although the issue of validity has been discussed at considerable length in this chapter, Mason (2002) points out that the concept must also inform the data analysis and the way in which the research is presented. This study was utilised a conceptual framework to understand the process by which interorganisational relationships emerge. As such, the analysis is most effectively presented as a narrative. This is because the conceptual framework argues that interorganisational relationships develop in a sequence, furthermore the concept of time is critical to the framework. As such, a narrative is able to ensure that events are shown in the correct order. A narrative also

allows the complexity of an emergent SSP to shown and this also helps ensure context validity.

The conceptual framework is based upon a number of theoretical concepts such as policy windows or boundary-spanning individuals and as such the issue of construct validity is inherent within the data analysis. It was previously argued that by examining different aspects of the same issue, the validity of a theoretical construct could be demonstrated. As such, the data analysis must take care to check that multiple comments from several different individuals support the existence of a concept or that a concept makes sense of the comments made by several different individuals. If this is found to be the case, the constructs can be said to be valid.

A second issue in respect of the validity of the data analysis concerns interpretative validity. Interpretative validity is established when the data accurately reflects the views and experiences of the research participants (in this case the interviewees). In other words, interpretative validity is achieved is achieved when the interpretation is supported by the data. To ensure that the data was interpreted correctly, the analysis took several precautions. The first was that data was not selected based upon its ability to confirm theory (see Flyvbjerg 2006) instead the data was organised around the conceptual schemata and the conceptual framework. This allowed data that supported and challenged the framework to be considered. The second precaution was that data collected from a given individual was considered in its entirety and this ensured that individual's views were reflected correctly. The final precaution was that where ambiguity existed, the individual was contacted and clarification was sought. These precautions helped ensure that the data analysis could claim interpretative validity.

Ethical Issues in the Research Process

Punch (1998: 157) states that "no-one in their right mind would support a carefree, amateuristic and unduly naïve approach to qualitative research." This suggests that a social researcher must enter their field with proper understanding of the potential ethical issues of her research and that the actual research programme must be well designed, a point that also finds support from Miles and Huberman (1994). As part of this, research ethics must be taken seriously both at the design and data collection stages. This chapter has previously tackled the issues of research design and the discussion has, where appropriate, highlighted the existence of ethical implications.

The most comprehensive attempt to engage with the issue of ethics in social research is that of Siber and Stanley (1988), who develop a taxonomy for assessing the ethical implications of research that is "socially sensitive", which is defined as research that would have consequences for those taking part. However, as Lee and Renzetti (1990: 511) point out, this actually makes the *subject* of research the issue of debate and avoids discussion of the ethics associated with the methodology. Following Lee and Renzetti, it is possible to identify two potential sources of ethical concern, the first being issues associated with the case study itself and the second particular issues associated with the data collection methods.

Although the North City case study may not appear to be particularly sensitive, it does have implications, as it occurs within a political environment and the findings could be

used to buttress a particular argument. This issue is extremely important in respect of SSPs, given the serious strategic failure referred to above, which cost Bedfordshire County Council a considerable sum of money to address (Bedfordshire 2005).

The fact that the research is potentially sensitive must guide the data collection process, as this chapter has established that context is an important factor in determining the data collection technique. Douglas (1979) argues that the purpose of research in political contexts is to expose to scrutiny the nature of the organisation or the individuals within it. Indeed, Douglas goes on to claim that research has wider duties to society and to knowledge, which take precedence over the protection of an organisation and the individuals within it. Thus, for Douglas, the primary purpose of research is the outcome and the researcher should not impose artificial constraints upon her own data collection.

This rather provocative position is comparatively easy to rebut, as social and especially political researchers do not usually have unrestricted access to organisations, their ability to conduct research being dependent upon the consent of gatekeepers (see Brewer 1990, Marshall and Rossman 2006). Any researcher who adopted the tactics advocated by Douglas might therefore quickly find that her permission to research an organisation had evaporated; she would also have damaged the potential for future researchers to study the topic, ensuring that her own research remained unique and so lending support to the criticism that case studies cannot be replicated. Furthermore, the technique of snowballing is dependent on implicit trust between the research

participant and the researcher, in that the latter gains legitimacy from the former (Atkinson and Finch 2001) in order to secure access to further potential participants.

Ethical Issues Regarding Data Collection

In relation to data collection methods, Fontana and Frey (2005) highlight three key ethical issues: the *informed consent* of the participants, their *privacy and confidentiality*, and protecting them from *harm or negative consequences.*

The issue of informed consent simply states that participants involved in research must agree to take part in the research in the full knowledge of what it is for and how it will be presented. To this end, Patton (2002) recommends that the researcher be completely open about the research and this is the approach that was adopted in this study, as it was not only ethical but also practical, allowing the researcher to avoid the false impression that he was some kind of managerial or official 'spy'. This was felt to be quite important, as the research was co-funded by the ODPM, which was then the government organisation responsible for both regeneration and strategic partnerships. Furthermore, the fact that the researcher was operating in the organisation with the permission of a (managerial) sponsor may have encouraged the false impression of subterfuge, making openness all the more necessary. However, in North City it must be noted that this approach was not especially successful, as the individuals who were most open were at the managerial level and it may be presumed that such individuals were used to playing politics in their organisations and knew how to effectively protect themselves from consequences. By contrast, the two project officers refused to be interviewed on the record. This may be attributed to the belief that a conversation

could be denied and that written notes have an element of deniability, as it is difficult to prove that the words or sentiments are genuine or accurate.

The notion of informed consent is also closely linked to issues of protecting participants from harm, as the most effective judges of the implications of harm in interview settings are the participants themselves, who have the freedom to reveal or withhold information. The issues of confidentiality and privacy also have impacts on informed consent and protection from harm. It is considered important both ethically and practically for an interviewer to maintain the privacy and the confidentiality of the research participants (American Sociological Association 2007); however, it is important to recognise that confidentiality is often wrongly conflated with anonymity as a result of what Brainard (2001) views as a quasi-medical model of social research ethics. Furthermore, the terms have different legal meanings.

In confidential research, the data that any individual participant shares with the researcher is kept secret and is known only to the researcher or those *directly* involved in the research process. In this type of research, the analysis deals only with aggregate data at the level of all participants; it is thus unsuitable for interview-based methods of data collection, since to maintain the confidentiality of the participants would require the imposition of secrecy on the actual empirical data, so that a researcher could state that nineteen of twenty-five participants believed that SSPs were detrimental to the public sector but could not present the quotations to support this, as these would be confidential.

However, what is commonly referred to as confidentiality should more properly be called anonymity. In anonymous research, the researcher aims to protect the identities of the individuals involved in the study rather than to preserve the confidentiality of the data. This approach is considered to have the practical advantage that research participants will be more honest and forthcoming in their replies if they believe that they will be protected from negative consequences (American Sociological Association 2002)[1]. However, Brainard (2001) argues that too little thought is given to whether the research participants actually require anonymity (he also uses the term 'confidentiality'), having found in his studies of life histories that individuals were quite happy to allow their views to be openly attributed to them and noting that there was no evidence of information being withheld.

For Brainard, the rote imposition of anonymity is reflective of ethical conservatism and symptomatic of a wider belief that the professional researcher understands matters better than the participants themselves, so must offer paternalistic protection. However, the experience of this study suggests that some participants did fear consequences should their views become common knowledge, as it is difficult to find other explanations for the reluctance of some interviewees for their words to be audio-recorded. Therefore, it was considered methodologically preferable to grant anonymity to all participants, ensuring that they would be protected from any consequences of the research because their identities could not be confirmed.

[1] It is worth noting that the American Sociological Association also refers to the notion of confidentiality rather than anonymity.

Although Brainard (2001) raises the important issue of the precise nature of the relationship between the participants and the researcher (Fontana and Frey 2005: 715-716), the issue of privacy, confidentiality and anonymity in the UK are rendered rather redundant by the Data Protection Act (1998, S. 10, p. 1b) which places an absolute duty on the part of researchers to maintain the security of data (recorded, electronic and transcriptions.) This must be done to prevent the disclosure of data that could cause harm or distress to individuals through disclosure (unauthorised or otherwise), although an exception is made under Section 33 for academic research as long as the obligations and intent of the Act are generally followed. This allows an academic researcher to use quotations in research; these qualify as proper disclosures as long as the identity of the individuals is protected in order to guard against harm and distress. However, the researcher must store the data securely. Although harm and distress are not defined, it can be argued that they include physical harm, legal sanctions or professional embarrassment. Thus the data protection obligations of researchers are very much in line with accepted academic practice (Sieber and Stanley 1998, Lee and Renzetti 1990, Marshall and Rossman 2006).

To ensure that the professional and legal requirements of protecting privacy and anonymity were met, the researcher made the transcriptions of interviews anonymous and identified them with a code; all quotations in this thesis are attributed to a generic job description rather than a specific individual, a technique that has been used by Marchington *et al.* (2005) as it preserves context and structurally specific information. Although in the case of some individuals their job descriptions could lead to their identification, it is believed that reference to them was theoretically unavoidable, given

that this study argues that the actions of individual are constrained and enabled by structure, making job role and formal position highly relevant factors. In further mitigation, it can be argued that in such cases, the individuals are generally senior managers and political leaders who are used to giving interviews (Marshall 1984).

Conclusion

This chapter has examined the use of case studies as a means of research and drawing upon the pilot interviews has considered how best to address the research questions, concluding that qualitative methods were most appropriate. The chapter argued that the choice of particular qualitative techniques would be dependent upon the precise details of the cases selected. To this end, the case study was selected before the methods of investigation (Duelli-Klien 1983). The main case selected was that of a Strategic Service Partnership in a northern town (North City) which was chosen because little research has been carried out into SSPs, that comparatively little movement had occurred, with many of the key actors remaining in their roles, and that the actual case was easily accessible.

The selection of the cases allowed for the data collection methods to be chosen and it was determined that semi-structured interviews coupled with document collection would be employed to gather data. Finally, the chapter examined some of the ethical issues associated with the research design (Lee and Renzetti 1990) and developed strategies by which the issues could be overcome so that the research would meet the required ethical standards.

This chapter concludes the first part of the thesis, which has dealt exclusively with theory. The second part reports on the use of the methodology outlined in this chapter to collect the empirical data from the case study and this will be developed in Chapters 8 to 10.

CHAPTER 8: THE CASE OF NORTH CITY – THE PROCESS STREAMS

Introduction

This study has two broad parts, the first concerned with theory and the second with an empirical examination of the theory. Chapters 2 to 6 have addressed the establishment of a solid theoretical basis to investigate boundary-spanning within interorganisational relationships and outlined the methodology necessary to study this phenomenon through the use of a case study. This chapter and the two which follow report on the empirical part of the study, using the theoretical approaches developed previously to analyse a Strategic Service Partnership (SSP).

The theoretical framework developed in Chapter 6 proposes, after Takahashi and Smunty (2002), that a modified version of Kingdon's agenda [policy] setting model can be joined to a sequential account of the development of an interorganisational relationship. This approach holds that a policy window is necessary to establish the concept of seeking an interorganisational relationship as an organisational policy, while an implementation window is necessary to begin the process of realising the relationship. The prospective relationship then proceeds sequentially through the search, evaluation, negotiation and operating stages, during which it is argued that should the either implementation or policy window collapse, the process of collaboration will end. To test this theoretical framework,

the development of an SSP is examined in a case study, as these partnerships are under-researched, despite constituting the current state of evolution of the public-private partnership (PPP) agenda in the UK.

The theoretical framework developed in Chapter 6 depends on the notion of process streams. However, these are themselves container concepts for a variety of individual factors which interact to produce policy and implementation windows. Thus, the streams must be disaggregated and the factors that are relevant to the formation of the SSP exposed. This chapter identifies the different components of the policy streams, whilst Chapters 9 and 10 consider the sequence through which the partnership developed.

The New Public Management and Strategic Service Partnerships

Although Chapter 1 contained a substantive discussion on the development of Strategic Service Partnerships as an extension of the New Public Management reforms, it is useful to briefly recap some of the most salient points.

The New Public Management or NPM is the term given to a series of public sector reforms developed from the 1980's onwards and it is important to recognise that the concept evolved over time (Ferlie *et al.* 1996). Despite the evolving nature of the NPM, it is possible to identify the intellectual foundations of the NPM. The NPM is underpinned by a belief that the private sector is inherently more efficient (Ranson and Stewart 1994)

than the public sector because of the presence of competition (Deakin and Walsh 1996). Competition was believed to force the private sector to deliver a higher standard of customer service (Osborne and Gaebler 1993) as dissatisfied customer (or consumers) would simply take their business elsewhere. Furthermore, it was thought by the advocates of the NPM that competition encouraged private sector managers to respond to opportunities as entrepreneurs in pursuit of improved efficiency and customer satisfaction (Linder 2000). In order to manage efficiently, the NPM argued that private sector managers made extensive use of performance measurement regimes. These allowed managers to monitor and manage their organisations to identify underperforming or financially inefficient units and address these problems as competent professionals.

The NPM contrasted the image of the well-managed, efficient private sector with a public sector which was viewed as bureaucratic, hierarchical, unprofessional and inefficient. The supporters of the NPM also claimed that because the public sector held a monopoly on service delivery, public sector organisations were managed in terms of their own interests rather than the interests of the service users (Niskasen 1980). Although Du Gay (2002) points out that these arguments were based upon a caricature of the public sector, they exercised a powerful hold on political decision makers and therefore the reforms of the NPM can be understood as an attempt to address these problems (see Zahariadis 1996).

As the NPM can be understood as an evolving concept, its implementation can be understood as consisting of three broad iterations The first iteration of the NPM consisted of the implementation of performance measurement and the compulsory outsourcing of

services to the private sector under the CCT regime (Hood 1991). However, the CCT regime proved deeply unpopular with many in the public sector as it was perceived as antagonistic and an attempt to devalue public service. This unpopularity led to a change in the language used to promote the ideas of the NPM (Martin 2000) and throughout the 1990's the outsourcing of services became was described in terms of partnerships rather than client/vendor relationships (Linder 2000). In this respect, the evolution of the NPM reflected a change in academic fashions as management theory in 1980's had promoted outsourcing whilst management theory in the 1990s argued for partnerships (Pollitt and Bouckaert 2000).

The concept of partnership between the public and private sectors produced the second iteration of the NPM, that of the Public-Private Partnership or PPP. In the UK, Public-Private Partnerships is something of a catchall term that is used to describe both collaborative arrangements between public and private sector organisations (Sullivan and Skelcher 2002) or off-balance sheet financing arrangements under the Private Finance Initiative or PFI (Field and Peck 2004). PFI style partnerships usually took the form of Design Finance Build Operate arrangements in which private sector companies would incur the development and operating costs for public sector infrastructure. However, the term 'operating' was somewhat misleading as the core services using the infrastructure remained in the control of the public sector. As such, private sector management was only able to delivery efficiency savings in ancillary services such as cleaning or building management. Furthermore, Lonsdale (2005) points out that a PFI scheme is likely to produce a situation of post-contractual lock in which a public sector organisation becomes

dependent on the private sector supplier. In this situation, a partnership does not produce savings but rather the risk of exploitation.

The third iteration of the NPM agenda can be seen as an attempt to address the problems associated PFI style partnerships and this led to the development of Strategic Service Partnerships (SSP). SSPs are long term, large scale contracts in which a public sector organisation contracts out core back-office functions and core services such as ICT to a third parties who are usually consortia of private sector organisations (Hughes 2005, Rubery *et al.* 2005). In return the private sector invests considerably in improving the IT infrastructure and streaming operational procedures. As such, the parties to the contract become interdependent as the public sector organisation cannot operate without these functions and therefore the private sector organisation(s) must operate the contract successful if they wish to retain a profit making opportunity or recover their initial financial investment.

Public Sector Procurement

In the UK, the process of establishing a partnership invariably involves some form of monetary exchange from the public to the private sector falls under the category of procurement, as in law, the partnership is considered to involve the purchase of goods or services. Thus it is necessary to explain briefly the process of procurement.

Government procurement (both local and national) is regulated under a series of European Union directives which are implemented by UK legal regulations (as distinct from Acts of Parliament)[2]. The most critical of these are:

- EU Works Directive 93/97/EC – Implemented in the UK under SI 1991 No. 2680 Public Works Contracts Regulations and SI 1995 no. 201 Public Works Supply Regulations (Amendments)
- EU Public Services Remedy Directive 89/665/EC – Implemented in the UK under SI 1993 no. 3228 Public Supply Contracts Regulation and SI 1995 no. 201 Public Services Contracts Regulations
- EU Works Directive 93/52/EC (Amended) – Implemented in the UK under SI 2000 no. 2009 Public Contracts (Works, Services and Supply (Amendment)) Regulations.

It should be noted that the legal regime was changed in 2006, under the SI 2006/5 Public Contracts Regulations, which unified the Directives and laws listed in UK law; but in 2003, the above Regulations still applied.

The regulations state that a procurement involving a local authority which is valued at more than £144,371 must be tendered. There are three types of tender, the most common form being the Open Tender, in which a notice is placed in the Official Journal of the

[2] The distinction is that an Act requires a Parliamentary majority and the Royal Assent, whereas a Regulation has legal force but is implemented administratively due to its compliance with previous Treaty or Legislative arrangements.

European Union (OJEU) S edition for 34 days and any responses meeting the local authority's criteria will be assessed. The second category is known as a Restrictive Tender, where the tender must also be advertised in OJEU(S) for 34 days but only those responses meeting the actual selection criteria will be assessed; it was this category that was ultimately used by North City. The final category is the Negotiated Procedure, in which a tender may not be advertised in OJEU(S); this is commonly used for emergency procurement or sensitive contracts such as defence.

To determine whether responses to a tender meet their selection criteria, authorities employ a Pre-Qualification Questionnaire (PPQ) – a series of questions put to a potential bidder to determine its suitability. Following the PPQs local authorities issue what are known as Invitation to Negotiate (ITN) documents to those bidders who meet the selection criteria. ITNs are complex legal documents whose purpose is to specify in detail what would be expected of a successful bidder. Following their issue, the local authority engages in a process of negotiation with the bidders over what they can deliver and from these a preferred and a reserve bidder are selected. The local authority then begins negotiations as to the actual form of the contract.

The Key Institutional Actors

The development of the SSP in North City involved a number of different institutional and organisational actors, listed in Figure 4.

Figure 4: The Key Institutional and Organisational Actors

North City Council: North City is a rather poorly administered council in the North of England. The council operates under resource shortages and has a very outdated ICT system which prevented effective management and coordination between departments. North City also has a history of racial tension and these cumulated in riots in 2001.
The Labour Group: The Labour group has generally controlled North City Council. The Labour group has tended to regard itself as a traditional socialist political group and prior to its electoral defeat in 2002 was hostile to idea of private sector involvement in the public sector. Like the Liberal group, the Labour group saw politics as a zero sum game.
The Liberal Group: The Liberal group is the second largest political group in North City, ideologically less hostile to private sector involvement in the public sector but politically rather opportunistic. Like the Labour group, it tends to see politics as a zero sum game.
The Audit Commission: The Audit Commission is a government agency tasked with inspecting the performance of local authorities under the Comprehensive Performance Assessment.
The ODPM: The ODPM was involved in providing support to North City following the extremely critical Audit Commission report in 2002, as the ODPM wished to see a turn around in the council.
Another City: Another City is a city of similar size to North City and is faced with similar problems. There is a history of rivalry between the two cities.
Computer Firm: An ICT consultancy hired to assess the problems in North City.
Legal Firm: A corporate law firm specialising in partnerships, hired to provide legal advice to North City.
Telebid: A large multinational telecoms firm with an established history of implementing ICT-based Strategic Service Partnerships.
Compbid: A computer firm specialising in ICT systems. Compbid has a worked in a number of partnerships but has a mixed history of partnering with local authorities. Unlike the other organisations, which are PLCs or partner-owned firms, Compbid is owned by a venture capital company.
Infobid: Infobid is also a specialised ICT company with experience in operating strategic partnerships but has a more successful track record than its rivals.
Consultbid: A consultancy firm that specialises in operations management and local authority management. This firm is jointly owned by its managing partners.

The Process Streams

The framework developed in Chapter 6 is informed by policy process models, specifically the work of Kingdon (1995), Lober (1997) and Takahashi and Smutny (2002). As such, the model depends upon the identification of the content of the different process streams. Chapter 6 has outlined the likely content of some of these streams, although it must be

noted, as Chapter 7 made clear, that the case study method is iterative and that during the process of investigation, previously unknown factors will come to light. Whilst this may appear to be an argument for grounded theory (see Noble and Jones 2002, 2003), the policy process models structure the investigation (Miles and Huber 1974) and this argues against a grounded methodology.

The Political Stream

The political stream was identified in Chapter 6 as consisting of those factors which refer to the political context in which a policy is developed and enacted. This includes factors such as the frequency of elections, political trends and a factor that Kingdon (1995) identifies as the 'national mood', which can be understood as the prevailing attitude of the electorate. Zahariadis (1996) also suggests that the political stream could refer to the prevailing ideological beliefs and policies of a governing party. In terms of local government, these political beliefs would exist at both the national and local levels, as they would refer to the belief structure of local political groups as well as the national political agendas articulated by the government.

The political stream in North City can be identified as having following components: the results of the 2002 and 2003 local elections, the attitudes of the different political groups in North City, the agenda of partnership and the introduction of prudential borrowing. These factors were relative straightforward to identify, as they could be developed from

the existing literature. However, as the case study progressed, the issue of prudential borrowing was shown to be important, because the actors involved in the case study saw it as an important factor. It is also important to recognise that these factors did not combine into a single stream; rather, individual factors were relevant at different points in the development of the SSP.

The Elections of 2002 and 2003

North City has traditionally been controlled by the Labour group, which has held majority control of 21 of the 26 councils that have sat since 1973. This almost total political control was broken in 2002 when the Labour group lost control to the Liberal group, but the Liberals did not hold majority control, as is shown in Table 6:

Table 6: Local Electoral Results (2000-2003)

Year	**Labour Group** (seats held)	**Liberal Group** (seats held)	**Conservative Group** (seats held)	**Independent** and **Others**	**Control of council** (+/-majority)
2000	33	26	1	0	Labour (+6)
2002	28	29	2	1	Liberal (-2)
2003	33	24	2	1	Labour (+6)

The change in political control can be attributed to the reaction of the electorate to the major urban unrest that took place in 2001. As such it can be argued that the Labour group was punished at the ballot box for its perceived failings (James and John 2006). The change in political control of the council was important in the development of the SSP, as

when the problems of weak corporate government and inadequate ICT were identified by the Audit Commission (2002a), the Liberal group, which was not ideologically hostile to public-private partnerships, was in power and the policy entrepreneurs were in a structural context which allowed them to realise partnership as a solution to these problems. The change in political control also proved salutary for the Labour group as it forced the leadership to acknowledge that it was partially responsible for previous failures. This change in attitude allowed the Labour group to come to consider the solutions proposed by the Liberal group as viable, which served to maintain the policy window following the change in control of the council in 2003 and allowed the partnership agenda of the Liberal group to survive.

The Attitudes of the Labour group

A second factor in the political stream is the respective attitudes of the two major political groups in North City, the Labour and Liberal groups. Prior to 2002, the Labour group could be described as very much 'Old Labour', placing a great deal of emphasis on traditional leftwing concerns such as socialism, poverty alleviation, social justice and a strong public sector (Goss 1988). However, in May 2002 the Labour group lost control of the council and this may be attributed to the political fallout from the riots, whereby the council's performance was seen in a negative light and Labour was 'punished' at the ballot box (James and John 2006). Following this electoral defeat, the Labour group found itself in opposition. This experience proved salutary for the group, which, in an effort to

regain power, was willing to transform itself into one willing to consider organisational change. In fact North City's Deputy Chief Executive (personal interview, June 2005) commented: "[t]he Labour administration had gone into opposition as quite a traditionally focused Labour group and they had come back as a group more aware of the ways of providing service."

This change of attitude can be attributed to the effects of defeat in the 2002 local elections and the subsequent Audit Commission report in November 2002. James and John (2006) argue that the political groups in charge of local authorities who perform poorly tend to suffer in elections and the experience of the Labour group in 2002 provides support for this hypothesis, as its defeat is likely to have been caused by the aftermath of the riots in 2001, when a perception was established in the electorate that North City Council was underperforming. Initially, the Labour group expected to return to power quickly and given the narrowness of the Liberal victory, this was a realistic possibility; therefore the Labour group believed that it was not necessary to substantially reform its policies. This belief was reinforced by a perception amongst the leadership that the Liberal group would not be able to sustain itself in power and the Leader of Labour group (personal interview, October 2005) commented : "Without wishing to make political points, they [the Liberal Democrats] came into office with no vision, no agenda. They just wanted power and when they got it they didn't know what to do with it."

However, the Audit Commission Corporate Governance report (2002a) led to the Labour group substantially changing its political agenda to one that was supportive of

partnerships. This change in political position can be understood in terms of policy windows and this will be developed further in Chapter 9, as it is of greater relevance to the formation of the SSP. However, another effect of this change in attitude was to cause changes in the political stream which allowed other individuals (in particular North City's Deputy Chief Executive) to act as policy and collaborative entrepreneurs to develop the strategic partnership.

Although the support provided by the ODPM was primarily directed at the council and the Liberal group, the presence of the ODPM brought to prominence within North City wider political trends, including that of the partnership agenda. The ODPM increasingly saw partnership with the private sector as a means of achieving organisational reform (4Ps 2001) and during the period in which North City was receiving assistance the ODPM was producing reports that emphasised the benefits of public-private partnerships (ODPM 2003a). Thus the involvement of the ODPM may be seen as an attempt to create coercive pressure on North City to move towards a partnership structure. Furthermore, the presence of the ODPM led to a situation in which the Labour group could not be seen to be engaging in 'politics as usual'. This factor, coupled with the partnership agenda and the Audit Commission report, brought the streams into alignment and allowed the Leader of the Labour group to act as a policy entrepreneur, coupling the stream to create a policy window and to change the internal policy of the Labour group.

However, it should not be assumed that there was widespread conversion within the Labour group to the idea of Strategic Service Partnerships. Instead, it can be argued that

the Leader of the Labour group was successful as a policy entrepreneur because he led the party and had the authority to implement a policy change. Thus, this policy entrepreneur was not required to gain support, as Buchanan and Boddy (1992) suppose, but simply had to have consent.

The Attitude of the Liberal group

In contrast to the Labour group, the Liberal group was rather less hostile to the idea of private sector involvement in the council's operation, having no strong ideological objection to the concept. However, this is not to suggest that public-private collaboration was a definite policy proposal of the Liberal group, rather the idea was not one that would be reflexively opposed. In May 2002, the Liberal group assumed control of the council but lacked an overall majority, so the Liberals could not convincingly claim that they possessed a mandate for radical change and the process of reform would have to be one of consensual change implemented with Labour support (Audit Commission 2002a). It was possible to achieve this because of the creation and exploitation of the policy window in the Labour group which caused them to support the agenda of partnership.

The reform agenda of the Liberal group is part of the proposal stream and will be discussed in detail in a following section; meanwhile, it is worth noting that this agenda consisted of a programme of business process reengineering (BPR), ICT reform, recruitment of new managers and regeneration designed to address community tensions.

Although the Liberals lost power in 2003, the reforms that they embarked upon were broadly supported by the Labour group, who continued with the programme of seeking an external partner, following changes in their attitude whilst in opposition, which – as subsequent discussion will indicate – can be attributed to the Leader of the Labour group acting as a policy entrepreneur.

