Learning To Collaborate: A study of individual and organizational learning, and interorganizational relationships∗.

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Abstract

This paper examines learning to collaborate between industrial buyers and suppliers. Evidence of collaboration, and individual and organizational learning, is discussed. Analytic methods developed to elicit such evidence and provide insights into learning processes are presented. It is argued that it is possible for organizations and individuals to learn to develop resilient collaborative relationships.

Introduction

Despite widespread recognition of the need for interorganizational collaboration2 and the challenges this presents, there has been little research that specifically addresses how organizations and individuals can learn to collaborate. There is a substantial and rapidly growing body of literature on learning in the context of interaction between organizations (e.g. Larsson et al., 1998; Osland & Yaprak, 1995). Researchers have tended to focus on the learning opportunities presented by interorganizational collaboration whilst neglecting its precursor: the capability to collaborate. If collaborating is, as suggested (e.g. Dodgson, 1993; Helleloid and Simonin, 1994: 222), an essential competence for organizational survival, then there is an important gap in research to date. This paper describes and discusses the findings of a research project intended to begin to address this gap in knowledge.

Relationships between a company and two of its key suppliers were investigated, through in-depth case studies. One relationship was recommended for study because it was a so-called ‘partnership’; the other was suggested because of recent substantial efforts to improve performance through co-operation. Prior research suggests that collaborative relationships are characterised by commitment, trust and teamworking. The fieldwork soon revealed that the ‘partnership was in fact subject to rising levels of conflict, with little evidence of learning, despite high levels of investment and much senior management attention. By contrast, in the second relationship, the two firms exhibited some signs that they were learning to work together collaboratively to achieve joint goals. These contrasting cases provided an ideal context for researching ‘learning to collaborate’.

The interpretative approach adopted permitted the researcher to develop an analytic framework to scrutinise the relationships and clarify the difficulties experienced by the firms and the individuals involved in both learning and failing to learn to collaborate.

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2 Collaboration is defined here as ‘purposeful co-operation over time’ (after Spekman, 1988) in McLoughlin, Damien. and C. Horan (eds.), Proceedings of The 15th Annual IMP Conference, University College. Dublin 1999
Because the analytic framework was useful in eliciting and making sense of the (lack of) collaboration, it is suggested that it may be relevant to practitioners and other researchers. It is concluded that it is possible for organizations and individuals to actively learn to build effective and resilient relationships between industrial customers and suppliers. However, this requires us to go beyond the invocations of commitment, trust and teamworking, which characterise prior work in this area.

The paper is structured into six parts: a brief review of literature; an overview of the research problem, context and method; description of the data on collaboration, and on learning; discussion of the key findings; and concluding comments. In the following section, the two areas of literature on which this study is founded - industrial customer-supplier collaborative relationships and learning - are briefly introduced.

Prior Research on Collaboration and Learning

The literature reviewed here reflects the author’s concern with learning to collaborate in practice in a business-to-business setting, from the customer organization’s perspective. At the outset of this project, searches of the management literature revealed only one publication which specifically addressed the topic of learning to collaborate between organizations, and this was in the context of joint ventures (Ives, 19XX). The study entailed an exploration of a wider body of literature on, for example, trust and cooperation (e.g. Axelrod, 1984; Brown, 1988; Gambetta, 1988; Fukuyama, 1995; Goffee and Jones, 1995; Kraus, 1980; Luhmann, 1979; Weick, 1979), but it was found that few authors (at least in purchasing) had drawn upon such work in more applied research.

The literature on collaboration (in particular between industrial customers and suppliers) reveals three areas of research: descriptions of the features of collaborative relationships (e.g. Lamming, 1993; Sako, 1992; Macbeth and Ferguson, 1994; Spekman, 1988); descriptions of how to initiate ‘partnerships’ (e.g. Spekman, 1988; Macbeth and Ferguson, 1994; Ellram, 1995; Kanter, 1994; Bennett and Jayes, 1995); analyses of factors that are associated with ‘successful’ collaborative relationships (e.g. Kanter, 1994; Macbeth and Ferguson, 1994; Stuart and McCutcheon, 1995; Mohr and Spekman, 1994; Ellram, 1995). All of the these authors make reference to some or all of three key features of ‘successful’ collaborative supply relationships: commitment, trust and teamworking. These are underpinned by effective (timely, appropriate and clear) communication. So, one might conclude, if an organization is to learn to collaborate, then it ‘just’ needs to learn how to develop and sustain commitment, trust and teamworking. This, though, is neither a particularly interesting (Davis, 1971) nor a particularly useful insight, either for managers or management researchers.

