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Negotiating Regional Futures: The Successes and Failures of the
West Midlands Regional Development Agency Network

Sarah Ayres

Doctor of Philosophy

Aston University

November 2001

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Thesis Summary

The introduction of Regional Development Agencies (RDAs) in the English regions in 1999 presented a new set of collaborative challenges to existing local institutions. The key objectives of the new policy impetus emphasise increased joined-up thinking and holistic regional governance. Partners were enjoined to promote cross-sector collaboration and present a coherent regional voice. This study aims to evaluate the impact of an RDA on the partnership infrastructure of the West Midlands. The RDA network incorporates a wide spectrum of interests and organisations with diverse collaborative histories, competencies and capacities. The study has followed partners through the process over an eighteen-month period and has sought to explore the complexities and tensions of partnership working 'on the ground'. A strong qualitative methodology has been employed in generating 'thick descriptions' of the policy domain. The research has probed beyond the 'rhetoric' of partnerships and explores the sensitivities of the collaboration process.

A number of theoretical frameworks have been employed, including policy network theory; partnership and collaboration theory; organisational learning; and trust and social capital. The structural components of the West Midlands RDA network are explored, including the structural configuration of the network and stocks of human and social capital assets. These combine to form the asset base of the network. Three sets of network behaviours are then explored, namely, strategy, the management of perceptions, and learning. The thesis explores how the combination of assets and behaviours affect, and in turn are affected by, each other. The findings contribute to the growing body of knowledge and understanding surrounding policy networks and collaborative governance.

Key words: Regional Development Agencies, policy networks, assets, behaviours, social capital.

I would like to dedicate this work to my mother, Jean Ayres.

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List of Abbreviations

APs	Action Plans
AWM	Advantage West Midlands
BLs	Business Links
DE	Department for Employment
DETR	Department for Environment, Transport and the Regions
DFEE	Department for Employment and Education
DLL	Double-loop Learning
DOE	Department of the Environment
DTI	Department for Trade and Industry
EU	European Union
ESRC	Economic and Social Research Council
FE	Further Education
FOE	Friends of the Earth
GDP	Gross Domestic Product
GORs	Government Offices for the Regions
GOWM	Government Office for the West Midlands
HE	Higher Education
LGA	Local Government Association
LSC	Learning and Skills Council
MEPs	Members of European Parliament
MPs	Members of Parliament
NPM	New Public Management
RDA	Regional Development Agency
RES	Regional Economic Strategy
SLL	Single-loop Learning
SRB	Single Regeneration Budget
SRD	Senior Regional Director
TEC	Training and Enterprise Councils
TEED	Training and Enterprise Division
TUC	Trades Union Congress
UK	United Kingdom
WMBPG	West Midlands Business Policy Group
WMCBI	West Midlands Confederation of British Industry
WMLGA	West Midlands Local Government Association
WMRDA	West Midlands Regional Development Agency
WMREC	West Midlands Regional Economic Consortium
WMTUC	West Midlands Trade Union Congress

Chapter One

Introduction

This study aims to evaluate the impact of an RDA on the partnership infrastructure of the West Midlands. The research began six months before the official start-up date of the RDA, in April 1999. During this time, partners were beginning to maneuver and position themselves in anticipation of the new regional experiment. Local stakeholders were faced with a new set of collaborative challenges. Some were better positioned to deal with those challenges than others. The collective impact of regional governance restructuring, and the ensuing effects on local partners has been explored. The research seeks to evaluate the impact of a RDA in the West Midlands and the subsequent formation of a new policy network. A close evaluation of events over a period of eighteen-months has enabled an in-depth exploration of the complexities and tensions of partnership working in the region.

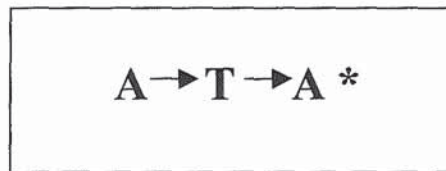
The study has probed beyond the ‘rhetoric’ of partnership working through a detailed exploration of ‘thick descriptions’: in-depth accounts of how key stakeholders themselves view partnership working in the region. These accounts reveal certain patterns of behaviour. The research has developed a ‘system of explanations’ to account for the ways in which the network has developed and transformed. These explanations can be used to highlight best practice and identify areas of collaborative weakness in the network.

A mass of primary research evidence has been produced based on the interpretations and perceptions of key individuals at the heart of the network. At this point, it is important to thank those individuals who kindly gave their time and valued expertise to the research process. Almost one hundred hours of contextually rich, tape recorded data has been produced, covering a broad range of issues and themes. The data provides a series of ‘compelling stories’: stories that are robust enough to convince and offer persuasive arguments about the true nature of partnership working in the West Midlands. The findings incorporate a body of understanding that has slowly emerged and crystallised as the research process unfolded. The literature and knowledge base surrounding policy networks and

collaborative governance is far from exhaustive or conclusive. The research findings thus contribute to this growing body of thought through a close examination of the introduction and evolution of a new policy domain.

In order to guide the work from the outset a working research model has been used (the details of which are outlined in the section titled ‘Developing a Theoretical Model’ in Chapter Four). The research model (Figure 1.1) was developed in an iterative process and reflects the critical inter-relationship between network assets and behaviours. The model was generated following a critique of an earlier framework (Figure 4.10). This earlier framework was rejected on a number of accounts relating to the dynamics of network structure and behaviour. The model used in this thesis reflects ideas about the way in which the assets of an area or region (A) are mobilised through transformative behaviours (T) to result in a new stock of assets (A*).

Figure 1.1. Asset base renewal through transformative behaviours



The thesis is structured to reflect the unfolding story: how the evidence base has been developed, extended, crystallised and summative judgments made. The discussion begins with an exploration of the underlying themes and influences surrounding regional governance in the UK (Chapter Two). The practical co-ordination challenges facing local stakeholders are posed at multiple governance levels. Both macro- and micro level pressures are relevant here. This evaluation provides the context within which the development of the RDAs may be more fully understood. Chapter Two explores the principal influences and considerations underpinning the recent resurgence in regional policy in the UK. The scope for concern and influence ranges from global policy to community level issues.

As noted, the accumulation of ‘compelling stories’ has led to the generation of a research model (Figure 1.1). The subsequent Chapters (Chapters Three to Seven) are structured using the framework of the research model. Chapter Three explores what is now a very large but nonetheless inclusive corpus of research emanating from a diversity of paradigms and theoretical traditions. The research builds upon a number of theoretical frameworks, including policy network theory (Kickert *et al.*, 1997; Marsh and Rhodes, 1992; Rhodes, 1994), partnership and collaboration theory (Benson, 1982; Gray, 1989; Huxham, 1996), organisational learning (Argyris and Schon, 1996; Sitkin, 1996), and trust and social capital (Lane and Bachman, 1998; Putnam, 1993; Sako, 1992). The research is multi-disciplinary, reflecting the multitude of variables and considerations inherent in network analysis. The review is divided into six key sections. First, the structural components of the network are discussed, including structural configuration, stock of human capital and social capital. These concepts combine to form the asset base of the network. The distribution of these assets will affect ensuing behaviours. Three sets of network behaviours are explored, namely, strategy, the management of perceptions, and learning. In a reciprocal or feedback loop, behaviours can be used to transform the existing rule (asset) base.

The research has adopted a strong qualitative methodology based on the interpretations of the subjects in the research field. A deep, exploratory approach was adopted, aimed at the generation of ‘thick descriptions’. Chapter Four explores the design, nature and structure of the research process. The Chapter is split into five broad sections namely, the nature of the research problem; adopting an appropriate methodological paradigm; techniques for data gathering; the analysis process and finally, evaluating validity, reliability and generalisability. The research process combines elements of both deduction and induction. A set of analytical categories was generated deductively. However, these preliminary categories transformed and evolved through a process of inductive enquiry. Based on a review of the literature, ten preliminary research questions are highlighted. These questions have been used to frame the research process. A single-method approach to data gathering, relying solely on semi-structured interviews, was selected. Two rounds of data collection were completed providing two ‘snap shots’ in time (a comparative static analysis). The exploration of politically and personally sensitive concepts like social capital, perceptions and negative relationships has

been made possible due to the use of a qualitative methodology. This is argued to be one of the key strengths of the research.

Chapters Five and Six present the mass of evidence generated in the data gathering stage between February 1999 and September 2000. The research findings are structured following the logic of the research model and the six key themes in the literature. Chapter Five presents the research findings of the first round of data gathering. The first round interviews commenced in February 1999, just two months before the official start up date of AWM. Partners had been anticipating the new move towards regionalism for some time. There was a measure of turmoil and the research findings reflect the mood and views of partners during this time. Chapter Six explores the transitory partnership environment of the West Midlands during the spring and summer of 2000. Partners viewed this period as a critical stage in regional partnership development. Many partners who were previously unknown to one another were congregating in various meetings. This period was characterised by 'newness'. The research findings illustrate and explore this period of transformation and the strategies and behaviours being pursued by local partners during this time.

The evidence outlined in Chapters Five and Six provides the basis for a more comprehensive analysis, exploring the evolution of the network over a period of time. A number of key contributory factors have been identified as highly influential in the evolution of the WMRDA network. Chapter Seven outlines a series of scenarios that illustrate the key inter-relationships between assets, behaviours and the subsequent effects on partnership development. The magnitude and scale of influence that each of these critical factors has had on the network is discussed. This analysis is intended to develop an authentic view of collaborative action on the ground. Three evaluative questions are identified in Chapter Seven that respond to the central research issues raised in Chapter Four.

The following section in Chapter Seven looks at the formal structure and relationship maps of the West Midlands RDA network. The relationships and tensions between local partners in the network have been mapped in diagrammatic form. This mapping exercise visually illustrates the accumulated outcomes of the changes in assets and behaviours. The network

diagrams detail firstly, evidence of cross-sector relationships and secondly, the negative relationships between partners. These findings reflect the variation in responses between rounds one and two of the interviews. They also illustrate the changes in the network structure during this period. A series of ‘compelling stories’ have amassed, providing an in-depth understanding and greater clarity regarding the collaborative environment of the West Midlands. The primary evidence unearthed during the course of the research is then drawn upon to appraise the success of the RDA in terms of achieving externally imposed policy requirements. The final section in Chapter Seven identifies and explores a number of inconsistencies between the research findings presented in this thesis and claims made in the literature.

The concluding Chapter (Chapter Eight) of the thesis outlines the contributions made by this research to the current body of thought surrounding policy networks and collaborative governance. It is argued that the research findings make a contribution in two specific areas. First, the research framework may be used as an evaluative technique, complementing or standing in contrast to the classic ‘goal achievement model’ (Klijn and Koppenjan, 2000) which uses *ex ante* objectives and policy outcomes. This research has evaluated the RDA process in the West Midlands based on *ex post satisfying criteria* (Klijn and Koppenjan, 2000), which take into account the *processes* involved in collaboration and the views of participating individuals. The second area of contribution relates to the wider debate on policy networks and collaborative governance. The research has explored a number of theoretical propositions within a new policy domain, thus contributing to the growing body of thought surrounding the subject. Following this, a number of issues are raised with regards to the implications for policy and management. Finally, a number of suggestions are made regarding the future direction of this research. A comparative cross-regional analysis is highlighted as a logical progression, within other UK and European regions.

Chapter Two

The Underlying Themes and Influences Surrounding Regional Governance in the UK

This Chapter explores the underlying themes and influences surrounding regional governance in the UK. The various accountabilities of local partners involved in regional restructuring are discussed. The practical co-ordination challenges facing local stakeholders are posed at multiple governance levels. Both macro- and micro- level pressures are relevant here. This evaluation provides the policy context within which the development of the RDAs may be more fully understood.

The introduction of a new, regional tier of governance in the West Midlands poses a variety of opportunities for and threats to local actors. Some partners will be affected by the economic implications of regionalism, others by the European dimension resulting in territorial and accountability impacts, yet others by local issues. The scope for concern and influence thus ranges from global policy to community level issues. Some partners will welcome the new agenda and the opportunities it presents. Others will be (more or less overtly) opposed to the restructuring of existing arrangements and may doubt the motives of Central Government as the prime mover in the inception of the RDAs. The regional policy agenda requires a holistic approach, a collective response. Trial and error is inevitable in these circumstances, and every attempt should be made to harness the lessons learnt from failure.

The increasing focus on cross-sector partnerships incorporating political, economic, social, educational and environmental institutions is fraught with risk. The West Midlands has a history of partnership working, dating back to the 1960s (Jacobs, 1997). This research seeks to explore the introduction of an RDA and the complexities and tensions of partnership working 'on the ground'. The onus is thus on the *dynamics* and *social interactions* taking place between various agencies and individuals within the West Midlands. This means in turn, evaluating a range of resource and behavioural issues.

If lessons are to be learnt from the partnership experience of local actors in the initial start-up phase of the RDAs then the evaluation of interactions and behaviours is critical. Instead of looking towards policy outcomes, in terms of gross domestic product (GDP), the apparent urgency of the Regional Economic Strategy (RES), Structural Fund bids and other economic aggregates, this research looks at the *process* of collaboration and regional institutional building. The 'soft' measures involved in partnership development are considered and evaluated as criteria for success. Chapter Two outlines the multi-level influences surrounding the RDA policy impetus and explores the challenges facing local actors in the UK and the West Midlands region. The policy domain shapes the behaviours and constrains the choice of local partners.

Regional Institutional Development

This section seeks to explore the principal influences and considerations underpinning the recent resurgence in regional policy in the UK. The first section ('The Global Dimension') focuses on the impact of economic globalisation and the liberation of markets. The capacity of the nation state in dealing with an increasingly complex global system is examined. One key driver in this is the pervasive influence of European institutions on the contemporary development of UK local government and regional institutions. The following section (the 'European Dimension') explores the increasing vertical pressure being placed on regional stakeholders to provide a coherent response to European policy and, in turn, to generate the capacity to influence European decision-making. Looking horizontally across state borders, the English regions are perceived to be at a disadvantage relative to some other highly developed European regions, for example, the Third Italy and Baden-Wurttemberg. There is an emerging consensus that economic restructuring is best organised around regional networks, partnerships and institutions (Amin and Thrift, 1994; Cooke and Morgan, 1993; Porter, 1990; Rhodes, 1991; Scharpf, 1994). European development is being matched by national policy change. In this context, (in the section titled the 'UK Dimension') the recent commitment of a Labour government in facilitating network and partnership mechanisms in various areas of public policy at the regional and sub-regional levels is evaluated.

The following section (the ‘Regional Dimension’) evaluates the introduction of Government Offices for the Regions (GORs) and the subsequent development of Regional Development Agencies (RDAs). A number of commentators (Webb and Collis, 2000; Lynch, 1999) have criticised the RDA policy oeuvre on the basis of poor accountability, durability and low stakeholder inclusion. The RDAs are constrained within national policy guidelines and these guidelines may often conflict with local views and aspirations within each region. Local stakeholders have the opportunity to influence the evolution of RDAs through a process of formal and informal collaboration. This process is explored in the ‘Local Dimension’. Finally, the concept of social capital and the related issue of trust (the ‘Inter-personal Dimension’) are discussed in relation to regional development. Putnam’s view that horizontal social networks are conducive to regional economic growth is assessed. The concepts of trust and social capital may have considerable implications for the success or failure of the RDA process with its focus on co-operation, collaboration and a cross-sector, multi-agency approach.

The Global Dimension

The new wave of regionalist theorising designates a body of thought which contends that ‘(1)... the “region” is becoming the crucible of economic development and (2) ... the “region” should be the prime focus for economic policy’ (Lovering, 1999a, p. 380). As Lovering notes, the second hypothesis is clearly a normative one. The logic of regionalism as a process is inextricably tied in to regional theory, with the supposed transition of regional economics from Fordism to post-Fordism. In response to the prolonged accumulation crisis of the 1970s many small firms began to adopt a system of flexible specialisation as a means of dealing with the uncertainty engendered by the fragmentation of formerly secure and stable markets (Piore and Sabel, 1984). This signalled the re-emergence of the region as, conceptually, the system of flexible specialisation encouraging spatial clustering and integration at the regional level.

Compounding the economic resurgence of the region in the context of the transition to post-Fordism has been the political resurgence of the region in the context of the restructuring – some even suggest the ‘end’ (Ohmae, 1995) – of the nation state. Economic globalisation and

the liberation of markets have led to a widespread consensus that the nation-state is no longer the most appropriate level at which to formulate and co-ordinate economic policy (Webb and Collis, 2000). Too small to deal with capitalism as a global system and too large to respond effectively to the rapid changes taking place at the local level, the nation state has been forced to cede more and more of its powers to supra-national bodies above it and to sub-national bodies below (Amin and Tomaney, 1995).

This so-called 'hollowing out of the state' (Jessop, 1994) has prompted the emergence of a new kind of regional policy, more spontaneous and with diffuse structures of power ('multipolar'), which emanates from below rather than above. The nature of this new policy regime is captured by the phrase 'governance'. One interpretation of governance, a word with multiple meanings, roots the term in inter-firm networks and their public policy equivalents, public-private partnerships. The focus of attention on the regional level is a response to the failure of top-down policies to deal with the complexities of local and regional development in a globalised world. The concepts of the 'policy paradigm' (Cooke and Morgan, 1993) and 'institutional thickness' (Amin and Thrift, 1994) place great weight on the wider terms, trust, co-operation and reciprocity. The region appears, in this argument, to be the optimal level at which institutional networks and institutional thickness may be developed – it is small enough to allow for face-to-face contact upon which trust and co-operation are built but large enough to permit economies of scale and scope.

The basic insight gained from this body of work on regionalisation is that the:

'enduring competitive advantages in a global economy lie increasingly in local things – knowledge, relationships, motivation – that distinct rivals cannot match' (Porter, 1998, p. 78).

The institutional capacity of a region is deemed crucial to this redefined comparative advantage. The way in which local knowledge, relationships and motivation interact to create learning, innovation and growth is of particular significance. From this perspective, a primary

concern for policy makers should be to nurture the region's so-called 'untraded dependencies'. These facilitate institutional learning, which strengthens networks of association and generates, in turn, clusters of innovation. These characteristics have become manifest in a key area of European policy, namely, European Union (EU) cohesion policy.

The European Dimension

The origins of European regional policy date back to the 1960s (for an account of these see Bach, 1999). A step-change occurred in 1988, with the reform of EU structural funds and the introduction of EU cohesion policy. This area of EU policy provides a compelling illustration of the tensions between European wide policy and national diversity. In addition, it is arguably the most prominent example of EU influence on regionalism in the UK. The European dimension shapes the incentives and structures within which regional and local actors mobilise and demonstrate regional capacity. These EU-wide incentives cascade through member states' policy environments characterised by highly diverse institutions, political practices, policies and problems and are transformed in the process. This section explores how EU cohesion policy, incorporating the reform of the structural funds in 1988, has differentially affected governance in the member states, in particular the United Kingdom.

The European Union, as a model of governance, is problematic insofar as it seems to defy traditional categories of governance cast in the language of nation-state politics or international collaboration (Wallace, 1990). Its decisions exert a pervasive influence and directly affect a broad spectrum of public and private interests in the Union. In that respect, it seems to resemble national states more than international organisations (Schmitter, 1992a). However, compared to national states, it has extremely limited means to exert political rule. Until the 1988 reforms, the common European policy on inter-regional cohesion was extremely modest in both scale and scope. The 1988 reform meant a radical overhaul. It imposed a strongly uniform regulatory framework on extremely diverse national contexts. A crucial building block of the reform is *partnership*. This refers to a set of rules and procedures, which require the European Commission, national and sub-national authorities to collaborate closely and

continually in the design and implementation of EU-funded programmes. Partnership was intended to aid indigenous economic development by involving actors with intimate knowledge of the particular local problems. This meant that sub-national agencies - local and regional authorities – would be involved on a par with the Commission and national executives, and that they would collaborate closely and systematically in the design and implementation of the policy.

The partnership concept was institutionalised by way of a cascade of co-decision committees and supporting rules. The structure was uniformly applied to every aspect of cohesion policy in all member states. As such, the reform was bound to affect territorial relations in the member states by empowering sub-national authorities, especially in the UK, Ireland and Greece in which sub-national authorities were weak. Hence, the reform was not just about shifting policy priorities, but crucially about imposing uniform EU policy co-design procedures in divergent national contexts. Partnership arrangements also enabled European institutions to penetrate the politics and governance systems of the individual member states. Member states differ in the extent to which EU partnership rules are compatible with their domestic practices in regional development. In the UK, the Commission's interpretation of partnership ran counter to received norms in managing relations with sub-national actors.

Overall, sub-national mobilisation has increased in the wake of the cohesion reform, but the pattern is highly uneven. Cohesion policy has led a rethink in governance practices in the European Union. The supranational, national and sub-national authorities increasingly find themselves in a game of high stakes, in which each tries to gain maximum influence while attempting to avoid being dominated by other players. This dynamic is well captured by the policy network concept, which is defined as a set of mutually resource-dependent organisations.

‘The relationships in a policy network could vary from a tightly integrated policy community to a loosely coupled issue network, depending on the type of members, their commands over resources and the amount or type needed for a policy problem, and the resulting degree of interdependence among players. In EU cohesion policy, then, partnership is the institutionalised expression of this form of joint control’ (Hooge, 1997, p. 17).

The formal rules of the partnership require sub-national, national and European authorities to exchange (intangible as well as tangible) resources as partners in pursuit of a common goal. Sub-national authorities are thus directly involved in EU cohesion policy making alongside national state actors and the European Commission. State executives do not then always appear to be the most efficient gatekeepers between the domestic and European arena: the fixed territorial boundaries of the national state are thus permeated and diluted by these EU partnerships. However, the extent of permeation depends on the territorial span, degree, and substantive scope of partnership, and these vary greatly across the Union. The multi-layered character of EU cohesion policy may thus be captured by the term ‘multi-level governance’ (Marks, 1992; Marks *et al*, 1993; Scharpf, 1994).

Multi-level governance generates distinct expectations about sub-national involvement in European politics (Hooge, 1995a). The concept argues first and foremost that the sub-national tier stands on a par with national and European levels of governance. The European arena is therefore, not closed off from domestic actors. This presents sub-national authorities with a choice. They could seek to influence European policy indirectly through member-state channels, but they may also gain direct access to the European arena by setting up their own representational offices at the heart of the EU. These may then be used as a platform for participating in European-wide associations of sub-national interests, or for organising lateral association alongside other affected sub-national authorities around specific European issues (Hooge and Keating, 1994). By way of example, in 2000, local partners in the West Midlands set up a Brussels office. A collaborative effort involving the West Midlands Local Government Association (WMLGA), business sector and education institutions raised the required funds for

the European venture. One interpretation of this new 'theatre' of operations was to harness longer-term resource flows from the EU for the region. This demonstrates the reciprocal resource dependencies of Europe on the West Midlands and the desire for local stakeholders in the West Midlands to present a coherent voice at the European level.

The multi-level governance model states, furthermore, that sub-national empowerment is not replacing national states. Sub-national empowerment is one dynamic in a wider process of power dispersion across the European Union. Political control has also spun away to strengthen European institutions, while nation state institutions have simultaneously retained significant control over resources. Regions or local authorities with a wide array of resources have a much better chance of gaining access to policy theatres than sub-national actors with few resources. Success depends, in this interpretation, on a sub-national actor's capacity to provide indispensable resources for policy-making like information, organisation and expertise. It is notable here that these resources are as often intangible as tangible in nature.

The EU regional policy networks in the UK before 1988 were heavily weighted towards central government control (Bach *et al*, 1997). Central government still has overwhelming resources at its disposal for controlling the domestic implementation of the structural funds, despite the 1988 reform. However, the impact of EU cohesion policy on the regional infrastructure of the UK is considerable. Rhodes argues that the system of governing beyond Westminster and Whitehall is being transformed 'from a system of local government into a system of local governance involving complex sets of organisations drawn from the public and private sectors' (1991, p. 1). One of the problems posed by this proliferation of actors is that the system becomes fragmented, and is difficult for the government to steer as a result.

In the EU context, there is a risk that this fragmentation will weaken the British position in the competition for funds, given the Commission's stated preference for dealing with regional authorities with coherent strategies. To avoid losing out, some co-ordination of the complex regional institutions and local authorities is required. The Government has responded to these problems by introducing 'integrated regional offices' (GORs). Government Offices and the

subsequent introduction of RDAs may be viewed, in part, as a response to the institutional deficits highlighted by the structures and processes of EU cohesion policy.

The UK Dimension

The regional agenda in England was driven by a number of determinants. These included:

- The belated diffusion of the regionalist ethos prevalent within Europe to the UK and codified in the concept of a 'Europe of the Regions'.
- The need to develop regional bodies capable of securing access to European Structural Funds.
- The rise of the regionalist movement in England in response to the perceived success of development agencies in Scotland and Wales (Lynch, 1999).
- The internal policy dynamics of the Labour Party.

There was a widely acknowledged need to rethink traditional, largely centrally determined regional policy in the face of the nation state's weakened capacity to steer in a globalised and Europeanised world. Drawing inspiration from success stories such as those of the Third Italy and Baden-Wurttemberg, a general consensus emerged that economic restructuring was best organised around regional networks, partnerships and institutions (Deas and Ward, 2000). In the UK, interest in the effectiveness of regional institutions for economic policy making has increased as the costs and failures of the *free-market* approaches of the 1980s have become more apparent (Smith, 1993). The promotion of high levels of innovation, upgrading of skills and the shift to knowledge-based activities are increasingly seen as central to economic development in the UK. As successful national economic management becomes more problematic, there has been a growing interest in the region as a key site for economic governance (see Ohmae, 1995; Scott, 1995; Cooke, 1995). Commentators have, as a part of this consensus-building, sought to identify the key factors underpinning the creation of regional advantage in a highly competitive global arena.