The Partnership Agenda

The discussion of SSPs above has located the concept of partnerships within the NPM agenda. However, what has not been discussed is their political and normative dimensions. Partnerships were also seen as politically appealing because they provided a means of retaining the advantages of NPM whist abandoning its more contentious elements (Martin 2000). To justify this politically, the partnership agenda assumed the language of the 'Third Way' (see Giddens 1998). This approach argued that a pragmatic focus should be adopted and local government was encouraged to adopt the method of service delivery that was most appropriate for a given situation. This pragmatism encouraged councils to see SSPs as a means of achieving organisational reform (ODPM 2003a, Hughes 2005) on a substantially larger scale than had previously been undertaken.

The partnership agenda has been established in the UK for a considerable time and has been promoted extensively. Furthermore, many organisations now describe any form of interorganisational relationship in which they are engaged as a partnership. This, as Linder

(2000) notes, has created a certain degree of conceptual confusion around the term. However, the fact that partnerships are extensively used has led to the concept acquiring a certain degree of normative force, in that it is viewed as the only appropriate way for organisations to conduct long-term interorganisational relationships. An interorganisational relationship that involves long-term interaction is not simply a 'contract' but a partnership, regardless of whether it exhibits the shared decision-making and joint objectives that Alter and Hage (1993), Kanter (1994) Huxham and Vangen (2000) or Sullivan and Skelcher see as essential to the concept of partnership.

The Introduction of Prudential Borrowing

The final element of the political stream was the introduction of the Local Government Act (2003), which created the prudential borrowing regime, allowing a council to borrow money for "any purpose relevant to its functions under any enactment" (Local Government Act 2003, c.26, s.1a). In other words, councils were able to borrow money as long as this was used to introduce or improve upon the services or functions that they were legally empowered to deliver.

The prudential borrowing regime had a negative impact upon the formation of the policy windows, as it served to remove one of the primary drivers of the formation of an SSP. The impact of prudential borrowing on the proposal stream would have caused the implementation window to collapse had the collaborative entrepreneur (in the person of

North City's Deputy Chief Executive) not found other rationales with which to justify the continuation of the partnership.

The Problem Stream

The problem stream in North City had five distinct parts and these can be summarised as issues of poverty and deprivation, political and managerial weaknesses, technical and structural weakness in the council, lack of financial resources in North City and the risk posed by Another City. Unlike the variables in the political stream, the problems facing North City could not be derived from analysis of theory, being unique to the situation.

Poverty and Deprivation

In both 2001 and 2004, North City was ranked in the lowest quartile in the Index of Deprivation survey (ONS 2004) and can be considered one of the most deprived areas in the UK. This deprivation can be explained as the result of an economy dependent on part-time jobs, as North City has fewer full-time and more part-time jobs than the English and Welsh average and with the exception of 1998, when a part-time worker in North City earned more than the average part-timer in England and Wales (+0.23 Standard Deviations), workers in North City have earned less than their peers in England and Wales. This is clearly illustrated in Table 7.

Table 7: Full- and Part-Time Wages as a Percentage of UK Average Wages

Year	Locale	% FT jobs	Avg. FT wk wage (£)	% PT jobs	Avg. PT wk wage (£)
1998	North City	73%	341.9	27%	119.9
	England + Wales	77%	373.19	23%	115.09
1999	North City	74%	349.6	26%	118.8
	England + Wales	76%	386.75	24%	121.5
2000	North City	72%	357.5	28%	122
	England + Wales	76%	402.09	24%	126.18
2001	North City	71%	368.9	29%	122.2
	England + Wales	76%	455.7	24%	134.8
2002	North City	73%	393.4	29%	128.1
	England + Wales	76%	444	25%	139.35
2003	North City	74%	406.9	28%	142.1
	England + Wales	75%	462.5	25%	146.3
2004	North City	74%	425.5	26%	147
	England + Wales	75%	478.44	25%	156.89

ONS 2005 (Annual Survey of Hours and Earnings: Place of Work by Local Authority)

This argument finds support in the fact that in 2001, when North City was ranked in the lowest quartile in the Government's index of deprivation, only 71% of all North City's jobs were full-time positions, compared to 76% of position in England and Wales, while a full-time employee in North City earned on average £61.3 per week less than her English or Welsh peers (-1.19 Standard Deviations) and a part-time employee in North City earned

on average £12.2 per week less (-0.52 Standard Deviations). It is possible to conclude that among the causes of deprivation in North City are low wages and a shortage of full-time positions.

This deprivation created a particular problem in North City, as it was argued that one of the major causes of racial tensions there was the level of poverty (Richie 2001, North City 2002a, 2002b, 2002c). North City councillors therefore believed that they must create jobs in order to defang the political extremists who would incite racial tensions. Robinson (2005) argues that understanding racial problems in terms of poverty is politically useful, as it provides a simple analysis that is amendable to established solutions such as regeneration. This argument would seem to be borne out by a comment from the SSP Project Manager (personal interview, June 2005):

> [I]t's particularly important to us if we get young Asian males in particular who are reasonably qualified and have got reasonable aspirations that have nowhere to go. That's disengagement. There's lots of fuel there for political extremists to make capital for that, so we see it as very important that we grow jobs.

The Political and Managerial Failings

The long-term political dominance of North City by the Labour group, set out above, has had two major effects, the first being that an intensely adversarial political culture developed in which the Liberal group attempted to gain power while the Labour group attempted to defend its grip on that power. This had a corrosive effect on the culture of the

council, as the Labour group had little incentive to discharge its duties properly, believing itself to be in no danger of electoral defeat, while the Liberal group was more interested in politicking. The oversight functions of the council suffered as a result and the administrative bureaucracy of the council was largely left without political leadership.

The managerial failings of North City concerned issues of capacity in the management team, a lack of strategic vision and leadership, and an inability to communicate within the council. This allowed 'organisational silos' to develop (Audit Commission 2002a), as each department not only regarded itself as functionally independent of the council as a whole but had the budgetary capacity to protect its boundaries. Thus, the ability of the council to coordinate itself rested upon the ability of the management team to secure the consent of departmental fiefs and the management team was not capable of doing this. Although North City's senior management had recognised this problem and attempted to develop a coordinated corporate function, this was never achieved, due to weak leadership and a lack of political support for following through the necessary changes. As the Environmental Service Manager (personal interview, June 2005) rather dismissively put it, "we were very good at making plans."

The gaps in management capacity were exacerbated by the fact that in the aftermath of the riots in 2001, large numbers of senior managers left North City's employ through retirement or resignation. Whilst the removal of these individuals created the opportunity for a new management team to be developed in the longer term, in the short term the

shortage of permanent senior managers aggravated the problems of managerial inadequacy.

Technical and Organisational Failings

The technical problems faced by North City in regard to its ICT infrastructure and performance management were complex, but it can be said that they impacted most strongly in the fields of finance and human resources. Problems were also manifest in the way in which North City council interacted with its citizens. However, before these points can be discussed, it is necessary to explain the state of the IT with which North City was operating. This was well explained by the SSP Project Manager (personal interview, June 2005):

> The IT system, the housing benefits system for example, is about 20 years old. We're a four-star benefits service with a 20 year old system so someone is doing something right somewhere and you can argue from a business case that if we've got an IT system now that's still running in 20 years, we've got to have it. But that's held back innovation. It's people intensive and you wouldn't do it that way if you could. A lot of our systems have still got mainframes.

Although the manager concedes that North City was able to administer a strong benefits system with an old IT system, the key issues raised relate to the existence of people-intensive mainframe computer systems. These are centralised computer systems designed to offer exceptional stability and data-processing capabilities, which are also exceptionally secure and robust. Thus, mainframes are ideal for batch processing tasks such as benefit

administration which require the computation of large volumes of data on a regular basis. However, mainframe systems suffer from a number of technical drawbacks, as they are person-intensive to operate because they lack modern data storage techniques and require manual inputs to receive, manage and process data. Mainframe systems are also incompatible with the current IT doctrines of decentralised workstations, being relics of the doctrine that IT systems should be limited and centralised. The very stability and robustness of mainframe systems also works against them, as they can be easily expanded, creating a situation where several generations of software and hardware can be knitted together as long as the software is designed with mainframe operation in mind. However, modern industry standard software is not designed to operate on mainframe systems, where it may have to communicate with software supplied by several different manufacturers. This creates a situation in which communication between departments becomes difficult, as the individual departments may be running different software programmes that cannot easily communicate with each other.

An example of this is found in the process by which weekly salary payments for blue-collar employees was organised. To manage its accounts, North City used a programme known as LAPIS which predated Microsoft Office software and was incompatible with data from other departments. Thus, information regarding the hours worked would be collated electronically using Microsoft Excel by supervisors and then sent in hard copy via the internal mail to Finance, who would have to enter the data manually to ensure that employees would be paid. As the Finance Manager (personal interview, November 2005) explained:

> I sat in this room with the previous administration and explained the process by which someone would get paid. We'd have weekly paid staff and they'd fill in a timesheet, the manager would transcribe it and the whole thing would be driven to Finance… it was a joke.

In respect of Human Resources (HR), a lack of attention from senior management had permitted a silo mentality to develop amongst the different organisational departments and this had led to HR functions being duplicated across the different departments. Whilst this allowed individual departmental managers to manage their departments effectively, it made it difficult to achieve central coordination, since personnel data for each individual department had to be collected and was not available centrally; from the point of view of the senior management team and elected members, this constituted a problem, as it hindered managerial control.

Lack of Financial Resources

As North City had significant problems with poverty, the council operated under a regime of reduced revenues. This created a situation in which members of the council believed that the authority was extremely poor in resources. However, the Audit Commission (2002a: 10) took a different view:

The Council like many others operates under tight financial constraints, but there is a widespread and exaggerated perception, within and outside the Council, that it lacks resources.

The Audit Commission argued that whilst North City did indeed suffer from a lack of capital, this had rather less to do with a shortage of resources than with wasteful allocation of those that were available, due to inefficiencies within the council which could be addressed by the suggested programme of BPR. However, the lack of capital identified by the Audit Commission is rather more important than the Commission accepted, because the reform of the organisational procedures and the replacement of the ICT infrastructure which BPR requires are both capital-intensive and North City simply did not have the finance available to deliver this. The Audit Commission's argument was that North City had money but was wasting it in inefficient procedures. However, without available money – what there was being tied up in the existing procedures – the authority could not implement the reforms necessary to free up the financial resources. In other words, North City was in a 'Catch 22' situation.

The Absence of Full-Time Managers from Key Posts

The Audit Commission corporate governance report (2002a) identified gaps in the managerial capacity of the North City Council, caused by the resignations of a number of key strategic managers in the aftermath of the 2001 riots and by the delay in recruiting

replacements. This produced a situation of instability within North City which made decision-making very difficult, as the SSP Project Manager (personal interview, June 2005) recalled: “It was going through a time when it was imploding. You thought you had got something agreed with a management team and then there was a different management team.”

A second effect of the absence of leadership was the re-emergence of the prevailing culture of North City’s officers – that of inertia. Although this issue will be discussed in more detail in the section on the organisational stream, it is necessary here to make some brief comments on how this became a problem. The shortage of managers and the continued instability in the Strategic Management Team (SMT) referred to by the above interviewee led to a situation in which council officers had little incentive to follow directions, as they were unsure of how long the managers giving them would remain in post. This absence of managerial leadership made it difficult for the Liberal group to realise its policies, as individuals council officers had no incentive to obey; furthermore, the narrowness of the Liberal victory and the historical dominance of a traditional Labour group may have led some officers to believe that the change of control was a temporary phenomenon which they could outlast.

The Impact of Another City

The final element of the problem stream concerns Another City, whose council performed better (Audit Commission 2002b, 2004) despite facing similar issues, such as high levels of deprivation (ONS 2004), racial problems, poor organisational practices and financial shortages (Audit Commission 2002b). The managers in Another City had come to view an SSP as a solution to these problems and this partnership programme acted as something of a catalyst for North City's own SSP programme. The relationship between North City and Another City is well illustrated by comments of the Leader of the Labour Group (personal interview, October 2005)

> We were working closely with Another City and we discovered that they were well down the path and it was politicians and officers talking to Another City and if what they were telling us was true then there were massive benefits that could accrue from a partnership and it was still early enough for us to hang on their coat-tails.

Initially, North City saw that Another City could be used as a source of technical expertise on how a partnership should be constructed, so boundary-spanning contacts between the two cities were used to this end. These contacts should not be seen as specific to the proposed SSP, as the two authorities had regular contacts arising from their geographic proximity, which meant that an interorganisational network existed between the two cities (Lowndes and Skelcher 1998). Although this network existed at a variety of levels, the most critical boundary-spanning occurred between the senior managers and the elected members; this can be regarded as part of the normal environmental scanning activities of

senior managers (Boulton *et al.* 1982). However, this environmental scanning also allowed North City to establish contacts with the private sector organisations involved with Another City (see Chapter 9).

As North City's management team came to understand the concept of an SSP and learned more about the technical problems facing North City, they began to believe that their requirements for ICT and process reform were unattractive to the market because of the relatively small size of their potential business. As a solution to this, a joint SSP was proposed with Another City (North City 2004) and this will be discussed in greater detail in Chapter 9. However, as North City's own SSP began to be seen in terms of its regenerative and business-sales potential, the concern manifested itself that the SSP in Another City would potentially steal business from North City, as there were doubts as to whether such a relatively confined geographic location could support two strategic partnerships. This concern was sufficient to break apart the joint partnership approach that had been pursued by the cities and led to a push for North City to develop its own SSP quickly so as to gain first mover advantage. As North City's Deputy Chief Executive (personal interview June 2005) put it "That was also a factor, about not wanting to get left behind and I don't think this has come to pass actually, but there was a concern that there might not be enough business for two SSPs."

Although the fears that Another City would steal business from North City did not materialise, the fact remains that this fear served to inform the decision-making process.

The Proposal Stream

The proposal stream consists of three distinct elements: the need to reform organisational structures as a way of addressing the managerial weaknesses of North City, the need to deliver a new ICT system and finally the use of a partnership with the private sector to provide the funding for the necessary reforms.

Reform of the Organisational Structures

This element of the proposal stream concerns the reform programme that North City Council undertook to address the deficits identified by the Audit Commission's 2002 Corporate Governance inspection. To address this problem the council embarked on business process re-engineering, which is a large-scale programme of organisational change directed at altering an organisation's structures and procedures to promote optimum efficiency.

BPR is theoretically rooted in a systems-based approach incorporating an explicitly mechanical view of the organisation (Morgan 1986) in which organisational problems are caused by the presence of redundancy and inefficiency in the systems, inhibiting communication and the flow of resources around the organisation. This can be overcome by a self-reinforcing mechanism: first, the number of processes involved in each operation is reduced, with increases in both the speed and efficiency of operations (Hammer and Champy 1993), and this is coupled with an emphasis on direct communication and work

flows through the use of ICT, which allows the organisation to operate with reduced processes. Thus BPR is able to provide an efficiency justification for an organisation to embark on large-scale ICT projects (Heygate 1994).

However, if the BPR agenda is examined more critically, it can be seen to argue strongly for a managerialist approach to the organisation, as the mechanical metaphor that is adopted suggests that inefficiencies can be overcome by a knowledgeable individual or individuals (presumably managers) recreating the organisation in the optimum form. Furthermore, the mechanistic logic implies that the 'machine' has to be governed and controlled; since this task falls to the management of the organisation, BPR serves to strengthen and empower managers.

A BPR agenda also has implications for organisational culture in that the emphasis on efficiency and reform argues that the only culture that can be tolerated is one that recognises managerial strength and is efficiency-led. This can be achieved by changing the structures of the organisation (Schien 1985), but it eventually comes to be reflected in the attitudes of the individuals within the organisation, who are presumed to be infinitely malleable. This process of abolishing pre-existing structures encourages people to discard their past history (Grint 1994, Grint and Case 2000), because what is past is devalued as inefficient and the organisation is remade in the image of an efficient machine. This has the effect of abolishing pre-existing cultures and ways of working within the organisation.

Although BPR was adopted by North City ostensibly because of its potential to improve the council's operational efficiency, the hidden subtext of BPR – organisational forgetting – may have influenced the decision to embark on a reengineering programme. Although BPR presents itself as a neutral mechanism to achieve organisational change, it is actually a means of achieving the total reconstruction of an organisation (Grint 1994). As this reconstruction involves the organisation distancing itself from its past, it ceases in effect to be the same organisation. Given the extent of failures within North City, the attraction of such radical organisational change should not be discounted.

Addressing ICT Problems

Although the ICT reforms are closely linked to the BPR proposals, two events are of particular relevance, the first being a recognition in the improvement plan (North City 2003: 56) that external support would be necessary to implement reform and the acceptance by both the Liberal and Labour groups that it would be necessary to involve an external (private sector) agency. The second event that is of importance flows directly from the first: in July 2003 North City commissioned a consultancy report to investigate the specifics of how the IT system could be reformed.

The conclusion of this report was that North City could address its disjointed organisational structure and poor interaction with its citizens through the adoption of Enterprise Relational Management (ERM), a system which offers bespoke solutions for

each client. An ERM system operates on the principle of virtual files which can be accessed and updated from any terminal in an organisation, the operator being obliged to input her identity and course of action. This system enables coordinated action, as anyone accessing a file can easily see what actions another operator has taken. Furthermore, ERM systems allow a single point of contact, as an operator who has sufficient authorisation can access the information held by any other department. However, whilst such a system would be able to implement the reengineering reforms that North City desired, the consultants also stated that they did not believe that North City was capable of implementing such as system and instead recommended the purchase of an off-the-shelf computer system rather than an attempt to create a custom-designed system such as ERM.

The Use of a Partnership to Secure Funding and Deliver Improvements

The proposal that North City embark on a partnership with the private sector had two distinct themes: that it could be used to secure financing and that efficiency improvements would result.

Initially, partnership was seen to be a way of obtaining funding, as in order to deliver the organisational reforms of BPR, North City was required to reform its ICT systems. However, a consultancy study estimated the cost at £14m and North City simply did not have enough money. Thus, partnership was seen as an appropriate way to secure the necessary funding, a fact that North City's Deputy Chief Executive (personal interview,

June 2005) drew particular attention to: “We had a consultancy study by Computer Firm back in July 2003 which revealed £14 million of investment required in ICT systems and that at the time was the justification for going into partnership.”

However, this rationale came under pressure from November 2003 onwards, with the introduction under the Local Government Act (2003, c.26, s.1a) of prudential borrowing, which permitted council to borrow money and was used by a substantial number of councils to develop capital projects (Gosling 2004) that they would otherwise have been unable to afford. In late 2003, it thus became possible for North City to obtain the funding that was required without recourse to a private sector partnership. This issue was put to the (Labour) Leader of the Council (personal interview, October 2005) and they explained: “Yes, we could have done it with prudential borrowing but I would rather use that money for other things.”

It must be observed that the partnership had multiple rationales besides funding, Finance Manager (personal interview, November 2005) confirmed: “When we first started it was about ICT investment, but that’s not so important now…” The second rationale that underpinned the partnership agenda can be identified as organisational reform, since partnership was believed to be necessary to this. This had several roots, the first being the intentions of the newly recruited managers, who saw partnership as an effective solution for delivering organisational reform, given their experience in Liverpool but also in that North City was believed to be incapable of delivering the ICT reforms necessary without a partnership. Initially, the report by Computer Firm indicated that an ERM system was the

best possible solution to North City's problems. However, the consultants did not believe that North City was capable of handling the complexity of delivering an ERM through a partnership and recommended that the authority should instead purchase an off-the-shelf system using a relatively limited partnership. As the SSP Project Manager (personal interview, June 2005) commented:

> Initially, they said to us, well, do we go for best of breed ICT or do we go for a smaller ERM? And their response was, well really you could do with an ERM but because you're North City you'd better go for best of breed because you'd never deliver something that big and joined up.

However, at this point in the process, North City's Deputy Chief Executive was beginning to assume the role of a policy entrepreneur and was advocating the use of strategic partnering as a solution to the problems of delivering ICT reform. As the Finance Manager (personal interview, November 2005) explained,

> We actually said 'We quite like a partnership approach as part of our new strategic thinking. Would that not change your recommendation to us?' And we sent them off to do some further research and the results of that came back in September 2003 and the result was that if you really want to deliver an ERM solution which will give you these added benefits then you need to look at a partnership…

The Organisational Stream

Lober (1997: 8) identifies the organisational stream as consisting of factors such as an organisation's willingness to engage in collaboration and industry or sector-wide trends. This study expands this notion slightly to incorporate specific historical and structural

factors that had an impact on the development of the SSP within North City, three of which affected the capacity of the council to realise a partnership: its ability to act in a coordinated manner, the attitudes of the newly recruited managers and the experience of CCT in the 1980s and 1990s.

The Capacity of North City to Act

When interviewed, one of the longer-serving North City managers described the organisation in rather bleak terms, characterising its ethos by remarking that "the only word it knew was 'no'." The root of this organisational attitude was attributed to middle managers who acted as blockages to managerial intentions; the view of the Environmental Services Manager (personal, interview, June 2005) was that once such obstacles had been removed, communication and responsiveness would improve:"I moved in [through an internal transfer] there about two years ago and the blockage managers are all no longer there. They've all gone. The last one. I've just told him now he's going at the end of July."

Although it would be tempting to attribute this interviewee's attitude to his status as a newly recruited manager attempting to enhance perceptions of his skills, this is contradicted by the fact that the manager in question had worked for North City for over 20 years. Thus, it can be argued the organisational norms in North City were those of inertia and resistance to change (see Chapter 2), as its procedures had been allowed to solidify into ones that were no longer conducive to efficient operation. The essential point

of this manager's argument is that North City's middle managers were able to resist reform because without an active leadership which could invoke the hierarchical authority necessary to force change, the norms of the organisation were such that reform was unable to occur organically. This analysis suggests that in a leadership vacuum following 2001, inertia was able to re-emerge, restricting the ability of North City to develop a partnership.

The Attitudes of the Newly Recruited Managers

A second element of the organisational stream concerns the character of the managers recruited in 2002-2003 and this can be only be understood by considering their background. These managers were recruited from Liverpool, which had implemented an SSP with Telebid (4ps 2001) that was considered to be a model of the successful implementation of improvements via a strategic partnership (ODPM 2003a, 2003b). North City's Deputy Chief Executive (personal interview, June 2005) described this situation in terms of how the recruitment of these new individuals had both changed the personal dynamics and given North City significant experience in the creation of large-scale partnerships. "The team came together in 2003 when 5 new members joined us, giving us quite different characteristic from the old one and some of us were from Liverpool and had lots of experience with partnerships."

Thanks to their experience in Liverpool these individuals could be expected to support the implementation of a partnership and were able to use their experience to ensure that events

ran smoothly. This possession by North City of a managerial cadre who had prior experience of strategic partnership would prove to be significant, as it prevented the emergence of a concentrated opposition, which allowed the policy and the implementation windows to develop. However, the support for partnership evidenced by the managers could be given more cynical explanations, which were first raised by a trade union official and then confirmed by a manager, who accepted that the successful implementation of a partnership would boost future employment prospects. As the Trades Union Official 1 (T&GWU) (personal interview, September 2005) commented: "A lot of people are here to increase their CV at the moment. Within three months or six months, he's come and he's come and we've got our little clique and then we move on…" Middle Manager 3 (personal interview, personal interview, September 2005) agreed with this argument: "If we achieve a partnership it looks really good on a CV."

Although the managers recruited by North City throughout late 2002 and early 2003 were generally committed to the concept of partnership, the reasons for their recruitment needs to be explored. Following the Audit Commission's (2002a) inspection, the Liberal and Labour groups came to believe that ICT reform was required and that this could be funded through a public-private partnership (see Chapter 9). Thus, it can be argued that the two political groups actively sought to recruit managers who would be capable of implementing their proposals for partnership with the private sector. This assertion would be supported by the fact that the newly recruited managers had previous experience in partnerships. However, as Chapter 9 will show, the significant factor in enabling the

recruitment of these individuals was the change in the attitude of Labour group towards partnerships as a concept.

The Experience of CCT

Throughout the 1980s and 1990s North City, like many other authorities, used a variety of CCT-type contracts as a means of delivering services, but the experience was not positive. This is well illustrated by the tendering of the refuse collection contract to the private sector. When North City contracted out its refuse collection services to a company known as Eurobin, the contract did not specify any standards regarding the vehicles used. The result was that Eurobin transferred the newer vehicles from North City and replaced them with older ones, so that it could honour the contractual obligations it had with another local authority to replace its refuse collection fleet. Since such a transfer was not prohibited by the North City contract, North City had no legal recourse; as the SSP Project Manager (personal interview, June 2005) described the situation: "We really did have horrendous difficulties with CCT. We went out to a private sector partner who sold all our vehicles which were brand new and brought foreign vehicles from elsewhere which were always breaking down."

In the light of its poor experience with CCT, the council reached the conclusion that the refuse collection services had to be taken back in house and when the tender came up for renewal in the early 1990s the council's environmental services were able to bid for and

win the contract. However, CCT had left, in the words of one Labour councillor (personal interview, November 2005) "scars on our back" and created a great deal of suspicion of the private sector within North City Council.

The Process Streams in the Private Sector

The problem stream in a private sector organisation can be identified as a continued need to secure revenue from its investors, requiring the business to continue to demonstrate that it generates a return on investment, i.e. that it has a sufficiently high price/earnings (P/E) ratio. This point was made by the Infobid Manager (personal interview, January 2006) at considerable length:

> It's actually fair to say you could earn more money putting your cash in a building society than you could make out of the margins on these strategic partnerships. So why do we do it? The reason we do it is because, the law of economics really, that says if it's a fifteen-year deal and typically we are now seeing that these partnerships are becoming a fifteen-year deal and not seven and eight and ten and that's fifteen years of what's called unburnt secure revenue…[…]…Most organisations don't know what their forward order book is going to be in six months time and we can have an order book that goes fifteen years into the future and so it's attractive for shareholders and it gives your business a high value because it's rated a higher Price/Earnings ratio[3]. So there's really good commercial reasons for having them despite them not being that profitable in any given year.

The proposal stream therefore refers to the specific proposals that will allow a business to generate these revenue streams and demonstrate to investors (through the P/E ratio) that it is commercially viable. In the case of North City, these policy proposals refer to the fact

[3] See Appendix for formula.

that a private sector organisation should become involved in long-term partnering with public sector organisations.

The political stream is rather more complex, as it refers to the institutional environment in which an organisation exists, the laws and regulations that it is subject to (Lober 1997) and the prevailing political agendas, such as the partnership agenda (Newman 2001). These structural factors impact upon the agents developing their proposals in that they enable some proposals by creating a market or business opportunity, but prevent others from been developed, as they are deemed illegal or lacking a market. The political stream also refers to the opportunities created by the decisions of political organisations such as North City.

Finally, the organisational stream, within the framework developed in Chapter 6, is a reflection of the capacity and willingness of the individuals within an organisation to mobilise and utilise its resources in pursuit of realising a policy. The Infobid Manager (personal interview, January 2006) confirmed that a critical factor in the formation of partnership was the willingness of organisations to commit resources:

> What people don't realise is that the biggest sale is on the inside not the outside. Selling to the client is easy, assuming you've qualified it right and you've been able to elicit the right level of information and all that, selling it internally, getting internal buy-in to get hold a million pounds worth of bid money, plus a commitment for internal resources, a commitment to create jobs to set up a business in that area. That's a huge sell to do that. You've got to really have the commitment of the salesperson to get him to start to sell it, believe it, live it and sell it internally and that's a board level and I have to go in front of the board many many times during the sales cycle and at any time it can be effectively blackballed and kicked out.