Within the business and management literature there are many different definitions of learning, some from work on individual learning, others from work on organizational learning. The definitions of learning and descriptions of learning processes relating to individuals and organizations can generally be seen as interchangeable. There are several typologies of learning, in three dimensions (Knight, 1997: 29-30). The first is the subject of the learning who or what is ‘doing’ the learning, it may be an individual, a group or an organization. Secondly, what is being learned may differ. The learning outcome varies not only in terms of whether knowledge or behaviour is learnt the
content of learning but also according to the extent/depth of the learning. Based on the work of Argyris and Schön (1974; 1978), many authors distinguish between incremental, or adaptive, learning; more radical, or generative learning; and learning to learn. For example, Swieringa and Wierdsma (1992) proposed three levels of learning related to organizational rules, insights and principles (see Figure 1). The third dimension is how the learning is achieved - the learning process.

![Figure 1: Model of organizational learning (Source: Swieringa and Wierdsma, 1992: 12-13, 36)](image)

Aspects of prior research which were used in data collection and initial analysis are identified in the next part of the paper which presents the research problem, context and method.

**Research Problem, Context and Method**

The study was designed to address a practical problem. Despite a widespread recognition of the relevance and importance of collaboration with (certain) suppliers, it seems that there often remains a strong bias towards competitive strategies and behaviours, and organizational culture, policies, systems and procedures seem to continue to favour competitive behaviour towards suppliers. So, the purpose of this study was to begin to address the following research question: How can individuals and organizations learn to collaborate with suppliers?

The study was exploratory, qualitative, longitudinal\(^3\) and case-based (Stake, 1994: 236). This enabled the author to capture the subtle and complex aspects of developing collaboration, and to reflect the processual nature of learning and the lack of prior research. Extensive historical and contemporary data were gathered through interviews, documentation and observation, on one customer organization (CUSTOMCO) and its relationships with two strategic suppliers. The first supplier (EQUIPCO) installed and maintained equipment. The second supplier (SERVICECO) provided a service to CUSTOMCO’s operating divisions. Both the service and the equipment were operations-

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\(^3\) Data were collected over several months. Historical and current data were used to construct relationship histories, thus providing a longitudinal perspective (Pettigrew, 1985). Note however that this was (largely) a retrospective, not prospective, study.
critical to CUSTOMCO. Though the two relationships differed in several important respects, there were a number of key features they had in common; these are listed and described in Table 1. These relationships were suggested by CUSTOMCO purchasing managers who were interviewed in early stages of the research. The important similarities and contrasts between the two were soon apparent, and initial plans to cover a greater number of relationships were changed to cover just these two but in greater depth.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance</td>
<td>Both relationships were of strategic importance to the customer. Inadequate performance by the supplier would have a direct impact on the customer's own performance in areas highly visible to its own customers and directly measured by stakeholders.</td>
</tr>
<tr>
<td>Inter-dependence</td>
<td>The customer and supplier were mutually highly dependent. For equipment, this dependence was technological and commercial; for service, it was just commercial.</td>
</tr>
<tr>
<td>Longevity</td>
<td>Both relationships were long established (over 10 years).</td>
</tr>
<tr>
<td>Character of relationship</td>
<td>Both relationships had been highly adversarial. At the time of research, there was much evidence of both conflict and co-operation, but also an interest in more collaborative working.</td>
</tr>
<tr>
<td>Contractual relations</td>
<td>Equipment installation projects were let as single contracts under the 'umbrella' of a &quot;Partnering Agreement&quot;. Equipment maintenance contracts were (nominally) performance related. The service contract had recently been renewed and was (more rigorously) performance related.</td>
</tr>
<tr>
<td>Complex interface</td>
<td>The number of individuals involved in each relationship ('front-line' and managers) was high. The suppliers undertook most of their operational activities on CUSTOMCO's premises, and therefore a high degree of operational integration was necessary.</td>
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</tbody>
</table>

Table 1: Key features of the case relationships.

Early interviews indicated that trying to develop an understanding of interviewees' attitudes and behaviours, their learning and the meanings they attached to constructs such as trust and collaboration did not lend itself to structured interviewing techniques. A more reflexive approach to interviewing (Hammersley and Atkinson, 1983: 112) was developed. The questioning encouraged interviewees to describe the development of the relationship and their role within it over time, and their understanding of the underlying reasons for the past and current state of the relationship.

The research approach enabled the author to consider the interplay between three levels: the organization, the relationship, and the individual relationship player. Three frameworks were used to guide data collection and early analysis:

1. the IMP Interaction Model (Ford, 1990: 20)
2. a working definition of collaboration as the process by which customer and supplier adopt a high level of purposeful co-operation to maintain a trading relationship over time (based on Spekman, 1988)
3. The notion that learning is both a process and outcome (Dodgson, 1993: 377). The outcome of the learning process is a change in knowledge or behaviour, or both (Crossan et al, 1995). Organizational learning can be distinguished from individual learning through embeddedness/institutionalisation (Crossan et al, 1995).

\[1\] The two interorganizational relationships are referred to respectively as the 'equipment relationship' and the 'service relationship'
Whilst these conceptual frameworks and working definitions proved useful as a starting point for the research, they were not adequate for making sense of the complex, fragmented, often ambiguous and sometimes (apparently) contradictory data. It was necessary to adapt existing frameworks, and develop new ones.