A number of factors have been identified. Porter (1990) and Storper (1993) advocate for 'an innovative corporate milieu' which balances competition and co-operation (Porter, 1990) with socio-cultural *conventions* (Storper, 1993). Cooke and Morgan (1993) emphasise extra-economic supports such as education, training and research and familial networks. Also highlighted was a need for a strongly embedded and interactive institutional fabric, based on public-private association within 'intelligent', 'networked', and 'learning' regions (Cooke and Morgan, 1993; Florida, 1995). The focus on networking and co-operation as an alternative to competition is however, only a hypothesis and it is far from a tried and tested method of regional management. RDAs would, in this regard, have responsibility for facilitating such behaviour, enabling the regional actors to operate in an environment that may be unfamiliar.

Tomaney (1996) has stressed the importance of the role of *non-market* institutions in underpinning the economic performance of the best performing of the world's industrial economies. Institutions of regional government, with significant - if varying - powers over economic development, are now a feature of every large member state of the European Union. He argues for a minimum efficient scale for governance purposes.

'Is there perhaps something about population units of around three to eight million (the size of many US states, regions of larger European states, or the small European nation states themselves) that make policy-making between public authorities and business organisations particularly useful and flexible? Is Britain missing something by having no autonomous political institutions at this level?' (Crouch and Marquand, 1989, p. 23).

The claim of relative UK disadvantage has been articulated within the business and trade communities. Business leaders have become increasingly concerned about the weaknesses of the present support infrastructure in the English regions compared with that of some other European competitors. Concerns have been expressed about the organisation of inward investment, the lobbying for, and management of European funds, and the future of regional strategic planning. This is set against the background of uncertainties arising from successive local government reorganisation. The management of these functions and the division of

responsibilities between various agencies has resulted in further complications at the sub-regional level as Chambers of Commerce, Training and Enterprise Councils (TECs) (and their successor bodies, the Learning & Skills Councils) and local authorities and their regional associations/forums have vied for leading roles (Bennet *et al*, 1994). Local fragmentation is thus seen as a driver to a higher degree of regional consolidation, a point underscored by Mawson (1997).

‘Given the increasingly complex and multifaceted nature of the regeneration task and the need to co-ordinate the overlapping programmes and roles of a myriad of agencies, many of which are funded by central government, directly or indirectly, it has been recognised that organisational capacity at the regional level needs to be strengthened in areas such as partnership and network development’ (Mawson, 1997, p. 203).

It should be recognised here that the changing needs of society demand a flexible and continually changing pattern of response in terms of adaptive public policy. Special purpose agencies with clearly determined tasks assume a certainty and fixity of purpose that may often be inappropriate to a rapidly changing urban and rural environment (Mawson, 1997). It is clear that central government is searching for new ways to resolve these tensions and issues of interdependency of public policy, through improved territorial co-ordination. The establishment of GORs and RDAs reflects precisely this concern. Another response is the recent commitment of government to facilitate networks and partnership mechanisms in various areas of public policy at the regional and sub-regional levels. A question remains over how enduring these various partnership structures currently being propagated at regional and sub-regional levels will be in the longer term. This is especially relevant given that they comprise partners often with quite different perspectives and sets of interests. Multiple objectives and goals, often conflicting, are surely to be expected in this context.

The Regional Dimension

The regional debate has been evident in British politics throughout the post-war period. There are a number of forces underlying regional policy developments (for a chronological account of these see Mawson, 1996, pp. 300-308). This discussion starts in 1994 when central government set up Government Offices in ten regions, giving them particular responsibility for spending on regeneration. This has led, in turn, to a strengthening of institutions representing both local authority and private sector interests at the regional level. A debate is now underway as to how business interests should be best represented. Local strategies based on partnerships between business and the public sector require both parties to be well organised (Coulson, 1997).

The new integrated offices were introduced alongside a major reform in the government's regeneration programmes (Mawson *et al*, 1994). For the first time, civil servants working in the English regions in the Training and Enterprise Division (TEED) of the then Department of Employment (DE) and the Department of Environment (DOE), Transport (DT) and Industry (DTI) were made accountable, in management terms, to one senior regional director (SRD). A set of overall objectives has been established for the GORs and within this framework; each SRD has been given a degree of local autonomy to develop structures and processes appropriate to the local situation. The overall objectives of this reform may be summarised as:

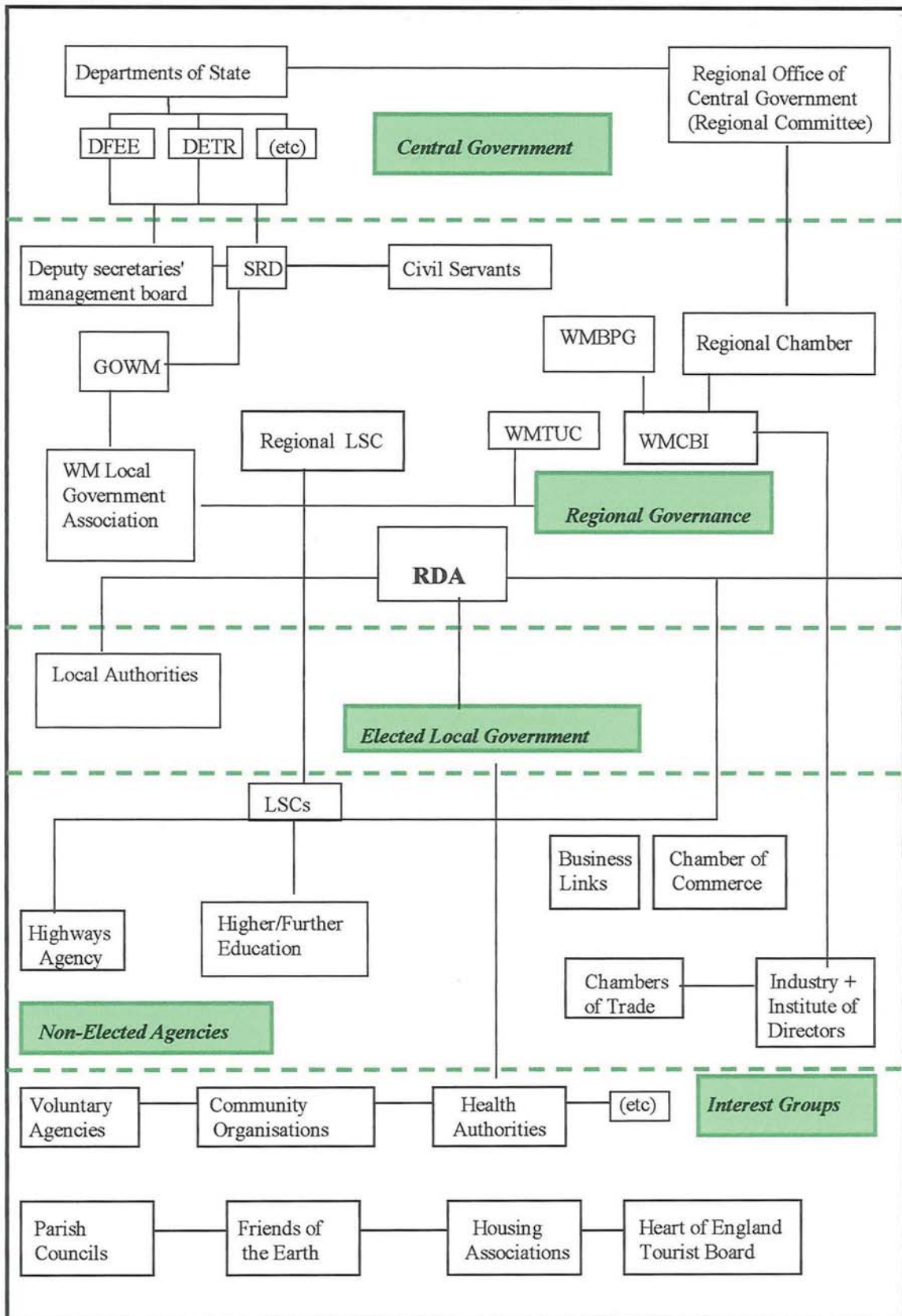
- To achieve the operational requirements of each participating department of state in the region.
- To promote a coherent approach to competitiveness, sustainable economic development and regeneration, using public and private resources.
- To develop the skills and methods of working staff to achieve these objectives.
- To develop local partnerships to meet these other objectives.
- To provide a single point of access and deliver high quality services on Citizens Charter principles (Mawson and Spencer, 1995).

The GORs were widely seen as inadequate in themselves in achieving an adequate capacity in multi-level governance at the regional level (Coulson, 1977). Thus, the Regional Development Agencies Act (1998) and the strategic guidance published the following year (DETR, 1999) signalled the incorporation of the nine English RDAs from April 1st 1999 and the arrival of a new tier of regional governance in England. Their establishment also represented the culmination of an intensive formative period of negotiation and positioning among existing agencies in the regions. The effectiveness of the RDAs in the coming period will depend, to a significant extent, on how thoroughly the existing partners have pursued this formative and exploratory planning process.

The RDAs are business-led, but they also include people with experience and expertise from local government and further and higher education, as well as trade unions and the voluntary sector. Figure 2.1 outlines the structure of the RDA network in the West Midlands, incorporating a multitude of stakeholders at different governance levels. The RDA network is an informal conglomeration of the key stakeholders in the region. Despite having no official mandate, relevant interest groups play a pivotal role with regards to RDA activities. Local partners expect to be informed, consulted, scrutinise RDA decisions and ultimately, influence regional policy.

In this sense, this informal grouping of disparate interests and organisations is a hugely powerful force. It is a force that needs to be kept 'on side' if the RDA's proposals are to be approved and implemented. The lines between the organisations (in Figure 2.1) demonstrate how the various partners might be linked together either through accountability, working relationships or collaborative activities. The intention is that they will bring greater coherence into national programmes by helping 'to integrate them regionally and locally' (DETR 1997a). Initially, no additional financial resources were promised to support the activities of the RDAs. However, the intention was to allow each English region, within a common framework of objectives, functions and funding arrangements, to develop an RDA that matched the circumstance and needs of that region, as interpreted locally.

Figure 2.1. The WMRDA Network



An RDA can thus be defined as:

‘...a regionally based, publicly financed institution outside the mainstream of central and local government administration designed to promote economic development’ (Halkier and Danson, 1997, p. 249).

The effective operation of such a regional organisation will also reflect the level of support that is provided by the other stakeholders and actors in a region, that is the existing regional institutional capacity (Roberts and Whitney, 1991) and degree of ‘buy-in’. This is particularly so in regions that have already established a dense infrastructure of bottom-up development organisations. Indeed, in such circumstances, a major difficulty experienced by many developmental organisations, and especially by new entrant agencies, is persuading existing bodies to participate in the preparation of a regional development strategy and, having agreed the strategy, to co-operate in its implementation. Regional development organisations do not readily or automatically command the support of all parties in a region. Their position and effectiveness can thus be eroded or weakened as a consequence of inter-agency conflict, or if their regional development role is contested (Roberts and Lloyd, 2000).

The West Midlands has a tradition of partnership working. The precursor to Advantage West Midlands (AWM) - the West Midlands Regional Economic Consortium (WMREC) - involved the key stakeholders in the region in the design process for the new Agency. WMREC was formed in the early 1990s in conjunction with the creation of GOWM. Its members included an array of predominantly economic interests, including local government, the regional Confederation of British Industry (CBI), the region’s Chambers of Commerce (COC), Members of European Parliament (MEPs) and the representatives of Members of Parliament (MPs) in the region. The consortium met quarterly to debate current issues and concerns. It had no statutory powers, membership was voluntary and the process worked predominantly through the power of consensus. Its purpose was to secure European funding. However, towards the end of the 1990s members began to realise the need for a transition from a wholly economic focus towards a more inclusive forum, representing social and community concerns. WMREC dissolved itself in 1999 in the advent of the creation of the RDAs and the West

Midlands Regional Chamber. The major representatives of WMREC have been subsumed into the current Regional Chamber structure. Given this strong partnership ‘heritage’, how will the historical tensions and complex partnership infrastructure of the West Midlands accommodate a new ‘broker’ in the form of AWM? Will the same commitment to and motivation for co-operation be evident in light of a centrally imposed requirement to collaborate? Will ‘compulsory collaboration’ prevent the emergence of relations based on goodwill and genuine commitment? These issues are explored in Chapters Five and Six.

In this context, a premium will be placed on the leadership and networking skills and analytical and strategic management capability of key local partners. For Mawson and Hall (2000), support and training is needed to enable various partners to manage the emerging process and structures effectively. Early lessons need to be translated as quickly as possible into operational models of management which can then be disseminated as best practice (ibid). In this argument, competitive advantage is increasingly becoming dependent on local assets and the development and promotion of these assets will need to be exploited at the regional or local level. The government has established regional bodies, the prime responsibility of which is to develop and promote, by means of ‘soft’ supply side measures, a culture of innovation and entrepreneurship founded on the ‘relational assets’ present in each region.

Webb and Collis (2000) have criticised the RDA programme on two principal grounds. The first concerns the issue of accountability, the criticism being that too much power and authority is retained by central government. The second criticism relates to:

‘...[a] business led ethos which permeates the government’s regional agenda, with the fear being that a narrowly conceived focus on competitiveness will undermine the pursuit of wider goals such as sustainability and social inclusion’ (Webb and Collis, 2000, p. 859).

Such fears appear to be borne out by the government's insistence that each RDA will 'provide a business-driven direction for the region's economy' (DETR, 1999b). In addition, it would appear that the institutions of regional governance have emanated from above rather than from below. The central state's influence over those institutions shows little sign of having been hollowed out by localist empowerment. The objectives and functions of the RDAs are prescribed by central government, their boards are chosen by, and are accountable to, central government and their ability to develop unique strategies is hindered by the constraints imposed by central government guidelines. This stands in contrast to the wishes expressed by many regional stakeholders during the consultation period (Foley, 1998).

RDAs 'will need to work within the framework of national policies' (DETR, 1999b, p. 2), 'will aim to support and enhance national policies' (DETR, 1999, p. 3) and will facilitate the 'effective delivery of government programmes' (DETR, 1997, p. 1). Lynch (1999) suggests that the RDAs themselves initially appear more as a mechanism to facilitate central intervention rather than autonomous regional action. Consequently, the claims that the RDAs are at the crest of a new wave of bottom-up regionalism, informed by the demands for greater democracy and framed by the 'hollowing out' of the state, have been challenged (Webb and Collis, 2000).

The Local Dimension

Each RDA network is geographically bounded and is thus, a *territorial* community (Rhodes, 1988). The defined territory (a standard region) challenges existing local partners insofar as it necessitates their working beyond their traditional geographical boundaries. A further challenge is provided by the injunction on actors to 'join-up' their activities and policies, to pool resources and to construct a unique policy space within which the RDAs might operate. The guidance (DETR, 1999) is explicit to the effect that these challenges can only be met through a process of local negotiation and partnership formation. The effectiveness of the formative negotiating process is thus held to be key to the ultimate success of the RDAs themselves.

Partners have sunk substantial assets in the developmental process to date - assets of time and of forward-committed tangible resources, comprising data sharing agreements, delineation of 'turf' and the like. The expectation is clearly that these investments will enable each RDA to establish a legitimate and unique role in relation to the complex fabric of existing services in the regions. What motivates the partners in incurring these costs is the prospect of new public value for their areas compared to the *status quo ante*. This requires considerable public entrepreneurship and measured risk-taking on the part of existing partners - again, key thrusts of the Labour Government's emerging urban regeneration agenda (Mawson, 1999). Central Government has effectively handed down a series of problems for solution to local agencies, while retaining key resource bases for central determination. The structuring of the challenge presented by the RDA to local partners can be conceptualised in terms of the *glass jar concept*. The glass jar image describes a situation in which broad goals are set for a target group of partners, but:

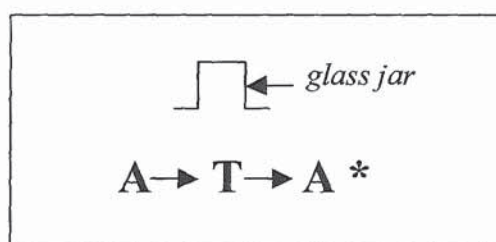
'... the way in which they are going to meet (them) (how they distribute costs and benefits) is left to themselves "under the glass jar" (de Bruijn and ten Heuveler, 1998, pp. 83-4).

Partners have policy aspirations and are manoeuvring among themselves within the confines of this policy glass jar in order that their ambitions might be achieved. Their ability to realise their own objectives within externally set parameters and the impact that this may have on fellow partners is likely to have far reaching consequences for future policy development in the regions.

This study explores what happened to the partnership infrastructure of the West Midlands once the hypothetical glass jar had been placed over the region. At an early stage it was important to conceptualise what was occurring under the glass jar. As has already been mentioned, a research model was developed. The research model provides a way of conceptualising the findings. The details of how this conceptualisation occurred and how it has been used are discussed in the section titled 'Developing a Theoretical Model' in Chapter Four.

The research model suggests that the success of policy outcomes will depend firstly, on the initial asset base in each region (this is represented by **A** in Figure 2.2). A region's asset base is an amalgamation of its institutional structure, local stakeholders, expertise, experience, resources (both financial and human resources), existing inter-organisation and inter-personal relationships, and levels of trust and collaborative commitment (social capital).

Figure 2.2. Asset base renewal through transformative behaviours



These initial assets are then mobilised to address and respond to these external challenges. Assets are mobilised through the strategies and behaviours they adopt. These responses may be termed *transformative behaviours* (represented by **T** in Figure 2.2). These behavioural responses may take the form of management strategies, strategic intent, assumptions regarding fellow partners, the management of difference, overcoming sectoral boundaries, ensuring commitment and inclusion, learning from experience, trial and error, and learning from failure. Modifications in behaviours, under the glass jar, will result in a new stock of assets (identified as **A *** in Figure 2.2). It is intended that the new stock of regional assets will reflect key policy requirements, in terms of joined-up thinking and extensive regional partnerships: in other words, that **A*** will be greater than **A**: a net growth in public value.

Central government believes that RDAs will deliver their remit most effectively if they adopt a partnership approach, developing consensus and a spirit of co-operation between regional bodies and organisations (House of Commons Select Committee Report, 1998). 'The best way to address problems is through partnership' (DETR, 1999c). Local agencies now have an opportunity to contribute to a Regional Economic Strategy (RES) focusing on regionally

specific issues (Nathan *et al*, 1999). These processes will require the systematic identification and exploitation of new opportunities for exploiting public value.

The notion of management co-ordination through negotiation is seen as a vehicle for improving the effectiveness and efficiency of public policy at a time of financial constraint (Mawson, 1999) - getting *more from less*. The emphasis is on creating a regional advantage through building local partnerships and 'organisational capacity'. The RDA approach is based on the negotiation of a shared strategic purpose involving the commitment of all key regional stakeholders. This shared policy direction requires multi-agency consensus on what the policy problems are in their redrawn localities. Securing such a consensus and cementing a partnership around that consensus may prove difficult where local agencies possess different capabilities to build and sustain external relationships. Assets are, in terms of Figure 2.2 unequally distributed. Partnership structures present a range of challenges including establishing leadership mechanisms, reaching agreements, maintaining momentum, openness and accountability and ensuring that all parties are fully engaged in decision making (Huxham, 1996). Specific types of behaviour, consciously harnessed through 'collaboration competencies', may enable these obstacles to be surmounted.

The local process of building an RDA has the potential to generate added public value through the improved 'mesh' of existing local activities and the addition of new functions. Local stakeholders have attempted to influence the evolution of the RDA through a process of formal and informal collaboration. There are a number of possible incentives for local agents to become involved in the RDA process including enhanced funding and resources, improved regional identity and protection of functional territories. RDAs are intended to be strategic bodies with an emphasis on innovation and entrepreneurship. There is a recognition that achieving regional advantage requires organisations to operate collectively. Local partners will need to demonstrate that they are creatively adapting *en bloc* to the constantly transforming external environment and generating new and appropriate models of collective behaviour.

The Inter-personal Dimension

The preceding comments were based on perspectives that are primarily economic, structural and/or institutionalist in nature. It needs to be recognised, however, that individuals play a key formative and mediatory role in relation to the development of inter-institutional networking. It is to the role of inter-personal relations that the discussion now turns. One of the most influential contributions to the study of political culture of the 1990s was Robert D. Putnam's research into the positive impact that interpersonal trust supposedly has on economic welfare and the effectiveness of political institutions. The thesis of *Making Democracy Work*, his most influential publication to date, states that progress depends largely on the 'social capital' manifest in the Italian regions that he studied therein. He examines the relationship between civic traditions and economic development in a lateral comparison of the Italian regions. Putnam (1993, p. 157) concludes that:

‘... a region's chances of achieving socio-economic development during this [20th] century have depended less on its initial socio-economic endowments than on its civic endowments. [The] contemporary correlation between civics and economics reflects primarily the impact of civics on economics, not the reverse’.

In Putnam's view, it is largely a region's capacity to foster horizontal social networks that explains economic growth. Hence, if individuals are able to communicate and co-operate freely in non-hierarchical associations, they may learn to trust each other and thereby strengthen the social capital of their society. For Putnam, one specific facet of political culture (namely the social capital that a society accumulates through trust, norms and networks) plays a crucial role. In his view, these distinctive features of a social entity can improve the efficiency of a society by helping to overcome collective action problems. Putnam's empirical finding echoes the central tenet of the literature on social capital. Both Bourdieu (1985) and Coleman (1990), for instance, expect social capital, once established, to facilitate further interaction. If one group member trusts another individual, regardless of the expectation that this personal 'investment' will be reciprocated at some point, the social capital stock of society grows.

Although Putnam's work contributed to the renaissance of political sociology, no conclusive judgement is yet in sight on whether or not the envisaged nexus between culture and economic growth really exists (Schneider *et al*, 2000). Empirical research has generated very different results so far. Whiteley (1998, p. 17) argues that the impact of social capital on growth is 'at least as strong as the influence of human capital or education'. Studies by Granato *et al* (1996a, 1996b) and Swank (1996), conversely, are much more sceptical and stress the need for examinations that at least try to account for the mediating influence that institutions exert on human behaviour. At the other end of the spectrum, Schneider *et al* (2000) find that economic rather than cultural factors are the most powerful determinants of growth in the European regions. They find only one dimension of political culture, the intensity of social communication, to have the expected positive impact. They conclude that:

'(w)hile strong communicative ties within a regional society turn out to be positively related to growth, "trust" seems to have a negative impact on regional economic performance' (Schneider *et al*, 2000, p. 308).

Boix and Posner (1998) criticise Putnam's work on the ground that social capital, like any other form of capital, can be produced and destroyed within a short period of time. In their view, it is implausible that certain levels of social capital can survive six hundred years of history – as Putnam sought to argue in the Italian case.

If social capital can function as a cultural-economic asset, it is plausible to hypothesise that it could prove to be a valuable resource for local actors engaging with the complexities of regional governance. The uncertainty of the new institutional environment brings risks and apprehensions. Trust and social capital could provide a mechanism to counter this added uncertainty. The downside for partners is the fact that relationships with unfamiliar partners can often result in mistrust as well as destroying existing levels of social capital in the region. These issues will be more fully explored in the literature review that follows.

Conclusions

The main areas discussed in this Chapter are summarised in the following key points.

Global Dimension

- Globalisation brings the role of the nation state as the most appropriate instrument for economic policy into question.
- Existing national powers have been re-allocated to and between supra- and sub-national bodies.
- The region is contended to be the prime focus for economic development.

European Dimension

- Success in influencing European policy and resource allocation depends on the resources and capacity of sub-national institutions.
- The 1988 cohesion policy reforms brought about a radical change in the conduct of regional policy in the UK.
- 'Multi-level governance' is increasingly apparent throughout the EU.
- EU co-design procedures have been imposed on the UK, with a prime focus on partnership.

UK Dimension

- The perceived inability of the nation state to 'steer' the administration system in a globalised and Europeanised environment requires a new approach to economic policy.
- Increased emphasis is being given to a regionally embedded institutional fabric, based on public-private association, networking and co-operation.
- There is a widely shared perception of UK disadvantage compared to other European competitors in terms of economic advantage.

- Questions remain over the durability of various existing partnership structures, given that they comprise partners with different perspectives and interests.

Regional Dimension

- The introduction of RDAs is intended to bring greater regional coherence.
- Competitive advantage is dependent on local assets, which will need to be exploited at the regional level.
- The success of RDAs will reflect the level of support that is provided by stakeholders across the region.
- Support and training is needed to enable various partners to manage the emerging structures and processes of ‘trial and error’.
- There are key criticisms of the RDAs relating to the retention of too much power by national institutions and the fear that a narrowly conceived focus on competitiveness will undermine the pursuit of wider goals.
- Regional governance can be seen to have emanated from above rather than from below.

The Local Dimension

- The challenge for local actors is to ‘join-up’ their activities and policies.
- Partners have already sunk substantial assets into the developmental process.
- Partners have regional policy aspirations and are manoeuvring themselves into a position of influence.
- Achieving a shared policy direction requires multi-agency consensus that may prove difficult to negotiate.

Inter-personal Dimension

- Individual action is vital in the pursuit of negotiated co-ordination and collective action.
- Trust is argued (by some) to have a positive effect on economic growth.
- Social capital, like any form of capital, can be destroyed as well as produced.
- It is possible that trust and social capital assets can be utilised to overcome the practicalities of collaboration.