Conclusion

This chapter has identified the composition of the various process streams which impact upon both North City and the private sector, summarised in Tables 8 and 9 below. However, it is important to recognise that Tables 8 and 9 are not attempting to link different elements of the streams with each other. Nor should they be taken to imply that the various factors in the process streams have equal weighting, as they are all of different importance to different individuals and have greater relevance at different times. This argument regarding the varied weights of the factors in process streams is implicit in Kingdon's (1995) arguments, since in order for a proposal to be elevated, it must be of critical importance to the policy entrepreneur and of limited importance to others until a policy window opens.

Table 8: Composition of the Different Process Streams (North City)

Political Stream	Problem Stream	Policy Stream	Organisational Stream
The victory of the Liberal group in 2002 and the resumption of power by the Labour group 2003	Urban poverty in North City	Implementation of BPR-based structural reform	Organisational inertia within North City
Support for partnership by the Liberal group and the change in attitude of the Labour group	Political and managerial weaknesses	Replacement of the ICT infrastructure	The attitudes of newly recruited managers
The partnership agenda of central government	Technical and structural weaknesses	Use of a partnership to deliver funding and achieve structural reform	The experience of CCT
Prudential Borrowing	Lack of financing to address ICT problems		
	The absence of permanent managers in key posts		
	The impact of Another City's SSP		

Table 9: Composition of the Different Process Streams (Private Sector)

Political Stream	Problem Stream	Proposal Stream	Organisational Stream
Wider policy agendas such as the partnership agenda	The need to secure investment by demonstrating business variability	Public-Private Partnering as a way of securing long-term revenue streams.	Convincing senior management to release manpower and investment.
The legal environment	Need for long-term revenue streams.		Maintaining the commitment of senior managers
The institutional context			

The discussion has shown that the background to the SSP in North City was quite dynamic and that the different streams were interrelated, in that changes in one

affected the others. This is clearly shown in the way recruitment of new managers addressed the problem of capacity gaps, which in turn resulted in changes to the capacity of the organisation to act, as managerial leadership was able to provide direction and to realise the intentions of the political leaders. The dynamism of the process streams is also shown in the way in which they are actually interrelated in both the public and private sectors, in that the creation of policies and changes in the attitude and beliefs of public sector organisations creates the political context in which the private sector operates.

Having identified the composition of the different process streams, the analysis of the SSP in North City can proceed to a discussion of the way in which the different policy streams interacted and were joined by boundary-spanning individuals and by policy and collaborative entrepreneurs to create policy and implementation windows during the different stages of the development of an interorganisational relationship; this will be discussed in Chapters 9 and 10.

CHAPTER 9: THE CASE OF NORTH CITY – THE FORMATION OF THE STRATEGIC SERVICE PARTNERSHIP

Introduction

The previous chapter has provided background information regarding North City Council and has identified the composition of the different process streams that were relevant to the formation of the SSP in North City. However, no attempt was made to demonstrate how these different streams interact at different stages in the development of an interorganisational relationship. Nor did the account in Chapter 8 test the framework that was developed in Chapter 6. This chapter and the next provide a discussion of such an empirical test, which for ease of analysis is divided into two parts; the first, presented in this chapter, shows how the policy and implementation windows were formed in North City and the relevant private sector organisations.

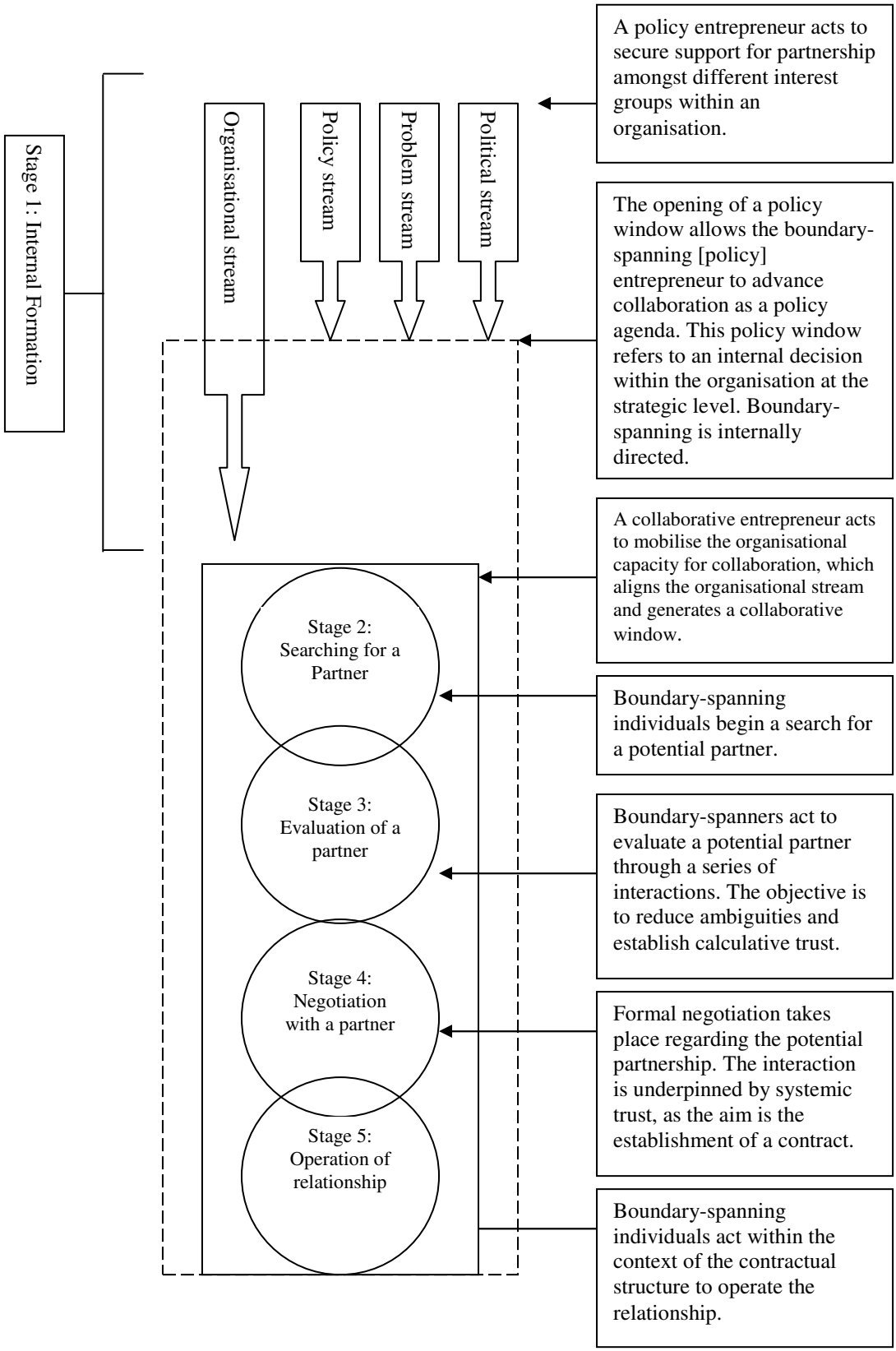
Stage 1: The Internal Formation Stage – the Opening of the Policy Windows

In Chapter 6 it was proposed that the first stage of the development of an interorganisational relationship involves the formation of an internal consensus to enter into one. This was modelled using a variant of Kingdon's (1984, 1995) agenda setting model in which the alignment of four process streams - identified as the political,

problem, proposal and organisational streams – would produce opportunities for entrepreneurial individuals to advance proposals and realise [implement] policies. These opportunities were termed policy windows (after Kingdon) and implementation windows. The argument also drew on Lober's (1997) and Takahashi and Smutny's (2002) work to argue that whilst policy windows are necessary for a proposal to become established as an organisational policy, the implementation of a policy requires an implementation window.

This was an attempt to reflect the disjuncture between policy formation by political figures and policy implementation by managers, which tends to be ignored in policy process models. As such, the organisational stream refers to the factors affecting an organisation's specific capacity to achieve policy intentions – in this case, collaboration. These policy and implementation windows were deemed to be sequential in that once a policy was established, individuals attempted to mobilise support within the organisation to realise their proposals. This implementation process may apply to any organisational policy; when it is applied to interorganisational collaboration, the sequential windows generate a progressive movement through different stages of that relationship (Takahashi and Smutny 2002). This was outlined in a framework (Figure 2) which is reproduced below as Figure 5.

Figure 5: A Framework for Understanding the Emergence of an Interorganisational Relationship



The Agenda of Partnership with the Private Sector

Chapter 8 has identified the factor that comprised the different process streams and these factors combined in three different policy windows which allowed for the agenda of partnership with the private sector to be established in North City Council and within the Labour group. These windows are not actually concerned with the strategic service partnership, as the concept had not yet been initiated; rather they are concerned with the formation of partnership. Although the policy windows have been separated for analytical purposes, they are closely connected. Policy window A precedes policy windows B and C, which are interconnected, and all three windows are necessary to understand the process by which the partnership developed.

Policy Window A: The agenda of ICT reform

The first policy window (A) was formed as a result of the Audit Commission's (2002a) corporate governance report, which indicated that North City had specific problems of weak and disjointed management and poor (inefficient) organisational procedures. This occurred in the context of a recent (May 2002) change in political control which brought to power a political group (the Liberals) which was seeking to respond to the problems identified by the Audit Commission and as such was disposed towards solutions. Thus, policy window A can be identified as a consequential window, using the terminology of Zahariadis (1999). This policy window referred to proposals that aimed to address the inefficient procedures and disjointed management within North City. As a solution followed from a problem, the window is consequential.

However, the policy entrepreneur who exploited this opportunity can actually be identified as a middle manager: the IT Manager. This should not be considered unusual, as Floyd and Wooldridge (1997) indicate that middle managers have a considerable strategic role within organisations. The IT Manager responded to recognition amongst the elected members that organisational reform was necessary. As such this individual was able to recognise the favourable conditions in the political stream. The IT Manager took advantage of these conditions and during the discussion that the councillors were holding with managers as to how to address the problems identified by the Audit Commission, he advanced his proposal for ICT reform.

The [policy] proposal was that North City should achieve process reform by reforming the ICT system and this can be seen as a rational response to the problems. ICT is often credited with the ability to achieve organisational process reform by eliminating or at least reducing existing organisational structures (Markus and Robey 1988), as it permits direct communication between different departments within the organisation and allows data processing to be carried out at a local (i.e. desktop) level. Therefore, ICT is often proposed as a 'rational' solution to organisational problems (Heintz and Bretschneider 2000) and as a result, the IT Manager acted as policy entrepreneur A. The IT Manager (personal intrerview, September 2005) described their role as follows:

> I sat in this room actually with the [Labour] administration and the previous [Liberal] administration and told them that you can't have process reform without ICT reform. […] Yes, you're right. I was acting up – that's why I was at the meeting.

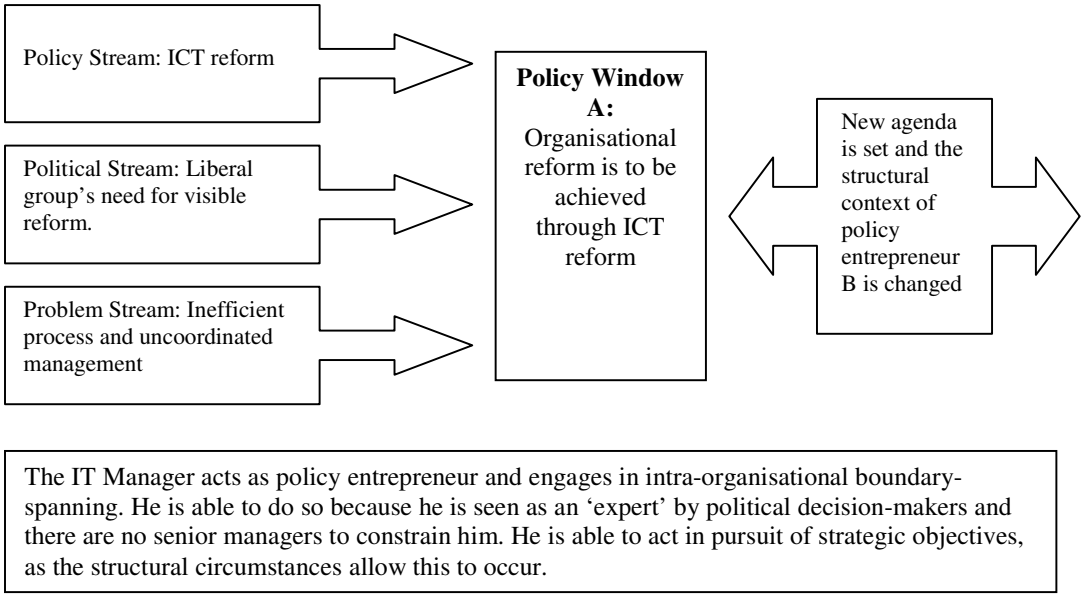
Policy entrepreneur A, the IT Manager, was able to act as a policy entrepreneur and engage in intra-organisational boundary-spanning between himself and the elected members to advance his proposal. He was able to do this for a variety of reasons which can be understood in terms of the strategic-relational approach and the theory of boundary-spanning outlined in Chapter 4. The strategic objective of the IT Manager was to achieve organisational reform but in a manner that would increase his relative status within the organisation; thus, his proposal was driven by self-interest. His ability to successfully couple the process streams to advance his proposal (strategic objective) was made possible by the fact that he was perceived as an 'expert' by the elected members because he worked with ICT systems and was assumed to understand them. This perception and the fact that the proposal was seen as 'technically feasible' (Kingdon 1995), in that it could be implemented, meant that it was adopted as a policy.

Policy entrepreneur A was also successful in engaging in boundary-spanning to couple the policy streams because of the gaps in the organisational structure. Thus, the organisational structure was such that a middle-ranking individual was able to gain access to strategic managers and elected members with little difficulty. In other words, the structural position occupied by this individual allowed him to engage in boundary-spanning with the elected members and the strategic management team. It should be noted that when new managers were recruited by North City, the direct conduit that the IT Manager had to the elected members disappeared, as new structural constraints emerged. However, this did not displace the agenda, as the new managers had been recruited on the understanding that they would seek to achieve organisational reform through a new ICT system. Therefore, policy entrepreneur A did not have to work to

maintain his agenda, as he had co-opted the elected members; this will be discussed in greater detail in Chapter 11.

The coupling of the different streams and the opening of policy window A led to North City adopting an agenda of ICT-enabled process reform. As this policy was generated to solve the problems, the window followed a logic of consequentiality. However, the agenda of ICT reform to deliver process reform generated further problems that required further solutions, so that the events within North City demonstrate a key aspect of the strategic-relational model: that events enable and constrain actors and generate the context in which action is formulated. This process is illustrated in Figure 6.

Figure 6: The Formation of Policy Window A



Policy Window B: The Change in Attitude of the Labour group

Policy window B concerns the internal debates within the Labour group and the formation of this window was important in the ultimate development of the SSP, as it changed the overall composition of the proposal stream. This permitted the opening of the policy window that established the policy for partnership (policy window B) and allowed it to survive the local elections of 2003. However, the policy shift also affected the organisational stream, as was briefly discussed in Chapter 8.

Following its electoral defeat in 2002, the Labour group was faced with the problem of returning to power. One policy option that would achieve this was to adopt a reformist

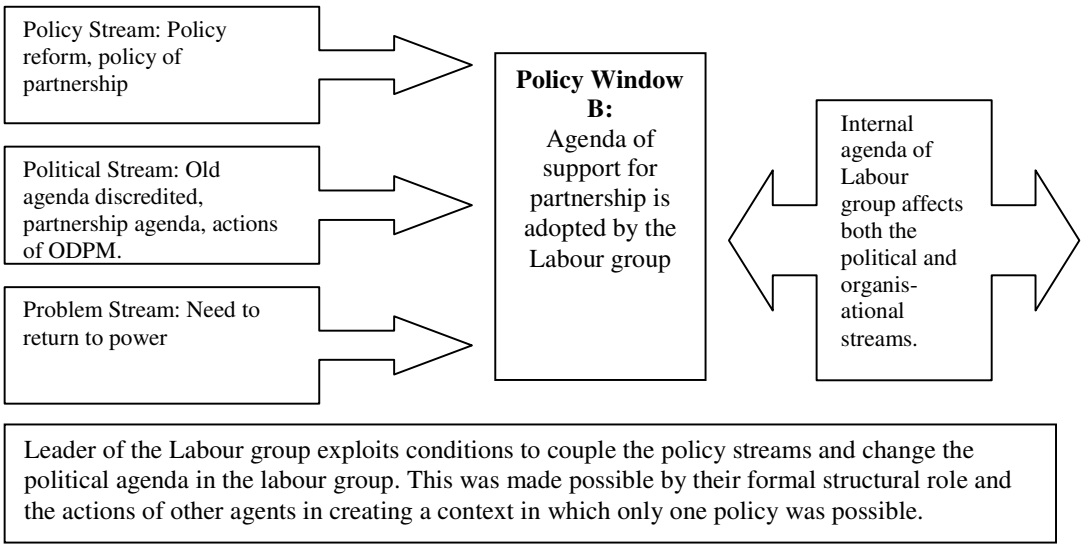
agenda which involved partnerships; this was the agenda being advanced by the Liberal group and through it the council as a whole. However, for the Labour group this was politically more difficult, as the Labour Party was a traditional socialist organisation; indeed, one councillor interviewed in October 2005 recalled describing the attitude of his colleagues as that of "dinosaurs". To this extent, the political stream was out of alignment, but was brought back into alignment by external pressure in the form of the Audit Commission's corporate governance report (2002a), which indicated that long-standing structural problems in the management of North City had contributed to the organisational failures of the council. As the Labour group had been politically dominant, it was impossible for it to escape blame for the failure within the council and this served to discredit its entrenched positions regarding public-private partnerships. Furthermore, the Audit Commission indicated (2002a: 9) that the two political groups would have to work together to address North City's problems. Although the Audit Commission's report was important, it was insufficient to allow the streams to align. The alignment of the process streams within the Labour group was made possible by the fact that following the corporate governance inspection, the ODPM provided significant support to North City Council. This created a belief inside the Labour group (possibly because the ODPM was part of a Labour government) that it must be seen to comply with the prevailing political agenda.

These factors of external pressure (political) and the desire to return to power (problem) created an opportunity for the Leader of the Labour group to act as a policy entrepreneur (policy entrepreneur B) to advance a proposal for a policy shift within the Labour group.

The fact that the leader was responsible for this policy shift is rather ironic, given that the objective was to return to power and this individual criticised the Liberal group for acting in pursuit of political power. The ability of the Labour leader to act as a policy entrepreneur can be attributed to his structural position within the Labour group, as he had formal authority. However, it should also be noted that whilst the opportunity for this individual to act to pursue a strategic objective (the return to power by the Labour group) was conditional on a variety of structural circumstances, it also depended upon the actions of others in the form of the ODPM and the Liberal group. The actions of these groups and individuals also shaped the political or structural context in which policy entrepreneur B was able to operate. The presence of the ODPM and policies of the Liberal group generated a situation where partnership was the preferred way of achieving organisational reform in North City and one that the Labour group could not be seen to oppose.

The change in the policies of the Labour group also had an effect on the organisational stream. As Labour councillors were newly supportive of partnership, they were prepared to support the Liberal group in appointing managers who were likely to be able to implement the partnership (see Chapter 8). The formation of policy window B is shown in Figure 7.

Figure 7: The Formation of Policy Window B



Policy Window C: The Agenda of Partnership

Following the establishment of policy window A, the issue of solving poor organisational performance and weak management came to be seen in terms of ICT reform. However, it was believed by the Liberal and Labour leaderships, elected members and key managers within the council that North City was poor and that implementing the ICT reforms would require fiscal resources beyond those at its disposal. Although the Audit Commission (2002a: 10) indicates that this is not the case, the critical issue is the perception, rather than the fact. This point was made by Middle Manager 3 (personal interview, September 2005): "There are a number of reasons why the council is interested in partnership, but the key one is investment in ICT."

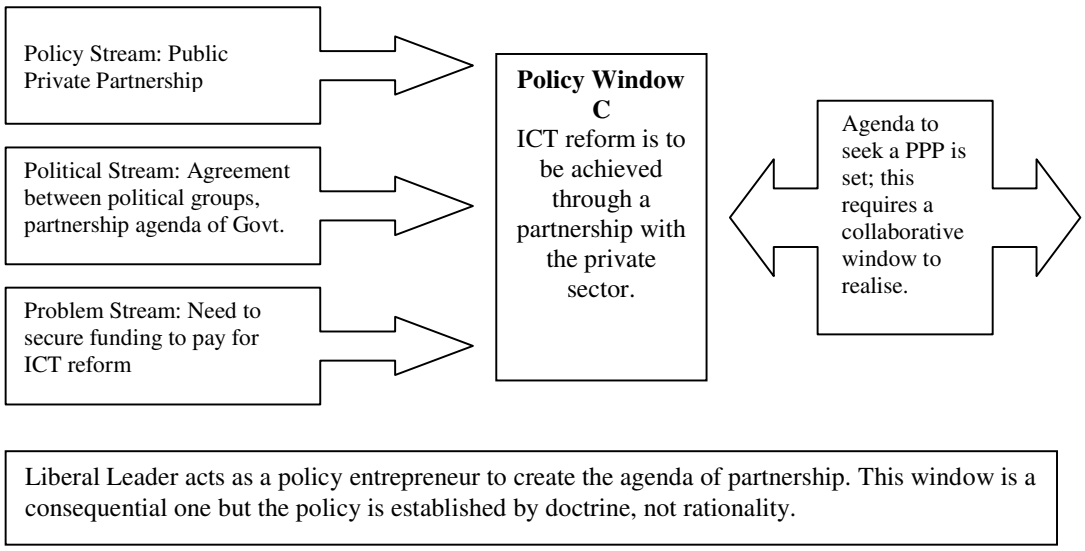
To address this perceived problem of financial shortages, the Liberal Leader acted as a policy entrepreneur (C) to propose a policy of partnership with the private sector in which the private sector would provide funding (Falconer and McLaughlin 2000). The policy window that policy entrepreneur C exploited can be identified as arising in the problem stream, since the lack of finance was defined as a problem and the resulting window should have followed a consequential logic. However, the policy response which was developed by the Liberal Leader was driven by ideology rather than rationality.

The Liberal group believed that North City was short of funds and that a partnership was the only means of funding ICT reform, but this belief in the relatively poverty of North City was contradicted by the evidence (Audit Commission 2002a). Furthermore, the Liberal Leader decided to pursue a policy of partnership prior to the costing of the replacement of the ICT system. This costing was carried out in July 2003, but the decision to undertake a partnership was reached by the Liberal group in January 2003 and the manner in which in the window was exploited can be seen as more doctrinal than consequential (Zahariadis 1999). The Liberal leadership attempted to exploit a consequential window with doctrinal logic and as will be seen in the discussion of the failure of the implementation window to form, this misidentification of the policy window partially explains why the organisational stream failed to align.

The ability of the Liberal leadership to join the streams together can be explained in reference to their structural circumstances. As the leader of the council and of a political group, policy entrepreneur C was invested with a considerable degree of formal authority

and it can be argued that him structural role allowed him to act. However, as the Liberal group lacked majority control, the establishment of an agenda for public-private partnership could only be achieved with the cooperation of the Labour group, a point that the Audit Commission (2002a) was at pains to stress. The cooperation of the Labour group was necessary to create the conditions in the political stream that would allow the policy window to form, because a minority council would be unable to advance a radical reform agenda without the support of the other major political group. In the event, the Labour party, through the actions of policy entrepreneur B, had become supportive of this agenda. This is represented in Figure 8.

Figure 8: The Formation of Policy Window C



Although policy windows B and C are separated for analytical purposes, they occurred simultaneously and were closely connected, as events in the formation of one allowed the

formation of the other. In both cases, the individuals who acted as policy entrepreneurs were senior political figures, so it would be unsurprising for them to display entrepreneurial skills. The discussion has also indicated that the complexity of the events in North City can be understood through the concept of multiple policy windows and viewing the actions of the key individuals in terms of agency within a structural context.

However, whilst the discussion above has shown how the agenda for partnership developed in North City, the specific development of the SSP has not been addressed. To understand how this particular partnership form developed, it is necessary to understand the failure of the first attempt to implement a partnership to deliver the ICT reforms in North City.

The Failure to Form an Implementation Window

Once policy window C had opened, the Liberal Leader attempted to further the agenda for partnership. However, this did not occur and this failure can be understood in terms of the framework developed in Chapter 6, which argues that the failure of collaboration to progress beyond a policy intention can be attributed to the failure of an implementation window to form.

Policy window C had established an agenda for partnership within North City and the council then attempted to implement this proposal. Initially, implementation was confined to informal boundary-spanning contacts with several of the private-sector organisations

involved in the proposed SSP in Another City. The purpose of these contacts was to understand the level of interest that would greet a tender from North City for a replacement ICT system. These contacts were largely informal and were established through the contacts North City councillors had with their counterparts in Another City. In other words, the presence of an interorganisational network allowed North City's councillors to examine the likelihood of their proposed partnership attracting private sector attention. The existence of interorganisational boundary-spanning during the internal formation stage is accepted by the Chapter 6 framework, as it is acknowledged that organisations are embedded in networks. However, it was not believed that this boundary-spanning was a direct part of the development of the proposed collaborative venture, whereas the empirical evidence shows that this was in fact an important part of the process.

The contacts between North City and the private sector organisations were largely exploratory and served largely to reassure North City councillors that their policy intention was viable. This attempt to assess the viability of the policy provides support to the earlier assertion that the policy of partnership was driven by ideological concerns and not a rational assessment of alternatives, despite the policy window following a consequential logic. While it would be expected that private sector organisations would respond to the speculative approach of a potential customer because of the opportunity for profit, this argument neglects the nuances of the private sector and its boundary-spanning activities. Private sector organisations appear to believe that as partnerships have to be tendered (see Chapter 8), the most effective way they can attempt to secure advantage is to attempt to

shape the way in which the tender is constructed by influencing the way in which the public sector organisation views the issue (Riker 1986). In other words, the boundary-spanning individuals from the private sector, confined by the structure of the OJEU tender system, will attempt to influence the strategic selection mechanism of agents. This is done so that the future decisions of public sector agents will create structures (the specific wording of the OJEU tender notice) that favour certain private sector organisations over others. As the Infobid Manager (personal interview, January 2006) put it,

> Way before the product goes to market, they get me in to talk to them about market feasibility, what the market will find attractive… if we're starting from cold we have to assume that someone else has that relationship. Someone else has been talking to that council and they haven't been doing this in a dark room on their own. They're been consulting with someone and if it isn't us we have to seriously question whether we can apply for that – and that assumes you have all your marketing strategy right.

Although the elected members established contacts with the private sector, the actual process of implementing the proposed partnership could not be carried out by these individuals. Instead, the policy had to be realised by the administrative bureaucracy of the council and this is reflected in the framework (Chapter 6) in terms of the alignment of the organisational stream to produce an implementation window. However, this process requires a collaborative entrepreneur to emerge, which did not happen in this case. This can be attributed to two factors: there was no direction from the senior leadership of the organisation and North City was institutionally hostile to the idea of partnership with the private sector. Although North City had recruited a number of managers to fill the vacant posts, these were not scheduled to assume their roles until July 2003, so vacancies in the

senior management team remained. This led to posts being occupied by individuals who were acting up and had little incentive to push through reform, as they would not occupy these roles on a permanent basis. As North City's Deputy Chief Executive (personal interview, June 2005) commented: "The leader of the opposition will tell you that he was disappointed with the officer response to Liberal Democrat policies to establish a partnership whilst they were in control."