The analysis was undertaken in several, iterative phases. Firstly, detailed descriptions were written of learning and the development of the two relationships over time. The basic accounts were chronological with a focus on particular incidents reported by several interviewees; in effect, they constitute the author’s view of the relationship histories. Secondly, the relationships were compared and contrasted using seven analytic themes, based on the data and on literature, that were iteratively developed during the course of writing the relationship histories. Each theme was further developed into a number of analytic constructs, as summarised in Table 2. For example, the importance of interdependence is widely recognised in the literature; this was termed ‘stake in the relationship’. This though was inadequate in explaining the differences between CUSTOMCO personnel, and the notion of ‘personal reliance’ was therefore developed and introduced to the analytic process. Thus ‘stake in the relationship’ was broken down into two similar constructs at different levels – the organization and the individual. The themes and constructs were then employed to attempt to explain the development of the relationships over time, and the (lack of) learning to collaborate. The accounts of the relationships were situated in the wider context of CUSTOMCO’s recent history and the key current organizational issues.

<table>
<thead>
<tr>
<th>THEME</th>
<th>BASIC DESCRIPTION/ Indication of content</th>
<th>ASSOCIATED CONSTRUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROLE IN PRACTICE</td>
<td>Considers actual roles performed by players in the relationship, that are specific to the relationship. For example: Purchasing agent, contract manager, client.</td>
<td>Role clarity</td>
</tr>
<tr>
<td>STAKE IN RELATIONSHIP</td>
<td>Organization’s stake: commercial dependence. Individual’s stake: personal reliance.</td>
<td>Organizational dependence:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Personal reliance</td>
</tr>
<tr>
<td>MOTIVATION TO COLLABORATE</td>
<td>Personal and corporate objectives. Performance measures. Reward extrinsic and intrinsic.</td>
<td>Performance expectations:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Self-motivation: Conflicting pressures</td>
</tr>
<tr>
<td>STRUCTURE AND COMMUNICATION QUALITY</td>
<td>The organization of the relationship players, and aspects of communication between them. For example: style and volume of communication, and what is communicated.</td>
<td>Nature of communication: Communication behaviour: Information policy: Organizational distance</td>
</tr>
<tr>
<td>RULES</td>
<td>Policies and procedures, ranging from corporate rules on, for example: purchasing, to rules set for the management of a particular relationship, and ranging from the explicit and formalised to the tacit rules. Who sets and who enforces the rules.</td>
<td>Organizational rules: Relationship rules: Contract rules</td>
</tr>
<tr>
<td>TRUST</td>
<td>This theme covers players’ beliefs and attitudes towards other players. The notion of trust was frequently raised, and therefore dominates the theme. Other aspects include, for example, confidence, defensiveness, mistrust, caution, respect, sociability, solidarity and familiarity.</td>
<td>Reasons to trust and mistrust: Beliefs and attitudes the (in)consistency of talk and behaviour</td>
</tr>
</tbody>
</table>

Table 2: Summary of analytic themes and constructs (Knight, 1997: 76-115).

in McLoughlin, Damien. and C. Horan (eds.), Proceedings of The 15th Annual IMP Conference, University College, Dublin 1999
An overview of the relationships and the evidence of collaboration and learning is presented in the following two sections of the paper. The accounts of the cases are 'woven' around the themes of the analytic framework.

**Characterising the Relationships: Evidence of Collaboration**

It was not assumed that evidence of particular conflicts indicates that a relationship is not collaborative. Rather, it was the presence of sustained and purposeful co-operation, combined with more constructive approaches to conflict resolution, that could be taken to indicate a collaborative relationship. The data yielded much evidence of co-operation, commitment, trust and teamworking in both relationships. However, there were also many examples of conflict and lack of commitment, trust and teamworking. Furthermore, the quality of the interorganizational relationships and their constituent interpersonal relationships varied over time.

There was clear evidence of cross-organizational boundary collaborative working between some individuals in each of the relationships. The usefulness of these collaborative, interpersonal relationships was widely recognised by research participants (including by those who were more adversarial) as being important factors affecting contract performance, for example:

"He wasn’t particularly interested in terms and conditions of contract, payment schedules and all the rest of it. He was really into ‘I’m going to liaise with you on a daily basis and we’re going to make this work together’" (Q1)

"It’s no good being at loggerheads all the time… Now, it’s a lot more amicable and you can negotiate things better. You discuss it openly, it’s not ‘you will do that’" (Q2)

"We will try to keep them informed and up-to-date without sharing all the secrets of what’s going on. We have pragmatic and sensible discussions with them about what we would like to see and what they can do for us and innovative ways to improve the performance of the system." (Q3)

And yet, there were many more examples of far less constructive behaviour, which at their best were mistrustful and defensive and at their worst could be interpreted as manipulative and duplicitous.

