I WILL IF YOU WILL:

FACILITATING CONTINGENT COOPERATION

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For a long time groups of diverse, local stakeholders in Canada have been learning to work together to solve issues big and small, despite suggestions (Ross and Dunn, 2005) that Canada's experience with placed-based partnerships is immature. Stakeholders do this in spite of fragmented governance at the local level and relationships that may often be initially characterized by competitive, autonomous or mistrustful behaviours. This was clearly evident in eleven cases I recently reviewed on behalf of the Ontario Government's *Connect Ontario: Partnering for Smart Communities* program (Wilson and Foster, 2006) and in many other Canadian cases documented by myself and others (Wilson, 2007; Svendsen and Laberge, 2003; Torjman and Leviten-Reid, 2003). Why then hasn't this positive Canadian experience with collaboration made a bigger impact than it has?

Canada's experience with collaboration notwithstanding, the successful coordination of people and resources is far from the norm anywhere. "In the case of organizational theory and practice, the problem that has proved most intractable has been the coordination of people and resources" (Sarason and Lorentz, 1998:13). In the business sector, where the research is most extensive, conservative estimates suggest a majority (50-60%) of partnerships, joint ventures, alliances fail (De Man, 2005). Coordination across organizations and different social sectors is even more problematic.

While P3s are much in vogue today, government involvement in partnerships is frequently criticized, often in terms of its arbitrariness and top down approach; its inability to align its goals with the goals of its partners; its inability to be responsive in the light of evolving conditions, and its unnecessary bureaucracy (Lewis, 2004; Flinders, 2005). Such can be the case even when government takes great pains to avoid such criticism!

This is not to suggest governments should withdraw from collaborative partnerships. Quite the contrary, the increasing complexity of issues and the growing distribution of governance demand that governments make even greater use of them. Partnerships are effective in dealing with the opacity of 'wicked problems' for as Linus Torvald, instigator of the Linux operating system and champion of open source software, is oft quoted as saying, "g*iven enough eyeballs, all problems are shallow*" (Raymond, 1998). Collaboration can, however, be done better.

In 1996 the federal Deputy Ministers Task Force on Service Delivery Models concluded that the Public Service lacked experience with collaborative partnerships. It would appear ten years later that not much has changed -- not because of a lack of dedicated, knowledgeable, or well-meaning people but because their organizations have been slow to adjust to partnership demands. Most governments have not learned what many community-based initiatives have been forced to learn -- that self-interest may at times require the subjugation of one's own organizational interest to a collective interest.

While many rationales for such behaviour are usually presented, they inevitably boil down to one thing: an inability to cooperate. As Heath comments, "often the mess occurs simply because our attempts to secure our own self-interest are collectively self-defeating" (2001).

Governments may assume that as the embodiment of 'public interest' they are therefore first among equals in any collaboration. However, whenever they willingly choose to work in partnership with others, they abrogate this claim – at least with regard to the issue under consideration. Their actions demonstrate they are not capable of successfully resolving an issue any

more than anyone else and confer on them the status of an interested stakeholder, as dependent on everyone else's participation as those groups may be on government.

After examining various types of collaboration, it is evident that while most people appreciate the need to cooperate, the requirements for successful cooperation are not well understood. There is no certainty of collaborative success simply because senior managers choose to cooperate (Logan & Stokes, 2004). Many of the requirements for successful cooperation do not translate well into traditional patterns of hierarchical management (Sarason & Lorentz, 1998). But most importantly, the fact that cooperation is almost always conditional or 'contingent' is all too frequently overlooked. Partnerships are built on the tentative premise that "I will if you will". As a result, there are inter-organizational needs imposed by this *trust-and-verify* attitude, needs that normally end up being under-resourced and under-attended to.

In the following, I wish to examine the nature of contingent cooperation, what encourages organizations to cooperate in collaborative projects, the problem of social traps and the monitoring mechanisms that may be applied to overcome them. Finally, I would like to explore the implications this has for government.

Contingent cooperation

There are three stages of collaboration (see **Figure 1**), each with its own requirements for success. The first involves a *rationale for cooperation*, one that gets people to the table with a willingness and openness to work together. Without downplaying the tremendous work that is directed at this accomplishment, this stage is a generally understood, principally because people have become frustrated in solo approaches. The third stage involves a period of self *reflection* that validates peoples' collaborative experience through celebrations of success and the collection of organizational memory (lessons learned, best practice, etc.) while attempting to leverage those outcomes for future opportunities. The stage sandwiched in the middle is *contingent cooperation*.

Insert Figure 1 here.