The institutional history of North City was also a critical factor in the failure of the Liberal-controlled council to implement the partnership agenda. This opposition can be partially attributed to the fact that outsourcing regimes were commonly described as partnerships (Linder 2000) and as such the concept of a public-private partnership had the unforeseen consequence of producing opposition within North City. A second reason for the failure of the partnership agenda to gather support in the organisation was that the logic of the window was flawed (a doctrinal policy was attached to a consequential window), so that the policy was incapable of gathering the support required to realise it, as it appeared to be an uncomfortable ideological solution which made sense only to the elected members. This argument finds some support from the Human Resources Manager (personal interview, June 2005) recalled:

> I'm a key manager at the strategic level and if I couldn't see the point in it, what chance did anyone else have? […] There were large numbers of key senior managers within education or social services and huge numbers of staff looking to them for leadership.

The Formation of the Strategic Service Partnership

Policy window C had established an agenda for a relatively limited partnership that focused on delivering ICT reform within council but this partnership was not realised due to the failure of the Liberal Leader to secure organisational support.

The strategic service partnership was made possible because of changes that had occurred in the process streams prior to the emergence of the policy window that created it. The first change was in the political stream, when in May 2003 the Liberal group lost power and was replaced by a controlling Labour group which had an absolute majority on the council (see Chapter 8, Table 6). Changes also occurred in the organisational stream in July 2003, when the vacancies in the Strategic Management Team were filled by newly appointed managers. These changes to the political and organisational streams would form the context in which the policy for the SSP was established and implemented through a policy window and an implementation window.

In terms of problems, the new management team accepted the arguments of the Audit Commission that North City's procedures were inefficient, but what is most important is that they accepted the policy agenda of the IT Manager (policy entrepreneur A). However, this was unlikely to have occurred due to the actions of policy entrepreneur A himself; it seems more likely that the issue of ICT reform was a factor in the recruitment of the managers, which predisposed them towards this agenda. This would be supported by the fact that those recruits from Another City had previously been involved in an ICT-enabled

reform programme (4Ps 2001). It can therefore be argued that these individuals followed a social norm in which partnership was not simply desired, but expected. Although policy entrepreneur A was not a direct influence, he was important, as his co-option of the elected members had dictated the agenda that North City was following.

The previous attempt to implement partnership had failed to gather organisational support due to a lack of leadership within North City Council, but also because many key managers viewed the scheme as unnecessary. To address this, the new management team commissioned a consultancy (Computer Firm) in July 2003 to examine how ICT reform could be used to address operational problems. Its report indicated that North City required some £14m of ICT spending, which the authority simply could not afford, so the issue of financing the required reforms remained part of the problem stream.

As discussed in Chapter 8, the consultants' initial report recommended against North City developing the most effective ICT solution (a system of Enterprise Relational Management linking different departmental systems in real time across a network) on the grounds that it was too complex. Instead, the consultants recommended a more limited ICT system that could be paid for by a smaller PPP. However, this approach was rejected by the newly appointed managers and in particular by the newly appointed Deputy Chief Executive, who advocated a more expansive SSP. The consultants duly returned and produced a revised report which argued that to develop an ERM system, North City would require a substantial partnership, which was in keeping with the arguments of the Deputy Chief Executive, who was acting as a policy entrepreneur (policy entrepreneur D).

Although the consultants were consistent in arguing for a partnership, their two reports differed over the scale of the partnership required and it is necessary to give some thought as to why this was so. Alvesson and Johanson (2002) argue that consultants, despite their claims, are not neutral experts; rather, they invest considerable effort in discovering the intentions of an organisation's managers and crafting proposals that are likely to match predetermined decisions. The reasons for this behaviour can be understood in terms of a dependency relationship (see Chapter 4), as the consultants are not offering unique skills that it would be difficult for the principal (North City, in this case) to acquire elsewhere, but are acting as an agent paid by the principal. Therefore, a power dependency relationship founded upon a resource dependency underpinned the boundary-spanning that took place between North City and Computer Firm; the consultants had no option but to produce an acceptable report, as their funding was conditional upon this.

This recognition of the dependency relationship underpinning the boundary-spanning behaviour of the consultants and North City's leadership explains why the consultants initially produced a proposal for a limited partnership and then advocated an extensive partnership. Initially, the consultants were misled into believing that the prevailing agenda in North City was a limited-scale partnership with the private sector (the result of policy window C) and this is likely to have influenced the conclusions that they reached. However, North City's Deputy Chief Executive was beginning to advance his proposal for an SSP and as he wielded considered influence based on his formal, structural position, he was able to raise the profile of this policy – and the consultants responded accordingly.

The result of the consultancy report was that North City's Deputy Chief Executive was able to present his agenda for strategic partnership both as a solution to the problem of funding the ICT reforms within North City and as a way of achieving the desired organisational reforms. However, the way in which political support was gathered was more complex.

In terms of the political stream, both councillors and strategic managers remained generally supportive of the concept of partnership. However, the ODPM was now formally advocating an SSP, with the publication of the *Strategic Partnering Taskforce [Report] Volume 1* in July 2003. This shows that the wider national political context had shifted from support for partnerships in general to specific advocacy of strategic ones. The role of Another City was also important in the development of the SSP, since the working relationships between the councillors of both cities (through interorganisational networks) had convinced North City's councillors that a strategic partnership would lead to substantial benefits in terms of organisational efficiency and operational processes, as the (Labour) Leader of the council (personal interview, October 2005) reflected

> We were working closely with Another City and we discovered that they were well down the path and it was politicians and officers talking to Another City and if what they were telling us was true then there were massive benefits that could accrue from a partnership and it was still early enough for us to hang on their coat-tails.

This desire to emulate Another City can be described as isomorphic (DiMaggio and Powell 1983), in that North City councillors increasingly wished to copy what they

perceived as having been successful in a neighbouring council. This behaviour was also magnified by the fact that there is a degree of rivalry between the two cities and both are prone to bouts of one-upmanship.

These factors combined in early August 2003 to permit North City's Deputy Chief Executive to act as policy entrepreneur D and couple the streams, creating an agenda for a strategic service partnership. Although this policy window is quite similar to policy window C in that it draws on similar problems in a similar political context, it was exploited differently. Although policy window C was consequential, it was exploited using a doctrinal logic, which partially explains the failure of the policy window to convert into an implementation window. Policy window D was also consequential in that the policy of strategic partnership was developed to respond to the shortage of financing and to achieve organisational reform. However, it should not be assumed that policy entrepreneur D developed this proposal rationally in response to the problems, as his proposal was driven by an ideological attachment to strategic partnering; as the Environmental Services Manager (personal interview, June 2005) commented:

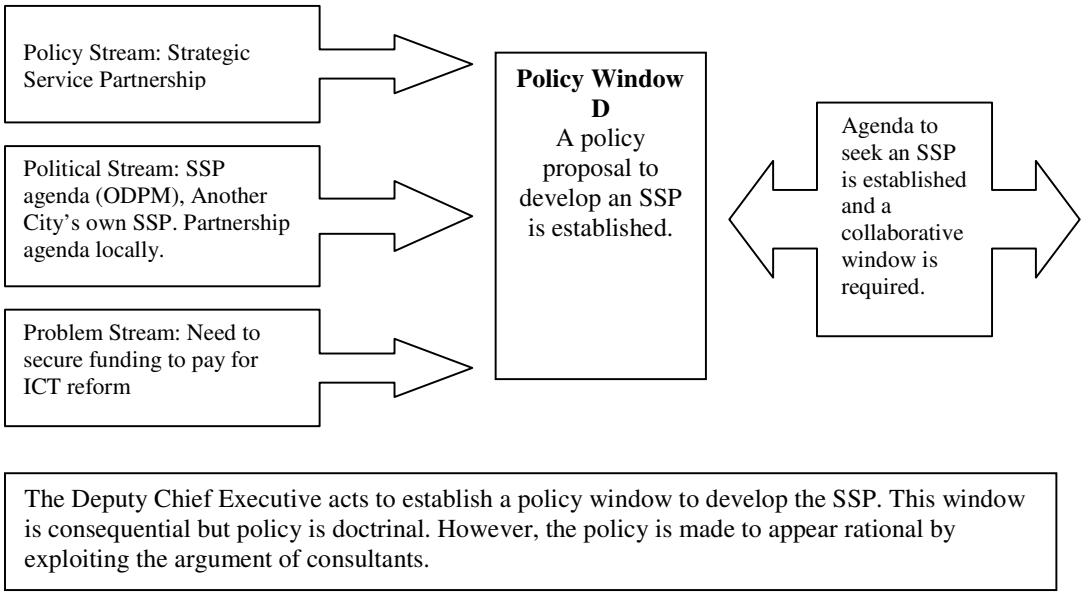
> [T]he council has recruited over the last few years a brand new management team. Very competent managers and yet they see the answer as not for them to sort it out but to bring in a third party to sort it out […] This might be the next step to achieve the ultimate. I'm just worried we are selling ourselves away.

Although North City's Deputy Chief Executive, as policy entrepreneur D, was following a doctrinal logic in the way he exploited the window by attaching an ideological solution to a problem, he was successful in doing this because he was able to make the solution

appear as if it had been rationally developed through the use of the consultancy report. In other words, a doctrine was made to appear to be a consequence. In fact, North City's Deputy Chief Executive (personal interview, June 2005) went as far as to comment in: "The skill of the manager is in presenting things in ways in which they can be understood."

That the policy proposal for an SSP was ideological is shown in the fact that the partnership agenda did not change with the introduction of prudential borrowing in 2003 under the Local Government Act (2003). If the window had been purely consequential, it would have been likely to collapse when local authorities were granted the opportunity to borrow, as this would have removed the financial imperative. The formation of policy window D is show in Figure 9:

Figure 9: The Formation of Policy Window D



The Blocking of Collaboration with Another City

Following the establishment of policy window D, it was believed that one possible way to develop the strategic partnership was in collaboration with Another Town and this option was proposed by the Leader of the Labour group, who argued that a joint SSP would reduce the level of risk that North city was exposed to and that a joint SSP would be more attractive to the private sector organisations. In other words, North City would "…hang on the coat-tails…" of Another City. Although this policy agenda was advanced in council meetings (North City 2004), it was never actually realised as an organisational agenda, because the actions of North City's Deputy Chief Executive problematised Another Town, so that North City's own SSP programme came to be seen as a solution to a previously unrecognised problem (Riker 1986).

This coupling of the issues was achieved by manipulating the problem stream and the Deputy Chief Executive was able to do this because of his structural position within North City, which granted his the ability to shape policy decisions. The Deputy Chief Executive argued that if Another Town was allowed to establish its SSP first, it would gain first mover advantage and North City might suffer a loss of private sector interest. It was also claimed that if North City established its SSP after Another City and the same bidder was awarded both contracts, then it was possible that the private sector organisation would rationalise the second SSP in order to achieve an economy of scale, which would have the effect of degrading services overall. This belief that this risk existed was clearly expressed by the North City Deputy Chief Executive (person interview, June 2005): "That was also a factor, about not wanting to get left behind and I don't think this has come to pass actually, but there was a concern that there might not be enough business for two SSPs."

This argument was successful because it played on the institutional history of North City which, following the experience of CCT, tended to attribute negative behaviours to the private sector; the SSP Project Manager (personal interview, June 2005) commented that: "…the bottom line for the private sector is money and at the moment when we've bidding together they're all sweetness and light but we know what's coming. We're not naïve in that."

A second element of the strategy to block the joint partnership with Another City also served to maintain policy window D and to enable the formation of the implementation

window. This was achieved by linking the proposal for an SSP to another problem; in doing this, the Deputy Chief Executive was able to change the terms of the policy debate (Riker 1986). SSPs designed to implement ERM technologies generally involve the construction of service centres which act as centralised communication hubs and the initial point of contact for the general public. From this hub, individual contacts can be redirected and the activities of individual departments co-ordinated (4Ps 2001). However, operating such a communications hub requires a surprisingly large staff, as the tasks are quite labour-intensive, due to large data-handling demands and the need to meet communication benchmarks. This creates the opportunity for the hub to be used as a means of producing employment opportunities, which in this case allowed the SSP to be cast as a regenerative proposal that would "…grow jobs…", as the Project Manager put it in June 2005.

The recasting of the SSP proposal as regenerative allowed the collaborative entrepreneur to add to the coalition around the SSP proposal, as the wider interests of North City would be served. By stressing the regenerative capacity of the SSP, individual managers were able to subscribe to the SSP agenda. It must be noted, however, that the Deputy Chief Executive was able to recast the argument (Riker 1986) only because of his structural position within the council, which was such that he could not simply be ignored or overruled. It can therefore be argued that the Deputy Chief Executive exhibited reticulist skills in that he was able to identify the strategy that would be most successful in eliciting cooperation. However, reticulist skills are usually defined (Friend *et al.* 1974, Sullivan and Skelcher 2002) as a positive phenomena and little thought is given to the possibility that they may also give boundary-spanning individuals the ability to place others in a position

where they are constrained to support a proposal, or to block the policies of others within an organisation.

The Development of the Implementation Window

Once North City's Deputy Chief Executive had established an agenda to pursue a strategic service partnership in North City, he attempted to move rapidly into developing this agenda and so began to act as a collaborative entrepreneur. This desire to "…proceed at a pace…", as the Finance Manager put it in November 2005, can be understood in terms of policy windows, as these are seen as temporary (Kingdon 1995, Zahariadis 1995, Lober 1997) and the key issue is establishing or implementing an agenda before the window collapses (Takahasi and Smunty 2002).

The first action performed by the Deputy Chief Executive in his attempt to ensure that his agenda for an SSP would be implemented was to create a Strategic Project Team (SPT) which consisted of two project officers and a project manager, who reported directly to the Deputy Chief Executive. The declared purpose of this team was to oversee the implementation of the SSP; however, its initial purpose was not operational but political. Indeed, its political function was twofold: to provide administrative support for the Deputy Chief Executive and to make clear to others his commitment to achieving the partnership; in other words, to "…achieve visibility within the council…" as one member of the project team put it when interviewed in November 2005. The fact that the Deputy Chief Executive

was able to create the project team can be ascribed to his position within the organisation; as a strategic-level manager, he was able to change the organisational structure.

North City's Deputy Chief Executive, as a collaborative entrepreneur, used a variety of strategies to align the organisational stream and couple this to policy window D in order to produce an implementation window that would allow collaboration to be realised. The first strategy that had been used was to recast the proposal for the SSP from an organisational reform programme into one that would deliver regeneration within North City through investment. This had the ability not only to block the proposed joint SSP with Another City but also to align the organisational stream by co-opting senior managers. However, it should not be assumed that the intention was to create the conditions to align the organisational stream, but rather to block the policy of the Leader of the Labour group. This position has to be adopted, as the alternative is to credit the Deputy Chief Executive with the ability to predict the future. This position is also theoretically consistent with Chapter 2, the strategic-relational approach, as historical actions are deemed to create the situation in which agents act in the present.

The second element of this strategy of co-opting the senior management was to emphasise the ability of the SSP (through ICT) to centralise decision-making authority, as managers would have the information they needed to coordinate their departments effectively (Pinosonneault and Kraemer 1993) and this would deliver the performance improvements that North City was required to achieved. As the Human Resources Manager (personal interview, November 2005) put it: "The problem was that with all the different IT systems

each department had its own disciplinary procedures. This was held by departmental [middle] managers and no-one would tell us. You can't manage in a situation like that."

This aspect of the SSP proposal is an obvious appeal to the self-interest of different managers, as promising these individuals the ability to control their own departments allowed their strategic objectives (as managers) to be realised. In this way, a coalition of support within the organisation was assembled (Hosking and Morley 1991, Buchanan and Boddy 1992) by persuading the different factions that it was in their interests to support the SSP, which became the vehicle through which individuals could realise strategic objectives.

However, in order for a collaborative entrepreneur to operate in this way, he must possess the ability to recognise the strategic objectives of others and know how to exploit them. In other words, he must be a skilled reticulist. The final element in the strategy used by the Deputy Chief Executive to form the implementation window was to engage in a series of consultations with the middle management and then the operational rank-and-file staff within the council. This process was described by the SSP Project Manager (personal interview, June 2005):

> Staff at the bottom were very concerned and rightly so. We've done a load of road-shows for them where myself and the Deputy Chief Exec have gone out at 7 am to depots. Great fun. But it's worth it. Presenting what's happening and taking questions. [The] Deputy Chief Exec is particularly good at that but that's a different signal. You wouldn't have got previously people going out to depots and saying 'What do you think?'

Although the stated intention of these road-shows was informational, giving staff a chance to air their views on the proposed SSP, the exercise was not a true consultation, as this implies that the agenda had not been fixed; rather, its purpose was to create the impression of a consultation and an involved process. This is evidenced by the fact that Environmental Services Manager (personal interview, June 2005) recalled a meeting in which a question regarding the risks and the disadvantages did not generate a response:

> It's interesting – we had a management forum for the first, second, third tier and a questionnaire was put round yesterday asking what advantage the SSDP would be for the authority, the public, department, your division and one guy said, 'Yeah, great thanks for that, what about the disadvantages?' And there was a stony silence and you could see others in the audience: 'What about the disadvantages?' There was no reply.

Although Middle Manager 2 (personal interview, November 2005) was more complementary, her comments also reveal that the purpose of the exercise was simply to create the impression that a wider consultation was occurring, when the decision had in fact already been made:

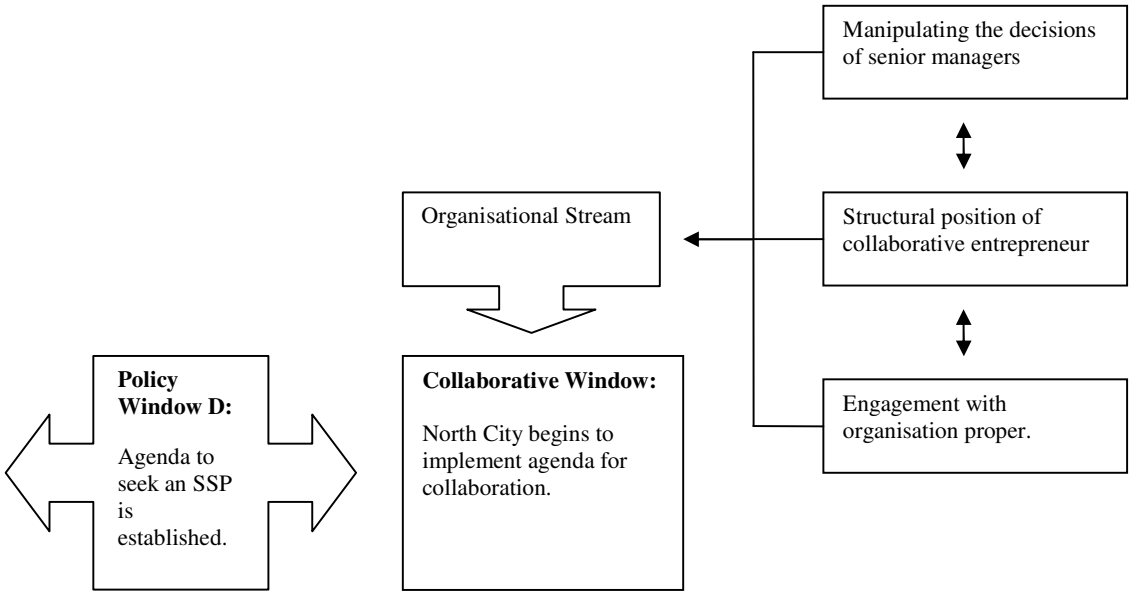
> I think it's been exemplary. We've been informed from the start about what the idea was, when it was going to start. There's been very regular briefings… erm... road-shows, opportunities to speak to senior managers about it. A lot of information, there's all sorts on the intranet.

Aside from giving the impression that the senior management valued engagement, the 'consultation' exercise also concealed a somewhat more Machiavellian objective in that Middle Manager 1 (personal interview, October 2005) argued that support had been obtained by securing the consent of key people within the organisation. This manager

stated that the collaborative entrepreneur had tended to "…target key people…" and this process of co-opting people into a coalition (Buchanan and Boddy 1992) was the strategy that secured consent within the organisation proper.

The various strategies that were employed allowed the Deputy Chief Executive to create conditions in which the organisational stream would intersect (or be coupled to) policy window D. This generated the implementation window that would allow the policy agenda to be implemented. The process by which the collaborative window was formed is summarised in Figure 10.

Figure 10: The Formation of the Implementation Window



The Composition of the Tender Documentation

Chapter 6 proposes that following the establishment of the implementation window, an organisation will begin a search for a prospective partner. However, in the case of North City, the empirical evidence indicates that the internal formation process continued after the formation of the window, with the composition of the tender documentation. This consisted of the composition of an OJEU notice, a Pre-Qualification Questionnaire and the Invitation to Negotiate documents. It should be noted that only the OJEU notice and the PQQ documents were created in advance, while the ITN document was created as the prospective partnership developed. The creation of these documents involved interorganisational boundary-spanning between the Deputy Chief Executive, the Project Manager, the Legal Services Manager (Strategic Manager 2) and the legal experts (Legal Firm). It is worth noting that the individuals engaged in boundary-spanning contacts were able to do so because of their structural positions within their organisations as legal experts, project managers or even the advocates of a policy. Initially, the development of the tender documentation involved interorganisational boundary-spanning between North City and Legal Firm; the Legal Services Manager (personal interview, June 2005) explained the reasons for this:

> Because it's an area that's quite specialist and it's not something that you do every day, you do need to tap into external advice in the same way you tap into external financial advice. You want the lawyers who have negotiated these deals before… we instructed a firm called Legal Firm who are based in London and they've got a branch in Birmingham as well and their lead lawyer's called Miss Smith who is regarded as the national leader with regard to SSP projects and she's been of

> considerable assistance in putting the project together and all the accompanying schedules and documents…

The boundary-spanning that took place between Legal Firm and North City Council can be regarded as qualitatively different from the relationship between North City and Computer Firm (the IT consultants) due to the nature of the dependency relationship. While Computer Firm was not providing a specialised service and could easily be replaced, Legal Firm was possessed of specialised skills and would have been more difficult to replace, so a resource dependency existed in which North City was dependent upon Legal Firm for its advice and the boundary-spanning took place in this context. The way in which the dependency relationship operated is rather complex, as Legal Firm (in the person of its legal professionals) was ethically and professionally obligated to act in its client's best interests; therefore the advice that it provided must not be designed to exploit the client. However, where such exploitation does manifest itself is in the financial relationship between the organisations: a transaction costs analysis (Williamson 1987) would recognise the situation as one of asset specificity, in which Legal Firm was able to charge substantially for its services. In fact, North City's Legal Services Manager (personal interview, June 2005) commented "It's the bank of lawyers. It's a licence to print money for certain kinds of corporate lawyers in these kind of ventures…"

Although Legal Firm was bound to act in the best interests of its client and North City Council had the option of not following its advice, the fact that negative consequences would be likely to result from ignoring it indicates that the relationship should be understood as a power dependency one, in which Legal Firm's boundary-spanners were

able to ensure that that North City followed their advice as to the construction of the tender notices and the documentation used throughout the process. This advice influenced the decision of North City to include all council services (except those which the council has a statutory duty to provide) in the OJEU notice. As the SSP Project Manager (personal interview, June 2005) put it "We felt that it was a case of 'Let's not rule anything out that we later want to put in and let's not spend months working out what's going to go in and slow us down in the process'".

As can be seen, the decision to include a large number of services within the proposed partnership was justified on the grounds that having to add services to the tender would incur significant legal expenses and slow the process down considerably. This is because private sector organisations might not be able to meet the new requirements and would have to subcontract or revise their costings upwards, which in turn might destroy the economic rationale of the partnership (see Chapter 10). Although there were also sound legal reasons for this decision, North City was receptive to the argument because of its internal politics and structural situation.

The decision to develop an expansive SPP and to publish an appropriate OJEU notice was taken largely by the Deputy Chief Executive and can be understood to be driven by three factors. The first is that it was believed that a relatively small SSP would not attract significant private sector attention; secondly, there was a desire to develop the SSP quickly in order to gain the maximum possible commercial advantage; finally, because the strategy adopted to secure support in North City had involved casting the SSP as a means

by which other managers could achieve strategic objectives in terms of performance and regeneration, the SSP had to involve multiple different departments.

It is also necessary to give some thought to the creation of the PQQ, the means by which the council would evaluate the initial bidders and effect an initial screening of interested organisations. Owing to its institutional history, the councillors, leaders and staff of North City were rather suspicious of the private sector. For example, the North City Deputy Chief Executive commented (telephone interview, April 2006) that "…caution had to be exercised when dealing the private sector…" and that "…they will take advantage if they can. That's normal for them…." An important objective within the development of the SSP was therefore the elimination of the risk of a private sector organisation securing the SSPs of both Another City and North City. To eliminate this risk, North City sought to ensure that the PQQ was constructed in a manner that would indicate to private sector organisations that North City saw its SSP project as distinct from Another City's, so that proposals that linked the two SSPs would be unlikely to be successful. This can be understood as an attempt by North City to use the legal structures of the procurement process to constrain the opportunities for the private sector to act within the bidding process.

However, it should be noted that this strategy was successful only because of the way in which the procurement legislation is actually constructed. The legislation and regulations are rather more ambiguous than they were intended to be and this gives public sector organisations the freedom to use them to constrain the private sector rather than as a

device simply to govern the procurement process. As the Legal Services Manager (personal interview, June 2005) commented: "Someone once said to me that they wished they had a one-handed lawyer. There is that with the shades of grey and European case law sometimes."

The Formulation of Policy and Implementation Windows in the Private Sector

The previous chapter identified the policy streams that affect private sector organisations. The evidence suggests that the way in which policy and implementation windows form is rather different from the equivalent mechanisms in the public sector; the manner in which the policy streams are combined to form windows, therefore requires further explanation.

The Agenda of Partnership in the Private Sector

The previous chapter showed that private sector organisations have a pre-existing intention or policy to take advantage of the market for PPPs in an effort to address the problem of raising their P/E ratios and demonstrating commercial viability. This long standing policy creates a context in which specific policies (for particular partnerships) may be developed; hence, policy entrepreneurs can be identified as individuals who seek to locate and develop the opportunity for partnership, although their ability to do so is dependent upon the emergence of a policy window and an implementation window. The empirical

evidence indicates that these individuals respond by attempting to create a situation in which these windows emerge, through boundary-spanning activity with the public sector.

In the North City case, it was observed that following the establishment of policy window C, the council's political leadership began exploratory contacts with the private sector in an effort to establish the content of an OJEU notice. The emergence of this agenda for partnership in North City, prior to the issue of the OJEU notice, and the subsequent boundary-spanning activities, would produce changes in the proposal stream within a private sector organisation – assuming that there was contact between North City and a private sector organisation. These contacts would then lead to a sales manager (Alter and Hage 1993) assuming the role of a policy entrepreneur to promote the policy of partnership with North City, which implies that if contacts were not made, it would be the issue of the OJEU notice which would trigger the emergence of a policy entrepreneur to promote the agenda of partnership. Such a change in the proposal stream within a private sector organisation allows for a policy window to be created within that organisation[4] and it can be argued that this window follows the logic of consequential window.