One interviewee, speaking of suppliers generally, summed up the view traditionally held by the CUSTOMCO’s purchasing managers:

"You wouldn’t trust them further than you could throw them… They’re out to get as much out of you (as possible), you’re aware of that, and you’re trying to do a damage limitation exercise. The big feeder into that is getting competition, because if you don’t get competition you’re never sure whether you’re being turned over by someone." (Q4)

**The Relationship with EQUIPCO:**

It was this concern for competition that had motivated the senior purchasing manager to accept the proposal for a ‘partnership’ with EQUIPCO. Unlike some of his colleagues, he seemed less concerned with its opportunities for improved performance than with the

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5 All the quotes in this paper (Q1 to Q6) are from interviewees in the customer organization.

chance it offered to have an ‘open-book’ arrangement for projects, which would in his
view remove the need to seek competition (which was not available anyway because
equipco was in effect a monopoly supplier). His deputy coped with the need to be seen
to support the Partnering Agreement by ‘pretending to trust’:

“you can’t change human behaviour... you can pretend that you trust everybody, but perhaps that’s a
skill that you actually need: to pretend that you actually trust somebody on the face of it whenever
you’re meeting... but you have always got to remember that people may actually revert to norm” (Q5)

Notably, this manager gave no indication that he had considered the possibility that
supplier personnel might have a similar concern about him.

In terms of organizational structure, the ‘distance’ between customco players was
high. The frequency and quality of communication was low and their interaction was,
generally, limited to the context of the relationship. There was a pronounced divide
between the attitudes and behaviours of purchasing personnel and the other senior
Customco personnel involved in the equipment relationship. The ‘spoiling tactics’
sometimes adopted by purchasing people were criticised by their non-purchasing
colleagues in Customco and equipco senior management, sometimes very vigorously
and on other occasions more implicitly.

A number of engineering personnel were also said to have had difficulty in adopting a
collaborative working style. A senior Customco engineering manager suggested that
they were reluctant to change because under traditional approaches it had been easy to
blame the supplier when things went wrong; in a more collaborative regime, this was no
longer an option. His expectation that members of his team should collaborate with the
supplier on which his department was entirely dependent discomfited some of them:

“There are no rules for a partnership, which is one of the problems, of course. A benefit, too.” Well,
yes, but for the people we’re talking about that’s a problem because under a contract most of the
questions are answered for them, but not in a partnership.” (Q6)

This engineering manager, who is the subject of the first quote (Q1), viewed the
‘partnership’ as describing a different and better way of working together, not as a
formalised agreement:

“If we were going to trust each other, then we were going to trust. If we weren’t then we wouldn’t call
it a partnership.”

He appeared to view the Partnering Agreement as a ‘licence’ to treat the supplier as if it
was an integral part of Customco - an opportunity to ignore organizational boundaries.
He did not seem to differentiate between ‘good’ intraorganizational management
practices and ‘good’ interorganizational management practices. He was no more
concerned with the details of the Partnering Agreement between Customco and
Equipco than he had been with contractual detail (see Q1), whereas the senior
purchasing manager viewed the Partnering Agreement as a quasi-contract. Problems
with this divergence of view had been contained while this influential engineering
manager, who had an extremely close working relationship with the supplier’s Director
of Operations, remained in post. However, just before data collection was begun, he
transferred to a new post in Customco. In addition, within one year the senior

6 Quotes in italics: interviewer speaking.
in McLoughlin, Damien, and C. Horan (eds.), Proceedings of The 15th Annual IMP Conference,
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CUSTOMCO and EQUIPCO directors who had sponsored thePartnering Agreement also left their respective organizations. During the months of data collection there were various developments in the relationship as others sought to fill the power vacuum.

Overall, at the time of the study, the interorganizational relationship between CUSTOMCO and EQUIPCO could not be said to be collaborative. Whilst some of the interpersonal relationships were trusting and collaborative, others were adversarial, and the latter were having an increasing impact. Conflict did not just arise across organizational boundaries, but also intraorganizationally within CUSTOMCO. It was notable that various actions taken by supplier and by CUSTOMCO non-purchasing personnel could be interpreted as being aimed at reducing the impact of the purchasing managers’ actions by marginalising their role and influence. The interorganizational relationship may have been labelled a partnership but it was damagingly conflict ridden.

The Relationship with SERVICECO:

The situation in the service relationship was very different to the equipment relationship described above, in a number of respects. For example, players’ attitudes towards the relationship governance structure were radically different, but did not have the consequences that prior research might predict. The relationship between CUSTOMCO and SERVICECO is described in the following paragraphs, with particular emphasis on the more striking differences.

Unlike the equipment relationship, the service relationship was dominated by the terms of contract. All relationship players referred routinely to the relatively new and highly detailed performance-based contract. In CUSTOMCO, those who let the contract were also responsible for contract management and they were accountable to line managers with whom they worked very closely for contract delivery of this and many other services (i.e. there was ‘organizational proximity’ between the CUSTOMCO players). Both supplier and CUSTOMCO personnel appeared to have confidence in the contract, their new found formula for regulating their interaction. The CUSTOMCO contract supervisor collaborated with his counterpart (see Q2). He had extensive experience in this service industry and many years previously had supervised his current opposite number at SERVICECO.