Chapter Two has identified a number of new policy challenges facing local partners in the English regions. Success, measured in terms of policy outcomes, will depend on the region's initial asset base and the strategies and behaviours adopted in pursuing those outcomes, under the glass jar. The behaviours and actions of local partners will result in a renewal of the initial asset base and the production of a new stock of regional assets. A priori examination of the literature suggests a number of possible extensions to the basic asset-behaviours model set out in Figure 2.2. These are discussed in greater detail in the following Chapter.

Chapter Three

Literature Review

This literature review explores what is now a very large corpus of research emanating from a diversity of paradigms and theoretical traditions. Given the scale and extent of the research effort in the relevant field, a high degree of selectivity has been necessary. This has been achieved, in part, by imposing a tightly specified conceptual framework on the literature search, where this framework was derived directly from the research problem. The search and review of literature set out here is thus strongly goal-oriented. A number of data sources were utilised in the literature search, including on-line searches, library sources, electronic journals, professional and academic literature and government publications.

The literature review focuses on the key themes relating to partnerships and policy networks. The structure of the review is framed in accordance with the research model outlined in Figure 3.1 (below) and is divided into six key sections:

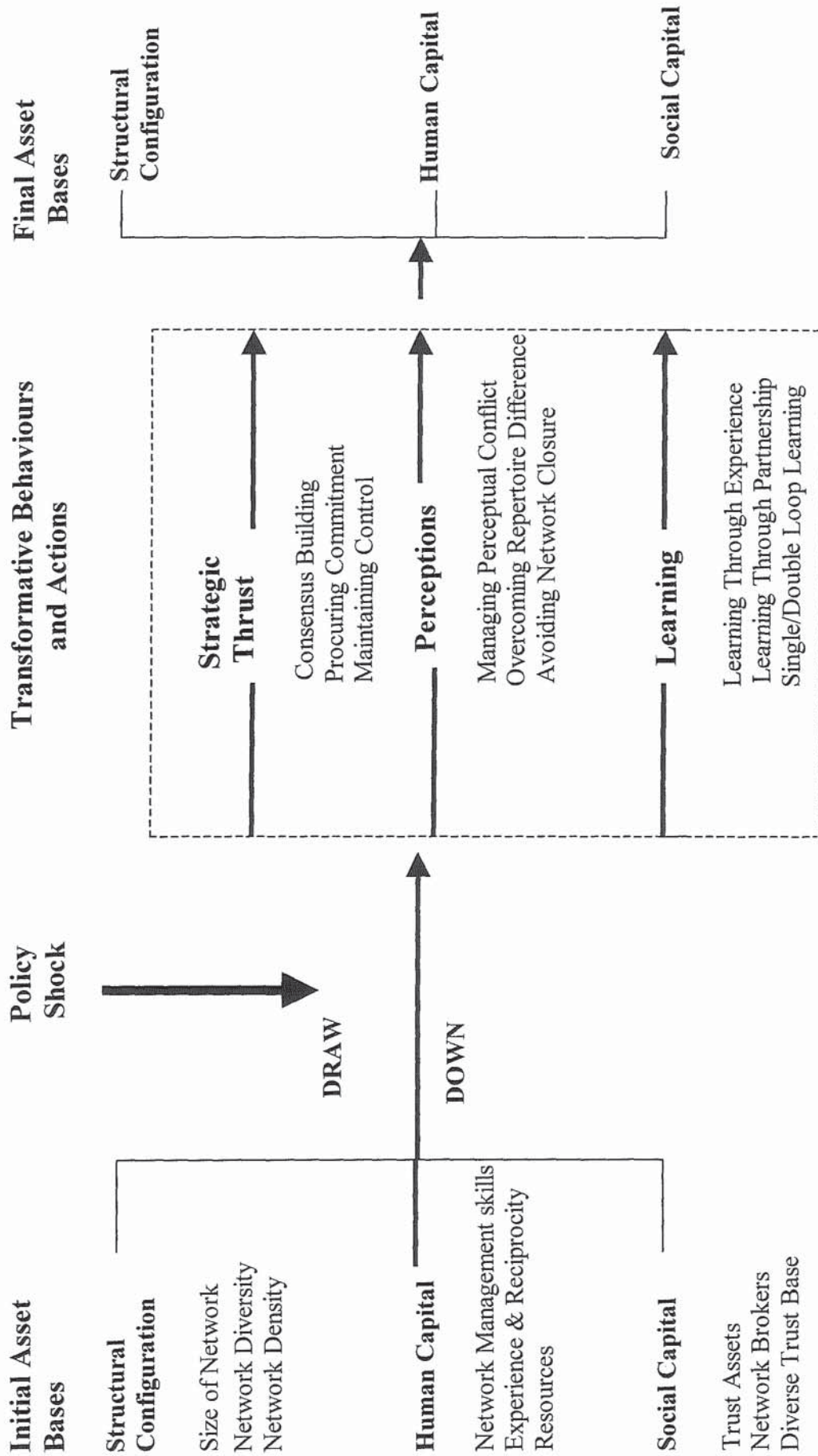
- Structural Configuration: Explaining policy outcomes through network characteristics.
- Human Capital: Developing individual competencies.
- Social Capital: Developing trust as a network asset.
- Strategic Thrust: Avoiding the pitfalls of collaboration.
- Perceptions: The perceptual challenges of collaboration.
- Learning: Nurturing a responsive organisation.

Throughout the thesis the research model is used as the key conceptual framework. In developing the model a number of distinct concepts and themes emerged which relate to the research question and theoretical framework (this is discussed in the section titled ‘Developing a Theoretical Model’ in Chapter Four). As such, it is deemed appropriate to use this conceptual framework to structure the following literature review.

First, the structural components of networks are discussed, including structural configuration, stocks of human capital and social capital. These concepts combine to form the asset base of the network. A network is made up of resources and rules that govern and regulate behaviours. The asset base reflects the stock and distribution of resources across the network. Section One explores the structural configuration of the network, its size, diversity and density. The structural configuration of the network provides an explanatory tool with which to interpret policy outcomes (the policy input-output ratio). Section Two focuses on human capital. Human capital encapsulates vital human assets, in terms of skills and capabilities, which are crucial to partnership development. The third section discusses social capital, in particular, the contention that social capital is an invaluable asset in procuring collaborative ventures.

The distribution of these assets will, as suggested, affect ensuing behaviours. Three sets of network behaviour are explored, namely, strategy; the management of perceptions; and learning. Rules and resources govern behaviour. However, in a reciprocal or feedback loop, behaviours can be used to transform the existing rule (asset) base. There are a number of strategies that partners can pursue in order to secure their policy objectives. These network management strategies are explored in Section Four. Strategic responses can operate within the existing network structure, or alternatively, seek to change the structure of the network. The process of networking involves interaction with often very different types of individual and organisation. There are a number of barriers (both perceived and real) that may prevent co-operation. Section Five appraises the management of perceptual difference as an important network management function. Perceived difference can prevent the pursuit of collaboration, which would otherwise prove valuable. The final section (Section Six) explores organisational learning. Collaboration involves a constant process of trial and error, particularly in a new policy environment. The capacity to absorb new learning opportunities will prove critical in augmenting the existing asset base and maintaining competitive advantage. The literature review explores these arguments in greater detail and provides an illustration of how the components of assets and behaviours affect, and in turn are affected by, each other.

Figure 3.1. Extended research model: asset base renewal through transformative behaviours



Section One

Structural Configuration: Explaining policy outcomes through network characteristics

Considerable importance is given in the literature to the characteristics of size, diversity and density in relation to regional governance networks. These characteristics are related to the scope and boundedness of the 'policy arena' in which the network operates. The research on network size suggests that a large and diverse network presents a number of collaborative challenges to local partners. The 'Large Numbers Problem' is perhaps the best known of these challenges. Secondly, while diversity presents a collaborative problem, the Technology Transfer literature suggests that diversity can, under specific circumstances, function as an asset. The homophily-heterophily paradox explores this strategic capacity in greater detail (Dearing, 1993).

The cohesiveness of regional policy, its 'institutional thickness' (Amin and Thrift, 1994), will depend on the density of ties between partners. The potential impact of network density is discussed in relation to *Structural Holes Theory* (Burt, 1992). The structural holes argument examines how learning can be accelerated by 'joining up' asset bases. Parallels are drawn between structural holes theory and the key thrusts of the RDA policy initiative. Finally, the potential of both homophilic and heterophilic ties for public value adding purposes is explored.

Size of Network: Setting boundaries and the large numbers problem

Network size refers to the number of actors participating in the network. The dynamic nature of regional governance networks means that partners move in and out of network interaction. There is typically a core grouping of actors, with a degree of continuous involvement. However, the influence of more peripheral partners may fluctuate. The potential size of the network is often dictated by a boundary set by the policy maker (in this case Central Government) or by the researcher. Renn (1992) provides a useful conceptualisation of

boundary-setting in policy networks, in terms of *policy arenas*. An 'arena' is a metaphor to describe the symbolic location of political actions that influence collective decisions or policies. Symbolic location means that arenas are defined neither by geographical entities nor formal organisational systems. A symbolic location is defined, in this view, by the political actions of all social actors involved in a specific issue. Political action thus provides the basis for setting a network boundary. The arena concept attempts to explain the process of policy formulation and enforcement in a specific policy field. Its focus is on the meso-level of society rather than on the individual (micro-level) or societal behaviour as a whole (macro-level).

The concept of a policy arena enables one to set a conceptual boundary around the policy network. Hence, a policy arena incorporates only those actions of individuals or social groups that are intended to influence collective decisions or policies relating to the policy arena. For example, somebody who merely believes in regional government or collective responses to policy problems is deemed irrelevant in the policy arena. If this person attempts to lobby for a regional tier of government, build a consensus among regional stakeholders, or take an active role in regional governance issues, then the arena extends to include them. Such intentional behaviour is certainly not the only way that policies are affected by public input (for example, public opinion polls or media coverage may influence policy indirectly), but these external effects are conceptualised as *inputs* into the arena rather than as *elements* of the arena.

Each arena is characterised by a set of rules: formal rules that are coded, and informal rules that are learned and developed in the process of interactions among the actors. Renn (1992) illustrates the concept of policy arenas as follows.

'Arenas are more like medieval courtyards in which knights have fought for honour and royal recognition according to specified arena rules that determine the conditions for the fight, but leave it to the actors to choose their own strategies. Accordingly, modern arenas provide the actors with the opportunity to direct their claims to the decision-makers and thus to influence the policy process' (p. 184).

Behavioural roles and routines do not wholly determine an actor's behaviour. Actors may use innovative approaches to policy-making or use traditional channels of lobbying. Arenas are regulated by norms and rules, and these limit the range of potential options and shape typical behaviours. The concept of arenas is akin to policy networks. Both concepts describe a 'chasm' or 'location' in which policy decisions are made. This allows a boundary to be set, incorporating those actors who influence the policy process, while excluding those who do not.

The use of the network concept in policy science dates back to the early 1970s. In implementation studies, especially in what has become known as the 'bottom up approach' (Hjern and Porter, 1981), as well as in inter-governmental relations literature (Friend *et al*, 1974; and the influential work of Scharpf, 1978), the concept has been used to map relation patterns between organisations and to assess the influence of these patterns on policy processes. In these two early uses of the network approach to policy, one can find the influence of theoretical notions from inter-organisational theory and insights from the interactive perspective on public policy (Klijn, 1997). The interactive policy approach in policy science is visible in the work of authors such as Allison (1971), Cohen *et al* (1972) and Lindblom (Lindblom, 1965; Lindblom and Cohen, 1979). In their work, policy appears as the result of an interaction between a multitude of actors. Conflicting interests characterise policy processes and problem definitions.

Kickert *et al* (1997) define policy networks as:

'(more or less) stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes' (p. 6).

Klijn and Teisman (1991) offer an alternative definition:

'(more or less) stable patterns of social relations between mutually dependent actors which form themselves among policy problems or clusters of resources and which are formed, maintained and changed by a series of games' (p. 43).

Benson (1982) refers to policy networks as:

‘a complex of organisations connected to each other by resource dependencies and distinguished from each other by breaks in the structure of resource dependencies’ (p. 148).

There are many definitions and interpretations of policy networks. Each approach presents alternative visions and scenarios based on a complex and integrated system of policy formation. The practical barriers to networking are highlighted by Jacobs who argues that, ‘modern patterns of regional networking and partnership do not always satisfy the established network theory scenarios’ (1997, p 40). This may be regarded as a criticism of networking ‘on the ground’. Rhodes (1992) and Marsh and Rhodes (1992) classically interpret public policy by reference to networks at the national, regional and local levels (inter-governmental relations theory).

The size of the network has many implications in terms of dynamics and outcomes. The involvement and influence of actors within the policy arena is potentially in constant flux. Some network relationships may then be in a state of constant reworking. This problem is particularly associated with large networks, as Scharpf notes. He refers to this as *The Large Numbers Problem*.

‘The difficulty of negotiated co-ordination greatly increases with the number of independent parties, and hence with the number of transactions that must be simultaneously concluded’ (Scharpf, 1993, p. 116).

The large numbers problem is exacerbated when the partners involved are diverse in nature. The challenge is to cement together an array of often very different organisations and individuals with clearly divergent strategic intentions and motivations. The difficulties of network constitution, and the associated problems of negotiated co-ordination, are further examined by Marsh and Rhodes (1992) in their interpretation of policy networks. Policy

networks encompass an array of social arrangements that range from ‘policy communities’ to ‘issue networks’. Rhodes describes policy communities as:

‘(n)etworks characterised by stability of relationships, continuity of a highly restrictive membership, vertical interdependence based on shared service delivery responsibility and insulation from other networks and invariably from the general public (including parliament). They have a high degree of vertical interdependence and limited articulation. They are highly integrated’ (Rhodes, 1988, p. 78).

Other networks differ in that they are less integrated. The least integrated (most loose-fit) form is the issue network. Rhodes suggests that:

‘...the distinctive features of this kind of networks are its large number of participants and their limited degree of interdependency. Commonly, there is no single focal point at the centre with which other actors need to bargain for resources’ (1994, p. 204).

If networks are to explain policy outcomes, or intergovernmental relations, then the characteristics of the networks themselves should provide an explanatory insight (Marsh and Rhodes, 1992). The research conducted by Scharpf and Marsh and Rhodes strongly suggests that the size and structure of the network has a significant impact on the likely success of co-ordinated action. A large and diverse network limits both the probability and efficiency of a collective response.

Network Diversity: Exploring the homophily-heterophily paradox

Why should agencies collaborate in networks in the first place? The literature on strategic management provides one answer: that organisations seek to access resources in order to activate their mission (Benson, 1982). Resource-based strategy requires resource *leverage*. Theorists are divided as to what kinds of organisations are most likely to come together for resource leverage purposes. One theoretical perspective, ‘exchange theory’, predicts that dissimilar organisations link together, in inter-organisational networks, to acquire needed

resources from each other (Wholey and Huonker, 1993). Organisations must enter into exchanges to acquire resources that they need and do not have (Cook, 1977; Emerson, 1962; Levine and White, 1961; Van de Ven and Walker, 1984). This reasoning suggests that organisations that are different may therefore become linked. A second answer is that similarity or 'homophily' determines linkages. For example, links tend to be established between agencies with socially similar personnel (Galaskewicz and Shatin, 1981) and with similar ideologies (Lincoln, 1984). Similar organisations link together to co-operate in pursuit of a common goal.

The 'homophily-heterophily paradox' provides a useful insight into the attractiveness or otherwise of potential partners in a network. *Homophily* is the degree to which people are alike. People who are highly homophilic tend to trust each other and accord a high degree of relevance to each other's opinions and ideas (Sydow, 1998). In general, communication among homophilic people is easier, more precise, more rapid and has more readily understandable (short range) rewards, than attempted communication with dissimilar others. People primarily communicate with others who are alike. It follows that homophilic groups tend to know the same things and thus adopt the same innovations. The perception of homophily with others is what binds together reference groups, which are real or imagined social collectives (Dearing, 1993), through continual communication and mentor relationships.

Heterophily is the degree to which people are different. Two people who are radically heterophilic tend not to understand readily the relevance of each other's opinions or ideas to their own problems. Mere communication, let alone the decision to adopt a new idea, is difficult between heterophilic people (Hansen, 1999). Heterophilic people tend to know different things and different people. Besides the disincentive of having to learn the technical jargon of another topical area in order to engage in heterophilic communication (and possible eventual collaboration), even greater obstacles to heterophilic communication exist. These include the lengthy prior time investment required, the risks of unappreciated results and political and organisational barriers. Given these barriers, the potential knowledge gained from participating in a heterophilic relationship is high, but unlikely to be realised.

McEvily and Zaheer (1999) propose that the degree of heterogeneity in an organisation's network of interactions is positively correlated with organisational competitiveness. A general goal should be to establish patterns of face-to-face communication with relevant heterophilic individuals. *Mavericity* is the property, held by some individuals, of making unusual associations between ideas, of doing the unexpected (Price de Solla, 1963). Mavericks take unusual advantage of heterophilic communication, and realise the high potential of engaging in heterophilic relationships.

Dearing (1993) explores homophily and heterophily with reference to the levels of *technological transfer* between organisations. Dearing defines technological transfer as 'the communication of information, which is then put to use' (p. 479). The distinctive characteristic of technology is 'use' or 'purpose'. That is, something useful must be done with the information for it to be considered technology. Transfer must represent a two-way learning or multi-lateral learning process. Sources of technology often learn from the receivers, which blur the initial distinction between them. Dedicated involvement over time is often required on the part of 'sources' for 'receivers' to be persuaded to put the technology to use. Technology transfer is a complicated relational concept, which involves communication, information, use and time. Whether or not technology transfer occurs, or the degree to which use results from efforts to transfer technology, or how effective a technology transfer strategy might be, are all best measured through the *perceptions* of the participants involved in the process (Eveland, 1987).

The fundamental problem of technology transfer is (as a social transaction of know-how) one of negotiating difference; differences between sectors, differences between cultures, differences between institutions or organisations and differences between individuals. Strategies for negotiating these differences are, Dearing (1993) claims:

'based on an assumption of *difference reduction*, the lessening of perceptual gaps among communicating participants' (p. 484).

Solutions build on proximity, which leads to communication, hence to a shared understanding and a reduction of differences among participants (difference reduction). Technology transfer occurs, he suggests, relatively easily and regularly among such like-minded people. It is when people, departments, organisations or other social aggregates are quite different from each other that technology transfer becomes a serious problem. Most people only value communication when it originates from a similar person, yet as Granovetter (1973) incisively observes, one stands to learn information that is of the greatest personal value, from people who are dissimilar.

Through difference reduction, participants become more alike in some respects, and technology transfer is facilitated. Collaborations based on difference reduction attempt to match the individual organisations on as many criteria as possible. Mowery *et al* (1996) suggest that strategies of difference-reduction (the pursuit of similarity) often forsake much of the possible learning that could take place in a relationship between heterophiles. Harrigan (1988a) analogously suggests that partnerships are more likely to succeed when partners possess differing but complementary resource capabilities and missions. Dissimilarity offers the broadest possible potential learning experience for both participants. One stands to learn the most from someone who is least like oneself. The obvious problem with this concept is that the more heterophilic a relationship, the more difficult communication will be among participants.

Difference Maintenance

Since people in homophilic relationships begin from very similar positions and typically proceed with difference reducing strategies, they exhaust their informational and learning worth to one another relatively quickly. Information that is useful and novel to each other will, by definition through continued and constant interaction, be considerably reduced. For the purpose of long-term technology transfer and, more widely, learning Dearing (1993) argues that strategies which reflect *difference-maintenance* could be pursued. Difference-maintenance is focused on the retention of perceptual gaps among communicative participants. Strategies should seek a shared sense of difference among participants through

clear-cut and distinct purposes, goals and rewards (McEvily and Zaheer, 1999). In such relationships, technology transfer will be difficult. If communication barriers can be overcome, however, the rewards will be considerable. Yet, strategies for negotiating the transfer of know-how between partners continue to be based on an assumption of difference reduction. Its common- place acceptance precludes alternative ways of thinking about learning, which may lead to very different applied strategies and theoretical problem solving.

Network Density: Spanning structural holes

Network density provides a third key dimension, along with network size and diversity, for evaluating the structural configuration of a network. The density of a network refers to the number of the ties that bind actors (Granovetter, 1973). A key policy requirement of RDAs is to build strong horizontal relationships between institutions across the region. Horizontal planning requires identifying the different asset bases and networks of partners, each of whom will have their own histories, language and ethical codes and distinct ways of learning. Building bridges across these divides requires establishing new relationships or ties in the network. This is a key requirement of joined-up governance (Mawson, 1999). Network density provides a direct measure of joined-up thinking. Burt's concept of *Structural Holes* is a seminal tool for analysing the degree of social 'joining-up'.

The 'homophily-heterophily' paradox indicates that those relationships that promise most in terms of new public learning and added public value are also those that are among the most problematical to negotiate. Individual agents are, socially and institutionally, connected to certain others, trust certain others, are obligated to support certain others and dependent on exchange with certain others. Burt (1997) suggests that agents who are strongly connected to each other in this way are likely to possess similar bundles of information (and, by inference, be homophilic) and therefore provide *redundant* (overlapping) information. What holds for individuals is also assumed to apply to organisations. Local partners operating within their existing partnership boundaries, with a strong connection to one another, will thus derive few collaborative benefits in terms of information and added value. A diverse and extensive network of communication, on the other hand, continues to provide access to information well

beyond what an organisation or individual could process alone. There are, however, substantive barriers confronting the building of such a differentiated network, notably, those captured in the literature on heterophilic learning.

A social network can be viewed, in cybernetic terms, as a series of *clusters*. These clusters or *subgroups* of organisations enjoy common goals or agendas (Kickert *et al*, 1997). They are largely homophilic, have similar characteristics and are in close and frequent contact with one another. Each cluster of contacts is a single source of information because people connected to one another tend to know the same things at about the same time. Each cluster within a network will, all things being equal, have only limited contact or communication with other clusters within the network.

Non-redundant (Value Adding) Information Links

Non-redundant contacts offer information benefits that are additive rather than redundant. It is these that offer most scope for synergy and added public value. They are most likely to involve heterophilic agents. Structural holes are defined as ‘the gaps and barriers that currently preclude non-redundant contacts’ (Burt, 1997, p. 341). A structural hole between two clusters in any network need not mean that agents in the two clusters are unaware of one another. It simply means that they are so focused on their own activities that they have little time to attend to the activities of agents at work in the other cluster. A structural hole indicates that the people on either side of the hole circulate and are embedded in different flows of information.

It follows that an organisation or individual that can span the structural hole, by negotiating strong relations with contacts on both sides of the hole, has access to both information flows (Sydow, 1998). As a rule, the more holes that are spanned, the richer the information benefits to the network. There is then a correlation between the bridging of holes and the added value to be had from a given network. Diversity means that the quality of information is higher. Where structural holes are bridged, a new, more diverse (non-redundant) cluster may emerge. Such non-redundant clusters provide broader information that is especially suited to tackling

transverse problems and in supporting horizontal planning. As the *broker* between otherwise disconnected contacts, a network manager is an entrepreneur in the literal sense of the term – a person who adds value by brokering the connections between others. Communication or information exchange *between* clusters in the network will provide non-redundant information and potentially enable the development of new, more heterogeneous clusters. The notion of traversing structural holes as a means of generating public value provides a specific interpretation of joined-up governance.

The structural holes perspective draws on several lines of network theorising that emerged in sociological research during the 1970s, most notably: Granovetter (1973) on the strength of weak ties; Cook and Emerson (1978) on the power to be had from exclusive exchange partners; and Burt (1980) on the structural autonomy created by network complexity. Table 3.1 identifies the symmetries between the key concepts of structural holes theory and the key thrusts of the RDA policy initiative. Hence, the theoretical application of structural holes is considered a useful platform for the evaluation of RDAs in the English regions.

Networks rich in structural holes present opportunities for entrepreneurial action. The behaviours through which managers develop these opportunities are many and varied (Mintzberg, 1973), but the opportunity itself is, at all times, defined by a hole in the social structure around the organisation or individual. In this argument, networks that realise the opportunities presented by structural holes are entrepreneurial networks, and entrepreneurs are people skilled in building the interpersonal bridges that span structural holes. Network managers who bridge structural holes have more opportunity to add value, are expected to do so, and are accordingly expected to enjoy higher returns to their human capital. The new social networks that enable the bridging of structural holes bear a form of capital, an asset that depreciates if it is *not* used. Burt (1997) identifies *social capital* as a (positive or negative) quality created between people. Social capital is the value arising from the shared know-how, agreements and patterns of social interaction that a group of people bring to bear on a problem or an opportunity (Coleman, 1988; Putnam, 1995). Structural holes theory gives concrete meaning to the concept of *social capital*, a way of actualising the concept through practical activity.

Table 3.1. Parallels between the objectives of the RDA initiative and structural holes theory

<i>RDA Planning Priorities</i>	<i>Structural Holes Analogues</i>
Joined-up thinking.	Linking structural holes for engagement.
Holistic governance.	Spanning structural holes for action.
Inclusive governance.	Communication channels between network clusters.
RDA = strategic, co-ordinating body.	Central enabling mechanism to span structural holes.
Avoiding duplication, 'localness'.	The more holes spanned, the richer the information/benefits; greater capacity for horizontal synergies.
Innovation/entrepreneurship.	Mining opportunities in networks with lots of structural holes.
Add public/social value.	Joining up structural holes to add value.
Innovative policy development.	Diversity and higher quality information by spanning structural holes.