Although the policy window forms when a policy entrepreneur connects the streams to begin pursuit of the opportunity and develop the agenda for collaboration, the events and the activities of the policy entrepreneur following the opening of the window will vary, depending upon whether the policy window has been formed in response to an OJEU

[4] This policy window has not been assigned a letter coding as there were a number of windows in a number of organisations.

notice or to the boundary-spanning of the public sector. If a policy entrepreneur responds to an OJEU notice, the details of the proposal are already created for them and they will attempt to create an implementation window to mobilise support and pursue the opportunity through to realisation. However, as the Infobid Manager previously indicated, such responses are structurally disadvantaged and it may be difficult to realise the opportunity. This is because the likelihood of forming the collaborative window is totally dependent upon the coincidental match between a public sector organisation's requirements and a private sector organisation's capacities. Thus, a purely consequential window may not be one that can be successfully converted into an implementation window, as senior managers within an organisation are aware of the structural disadvantages, so that the organisational stream cannot be aligned.

Should policy entrepreneurs engage in boundary-spanning with a public sector organisation (as some policy entrepreneurs from the private sector did with North City), they are able to shape the OJEU notice in a way that is likely to match the capabilities of their organisations. Indeed, it was noticeable that in North City, the three short-listed organisations were those which engaged in pre-OJEU boundary-spanning with North City. This boundary-spanning activity serves to allow the private sector to influence the way in which the public sector body comes to define the problem stream, so that it matches the organisational capacity of the private sector. In other words, the organisational stream in one organisation affects the problem stream in another.

The ability of these boundary-spanning individuals to gain this influence can be understood in terms of their psychological attributes – in particular their ability to develop trusting relationships. This trust appears to be competency-based, as the Infobid Manager (personal interview, January 2006) explained:

> […] I can go in and say 'This is what we can do and this is what we can't do'. What I won't tell them is that everything's wonderful. If what they want to do is not for us I'll tell them. I'll give them advice on what to do and things and I do a lot of that, thought leadership, effectively.

The ability of a sales manager to engage in this boundary-spanning activity is a product of his structural position within his organisation. This refers not only to the actual role (sales) that the boundary-spanner occupies but also to the fact that he has sufficient authority to take advantage of the situation. The fact that the policy entrepreneurs occupy sales positions also suggests that the notion of roles is important, as these individuals may be acting in accordance with their positions.

The Formation of an Implementation Window

The actions of a policy entrepreneur following the establishment of an agenda for partnership are conditional upon the issue of the OJEU notice, as it is this event which provides the catalyst for development of the implementation window which would allow collaboration to be realised. This is achieved by acting as a collaborative entrepreneur, 'selling' the opportunity to the senior management of the organisation in order to gain

access to the resources needed to pursue the bid. As the Infobid Manager (personal interview, January 2006) commented:

> What people don't realise is that the biggest sale is on the inside not the outside. Selling to the client is easy, assuming you've qualified it right and you've been able to elicit the right level of information and all that, selling it internally, getting internal buy-in to get hold a million pounds worth of bid money, plus a commitment for internal resources, a commitment to create jobs to set up a business in that area. That's a huge sell to do that.

To successfully 'sell' the opportunity to senior managers (through intra-organisational boundary-spanning), the collaborative entrepreneur must convince their managers that the proposed partnership represents a viable business opportunity. This process of convincing senior managers is likely to be affected by the previous actions of the collaborative entrepreneur (as a policy entrepreneur) in engaging in boundary-spanning with the public sector organisations, because if they has successfully influenced the composition of the OJEU notice, then the process of selling may be substantially easier. It should also be noted that the Infobid Manager, who was a sales manager, chose to describe the process in terms of 'selling', which provides some support for the notion of understanding boundary-spanning in terms of roles.

As the Infobid Manager described it, the process of developing the policy and implementation windows requires engagement in a process of not only creating the opportunity but also mobilising and maintaining organisational commitment. Once the implementation window is established, it becomes possible to mobilise resources within

their organisation to begin attempting to secure the tender by expending organisational resources on producing responses to the OJEU notice and the PQQ.

Conclusion

This chapter has outlined the process by which the policies for ICT reform, a partnership and then a strategic service partnership were established. It has been shown that different individuals at various levels in the organisation are important in the development of the SSP.

It has been shown that the SSP agenda did not begin as a proposal for partnership, but as an agenda for internal ICT reform, advanced by a middle manager who sought to advance his own department's interests. He was able to act in this manner because the structural circumstances of the council (the absence of more senior individuals) allowed him access to the elected members, as he was acting to fill a structural hole in the organisation. This middle manager acted as a policy entrepreneur (A) and was able to successfully co-opt the elected members, which influenced the way in which they recruited new managers, thus ensuring that the agenda survived the change in the structural circumstances of policy entrepreneur A.

In order to implement this ICT reform, the Liberal group (which controlled the council) attempted to create an agenda for partnership based on its prevailing ideological position.

This was made possible by a simultaneous ideological shift in the Labour group that permitted a supportive political environment to develop. These policies were driven by the same factors and the occurrence of the two windows, produced by different policy entrepreneurs, allowed an agenda for partnership to develop.

The development of these three policy windows was conditional upon intra-organisational boundary-spanning, but this boundary-spanning behaviour was actually conditional upon the structural circumstances or structural role of the policy entrepreneurs. The third policy window (C) created an agenda for public-private partnership within North City, but the agenda was not realised. This was explained in terms of the failure of policy window C to convert into an implementation window, which in turn was attributed to the fact that a doctrinal logic was attached to a consequential window, preventing wider organisational recognition of the problem. The policy for a limited PPP was then rapidly displaced by a more expansive agenda that sought to establish an SSP.

The SSP was established following the successful opening of policy window D and its conversion into a collaborative window. Unlike the attempt to exploit policy window C, it was shown that the strategy adopted by the Deputy Chief Executive (policy entrepreneur D) gave the impression of following a consequential logic, despite being driven by ideological reasoning. This was achieved by appearing to develop the SSP proposal from a consultancy study which indicated that partnership was required in order to fund the ICT reforms. It was found that the policy entrepreneur appeared to create the conditions in which the consultants operated and thus ensured that they would produce conclusions that

supported their proposal. Policy entrepreneur D was also observed to be active in working to create organisational conditions that discredited a proposal for a joint SSP with Another City.

The empirical evidence also suggests that the formation of a policy window in a private sector organisation is actually conditional upon the actions of a public sector organisation (in this case North City) in issuing an OJEU notice or making speculative approaches. In the case of a policy window triggered by an OJEU notice, it was shown that the implementation of an agenda in the public sector leads to changes in the proposal stream in the private sector. However, it was also shown that where boundary-spanning between public and private sector organisations has occurred, the policy stream in the private sector will affect the problem stream in the public sector.

In terms of the sequence of events, the formation of the implementation window in the public sector (in the form of North City) is the critical event. However, this event can be understood as responsible for the formation of the policy window in the private sector or, if boundary-spanning between the sectors has occurred, as responsible for the formation of the implementation window. This indicates that formation of a partnership is far more complex than depicted by the framework in Chapter 6.

This chapter has explored the internal processes within North City which led to the decision to undertake an SSP programme to achieve organisational reform. It has been shown that individuals acted as policy entrepreneurs and engaged in intra-organisational

boundary-spanning to achieve this. The chapter has also explored the way in which policy and implementation windows form in private sector organisations; it was found that sales managers act as policy and collaborative entrepreneurs to establish a policy and implement it. However, this investigation into the formation of the SSP has also highlighted some differences between the empirical case and the framework developed in Chapter 6. Although they have been briefly discussed, a more substantial analysis of these differences is offered in Chapter 11. The framework developed in Chapter 5 proposed that following the establishment of the collaborative window, a prospective interorganisational relationship would progress to a 'search' stage, where an organisation begins to look for a potential partner. In the case of the public sector this would see the release of the OJEU(S) notice and this aspect of the framework will be examined in Chapter 10.

CHAPTER 10: THE CASE OF NORTH CITY – THE DEVELOPMENT OF THE STRATEGIC SERVICE PARTNERSHIP

Introduction

The previous chapter has examined how the agenda that created the Strategic Service Partnership emerged in North City. It was found that this was conditional upon the activities of boundary-spanning individuals acting in an entrepreneurial manner within the organisation. However, it was also found that the structural circumstances of these individuals both enabled and constrained their abilities to exploit the opportunities to act entrepreneurially in advancing policy proposals. It was further observed that in order to ensure that a policy agenda could be maintained, policy entrepreneurs would act to displace competing agendas. This process involved the manipulation of others within an organisation so that they would support a given proposal over its competitors. Through this process of manipulation, [boundary-spanning] policy entrepreneurs were able to create the conditions that would allow a policy window to be converted into an implementation window

This conversion of a policy window into an implementation window provides the opportunity for a policy agenda to be implemented. This chapter will explore the way in which the agenda to create a strategic service partnership in North City was realised and will briefly highlight, prior to the more detailed analysis in Chapter 11, the variation between the empirical evidence and the theoretical framework.

Stage 2: The Search for a Prospective Partner

Following its development through interorganisational boundary-spanning, an OJEU notice was issued in August 2004, which allowed until September 2004 for private sector organisations to make initial expressions of interest. Once these had been received and the OJEU notice had expired, the organisations would then be sent a Pre-Qualification Questionnaire, which they were expected to complete and return to North City.

The PQQ itself was created shortly after the release of the OJEU notice and despite its grandiose title is a surprisingly simple document, consisting of little more than 6 sides of A4. The PQQ was not designed to put detailed questions, but simply to ask potential bidders to certify their solvency, provide details of any outstanding industrial and contractual disputes and to state, in brief, how they met the criteria listed in the OJEU notice. It also asked for potential bidders to provide evidence to support their claims and to give details of any existing projects in which they were involved.

The actual process of boundary-spanning at the search stage for North City was rather minor, as the process of responding to replies was largely a mechanical one in which only the project officers were involved. The boundary-spanning activities of the project officers can be understood as being conducted within the structure of their role as project officers in the SSP, thus as relatively junior employees of North City. This structure provided very limited opportunities for these individuals to act, as their

organisational positions and structural roles dictated that they should restrict themselves to responding to queries from potential bidders.

The Search Activities of Private Sector Organisations

Although North City was engaged in the search for a partner, this process cannot be seen in isolation from the boundary-spanning activities of the private sector. As private sector organisations depend on sales to generate new business, they too are engaged in a process of searching for potential partners. However, the process by which a private sector organisation locates a prospective partner (or customer) is rather complex. Ostensibly, the private sector locates prospective bids by searching the Official Journal of the European Union, where they are advertised. However, as the Infobid Manager (personal interview, January 2006) commented: "It's very rare that you get an OJEU notice just jump out at you and you go 'where did that come from?'"

This manager was referring to the fact, highlighted in Chapter 9, that prior to their response to an OJEU, many private sector organisations have already been involved in a consultancy process with a council that was considering embarking on a partnership. Thus, some private sector organisations do not have to engage in a search, as they know in advance that an OJEU notice will be issued. However, not every private sector organisation which responded to the OJEU had been involved in previous consultations; those which had not would have engaged in a 'search' by examining the OJEU and responding according.

Stage 3: The Evaluation of Prospective Partners

Once the PQQ documents were returned, the responses were assessed as to how well they addressed the criteria that North City had established in its OJEU notice. This process of assessment was conducted largely by senior managers and was described by the Legal Service Manager (personal interview, June 2005) as "…a process of due diligence".

The initial stages of evaluation can be identified in the words of the Environmental Services Manager as 'stalling points', a stalling point being where one activity changes into another and the individuals within the project begin a new task. Changing in this way between the different tasks comprising the process is time consuming, as it is likely to involve different individuals who have different understandings of the process and events. Therefore, it takes some considerable time to ensure that individuals are able to continue with the project effectively. This is supported by an observation made by Noble and Jones (2006) that public sector organisations tend to operate more slowly than their private sector counterparts. The delay or stalling point can also be understood as a time of risk in the development of an interorganisational relationship, as when a project is stalled, the opportunity exists for the process streams to diverge or for a new agenda to replace the old one. As the Environmental Services Manager (personal interview, June 2005) commented:

> It [the SSP] has what are called stalling points when no progress is made… […] A project can get 'killed' as you put it at a stalling point. The next stalling point is the election because if there's a change in power, even though both sets of politicians are signed up for it, it might not be so big an issue after that. Because there's always stalling points.

In order to survive these stalling points and ensure that the policy agenda would remain active, the Deputy Chief Executive was observed to re-emerge and become active in the process in order to maintain the implementation window. This was achieved through two strategies; the first was to create a sense of inevitability over the project, which would ensure that individuals within the organisation cooperated because they did not want to be seen to oppose a viable policy. As the Environmental Services Manager put it, "People do that [cooperate] because they see the way the wind is blowing." The second strategy was simply to target potential resistance and eliminate viable alternative agendas (see Chapter 9). However, the ability of the Deputy Chief Executive to implement these two strategies can be understood as a function of his structural position within the organisation, as he possessed the authority to undermine other proposals but also to generate events such as the distribution of informational booklets, which maintained momentum.

The Long-Listing Stage

The initial response from the private sector was very strong and North City received a total of 9 expressions of interest which were judged suitable, based on an analysis of their financial viability and the ability of the organisations making them to meet North City's requirements as specified in the OJEU notice; these organisations were long-listed. Their number then rapidly dwindled to 6, as several of the interested parties formed consortia to maximise their resources and increase their chances of success.

All of the potential bidders judged suitable were invited to North City in September 2004 and were introduced to the senior management, senior political leaders and the Strategic Partnership Team. They were then advised of the process by which their

bids would be evaluated, which involved a detailed evaluation of the responses made in the PQQs and the supporting evidence that they were asked to provide. This process of evaluation required some intra-organisational boundary-spanning, as each of the different departments involved in the SSP had to conduct its own evaluations of the PQQs in order to determine how effectively the responses met with the OJEU notice. The purpose of this was twofold, the first being to ensure that specific aspects of the PQQ were evaluated by appropriate experts and the second to maintain the coalition of support for the SSP by allowing each faction to determine if its strategic objectives were being met.

The Short-Listing Stage

Short-listing was the final stage of the evaluative process from the point of view of North City Council, as it was from the shortlist that the preferred bidders would be appointed. The short-listing stage can be broken down into two parts: the request for the Invitation to Submit Outline Proposals (ISOP) documents and the process of evaluation in which the replies to the ISOP were assessed. In the ISOP, the bidders were asked to demonstrate how they would meet North City's requirements and how they would create and manage the proposed partnership.

The short-listed bidders, Telebid, Compbid, Infobid and Consultbid, were asked to submit detailed proposals. It would be useful here to provide a brief description of each of these organisations. Telebid, the largest of the bidders, was a vast multinational telecoms firm with an established history of working in partnership with local authorities, having implemented strategic service partnerships. Compbid was an

ICT specialist with a rather mixed history of partnerships with local authorities. Unlike most firms of a similar size, Compbid was owned outright by a venture capital company which controlled 100% of its stock. By contrast, Infobid, another ICT specialist, was a PLC and had a rather more successful track record of partnering with local government. The fourth and final bidder, Consultbid, was a consultancy firm specialising in operational management in local government.

These organisations were given three months to complete the responses to the ISOP for return to North City by early January 2005. The proposals were then evaluated and a series of detailed information exchanges between the private sector bidders and North City began. These meetings offered the chance for all parties to evaluate each other (Ring and Van de Ven 1994) beyond legalistic interactions; they also served to begin the process of repeated interaction between boundary-spanners that tends to underpin the development of interorganisational relationships (Gulati 1995, Ring and Van de Ven 1992, Kanter 1994, Huxham and Vangen 2003, Noble and Jones 2006). However, the boundary-spanning individuals involved in this stage varied quite considerably, as North City attempted to examine different aspects of the proposals of the private sector bidders. This variation in the numbers and identities of the boundary-spanning individuals was described by Middle Manager 1 (personal interview, October 2005): "There were a number of people on the periphery who would just drift in and out. I suppose it was like circles really. You had a core and then you had the rest."

The purpose of permitting these face-to-face contacts was to maintain the coalition of support that created the implementation window. The different organisational factions

had come to support the partnership because they had accepted that their strategic objectives and those of the council could be served by the partnership; they would now need to conduct evaluations to ensure that this was the case.

However, it was observed that North City's Deputy Chief Executive and the SSP Project Manager were involved in every meeting, given their critical roles in the proposed partnership as the sponsor of the project and its day-to-day coordinator. The Deputy Chief Executive (personal interview, June 2005) commented: "These kind of projects need a strategic handle on them." The purpose of this continuous engagement was partially to maintain the coalition but also to ensure that the other boundary-spanners did not undermine the process by posing questions or raising problems – and this was made possible by the structural position occupied by the Deputy Chief Executive; i.e. he could exercise hierarchical authority. Thus, the collaborative entrepreneur acted to maintain the implementation window by holding together a coalition of support but also by acting to prevent others from undermining the partnership by asking critical questions.

Although the presence of the Deputy Chief Executive and the SSP Project Manager had a malign affect, the continued presence of some individuals allowed for interpersonal and interorganisational trust to emerge. Trust is considered necessary within the process of evaluation because both parties must believe that the information that is collected by their boundary-spanners, upon which decisions will be based, is accurate. In this case, if trust had been absent, the different parties would have regarded each other with suspicion and lacked any confidence in the answers they were given, which would have made any evaluation or negotiation extremely

difficult. Trust is also important because such partnerships have a long gestation period, so the boundary-spanners involved must be confident of the intention of the other parties to remain involved in order to sustain the relationship over the long term.

The interorganisational and interpersonal trust which emerged between North City and the private sector organisations can be understood to be competency-based, in that both sides wished to ensure that the other was able to meet expectations and could deliver upon agreements. In such cases, competency-based trust emerges from analysis of the PQQ and the interactions between the boundary-spanners, in which repeated interactions allow for competency to be assessed. This trust was likely to have been initiated by the systemic trust that both North City and the private sector organisations had in the contractual bidding process.

The meetings between the short-listed bidders and North City ran from January 2005 to July 2005, although their number was again reduced to three in February 2005, when Consultbid and Compbid[5] formed a consortium. This decision may have been underpinned by the fact that Consultbid had failed to live up to contractual obligations in a previous partnership with another council (Unison 2005) and was concerned that this would damage its prospects of success in North City. To overcome this, Compbid was willing to assume to a junior role in a consortium led by another organisation. Consultbid may also have seen advantages in the consortium, as by working with Compbid, it acquired a partner with considerable experience with ICT systems and this closed a gap in the knowledge of Consultbid.

[5] This consortium would eventually result in a formal merger in 2007.

In order to hold the meetings, the bidders were invited to move into a suite of offices within the council buildings. The presence of the potential bidders in close proximity to the council had a number of advantages for both the evaluation stage and the maintenance of the organisational stream. First, it was easy to arrange meetings between the bidders and North City and this reduced the time spent on the project. Although the declared reason for the invitation was that it would give the bidders the opportunity to observe North City's operations (North City 2005b) and understand how a council operates, more cynical motives can be ascribed to it.

The decision to 'house' the bidders in council premises had the effect of making the SSP seem inevitable and 'real.' In fact, North City uses the phrase "these plans are now becoming very real" in promotional material (North City 2005b) issued to staff. Inviting the private sector into North City's buildings can also be seen as an attempt to exercise dominance in the relationship. The proposed partnership would be fundamentally undermined by a resource dependency, which would give the private sector power in the negotiation stage. One way to mitigate this would be in effect to incorporate the private sector into the structure of the council, the intention being to expose the private sector boundary-spanners to the council's norms and values, with two objectives in mind. The first was that the private sector boundary-spanners would be socialised into the public service ethos (Du Gay 2000). As North City's Deputy Chief Executive (telephone interview, April 2006) commented, "…we wanted them to see what we were about…".

This exposure to the way in which the council operates and its norms may have served to create an attitude amongst the private sector boundary-spanners that was

sympathetic to the public sector and to favour decisions based upon shared attitudes (Adams 1967, Alter and Hage 1993). The second objective was to expose the private sector boundary-spanners to the way in which the council operated, i.e. its standard operating procedures (Hall 1986), which would allow meetings to become more productive, as neither side would have to 'learn' the norms of the other and communication would be improved. In practice, this allowed North City to set the terms of the interaction between the organisations; the 'power' of the institutional context was deployed to overcome or attempt to overcome dependencies.

One explanation for this attempt to set the terms and to determine the structure of the interaction may be the institutional experience that North City had had under the CCT regime. This was imposed on North City externally and led to a contract that allowed the private sector to exploit the council. Thus, it is possible that much of the behaviour of North City in attempting to dictate the terms of the interaction may be understood as showing an unwillingness to suffer exploitation a second time.

The Evaluation Activities of Private Sector Organisations

Like public sector bodies, private sector organisations also engage in evaluations of a potential partner, but this evaluation process is somewhat different to that outlined above. Although private sector organisations and their boundary-spanners are also driven by particular objectives, these must be understood as more commercially orientated than those of the public sector. While public sector boundary-spanners are attempting to determine whether a private sector organisation meets their criteria,

their private sector counterparts are attempting to determine the commercial viability of the partnership through the collection of information.

To explain this, it is necessary to understand the way in which private sector organisations calculate the commercial opportunity of a partnership. Private sector organisations are driven by profit and the need to remain commercially viable, while the financial rewards of strategic partnering are not especially high. Indeed, an SSP, in common with a PFI, requires a substantial upfront investment by the private sector, which is likely to have been borrowed with interest. Therefore, the projected revenue that that is generated in each year of operation (the 'unburnt' revenue) must be higher than repayments and of sufficient duration to permit those repayments to be made. However, it is a cardinal principle of financial accounting that money devalues over time and this is represented by the concept of Net Present Value (NPV) (explained in Appendix 1). The NPV calculation allows an organisation to calculate the value of money or capital in a given year, which is its present value; by totalling all the present values of capital in each year of the project, an organisation can determine the length of time it would take to repay the initial capital outlay, the C_0 value. If the time taken to repay initial outlay is less than the lifespan of the project, then the project is a good investment; if not, then it is a bad one. The initial capital outlay must also include the costs that the private sector organisation has incurred in securing the project. However, the private sector organisation will not be fully aware of the requirements that the public sector body has of it until the long-listing stage, at which the detailed brief is explained to it; and the fiscal calculations may also be altered by information that is received during the exchange of information that occurs following the short-listing stage. As the profit margins in any given year are likely to be low, changes in

the requirements of the public sector body may eliminate the profit margins, thus rendering the bid financially ill-advised.

In practice, it is unlikely that the boundary-spanning individuals engaged in the evaluation will actually perform the complex financial assessments; rather, they will rely on others such as accountancy specialists to carry them out. Thus, an intra-organisational boundary-spanning role can be identified as the boundary-spanners involved in the evaluation gathering information and transferring it to specialists in the functional core (Thompson 1962). The boundary-spanning individuals will also be required to act in order to maintain support for the collaborative entrepreneurs within their organisation amongst senior managers, as the Infobid Manager has been reported as explaining.

The potential for the proposed partnership to collapse can be understood in terms of the problem stream. As more information on the intentions and objectives of the public sector organisation becomes available through the process of exchange, problems may arise that policy proposal cannot address and this may displace the agenda, leading to the rather ironic situation in which the more successful a boundary-spanner is in obtaining accurate information or building interorganisational trust, the greater the risk that such new information may shift the different process streams.

A second issue in the evaluations conducted by the private sector boundary-spanners concerns the opportunity costs associated with a project. This refers to the principle that in expanding time and effort in pursuit of one objective, other opportunities are lost. Thus, the amount of time that private sector organisations spend bidding for a

contract is time that their boundary-spanning individuals are not searching for or realising other opportunities. In fact, the Infobid Manager (personal interview, January 2006) commented:

> I'm going into a council tomorrow actually, we've been talking to them for three years and actively bidding for two. So there are long sales cycles…. In terms of the bidding cycle itself, this is the bane of most private sector organisations. This is why many enter the market and quite a few come out quite quickly as well.

The importance of time for the private sector, as indicated by the Infobid Manager, is consistent with the evidence presented by Noble and Jones (2006), who argued that private managers often became frustrated with the length of time taken to complete a bid in the public sector. This may be explained in terms of the opportunity costs associated with the bid – amounting potentially to wasted time for the boundary-spanners – and of the initial investments that have to be made. A costly, lengthy bidding process may eliminate the profit margins of a partnership. It should also be noted that the finding that the margins of partnership are small is consistent with Rosenau (2000), who implies that externalities could eliminate the savings of partnerships. In order for an externality to undermine the cost-saving potential of partnership, the savings would logically have to be quite small.

The final factor in respect of the evaluation conducted by private sector boundary-spanners simply relates to the development by boundary-spanners of personal relationships, which is thought necessary by several authors (Lowndes and Skelcher 1998, Noble and Jones 1994) to permit the partnership to operate effectively after an agreement is signed. It is observed in the North City case that boundary-spanners did indeed attempt to develop such relationships, but not as a consequence of contact, as

the above authors would seem to suppose. Rather, it was observed that the development of interpersonal relationships within the structure of the evaluative process was rather more cynically motivated, its purpose being to permit the exchange of information; hence, any beneficial effects on the interorganisational relationship during the operational stage was an unintended consequence of an attempt to acquire information.

Stage 4: Negotiation with a Preferred Bidder

In June 2006, North City appointed its preferred bidder – the partnership of Consultbid and Compbid – and nominated Infobid as the reserve bidder (North City 2006). This stage saw the issue of the ITN documents, consisting of voluminous contractual documentation and schedules. The decision to select a particular bidder over another was reached as the result of a process that was designed to appear technical but has been shown to be rather less than neutral. It may therefore be suggested that the Consultbid / Compbid partnership was selected because Another City did not select either of these organisations as its preferred or reserve bidder, so that the risk of private sector rationalisation was minimised.

As was discussed in Chapter 7, researching the actual process of negotiation was difficult, because issues of commercial confidentiality restricted the level of access granted to the author, making it impossible to gain access to the private sector bidders during this stage and curtailing access in North City. However, it is possible to make some comments regarding the activities of boundary-spanning individuals and of the policy and collaborative entrepreneurs. The negotiations between North City and the

preferred bidder can be seen as a largely structured process in which meetings were held between the different organisations involved with the purpose of creating a contract – the structure that would govern the partnership.

As North City had previously invited the private sector bid teams to locate themselves in the council offices, it was there that the negotiation process largely took place. This can be understood partially for financial reasons, in that it was considerably cheaper to conduct the negotiation in one place where the resources already existed, but it can also be understood as an attempt by North City Council to control the terms of interaction between itself and the private sector. Such control of the location of the process is understood by Noble and Jones (2006) to represent an attempt to exercise power and seize control of the agenda. Whilst this appears to be the case in North City, the council also attempted to control the agenda through the issue of detailed ITN documents and the production of agendas for each meeting, which were related to different aspects of the negotiation. Thus it can be argued that North City attempted to impose a structure upon the meetings in which the boundary-spanning activity would take place.

In order to understand the process of negotiation, it is necessary to set out precisely the content of the negotiation. It was noted in Chapter 8 that North City sought to use the SSP to replace its ICT infrastructure and develop a communications centre that would improve the co-ordination between the different departments of the council. This communications centre would be operated by staff transferred to private sector management under Transfer of Undertakings (TUPE) arrangements, who would provide the back-office functions for the council. Therefore, the negotiation did not

concern what would be delivered, as this had already been determined by the OJEU(S) tender, the PQQ and ISOP; rather, its purpose was to establish the terms under which the ICT would be delivered. Thus, the strategic objectives of both sides can be identified as the conclusion of the most advantageous schedule and financing for the delivery of the ICT infrastructure and the establishment of the communications centre.