Though trust was not mentioned by players in the service relationship to the same extent as in the equipment relationship, there were several indications that the CUSTOMCO contract supervisor did trust his counterpart. He had confidence in his expectations of his colleague (Luhmann, 1979), and his behaviour appeared trusting and trustworthy (Zand, 1972; Dasgupta, 1988: 53-54). In contrast, the supervisor’s manager (the operating unit’s Contracts Manager) could be said to be mistrusting. A career CUSTOMCO purchasing manager, he had been involved in setting up service contracts for several years, working closely with the manager cited above (see Q4). Though there were five suppliers in the marketplace, he remained unconvinced that it was open to genuine competition, and seemed to believe that SERVICECO was the ‘best of a bad lot’.

Nevertheless, the Contract Manager was seeking to work more collaboratively. He wanted to establish a way of working with the supplier that would avoid the waste of time, money and effort caused by the previously adversarial approach, and to improve

*in McIoughlin, Damien. and C. Horan (eds.), Proceedings of The 15th Annual IMP Conference, University College. Dublin 1999*
service performance. This would have a direct beneficial effect on the operating unit's performance, and his achievement (or his failure) was likely to be recognised by his colleagues in the operating unit.

Unlike the senior engineering manager in CUSTOMCO who had been responsible for the equipment relationship, the service Contract Manager appeared to be very aware of organizational boundaries. The strong focus on the contract terms kept the supplier at 'arms-length', something which many authors (e.g. Macbeth and Ferguson, 1994) would view as incompatible with their partnership perspective of interorganizational collaboration. However, the contract set out clearly the parties' responsibilities towards one another to jointly achieve a higher quality service than had previously been the case.

CUSTOMCO's interaction with the suppliers of this service in the past was reported to have been an unrelenting battle of wits. At the time of data collection however, there was clear evidence of CUSTOMCO and SERVICECO personnel working co-operatively and systematically to improve performance, of timely and appropriate communication and of constructive conflict resolution. Even though there was evidence of continuing mistrust in at least one of the key players, it could be argued that, in this case, the interorganizational relationship was collaborative, despite the relationship not being seen or labelled as such.

These interpretations of the relationship histories suggest that learning to collaborate was not occurring where it was expected to do so, and was occurring where it was not expected to do so. The evidence of learning is reviewed next.

**Evidence of Learning to Collaborate**

The data were analysed for evidence of individual and organizational learning (change in cognition or behaviour, or both). In terms of organizational learning, this section might be more appropriately entitled 'evidence of lack of learning', despite the substantial amount of enthusiasm and investment observed for more collaborative approaches with major suppliers generally and evidence of some axes of collaboration in the two relationships studied. The most notable aspect of the evidence of individual learning was the apparent inconsistency between cognitive and behavioural change.

In CUSTOMCO, senior purchasing and engineering managers were enthusiastically embracing the idea of supplier ‘partnerships’. Commercial conferences on the subject had been attended, and more junior personnel were learning about ‘partnering’ through training courses and professional education. The Partnering Agreement with EQUIPCO received a lot of attention from Directors and senior managers, and a consultancy firm had been commissioned to run relationship development workshops for the equipment relationship and a number of other relationships with key suppliers. A ‘supplier management’ function had recently been established to develop systematic management of relationships with key suppliers in engineering and other high spend areas.

However, in the case of the relationships with EQUIPCO, some of the more junior engineering personnel could not adapt to more collaborative patterns of working, and neither could the two senior purchasing managers involved. In the relationship with
SERVICECO, a more collaborative interorganizational relationship was emerging, but it was not widely recognised as such. Through informal communication with other operating unit contract teams, there was some limited transfer of learning, but there was no evidence of this occurring more widely across the purchasing function or to other parts of the company. There was no evidence that the plans to implement a more strategic approach to relationship management were being realised (yet), and no indications that any of the ‘harder’ systems, processes and procedures were being adapted to accommodate more collaborative relationships. In summary, there were no signs that more collaborative working was becoming institutionalised within CUSTOMCO.

As with evidence of collaboration, it was not possible to make sense of the evidence of learning using existing frameworks. However an adaptation of Swieringa and Wierdsma’s model (1992) proved very useful (Figure 1). Evidence of changes to rules, insights and procedures was categorised at three organizational levels: (a) corporate strategy and direction; (b) working with the supply base as a whole; (c) relating to a particular supplier. Within each cell of the resultant 3 by 3 matrix, issues and practices that had been observed were entered in bold; those that were planned / aspired to but had not (yet) been achieved were entered in italics. A version of this matrix, amended for reasons of confidentiality, is presented in Table 3. Items in italics indicate that learning was insufficient or incomplete; they reflect changes and initiatives that were planned but had yet to be achieved. They clearly point to a number of learning ‘gaps’. For example, though the organization was changing and the need to learn was growing (level a), learning appeared to be limited to advances in managing particular relationships (level c), rather than also being co-ordinated and embedded (level b).