During the *contingent cooperation* stage, the work of trust building begun in stage one continues in order to validate each partner's ongoing cooperation. In an effective partnership, the information exchanges that occur here are a necessary hedge against *free-riding*, but they also tend to contribute to collective intelligence. In providing deeper more comprehensive insights into both the problem and possible solutions they lead to more effective collective decision making. By the time collective action is actually undertaken, mutual understanding and commitment have become quite solid. In addition, the partners have become so entwined by then in the *quid pro quo* of moral contracts (Paquet, 1991) the social consequences of non-cooperation have become large. This overall generation of social learning has been identified as a critical success factor, even a key outcome, of many well-recognized community partnerships in the USA (Wilson, 2002); Canada (Svendsen and Laberge, 2003); and more recently in Britain (Goss, 2005). Getting to this laudable state, however, can be fraught with pitfalls.

Contingent cooperation is an exchange dynamic and a real world manifestation of the 'tit for tat' strategy that game theorists have shown to be effective in dealing with the *Iterated Prisoners' Dilemma* (Axelrod, 1984). 'Tit-for-tat' describes a behaviour that is initially cooperative and then

responds in kind to the actions of others. Participants can either cooperate or defect. If participant A is cooperative, then participant B is cooperative followed by A's cooperation, etc.. However, if A defects, B defects. The clear understanding that cooperation will be rewarded by further cooperation and that defection will be punished by a lack of cooperation tends to encourage cooperation. The same dynamic is observable among collaborating partners. In an organizational context, I offer the following definition: *contingent cooperation* refers to the ability of two or more diverse stakeholders to work together effectively over time through exchanges in resources and information and where the continued cooperation by each participant is conditional on the *perceived cooperation* of the other(s).

Although the mutual recognition that 'go it alone' strategies don't work may get organizations to the table, it is insufficient for cooperation to be ongoing. Ongoing cooperation is driven by a cost/benefit assessment, especially at an organizational level. Contingent cooperators "are willing to contribute as long as others do as well. They do not participate out of coercion or out of some sense of altruism. Their voluntary participation is wholly practical, based on the assumption that the participation of others will benefit them more than the cost of their contribution. Typically, organizations will continue to participate in a partnership or collaboration only so long as the costs of their participation are outweighed by the contributions or benefits generated by other organizations"[1] (Wilson, 2006). What proves crucial to contingent cooperation is the *belief* that one's partners remain committed to collaboration and that they will not take advantage, implying in large measure a capacity to predict their partners' future behaviour.

Despite the demonstrated effectiveness of the 'tit for tat' strategy, it remains vulnerable to communication or 'signal' errors between participants (Ridley, 1997). If partner A perceives that a partner B is *likely* to defect from cooperation, then A will alter their behaviour to reflect non-cooperation -- even before it is actually demonstrated by B. Therefore, an error in interpreting the signals from a partner can lead to a frustrating tailspin of uncooperative actions – with each partner confirming their uncooperativeness to the other. Unfortunately, such a state of affairs is all too frequently observable in trade and other wars, in federal-provincial relations, in employer – union relations, and many other societal relationships.

Partner communication and the assessment of each other's likely future behaviour create a bias for or against continued cooperation. What constitutes a signal, as well as its meaning, tend to be highly subjective. For example, A may interpret signals from B based on:

- A's knowledge of partner B's prior history and reputation, including gossip;
- A's history of experience with partner B;
- Third party reports on partner B; and
- A's own cultural preferences for altruism, fairness, equity, reciprocity, or morality.

As a consequence, potential partners often seek to participate in pre-collaboration meetings in order to obtain what Heiner calls *endogenous feedback* (2002) -- verbal and non-verbal cues to the other participant's internal motivations. Such feedback also helps to establish behavioural and relationship norms (Axelrod, 1986). Heiner's analysis (2002:9) of "one-shot prisoners' dilemmas" suggests that *endogenous feedback* is best achieved with "close-range, *face-to-face* interaction … to have the greatest access to the causal links involved. Other ways of communicating such as with

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[1] Individual representatives can and do frequently participate for altruistic reasons. However, that altruism rarely drives a working organizational partnership, except in cases where the head of the organization is directly involved.

telephones, video conferencing and email will be noticeably less effective: because they restrict the ability to receive combined symptoms otherwise observable in … direct presence: thereby degrading the links required to receive endogenous symptoms that more reliably indicate … internal motivations." For cooperative initiatives that are both ongoing and conditional, this need to ascertain the internal motivations of other participants also remains ongoing and therefore the demand for *face-to-face* interaction is unlikely to diminish over the course of the collaboration.

Social traps

While the prisoners' dilemma discussion tends to apply to individuals, Heath (2001:50) says that as a society "we have a natural tendency to get stuck in prisoners' dilemmas ... because this situation creates a *free-rider incentive*". In other words, in situations that require joint problem solving or collective action we tend to defect, "let the other person do it", rather than sharing in the costs and burdens ourselves. The rationale for this behaviour may be purely selfish or the consequence of trying to minimize our own contributions, but the net result is that we expect something for nothing.