The process of negotiation itself was rather complex and involved a variety of different organisations, so that boundary-spanning did not occur simply between North City and the Consultbid / Compbid teams. This is because the process also involved specialised lawyers, financial officers and the insurance companies underwriting the project: the technical specialists or 'back-office staff' that Ring and van de Ven (1994) identify as boundary-spanners. The Legal Services Manager (personal interview, June 2005) who was involved in the negotiation process explained how these negotiations worked:

> We're sitting down with the firm, as they will have their own lawyers. It's the bank of lawyers. It's a licence to print money for certain kinds of corporate lawyers in these kind of ventures, as the private sector partner will have their own lawyers and the banks who are funding the project and doubtlessly the banks will want their own lawyers on board… you reach the last few negotiation sessions on these kind of projects and these can last weeks and then it's a room full of financial advisors, lawyers, insurance brokers. It's like a small army and these people don't tend to see daylight for a few days/ weeks before the deal's completed.

To understand the way in which these multiple different organisations are involved, the strategic-relational approach is useful. Senior managers and project leaders will agree the broad outlines of a proposed partnership, acting in pursuit of their own strategic objectives and those of their organisations, although their ability to act is

both enabled and constrained not only by the legal documentation, the tender bid and the legal procedures for procurement, but also by what will be acceptable to their own organisations and the individuals who comprise it. In fact, North City's Finance Manager (personal interview November 2005) commented that during earlier stages he had found it necessary to try to "rein [the Deputy Chief Executive] in…" and it seems likely that this also happened at later stages. This desire to rein the Deputy Chief Executive in can be attributed to the fact that the Finance Manager is ultimately responsible for the financial well being of North City. The role this individual occupies requires them to protect North City was becoming financially over-extended, from entering into financially disadvantageous arrangements or even simply wasting financial resources. Therefore, the Financial Manager would be expected to take a more cautious position and it can be argued that the organisational stream, which is the structure and behaviour of other individuals made manifest, imposes limits in this way upon the agency of boundary-spanning individuals.

The activities of the senior managers who negotiate the broad outlines of the partnership impose a set of limits and constraints upon the technical, functional individuals who have to realise these agreements. This creates a rather complex situation where the strategic objectives of each party will affect the freedom of other individuals (as predicted by the strategic-relational approach) and where the objectives of these individuals is also dictated by others. The willingness of these individuals to accept this situation can be explained by reference to the concepts of norms, values and organisational roles – factors which tend not to be developed in the strategic-relational approach. For example, an individual who occupied a functional role that recognised organisational hierarchy would be willing to implement the

objectives of others because this would be mandated by their role and the values of the organisation.

The Consequences of Collapsed Windows

Thus far the examination of the development of the North City SSP has explored the sequence by which the partnership developed. However, the conceptual framework argues that should the process streams diverge, the policy or implementation window will collapse, so it is necessary to explore as far as possible the consequences of the collapse of a window.

The collapse of a policy window or implementation window in the public sector would simply result in a change in policy or the abandonment of a proposed partnership; theoretically, this should have few consequences for the individuals, given that councils often change policies. However, in the case of North City, where performance improvement was critical and considerable sums of money were involved, it is likely that failure to develop the partnership would have had significant professional consequences for the individuals championing the project. These consequences would have been likely to involve dismissal (or a requested resignation) and since it appears that North City's elected members and Chief Executive had hired senior managers on the assumption that they could deliver reform, it is implicit that should they have failed to achieve this they would have been replaced. This possibility of replacement may explain why North City's Deputy Chief Executive, in particular, was keen to advance the partnership, as he would need to show "...step change…" as rapidly as possible to protect his position.

A similar situation was observed in the private sector and was well described by the Infobid Manager (personal interview, January 2006), who commented "We have targets. I have to deliver X million pounds worth of business. Currently, I'm behind but not too bad… [Consequences of failure] I'd be got rid of and they'd get someone who could make the target. It's about sales."

The consequences of failure for the collaborative entrepreneurs in both North City and the private sector appeared to be severe. However, the impact that the possibility of failure had on individual boundary-spanning collaborative entrepreneurs was rather different. North City's Deputy Chief Executive had arguably more control over the process and, as has been shown, was able to exploit his structural position to protect the partnerships. In Infobid, however, it appears that the collaborative entrepreneur lacked control, as a consequence of occupying a different structural position in the organisation. Although the evidence refers directly to Infobid, it is likely that a similar situation existed in all the private sector organisations. As such, it can be argued that whilst both individuals might be placed in situations of psychological tension or stress, their different organisational roles provided different opportunities to manage the risk.

Conclusion

This chapter has examined the development of a strategic service partnership using the analytical tools described in Chapters 4 and 5, and the theoretical framework proposed in Chapter 6. Although the concept of structurally contextualised,

strategically driven agency has been shown to be successful in understanding boundary-spanning, the case study has indicated a substantial degree of discrepancy between the framework proposed in Chapter 6 and the observed empirical data. For example, the framework assumes that the formation of organisational support occurs prior to the search for a partner, yet whilst this was indeed observed in North City Council, the precise opposite was observed in the private sector, which suggests that there may be a public-sector bias in the framework. Therefore, the final chapter of this study will reconsider the framework in view of the evidence and demonstrate how it can be amended to account successfully for the development of an SSP from the perspective of both public and private sector organisations.

CHAPTER 11: CONCLUSIONS

Introduction

This study has explored three key questions relevant to the role of boundary-spanning individuals in the development of strategic service partnerships. This has been achieved by locating boundary-spanning individuals within organisational theory and developing a conceptual framework to explore the development of SSPs.

To examine the issues of boundary-spanning within SSPs, the study is divided into three parts, the first consisting of a review of the established theory on structure and agency, interorganisational working and boundary-spanning within interorganisational relationships. The literature on the development of these relationships was also examined. From this review a conceptual framework was developed and this was tested in the second, empirical part of the study. This chapter constitutes the third and final part, which revises the conceptual framework based on the empirical observations and critically reflects upon the study and its conduct, before offering some comments about the direction of future research.

The Research Questions

This study aimed to address three questions and these are restated below for the convenience of the reader with a brief explanation of why these questions are considered important.

1. How should boundary-spanning individuals be understood within organisational theory?
2. How and why do Public-Private Partnerships, in particular Strategic Service Partnerships, develop?
3. What is the role and contribution of boundary-spanning individuals in the development of Strategic Service Partnerships within and between organisations?

The three questions were posed to explore three closely related issues in understanding the development of SSPs and PPPs more generally. Although boundary-spanning individuals have long been recognised as important in the development of interorganisational relationships (Alter and Hage 1993, Snow and Thomas 1993, Sullivan and Skelcher 2002, Marchington *et al.* 2005, Obstfeld 2005), the topic is poorly theorised (Williams 2002) and examined, having a multitude of confusing terminology (Liefer and Delbecq 1978) which makes analysis difficult.

It was also noted that whilst the development of interorganisational relationships has been analysed at length (Huxham and Macdonald 1996, Ring and van de Ven 1994,

Kanter 1994, Gulati 1998, Murray 1997, Huxham and Vangen 2005) and there is a substantial volume of work on public-private partnerships (Falconer and McLaughlin 2000, Linder 2000, Field and Peck 2004, Lonsdale 2005), the development of PPPs has been under researched (Noble and Jones 2006). It was also noted that research on partnerships between the public and private sectors has tended to focus on evaluation of consequences (Lonsdale 2005) or has attempted undermine the very concept of partnerships (Jacobs 1992, Du Gay 2000). Thus, little attention has been paid to the strategic service partnership, which is the latest form of public-private partnership (Hughes 2005, Watt 2005). It was also observed that there was tendency to treat SSPs simply as conceptually identical to other forms of partnership (Bovarid 2004, Rubery *et al.* 2005). The present research has sought to close this gap in the literature.

The third and final question seeks to locate boundary-spanners within the creation and operation of SSPs. This question has also allowed the research to explore the issues of the objectives pursued by boundary-spanning individuals and their organisational context. In doing this, the research has been able to connect public administration with organisational theory.

Understanding Boundary-spanning

The first question this study sought to address was how to understand boundary-spanners in organisational theory. To tackle this problem, the study developed a modified or extended version of the strategic-relational approach of Jessop (1996) and Hay (2002). This approach argues that boundary-spanners must be seen in terms of

structure and agency simultaneously, since individuals exist as structurally contextualised actors whose actions (in pursuit of strategic objectives) are shaped by structures, while also replicating and altering structures through their actions. This creates a situation of path dependency in which the previous actions of individuals enables and constrains the actions of others, while particular actions make certain events more likely and others less so.

To examine empirically the role of boundary-spanners using this theoretical approach, it was argued that they must be seen in terms of their structural positions and roles within organisations and of their individual psychology. These two factors were deemed to be closely related, as structural roles confer expectations and understandings which are affected by the norms and values of an organisation or institution.

Structural Dimension of Boundary-spanning

It has been argued in this study that boundary-spanners must be understood in terms of the structural position within the organisation, i.e. their role. However, a distinction was made between, on one hand, dedicated boundary-spanning roles, such as customer service positions (Bowen and Schneider 1985) or exchange roles (Aldrich and Herker 1977, Alter and Hage 1993) and on the other, those roles in which boundary-spanning is not the major task role but is necessary for completion of the organisational role (Strauss *et al.* 1963, Steadman 1992, Sullivan and Skelcher 2002). In this way, the structural role that an individual occupies can be seen to confer particular opportunities upon him whilst simultaneously limiting his opportunity for action. As individuals

occupy particular roles, it has been argued that their strategic objectives can be understood as products of these roles and in the case of boundary-spanning individuals in terms of the different theories of interorganisational working – namely resource dependency theory, interdependency theory, collaborative advantage, transaction cost economics, hierarchical pressure and institutional isomorphism.

The empirical observations provide support for this argument. It was proposed that the activities of boundary-spanning individuals in North City could be understood in terms of the different theories of interorganisational working and that their ability to boundary span was conditional upon their structural role. This can be clearly illustrated by considering the boundary-spanning that occurred throughout the development of the SSP in North City.

The boundary-spanning policy entrepreneurs who initiated and sought to advance the agenda of partnership (policy entrepreneurs B, C and D) were motivated by resource dependencies but also by isomorphic and institutional pressures. For these individuals, partnership was seen as a means not only of addressing the perceived shortage of financial resources within North City Council (Audit Commission 2002a) but also of solving the perceived shortage of knowledge and expertise regarding the process of organisational reform. The policy entrepreneurs can also be understood to have been motivated by a desire to ensure that North City Council and its various political parties should be seen as legitimate actors with appropriate policies, although it must be acknowledged that in the case of policy entrepreneur B, his ultimate objective appeared to be to return to political power. However, to achieve this objective, he

sought to change the policies of the Labour group, which can also be seen as a set of objectives in their own right in response to isomorphic and institutional pressures.

The existence of these dependencies can be also understood to drive the Deputy Chief Executive of North City in his actions as a collaborative entrepreneur, as the implementation window existed to realise the partnership needed to address the dependencies. However, the existence of resource dependencies can be understood to provide the drive for the precise form of partnership adopted. As SSPs rely on closely integrating private sector partners with the operations of the council, they are thought to generate an interdependency and that this will mitigate the dependency relationship by preventing a power dependency from emerging.

To explain the motivations of the boundary-spanning policy and collaborative entrepreneurs in the private sector, it is necessary to recognise that private sector organisations enjoy an interdependent relationship with their (eventual) public sector partners and a resource dependency with the market at large. To understand this, it is necessary to pay further attention to the concept of price/earnings ratios (see Appendix 1), as was stressed by the Infobid manager. The notion of price over earnings argues that an organisation seeks to secure growth in its P/E ratio, which signals to investors that the business remains economically viable, giving them the confidence to invest and thus securing resources (revenue or capital) for the organisation. The concept of P/E ratio also applies to Compbid, which was privately owned, as in this case the P/E ratio continued to signal to the owners (of which there were several) that the investment was a sound one so that they would continue to supply capital.

As can be seen, the boundary-spanning policy and the motivations of the collaborative entrepreneurs can be understood in terms of the different theories of interorganisational working. However, the case study also demonstrates that the ability of such individuals to engage in boundary-spanning is a product of their structural roles within the organisation. In the private sector organisations in the case study, the boundary-spanning individuals were able to act as policy entrepreneurs and later as collaborative entrepreneurs because they occupied roles as sales managers. Similarly, in North City Council, policy entrepreneurs B, C and D (the leaders of the two major political groups and the Deputy Chief Executive) were able to develop policies because they held considerable authority within their political groups and the council respectively.

Although the notion of structural role is less clear as regards policy entrepreneur A (the IT manager), the actions of this individual do highlight the importance of recognising structural circumstances as a key variable in determining individual action. The case study shows (see Chapter 9) that he was able to act as a policy entrepreneur because of the absence of senior managers, which allowed him to interact directly with the elected members.

The Agency Dimension of Boundary-spanning

The argument developed in this study is that to understand boundary-spanning the individual boundary-spanners must be seen in terms of structure and agency. The agency component of boundary-spanning was developed in terms of different factors

that may affect the internal psychology of an individual boundary-spanner. The empirical case study revealed three important aspects of this understanding: role theory (and the associated concepts of norms and values), entrepreneurial skills, reticulist abilities and the capacity to develop trusting relationships.

Role Theory

The concept of roles and the associated concepts of norms and values are central to the argument that a factor influencing the way in which individuals construct strategic objectives is affected by the understandings that are associated with their roles. These understandings are constructed in reference to the norms and values of the organisation or institution. This argument, when applied to the activities of the private sector boundary-spanners and policy entrepreneurs C and D, is obviously successfully. However the argument runs into difficulty when applied to the intra-organisational boundary-spanning activities of policy entrepreneurs A and B.

Policy entrepreneur A was a middle manager who had worked in North City for some considerable time and did not have a particularly strategic role. As North City was not considered to be a particularly forward looking organisation it can be argued that he would have been subject to the norms of the council, which were inertia and hierarchical direction, and it seems odd that this individual should have been able to act as a policy entrepreneur, in apparent contradiction to these norms. However, this problem can be resolved when the norms of North City are considered in greater detail. The council was described by other interviewees as consisting of a series of disjointed

organisational silos each of which pursued its own objectives and sought to maximise its influence within the council. Thus, it can be argued that policy entrepreneur A was actually following the norms of the council in seeking advantage for his own department by playing up the role of ICT, which would be in keeping with the role of a North City manager.

While the concept of roles and norms can thus be successfully applied to policy entrepreneur A, it is less successful when applied to policy entrepreneur B. The Labour group was described as very traditional by the Deputy Chief Executive (see Chapter 8) and as such its prevailing norms were those of socialism and hostility to the private sector (Goss 1988). It would thus seem likely that the Leader of the Labour group, who had been a Labour group councillor for some substantial time (over 20 years) would have inculcated these political norms (Newton 1974). Therefore, it seems odd that this individual would suddenly be able to act according to a different set of norms which allowed him to adopt an agenda for partnership.

One possible explanation for this seeming discrepancy is that the norms and expectations associated with political leadership are different from those associated with simple membership of an organisation. In this light, the members of the Labour group expected their leadership to develop a strategy that would return them to political power and it was the norms associated with leadership that influenced the actions of the Labour leader in subscribing to the partnership agenda. While this explanation is plausible, it nevertheless feels unconvincing and further research would be necessary to determine the influence of understandings of norms and roles within

the various political groups. Despite this problem with the application to the Labour group of the conceptual framework, the overall concept is effective and the empirical evidence indicates that the technique is successful.

The Boundary-spanner as an Entrepreneur

The conceptual framework developed in Chapter 6 places great importance on the ability of boundary-spanning individuals to act as entrepreneurs in developing the opportunity for partnership (Kingdon 1995) and ensuring that the agenda was implemented (Takahashi and Smunty 2002). The empirical evidence indicates that Kingdon's approach to understanding boundary-spanning amongst entrepreneurial individuals was correct, in that individuals who wish to develop or implement an agenda will develop relationships with different factions whose members can lend support to this agenda. The research also indicates support for Riker (1986) and Mucciaroni (1992) in that these entrepreneurial individuals manipulated the different process streams in order to create a situation in which they could form or exploit a policy or an implementation window.

This behaviour was observed amongst all of the critical boundary-spanning individuals involved in the development of the SSP, the exceptions being those individuals who calculated the financial viability of the partnership in the private sector and the individuals who distributed and collated the PQQ. However, it should not be considered surprising that senior strategic managers, political leaders or even sales

managers acted in an entrepreneurial capacity, as their roles within the organisation required such actions.

One difference that was observed between the theoretical constructs and the empirical evidence was that policy entrepreneur A was a middle manager who was not expected to have a particularly strategic role. However, this underplays the strategic role that middle managers actually have in any organisation (Floyd and Wooldridge 1997); Dutton and Ashford (1993) argue that middle managers are often responsible for initiating policy and can also be understood to possess entrepreneurial skills. The fact that middle managers had not previously been observed to exercise these skills can be explained in terms of the inefficient operational procedures of North City Council, where the level of communication was low. This communicative inefficiency served as a structural barrier to middle managers acting as entrepreneurs although it must be acknowledged that the argument that middle managers in the public sector may act as entrepreneurial individuals runs rather close to echoing the rhetoric of the NPM philosophy.

The Boundary-spanner as a Reticulist

Several authors (Friend *et al.* 1974, Sullivan and Skelcher 2002, Williams 2002) have argued that successful boundary-spanners possess reticulist skills and this study has demonstrated that the concept is a helpful one in explaining the actions of boundary-spanning policy and collaborative entrepreneurs. This reticulist ability manifested itself in slightly different ways for different individuals during the development of the North

City SSP. For policy entrepreneur C (the leader of the Liberal Group), reticulist skills allowed her to operate within a network of relationships that linked North City with Another City and through Another City to gain access to the private sector organisations who were bidding for its SSP. Similar reticulist skills were also observed to be held by policy entrepreneur B (the leader of the Labour Group) who was able to preserve these contacts with both Another City and the private sector bidders in Another City. The fact that senior political leaders were able to operate within a network should not be considered surprising, but it is worth noting that the concept of reticulist skills is an effective way of understanding their networking abilities (Prior 1996).

It was observed that the Deputy Chief Executive (policy entrepreneur D) also acted as a reticulist. His activities were largely directed towards internal coalition-building (Buchanan and Boddy 1992) and reticulist skills provide a good description of this ability to develop a coalition. Sullivan and Skelcher (2002, after Friend *et al.* 1974) argue that reticulating individuals are sensitive to the objectives of others and are able to develop 'win-win' scenarios in which mutually compatible objectives are aligned. This behaviour was observed in North City, where the Deputy Chief Executive was able to recast the SSP project as one that would serve the objectives of different organisational factions, i.e. he was able to generate win-win scenarios.

The Development of Trust

Chapter 4 argued that trust is a rather complex concept within interorganisational relationships as it is both a factor in the formation of relationships and an outcome of interaction. The analysis of the theories surrounding interpersonal and interorganisational trust suggest that trust is established through repeated successful interaction and as such is underpinned by a calculative mechanism (Rousseau *et al.* 1998). However, the case study suggests that the key form of trust is not calculative but competency-based and that repeated interactions are simply the mechanism by which individuals come to evaluate the competency of others. It was observed that individuals sought to develop these trusting relations because it would allow them to gain influence over others. This would allow them to shape the strategic selection mechanisms of others and through this affect the way in which the process streams were composed or aligned.

This activity of seeking to be seen as a trusted expert was observed amongst both public and private sector boundary-spanners. In the public sector, policy entrepreneur A sought to leverage his competency as an IT expert into trust to promote his agenda of ICT-based reform. The private sector policy entrepreneurs were also observed to seek to establish competency-based trust amongst decision makers in North City in an effort to influence the way in which the problem and proposal streams were defined. However, the research also suggests that competency-based trust is not simply initiated by repeated interpersonal interaction but is also the result of evaluation of documentary material in the form of the PQQs.

Analysing Boundary-spanning Activity

The analysis of boundary-spanning has indicated that the conceptual approach to it taken in this study is a successful means of tackling the subject and these arguments can be used to answer the first research question. Boundary-spanning is understood as an activity that involves working across interorganisational boundaries to contribute to the development and management of an interorganisational relationship (Sullivan and Skelcher 2002, Williams 2002, Marchington and Vincent 2004 and Marchington *et al.* 2005). These boundary-spanners are structurally contextualised agents who act according to the understandings, derived from organisational and institutional norms and values, associated with the structural position. These individuals develop strategic objectives based upon their motivations and their structural roles; however, their ability to realise these is dependent both upon their position and upon the actions of other individuals. Individuals, through their actions, are seen to create and impact upon structures and this affects their own context and that of others, which generates a path dependency.

Evaluating the Conceptual Framework

The second research question that the study posed sought to provide a means by which the development of a partnership – specifically a strategic service partnership – might be understood. In order to understand the process, Chapter 6 developed a conceptual framework (Miles and Huberman 1994, Maxwell 2005) that drew upon the policy

process models of Kingdon (1995) and the modifications to Kingdon's original model by Lober (1997) and Takahashi and Smunty (2002).

Evaluating the Conceptual Framework: The Formation and Implementation of an Agenda (Stage 1)

The framework developed in Chapter 6 argues that in order for an organisation to create and implement an organisational policy, policy and implementation windows are required to open. This conceptual construct was developed to reflect the fact that policy-making and policy implementation are two distinct events – and in doing this the approach sought to reflect the fact the organisational rank-and-file members who are expected to implement the policy created by senior decision-makers must also be committed to it.

Although the concept of sequential policy and implementation windows broadly describes the sequence of events in North City, the conceptual framework allows only for a single policy window which feeds into an implementation window. However, in the North City case study it was observed that the creation of a policy window is actually the result of other policy windows. Therefore, it was argued that the exploitation of a policy window creates an agenda which in turn alters the content of policies streams and this creates the context in which other policy entrepreneurs attempt to act. This notion of multiple windows is implicit within Kingdon's (1984, 1995) understanding of policy windows, but his approach tends to see windows as discreet. The North City case study suggests that policy windows should be understood

as a cascade in which the successful elevation of a given policy to the status of an agenda allows for others to build upon this – and although this is implicit within the concept of process streams, it is not explicit within the framework.

The case study indicated that when applied to private sector organisations, the ordering of the framework is mistaken. The Infobid manager interviewed was very clear on the fact that for private sector organisations the "selling" of the potential business opportunity to senior decision-makers who can mobilise resources begins after a potential opportunity is located – i.e. after a search has been undertaken or contact has been established with a public sector organisation. In other words, the formation of an implementation window for the private sector organisation occurs after a potential partner has been located; but the existing conceptual framework is simply unable to explain this variation between what was expected and what occurred.

It was also observed that the actual development of policy agendas within organisations is conditional on interorganisational boundary-spanning. In the case of North City, the way in which the agenda of partnership was justified was affected by the actions of consultants who were brought in to act as external experts. In this way, problem definition and policy justification were affected by the interorganisational boundary-spanning activities of the Deputy Chief Executive and the consultants themselves. The importance of interorganisational boundary-spanning to the way in which the problem and proposal streams are defined was also highlighted by a process that the Infobid manager described in chapter 9 as "thought leadership". This was found to be an attempt by private sector organisations to influence the composition of

the OJEU notice in a manner that would confer significant advantage upon themselves. This can be understood as an attempt to influence the way in which the problem stream is defined and the way in policy solutions are developed. Thus, it is observed that the formation of an internal policy agenda is conditional upon both intra- and interorganisational boundary-spanning activities, but this is not adequately reflected in the framework developed in Chapter 6.

Evaluating the Conceptual Framework: The Search Stage (Stage 2)

The conceptual framework in Chapter 6 argues that following the opening of an implementation window, organisations begin to search for their prospective partners. However, the empirical evidence (see Chapter 9) indicates that the process of searching for potential partner organisations is more complex. It has already been discussed that in the private sector, it is the opening of an implementation window that allows an organisation to proceed with developing an opportunity, not a process by which they engage in an active search for an opportunity.

In North City, it was found that the opening of an implementation window did not immediately trigger the search for a prospective partner; rather, it led to the drawing up of the OJEU notice and the PQQ documentation. The composition of the OJEU notice and to a certain extent the PQQ involved interorganisational boundary-spanning between representatives from North City and Legal Firm and this relationship was identified as a resource dependency, since legal advice can be regarded as having a high degree of asset specificity.

The case study indicates that the process of creating the OJEU notice was driven partially by legal advice received from Legal Firm but also by the pressures faced by North City. From a narrow legal standpoint, the decision to create an expansive OJEU notice simplifies the process of negotiation and tender creation, as it is easier (and cheaper) to remove elements than to add them. This is because private sector organisations responding to the OJEU may not have the capacities to address the new requirements and will have to subcontract, which adds time and expense to the contract. Although this argument was accepted by North City Council and its behaviour reflected this, its decisions were influenced by other factors.

It was found that North City's own internal politics, its structural circumstances of and the previous decisions of the collaborative entrepreneur were also significant factors in the decision to develop an expansive SSP and issue an appropriate OJEU notice. It was found that the decision to cast the proposed SSP as regenerative essentially forced the SSP to include a large number of departments in order to maintain support for the project within the council. In terms of the internal politics and structural circumstances of North City, it was believed that a small-scale SSP would not attract much private sector interest and this would undermine the benefits of the partnership; furthermore, unless the SSP was developed quickly, Another City's SSP would undermine North City's proposed SSP.

It is also possible to understand the decision to attempt to develop the proposed partnership quickly in terms of removing the opportunities for others within North City

to undo the project. In this respect some of the actions of the collaborative entrepreneur can be explained in terms of her desire to protect and realise her agenda. An OJEU notice is a legal document and once issued, it creates a certain direction within the council which limits the opportunities others have to undermine the agenda, while also creating opportunities for others to develop the partnership. As such it can be argued that the Deputy Chief Executive, the collaborative entrepreneur who led the project, attempted to manipulate the structural circumstances in which others might act. This activity would be consistent with the suggestion of Riker (1986) that individuals in positions of authority or power have the opportunity and the ability to manipulate circumstances to their advantage.

Although some differences exist between the conceptual framework and empirical data as regards the way in which the search activities were initiated, the framework provides an effective description of the actual mechanics of the search process. It argues that the actual boundary-spanning at this stage would involve rather junior individuals whose task role would be based on boundary-spanning. This is because the search process is a largely technical exercise of response to inquiries from potential bidders. However, the fact that the process was seen to be a largely passive one indicates that terminology used in the heuristic is inapplicable to the public sector, as the word 'search' suggests a process that is active rather than largely passive. This should not be considered surprising, since the conceptual framework was developed from business management literature, where searches for prospective partners often rely on interorganisational networks or referrals (Ring and van de Ven 1994) and depend more substantially on personal interactions between senior decision-makers

(Kanter 1994). To address this problem, it can be suggested that a public sector organisation actually engages in a tendering process, which is a more effective heuristic description.

Evaluating the Conceptual Framework: The Evaluation Stage (Stage 3)

The process by which a public sector organisation evaluates the responses of private bidders to the OJEU consists of the issuing of a PQQ, a long-listing stage and a short-listing stage. This is followed by the issue of ISOP documentation and eventually the nomination of a preferred bidder, who receives ITN documentation. The conceptual framework argued that the purpose of evaluation was an attempt to reduce the ambiguities to which each organisation was subject. This reduction in ambiguity was supposed to be achieved through the structured exchange of information, leading to the emergence of first interpersonal and then interorganisational trust (Zaheer *et al.* 1998) through a calculative mechanism. However, the empirical evidence indicates that the process of evaluation was different from that proposed by the conceptual framework.

The case study findings suggest that whilst the aim of the process of evaluation is the reduction of ambiguity, the process should be seen as consisting of a number of graduated levels in which differing degrees of ambiguity are addressed. Whilst the conceptual framework correctly identified the underlying purpose of the evaluation stage, it overlooked the fact that an evaluation stage actually serves to demonstrate legal compliance. To this extent it can be argued that the conceptual framework was

overly theoretical and attempted to be over-analytical, thus missing the stated purpose of an evaluation – that of due diligence.