The concept of bridging structural holes has its basis in theories of social networks, which argue that new information is obtained through 'weak ties' (Granovetter, 1973). Granovetter posits that new information is obtained through casual acquaintances (weak ties) rather than through close personal friends (strong ties). The 'strength of weak ties' thesis is based on the premise that strong ties characterise a dense cluster of actors who are mutually connected to each other, thus providing redundant information. Conversely, weak ties are often links with actors who move in social circles other than those of the focal actor. Weak ties enable the discovery of opportunities because they serve as bridges to new and different information.

However, Hansen (1999) argues that when complex forms of information and knowledge are considered, the instrumental benefits of weak ties (heterophilic, non-redundant partners) are called into question. Weak ties may prove problematic when attempting to transfer more

complex forms of knowledge and information. There is a dual problem of searching for (looking for and identifying) and transferring (moving and incorporating) knowledge between organisations. It is important, in this view, to take into account the complexity of the knowledge that flows through network relationships. Maintaining a strong inter-organisational tie (whether it is redundant or not), however, is significantly more costly than maintaining a weak one (Boorman, 1975). It requires frequent visits to, and meetings with, people in another organisation on a regular basis. Thus, even if it is possible to have strong non-redundant contacts, weak non-redundant contacts are more cost-effective and may still provide some search or informational benefits.

Knowledge with a low level of codification corresponds closely to the concept of tacit knowledge, that is, knowledge that is hard to articulate or can only be acquired through experience (Polyanyi, 1966; Nelson and Winter, 1982, Von Hippel, 1988). Transferring non-codified and context-dependent knowledge has been shown to be difficult (Teece, 1977; Zander and Kogut, 1995). In evaluating the relative benefits of weak and strong ties, Granovetter (1982, p. 109) acknowledges this feature of strong ties by pointing out that 'strong ties have greater motivation to be of assistance and are typically more easily available'. In addition, strong ties often allow for a two-way interaction between the source and the recipient (Leonard-Barton and Sinha, 1993) which is important for the assimilation of non-codified knowledge. Moreover, transferring non-codified and dependent knowledge is less difficult between strong ties to the extent that the parties to the transfer understand each other. In contrast, in weak ties, the necessary interactions for transferring complex knowledge are absent. The interaction between the parties is likely to be infrequent. When problems occur and questions arise, the source is not immediately available. The result is statements like 'it would have been faster to do it ourselves'.

Thus, weak and strong ties can be said to have their respective strengths and weaknesses in facilitating knowledge transfer. For example weak (non-redundant, heterophilic) ties provide opportunities for entrepreneurship, access to new information, and are a source of competitiveness. However, weak ties may prove problematic for the transfer of complex knowledge, suffer from communication deficits and require long-term commitment.

Table 3.2. The strengths and weaknesses of homophilic versus heterophilic ties

	<i>Homophilic Ties</i>	<i>Heterophilic Ties</i>
<i>Strengths</i>	<p>Similar organisations link in pursuit of a common goal.</p> <p>More likely to trust each other.</p> <p>Communication is easier.</p> <p>Transfer of information and knowledge is easier.</p> <p>Partners look for perceptual similarities.</p> <p>More efficient when the knowledge is complex.</p>	<p>Dissimilar organisations link to acquire needed resources.</p> <p>Potential knowledge gained is high.</p> <p>Source of competitiveness.</p> <p>Increased potential for learning.</p> <p>Provides non-redundant information.</p> <p>Scope for synergy and added public value.</p> <p>Opportunities for entrepreneurship.</p> <p>Weak, non-redundant ties can be cost-effective.</p>
<i>Weaknesses</i>	<p>Similar partners share the same information – potential for ‘group think’.</p> <p>Limited scope for added value.</p> <p>Holistic governance will not be achieved through homophilic ties.</p>	<p>Communication is difficult.</p> <p>Face-to-face communication is often essential.</p> <p>Requires long-term commitment.</p> <p>Problematic for the transfer of complex knowledge.</p> <p>Strong non-redundant contacts are costly to maintain.</p>

To overcome these problems, actors must develop strong, non-redundant contacts (characterised as highly intensive weak ties) which is a costly, time consuming process. In contrast, strong (redundant, homophilic) ties are more likely to trust each other, benefit from easy communication and are able to transfer complex knowledge. However, strong ties have limited scope for added value and entrepreneurial opportunities.

This section has discussed the strengths and weaknesses of homophilic and heterophilic ties (summarised in Table 3.2). The strategies of difference maintenance (Dearing, 1993) and spanning structural holes (Burt, 1992) encapsulate the negotiating processes underpinning the development of regional governance restructuring and the start up phase of RDAs. Tackling

regional policy problems (Painter *et al*, 1997), and *wicked issues* (Stewart, 1993) requires an innovatory approach, incorporating the principles of joined-up, holistic governance. The issue of diversity, combined with the large numbers problem, present local partners with considerable network challenges. Certain assets, skills and competencies will prove critical in the successful negotiation of new regional partnerships.

Individuals who can span cybernetic clusters may be termed ‘boundary spanners’. Boundary spanners (activating a specific type of human capital) are considered an invaluable asset in negotiating inter-organisational partnerships. Similarly, the new social networks that enable the bridging of structural holes bear a form of capital, namely social capital. Social capital, as an asset, is increasingly seen as a valuable commodity in overcoming some of the practical co-ordination difficulties (particularly between heterophilic partners) associated with RDA policy requirements. Both forms of asset are discussed in more depth in the following sections.

Section Two

Human Capital: Developing individual competencies

This section of the literature review explores the key components of human capital insofar as they impact on network inception and management. The discussion will cover the themes of network management skills, experience and reciprocity, and resources. *Network management skills* relate to the specific competencies and capabilities of network managers. *Experience and reciprocity* encompasses the rules, games, procedures and processes evident within the network and embodied in individual capabilities, which shape policy outcomes. Finally, the discussion on *resources* relates to how the stock and allocation of resources within a network impact on individuals’ behaviour. The positive components of human capital are manifest in productive network behaviour. The literature suggests that network management (human capital) skills are essential if co-operation is to be achieved.

Human capital represents the individual knowledge stock of an organisation as represented by and embodied in its employees (Bontis *et al*, 2001). Roos *et al* (1997) argue that employees generate human capital through their competence, their attitude and their intellectual agility. *Competence* includes skills and education, while *attitude* covers the behavioural component of the employee's work. *Intellectual agility* enables one to change practices and to think of innovative solutions to problems. Similarly, Hudson (1993) defines human capital as a combination of genetic inheritance, education, experience, and attitudes about life and business. Drinkowski (2000) offers similar classifications and suggests that human capital refers to the know-how, capabilities, skills and expertise of the human members of the organisation. Know-how is akin to tacit knowledge which is defined by Polanyi (1962) as knowledge that is non-verbalised, intuitive and unarticulated. Bontis (1999) argues that human capital is important because it is a source of innovation and strategic renewal. Bontis *et al* (2001, p. 3) describe the essence of human capital as:

‘...the sheer intelligence of the organisational members’.

From the literature on human capital, a number of key competencies can be identified. These components will be related to the characteristics of network management. They include:

- Skills
- Capabilities
- Expertise
- Experience
- Attitudes
- Intellectual Agility
- Know-how

Network Management Skills: What constitutes a good network manager?

The literature on the network approach explicitly recognises that network management is far from easy (Kickert *et al*, 1997; Huxham, 2000; Hudson *et al*, 1999). It requires knowledge of the network and numerous network-specific skills, including, crucially, negotiation skills, since network management strategies are conducted in a situation of mutual dependency. Thus, a network manager is not a central actor or director, but rather a mediator and stimulator (Forester, 1989). Even though public actors often assume the role of network manager, other actors can do so as well. Which actor has the authority and opportunity to fulfil the role of network manager is most certainly influenced by the strategic position of all actors, and the rules governing the network (Ostrom, 1986). Network management is an example of governance and public management in situations of interdependence. It is aimed at:

‘(c)o-ordinating strategies of actors with different goals and preferences with regard to a certain problem or policy measure within an existing network of inter-organisational relations’ (Kickert *et al*, 1997, p. 27).

It is important to point out the distinction between the traditional inter-organisational approach and the network approach. Hunt (1972) refers to the *classical perspective* involving the manager as a ‘*system controller* concerned with the total system (the organisation) or more frequently with parts of the organisation’ (Hunt, 1972, p. 25). This perspective consists of three main activities:

- Setting the goals of the organisation (planning).
- Structuring and designing the organisation (organising).
- ‘Getting the job done’ (leading) (ibid).

Management is depicted here as a *top-down* activity based on a clear authority structure (Robbins, 1980). In a network situation, a single central authority or a hierarchical ordering does not exist. Network management, therefore, aims at *initiating* and *facilitating* interaction

processes between actors (Friend *et al*, 1974). Similarly, Scharpf (1978) and Rogers and Whetten (1982) consider network management as creating and changing network arrangements for the purpose of improved co-ordination.

What constitutes a good network manager and which criteria should be employed in determining this? The problem with answering this question is that actors pursue different objectives, which can change in the course of the policy process. Consequently, the achieving of objectives cannot be a guiding criterion in structuring and assessing network management (Klijn *et al*, 1995). Based on the idea that networks are often characterised by *co-operation problems*, caused by the lack of a dominant decision centre, network management is considered a success if it promotes co-operation between actors and prevents, by-passes or removes blockades which obstruct that co-operation. This can be effected by taking advantage of opportunities and avoiding threats, and through actively influencing opportunities and threats at the level of the network and its environment.

Klijn *et al* (1995, p. 450-452) identify a number of manifestations of effective network management:

- *Achieving Win-Win Situations*

Instead of concentrating on one actor achieving an objective, network management needs to bring about a situation that represents an improvement on the starting position for all those concerned. This does not mean that all those involved will achieve their objectives to the same extent. This joint welfare function is not necessarily distributed equally among the parties. Good management contributes to the *stimulation of interactions* that enable the *breaking through of deadlocks*, which prevent the achieving of win-win situations.

- *Activating Actors and Resources*

Interaction assumes that actors are willing to invest their resources in a *joint process*. This means that they need to understand the potential of the interaction process. Network management should aim to promote that understanding and should therefore *stimulate enthusiasm*.

- *Limiting Interaction Costs*

The costs of interaction should be kept to a minimum. It is necessary to prevent actors pulling out in disillusionment after an enthusiastic start. Interaction costs should be *proportionate to the stake in the game*. In addition, good management of conflicts makes heavy tactical demands on network management. Suppressing conflicts is less than optimal, since it threatens the quality and transparency of the interaction process. Quasi-resolution through negotiation is the most feasible option in most cases of dispute. Regulation is however, designed to prevent conflicts becoming dysfunctional and destructive.

- *Procuring Commitment*

Network management needs to ensure commitment to the joint undertaking. Without this *voluntary binding* (ibid), co-operation may founder on the strategic uncertainties that characterise collective action. Loss of commitment may generate a danger that the uncertainties of actions will be shifted onto others or that actors will pull out at crucial moments and leave others with the risks. By procuring a continuing degree of commitment to the collective action, this danger of withdrawal can be curbed.

- *Political-Administrative Management*

In network management, particular attention needs to be focused on maintaining *political commitment*, if administration barriers are to be bypassed.

- *The Quality and Openness of the Interaction*

Network management needs to promote the quality and openness of the social interaction within networks (Majone, 1986). It is particularly necessary to avoid a stranglehold consensus emerging within the network. This may result in *group-think* type situations in which criticism is not accepted, and risks and the external impact of decisions are ignored, with all the concomitant repercussions. Group-think situations are encouraged by homophily.

The theoretical assumptions of good network management may prove to be extremely problematic to implement on the ground. Partners may continue to pursue a *self-serving strategy* in light of the inevitable forces of competition and power struggles between agencies. Some partners will be new to the collaborative game and may not have the adequate insight to view their involvement within a wider network perspective. In some cases, partners may acknowledge the necessity for involvement, but have yet to formulate a clear sense of purpose in achieving their own objectives within a policy network situation. Network managers must therefore be aware of the pitfalls of co-operation, as well as the opportunities.

A network is an organisational form, which seeks to confront many of the *wicked problems* faced by public and private organisations through the development of horizontal linkages (Stewart, 1993). However, lying at the heart of the co-ordination problem in networks is the issue of information, and how it is accessed and distributed throughout the system. Networks can enable a sharing of information and knowledge bases. Knowledge is levered through joint ventures. Since networks (like markets and hierarchies) exist to solve problems, this expanded information and knowledge base increases the probability of successful problem solving.

The rationale for networking and the benefits that it may bestow can, therefore, be summed up in Kanter's (1994) phrase, as the *collaborative advantage*. Traditional command and control organisations, such as hierarchy and bureaucracy, are unable to cope with the informational demands of ambiguity, complexity and uncertainty. Coherence requires the effective exchange of information across organisational and individual boundaries. Jackson and Stainsby (2000, p. 13) suggest that this requires network managers to:

- Build trust.
- Open channels of communication – what behaviours will produce net joint benefits?
- Create a sense of future - ensuring that individual futures are linked.
- Provide information – individuals in the alliance need to know who has been co-operating or defecting.
- Design incentives – establishing a pay-off structure that rewards those who co-operate while penalising those who do not.

Lack of trust will undermine any collaborative relationship. While a strong sense of common purpose (collective goals) is the source of coherence, trust is the essential bonding agent. The leadership task expected of managers in a network is to create the conditions that will ensure that the individual constituent elements of the network take responsibility for the behaviour of the whole, as well as their own individual behaviour. This often requires a change of *mental maps* (perceptions) on the part of participatory individuals. Managers will need to be skilled both in relationships management and in managing groups that come from a variety of heterophilic backgrounds, each with their own specific interests, values and beliefs (Kickert and Koppenjan, 1997). Managing a network is a means of achieving joint problem solving in a situation of mutual dependence. It is a search for co-ordination but it is also a quest for co-governance. This means that when setting strategies for their own organisation, managers will need to take into account the actions of the other organisations within the network and indeed, their reactions to the strategies chosen by others. This may require skills and understanding, over and above current management capacities available in any given network domain. It represents a major source of challenge to the existing human capital asset base.

Experience and Reciprocity: Building a critical understanding of the network environment

The rules and interaction patterns that influence individual agents are critical (Klijn, 1996b; Ostrom, 1986). Interactions between actors from various networks may be difficult because they do not interact otherwise, or have few rules to regulate their interactions. In other words, a co-ordination mechanism, and a degree of deferment and trust, is lacking. These structural deficiencies increase interaction costs. Rules play an important role in the development of the policy process. Rules enable actors to depart from minimal institutional agreements in their interaction. This rule base then reduces transaction costs and simplifies collaboration (Scharpf, 1997). Initially, without knowledge of the network, it is difficult to arrive at general statements about the influence and rules on policy networks. Rules are social constructions of actors in a network, and they differ from network to network.

Within the newly formed RDA networks, certain organisations and individuals will have accumulated a vast amount of experience and expertise in their person. Other partners will be

'newcomers', as part of the increased focus on holistic governance and joined-up thinking (Mawson, 1999). In this scenario, a network will be characterised by multiple accountabilities and unequal levels of experience, both at the organisational and individual levels. Some partners may be linked to a large array of collaborators, while others may have fewer interaction opportunities, thus making them less constrained by an existing rule base. Existing rules and procedures will therefore shape future policy outcomes, through a set of overlapping legacy effects.

Research has shown that rules of conflict management and mediation, as well as rules to protect autonomy and position, are important for determining the possibility of co-operation (Klijn, 1996b; Scharpf, 1997). Rules do regulate but not determine and they can be changed. Analysis of decision-making in networks must take this into account. Particular attention should focus on the process of reformulation and reinterpretation of rules, as a consequence of the strategic choice of actors. These strategies may be referred to as *games*. What is meant by a game is a continuing, consecutive series of actions between different actors, conducted according to, and guided by, formal and informal rules that arise around issues or decisions in which actors have an interest (Rhodes, 1981). Policy forms the achieved outcome of the games. The cumulative effect from all the separate games results in specific patterns developing. In this way, policy networks are generated around policy issues. In its turn, the network then forms a more permanent framework for subsequent games. First and foremost, policy networks are characterised by the *actors* who are part of it and their *relations* with each other. Through consecutive series of interactions, a pattern of relations is established. The continuing series of games that take place within the network create and perpetuate a certain balance of *resources* such as powers, status, legitimacy, knowledge, information and money within a network (Benson, 1982). Network managers must seek to manage often complex games between different actors in the network. This will require knowledge, skill, experience and acknowledgement of the sensitivities inherent in collaboration, all individual attributes.

As Giddens (1984) illustrates, a network is characterised not only by its actors, their relations and the existing distribution of resources, but also by the *prevailing rules*. Rules are generalisable procedures that are used to constrain games. These procedures, created by actors

jointly in the course of interaction, regulate the separate games within the network without determining them. They thus shape the behaviour of actors. Rules are often ambiguous and there are many rules in existence at any one time. Rules are dynamic and are interpreted and changed during the interaction between players (Giddens, 1984). This means that during the course of the games, network managers adjust their strategies to the behaviour of the other actors and, while they are playing, they are acquiring knowledge about the feasibility of their objectives (Klijn and Teisman, 1991). During the game, *learning processes* also occur in which actors adjust their objectives and perceptions to the options and opportunities perceived by them. This is discernibly ‘double loop learning’ (see below).

The network forms the context within which games develop. It provides the resources and rules that are used by the actors in the iterated (repeated) games. The network structures the game without determining its outcomes. The outcomes and/or the resultant policies are dependent on the strategies of the players. The network is not only changed by conscious efforts on the part of actors. Unintended effects of behaviour on the part of actors may also result in changes at network level. The introduction of RDAs has provided the impetus for the ‘re-framing’ of governance structures in the English regions. A new rule base has been introduced into an existing, complex domain of game playing. Successful negotiations will enable participating stakeholders to define a joint course of action which maximises their aggregate welfare. Partners are engaged in a pure co-ordination game in which optimal outcomes are associated with attitudes that encourage creativity, open communication and trustful co-operation (Groom, 1991).

From a behavioural point of view, however, the competitive orientations and bargaining tactics that are conducive to success in the distributive struggle seem to be psychologically incompatible with the attitudes and practices conducive to collaboration. For example, on the one hand, the process of networking involves negotiating maximum advantage for one’s organisation: pursuing a self-serving agenda. On the other, collaboration depends on an element of ‘give and take’ and mutual decision-making. These two scenarios present often incompatible and conflicting network strategies. Worse yet, parties who contribute in good faith to a co-operative solution to the design problem are vulnerable to being exploited in the

distributive struggle. This is the *negotiator's dilemma* (Lax and Sebenius, 1986), which will often produce sub-optimal outcomes, or may even prevent agreement in situations where co-ordinated action could be highly profitable for all parties. In this argument, the difficulty of negotiated co-ordination increases exponentially with the number of independent parties. As already noted, the *large numbers problem* will severely limit the size of the group within which negotiated co-ordination is likely to succeed in the face of complex interdependence.

Marketisation and competitive tendering, cornerstones of the New Public Management (NPM), present similar threats to negotiated or collaborative solutions. Thus, Painter *et al* (1997) suggest that:

‘(this) competitive paradigm may place a strain on relationships based on trust and reciprocity, depleting the “social capital” necessary to economise on transaction costs, as well as raising fundamental questions regarding the consequences for public policy of forgetting social and institutional co-operation’ (p. 229).

The literature suggests that, at the micro-level of network management, much turns on human capital assets and inter-personal relations. Human capital can be important not only in sustaining networks, but also in their formation. Power, expertise, perceived trustworthiness and social bonds are often person-specific rather than held across the whole organisation. Klijn *et al*, (1995) propose that:

‘(n)etwork managers will need to have the skills of diplomacy to foresee potential conflicts of interest within the network and to manage conflicts when they arise. They must also be prepared to stand back to find patterns and meaning in what will often appear to be a chaotic set of relationships. The managers of networks will, therefore, be required to have a high tolerance for ambiguity and uncertainty’ (p. 452).

Learning within and on behalf of the network requires information located in each organisation to be made available to the network as a whole. Knowledge managers are those who are able to see new relationships (that is, new potential knowledge of public value)

between the information bits scattered throughout the network and thus, to surmount structural holes. Network managers will need to negotiate information from their counterparts and encourage information sharing, for the benefit of the whole network, in terms of learning and knowledge creation. Network managers must have the skills to create 'mediated dialogues' to build up a better understanding of the nature of the common problems facing the network as a whole, and to search for consensus about how best to solve them. Network managers are therefore, 'sense makers'.

These arguments suggest that network managers require human capital skills over and above those needed to manage other, more traditional, organisation systems. They need to reconcile a myriad of different professional cultures in their search for co-operation between constituent elements of the network. Some partners enjoy a 'skills advantage' over their counterparts. For some, collaborative skills are commonplace, while for others, they present a new and complex challenge.

Resources: Negotiating the costs of collaboration

How does the stock and allocation of resources within a network impact on individuals' behaviour? This question relates to a number of propositions and arguments addressed in the literature. Firstly, the costs of collaboration are often quite considerable. In some cases, this acts as an entry barrier to the active involvement of certain individuals in the network. Secondly, not all partners have the required resource capacities, including human resources, that are vital for collaboration. In this argument, human resources concern both the skills of the individual and their available time. Finally, actors cannot achieve their objectives without accessing the resources that are possessed by other actors (Benson, 1982). However, not all partners bring equal volumes and varieties of resources to the network. Those partners with limited resources must adopt a highly strategic (focussed) approach to ensure network participation. Network managers affiliated to organisations with limited resources are faced with a particular set of skills challenges. The discussion begins with exploring the collaborative costs associated with partnership development.

In order to achieve their goals, actors in networks need to participate in games: repeat interactions between actors that develop around issues in which they have an interest. This means that they have to exchange their 'go alone strategies' for 'contingent strategies': courses of action tailored to the behaviour of others (Ostrom, 1990). However, actors will not always commit to such a course of action. Joint action does have its downside. Kickert and Koppenjan (1997) highlight the multitude of decision-making costs: investments in terms of money, officer (bureaucratic) time and energy which participation in games demands. Demands on human capital vary depending on the nature of the collaboration. For example:

'in conceptually simple collaborative forms, direct interactions between the organisations are restricted to those between the individuals from each of the organisations who attend meetings of the collaboration. In more complex forms, cross-organisational interactions involve a number of (or even all) individuals from each organisation in a variety of different ways. Many may have day-to-day working relationships' (Huxham, 2000, p. 341).

In practice, the working relationships within a collaboration can be, and are, anywhere along this spectrum. Thus, collaboration can potentially place a considerable strain on the human resources of an organisation. It may be argued that the collaborative costs increase in the event of conflict and disagreement. Kickert and Koppenjan (1997) find a connection between the seriousness of a conflict and the 'comprehensiveness' of the negotiation process. Comprehensive mediation requires time, skill, expertise and brokering: all costly human resource investments. RDA networks are host to an array of diverse organisations with divergent agendas and objectives. The potential for conflict is very real. As previously noted, collaboration between heterophilic partners is often more complex and thus, more costly. Depending on these interaction costs, actors will have to decide whether or not to collaborate. The higher the costs, the fewer actors, including public organisations, that will be inclined to participate in the network.

There is a specific distribution of resources within any network. Network managers will need to make an assessment of the importance of specific resources to progress (Klijn *et al* 1995).

Actors control different types and amounts of resources, and such variations in the distribution of resources affect the patterns of vertical and horizontal interdependence. Phillips *et al* (2000) argue that a potential source of power in inter-organisational relationships is the control of scarce or critical resources. In collaboration processes, control of a critical resource (for example, capital or expertise) can provide an important advantage to the resource-rich partners. Thus, co-operation often occurs on terms dictated by and favourable to the partner who controls critical resources. In contrast, when control of critical resources is diffused among the partners, collaboration will likely involve greater levels of negotiation, compromise, pooling of resources and shared participation (Hardy and Phillips, 1998). Resource symmetry thus equates with incentives to collaborate.

Within policy networks there is a danger that the 'resource-rich' partners may dominate the negotiation process. They may achieve this in a number of ways. Firstly, large, prestigious, powerful organisations are more likely to obtain a highly skilled human resource base. The skills and experience (noted above) of key individuals are paramount for effective network management. Secondly, it may be argued that large organisations have greater *slack resources* that enable them to accommodate the considerable human investments required in the collaboration process (Nohria and Gulati, 1996).

Despite this, some partners that are *not* resource-rich may gain significant influence from their *discursive legitimacy* – their ability to speak legitimately for issues or on behalf of other organisations (Thompson, 1990). This asymmetrical legitimacy has arguably underpinned co-operation between, for example, corporations and environmental groups, where the environmentalists are able to represent the collaboration as a legitimate shared interest in ecological issues (Phillips *et al*, 2000). Network managers recognise and acknowledge that certain resources are relevant, or even necessary, to the realisation of policy outcomes. These resources provide actors with *veto powers* (Klijn and Koppenjan, 2000). The resources enable them to sanction interaction processes and they thus acquire a privileged position in the network, and in the games within that network. The greater the veto power of an actor, the more indispensable the actor is to the policy games played out within a public network. The

success of policy games is thus partially determined by the degree to which indispensable resources, and the actors who own them, are involved (Scharpf, 1997).

The RDA agenda requires a holistic response, involving social and community groups (Nathan *et al*, 1999). Although peripheral groups may not have resources that are vital to other partners, the fact that their active participation has been mandated by Central Government may give them a veto power. In this case, their veto power takes the form of ‘giving credibility’ to the process and policy outcomes. The veto power provides an interesting strategic tool available to network managers.