Such an attitude is completely justifiable from a 'rational actor' perspective, yet if everyone behaves in the same way, there will be no collective benefits because no one will have contributed. Acting rationally in one's own interest can thus lead to completely irrational outcomes, even to the harming of oneself. Such irrational outcomes are possible even when people are aware of the potential harm. The siren lure of *free-riding* encourages them not to cooperate, particularly if they believe their non-cooperation will go unnoticed or unpenalized. To get out of this 'social trap' (Platt, 1973; Rothstein, 2005) requires a change in the internal or external incentives (Heath, 2001) to help the parties leverage themselves out of their biases towards each other.

Internal incentives may include changes to attitudes regarding fairness, reciprocity, etc.; changes to behavioural norms; changes to levels of trust; or changes to moral contracts or other ethical promises. Education and the development of social capital are typically seen as the routes to changing these internal incentives. External incentives may include, increasing the risks associated with defection (including the risk of detection); increasing the positive gap between benefit and cost (including reducing benefit uncertainty); or changes to the social rules and institutional conditions that increase the costs of non-cooperation (including the imposition of sanctions). External incentives, tended to focus on the application of government intervention through laws and punishments. However, other emphases are possible.

As a regional development officer described to me last winter, he would not have taken on the leadership of a certain community taskforce without knowing that other senior people like him were doing similar tasks, activities which would ultimately benefit his organization. He knew the other leaders were contributing from his involvement in the project's steering committee (*moral contract reaffirmation*), from frequent conversations with the project coordinator (*higher risk of detection*), from shared compliance reporting (*threat of sanction*) and from the regular updates and emails he received about other projects (*reduced benefit uncertainty*). His contingent cooperation was, therefore, continually validated through a series of monitoring mechanisms that encouraged his acquiescence to a collective interest, and lessened the tendency to free-ride.

Howard Rheingold comments in *Smart Mobs* (2002:176) that in cooperative undertakings "monitoring and sanctioning are important not simply as a way of punishing rule breakers but also as a way of assuring members that others are using common resources wisely… Thus monitoring

and sanctioning serve the important function of providing information about others' actions and levels of commitment."

Facilitating Contingent Cooperation: What are the mechanisms?

The fact that partners are 'contingent' suggests that if insufficient resources are dedicated to the functions of monitoring and the sharing of project information, the partners will likely lose confidence in each other's commitments. In such a scenario, each partner may know their own real-time costs but have only uncertain knowledge of the real-time benefits contributed by others. As uncertainty grows the value of any potential benefits are discounted proportionally. Therefore, benefit uncertainty encourages fears of 'shirking' and increases the potential for 'free-riding' or outright 'cutting and running'. Thus adequate monitoring is not only a 'nice to have' element of partnerships but an absolutely essential component.

Monitoring can be accomplished in several ways. The most successful of which is through a partnership facilitator / coordinator /networker (Sarason and Lorentz, 1998), someone who is constantly talking to the partners, sharing information and news, listening to their concerns, resolving their conflicts, and seeking their advice. This function is often performed by the project champion but is rarely done efficiently. Frequently, the champion is also loaded with other duties, such as project management, project marketing, project administration, as well as more technical responsibilities. Inadequate networking activities, however, can jeopardize the entire partnership. This coordinator role works well because frequent informal conversations with partners contribute to information sharing and collective learning, while corroborating existing partner commitments and validating their future expectations through value laden endogenous feedback..

Other monitoring mechanisms that have been applied to collaborative partnerships include the use of:
- joint research or assessments to identify, develop and share a common knowledge base;
- facilitated *face-to-face* meetings that involve joint activities like learning, reframing, or prioritizing;
- staff exchanges and social gatherings to strengthen interpersonal relationships and trust;
- media announcements to celebrate success and strengthen moral contracts; and
- online forums/ groups/ threaded discussions to share developing insights and expertise;
- pre-determined milestones, like annual MOUs, to define contributions, shape expectations, to gauge progress and to publicly celebrate achievement;
- email newsletters and other quick information updates;
- incentive programs such as group price discounts[2] on goods or services to encourage broader buy-in and commitment ; and
- tangible and intangible reward systems to encourage participation and contribution.

Some of the above help to increase the opportunity for and quality of *endogenous feedback* while others contribute to the strengthening of moral contracts and increasing the costs of defection.