The initial evaluation consists of the compilation of the long-list on the basis of the responses to the PQQ. The long-listing process is largely a technical exercise in which potential bidders are screened according to the information they have provided as regards their experience, competency, potential conflicts of interest and solvency. Thus, long-listing can be understood to have reduced, to some degree, the ambiguities to which North City was subject regarding the private sector bidders. Following the long-listing stage, the bidders were evaluated in more detail, again using their responses to the PQQ. However, the actual process of post-long-list evaluation was rather more involved and can be understood to turn on how effectively the potential bidders understood that a key criterion in their responses was the politically driven separation between North City and Another City. Again, the purpose of the evaluation was reduction of ambiguity and the conceptual framework is largely accurate in indicating that this was the case. However, the framework largely fails to recognise that the documents used to evaluate the bidders were the product of political actions.

The bidders who were eventually short-listed were then invited to submit detailed proposals (the ISOP), after which they began a series of face-to-face interactions with North City Council officers. Although the conceptual framework indicated that this interpersonal interaction would occur, the framework assumed that meaningful interpersonal interactions would occur through the process of evaluation. However, the empirical data indicate that substantial interactions took place during the short-listing

stage. It should also be noted that the framework fails to recognise that some degree of boundary-spanning activity had already taken place during the formation of the policy windows.

The conceptual framework can also be faulted in that it misidentifies the form of trust in operation, assuming that a largely calculative model of trust would apply and that this would develop through a process of interaction between boundary-spanning individuals. However, the case study evidence indicates that the trust which emerged between North City and the private sector bidders was founded upon general systematic trust in the procurement process and can thus be identified as competency-based trust. This was confused with calculative trust, as the mechanism by which competency is assessed is identical to that used with calculative forms (repeated interactions). Competency-based trust is ultimately a more satisfying explanation, as it accounts for the motivation of organisations in engaging in an evaluation process: they are attempting to determine whether the other party can deliver upon shared agreements, rather than attempting simply to predict future actions.

The conceptual framework also neglects the role of the collaborative entrepreneur during the evaluation stage. Although the framework argues that the collaborative entrepreneur would be likely to be involved in the evaluation process, it does not suggest that this evaluation would be direct. Instead, it sees this individual as attempting to exert pressure on the boundary-spanners involved in the evaluation in an effort to create a favourable outcome. The case study indicates that this is partially correct, as the collaborative entrepreneur did attempt to influence individuals involved

in the evaluation process to prevent the proposal for partnership being undermined. It was observed that she was able to act in this fashion because she was intimately involved in the project but also because of her structural role within the organisation – as a senior manager, the collaborative entrepreneur was simply able to invoke hierarchical authority.

The final discrepancy between the conceptual framework and the case study concerns the process of evaluation conducted by private sector organisations. For North City, the process of evaluation was concerned with ensuring that each private sector organisation could meet its requirements (set out in the OJEU notice) and this is the prevailing assumption in the conceptual framework. In other words, the framework is biased towards the public sector. For the private sector organisations, the process of evaluation was less concerned with the fulfilment of requirements and was instead focused on the issue of financial viability.

This process of assessing the continued financial viability of the proposed partnership was dependent upon the intra-organisational activity of the private sector boundary-spanners in providing the information to specialists, who would then conduct financial calculations such as NPV analysis. The fact that these individuals, whom Ring and van de Ven (1994) (incorrectly) identify as boundary-spanners, conduct the analyses upon which the continuation of the process of developing a partnership depends leads to a very different relationship between the collaborative entrepreneur and the rest of the organisation when compared to the public sector. This different relationship was attributed to differences in the structural position of the collaborative entrepreneurs; it

was argued that although both become subject to role tensions, the public sector collaborative entrepreneurs are better able to manage this.

In conclusion, it can be argued that the conceptual framework did not engage sufficiently with the complexity of the evaluation process. The framework correctly recognised that the process of evaluation was largely a structured one; however, it overlooked the obvious (and openly stated) purpose of the evaluation – compliance with the principles of due diligence – in favour of a more subtle argument regarding reduction of ambiguity. Whilst the reduction of ambiguities is indeed one purpose of the evaluation, it also serves to provide public sector organisations with evidence that they are following the statutory and regulatory requirements. This compliance with regulations and statutes is a time-consuming process, which explains the long timescales of emergent partnerships.

Although the conceptual framework suggests that the mechanism by which evaluation takes place – repeated interaction leading to the emergence of trust – the empirical evidence has shown that only part of the mechanism is thus identified. The framework suggests that a calculative mechanism was in operation and that this was predicated on competency and system trust. However, the case study has shown that whilst it is a wider systemic trust in the procurement process that allows organisations to take part in the interaction, the interpersonal and interorganisational trust that results is based upon perceptions of competency rather than calculation.

The framework also supposes that the policy or collaborative entrepreneurs who create the policy of partnership or attempt to implement it would not be directly involved in the evaluation process. Despite their lack of direct involvement, it is supposed that these individuals would seek to exert pressure upon the boundary-spanners conducting the evaluation in an effort to develop the partnership rapidly. Again, the case study indicates that the conceptual framework is partially correct, insofar as the *public sector* policy/collaborative entrepreneurs did attempt to influence individuals engaged in boundary-spanning in an effort to protect their policy. However, this influence was rather more direct that the conceptual framework supposed, as the collaborative entrepreneur – the Deputy Chief Executive – was directly involved in the interactions with the short-listed bidders. The case study evidence reveals that the conceptual framework is implicitly biased towards the public sector, failing to recognise that in the private sector the purpose of evaluation is largely financial and that there is a completely different power relationship between the collaborative entrepreneurs who are seeking to develop the partnership and the remainder of the organisation.

It was argued that the continued support of the collaborative entrepreneur would be unlikely to be sufficient to protect an emergent partnership, whereas in the North City case, the support of the collaborative entrepreneur was indeed able to protect the partnership. This can be understood in terms of process streams and the maintenance of the implementation window. The Infobid manager is cited in Chapter 10 as remarking, "I have to go in front of the board many many times during the sales cycle and at any time it can be effectively blackballed and kicked out". The Infobid Manager argued that long-term partnerships were sought by the private sector to secure revenue flow

and ultimately to address their resource dependencies with their investors. In this way, a policy (a partnership to secure revenue) is linked to a problem (resource dependency). However, in order for the initial investment to be justified, the returns on each year must be sufficiently high to repay interest and raise the organisation's P/E ratio. As the private sector learns more about a public sector partnership, this can change the financial assessments which undermine the policy which, in turn, causes the collapse of the policy window due to a loss of organisational support.

It was observed that a slightly different mechanism is in operation in the public sector. In the case of North City, the risk of project failure came from the delays inherent in the process of evaluation and there were what North City's Environmental Services Manager termed "stalling points." These allowed an opportunity for organisational opposition to mobilise or for unforeseen events to cause changes in the process streams, which would collapse the policy or implementation window. To overcome this, the collaborative entrepreneur was observed to become directly active in the process of the evaluation during the assessment of the PQQ returns and during the more interactive evaluation of the short-listed bidders.

The empirical evidence has indicated that the conceptual framework must be substantially revised in order to account for differences between the public and private sectors, the involvement of key individuals and the ultimate purpose of the evaluation stage.

Evaluating the Conceptual Framework: The Negotiation Stage (Stage 4)

It was noted in Chapter 10 that the process of researching the negotiation stage was difficult for reasons of commercial confidentiality. It can be observed from the case study that the conceptual framework was largely accurate in its supposition that the purpose of the negotiation is to create a structure which governs the relationship (Ring and van de Ven 1994). However, closer examination of the case study reveals a number of differences between the conceptual framework and the empirical observations, as well as a number of similarities.

The conceptual framework indicates that the boundary-spanning individuals involved in the negotiation process would attempt to leverage any resources they controlled in an effort to exert power and secure advantage. The framework (after Chapter 4) suggests that this leverage would be founded on the existence of dependencies. However, the empirical observations suggest that the exercise of power is more subtle and is manifest in the attempt by organisations to gain control of the agenda and to determine the location in which the negotiation takes place. In doing this, organisations can be understood as seeking primacy in the relationship. Thus the empirical observations offer some support for Noble and Jones (2006), who observed similar interactions between organisations engaged in negotiations.

The conceptual framework supposes that the actual process of negotiation would be influenced by the prevailing norms of the institutions and organisations involved – and there is some tentative evidence to support this argument. This is shown in the fact that

North City's Finance Manager commented that others in the council should try to "rein in" the Deputy Chief Executive. This can be understood in terms of the prevailing norms of North City, where scepticism towards the private sector is a consequence of its institutional history. It must be stressed that this finding is tentative and that further research would be required to examine it in greater detail.

This finding also challenges an assertion made by Noble and Jones (2006) that the colleagues of the key boundary-spanning individuals would be required to support them to prevent them becoming 'burned out' during the final stages of the formation of the partnership. In the North City case study, it appears that the council actually attempted to prevent the collaborative entrepreneur from creating, for the sake of forming a partnership, a deal that did not benefit the council. This argument, that collaborative entrepreneurs may be overenthusiastic regarding partnership, was built into the conceptual framework and it has been shown that there is some tentative evidence to support this. However, this seems odd, given that the collaborative entrepreneur – the Deputy Chief Executive – had herself previously expressed some scepticism towards the private sector (see Chapter 9). This contribution is not easy to resolve, but can be explained in terms of role ambiguity and role conflict (Adams 1976, Webber and Klimoski 2004), which highlight the importance of recognising the interplay between structure (the formal negotiation) and agency (the psychology of individuals) in an environment in which the social structure and the actions of others both enable and constrain individual action.

As the policy and collaborative entrepreneur behind the SSP, the Deputy Chief Executive can be understood as fundamentally committed to the idea of strategic partnering and it should be noted that he was recruited for this very role. However, as a senior manager of North City, he was expected to work towards creating the most advantageous partnership arrangement. This situation can be understood as subjecting the Deputy Chief Executive to role conflict and role ambiguity, the former being seen in the fact that he was expected to develop a partnership whilst protecting North City's interests and the latter in that he was likely to be unsure of how far he was able to advance the partnership before other individuals, such as the Finance Manager, attempted to constrain him.

The conceptual framework suggests that the negotiation between the organisations seeking to develop a partnership will be dyadic, in that only the two organisations seeking to develop the partnership are involved. The case study indicates that this is not accurate, since the development of a partnership actually relies on substantial inter-organisational boundary-spanning activity, as functional specialists such as lawyers and accounts must be involved. It should nonetheless be pointed out that the conceptual framework was accurate in that it indicated that senior managers would be involved in the negotiation, a fact borne out by the case study.

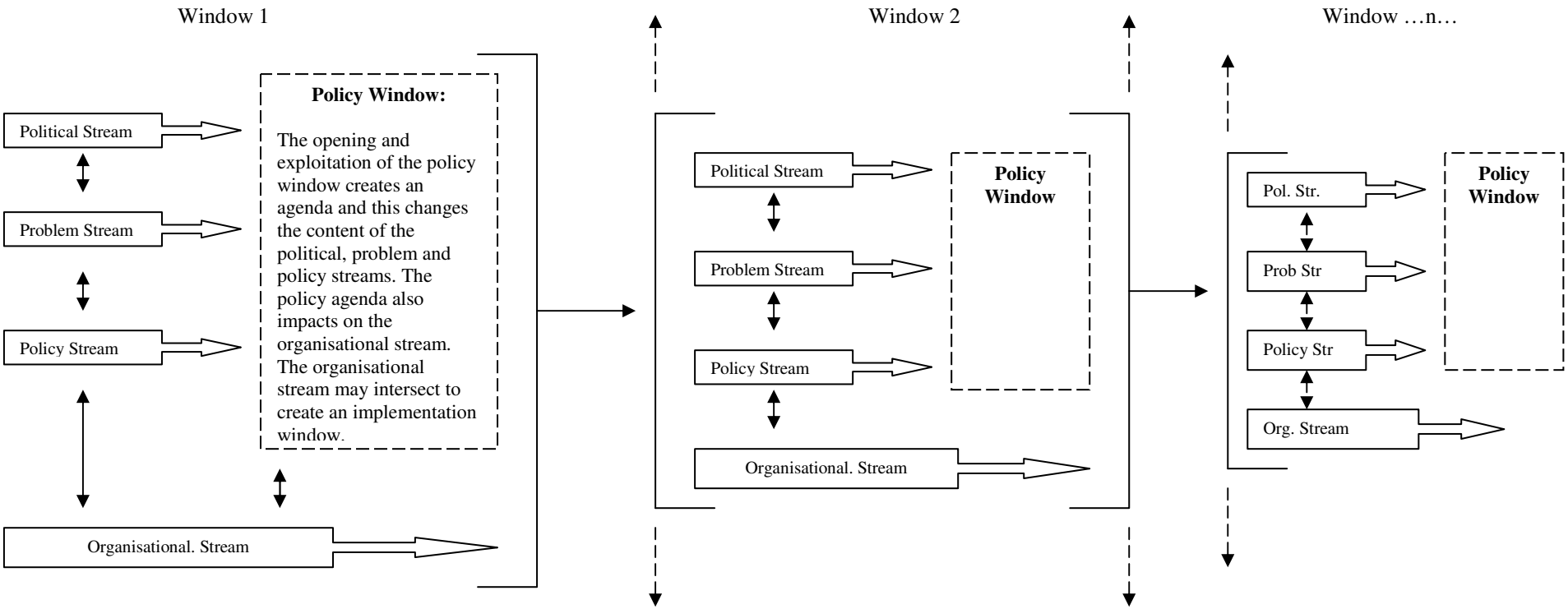
In conclusion, the conceptual framework was accurate in that it identified the individuals taking part from North City and the preferred bidder as senior managers; tentative evidence was also found that the prevailing organisational norms were followed and it was observed that these norms were responsible for the emergence of

role conflict and role ambiguity. The case study evidence also indicates that whilst power was involved in the negotiation process, the exercise of power was substantially more subtle than the framework supposes, as it was not based upon dependencies but rather on the exploitation of structural factors. The final difference between the observed evidence and the conceptual framework is that it was found that the negotiation did not take place within a dyadic relationship, but rather a complex one in which multiple different organisations were involved. It can therefore be argued that the successful conduct of a negotiation is dependent upon interorganisational boundary-spanning.

Revising the Conceptual Framework

Flyvbjerg (2006) argues that in qualitative research, the researcher should attempt to falsify his own conceptual framework by using empirical data. The review of the evidence collected in North City indicates that substantial revisions must be made to the conceptual framework set out earlier in this thesis if it is to be used to answer the second research question and to explain the development of PPPs in general and SSPs in particular. This revised conceptual framework should also be used to address the third research question and explain the role of boundary-spanning individuals within the process of developing a Strategic Service Partnership. The revised version of the conceptual framework is shown in Figures 11, 12 and 13. Although there is a great deal of interaction between public and private sector organisations during the development of an SSP, the conceptual framework has separated public and private sector organisations for reasons of clarity.

Figure 11: The Path Dependency of Policy Windows



The change in the content of the interconnected process streams narrows the possibilities for action, as per the strategic relational approach.

Although the previous actions of individuals have defined the process streams in a particular way, external events may cause the content of the streams to change.

Figure 12: The Stages of an Emergent Strategic Service Partnership (Public Sector)

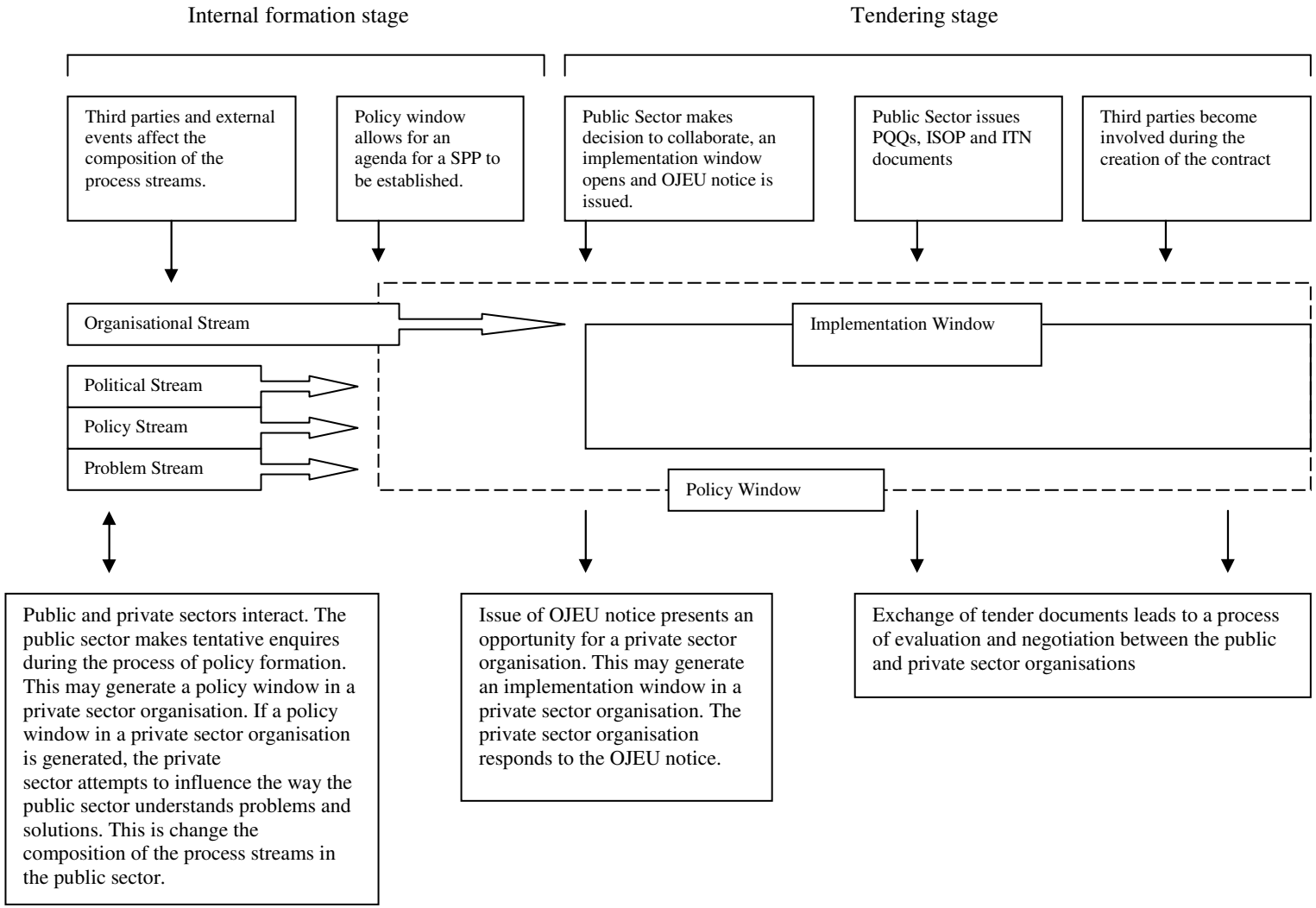
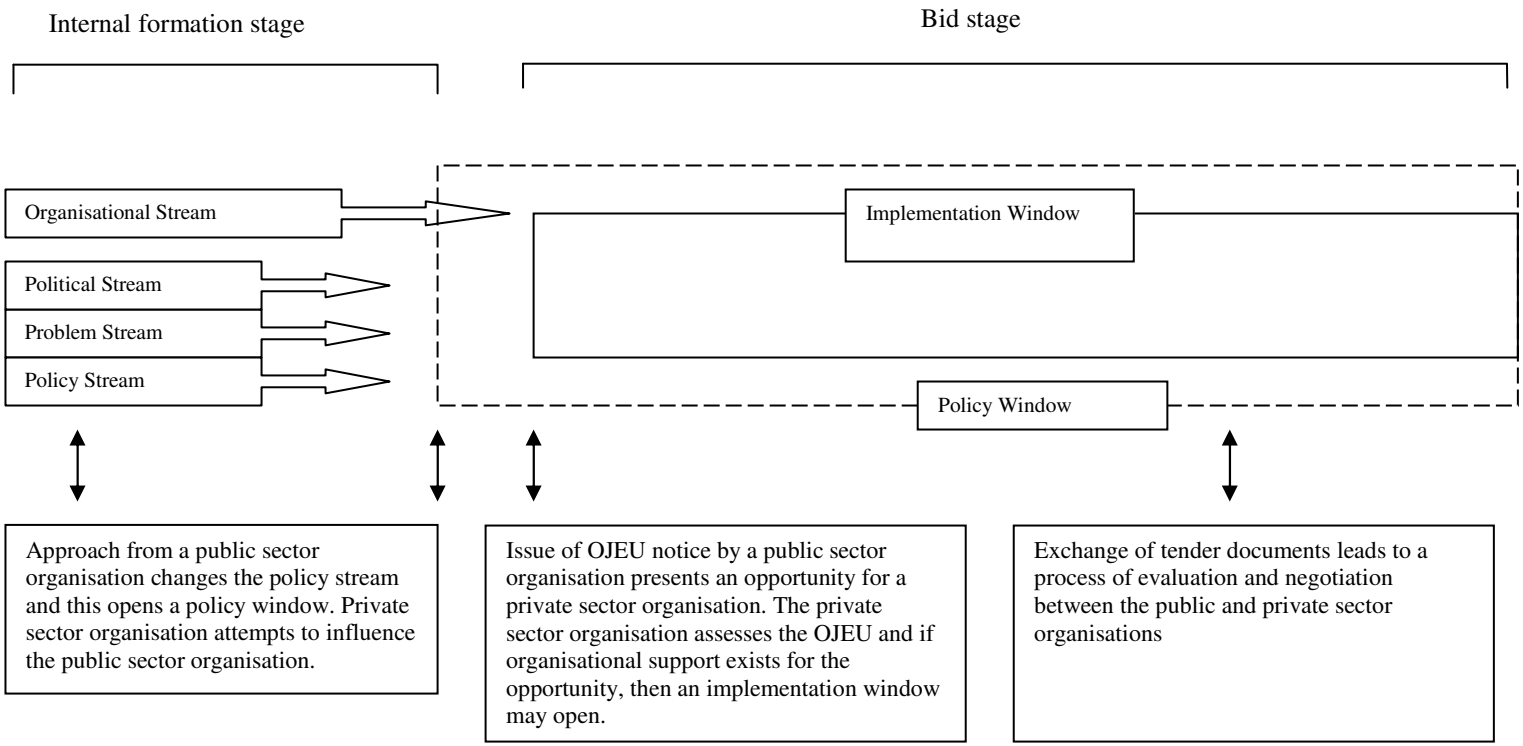


Figure 13: The Stages of an Emergent Strategic Service Partnership (Private Sector)



The revised framework shown above is substantially different from the conceptual framework proposed in Chapter 6, although it retains its essential elements. The most obvious changes concern the reduction in the number of stages, the recognition that policy windows produce a cascade, as the formation of one window generates consequences that influence the formation of other windows, and the fact that the framework is no longer applied to a single organisation.

The original conceptual framework developed in Chapter 6 argued that an emergent interorganisational relationship should be seen in terms of four stages, internal formation, search for a partner, evaluation and negotiation. In place of this complex model, a two-stage development framework is proposed. This argues that there is an internal formation stage in both public and private organisations at which the decision to develop and implement a partnership is taken. In the public sector this is followed by a tendering stage at which a potential partner is sought; in the private sector, this second stage is known as the bid stage, where the organisation bids for a partnership.

The Internal Formation Stage

The first stage of the new framework refers to the way in which the agenda for partnership is developed within organisations; it involves the formation of a policy window. In the public sector, in the internal formation stage continues until the opening of the implementation window whilst in the private sector, the internal formation stage ends when a policy window opens. As can be seen in figure 13, there is a gap between the opening of a policy window and the opening of an

implementation window. This is designed to reflect the fact that the ability of a private sector organisation to realise a partnership is dependent upon events in the public sector.

The internal formation stage of a policy agenda and its eventual implementation is based on four process streams: the political, problem, proposal and organisational streams. The first three can combine to form a policy window and all four combine to form an implementation window. A policy window, created or exploited by a policy entrepreneur, is necessary to establish an agenda, while an implementation window, created or exploited by a [collaborative] entrepreneur, is necessary to implement the policy for collaboration. This distinction between policy formation and policy implementation has been made in order to reflect the fact that in organisations there is a distinction between those who create agendas (politicians and strategic managers) and those who implement them.

The exact composition of the different process streams is complex, as it can be affected by factors such as wider political events (e.g. elections or government policies) or institutional and organisational histories. The process streams are also seen as path-dependent this aspect of their nature is understood in terms of a cascade of policy windows, as is shown in Figure 11. The notion of a cascade of windows is designed to capture the fact that the creation of a policy agenda (such as the partnership agenda) leads to a situation which makes the definition of particular problems more or less likely and promotes certain policies above others. This cascade of windows also allows the policy-windows approach to be fully integrated with the strategic-relational

approach, as this theoretical construct is based upon the interaction between individuals and structure in a path-dependent context (Hay 2002). External pressures affect the different process streams in that the actions of other organisations may lead to changes in the composition of the process streams. In this respect the policy process accounts bear some resemblance to contingency theory (Donaldson 2001) and it can be argued that the process account actually provides an explanation for how organisations change in response to external environment pressures.

The framework developed in Figures 12 and 13 indicates that there are some differences in the internal formation process between the public and private sectors. In the public sector, it is argued that following the establishment of agenda for partnership, the agenda must be implemented and this requires gaining the support of key individuals within the organisation in order to implement the agenda, because if there is organisational opposition, it is unlikely that the agenda can be realised. This is understood in the framework in terms of the emergence of a collaborative entrepreneur who acts as an intra-organisational boundary-spanner to generate a coalition of support (Buchanan and Boddy 1992, Balogun 2005) and to align the organisational stream, creating an implementation window. This coalition of support is generated by linking the objective of partnership to the individual objectives of key individuals, so that the collaborative entrepreneur appeals to the self-interest of others. The partnership agenda is thus presented as a way in which these individuals can achieve their strategic objectives. The formation of the implementation window allows a public sector organisation to begin the process of drawing up an OJEU notice and the appropriate tender documentation – namely the PQQ, the ISOP and the ITN materials. In a public-

private or strategic service partnership this process involves intra-organisational boundary-spanning to determine the content of the notice and interorganisational boundary-spanning to write the notice itself.

The issue of the OJEU notice is believed to be responsible for the creation of the implementation window. To form an implementation window, a collaborative entrepreneur emerges and attempts to convince senior managers within the organisation of the business opportunity represented by the OJEU notice. This is achieved by demonstrating the links between the organisation's capacity and the contents of the OJEU notice. Then, if a boundary-spanning policy entrepreneur has been successful in influencing a public sector organisation, this task is substantially easier, as there will be synergy between the OJEU notice and organisational capacity.

The internal formation stage concludes with the issue of an OJEU notice by the public sector body, which then moves into a tendering process, whilst for the private sector, the internal formation stage concludes with the formation and successful exploitation of an implementation window.

Boundary-spanning at the Internal Formation Stage

The interaction between public and private sector organisations in the development of a SSP can be understood as a rather complex process in which the emergence of a proposal for partnership in the public sector may lead to boundary-spanning activity with private sector organisations in order to develop an understanding of how the

private sector may respond to the eventual tender. This boundary-spanning activity then causes a private sector organisation to form a policy window. The private sector organisations then attempt, through their boundary-spanners, to affect the way in which the public sector defines problems, so that a specific agenda is generated which suits the capacities of the private sector. In this way, a policy entrepreneur in one organisation attempts to influence the process by which a policy or collaborative entrepreneur emerges in another.