Within networks, series of interactions occur around policy and other issues (Rhodes, 1981; Scharpf, 1997). Network managers operate within the established resource distribution and set of rules that are, to a large extent, framed by the network. In addition, they have to operate strategically in order to handle the given dependencies in the game so that they can achieve their own objectives. During this action, they interpret the existing rules that are, after all, likely to be ambiguous (March and Olsen, 1989; Klijn 1996b). This aspect of network management reflects ‘know-how’ as a human capital asset. Actors are required to make strategic decisions based on tacit knowledge and ambiguous scenarios. In these games, the various actors have their own perceptions of the nature of the problem, the desired solutions, and of the other actors in the network. On the basis of these perceptions, actors select strategies. The outcomes of the game are a consequence of the strategies of different players in that game. The perceptions of the actors, the power, resource divisions in the network, and the rules of the network, influence these strategies.

Within the network perspective, entrepreneurs need to enhance their competitiveness within the inter-organisational network as a strategic move. This process requires a high level of intellectual agility on behalf of the network manager. The open-ended, relational features of networks, therefore, greatly enhance the ability to *transmit and learn new knowledge* and skills for innovation. It is arguably on this basis that RDAs were introduced, as Nathan *et al*, (1999) suggest.

‘A new approach was required, based on a strong sense of strategic purpose; democratic accountability; partnership working; and a proper assessment of regional and sub-regional need’ (p. 8).

Table 3.3. Key components of human capital and manifestations of network management

<i>Human Capital Components</i>	<i>Manifestations of Network Management</i>
Skills	Network management requires knowledge of the network and numerous dedicated skills, including negotiation skills. Managers must have the ability to build trust with fellow partners.
Capabilities	Managers are mediators, stimulators and facilitators. Successful management promotes co-operation between actors and prevents blockades.
Expertise	Managers must be able to consider the position, objectives and views of all partners in the network. Managers must access information and increase the organisational and network knowledge base.
Experience	Interaction patterns develop into rules of behaviour. Lack of experience (precedent) will result in fewer behavioural guidelines. This reduces trust and increases transaction costs. Too much experience can induce conservatism. Managers must have adequate experience and strategic knowledge to influence the outcome of policy games.
Attitude	Managers must have an open attitude to learning and transformation. The adjustment of perceptions and objectives is an essential aspect of network management.
Intellectual Agility	A constant process of strategic interaction is taking place. Entrepreneurial and innovative responses are vital in securing policy outcomes.
Know-how	Network managers need to negotiate information from the network. Information may be complex and ambiguous. Managers are sense makers; they must interpret the rules and processes of games within the network. In some cases, network managers must strategically manage their limited resources.

This section has demonstrated that network management requires skills, capabilities and understanding of a very specific nature. These are summarised in Table 3.3. The literature

suggests that the human capital assets of an organisation are critical in the restructuring of regional governance. Not all organisations will possess requisite individuals to facilitate collaborative ventures. It is vital to gain an understanding of what constitutes good network management, and then seek to develop a human capital asset base to carry out those functions. Another, complementary asset base that may be utilised in developing partnerships is social capital. Social capital is explored in the next section.

Section Three

Social Capital: Developing trust as a network asset

The increasing importance of trust in meeting the contemporary demands of public policy is widely acknowledged. Trust is a key component of 'social capital'. The effects of trust on economic performance are identified in this section. The key factors associated with trust assets, at the policy network level, are then explored. A number of hypotheses have been formulated in the literature relating to the pressures and constraints influencing partners' pursuit of trust relationships. Sydow (1998) argues that organisational similarity is an important pre-condition for trust and revisits the concept of homophily in this context. The important roles of brokers and boundary spanners in facilitating inter-organisational collaboration are discussed. Finally, the different types (or typologies) of trust, including contractual trust, competence trust and goodwill trust are assessed in relation to the various 'trust strategies' open to partners in policy networks.

Unlike human capital, social capital is a concept that remains open to interpretation and debate at quite basic levels (Schuller, 2000). The concept of social capital has its roots in several theoretical traditions. The key academic resources from which further work has been developed are those by Bourdieu (1985), Coleman (1988) and Putnam (1993, 1996). Putnam, who drew the concept from Coleman, defines social capital as:

'...the features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives' (Putnam, 1996, p. 66).

Pennington and Rydin (2000) highlight the considerable recent attention paid to the concept of social capital in attempting to explain the success or failure of policy delivery within the modern state. They suggest that the potential to develop social capital may be affected by both the underlying nature of collective action problems and the historic pattern of policy delivery by the local state. Trust is an important theme in the literature on social capital. A number of authors have used the concept of social capital to refer to the creation and maintenance of 'generalised social trust' (Hall, 1999). In terms of social capital, therefore, networks may be analysed in relation to trust assets being deployed to address underlying collective action problems and the prevailing political and institutional arrangements of which they are part. This section seeks to explore the theme of trust as a form of social capital.

Trust Assets: Co-operation as the new competition

The new demands of public policy have prompted a growing emphasis on relational contracting, networks, strategic alliances and horizontal co-operation (Alter and Hague, 1993; Piore and Sabel, 1984; Powell, 1990; Ring and van de Ven, 1992). From the social capital perspective, it is not possible to manage the increase in the number and variety of exchange relations or the increased complexity and uncertainty of the public policy environment without the presence of interpersonal and/or inter-organisational trust. As Ho-Park (1996) suggests, 'co-operation is the new form of competition'. Following Kanter (1994), Huxham (1996) refers to this as 'collaborative advantage'.

The emerging tier of regional governance in the UK, with its emphasis on long term strategic, enduring planning within a multi-agency approach has made trust a highly desirable property. Trust has not only become a desirable co-ordination mechanism (Bradach and Eccles, 1989) but is increasingly being viewed as a precondition for superior performance and competitive success (Piore and Sabel, 1984; Putnam, 1993; Ring and van de Ven, 1992; Sako, 1992). If trust is the precondition for closer and more effective collaboration procedures with minimum complexity and transaction costs, then it may be viewed as a mechanism that facilitates organisational performance. Fukuyama goes even further when he claims that:

‘a nation’s ability to compete is conditioned by a single pervasive cultural characteristic: the level of trust inherent in a society’ (Fukuyama, 1995, p.106).

The significance of trust in relation to *organisational* performance receives different answers in the literature. A few writers, including Williamson (1985) claim that there is no relationship at all between trust and organisational performance. Others see trust as a very necessary and desirable property of organisational interaction but nevertheless dispute that it is the most efficient governance mechanism (Zucker, 1986), or that it is invariably associated with high performance (Sako, 1992). The majority of organisation scholars do however, link trust with highly positive effects on performance. Arrow (1974) and Fukuyama (1995) even connect the absence of trust with economic backwardness or underdevelopment.

Sako (1992) suggests that a high level of trust between exchange partners inclines them towards expanding the amount of knowledge that they make available to each other. In a relationship of trust, the information exchanged may be more accurate, comprehensive and timely (Chiles and McMakin, 1996). Such easy exchange of information, in turn, makes exchange partners more open to each other and thus inclines them to explore new opportunities for collaboration. Rajan *et al* (1997) believe the effect of trust on performance will also be of increasing importance for intra-organisational relations where team-working and organisational learning are now given considerable weight. Ring and van de Ven (1992), among others, see such increased flexibility and hence the trust that facilitates it, as the distinguishing characteristic of a new and increasingly popular organisational form of governance.

It is important to evaluate the dynamics and behaviours underpinning trust in the context of a policy network. Korczynski (2000) identifies a number of characteristics that may determine the likelihood of trusting relationships in economic activity (Table 3.4). These characteristics may be attributed to a network situation. Each dimension is associated with levels of high or low trust, depending on the constituent characteristics. Each of Korczynski’s nine ‘dimensions’ is discussed at greater length below. Based on these dimensions some speculative assumptions

have been made regarding the trust environment of RDA networks. The discussion begins with an evaluation of agent's motivation in securing trust relationships.

1. Agent's motivation

Ingham (1996) characterises an 'economists' approach to motivation as one which stresses the processing and accumulation of 'adequate knowledge of probabilities' (p. 250). In contrast, a sociological treatment of trust lays emphasis on an element of belief in the face of '... just not knowing and having no objective (positive) basis for our expectation' (Ingham, 1996, p. 252). It is possible to make the assumption that the more agents are prone to base trust on rational calculation of probabilities, the less likely they are to engage in trusting behaviour; hence, the emphasis on 'ethics' in Korczynski's high-trust domain.

Table 3.4. Key factors associated with levels of trust in economic activity

<i>Dimension</i>	<i>Low-trust economy</i>	<i>High-trust economy</i>
1. Agent's motivation	Economic, opportunistic	Economic, social and ethical
2. Agent's time horizon	Short	Long
3. Agent's level of rational calculativeness	Narrowly rational	Trust even where there is no objective basis for expectation
4. Key property of the market	Creates power imbalance; threatens agents	Provides information to allow knowledge of trusting
5. Relative power of agents	Skewed	Similar
6. Status of enforcing agency	Illegitimate, inefficient	Legitimate, efficient
7. Role of reputation	Reputation does not function	Reputation functions
8. Status and role of collective institutions	Weak status, narrow role	Strong status, wide role
9. Likelihood of repeat exchange with same agent	Low	High

(Korczynski, 2000, p. 16)

2. Agent's time horizon

There is strong agreement in the literature (Fukuyama, 1995; Giddens, 1990; Granovetter, 1985; Zucker, 1986) that the more agents have a long-term perspective, the more likely they are to engage in trusting behaviour. As Powell (1990, p. 305) states, 'social scientists do agree... that reciprocity is enhanced by taking a long-term perspective'. Security and stability encourage the search for new ways of accomplishing tasks, promote learning and the exchange of information, and engender trust.

3. Agent's level of rational calculativeness

The more that agents act on social and ethical motives as well as economic motives, then the more likely they are to engage in trusting behaviour. Agents who act only on narrow economic motives will not develop trust based on personal relations (Korcynski, 2000).

4. Key property of the market

Where the key property of the market is the creation of power imbalances, and the constant threatening of the economic existence of agents, then trust will be less likely. It has already been observed that competitive tendering may impact negatively on securing joint collaborative solutions.

5. Relative power of agents

Where parties have similar relative power, the temptation to enforce co-operation through coercion will be absent. This is relevant because co-operation enforced through coercion is by definition grounded in mistrust since it is the exploitation of one party's vulnerability by another. Bradrach and Eccles (1989) highlight the undeniable role of power in achieving co-operation in economic behaviour.

6. Status of enforcing agent

Trust will be enhanced where an enforcing agency is legitimate and efficient. The existence of a functioning enforcing agency is critical in supporting the creation of trust based on incentive/ governance structures.

7. *Role of reputation*

Dasgupta (1988) argues that trust in an economy will be higher where reputation functions. The logic here is that X is more likely to trust Y if reputation functions such that if Y defects, Y's reputation will be damaged, and hence Y's longer term interests will be harmed.

8. *Status and role of collective institutions*

Where the collective institutions of an economy have a strong status and a wide role then there will tend to be greater *system trust* than in economies with collective institutions of a weak status and narrow role (Giddens, 1990; Lane and Bachmann, 1996; Luhmann, 1979; Zucker, 1986). (System trust is discussed in greater detail in the next section.)

9. *Likelihood of repeat exchange with the same agent*

Trust will tend to be higher in economies where there is greater likelihood of repeat exchange between the same agents than where this likelihood is lower. The focus here is primarily on the creation of trust based on personal relations (Granovetter, 1985).

The above dimensions can usefully be related to RDA policy networks. A set of hypothetical assumptions has been made regarding the probability of trust levels within a RDA network. These hypotheses are based on an inspection of the literature on RDAs. Table 3.5 illustrates the variety of influences (both positive and negative) relating to the trust environment of a RDA network. The dimensions characterised by 'High/Low' levels of trust in Table 3.5 represent the uneven distribution of trust across different partners in the network. It would appear that, overall, the likelihood of trust is more positive than negative. However, the development of trust relationships is fraught with pitfalls and complexities. Another relevant variable, within a RDA network, is the level of heterogeneity between organisations. Network managers must negotiate different organisational cultures and conflicting policy objectives. Network managers who achieve inter-organisational linkages are referred to as *boundary spanners* (Sydow, 1998) or *network brokers* (Burt, 1992). These two terms will henceforth be used interchangeably.

Table 3.5. The key factors associated with levels of trust within RDA networks

<i>Dimension</i>	<i>RDA Domain</i>	<i>Levels of trust</i>
Agent's motivation	In some cases, partners will have the experience to base trust on rational calculation. Others will be new to the network and will adopt a more opportunistic approach.	High/Low
Agent's time horizon	The majority of partners will have a long-term perspective.	High
Agents level of rational calculativeness	The policy requirements include social and sustainability issues. Arguably, this removes an element of concern away from purely economic motives to more social considerations. However, the main driver for development incorporates an economic focus.	High/Low
Key property of the market	Turf wars and concerns over territorial functions are inevitable. This may impede trust development.	Low
Relative power of agents	Vast power differentials are evident within the network.	Low
Status of enforcing agent	RDAs are considered the broker (enforcing agent). The level of influence and control of a RDA over local partners remains to be seen.	High/Low
Role of reputation	The reputation of partners will be of paramount importance.	High
Status of collective institution	RDA networks will have strong status and a wide role.	High
Likelihood of repeat exchange	Most actors will expect some form of repeat exchange with the same partners in the future.	High

Network Brokers: Adopting a boundary-spanning role

The social organisation of relations in a network results from different organising modes grounded in procedural, personal, and technological resources. It follows that inter-organisational networks should not only be looked at as institutional arrangements or as a governance structure but as a (repeat-game) process. Inter-organisational trust may be spread across a network, or simply be restricted to a small number of insiders. Personal trust, whether

manifest in the technical competence or goodwill of a person, generally refers to personal agents and is usually dependent on *facework commitments* (Giddens, 1990, p 80). Facework commitments refer to the outcomes of inter-personal contact between individuals belonging to different organisations. These interactions can lead to new relationships and partnerships across organisational boundaries.

Not all individuals have the capacity or the opportunity to adopt a boundary-spanning role. First, it is clear from section two that the individual must have the required brokering skills. Second, the individual must be adequately positioned, within the wider network, to allow for face-to-face contact and interaction. Network brokers are motivated by a number of considerations. Trust is a social phenomenon that makes work within and across organisations easier and collaboration possible. Inter-organisational collaborations are assumed to:

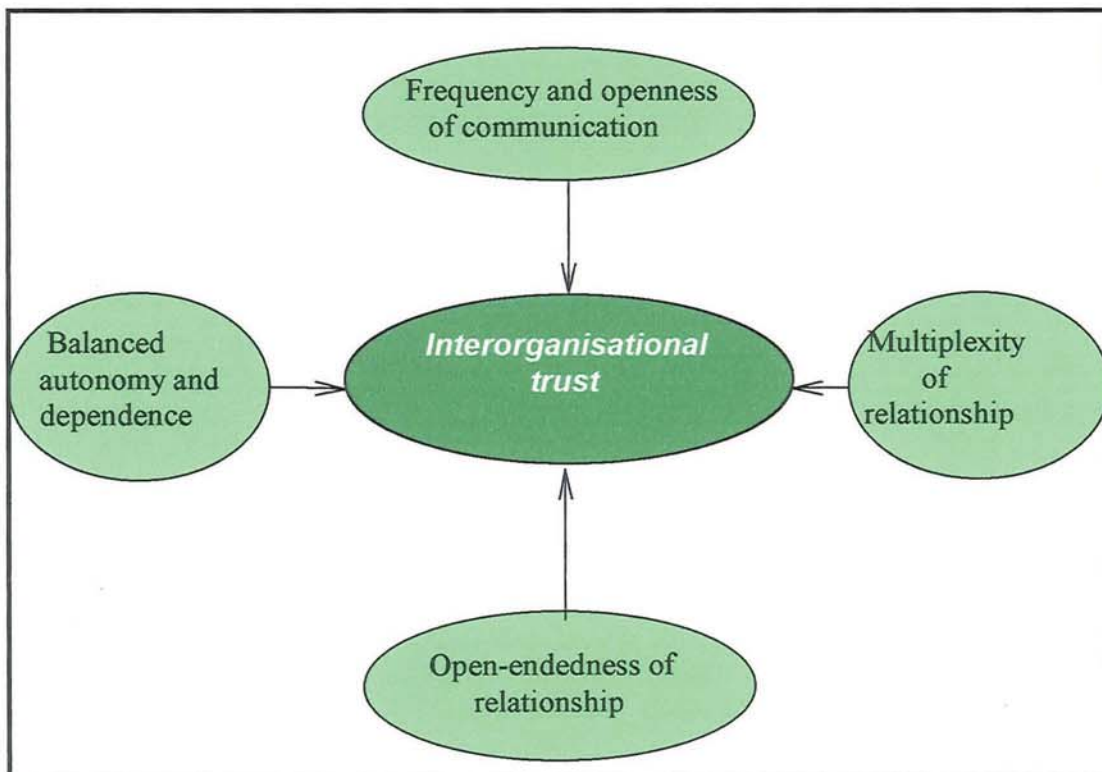
- support the formation of ‘collective strategies’ (Astley and Fombrum, 1983);
- facilitate the co-ordination of economic activities;
- promote open exchange of information and ‘inter-organisational learning’ (Hamel, 1991);
- ease the management of inter-organisational conflicts;
- contribute to a significant reduction in transaction costs; and open up opportunities for strategic action, enhance system stability, and yet support organisational change.

It is not always easy to broker inter-organisational relations, especially between diverse interests. Powell (1990) argues that an important factor in building trust, within a network is the *levels of homophily between network organisations*. RDA networks host a large number of diverse partners and interest groups. In this context, trust and co-operation may not be self-perpetuating, given the inherent conflicts and complexities in the region. In addition, Sydow (1998) suggests that inter-organisational trust is more likely to be fostered in networks with a smaller number of networked organisations. In contrast, RDA networks consist of numerous partners, which suggests a potential large numbers problem. In conclusion, trust is more likely to evolve between organisations that are similar. Thus, inter-organisational trust will be difficult to build if the network cuts across professional boundaries and regional cultures. Belonging to the same social sub-system (for example economy, industry, profession), on the

other hand, should increase the probability that inter-organisational trust emerges among actors (Luhmann, 1979; Powell, 1996; Staber, 1996).

Inter-organisational networks are not only more complex but are more loosely coupled and less institutionalised than formal organisations, like hierarchies (Williamson, 1985). Trusted inter-organisational relations, however, require a certain degree of social institutionalisation. Consequently, trust among organisations will be tied more strongly to specific individuals, like *boundary spanners*, than trust within organisations. Hence, the development and maintenance of inter-organisational trust in networks will require the concentrated application of specialist human capital. The boundary-spanning personnel play a crucial role in the process of governance re-structuring at the regional level. Sydow (1998) identifies four properties (Figure 3.2) that can facilitate trust between boundary-spanning individuals.

Figure 3.2. Pre-conditions for inter-organisational trust



(Sydow, 1998, p. 49)

The first property is the *frequency and openness of inter-organisational communication*. Frequent, repeated and multifaceted contacts among network brokers and an open exchange of information increases the possibility of trust building. This is because frequent communication increases the opportunity for better understanding between individuals. The second property that is likely to promote the constitution of inter-organisational trust is the *multiplexity of network relations*. Multiplexity means that network brokers transact for a variety of reasons and exchange different 'contents'. Contents include products, services, information and emotion. The more 'different contents' are exchanged, the greater the likelihood of trust. This is based on the fact that individuals have the opportunity to familiarise themselves with one another in different contexts and situations. A third condition is the *open-endedness of the relationship*. An unlimited 'game' tends to promote trust and co-operation. The expectancy of a continuation of relations, known as the 'shadow of the future' (Axelrod, 1984), is decisive for co-operative behaviour between network brokers. The final condition is a *balanced relationship between autonomy and dependence*. It is important that network brokers who are embedded in the inter-organisational processes through the use of friendships and advice networks, view these relationships as balanced. If brokers perceive that autonomy and dependence are balanced fairly, this again promotes a feeling of trust.

In this context, the boundary spanner has the task of:

- maintaining frequent and open contact with other brokers in the network;
- varying the scope and focus of relationships with individual brokers;
- negotiating long-term, forward-planning relationships; and
- ensuring that network brokers perceive a fair balance of autonomy and dependence across the network.

Boundary spanners may foster different approaches to trust or select different types of trust to suit organisational and network objectives. It may not always be possible to develop high trust, based on goodwill when the barriers prove to be too great. In such circumstances, there are a number of other 'trust options' which might be considered more suitable. The various types (typologies) of trust are discussed in the following section.

Diverse Trust Base: Pursuing an appropriate trust strategy

The decision to trust in collective settings is different from, and in many respects more problematic than, decisions about trust that arise in other social contexts. Individuals do not have the opportunity to engage in the sort of incremental and repeated exchanges that have been shown to facilitate the development of trust in more intimate settings, such as one-to-one relationships (Rotter, 1980). Similarly, many of the informal social mechanisms and interpersonal processes that contribute to the development of trust and co-operation in small homogeneous groups lose their efficacy in the more complex and socially diverse environments of large networks (Kramer *et al*, 1996). This supports Sydow's (1998) argument that network brokers play a crucial (and difficult) role in developing face-to-face links between diverse organisations.

When individuals decide to engage in trust behaviour, they create for themselves both opportunity and vulnerability. The opportunity surrounds the perceived gains, both individual and collective, that accrue if and when others reciprocate their acts of trust. The vulnerabilities derive from the potential costs associated with misplaced trust. This is why adopting the right 'trust strategy' is crucial. Operationally, trust-building will continue to be problematic for so long as competing and irreconcilable definitions of trust remain. What are these definitions of trust? Three types of trust are discussed in this section, namely, contractual trust, competence trust and goodwill trust.

Inter-organisational relationships vary greatly between capitalist economies as a result of institutional differences, and these differences are manifest in forms of trust and prevalent mechanisms of ensuring that agreements are kept (Whitley *et al*, 1996). Two distinct types of contracting relationships are identified in the literature: *Arms' length Contractual Relations* (ACR) and *Obligational Contractual Relations* (OCR). The former has been characterised as combining low mutual dependence, short-term commitments, concentrating on price, and a low degree of technology and risk sharing. The latter combines long-term mutual dependence and trust with considerable sharing of information, technology and risk. Sako (1992) suggests that the modal pattern of relations is clearly ACR in England and OCR in Japan. ACR and

OCR relations incorporate the following three sources of confidence and legitimacy in contracts:

Contractual: confidence that agreement will be kept;

Competence: confidence that the trading partner has the competence to carry out the agreement;

Goodwill: confidence that the other party will do more than is formally expected and not undermine the relationship through opportunistic behaviour.

Figure 3.3. illustrates the distinction between ACR and OCR relationships. Commitment, combined with experience, reciprocity, trust and effective partnership and network management may eventually generate *Goodwill Relations*. Goodwill is instrumental in forming OCR. Such a situation will not emerge spontaneously and will require a conscious effort by all parties involved. A focus on competence and contractual considerations will result in ACR.

Figure 3.3. Arms length contractual relationships and obligatory contractual relationships in relation to contractual, competence and goodwill trust

	<i>Description</i>	<i>Contractual</i>	<i>Competence</i>	<i>Goodwill</i>
<i>OCR</i>	Mutual dependence Considerable information Technological and risk sharing			✓
<i>ACR</i>	Low mutual dependence Low degree technological and risk sharing Short-term commitments Concentrate on price	✓	✓	

Contractual trust, competence trust and goodwill trust will be discussed in greater detail below. Each of the three concepts will be related to key theoretical frameworks in the literature on inter-organisational trust.

Contractual Trust

Arrighetti *et al* (1997) suggest that *contract law* may play an important role in underpinning long-term, co-operative relationships and in fostering trust. However, in Sako's account, contractual trust involves reliance on oral, rather than written agreements, and total reliance on legal sanctions would imply zero contractual trust. This perspective neglects a significant strand of the theoretical literature that maintains that it is also possible to originate and reproduce trust in institutional and normative structures of a more formal kind (Zucker, 1986) including those of the legal system (Luhmann, 1979). Both contract law doctrine and contractual agreements may provide a foundation for *system trust*, by formalising shared expectations and assumptions of what constitutes accepted behaviour (Lane and Bachmann, 1996). For example, Lane and Bachman (1996) argue that institutions such as trade associations can be seen as creating system trust. This is because such associations:

‘may be seen, similar to law, as environmental back-up structures which ensure the validity of commonly acceptable technical norms and social standards of business behaviour’ (Lane and Bachman, 1996, p. 369).

Although the RDA initiative provides a new policy arena, existing behaviours and normative frameworks will impact. Partners will be operating within the confines of an existing institutional infrastructure of partnership development. It is then possible that this may provide the basis for the establishment of trusting relationships. Actors will have their own individual set of values, behaviours and assumptions, which are embedded within their organisational culture, and through their interactions with other partners. It is on this basis that new relationships will be formed.

Competence Trust

Competence trust involves a calculated decision based on the trustor's perception of the trustee's reputation and credibility. Trusting involves expectations about another, based on calculations, which weigh up the trustee's competence in carrying out an agreement. In this argument, competence trust is akin to calculative trust, common in agency theory (Coleman, 1990; Dasgupta, 1988) and in transaction cost economics (Chiles and Macmackin, 1996). A rational actor bestows trust only if calculations suggest that the gain from reciprocated trust is higher than the loss threatened by a betrayal of trust, and when trust relations are supported by negative sanctions. Coleman (1990) recognises that trusting behaviour requires the making of a pre-commitment which, he likens to issuing *social credit slips*. Underpinning this concept of trust is the 'down side risk' and threat of negative sanction. Coleman interprets social capital as the totality of such credit slips (or stock of assets) issued by the individual.