Anecdotal evidence suggests that while project coordinators tend to be quite sensitive to the conditional nature of collaborators, many partners, including government partners, are only vaguely aware of the information obligations imposed by cooperation. They know they have to do certain

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[2] In one case I'm familiar with, Blackberry discounts were used very successfully to encourage mid-level managers in collaborating organizations to comply in a more timely way with the reporting needs of the partnership.

things with certain budgets and in certain timeframes but they don't necessarily know they need to keep telling everyone about their progress. And they are usually only marginally interested in what others are doing -- that is of course until trust levels start to deteriorate. Therefore information sharing tends to be ad hoc rather than by design. The mechanisms mentioned above should be a standard part of a practitioner's toolbox and the more they are understood as integral parts of the partner management job, the more they'll be properly resourced and routinely used.

Five Implications for Government

Given that collaboration and partnership are dominated by attitudes of contingent cooperation, public sector partners need to be aware of the following five concerns.

1. When making project funding decisions, departments should be sure and fund mechanisms such as the facilitator / coordinator /networker role to assist with high value signalling between partners. This may mean as little as checking to see if sufficient staff time is allocated for this function or it could mean intervening to ensure that a person with the right skill sets is hired for the role. This role should not be considered an overhead function. Coordination requires coordinators, for without them there may be no collective deliverables.

2. Departments need to be part of the ongoing partnership conversation and more directly involved in partnership decision making – "street level bureaucrats" (Judge, 2005). This implies a willingness to persuade, to educate, to resolve conflicts, to negotiate, to build alliances, and to be entrepreneurial. The traditionally arm's length and sometimes commandeering role assumed by project managers is antithetical in a partnership environment. If 'paying the piper' was sufficient to call the tune, governments would not need to partner in the first place.

3. One way to achieve more local engagement by public sector organizations is to encourage and provide incentives to local public service staff to become champions in a local process and not just one-way conduits for information back to headquarters. In such situations, local staff would need to be empowered to make decisions and commitments in the context of partnership governance. The current trend towards a Public Service increasingly centralized in Ottawa is not consistent with the need to promote placed-based initiatives and credible partnerships.

4. Federal departments can contribute to the establishment of conduct guidelines for multi-stakeholder collaboration by drawing on a range of previous and existing initiatives across the country and providing a clearinghouse of lessons learned and best practice accessible through any department. As a partner government it is typically viewed as being outside the community, an attribute that allows local staff to make useful contributions in resolving local conflicts and negotiating behavioural norms, although it must take great care to be bound by those same rules.

5. In local collaborative initiatives, the issue acts as an integrating force among the often competing interests of stakeholders. In government, however, an issue is often divisive, leading to internal conflicts over which department holds ownership, despite indications of it crossing many boundaries. As the Auditor General of Canada has pointed out, the federal government still falls short in its ability to define effective mechanisms of horizontal coordination. "Despite some positive examples, we found weaknesses in horizontal governance, accountability, and co-ordination. The government is doing little to find out what is working and what is not—limiting its opportunities to learn and improve" (Auditor General, 2005, Chpt. 4.87). To better achieve that integration fundamental challenges exist to better illuminate the cost-benefit dynamic at play in cooperation, to provide incentives for senior managers to cooperate across departments and to

create horizontal forces to push departments to avoid their own with autarkic strategies -- in essence, forces that would turn them into contingent cooperators.

Conclusion

Both problem complexity and the distribution of governance have mandated that public sector organizations achieve many of their goals through collaboration with other government, business and civic partners. When they choose to do so, *they voluntarily relinquish their status as sole arbiter of the collective interest*. They temporarily become one member of an issue circumscribed commons. Then as a partner, their participation is conditional upon tangible and intangibles returns exceeding the costs of their collaboration. Knowingly or unknowingly they play a "contingent cooperator" role with its attendant <u>obligations</u> for information sharing and collective learning in order to satisfy both their own continuing participation and that of others. Attending to the needs of contingent cooperation are therefore instrumental for collaborative success.

Far from being a burden, this is an opportunity for 'bottom-up' and 'top-down' learning to co-mingle, to enhance collective welfare and to ameliorate the government's tendency towards disconcertation (Paquet, 2002). Thus, by ensuring mechanisms are in place to satisfy *contingent cooperators*, governments can facilitate not only more fruitful outcomes but also strengthen its own role and legitimacy in society without resorting to more interventionist approaches.

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FIGURES

Figure 1: The Three Stages of Collaboration

Creating a Rationale

Stage 1
(Driver
Frustration)

Can't do it alone

Identify partners

Establish Tentative Trust

Contingent
Cooperation

Stage 2
(Driver Cost /
benefit)

Sustain trust /
Relationship building

Social learning

Monitoring & Confirmation
of commitments

Joint Action

Learning by doing

Reflection

Stage 3
(Driver
Validation /
leverage)

Trust Affirmation
Celebration of Success

Capture organizational
memory

Assessment & evaluation

Increased confidence

Expansion of scope