In order to establish these informal contacts, public sector boundary-spanners are observed to act as reticulists but are driven by the need to reduce ambiguities that exist regarding the attractiveness of their eventual tender to the private sector. The reticulist abilities of the public sector boundary-spanners allow them to be aware of the nature of the interorganisational networks that exist between the public and private sectors. It should be noted that the boundary-spanners who make these initial contacts are senior individuals within the organisation, whose structural positions enable them to engage in speculative contact to gather information regarding policies. To this extent, the public sector boundary-spanners are acting as agents within the structure of the network and the organisation.

The ability of the private sector boundary-spanners to respond to this speculative approach by the public sector is also a product of their structural positions – they play a dedicated boundary-spanning role which requires them to work towards developing sales opportunities in order to address resource dependencies within their organisations. These individuals use this boundary-spanning opportunity in order to

gain influence within the public sector organisation and so to influence the composition of the OJEU notice in a way that benefits their organisation. However, the success of these individuals in developing this influence is conditional upon their ability to establish trust – and it is argued that this trust is based upon a competency mechanism. The boundary-spanners seek to appear competent so that their advice is accepted.

Following the opening of the implementation window, interorganisational boundary-spanning occurs in the public sector as specialised legal advice is sought for the composition of the tender documentation. This boundary-spanning activity is carried out because the compilation of these documents is a complex skill that is not possessed by public sector organisations; thus a dependency relationship exists. However, the process of creating these documents also requires intra-organisational boundary-spanning because with a public sector organisation the criteria used to evaluate the prospective bids must be established. This process serves to enshrine the individual objectives of the key individuals whose support was required to create the implementation window. The process is rather a complex one, as the PQQ, ISOP and ITN documents can be used to manipulate it, eliminating some organisations from consideration and preventing certain behaviours by specifying particular requirements that a successful bidder must meet. In this way, organisational structures can be used to constrain the actions of others.

The Tendering Stage

This stage consists of a passive search for a prospective partner, an evaluation in three stages (assessment of PQQ, long listing, short listing) and finally the nomination of and negotiation with a preferred bidder. This process of tendering involves a substantial degree of boundary-spanning at different levels within the organisation and has two purposes: the boundary-spanning evaluation is conducted to comply with procurement regulations and to gain information on the competency of the potential bidders. This process of assessing competency reduces ambiguity and allows for competency-based trust to emerge.

The revised conceptual framework argues that the initial stage of the tending process involves interorganisational boundary-spanning between relative junior individuals in the public sector and their counterparts in the private sector. These individuals issue the PQQ in response to expressions of interest, collate the replies and conduct initial screening activities, which results in the production of a long list. This is a view of boundary-spanning as simply a functional, technical activity carried out by individuals in dedicated structural roles who have limited scope for individual agency. Following the composition of the long-list, a more detailed assessment (or evaluation) of the PQQs begins. This involves intra-organisational boundary-spanning between the individuals leading the tendering process (the collaborative entrepreneurs) and other departments within a public sector organisation. The purpose of this evaluation is to determine the suitability of the potential bidders for short-listing, but it also serves to permit the collaborative entrepreneur to maintain the implementation window by demonstrating how the proposed partnership will help key individuals to

meet their objectives. As these objectives will have been enshrined in the OJEU and PQQ, the evaluation serves to allow members of the coalition to determine how well their objectives are served. From this point of view, the boundary-spanning is intra-organisational and at a comparative senior level.

Once the potential bidders have been evaluated, several are short-listed, issued with ISOP documentation and asked to produce detailed proposals, which are then assessed in detail by the public sector organisation. This assessment process is both intra-organisational and interorganisational: the collaborative entrepreneur must maintain the internal coalition by permitting individuals to determine how their objectives can be met by the partnership, while representatives of the different coalition members are able to engage in face-to-face contacts with the private sector to conduct their evaluations. The process of evaluation is completed when the preferred and the reserve bidder are selected and the two organisations enter a negotiation.

The purpose of this negotiation is establish the structure that will govern the interorganisational relationship and this involves boundary-spanning by senior (strategic level) managers and elected members. In the process of negotiation, the two parties will attempt to leverage advantage using the different assets that they control in order to establish the most desirable contractual form. However, the negotiation does not simply consist in interorganisational boundary-spanning between the two principal organisations; rather it involves a number of boundary-spanning relationships with lawyers and insurance brokers. This negotiating role may place boundary-spanning collaborative entrepreneurs under considerably psychological

pressure, as they are expected to develop the partnership while protecting the interests of their own organisations (Adams 1976).

The Bid Stage

Whilst public sector organisations tender, private sector organisations bid for partnerships. Although this process of bidding involves rather less variation in the boundary-spanning individuals involved, it can be understood as proceeding through evaluation and negotiation stages. However, it is important to recognise that private sector organisations will have conducted some evaluation activities prior to the formation of the implementation window, which should be regarded as an assessment of the opportunity rather than a full-scale evaluation. This assessment allows organisations to determinate whether or not there is a match between organisational capacities and the requirements of the public sector organisation.

The evaluation activities of the private sector are based on assessing the commercial viability of the opportunity; this is constructed in financial terms and so can be understood in terms of reducing ambiguity. This process must also be understood in terms of both interorganisational and intra-organisational boundary-spanning. The former, which occurs between a variety of individuals in the public sector and the private sector boundary-spanners, may take some considerable time. As collaborative entrepreneurs do not conduct financial assessments themselves, they are reliant upon specialists within their organisations and this creates a power imbalance, in that they are no longer able to directly affect the outcome of the evaluation.

In order to be successful in this process, the boundary-spanning collaborative entrepreneur is actually dependent upon the actions and evaluations of the public sector. This is because he is unable to evaluate the public sector unless he was involved in the boundary-spanning contacts with the public sector prior to the issue of the OJEU, which allows him to examine the business opportunity, or was selected as short-listed bidder, whereby the ISOP materials and subsequent meetings provide information that allows for a detailed evaluation of the viability of the business opportunity.

The final element in the activities of the private sector boundary-spanners concerns the negotiation and in this they can be considered to have similar objectives to their public sector counterparts – securing maximum possible advantage in the contractual negotiations. However, as the purpose of the private sector in an SSP is to create an interdependent relationship, it can be argued that boundary-spanners are also subject to the tensions inherent in their role: to develop the relationship they must be sufficient accommodating to the public sector but most also protect the interests of their organisation (see Friedman and Podolny 1992 for a discussion of negotiating strategy). This is made considerably more difficult by the fact that the annual margins in strategic partnering arrangements are comparatively low, so that the contract must enshrine sufficient protection against externalities.

Lessons for Future Research

This study has examined the role of boundary-spanning individuals within the development of public-private partnerships, specifically strategic service partnerships,

employing a case study methodology and a qualitative data collection technique: semi-structured interviews. At the theoretical level, the research located itself within the strategic-relational approach and this informed the way in which interorganisational relationships were conceptualised and analysed. Therefore, critical scrutiny must be paid to the definitions used, the theoretical positioning of the research and methodology employed.

Operational Definitions and Theoretical Positioning

This study has argued that boundary-spanners should be understood as the individuals who are engaged in cross-boundary activities which contribute to the development or operation of an interorganisational relationship (Sullivan and Skelcher 2002, Williams 2002, Marchington and Vincent 2004). However, as Chapter 1 noted, other writers use the term 'boundary-spanner' to describe other cross boundary activities. For example, Bowen and Schneider (1985) suggested that customer facing staff in retail environments should be termed boundary-spanners because they conduct exchange across an organisational boundary. Therefore, it is difficult to draw a clear distinction between the boundary-spanning individuals who develop interorganisational relationships and those who perform other cross boundary activities.

This suggests that boundary-spanning may be a term that is too imprecise and too easily confused to have value in the analysis of interorganisational relationships. However, whilst there is merit in this argument, it can be suggested that boundary-spanning may have use as a descriptive term in the same way that the term 'management' continues to have use a general description. In other words, boundary-

spanning is worth preserving in academic discussion because it is an effective general description but one that must be prefaced by a more detailed statement of the context in which it is been used.

This study has located itself within a variant of the strategic-relational approach (Jessop 1996, Hay 2002). However, this approach to structure and agency actually compounds the problems of defining boundary-spanners. The variation of strategic relational approach developed in Chapter 2 suggests that both formal and informal structures (such as norms and values) enable and constrain individuals. Therefore, it is logical to argue that value systems will also have boundaries (Alvesson 2002) and that boundary-spanning will occur when individuals span these normative boundaries. For example, Steadman (1992) highlights a tension between medical staff in the criminal justice system who are bound by their Hippocratic oath but are also part of a law enforcement system. This suggests that individuals are constantly negotiating the tensions between the demands of the formal structure or system and its norms and their own personal value system (Reed 1985, 1992). Negus (1999) suggested that individuals who engaged in these activities could be seen as 'intermediaries' rather than boundary-spanners. However, these concepts were not developed in this study and future research may find it profitable to examine the existence of multiple boundaries and the tension between them.

The reflective discussion above has highlighted a definitional problem and a wider theoretical problem that emerges when the variant of the strategic-relational approach is extended to its logical conclusion. However, it was concluded that the definitional problem surrounding the term boundary-spanning simply requires future researchers

to state how they intend to use the term. This practice will be already familiar to writers who deal with complex topics such as management and leadership as such Mintzberg (1996) or Yukl (2002). As such, the problem of definition should not be considered especially serious. Although the discussion has suggested that multiple boundaries may exist and that tension between them, the study has not developed these ideas. This is due to the fact that the study is largely structuralist in its approach to the organisation and the development of interorganisational relationships. This approach has lead to individual agency been examined simply because it cannot be ignored. Therefore, it can be concluded that a profitable direction for future research would be to place individual agency at the centre of the analysis and examine the multiple boundaries that individuals must manage and span.

Methodology and Data Collection

Critical reflection of the study suggests that the North City case was actually atypical of SSPs and that whilst the case study serves to illustrate the complexity of the development of PPPs (Flyvbjerg 2006), it is a poor example of an SSP. This is because the preferred bidder (and eventual winner) in North City was a joint venture which eventually resulted in a formal merger; thus the number of organisations involved was comparative low, so that those SSPs which are awarded to complex consortia are rather poorly served by the analysis in this study. Whilst the overarching framework may be appropriate for the public sector in these cases, it does not describe the boundary-spanning that takes place among the private sector organisations. In fact, the conceptual framework was unable to describe the relationship between the two organisations that formed the Compbid / Consultbid partnership. This critical

reflection also highlights a profitable area for future research, in that researchers examining PPPs should consider investigating the development of the private sector consortia that bid for partnerships.

The choice of interviews as the data collection technique proved successful in that the study was able to investigate the roles of boundary-spanners and examine the conceptual framework in sufficient detail to falsify substantial details. However, in many cases only a single interview was conducted and the research depends largely on the recall of the individual interviewed. Although multiple interviews might have overcome some aspects of this problem, this would create a fundamentally episodic investigation. To address this weakness, future research may find it profitable to use a technique based on participant observation, in which a researcher would locate him or herself within the organisation. This technique, although expensive and time-consuming, has been used successfully by Watson (1994) to explore complex organisational change processes.

A slightly less critical issue with the research was that the collection of socio-demographic information regarding the interviewees was haphazard in the pilot phase of the research. Although this was corrected in the major case study, when a more systematic method was employed, it is worth noting that the collection of socio-demographic information was an issue of obvious importance that should not have been neglected. As such, one conclusion from the research is that future work should ensure that detailed socio-demographic data is collected at all stages.

Although the conceptual framework developed in Chapter 6, tested in Chapters 9 and 10 and revised in this chapter is ostensibly a developmental framework, it has an implicit third or operational stage. While Noble and Jones (2006) do not develop this stage, others such as Gray (1989), Kanter (1994), Ring and van de Ven (1994), Wilson and Charlton (1997) or Lowndes and Skelcher (1998) do include an operational stage. There is therefore a need for future research to explicitly link studies that empirically examine the development of public-private partnerships with their operation.

Implications for Policy

Strategic Service Partnerships have are increasing seen by the UK Government as a means of delivering transformational change in the public sector (ODPM 2004, Hughes 2005, Watt 2005, Baker *et al.* 2006, Barder 2006). Therefore, the study of these partnership forms is of particular interest to policy makers and practitioners and it is useful to make a few comments on the implications this research has for policy making and policy implementation.

The most important implication of this study is that policy makers must recognise that policy formulation is a dynamic process in which the actions and opportunism of individuals combine with external events to create circumstances that favour some proposals and not others. As such, policy makers must appreciate that policy making is not necessarily a rational process but one that is heavily contingent upon circumstances. In other words, policy makers and the advocates of particular policy

must select and advance polices that are suited to circumstance as ill-suited proposals are unlikely to gain traction.

The study has indicated that the process of developing an interorganisational relationship is a dialectic one in which the actions of one organisation impact upon other organisations. This position is consistent with contingency theory (Donaldson 2001) and has been widely observed in the existing literature. However, what this study has shown is that organisations make an active attempt to influence the internal discussions of other organisations and this has been less widely documented. As such policy makers must recognise that their internal discussions are not totally the product of intra-organisational issues. Although this would not be remarkable to Kingdon (1995) or scholars who have studied national politics given the extent of lobbying at the national level, it may not be always appreciated that lobbying also occurs at the local level. Furthermore, local political actors may not be as prepared to deal with lobbying or 'thought leadership.' Therefore, local political leaders or decision makers need to develop a greater awareness of those actors attempting to influence them.

A further implication of the research is that policy agendas can only be implemented if there is sufficient support within the organisation proper. Although this support must be developed, a variety of mechanisms can be used to secure support and those seeking to advance policy must judge for themselves the method that is likely to be effective in their organisation. However, because the opportunities to elevate and realise proposals are time limited, an attempt to develop organisational support after a proposal has become an agenda may see the agenda become mired in intra-organisational politics. Therefore, the research argues that those seeking to create or

influence policy must pay attention to those individuals who will actually implement policy.

The theoretical framework developed in this study argues that proposals become policy agendas when a policy entrepreneur is able to exploit a policy window and that an agenda is realised when an entrepreneurial individual exploits an implementation window. As such, the research indicates that policy agendas must be championed throughout. Although this is not a new insight as Roberts (1992), Kingdon (1995) and Sullivan and Skelcker (2002) all highlight the importance of individuals in championing policy, it is worth reiterating.

The case study developed in Chapters 8 – 10 indicated that the SSP in North City was not the product of a single policy proposal. It was shown that the development of the SSP was an iterative process in which the proposal evolved to maintain an ideological driven agenda in the face of changing circumstances. However, the effect of this is that a proposal may ultimately lose sight of its initial objectives. For example, in North City the public-private partnership was initially conceived to fund ICT reform but rapidly developed into a substantial partnership form. As such, policy makers must recognise that policy agendas evolve over time and that the current policy agenda may not be the most effective way to address the original problem. Although the logic of a path-dependent strategic-relational argument suggests that it may be very difficult to recognise this process from the inside (see Hay 2002), it can be argued that if policy makers are made aware of the historical process by which a policy evolved, they would be more resistant to the bastardisation of policy agendas.

Conclusions

This study has examined three research questions: how boundary-spanning individuals should be understood within organisational theory, how public-private partnerships, in the form of the strategic service partnership, develop and the role of boundary-spanning individuals within and between organisations in the development of these partnerships.

It was found that despite the complex terminology surrounding boundary-spanning, the activity can be understood in terms of structurally contextualised agents who reshape and create structure through their actions. This approach to boundary-spanning strips the individuals of their mystery, as they can be simply understood alongside any others within the organisation. Thus, the key question is not how to understand boundary-spanners but how to examine structurally contextualised agents empirically. This question was tackled by seeing boundary-spanners in terms of their structural role (structural position) and individual psychology. It was found that structural position determines the opportunities of boundary-spanners, while organisational pressures influence their motives. In terms of the psychological factors, it was determined that four key factors were in operation: understanding associated with organisational roles; entrepreneurial skills, which allow the manipulation of the streams and the recognition of an opportunity; reticulist skills, which allow the boundary-spanners to act within a network; and finally, the development of competency based trust, which underpins the emergent partnership.

In studying the development of PPPs and SSPs, it was observed that the precise relationship between the public and the private sectors in the development of a

partnership is extremely complex and the actions of each sector will influence the other. This influence can be understood in terms of the process streams and the formation of policy and implementation windows, and it has been shown that the formation of these windows impacts upon the process streams in another organisation. These changes in the process streams create opportunities for policy and collaborative entrepreneurs to act as boundary-spanners within and between organisations to develop relationships between the public and the private sectors.

The study has argued that because of the complexity of the process and the fact that the policy and implementation windows in the public and private sectors are interrelated, attempts to divide the process into multiple stages as previous research has done are inadequate. To overcome this, the study argues that the process by which public-private partnerships develop is best understood in terms of two stages: an internal formation stage and a tender or bid stage, depending on the sector under discussion.

In conclusion, this study has shown that boundary-spanning individuals are indeed important to the development of public-private partnerships (regardless of type) and interorganisational relationships more generally. In this, the study is in agreement with the established literature. However, the role of these individuals in the process is far more complex than has previously been believed and this study has taken the first steps to unravelling this complexity

APPENDIX 1.

Interview Guide

Preamble (to be read to all interviewees):

Thank you for taking the time to speak with me today, I would like to ask you a few questions regarding the SSDP. I am carrying out this research as part of my PhD at Birmingham University in conjunction with the ODPM.

I am interested in your thoughts and reflections of the process by which the SSDP developed and the roles that various people played. There are no right or wrong answer. If you do not wish to answer a question, please just say so and I will simply move on to the next one. Although I may use quotations in my research, I would like to assure you that I will only use anonymous quotes and that your identity will be protected. Nor will I distribute the recordings or transcripts. I would like to use a tape recorder to record our conversation but if there is anything you would like to say 'off the record' please just say so. If you have any questions, please just ask me and I will do my best to answer.

Section 1: Working for your employer

1) Just to start off, could you introduce yourself and briefly describe what you do in [North City Council] [Relevant Organisation]?

2) Have you always held this job or have you worked in other jobs in [North City Council] [Relevant Organisation]?

3) Do you sometimes find that there are a lot of rules that you must follow in your job?

4) Do you think things would work better if there were less rules and procedures?

5) If you could change things – what would you do?

Section 2: The development of the SSDP

6) Just thinking back to the development of the SSDP, could you talk me though the way the project developed?

7) If I asked you to describe the background to the SSDP, how would you do this?

8) Do you think there was one incident or event that was particularly important in the development of the SSDP?

9) What do you think the impact of this incident or event was?

10) Did this event have wider impacts beyond the SSDP?

Section 3: *Your* role in the development of the SSDP?

11) Could you briefly describe your current role in the SSDP?

12) Have you had any previous roles in developing the SSDP?

13) Do you have to work with others in this/ other organisations to help advance the SSDP?

14) What is this like?

15) What accomplishment are you most proud of in respect of the SSDP?

16) Do you think the SSDP will accomplish its goals?

Section 3: The role of *other people* in the development of the SSDP?

17) What roles did other people play in the SSDP?

18) Who do you think was the most important person in developing the SSDP?

19) Why do you think that?

20) Do you think the SSDP could have succeeded without this person?

Section 4: The role of other organisations?

20) Are there any other organisations that are involved in the SSDP?

20) Can you tell me a little about the role these organisations have played?

21) Is it difficult working with these organisations?

22) What do you think motivates these organisations to become involved in the SSDP?

Section 5: About you (biographical information)
This section is optional.

23) What is your official title in this organisation?

24) Which of these words most accurately describes your job:

- Elected Member
- Executive (Board) level Manager
- Senior Manager
- Middle Manager
- Council Officer
- Senior Consultant
- Consultant
- Other (please specify) _____

25) How long have you worked in you current role?

26) How long have you worked for your current employer?

27) Are you?
Male ( ) Female ( ) Trans-gendered ( )

28) Which of the following best describes your age:

16 – 25 ( ) 26 – 35 ( ) 36 – 45 ( ) 46 – 55 ( ) 56 – 65 ( ) 66+ ( )

End (to be read to all interviewees):

Thanks for talking with me, it has been very useful. Before we finish, I'd be grateful if you would be able to suggest anyone else who might know about the way the SSDP developed?

APPENDIX 2.

A Note on Citations

In some cases, to preserve the confidentiality of those studied it has been necessary to withhold the full reference from the list of citations. For example, North City is a pseudonym of the local authority studied. As such where reference is made to a document produced by North City, the citation is deliberately inaccurate, but the citation is preserved to show the empirical basis of the research.

Price/Earnings Ratio

$$\text{PE ratio} = \frac{\text{Price per share (P)}}{\text{Earnings per share (E)}} = \frac{P}{E}$$

$$\text{Earnings per share (E)} = \frac{\text{Book Value of Company (V)}}{\text{Number of shares (N)}} = \frac{V}{N}$$

Net Present Value Formula

$$\text{NPV} = \sum_{t=1}^{n} \frac{C_t}{(1+r)^t} = C_0$$

t = Time , n = Total time of project, r = Discount rate (interest or risk), Ct = Net cash flow, C0 = Capital outlay

Profiles of Interviewees

Managing Director NDC, Coast City NDC.

The project manager is a male between the ages of 46 to 55. They have worked in regeneration throughout their career and they have held the post of Managing Director for less than 5 years.

Project Manager, Coast City NDC.

The project manager is a female aged between 46 and 55. They have worked in regeneration issues in Coast City for between 11 and 15 years and the NDC is not their first project management position. They have held the post in Coast City NDC for less than 5 years. Prior to working in the NDC, the Project Manager was involved in an education partnership.

City Councillor, Coast City Council.

This interviewee is a male member of the Labour group and at the time of interview had served on the council for less than five years. Their involvement in the NDC was as a member of the council who had attended relevant meetings. No information was collected on their age.

Project Manager, Coast City Decent Homes Team.

This individual is a male who has worked for Coast City Council for over 20 years. They have held several management positions within the council and prior to working on the Decent Homes team they lead a team that managed the refurbishment of council housing through partnerships with the private sector. Their involvement in the NDC was as a boundary-spanner who connected the council with the NDC. No information was collected on the individual's age.

Learning Services Manager, Coast City Council.

The learning services manager is a female between the ages of 46 and 55. They have worked with the NDC for less than five years and have worked for Coast City Council for over 20 years. Their involvement in the NDC was as a boundary-spanner who connected the council with the NDC to deliver improved educational and learning opportunities for residents in the NDC area.

Chief Executive of North City Council.

The Chief Executive of North City Council is a male aged between 56 and 65. At the time of interview, they had worked for North City for between 6 and 10 years and they had held the Chief Executive role for less than 5 years.

Deputy Chief Executive of the City Council.

The Deputy Chief Executive is a male aged between 46 and 55. They are a trained lawyer who had previously worked in the legal profession before entering into local government. They have worked in local government for over 20 years. At the time of interview, they had worked for North City for less than five years and prior to their appointment at North City, they held a senior post in another large English council.

Environmental Services Manager

The Environmental Services Manager is a male and at the time of interview they were aged between 56 and 65. They are a strategic manager within North City have worked for North City for over 20 years and have held a variety of positions within the Environmental Services Directorate ranging from parks and gardens to waste and refuse management. Prior to joining North City, they worked in the private sector in construction, site and operations management.

Legal Services Manager

Legal Services Manager is a trained lawyer in charge of the legal services department, they specialise in legal compliance issues and family law. At the time of interview, they had worked for North for between 16 and 20 years. No information was obtained on the individual's age.

HR Manager

The HR Manager is a female aged between 36 and 45. She has worked for North City for between 11 and 15 years and has always worked in a Personnel/ Human Resources role. They have managed Human Resources for 5 years.

Finance Manager

The Finance Manager is a male aged between 46 and 55. At the time of interview they have managed North City's finances for less than 5 years but had worked for North City for nearly ten years. The Finance Manager is a trained accountant.

IT Manager.

The IT manager is a male aged between 46 and 55. They have worked for North City for over 20 years and have worked in IT for between 16 and 20 years. At the time of interview, this individual held a relatively senior management role in that they were in charge of a department, but did not have strategic policy making responsibilities.

Middle Manager 1 (Policy).

Middle Manager 1 is a male aged between 36 and 45, they have worked for North City for between 16 and 20 years and have always worked in the Corporate Services Directorate. At the time of interview, they had worked in their current position for less than five years.

Middle Manager 2 (Community Cohesion).

Middle Manager 2 is a female who has worked for North City for over 20 years in total but took a career break of three years to study for a PhD. Middle Manager 2 is aged between 45 and 55 and has worked in community relations issues at the council for less than 5 years. This individual does not make strategic policy but seeks to implement it and has a great deal of flexibility regarding how the work towards achieving community cohesion.

Middle Manager 3 (Environmental Services).

Middle Manager 3 is a male aged between 46 and 55, At the time of interview, they have worked for North City for less than five years and prior to working for North City they worked for another UK local authority. This individual occupies relatively senior management role but does not have strategic policy making capacity.

SSP Project Manager.

The project manager is a male aged between 46 and 55. They have worked for North City council for over 20 years and have held a variety of project management positions. By training the Project Manager is an IT specialist and was responsible for maintaining the databases in the council.

Project Officer 1.

Project Officer 1 is a male aged between 26 and 35 of British-Asian descent. They have worked for North City Councillor for between six and ten years. Before working in the Strategic Partnership Team, they worked in the IT department.

Project Officer 2.

Project Officer 2 is a female aged between 16 and 25. She has worked for North City in an administrative role for under 5 years.

Leader of the Labour group.

The Leader of the Labour group is a male aged between the ages of 56 and 65. They have been a North City councillor for more 20 years and a member of the Labour party for more than 30 years. They have led the Labour group for between 6 and 10 years.

Leader of the Liberal group.

The Leader of the Liberal group is a male who has served as a councillor for over 20 years and at the time of interview had been the leader of the Liberal Group for less than five years. The Liberal Leader also works as a manager in a private sector company. No information was obtained on the interview's age.

Partnership Committee Member.

This interviewee is aged between 56 and 65. They have served on the council for over 20 years and are a member of the Labour group. They have been involved in regeneration issues for some considerable time and serve on the board of a local NDC and a governing committee that manages a local waterway.

Labour Councillor.

This interviewee has served as a councillor for over 20 years in North City. Prior to serving in North City, they held a council seat in a neighbouring borough which was amalgamated into North City in the 1970's. The interviewee is older than 65.

Trade Union 1 (T&GWU).

Trade Union Representative 1 is a member of the Environmental Services Division and works in operating street cleaning machinery within North City. Trade Union Representative 1 is one of two shop stewards for the T&GWU union in North City. They have worked for North City for over 20 years and are between the ages of 36 and 45. Trade Union Representative 1 is a member of the Labour party.

Trade Union 2 (T&GWU).

Trade Union Representative 2 is also a member of the Environmental Services Division and works in a manual labour role. Trade Union Representative 2 is one of

two shop stewards for the T&GWU union in North City. They have worked for North City for over 20 years and are between the ages of 46 and 55. Trade Union Representative 2 is a member of the Labour party.

Trade Union 3 (UNISON).

Trade Union Representative 3 is a member of the administrative staff within the council and worked for the council for over 20 years. They are aged between 56 and 65. No information was obtained on this individuals political views.

Infobid Manager.

The Infobid manager is a male aged between 46 and 55. They have worked in their current role for less than five years but have worked in the private sector for between 16 and 20 years. Prior to working in the private sector, they worked in the public sector.

North City Campaign Group.

This person was not willing to disclose personal information that could be used to identify them.

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