However, Bradach and Eccles (1989) argue that neither gains or losses can ever be calculated with the certainty inferred by rational choice theorists: why? Trust is, they suggest, built up incrementally; and the relationship may change in an unpredictable fashion as trust develops. Thus, a prospective partner who is presumed competent at face value may, in fact, prove to be incompetent. As Bradach and Eccles suggest:

'the future is rarely preordained, magnitude and timing of the trustee's response is influenced by social norms which complicate calculation; and most importantly, the first step in a "game without history", taken in the face of incomplete information about the trustee, requires one-sided commitment from the trustor based on mere beliefs and expectations about the trustee' (1989, p. 108).

In RDA networks many partners will be unknown to one another. Trust strategies and decisions will often be made amidst uncertainty and incomplete information. However, factors like a partner's reputation, prestige and resource capacity may provide adequate information upon which to base an informed calculation.

Goodwill Trust

Others commentators stress the role of 'social orientation' or 'goodwill' trust of the kind that rests on shared cultural values, close personal or family ties, or gift-exchange (Sako, 1992). This type of trust is often referred to as *value- or norm based trust* in the literature. Sako's concept of goodwill trust refers to the 'expectation that trading partners are committed to take initiatives (or exercise discretion) to exploit new opportunities over and above what was explicitly promised' (p. 39). Goodwill trust is diffuse, and essentially derives from personal interaction. According to Sako (1992):

'there are no explicit promises which are expected to be fulfilled, as in the case of "contractual trust", nor fixed professional standards to be reached, as in the case of "competence trust"... "goodwill trust" is more contextual and therefore verifiable only in particularistic settings; a buyer and a supplier have to start trading and see if they entertain shared principles of fairness and convergent mutual expectations about informal obligations' (pp. 38-9).

Zucker (1986) suggests that the more that common background expectations are present - due to homogeneity in certain vital characteristics - the easier it is for trust to develop spontaneously. This is akin to Sydow's (1998) argument relating the levels of trust to homophily within the network. Likewise, Parsons (1951) has most forcefully argued the claim that trust cannot develop unless individuals share common values. For Parsons, trust entails the suspension of self-interest in favour of a collective-orientation. It is based on the trustor's expectation that the trustee - particularly if in a position of power - will meet a required social obligation and exercise morally defensible responsibility. The moral aspect of trust is thus given primacy. Fukuyama (1995) states that 'trust comes out of shared values', thus defending this paradigm.

Granovetter (1985, p. 490) 'stresses the role of concrete personal relations and structures (or networks) of such relations in generating trust'. Granovetter is quite clear in stating that there is more to personal relations, as a basis of confidence, than a particular social form of

governance or structure of incentives. Rather, there is something about the quality of deriving information first-hand that makes personal relations a key basis of confidence – ‘one trusts one’s own information best - it is richer, more detailed, and known to be accurate’ (ibid, p. 490). In this respect, there are certainly advantages for partners like those in the West Midlands to develop first-hand information through face-to-face contact.

The above examples outline a number of options and strategies relating to trust that are open to partners in RDA networks. Individual partners will in all likelihood pursue the types of relationships most appropriate to their individual circumstances. Some partners will have a number of ‘trust options’, while others will have to operate within the confines of their resource capacities and broker the best ‘trust deal’ possible. The process of restructuring in regional governance is unpredictable and uncertain, although it is bounded by certain policy guidelines. Social capital may be viewed as an important mechanism for facilitating co-operative governance (Putnam, 1993) or as an outcome of successful collaborations (Powell, 1996).

Organisations may develop social capital through their participation in collaborative endeavours. As Granovetter (1985) suggests, economic action is not independent of the social relationships surrounding an economic actor. Granovetter suggests that a decision-maker may find it economically advantageous to be sensitive and responsive to social relations. Strategically engaging in social activities and wisely managing social relations can save significant transaction costs in the search for critical information (Baker, 1994) and provide unique economic opportunities (Uzzi, 1996, 1997). How partners use social capital, as a potential asset, will depend on their resources (human and financial/ tangible and intangible), competencies, and strategic capability.

The preceding review has sought to draw together some of the key structural and asset based features of policy networks. The structural composition of the network and the distribution of human and social capital will undoubtedly influence ensuing behavioural responses in the region. Network managers have an opportunity to influence the distribution of resources depending on the strategies and behaviours they pursue. The effectiveness of RDAs will be

dictated by the behavioural responses of local actors. The next section of the literature review explores the behavioural manifestations of strategy, perceptions and learning. The review identifies examples of *best practice* as well as behaviours to be avoided. The discussion begins by exploring a number of strategies available to network managers in the pursuit of partnership development. These strategies involve building a consensus, procuring commitment and maintaining control. The discussion will then turn to the powerful influence of perceptions and finally, organisational learning.

Section Four

Strategic Thrust: Avoiding the pitfalls of collaboration

This section explores the strategic challenges and options available to partners operating within a network. It is acknowledged that collaboration is highly complex and fraught with pitfalls and inadequacies. Key manifestations of collaborative endeavour are explored, including the need to establish a consensus, to generate commitment and to maintain a degree of control within the network. These concepts are discussed specifically in relation to policy networks. Key putative strategies for ensuring successful co-operation between partners are identified. However, the practical complexities of implementing network strategies, 'on the ground' are many and varied.

The realm of inter-organisational collaboration is a highly complex one in which the inherent and necessary diversity of partners is more likely, if left to its own devices, to have a negative effect than to lead to collaborative advantage. This propensity to failure is noted by Huxham (2000).

'Collaborations, as a form of governance, must be expected to flounder and are unlikely to deliver fully any of the expected benefits or live up to any of the conceptions' (Huxham, 2000, p. 352).

For example, the amount of effort and compromise required, just to develop a sense of purpose that all parties can work towards, may be considerable. This suggests the need for organisations to be selective in the way that they react to policy initiatives and to initiate collaborations only after appropriate consideration of the challenges that they present.

Consensus Building: Generating a sense of purpose

Many researchers are united in promoting the wisdom of having a common, agreed purpose or vision and a trusting relationship between partners (Gray, 1985; Hudson *et al*, 1999; Kickert *et al*, 1997; Klijn and Koppenjan, 2000). At first glance, these are clearly reasonable conditions to impose on collaborations. An agreed sense of what the collaboration is aiming to achieve is seen as an essential precursor to taking joint action. Mutual trust is necessary to promote a positive attitude between partners, and to allow autonomy of action by individual partners, within the spirit of the collaboration. Both can be seen as the embodiment of the principles of collaborative governance and they are mutually reinforcing. In practice, neither of these is easily achieved. The reasons stem to a large extent from the diversity issue (once again underscoring the homophily/heterophily aspect of collaborative governance).

Agreeing a definition of joint purpose tends to be difficult for collaborations because of diverging individual and organisational goals and cultures, some of which may be conflicting (Gray, 1989). Obviously, any process of reaching agreement requires participants to be sensitive to the aspirations, needs and constraints of others, yet often these are not clearly stated. Even with the best of intentions, misunderstandings are likely to occur due to diversity in language, values and culture. Perceptions of power differences can lead to aggressive rather than sympathetic stances towards each other. None of this is likely to enhance the building of trusting relationships between the partners. There is a dilemma here in terms of the extent to which it is sensible for partners to try to clarify their collaborative purpose or to agree criteria for success in advance, as Huxham (2000) argues.

‘Although there are obvious potential benefits to be had from open discussion about aims, there is also a potential danger that irreconcilable differences will be unearthed. A pragmatic way forward is for partners to find a way to move on without explicit agreement about exactly where the collaboration is going’ (p.351).

In this case, what is needed is enough of a sense of direction for initial actions to be taken. A clear sense of purpose may then evolve from the results of early and provisional actions. This would mean moving forward without full mutual trust, aiming for modest, but achievable, ‘small wins’ in the first instance and becoming more ambitious only as success breeds a greater level of trust (Bryson, 1988; Vangen and Huxham, 1998). To address joint purpose and trust building seriously takes a long time – at least two years in many cases, and many cycles of direction setting, action and trust building for a collaborative relationship to settle in (Huxham, 2000). Two years may be considered a long time in terms of governmental policy cycles where new initiatives are often being introduced before previous ones have become embedded. Hard-earned trusting relationships can disappear and trust be ruptured, as members leave the collaboration. Equally, the arrival of new members often disturbs the equilibrium and new efforts are required to ‘fast track’ them into the trust loop.

Actors need to establish a consensus in order to achieve satisfying outcomes. This is not easy, since a major conflict may arise at the process level about, for instance, the distribution costs and benefits of a proposed solution. Policy is made and policy outcomes occur in the tension between mutual dependency and the diversity of goals and interests. While this tension can be more or less regulated by the rules and resource distribution mechanisms in the network, the tension will continue and needs to be repeatedly resolved in any policy game. Since co-operation and collaboration of goals and interest does not happen of its own accord, steering of complex games in networks is necessary. These steering strategies, that is network management, are primarily focused on the improvement of co-operation between involved actors (O’Toole, 1988). The sometimes implicit assumption in the literature is that satisfying outcomes for actors are not possible without active network management. Network management is thus an independent variable in the development of policy processes.

A consensus is rarely established without conflict. Actors will not always manage to cooperate. In terms of diversity, the lack of a dominant actor does not imply that resources are equally distributed among actors (Knight, 1992). In addition, rules may operate to the advantage of some actors and to the disadvantage of others. Nevertheless, less powerful actors may influence decision-making. They can use their veto power and their ability to use resources for blocking decision-making and thus create stagnation or blockades.

‘Since stagnation and blockage result in extra cost, more powerful actors need to consider their less powerful colleagues. In order to encourage actors not to use their veto power, some degree of convergence of perceptions must be achieved’ (Klijn and Koppenjan, 2000, p. 147).

This provides an example of how a consensus might be achieved through conflict and conflict avoidance. One of the objectives of process management is to enhance the learning capability in policy processes by including the information assets and interests of various actors so that more complex policy initiatives can be developed. From a network approach, the involvement of a broad range of actors is not only to be recommended for normative or ethical reasons, but also for reasons of effectiveness and efficiency. Expertise and knowledge for handling policy, as well as other sorts of problems, is not usually available in only one place. A confrontation of cross-cutting policy initiatives with information and interests from a variety of actors is thus necessary for effective policy development. Power differences influence the way in which this process evolves. As long as actors hold veto powers, they have an influence. This can lead to more inclusive, holistic governance (a key thrust of the RDA policy process). A more serious problem occurs when actors have no veto and/or are excluded from interaction by other parties. This can happen when interaction patterns between actors result in a certain degree of network insularity (Laumann and Knoke, 1987). Outsiders can only access the network if they familiarise themselves with the rules of behaviour and the language of the network. Exclusion may be averted through an effectively-grounded *network structuring* process (Painter *et al*, 1997).

Network Structuring is aimed at bringing about conscious changes within networks, restructuring relations between actors, and reallocating the distribution of resources and prevailing rules (Painter *et al*, 1997). Klijn *et al* (1995) suggest a number of forms that network structuring can take, including:

- *Changing the relations between actors*
Network structuring can deal with relations between actors within a network. It can involve introducing new actors and excluding others or changing the relations between actors.
- *Changing the distribution of resources*
Changing the distribution of resources within the network is aimed at effecting changes in the position of actors in the policy network by bringing about changes in the resources which they have at their disposal: money, formal positions, personnel, information, expertise and legitimacy.
- *Changing interaction rules*
This concept implies that it is possible to steer a process in a particular direction by influencing the interaction rules. Given that actors are often only partly conscious of the rules that determine behaviour, and that changing the rules is usually a protracted task, interaction rules are often difficult to influence.
- *Changing norms, values and perceptions*
Network management can also deal with changing the existing values, norms and perceptions of the actors within the network. By directing *internalisation processes*, the manager can attempt to steer the values and perceptions of a target group in the desired direction.

Thorelli (1986) relates the ability to structure a network to the relevant sources of power within the given network. On entering the network, new members face the strategic challenge of positioning themselves among the pre-existing members. The dimensions of domain and

power are again relevant here. The established members may have some repositioning to do to accommodate the new entrant. In fact, due to both internal and external change, repositioning may be viewed as a perpetual process. Members' opportunity and ability to reposition will depend very much on their resource and skill capacity, as Benson (1982) suggests.

'The inter-organisational network may be conceived as a political economy concerned with the distribution of two scarce resources, money and authority' (p. 139).

The challenges and practical problems facing network managers in achieving a collaborative consensus are summarised in Table 3.6.

Table 3.6. The practical complexities of achieving strategic consensus

<i>Consensus Strategies</i>	<i>Practical Complexities</i>
Achieving a joint sense of purpose.	Diversity and conflicting objectives.
Clarify future objectives.	Potential danger that irreconcilable differences may be unearthed at an early stage – a 'goals war' may ensue.
Build trust.	Building trust is time-consuming – may extend beyond issue attention span.
Steer complex games which are determined by rules and resources.	Inadequate information about network configuration.
Less powerful actors can use veto powers to gain influence.	Leads to stagnation and collaborative blockages.
Inclusivity ensures effectiveness and efficiency.	Actors with no veto powers are excluded leading to network insularity.
Network structuring changes relationships between actors to facilitate co-operation.	Actors' opportunity and ability to structure the network will depend on resource and skill capacities.

Procuring Commitment: Building enduring partnerships

The next strategic challenge for actors, once a partial consensus has been established, is how to secure continued commitment. What increases the probability of sustainable collaboration?

Nine key strategies have been identified from the literature. A strategic approach to each of the following nine components will increase the likelihood of commitment within the network. The following discussion explores each of the strategies outlined in Table 3.7. The practical complexities involved in implementing these strategies are also identified at the end of this section.

Table 7.7. Strategies to secure collaborative commitment

- | |
|---|
| <ol style="list-style-type: none">(1) Base collaboration on real incentives(2) Accept conflict as inevitable(3) Ensure the inclusion of legitimate partners(4) Assess collaborative capacities(5) Articulate a sense of purpose(6) Build trust(7) Nurture fragile relationships(8) Match objectives with collaborative arrangements(9) Utilise network advantages |
|---|

(1) Base collaboration on real incentives

Organisational individualism is increasingly seen as an inadequate response to the growth in task scope (Alter and Hage, 1993) – that is, the degree to which a problem to be solved must be addressed from many perspectives. If greater knowledge enables one to see a problem as multi-faceted, then *incentives* to engage in more complex kinds of co-ordination mechanisms grow. Partners must, in this view, acknowledge the inadequacies of organisational individualism in contemporary public policy initiatives. Huxham and Macdonald (1992) identify four ‘pitfalls of individualism’:

- *Repetition*: where two or more organisations separately carry out an action or task that need only be done by one.
- *Omission*: where activities that are important to the objectives of more than one organisation are not carried out. This may occur because they have not been identified as important, because they come into no one organisation’s remit or because each organisation assumes the other is performing the activity.

- *Divergence*: the actions of the various organisations may become diffused across a range of activities, rather than orienting towards a common goal.
- *Counter-production*: organisations working in isolation may take actions which conflict with those taken by others.

There must be adequate incentives for partners to pursue collaborative arrangements and counter individualism. A lack of incentive may result in diminishing commitment.

(2) Accept conflict as inevitable

Potential partners need to be aware of the problematic nature of collaboration as a concept. Alter (1990) views conflict and collaboration as two separate and different dynamics that can occur simultaneously. He therefore proposes that conflict needs to be accepted as an unavoidable process in all inter-organisational relations. The moral for inter-agency collaboration is that, rather than suppress conflict, the need is to explore ways in which conflict can be acknowledged and reconciled through collaborative activity. Hudson (1987) identifies two main difficulties with this:

- Each individual agency loses some of its freedom to act independently, when it may prefer to maintain control over its own affairs.
- Each partner must invest scarce resources in developing relationships with other organisations when the potential returns of joint investment are often unclear and intangible.

Charlesworth *et al* (1996) refer to the importance here of the distinctive organisational tensions between flexibility and control. Stakeholders need to have an appreciation of their interdependence (Gray, 1985). Collaboration is more likely where organisations have similar goals.

(3) Ensure the inclusion of legitimate partners

In this argument, legitimacy is concerned with the identification of stakeholders with a legitimate involvement in the policy arena – a process that becomes more complex as the number of participants increases. Logically, the diversity of stakeholder involvement should be sufficient to match the complexity inherent in a specific issue (Hudson *et al*, 1999). Within RDA networks, partners enjoy legitimacy based on the imposed policy requirement to include members from a range of sectors and interests. This broad scope gives legitimacy to a variety of stakeholders, including environmental groups, social and voluntary agencies. Any attempt by others to block the involvement of legitimate stakeholders will result in policy inadequacies.

(4) Assess collaborative capacities

The notion of *collaborative capacity* refers to the level of activity or degree of change a collaborative relationship is able to sustain without any partner losing a sense of security in the relationship. This sense of security encompasses not only the use of tangible resources, but less obvious matters such as perceived loss of autonomy and perceived change in relative strength (Hudson *et al*, 1999). An underestimate of such capacity can mean that a committed collaborative effort is confined to marginal tasks, while an overestimate can lead to unrealistic expectations of what can be achieved. As Newman (1994) argues, it is at this point that the dangers of producing collaborative visions and missions, which turn out to be unconnected to the reality of change, are at their most intense, and most likely to generate high levels of cynicism. Moreover, change challenges existing practices and values. This will result in ambiguities and dilemmas. The ways in which these ambiguities are resolved, or even just managed, in the micro-domain of individual decision-making will be crucial in determining the fate of strategic collaborative initiatives.

(5) Articulate a sense of purpose

Most approaches to collaboration take it for granted that an explicit statement of shared vision is a prerequisite to success. In their review of the literature, Mattesich and Monsey (1992) state that collaborating partners should have the same vision, along with a clearly agreed mission, objectives and strategy – although they do suggest that this shared vision may either

exist at the outset or develop as work proceeds. They also emphasise that the goals and objectives need to be clear to all partners and be feasible: goals that lack clarity or attainability will diminish collaborative enthusiasm. Pettigrew *et al* (1992) suggest that, as a starting point, a broad vision may be more likely to generate common movement than a detailed blueprint. They note from their empirical work that:

‘such broad visions were found to have significant process and implementation benefits in terms of commitment-building and allowing interest groups to buy into the change process, and allowing top-down pressure to be married with bottom up concern as the field gets scripted in rather than scripted out’ (p. 277).

This is similar to Nocon’s argument that in some circumstances it may be more effective to remain in ‘ignorance’ of the precise nature of collaborative vision, in order to avoid immediately addressing the conflicts of interest that may be implicit in it. Ambiguity, he suggests, may make negotiations easier and serve as ‘the grease that allows decision makers to co-operate’ (1994, p. 36).

(6) Build trust

Trust is often identified as a key component of successful collaboration and – conversely – mistrust as a primary barrier. What is needed is sufficient trust to initiate co-operation, and a sufficiently successful early outcome to reinforce trusting attitudes and underpin more substantial subsequent collaborative activity. Over time, this should lead to what Cropper (1995) terms, *collaborative sustainability* – a behavioural quality which connotes future persistence, continuity and viability. Trust cannot prosper in an absence of transparency and fairness. Trust would not be necessary at all if the other party’s actions were constantly visible, its motives transparent and activities fully understood (Giddens, 1990). It is precisely contingency, uncertainty and lack of information which makes trust so necessary.

(7) Nurture fragile relationships

Collaboration is likely to be particularly fragile in the early stages, if only because it may imply a threat to existing boundaries and practices. Vested interests can be expected either to

resist change or to appropriate it for their own ends. Lowndes (1997) emphasises the need for collaborative ventures to be alert to threats to their progress, and for enthusiasts to accept that change will not be accomplished quickly or simply. As Lowndes suggests:

‘embedding new approaches and dislodging old ways of life are long-term processes, with movements forwards and backwards, and change at different levels’ (p. 90).

(8) Match objectives with collaborative arrangements

Nocon (1994) sees a continuum of collaboration as encompassing three broad options. The first option, *networks*, involves a loose system of contacts, but with no specific commitments to joint working. The second option, *coalitional* working, might initially involve only a sharing of information, but could develop into jointly planning and implementing a project. Finally, the *unitary* model involves a total pooling of resources to serve a set of single objectives. Different degrees of collaboration are therefore required for different purposes. It is important to select the correct collaborative relationship based on specific organisational objectives. Partners need to manage their involvement in collaborative arrangements strategically. For example, it would be unwise to commit oneself to joint working where information exchange is all that is required.

(9) Utilise network advantages

Macneil (1985) has suggested that the ‘entangling strings’ of reputation, friendship, interdependence and altruism all become an integral part of the network relationship. A consequence is that the information obtained is thereby both ‘thicker’ than that in the market and ‘freer’ than communicated in a hierarchy. Where such a model can be created it has a distinct advantage, especially in relation to the exchange of commodities whose value cannot be precisely determined (such as ‘know-how’), and other services which are not easily produced or traded through the market. The informal process of networking is particularly advantageous within an uncertain environment.

Table 3.8. The practical complexities of achieving strategic commitment

<i>Commitment Strategies</i>	<i>Practical Complexities</i>
Base collaboration on real incentives.	Partners need to be convinced of the advantages of collaboration over individualist strategies. The incentives must be great enough to ensure genuine commitment.
Accept conflict as inevitable.	Partners often seek others with similar goals, thus avoiding conflict. However, joined-up thinking requires partners to manage difference and possible conflict effectively.
Ensure the inclusion of legitimate partners.	Partners may seek to exclude legitimate partners in the process. This will result in policy inadequacies.
Assess collaborative capacities.	Underestimation can lead to shortcomings. Overestimation can lead to unrealistic expectations.
Articulate a sense of purpose.	Ambiguity can make negotiations easier and more durable. However, partners often seek to identify a detailed sense of purpose.
Build trust.	There is a danger that misplaced trust will endanger future co-operation.
Nurture fragile relationships.	Relationship building is an incremental process that takes time, sensitivity and patience. Enthusiastic partners will need to avoid impatience.
Match objectives with collaborative arrangements.	Partners must adopt an adequate collaborative strategy to suit their organisational objectives. However, it is not always possible to determine how best to achieve objectives.
Utilise network advantages.	The network environment has a number of advantages in terms of informality and information. However, the exclusion of partners from the channels of communication in the network will result in limited advantages, thus reducing commitment.

The nine strategies for securing commitment are summarised in Table 3.8. A number of practical complexities have also been identified which may affect the effective deployment of these approaches within the network. This discussion has explored some of the strategies available to network managers in securing sustained commitment. The next section turns to how managers can negotiate control and influence within the network.

Maintaining Control: Negotiating influence in a policy network

The policy network approach builds on the policy science tradition of analysing policy processes as complex interactions in which many actors participate. Processes are ambiguous as a result of the multiple goals and strategies of actors and due to uncertainty about information and outcomes (Lindblom and Cohen, 1979). Interdependency is based on the distribution of resources across various actors, the overlapping goals that they pursue, and their perceptions of their resource dependencies. Information, goals and resources are exchanged in interactions. Because these interactions are frequently repeated, processes of institutionalisation occur: shared perceptions, participation patterns and interaction rules are developed and formalised. The structural and cultural features of policy networks that evolve in this way influence future policy processes as a 'legacy effect'.

There are a number of strategies available to actors, which seek to control the activities and outcomes of policy networks. Due to the dynamic nature of policy networks, this control is not easily achievable. In the literature on network management, a distinction is made between two types of network management strategies: *process management* and *network constitution*. For an extensive discussion of these, see Kickert *et al*, 1997. Process management strategies are intended to improve the interaction between actors in policy games. In essence, this concerns steering strategies that seek to unite the various perceptions of actors and solve the alignment problem that arises from the development by partners of potentially divergent strategies. In doing so, actors cannot unilaterally determine each others' strategies. What is important is that strategies of process management assume the structure and composition of the network as given. Current rules (formal and informal), resource divisions and existing actors are thus treated as a received starting point for the management strategies. Klijn and Koppenjan (2000, p. 141) identify the following process management strategies.

- The effective selection and activation of actors (Friend *et al*, 1974; Hanf and Scharpf, 1978). To take successful policy initiatives, actors with the necessary resources must be selected and motivated to participate.

- The improvement of mutual perception about an issue or solution. Given the fact that actors have different perceptions of the problem, solution, and existing situation, network management must be aimed at creating minimum convergence of perceptions. The problem is then one of creating packages of goals that are acceptable for a workable coalition of partners.
- The creation of temporary arrangements between organisations. For example, formal channels of communication between partners are not secured during the early stages of collaboration. Thus, organisational arrangements have to be created to facilitate interactions and co-ordinate strategies (for example, informal processes and social bonds).
- The improvement and supervision of interactions by means of process and conflict management (Susskind and Cruikshank, 1987; Mandell, 1990).

In contrast, network constitution is focused on realising changes in the structure of the network. Network constitution connotes the same processes as the network structuring concept discussed previously (see Klijn *et al*, 1995, p. 95 above). These processes and efforts are based on the assumption that the institutional characteristics of the network also influence strategies and co-operation opportunities for actors. In general, these strategies are time consuming since they seek institutional change. As a result, they are usually unsuitable for influencing policy games that are already underway.

Marsh and Rhodes (1992) criticise policy networks on the grounds that they are non-transparent and impenetrable structures of interest representation. They claim that networks can prevent necessary innovations in public policy and form a threat to the effectiveness, efficiency and democratic legitimation of the public sector (Marsh and Rhodes, 1992, pp. 249-268). When compared to decision-orientated approaches, process approaches to policy making tend to emphasise the dynamics of policy making. Problems, actors and perceptions are not chance elements but are related to the inter-organisational network within which these processes occur. Scharpf (1978) criticised the instrumental logic of goals and means that dominates policy analysis. He concluded that:

‘it is unlikely, if not impossible, that public policy of any significance could result from the choice process of any single unified actor. Policy formation and policy implementation are inevitably the result of interactions among a plurality of separate actors with separate interests goals and strategies’ (p. 346).