<table>
<thead>
<tr>
<th>‘Alternative’ levels of learning</th>
<th>Single-Loop (Rules) 1</th>
<th>Double-loop (Insights) 2</th>
<th>Triple-loop (Principles) 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Corporate strategy and direction</td>
<td>Make-or-buy decision procedures. Co-operative working with key suppliers.</td>
<td>Make-or-Buy review policy. Supplier management Contracting externally for services previously undertaken in-house. Fewer, much higher value contracts with much longer terms (up to 30 years).</td>
<td>Focusing on core business, divesting parts of the company. Reduce the traditional dominance of the engineering function, in favour of the operations directorate.</td>
</tr>
<tr>
<td>(b) Working with the supply base</td>
<td>Updates to purchasing procedures and guidance. Performance measurement and whole life costing methods.</td>
<td>Good communication practice, outside of specific transactions. Risk sharing. Performance-based contracting and supplier partnerships. Strong performance management regime.</td>
<td>Managing beyond the organization boundary. Value / supply chain management (as an approach rather than a specific activity)</td>
</tr>
</tbody>
</table>

Table 3: ‘Stratifying’ organizational learning: a matrix of actual and potential organizational learning

*in* McLoughlin, Damien. and C. Horan (eds.), *Proceedings of The 15th Annual IMP Conference*, University College, Dublin 1999
Crossan et al’s (1995) integrated model of learning and behavioural and cognitive change (see Figure 2, below) is also a powerful explanatory tool. Many CUSTOMCO purchasing managers were well informed about supplier partnerships etc. - their cognition had changed. But only some of them adapted their behaviour too (‘integrated learning’). A number of engineering managers were under pressure to work collaboratively with EQUIPCO (i.e. to adapt their behaviour; see Q6) but they did not understand the new approach and were not committed to it; theirs was ‘forced learning’.

The data were further examined to seek an explanation for these different patterns of learning. For an individual player, there are many influences that can be identified as either encouraging or discouraging the person to learn to collaborate. A number of key factors were assessed: the players’ knowledge of supplier relationship management; their attitude towards suppliers (more, or less, willing to trust); their self-motivation (sources of intrinsic reward); their personal reliance on the relationship (the extent to which the individual player relies on the contractor’s performance to achieve his tasks). A ‘map’ of these influence is presented in figure 3. The value of the illustration is somewhat limited because it implies a linearity that was not observed. However, it does represent the tension between some of the many, more and less tangible influences on relationship behaviour and learning. By considering the various influences together, it was possible to make sense of the evidence of learning and collaboration.

![Figure 2: Integrated model of cognition, behaviour and learning. (Source: Crossan et al, 1995)](image-url)
Comparing different influence profiles indicated that 'formal' knowledge about managing relationships and collaboration with suppliers appeared to be the least important factor. It may be the easiest to deal with, in that it can readily be developed through education and training, but in isolation it did not lead to behavioural change. A much more important factor was personal reliance. Those managers, whether they were engineers or purchasing personnel, who needed the contractor to perform well seemed capable of and willing to collaborate. In contrast, the two purchasing managers involved in the equipment relationship had relatively low personal reliance on EQUIPCO. Though they needed to be seen to support the 'partnership', they were involved in many other supplier relationships each of which had a different CUSTOMCO 'client'. Furthermore, the level of intraorganizational contact between CUSTOMCO players involved in the equipment relationship was low and usually limited just to this contract. There was no direct link between the purchasing managers’ performance and EQUIPCO’s performance. Unlike the Contract Manager for the service, they were under little pressure from their peers; they were not seen as accountable for EQUIPCO’s performance.

Having described the evidence of collaboration and of learning in CUSTOMCO and in its relationships with SERVICECO and EQUIPCO, the next part of the paper presents and discusses the key findings on learning to collaborate.

**Collaboration, Learning, and Learning to Collaborate**

This resume of the two relationships and the commentary on learning indicates a number of important points relating to: firstly, the complexity of interpreting data from in-depth studies of relationships; secondly, the capacity of individuals and of organization to collaborate; individual and organizational learning to collaborate; and finally how learning to collaborate might be promoted or facilitated. No claim of generalisability is made about the findings reported here, but it is hoped that the frameworks and the processes of reflection and analysis outlined may offer some useful tools to managers and researchers.

**Analysing commitment, trust and teamworking:**

_in McLoughlin, Damien. and C. Horan (eds.), Proceedings of The 15th Annual IMP Conference, University College, Dublin 1999_
Whilst prior models are useful in thinking about relationships in abstract terms, they proved inadequate in making sense of the rich data gathered in this study. There was, for several interviewees, a wide gap between their talk and their behaviour; their espoused theories about collaboration did not match their theories-in-use. Though the majority of interviewees talked of trust without being prompted to do so, it was soon apparent that what was meant by the term was often unclear. One interviewee, who seemed to have read widely on trust and related subjects, expressed certain opinions that flatly contradicted his actions (as recounted by himself and other interviewees).