The network model is often offered as an alternative to the Rational Central Rule Model and the Multi-actor Model (for details see Kickert *et al*, 1997, p 8). The network model suggests that a success criterion for policy is the realisation of collective action in order to establish a common purpose or avert common threats. This model assumes the following possible causes of failure:

- The lack of incentives to co-operate and the existence of blockades to collective action.
- Proposed goals may be vague or not proactive.
- Important actors may be absent, while the presence of others may discourage the participation of necessary actors.
- Crucial information about goals, means and actors may be lacking.
- Discretionary power may be absent.
- The lack of commitment of actors to the common purpose.

Huxham (2000) identifies a number of other possible causes of network failure. When collaboration is part of a system of multiple overlapping collaborations, one effect is that the agendas of one partner may be moved forward at meetings, where other partners are absent. Whether this is a deliberate power ploy or simply the consequence of *ad hoc* conversation, it can leave a less well-connected partner isolated. Partners may use such a scenario as a controlling mechanism to exclude the involvement of certain actors. Another possible cause of failure is a weariness described as ‘partner fatigue’ that derives from an individual’s

involvement in too many initiatives (Huxham and Vangen, 2000c). Individuals often comment on the difficulty of juggling the identity of their ‘multiple hats’. A consequence is lack of clarity about the aims and values that they do – or could be expected to – bring to the collaboration. The above issues are exacerbated by the dynamics of collaboration because the situation does not remain stable long enough for people to clarify their thinking about what is going on. The various strategies aimed at controlling network activity are illustrated in Table 3.9.

Table 3.9. The practical complexities of achieving strategic control

<i>Control Strategies</i>	<i>Practical Complexities</i>
Repeated interaction results in institutionalisation.	The process of institutionalisation is re-occurring.
Interdependency ensures a degree of stability.	Interdependency also creates a fear among partners regarding a loss of independence and control.
Resource and rule distribution provides a ‘starting point’ to develop network management strategies.	Resource and rule distribution is constantly changing.
Process management improves interaction between actors in policy games.	Process management requires the support of all those involved.
Network constitution focuses on changes in network structure.	Such strategies are time consuming as they seek institutional change.
Network model assumes collective purpose and aversion of common threats.	There are a number of opportunities for network failure. Network costs of failure (mistrust) may exceed joint costs of individual failure.

On the ground, therefore, there are no easy answers to making collaborations work effectively, but the research does demonstrate that it is possible for participants to behave in ways that make a difference to the outcome. Strategies (especially process strategies) are borne by individuals. For example, Huxham (2000) suggests that:

‘patient, empathetic and compromising behaviours, which support development of mutual aims, understanding and trust, are important. However, arguments can also be made for the importance of single-mindedness, dominance and perseverance and even as one practitioner put it “thuggery”, because they are all ways of ensuring progress’ (Huxham, 2000, p. 353).

It is also essential to recognise that some, perhaps many, of those involved will not be competent ‘reflective practitioners’ or will not have the required experience and understanding. This can have a detrimental effect on the outcomes, but it is not always possible to avoid their involvement, especially if they are in key positions in the network. Thus, part of the challenge to individuals in operationalising collaborative governance, is working around those who are less able and less well suited to act as collaborators. The next section addresses the perceptual challenges facing collaborative partners. Perceived differences and diverse operational styles can cause conflict and tension, reducing the possibility of productive co-operation.

Section Five

Perceptions: The perceptual challenges of collaboration

The discussion on perceptions covers a range of issues including the management of perceptions, conflict, repertoires and the insider/outsider phenomenon. Firstly, in order to accomplish joint decision-making (a key policy requirement of regional governance), a *mutual* adjustment of perceptions is essential. The issue of inter-group conflict is then discussed, with strong reference to the work of Giuseppe *et al*, (1998). Inter-organisational interactions are not always positive, and in some cases, can accentuate negative relations between two parties. This situation can lead to in-group/ out-group biases. Interpersonal relationships are viewed as a mechanism to overcome inter-group conflict. Given this, the importance of social capital in network management is, once again, reinforced. Secondly, the concept of ‘repertoire’ is introduced. Actors can, at any moment, be characterised as enjoying a set of more or less structured behaviours: a repertoire. The use of contrasting repertoires can

result in significant misunderstandings, stifling holistic governance. Finally, actors are not, however, always capable of or willing to adapt their perceptions and *fixations* occur. The discussion turns to the *closedness* of policy networks, and identifies various reasons for the exclusion of some partners.

Managing Perceptual Conflict: Negotiating difference

Blockages in policy processes are caused not only by conflicts of interest and power relations, but also equally by *perceptions of the situation* on the part of the actors involved. Actors have their own definition of the world that surrounds them, which consists of their definition of the problem, their image of other actors in the policy network, their understanding of the nature of their dependency upon others and vice versa, and the advantages of working together. These perceptions are stable and are difficult to change (Termeer and Koppenjan, 1997). However, in order to accomplish joint decision making about solutions to social problems – a prerequisite for problem solving in policy networks – a mutual adjustment of perceptions is essential.

Perceptions are seen as one of the variables in the process of policy-making alongside such factors as resources, problems and solutions. In addition to cognitive processes, there is ‘a real world which also changes’ (Sabatier, 1988, p. 134). According to this approach, there are perceptions that are right, in so far as they reflect reality, and perceptions which are wrong. Perceptions are not restricted to the definition of problems. According to Sabatier (1988):

‘a belief system includes problem definition, causal assumptions and basic values. Basic values are part of the *deep core* of the belief system, which is more resistant to change than the *outer policy core* (which consists of articulated basic strategies and positions)’ (p. 139).

In learning theories, a distinction is made between those aspects of perceptions which are malleable and those that are not. These two correspond with two distinct forms of learning. *Single loop* learning is about correcting mistakes with regard to instrumental aspects of

theories in action. *Double loop* learning refers to learning about goals, values and assumptions, and is far more difficult. This is because *prohibiting learning mechanisms* protect the theory in action by suppressing or transforming deviating or threatening information (Argyris and Schon, 1978). A perceptual change involving the deep core belief system would involve double-loop learning. Perceptions are constructed and reconstructed in interactions with others (March, 1978). People prefer to talk to people with whom they share perceptions. Since actors interact chiefly with others who share their perceptions and since their perceptions will be reaffirmed in these interactions, there is little opportunity for achieving a fundamental change in those perceptions. This again reinforces the debate concerning homophily. Homophilic collaborations lead to a closure in learning opportunities, especially double-loop learning.

Weick (1979) suggests that as ‘a result of these interactions, *social configurations* develop: groups of actors who can be characterised by their matching, relatively stable interaction patterns and shared perceptions’ (p.35). As a result of this social embeddedness of perceptions, it is clear that the perceptions of individuals are not easily changed. When actors communicate only with actors who have the same perceptions, there is no reason or driver for change. In such interaction, perceptions can only be reaffirmed. Only a *confrontation with other perceptions* can create the opportunity for change. Confrontation can be seen as the driving force for change and a key asset in process strategy management terms. Theoretically, three steps along the path of change can be identified: actors must recognise the differences between their own perceptions and those of others; they must experience those differences as problematic; and they must be willing to reflect on their own perceptions as a basis for moving forward.

Termeer and Koppenjan (1997) conclude that:

‘if actors perceive new ideas as a threat to what they see as their vital interests and values (their deep cores), they will not be anxious to take these ideas into consideration. An important explanation of this reluctance is the lack of *trust*’ (p. 84).

Managing Perceptions Through Conflict

It is often assumed that increased frequency of interaction will reduce inter-group conflict. For example, proponents of the contact hypothesis (Coleman, 1957; Levine, 1965) have hypothesised that repeated interpersonal interaction will decrease perceptions of inter-group conflict. Likewise, Nelson (1989) uses social network analysis to show the positive effects of strong interpersonal relationships across groups. However, Giuseppe *et al* (1998) argue that:

‘interpersonal interactions are not always positive, and negative interactions can exacerbate inter-group conflict. Similarly, perceptions of inter-group conflict can limit the frequency of interpersonal interactions between group members’ (p. 56).

The recognition that social networks convey both positive and negative effects extends back to the original social exchange theorists (Homans, 1950), but few network studies have considered negative affective relationships (two exceptions are Newcomb, 1961 and White, 1961). Whereas an individual can usually minimise or walk away from unpleasant interactions in a purely voluntary social setting, it is often very difficult to sever negative relationships within a network, particularly a policy network. Where those relationships are mandated through the inter-governmental system, the dilemma can become extremely sensitive.

The formation of interpersonal relationships between individuals constitutes and alters the overall social structure of an organisation (such as the amount of inter-group conflict). Likewise, the overall social structure of the organisation will influence individuals’ interpersonal relationships (such as whether they develop into friendships, acquaintance relationships or negative [mistrust] relationships). These dynamics are also at play within a network situation. Giuseppe *et al* (1998) suggest that perceptual biases and negative images of an out-group increase among in-group members as inter-group conflict increases. With escalating conflict, the internal cohesiveness of the in-group tends to increase, as does differentiation (Forsyth, 1990). Coser (1956) suggests that, growing conflict between groups

encourages group members to begin to emphasize the differences between groups rather than focusing on their similarities.

An in-group/out-group bias develops and grows more pronounced as conflict increases. There are two distinct tendencies at work here: a tendency to favour the in-group and a tendency to look unfavourably on the out-group and its members, procedures, culture and products. The perceptual biases that are revealed when groups involved in conflict attempt to evaluate each other include *stereotypes*. Sherif *et al* (1961) suggest that in-group members hold generalisations about the characteristics of members of the out-group including:

- (1) The extremity bias – in-group members judge out-group members more extremely while judging in-group members in a more content-dependent fashion (Linville, 1982; Linville and Jones, 1980).
- (2) The out-group/homogeneity bias – in-group members are perceived as very diverse, whereas the out-group is assumed to be much more homogeneous (Judd and Park, 1988; Linville, 1982).

Because of these biases, individuals may base their judgements about an entire out-group on the characteristics of a very small number of out-group members with whom they have interacted. This is termed the law of small orders (Giuseppe *et al*, 1998). Biases against out-groups are perpetuated by perceptual distortions (Darley and Gross, 1983), memory distortions (Howard and Rothbart, 1980), and other confirmatory biases that prevent in-group members from revising their stereotypes of an out-group. Over time, these perceptions become increasingly inaccurate and tend to fuel further conflict (Hewstone, 1988). Shared and hardened perceptions can develop: out-group members are transformed into enemies, branded with uncomplimentary labels and assumed to have malevolent intentions. At the same time, in-group members are viewed as positive and moral, but the same actions performed by out-group members are evaluated negatively and seen as immoral (White, 1977).

Interpersonal relations are seen as crucial in overcoming such biases. The contact hypothesis (the idea that increasing the frequency and number of interpersonal relations across groups will reduce inter-group conflict) is grounded in three causal explanations:

- (1) Interaction between group members leads to the development of positive sentiment over time, which reduces conflict (Homans, 1950).
- (2) Inter-group contacts serve as conduits for information that help to contradict group biases and combat group polarisation and inter-group conflict (Ashmore, 1970).
- (3) Inter-group contact provides channels for dispute resolution when conflicts do arise (Giuseppe *et al*, 1998).

The importance of social capital in this argument is evident. High levels of social capital can, by generating recognition of mutuality of interest (reciprocity) be argued to reduce the likelihood of inter-group conflict and perceptual bias. As such, social capital may be considered an invaluable asset in managing perceptual conflict. The effects of high levels of inter-group conflict increasing in-group cohesiveness are well-documented (Coser, 1956; Forsyth, 1990). Granovetter's (1973) theory of strong and weak ties stresses the importance of weak ties in providing information. Because weak relationships, such as acquaintances, do not take as much time and effort to cultivate as deeper friendships, it is easy to develop more acquaintances than friends. A larger number of acquaintances can provide access to information about more out-groups. However, individuals who perceive a high degree of inter-group conflict might seek to limit the number of acquaintances they have in an out-group. This may limit the scope for individuals to achieve contact and thus disable the above procedures, intended to resolve inter-group negative perceptions.

It cannot be assumed that all members of a group are homogeneous in their perceptions of inter-group conflict or that they have similar or no interpersonal relationships with members of other groups. Each individual's unique social network creates heterogeneous perceptions of inter-group conflict, and those perceptions in turn affect the nature of the interpersonal

relationships that constitute each individual's social network. Entrepreneurs, brokers, boundary spanners or innovators have the opportunity to form their own social networks and reduce inter-group conflict through collaboration and bridge-building.

Actors do not need to agree on goals in order to act collectively. Partners in a collective structure share space, time and energy, but they need not share visions, aspirations or intentions. As joint action begins to occur, members converge first on common means, not common goals. This lends further weight to the importance accorded to process strategy in network management theory. The management of perceptions is aimed at the direct or indirect adjustment of perceptions in order to improve the conditions for collective decision-making and joint action (Van Der Meer, 1999).

Overcoming Repertoire Difference: The language barrier

Actors (individuals, groups, organisations or even networks) can, at any moment, be characterised as possessing more or less structured sets of behaviours: or *repertoires*. Repertoires are defined as 'stabilised ways of thinking and acting, at the individual level, or stabilised codes at an organisational level' (Van Der Meer, 1999, p. 388). In one sense, technology in organisations can be considered as the most refined and anchored way of thinking and acting: it structures organisational behaviour in a way that is often both subconscious and experienced as hard to change.

The concept of repertoire is akin to the *frame* (Giddens, 1984, p. 97), *scheme* and *definition of the situation* (see for example, Hewitt, 1984, pp. 75-85, pp. 139-51). When dealing with patterns of inter-organisational learning, these behavioural components, as encapsulated in procedures and technology, must turn out to be even more important than cognitive reflections. Van Der Meer (1999) summarises the theoretical ideas about the genesis, interrelations, functioning and change of repertoires as:

- *Repertoires are the residual elements of preceding interaction processes* in which meanings and behaviours are constructed and have acquired a measure of self-evident

quality. Partners are characterised by certain procedures and normative frameworks that reflect a developmental process over time.

- *Different actors have different repertoires* because they have different histories, different experiences, and different relations.
- *Repertoires are used in the process of sense-making and construction of behaviour.* Individuals and groups apply their existing ways of thinking and acting in order to give meaning to new inputs and react to them.
- Since different actors have different repertoires, *they continually produce behaviours that are not self-evident for (some) other actors.* To a certain extent, these other actors are confronted with equivocality (ambiguity).
- *Repertoires are connected.* Individuals are generally involved in multiple, only partly overlapping social contexts (for example, homophilic relationships). They are partners in consultation with societal groups and organisations, which may have different repertoires. These repertoires will each play a part in the collaboration process. On the one hand, this implies that different repertoires will become linked to one another. On the other hand, it follows that at the group, organisational or network level, the dominant repertoire is never fully adopted by the constituent individuals, subgroups or representatives of organisations. This suggests that repertoires may be influenced through contact with other repertoires, however, the dominant repertoire is unlikely to be embraced and endorsed fully by other network members.
- *Repertoire elements are anchored* in different ways to individuals and groups. Often, repertoire elements will not only be anchored to one isolated repertoire, but also to other repertoires and hence in relations with other actors. These tend to be similar repertoires and involve similar actors. This point underscores, once again, the influence of the homophily argument.

- *Learning requires the loosening of anchors* and/or the development of new links. New links, in the sense of new connections between repertoire elements, or in the sense of including new elements in the repertoire, seem to be more likely if there is a certain structural and /or psycho-social link between the new and existing repertoires. This is a potentially persuasive argument that may be applied with good effect to the social relations inherent in RDA networks.

The introduction of RDAs, like any other major upheaval in social relations, may provide the impetus for the loosening of anchors and the development of new collaborative links. However, there will be differences between the various individuals and organisations in terms of their embedded professional languages and in terms of their organisational cultures. There are some obvious, stereotypical differences between, for example, the language and culture of the voluntary agencies as compared to the language and culture of business organisations as compared to that of local government. This contention is apparent in Huxham (2000).

‘The use of contrasting cultures and procedures [repertoires] can result in significant misunderstandings, due to the different languages and values associated with a particular individual or organisation. Often people from different sectors have entirely different meanings from the same phrases’ (p. 349).

For example, within RDA networks, representatives from business or social sectors may experience difficulty in understanding the repertoires of the local government sector, due to the latter’s use of specialist political jargon. Though the local government speaker may conceive the vocabulary used as normal, non-specialist, articulate language, its specialist orientation can have the practical effect of excluding other members from the discussion (Huxham and Vangen, 1996). This linguistic exclusion may produce sub-optimal policy outcomes, as inclusivity is considered a pre-requisite to joined-up thinking. Procedures present a similar challenge. Embedded in organisational culture is a mass of organisational procedures that together constitute the way an organisation does things (Schein, 1985; Martin, 1992). Formal procedures can make the process of reaching formal agreements tedious, for example, if decision cycles are out of synchrony in the partner organisations.

Local government partners have democratic accountabilities, which may influence their procedures and slow their decision taking processes. Business partners may have to consult their constituent members, while social partners may have a community obligation. Clearly, these kinds of organisations are unnatural bedfellows.

A scenario may arise where the more powerful and influential partners in the network try to impose their repertoire on less influential network participants. Similarly, those partners who have a history of partnership working may perceive their experience, procedures and knowledge (their repertoire) as superior to that of new members of the governance network. New members may wish to instigate an entrepreneurial or innovatory approach, without fully understanding the historical, institutional fabric of partnerships in the locality. The dynamics of interaction between organisations and individuals, within a network, will shape future individual repertoires, as well as the repertoire of the network itself. There is also a danger that partners may use repertoire difference strategically and systematically to exclude actors from the collaborative process. This can be pursued formally or informally, consciously or unconsciously. The incentives and pitfalls of exclusion are discussed in the following section.

Avoiding Network Closure: Stagnation and fixations

A recurring theme in the literature concerns the degree of inclusion versus closure in social networks. In the literature on networks, there are various insights into closedness and policy networks (e.g. Rhodes, 1980; Jordan, 1990a). In their conception of closure, Schaap and van Twist (1997) draw a useful distinction between the social and cognitive dimension of the interaction within networks. They argue that:

‘(c)losedness, in the social dimension occurs when certain actors are excluded from the interaction, for example because other actors fail to appreciate their contribution or do not consider it relevant. In that case, the range of possible links between actors in the network is consciously restricted’ (p. 63).

Elsewhere, this has been called *social fixation* (Van Twist and Termeer, 1991). As with exclusion based on repertoire, social fixation can be of a formal or informal, conscious or unconscious nature. Frequently, informal rules of behaviour are developed within a network which in fact regulate the inclusion of actors in and their exclusion from the interaction within the network, without this being explicitly indicated in formal rules. The exclusion of actors may be formally or informally arranged, but it can also be the result of conscious strategy or of unconsciously applied rules. In this respect, both perception and repertoire are crucial. Either of these practices may be used to include or exclude certain partners from the process of co-operation. In relation to RDAs, many of the collaborative behaviours, during the initial start-up phase of a RDA network are likely to be based on inter-personal, informal contacts. Potential partners may be excluded through such strategies even at this very early stage. Van Twist and Termeer (1991), argue that conflicting perceptions and, moreover, the reluctance of fixated actors to adapt their interpretations of the problem situation, can be seen as the main cause of blockages in the policy process. Fixations occur when actors lose interest in policy games leading to stagnation. This can be in consequence of the low priority that a policy problem has in the perception of one or more actors.

Klijn and Koppenjan (2000) argue that:

‘an important explanation for failing to realise concerted policy outcomes is the fact that actors are insufficiently aware of their external dependencies. They assume that they can solve the problem alone or that they can impose their solution on other actors’ (p. 144).

In addition to closedness in the social dimension, closedness in the cognitive dimension can also occur. Two forms of cognitive closedness (also termed cognitive fixation, by Schaap and van Twist, 1997) can be identified. There is closedness in the sense of *an inability* to perceive and closedness in the sense of *an unwillingness* to perceive. The latter is a conscious strategy, whereas the former is not. An important contributory factor in the closedness of networks is the existence of actors’ *frames of reference* (Rein and Schon, 1986). An actor’s frame of reference functions as a filter. The world that an actor perceives filters through their frame of

reference. Actors only perceive the facts if, and in so far as, their frame allows. This offers an explanation for the relative closedness that may occur when there is a confrontation between different points of view and actors try to reach a consensus. This illustrates Huxham's (2000) point about misunderstanding resulting from the use of different languages and procedures. It is possible that closedness, in the cognitive dimension, may be overcome, in RDA networks, when partners from different sectors begin to communicate and interact with one another. The inability to perceive another partner's possible contribution to the process may be addressed once the potential partner has the opportunity to display competence and demonstrate capacity to others.

To achieve 'reframing', however, the actor needs at the very least to understand why their present frame of reference is inadequate for perception. In order to assess one's own frame it is first necessary to obtain a new frame – a different frame of reference - with which to assimilate and interpret the available facts. Actors tend to become fixated on the frame of reference that they have at a particular point in time. In addition, partners predominantly assume that their frame of reference is right, while an other partner's frame of reference is inadequate. This is another reason why it is not always easy to arrange for actors to exchange one frame for another. Schaap and van Twist (1997, p. 65) identify three possible causes of closedness:

(1) – *Actors' unconscious cognitive closedness*, previously referred to as 'inability to perceive'. This is not a conscious strategy but a result of the differing frames of reference which actors have. Actors in the network are not always able to question the frame of reference through which they ascribe meaning.

(2) – *Actors' conscious cognitive closedness*, 'unwillingness to perceive'. There are times when (for strategic reasons) it just does not suit actors to look at policy from another perspective. However, it is important to realise that this is by no means always a conscious choice. Sometimes, it is simply that actors are unable to access alternative perspectives.

(3) – *Unconscious social closedness*. Here, actors may be prepared to interact but fail to see that, owing to their existing frame, they have excluded some actors from the interactions: for example, because they have simply overlooked them.

Table 3.10. *The perceptual challenges of collective governance*

<i>Perceptual Challenges</i>	<i>Responsive Behaviours</i>
Mutual adjustment.	To resolve blockages in interaction, actors need to adapt at least some aspects of their own perceptions in order to recognise and accept the existence of others' different perceptions (especially heterophilic partners).
Avoid fixations.	Fixations arise when the actors involved take their own perceptions so much for granted they no longer reflect on them. Continual re-assessment is essential.
Re-adjustment of core beliefs.	Basic values are part of the <i>deep core</i> and are difficult to change. Partners must be willing to address their beliefs in the interest of partnership development.
Actors seek others with shared perceptions.	Partners must overcome the barriers to cross-sector collaboration. Homophilic collaborations will lead to closure in learning opportunities.
Negative interaction can exacerbate conflict.	Inter-personal relations are crucial in overcoming biases. Conflict quasi-resolution mechanisms are crucial.
Perceptual biases of other actors increases with conflict.	Increasing the frequency and number of interpersonal relations across organisational boundaries will reduce perceptual biases.
Different repertoires can lead to misunderstandings.	The restructuring of regional governance provides the impetus for the loosening of repertoire behaviours (anchors). Understanding diverse repertoires may be achieved through conflict management.
Network closedness.	Actors will need actively to manage their formal and informal, conscious and unconscious behaviours to avoid the exclusion of other partners in the network.

It is likely that partners in RDA networks will be adopting a variety of strategies relating to their behaviours and procedures. Some may be hoping for a drastic transformation of governance structures, which may, in turn, 'reframe' their and others' approach to partnership working. Others may be pushing for minimal disruption to the current situation and will, consequently, be seeking to protect their existing functions and procedures (their frame of reference). Yet other partners will (consciously or unconsciously) marginalise or exclude

certain other partners from the network. Untoward closure may result from their actions. Perceptions of individuals, and organisations, are not easily changed. Network brokers will encounter a range of perceptual challenges and these will need to be surmounted and bypassed in order to secure inter-organisational co-operation. These are summarised in Table 3.10.

As noted above, single- and double-loop learning influence those aspects of perceptions that are malleable and those that are not. The concept of learning is discussed in greater detail in the following section. Particular attention is given to the process of learning through collaboration and the distinction between single- and double loop learning processes.

Section Six

Learning: Nurturing a responsive organisation

The final section of the literature review outlines the various types, levels and manifestations of organisational learning. The issue of learning is particularly relevant to the development of the RDAs because partners are faced with a new and unfamiliar collaborative environment. They will need to adapt and respond to the new collaborative challenges that they face. This requires new learning opportunities to be accessed across the network. Three approaches to organisational learning are evident in the literature. These relate to how individuals learn in organisational contexts; the cognitive approach to learning; and the cultural perspective on learning. Given the centrality of human capital and individual strategy discussed in the foregoing sections, particular attention is given to exploring individual learning processes. The possibilities presented by learning through and from failure are explored. Collaborative ventures provide new learning opportunities to partners. However, knowledge acquisition in networks is often complex and characterised by a degree of risk. Finally, the distinction between single- and double-loop learning is explored more fully. To maximise learning potential, it appears that partners may have to surmount challenges to their core belief systems.

Learning Through Experience: How and why do organisations learn?

Research on organisational learning (for example, Argyris and Schon, 1978; Herriot, Levinthal, and March, 1985; Levitt and March, 1988; March and Olsen, 1976; Sitkin, 1992 and Weick, 1991; Weiss, 1980) has concentrated on how individuals learn in organisational contexts or has explored ways that theories of individual learning can be applied to organisations. In relation to individual learning embedded in organisational contexts, a classic argument is that organisational learning is a particular sort of learning done in organisations by key individuals whose learning is then tied to subsequent organisational change. This individualistic approach treats organisational learning explicitly as learning by individuals within an organisational context. For example, March and Olsen (1976) focus on the experimental learning of individuals within organisations. Argyris and Schon (1978) examine the actions of members of organisations, whom they see as agents for the organisation.