With regard to commitment, trust and teamworking, many questions arose. For example: How is commitment demonstrated? What motivates the individual or the organization to be committed? How does this change over time? What is the evidence of (mis)trust? How does the interviewee concerned conceptualise trust? How is this similar or different to the perspectives held by others (including the researcher’s)? What formal and informal roles does a relationship player fulfil, and what influence does (she) wield, in a relationship? How does this (fail to) integrate with the roles and influence of others? In what way do a relationship player’s actions reflect team or individualistic working? How personally reliant are they on the supplier’s performance to fulfil their own formal role?

In this study, a second phase of analysis was undertaken on the raw data and the relationship histories using and iteratively developing (Wolcott, 1994) the analytic framework of themes and constructs (Table 2). Through this process, the questions in the previous paragraph were addressed and the relationships were compared. A benefit of this approach is that it allows the researcher to deal with the complexity of the relationships and the fragmentary data in a more integrative manner. The themes and constructs helped to elucidate and explain without the loss of richness that would have been risked by a more reductionist approach.

Personal and Organizational Capacity to Collaborate:

The evidence from this study suggests that managers and researchers should consider interpersonal relationships when seeking to understand interorganizational relationships. An interorganizational relationship may be collaborative in that there is purposeful co-operation over time, but this may be derived through the influence of a strong interpersonal relationship between two key players across the dyad, as had been the case in the EQUIPCO relationship. Alternatively, a relationship might be regarded as collaborative despite the presence of mistrust if the relationship governance mechanism and various intraorganizational factors provide a sufficiently strong basis for purposeful co-operation over time. CUSTOMCO’s Contract Manager remained mistrustful of all companies in SERVICECO’s industry, but had sufficient confidence in the contractual arrangements to act collaboratively. This suggests that there are factors which contribute to personal capacity to collaborate and other factors which are associated with organizational capacity to collaborate. The various factors that were identified in this study, categorised to distinguish between personal and organizational, and labelled with the relevant analytic theme, are listed in Table 4.

All the factors relating to personal capacity to collaborate are necessarily vulnerable to changes of personnel, and they tend to be more difficult to identify, assess and develop.

The factors that relate to organizational capacity are also susceptible to change, in particular to changes that would occur as a result of organization restructuring, but are arguably more stable. Organizational capacity factors are essential to sustain a collaborative relationship despite the departure of key personnel. The evidence from this study suggests that collaboration could be based on either set of factors but, ideally, both should be present.

<table>
<thead>
<tr>
<th>PERSONAL CAPACITY</th>
<th>ORGANIZATIONAL CAPACITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>High personal reliance on the relationship. (STAKE)</td>
<td>High organizational dependence (STAKE)</td>
</tr>
<tr>
<td>Clear role. (ROLE)</td>
<td>Clear rules. (RULES)</td>
</tr>
<tr>
<td>Positive (i.e. not defensive) attitude towards suppliers. (TRUST)</td>
<td>High levels of good quality communication between players, internally and with the supplier. (STRUCTURE AND COMMUNICATION)</td>
</tr>
<tr>
<td>An understanding of the ‘principles’ of trust and mistrust* (TRUST)</td>
<td>Alignment between performance measurement of the players and of the contract/relationship. (MOTIVATION)</td>
</tr>
<tr>
<td>High levels of influence (role and/or personal) and control. (INFLUENCE)</td>
<td>Organizational proximity of players. (STRUCTURE AND COMMUNICATION)</td>
</tr>
</tbody>
</table>

Table 4: Factors that lead to high capacity to collaborate

Examination of the examples of factors in table 4 suggests that individual and organizational learning are relevant to both personal and organizational capacity to collaborate. Clarity of role and role influence are personal capacity factors and yet are determined, in significant part, by organizational working practices; to change these would require organizational learning. The organizational capacity factor relating to communication could be developed through both organizational and individual learning.

Learning to Collaborate:
Relating to individual learning, and moving from the particular to the general (Miles and Huberman, 1994: 255), the mapping of the various influences acting upon an individual, illustrated in Figure 3, can be developed to cover the beliefs (such as attitudes towards suppliers), knowledge and motivating factors that, combined, affect behaviour in relationships. All three factors are relevant to sustained collaborative behaviour: knowledge alone cannot be expected to lead to changes in capability and behaviour. The interplay of the factors is illustrated in Figure 4.

This more complex view of individual learning offers a framework that can help us to explain learning to collaborate; for example, why two people in similar roles can differ so much in their ability and willingness to collaborate. The approach takes account of factors associated with ‘personality’ (such as trust and intrinsic motivating factors) without resorting to suggesting that effective collaboration relies on personal ‘chemistry’ (e.g. Kanter, 1994).

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*An understanding of trust that is sufficiently developed to be able to describe to others the basis of trusting, or not, a particular person or supplier.

This study illustrates some of the organization-level difficulties of learning to collaborate. Various efforts were being made to develop collaborative relationships with certain key suppliers. It appears though that most of these efforts were leading to change in personnel’s espoused theories, not to consistent and long-lasting changes in individual or organizational behaviour. Furthermore, the enthusiasm for ‘partnerships’ meant that insufficient attention was paid to learning from and developing relationships in which collaboration had emerged. So, pockets of progress and innovation remained unnoticed and untapped. Where there was collaboration, it was not being embedded in working practices, procedures and policies and learning was not diffusing around the organization. Significant resources were being deployed to try to improve particular relationships, without recognising that the context in which those relationships were conducted was not supportive of collaboration. CUSTOMCO managers were building up islands without also working on draining the marsh.

**Facilitating Learning To Collaborate:**

If we accept that collaborating is in part dependent on factors such as trust, then clearly no manager can make one person collaborate with another, because (s)he cannot make one person trust another. Trust may be usefully seen as a relation, which requires mutual understandings and an appropriate context. This study, however, does indicate that there is much that can be done by managers who wish to systemically develop organizational and individual capacity to collaborate. There appear to be two types of interventions that a manager might make. The first relates to creating an environment in which, where appropriate, collaboration can flourish. The second type is relationship-specific interventions. Examples of interventions that could have been relevant to the firm at the centre of this study are presented in Table 5.

**Summary and Conclusions**

The author researched relationships between an industrial customer and two of its suppliers. The first relationship was the subject of a so-called ‘Partnering Agreement’. Rather than being characterised by high levels of commitment, trust and teamwork.
the study revealed that the relationship was notable for the apparent failure to learn to collaborate and increasing conflict between the ‘partners’ despite various fragmented efforts by some of those involved to work collaboratively. Paradoxically, the second relationship had not been regarded as collaborative and yet realism, goodwill and a careful contractual arrangement had allowed both parties to perceive mutual interests and to begin to work in a collaborative manner to achieve joint goals. The failure of one effort to collaborate and the contrasting achievements of the other relationship afforded a number of insights into individual and organizational learning to collaborate.

<table>
<thead>
<tr>
<th>Relating to the context for collaboration</th>
<th>Relating to specific relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop criteria to help determine whether a collaborative stance towards a supplier is appropriate</td>
<td>Through performance management systems and the allocation of roles, ensuring that all players in a relationship have some significant personal reliance on the contractor’s performance and therefore have the incentive to collaborate</td>
</tr>
<tr>
<td>Reviewing policies, procedures and systems to ensure they do not constrain the development of collaboration</td>
<td>Drawing on the analytic themes and constructs (see Table 1), develop a company-specific approach to analysing the current and desirable state of a relationship, and based on these to project manage appropriate relationship development initiatives</td>
</tr>
<tr>
<td>Recognising the value of relationships where collaboration has emerged, not just those that are subject to formal ‘partnering’</td>
<td>Where a collaborative relationship is based on a strong interpersonal relationship, develop organizational factors to underpin the relationship, to protect it from the consequences of personnel turnover (i.e. to institutionalise the relationship)</td>
</tr>
</tbody>
</table>

**Table 5: Possible interventions to promote collaboration.**

This study suggests that it is possible for organizations and individuals to *actively* learn to build effective and resilient relationships between industrial customers and suppliers. For individual learning to occur, it is not sufficient to develop knowledge alone; attitudes and motivating factors are also relevant. Effective collaboration is evidenced through actions, not just talk and espoused values. In this study, organizational learning to collaborate did not appear to be occurring effectively, but the motivation to develop collaborative relations was present and growing. A redirection of management effort could have led to recognition of pockets of innovation and progress, and pro-active measures to encourage the diffusion of learning, embed collaborative working practices (both formal and informal), and develop an enduring environment that fosters sustained co-operation.

The study also indicates that recommendations for practice made in prior research are often inadequate in a number of respects. For example: the focus on developing the relationships without sufficient attention to intraorganizational development requirements; the superficial treatment of complex issues such as trust. Whilst the narrow empirical base of this study limits the transferability of these findings, it does not appear that either CUSTOMCO, nor the two relationships are particularly unusual. There are many organizations with a history of adversarial relations that are seeking to develop more collaborative relationships with their key suppliers. The features of the relationships studied (see Table 1) are prevalent in certain sectors (notably utilities) where the outsourcing of key aspects of infrastructure maintenance and operations is widespread.

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Previous research has indicated that commitment, trust and teamworking may be necessary ingredients of successful collaboration. It seems however that ‘commitment, trust and teamworking’ will remain firmly in the realms of motherhood and apple pie unless considerably more attention is paid to the human and organizational complexities of developing collaboration in the practical context of firms and individuals possessed of histories and culture. Structuring the research problem in terms of ‘learning to collaborate’ and adopting the exploratory, in-depth case approach has provided rich insights. It is advocated that further research of this type would usefully develop our understanding of collaboration and its constituent elements, especially trust. This initial study offers a means of structuring data collection and analysis, and frameworks that could be applied in action research and practice.

References


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8 e.g. in different organizations and industrial sectors, from a marketing perspective, in other interorganizational settings, such as joint ventures.


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