The second approach holds that organisations can learn because they possess capacities that are identical, analogous or equivalent to the learning capacities that individuals possess. This approach therefore treats organisations as if they were individuals. This orientation has been dubbed the ‘cognitive perspective’ to organisational learning (Cyert and March, 1963). This approach develops theories of organisational action largely by applying to organisations concepts that are commonly found in models of individual learning. Cyert and March (1963) see organisational learning as entailed in organisational adaptation that ‘uses individual members of the organisation as instruments’ in a way that constitutes ‘adaptation at the aggregate level of the organisation’ (p. 123). Fiol and Lyles (1985) define learning, whether undertaken by individual or organisational agents, as ‘the process of improving actions through better knowledge and understanding’ (p. 803). Similarly, Huber (1989, p. 3) suggests that:

‘an organisation has learned if any of its components have acquired information and have this information available for use, either by other components or by itself, on behalf of the organisation’.

In contrast, Cook and Yanow's (1996) argument that learning can be done by organisations represents a clear departure from the previous positions. This perspective is neither conceptually or empirically the same as either learning by individuals or individuals learning within organisations. In this view, to understand organisational learning as learning by organisations, theorists and practitioners need to see organisations not primarily as cognitive entities but as cultural ones. This is then a 'cultural perspective' on organisational learning. Cook and Yanow suggest that it is a much shorter conceptual leap to see organisations as cultural entities than it is to see them as cognitive ones. Organisations, being human groups, are more readily understood as being tribes (cultural constructs) than they are as being like individuals or brains. The cultural perspective and the cognitive perspective both include the study of the activities of individuals, but the difference is one of focus. The cultural perspective exemplifies organisational learning as a collective activity rather than an individual one. Schein (1992) argues that, in a world of turbulent change, organisations have to learn faster, which calls for a learning culture that functions as a 'perceptual learning system' (p. 372). The primary task for contemporary organisations is to create and sustain such a culture. Table 3.11 summarises the three approaches to learning.

Table 3.11. Three approaches to organisational learning

<i>Type of Learning</i>	<i>Characteristics</i>	<i>Authors</i>
Learning by Individuals	Organisational learning is a particular sort of learning done by key individuals whose learning is tied to subsequent organisational change.	March and Olsen (1976) Argyris and Schon (1978)
Organisational Learning	Organisations learn because they possess capacities identical to the capacities that individuals possess.	Cyert and March (1963)
Cultural Perspective	Organisations are cultural entities. Organisations, as human groups, are understood as 'tribes' and not as individuals or brains.	Schein (1992) Cook and Yanow (1992)

The preceding discussion pays particular attention to the concept of learning by individuals. These negotiators (brokers or boundary spanners) represent organisational interests within the

wider network. The knowledge and experience they acquire through the networking experience and negotiations with local partners will in all likelihood have an effect on organisational learning. They are constrained by organisational resources, rules and cultures, to be sure. However, how they operate within the restrictions of their host-organisation's culture will reflect the competencies of these individuals.

Individual Learning in the Context of Organisations

Argyris and Schon (1996) recognise an overarching sense of organisational learning that refers broadly to an organisation's acquisition of understandings, know-how, techniques, and practices of any kind and by whatever means. They view individual practitioners as central to organisational learning, because it is those individuals' thinking and acting that influence acquisition of capability for productive learning at the organisational level. This is clearly a cognitive conception of organisational learning. There are complex interactions that occur between individual and organisational learning. Argyris and Schon view:

‘...the causal arrow pointing in both directions: the learning of individuals who interact with one another is essential to organisational learning, which feeds back to influence at the individual level’ (1996, p. 36).

Organisational enquiry occurs when individuals in organisations engage in inquiry, in interaction with one another, in an effort to produce organisational learning outcomes. There must be at least one actor who deliberately seeks to improve performance and an intermediate process of deliberate thought and action (trial and error, for example) through which it is achieved. Since organisations are made up of individuals, they learn something when their individual members, or a substantial fraction of them, learn it. However, in many cases, when the knowledge held by individuals fails to enter into the stream of distinctively organisational thought and action, organisations know *less* than their members do. In some cases, an organisation cannot seem to learn what *all* of its members know. This gap between individual and organisational learning prompts Cohen and March (1974) and March and Olsen (1976) to propose that organisations are inherently chaotic, and at best anarchies. The ‘theory of the garbage can’ presents decision making in terms of:

‘...ideas, interests, images and values in search of problems, rather than in terms of problem solvers actively searching for ideas, images and values. Where the garbage can is in operation, it is hard to see how organisations can be considered capable of coherent action or inquiry’ (March and Olsen, 1976, p. 54).

The theory of the garbage can illustrates the multiple and complex influences and experiences which lead to subsequent organisational learning. It is often difficult to establish the exact nature of what is being learned, or how the learning has taken place. The output of organisational inquiry may take the form of a change in thinking and acting that yields a change in the design of organisational practices. Such knowledge may be held in the minds of individual members. If it is held in this way, it may be lost to the organisation when the relevant individual leaves. The process of organisational learning may remain tacit because it is ‘indescribable’ or cannot be discussed. It may be indescribable because the individual members who potentially bear that learning know more than they can say and are unable, rather than unwilling, to describe the know-how embedded in their day-to-day performance of organisational tasks. This learning process may be undiscussable because any attempt to reveal its incongruity with the organisation’s espoused theory would be perceived as threatening or embarrassing.

What are the implications of learning theories for network learning? Much of the process of networking involves face-to-face, informal interaction. Network managers may obtain new knowledge and information through collaboration and interaction with other partners in the network. The information is of limited value, in terms of organisational learning, if it is not actively put to use or assimilated throughout the organisation. This may be doubly pertinent to social capital, which can atrophy with non-use. It is important for network managers to formulate a means of ‘codifying’ tacit knowledge and experiences to allow for subsequent organisational learning. Within policy networks it is important to move lessons learned from experience and experiments across boundaries – including intra-organisational boundaries.

Some authors criticise the concept of organisational learning on the grounds that much of it, perhaps the greater part of it, is in the service of stability rather than change. In this view,

organisations learn (in part through codification) to preserve the status quo, and learning of this sort is the enemy of organisational change and reform (Fiol and Lyles, 1985; Levitt and March, 1988). Levitt and March highlight the importance of ‘competence traps’ wherein organisations falsely project into the future the strategies of action that have worked for them in the past. They call attention to various sources of ambiguity that undermine organisational judgements of success or failure.

‘The lessons of experience are drawn from a relatively small number of observations in a complex, changing ecology of learning organisations. What has happened is not always obvious, and the causality of events is difficult to untangle. What an organisation should expect to achieve, and thus the difference between success and failure, is not always clear’ (1988, p. 319).

Lounamaa and March (1987, p. 334) identify the ‘dilemma of learning’ which describes the steepness of the learning curve. When learning proceeds gradually through ‘small, frequent changes’ the likely outcome is the reinforcement or marginal change of existing routines. Such behaviour ‘is likely to lead to random drift rather than improvement’. On the other hand, when organisations learn from ‘low probability, high consequence events’ then inferences about them are often ‘muddled with conflict over formal responsibility, accountability, and liability’. The consequence is that:

‘... learning does not always lead to intelligent behaviour. The same processes that yield experimental wisdom produce superstitious learning and competence traps’ (p. 335).

The restructuring of regional governance offers no hard and fast rules for success. Partners are operating largely through a process of trial and error. Risk reduction and failure aversion may produce sub-optimal outcomes. Sitkin (1996) offers an alternative approach to organisational learning based on the significance of *failure*. Sitkin argues that failure enhances systemic resilience to unknown future changes and specific types of adaptation to changing

environmental conditions, both of which can enhance long-term performance. The following discussion explores these contentions in greater detail.

Learning from Failure

Sitkin (1996) outlines the benefits of failing and the liabilities of success and, contrary to the traditional scholarly and managerial emphasis on failure avoidance, argues that failure is an essential prerequisite for effective organisational learning and adaptation. Failure can enhance learning, adaptation to changing environmental conditions and systemic resilience when confronting unknown future change. A number of authors suggest that the absence of failure experiences can result in decreased organisational resilience when faced with changing circumstances (Douglas and Wildavsky, 1982; Wildavsky, 1988). Another peril of 'success' is managerial overconfidence in the ability to foresee risks inherent in complex organisational problems (March and Shapira, 1987). Rather than stressing risk avoidance, Sitkin argues that failure is an essential prerequisite for learning, as it stimulates the sort of experimentation that Cambell (1969) and others (March, 1978; Weick, 1979) have advocated as vital to sound policy development and organisational management.

By focusing attention on that which is known or thought to work well, an emphasis on success enhances (potentially mythological concepts of) efficiency. Little time is then set aside to search for new solutions to problems, since frequently encountered problems can be handled with the use of previously proven standardised procedural routines. If the goal is to promote stability and short-term performance, success provides an excellent foundation for reliable performance. Success tends to encourage the maintenance of the status quo and, so long as current environmental conditions favour such a stance, the operating efficiencies and employee satisfaction associated with 'staying on the course' can be considerable. When they have been successful, organisations tend to stick with their successful formula, maintaining the same operating procedures and the same (or at least the same type of) personnel. The more uniform and extreme the success of an organisation's prior experiences, the greater the tendency to develop homogeneous employee demographic distributions (Kanter, 1977), monolithic corporate cultures (Martin and Meyerson, 1988) and less diverse activity and

information sets. These may be argued to have a dampening effect on learning (Sitkin, 1996). Homogeneous hiring and retention practices are likely to further strengthen the pull of inbred coalition and core cultural traditions, making it less likely that suggestions for change or experimentation will ever be raised.

While a successful formula fosters little or no impetus to alter existing routines and policies, the experience of failure produces a learning readiness that is difficult to produce without the need for corrective action (Cameron, 1984). Errors fuel an ‘unfreezing process’ in which old ways of perceiving, thinking, or acting are shaken and new ways can be accommodated, perhaps for the first time (Louis and Sutton, 1991). Failure can induce experimentation that leads, in turn, to increased variation in organisational response repertoires. March and his colleagues have argued for the value of variation in choice strategies, processes, and outcomes (Levitt and March, 1988; March and Shapira, 1987) as a means of enhancing performance and promoting learning. Several similar studies suggest that positive feedback fosters faster learning, but may lead to premature specialisation in a sub-optimal response set, and thus poorer longer-term performance (Herriott *et al*, 1985; Levinthal and March, 1981).

Learning in organisations can take two forms: it can involve the development of increasingly efficient and reliable routines; or it can take the form of increased resilience when confronted with novel situations. The organisation may face a trade-off between these two learning trajectories. The essence of the argument is that success fosters reliability, whereas failure fosters resilience. The root of the problem is that success leads to persistence at the expense of adaptability (Levinthal and March, 1981; March, 1978). However, failure should not be pursued for its own sake: it is a means to an end, not the end itself. Not all failures are equally instrumental in facilitating learning. A failure that is most effective at fostering learning is referred to as ‘intelligent failure’ (Matson, 1989). Intelligent failure has considerable value in RDA networks as partners are faced with elements of risk and uncertainty. Partners must adopt risk-taking strategies if innovative policy development and added value is to be achieved. It may be argued that a degree of error is both inevitable and desirable as local partners familiarise themselves with one another. The process of trial-and-error will thus provide valuable learning opportunities.

A focus on learning that includes both reliability and resilience provides a counterbalance to the narrow focus on short-term performance. A resilient approach is especially important where organisations need to be able to adapt to rapidly changing environmental conditions. It is important to analyse the benefits of failing and the liabilities of success as triggers for promoting organisational learning and adaptation. Intelligent failure enhances specific types of adaptation to changing environmental conditions and systemic resilience to unknown future changes, both of which can promote long-term performance.

The future direction of RDAs remains unclear and partners are operating in an uncertain environment. Many partners will be 'alien' to one another, and will have no experience of involvement in certain areas of policy. This provides enormous scope for new learning challenges. As section one of the literature review suggests, partners have most to learn from those who are different. The opportunities are great, but so to are the risks involved. Partners must account for and ensure against the possibility of failure, which as Sitkin argues, can be both positive and negative. The next section outlines the opportunities and threats inherent in learning through partnership.

Learning Through Partnership: Accessing know-how

Inkpen (2000) suggests that when a partnership is formed, valuable learning opportunities may be created for the venture partners. Over the past several decades there has been a substantial increase in the formation of strategic alliances. Drucker (1995) suggests that the greatest change in the way business is being conducted is the accelerated growth of relationships based not on ownership, but on partnership. A variety of objectives have been suggested to explain an organisation's motives for engaging in the formation of alliances. These include the reduction of risk, economies of scale, access to markets and the search for legitimacy (Hennart, 1988; Kogut, 1988). Additionally, such partnerships provide a platform for organisational learning, giving organisations potential access to the knowledge of their partners (Grant, 1996; Khanna *et al*, 1998; Kogut, 1988). Two or more organisations are brought together because of their different skills, knowledge and strategic complementarity.

The difference in partner skills and knowledge may provide the catalyst for learning by the alliance partners.

The management and transfer of alliance knowledge by partner organisations is referred to as 'alliance knowledge acquisition' (Khanna *et al*, 1998). In contrast to information, knowledge is often 'sticky', difficult to codify, and difficult to transfer. Learning through joint ventures is viewed as a multi-stage process. The first stage is the formation of the joint venture and the interaction between individuals from the two (or more) partner organisations. The interactions and the individual's exposure to the partner's knowledge base may lead to the recognition of partner skill differences embodied in the joint venture operation. This interactive and collaborative process creates the alliance knowledge, which in turn may lead to knowledge acquisition at the partner level.

When a partnership is formed, then both partners enjoy potential access to new knowledge, although the nature and ease of access will not necessarily be the same for each of them. Learning is initiated when organisations interact with their environments and are exposed to various sources of information. In the partnership learning context, a critical environment is the relationship between the partners and, in particular, the ongoing nature of partner interactions. If one partner is to learn from another, the partners must interact and exchange knowledge. Two factors are proposed as determinants of knowledge accessibility: partner openness; and the complexity of the alliance knowledge. Openness in the relationship should be a key element in determining the amount of information shared. Another variable associated with openness is inter-partner trust. In this context, trust reflects the belief that a partner's word or promise is reliable and that a partner will fulfil its obligations in the relationship. Without trust, information exchange may be low in accuracy, comprehensiveness, and timelessness (Zand, 1972).

Knowledge that is complex and difficult to transfer will likely include a sizeable tacit component (Szulanski, 1996). As noted in section Two, Hansen (1999) argues that 'strong ties' often transmit tacit knowledge more effectively than 'weak ties'. Tacit knowledge is defined by Polanyi (1962) as knowledge that cannot be verbalised, is intuitive and

unarticulated. The acquisition of tacit knowledge is generally consistent with the properties of 'higher-order' learning (Fiol and Lyles, 1985). In contrast, explicit, codifiable or articulated knowledge can be transmitted in formal, systematic language and may include explicit facts, axiomatic propositions and symbols (Kogut and Zander, 1992). This type of knowledge acquisition is consistent with the properties of 'lower-order' learning. Some organisations, like individuals, may lack the capacity to learn. Effectiveness at acquiring knowledge is closely related to Cohen and Levinthal's (1990) notion of absorptive capacity: the ability to recognise and assimilate valuable knowledge from a particular alliance partner. Learning performance will be enhanced when the object of learning is related to what is already known and when a common language exists, as the basis for interpreting experience (Grant, 1996; Dyer and Singh, 1998). Unrelated knowledge may be difficult to acquire and may, in fact, have limited value because of a lack of common language for understanding the knowledge. This suggests that heterophilic relationships are advantageous only if the know-how being transferred is both useful and usable. This reinforces Dearing's (1993) point that 'technological transfer' involves only information 'which is then put to use' (p. 479): the information must have a 'use' or 'purpose' for the receiver in the exchange relationship.

Von Hippel (1988) and Marsden (1990) argue that close and intense interaction between individuals acts as an effective mechanism to transfer or learn sticky and tacit know-how across the organisational interface. Strong social capital usually engenders close interaction between alliance partners and thus facilitates exchange and transfer of tacit information and know-how. An organisation is also able to learn from alliance partners more easily when the level of transparency or openness between them is high (Hamel, 1991; Doz and Hamel, 1998). The primary hindrance to such openness and transparency is the mutual suspicion of opportunistic behaviour. Social capital can, in this argument, contribute to a freer and greater exchange of information and know-how between committed exchange partners. As Yoshino and Rangan (1995) note, however, building social capital is fraught with complications owing to the inherent contradiction among the different strategic objectives that organisations seek in alliances.

Kale *et al* (2000) suggest that:

‘one of the main reasons organisations participate in alliances is to learn know-how and capabilities from their alliance partners. At the same time, organisations want to protect themselves from the opportunistic behaviour of their partner to retain their core proprietary assets’ (p. 217).

When organisations build social capital in conjunction with an integrative approach to managing conflict, they may be able to achieve both objectives simultaneously. Social capital based on mutual trust and interaction at the individual level between alliance partners creates a basis for learning and know-how transfer across the exchange interface. At the same time, it may curb the opportunistic behaviour of alliance partners, thus preventing the leakage of critical know-how between them. Kale *et al*’s study refers to U.S. based private companies, although the arguments raised may be applicable to collaborations within the area of public policy.

Organisations use alliances for a variety of reasons: to gain competitive advantage in the market place or to share risk or uncertainty with their partners (Powell, 1987; Bleek and Ernst, 1991). ‘Learning alliances’, in which partners strive to learn or internalise critical information or capabilities from each other, constitute an important class of such alliances (Hamel, 1991; Khanna *et al*, 1998; Prahalad and Hamel, 1990). The transaction cost literature has emphasised the relevance of partner opportunism in inter-organisational relationships. Subsequent literature on learning alliances dubbed them as the ‘learning race’ (Khanna *et al*, 1998), in which partners engage in opportunistic attempts to outlearn each other. On the one hand, alliances may help an organisation to absorb or learn some critical information or capability from its partner. On the other, they also increase the likelihood of unilaterally or disproportionately losing one’s own core capability or skill to the partner. Organisations are thus faced with trying to learn and trying to protect at the same time.

A number of opportunities and threats have been discussed in terms of learning through collaborations. These are summarised in Table 3.12. Partners may choose for example, to

adopt a high-risk strategy, with the risk of (the right kind of) failure (Sitkin, 1996) in pursuit of new learning opportunities.

Table 3.12. The opportunities and threats of learning through collaboration

<i>Opportunities</i>	<i>Threats</i>
Partnerships provide a platform for organisational learning, giving organisations access to the knowledge of their partners.	Access to new knowledge is not always the same for both parties.
Partners may be strategically complementary.	Partners must allow for open interaction to enable knowledge transfer.
Different skills provide a catalyst for learning.	The complexity of information may prevent acquisition.
Interaction and collaboration processes create alliance knowledge.	Trust is important for information exchange. Low trust results in low accuracy and low comprehensiveness.
Low similarity increases complementarity.	Some organisations will have a low 'absorptive capacity'.
High complementarity correlates positively with inter-partner learning.	Unrelated knowledge may be difficult to acquire and is of limited learning value.
Compatibility facilitates the reconciliation of difference.	Mutual suspicion and opportunistic behaviour will limit learning.
Social capital acts as an effective mechanism to transfer tacit knowledge.	Conflicting strategic objectives (organisations want to learn while protecting themselves from opportunistic behaviour) can reduce openness.
Social capital reduces threats of opportunistic behaviour.	

There are a number of competing definitions of organisational learning and conceptions of the different processes that characterise it. The acquisition of certain forms of knowledge requires specific learning processes. For example, the acquisition of tacit knowledge is consistent with the properties of, and may thus more readily stimulate, double-loop learning. Simple information exchange may promote only single-loop learning. The success of individuals and organisations in acquiring knowledge from their partner will thus depend on the level of learning taking place.

Single- and Double-Loop Learning: Key characteristics

Organisational learning is presented in the literature as occurring at different levels of analysis – from individuals (Argyris, 1982) to organisations (Levitt and March, 1988). The ramifications of different types of learning on individuals and organisations alike are subtle but important. Numerous researchers have sought to clarify this issue. Examples include single versus double loop learning (Argyris, 1982) and incremental versus second order learning (Ciborra and Schneider, 1992). Senge (1990) describes adaptive and generative learning. Bateson (1972) earlier articulated this distinction as Learning I (detecting errors, refining processes and selecting among known alternatives) and Learning II (changing the sets of available alternatives, re-framing the situation and expanding the realm of activity). In all these various constructs, the lower level involves improving existing behaviour and making progress toward stated goals, while the higher level requires questioning the appropriateness of the goals, and recognising the subjectivity of meaning.

However, despite the seeming theoretical precision, operationalising these different levels is by no means a simple matter. Distinctions between first- and second-order learning are often abstract and difficult to identify in empirical organisational settings. Edmundson and Moingeon (1996), reflecting on their empirical cases, suggest that:

‘organisational learning processes can be characterised as *learning how* or *learning why*. Learning how involved organisational members engaging in processes designed to transfer and/or improve existing skills and routines... Learning why involves organisational members inquiring into causality using diagnostic skills’ (p. 17).

The distinction is similar to those described above. *Learning how* involves acquiring a ‘recipe’ or process, in which a relevant instruction might be “just tell me how to do it, not why it works”. The objective in *learning why* is to discern the underlying logic or causal factors.

Single-loop learning (SLL) is instrumental learning that changes strategies of action in ways that leave the values of a theory of action unchanged. In such learning episodes, a single feedback loop, mediated by organisational inquiry, connects detected error – that is, an outcome of action mismatched to expectations and, therefore, surprising – to organisational strategies of action and their underlying assumptions.

‘These strategies or assumptions are modified, in turn, to keep organisational performance within the range set by existing organisational values and norms. The values and norms themselves remain unchanged’ (Argyris and Schon, 1996, p. 28).

Double-loop learning (DDL) results in a change in the values of theory-in-use, as well as in strategies and assumptions. The double loop refers to the two feedback loops that connect the observed effects of action with strategies and the underlying values. Strategies and assumptions may change concurrently with, or as a consequence of, change in values. DLL may be carried out by individuals when their inquiry leads to change in the values of their own theories-in-use. Alternatively, DLL may occur in organisations, when individuals inquire on behalf of an organisation in such a way as to lead to change in the values of organisational theory-in-use. The characteristics of SLL and DLL are identified in Table 3.13.

Table 3.13. Manifestations of single- and double-loop learning

<i>Single-loop Learning</i>	<i>Double-loop Learning</i>
Detecting errors, refining processes and selecting among known alternatives.	Changing the sets of available alternatives, re-framing the situation and expanding the realm of activity.
Improving existing behaviour.	Questioning the appropriateness of goals.
Making progress towards stated goals.	Recognising the subjective meaning of behaviours.
Improving existing skills and routines.	Gaining an understanding of the underlying logic core and causal factors of strategic action.
Changing strategies of action in ways that leave the values unchanged.	Changes in the core values underlying organisational status.
Organisational behaviour operates within existing organisational norms and vales.	Fundamental mind shift.
Incremental approach.	

Organisations continually engage in transactions with their environments and regularly carry out inquiry that takes the form of detection and correction of error. SLL is sufficient where error correction can proceed by changing organisational strategies and assumptions within a constant framework of values and norms for performance. It is instrumental and, therefore, concerned primarily with effectiveness: the best way to achieve existing goals and objectives, keeping organisational performance within the range specified by existing norms and values. In some cases, however, the correction of error requires inquiry, through which organisational values and norms themselves are modified, which is what it implied in DLL. Jones and Hendry (1992) provide a distinction between 'an incremental approach' and a 'fundamental mind shift'. A fundamental mind shift requires a more in-depth learning focus.

What are the operational implications of these learning distinctions? First, managers can find themselves confronted with conflicting learning and behavioural requirements. If they conform to the imperative for innovation, they may need to trade their imperative for predictability. If they decide to keep their patterns constant, they must give up their imperative for innovation. This argument echoes an earlier point relating to learning through failure. These individuals and their organisations may face a trade-off between success and reliability on the one hand and failure and resilience on the other. The institutional restructuring of governance in the English regions provides a catalyst for innovation and entrepreneurship. A continuous process of learning will be part of that transformation. How the various partners accommodate change and learn through that process will depend on their individual responses.

Conclusions

This review has sought to identify and explore some of the key themes associated with policy networks. Reference has been made to the specific policy challenges facing the English regions. The discussion has made the distinction between the structural characteristics of networks (the asset base), consisting of rules and resources, and the behaviours of actors. Both the structural and the dynamic nature of networks must be analysed if a comprehensive evaluation of policy outcomes is to be achieved. The initial asset base and the ensuing

behaviours will in combination shape policy outcomes (A*). However, what is of considerable interest is how the initial asset base influences consecutive behaviours and then in a double transformation, how certain behaviours can transform and restructure the initial asset base. The interplay between these two characteristics of structure and agency provides the central theme of this thesis.

The literature is replete with multiple, often overlapping concepts and conceptual frameworks. For example, there are close connections between the structural notions of ‘mavericity’ and ‘network brokers’, or between the behavioural syndromes of ‘perceptual fixation’ based on core value systems and ‘collaborative repertoires’, based on legacy effects. This apparent multiple conceptual redundancy may reflect the emerging status of much of the research in this field: or it may be caused by the fact that numerous paradigms and intellectual specialisms are indeed, essential in the exploration of such a complex and multi-dimensional environment. The review, taken as a whole, appears to provide a significant degree of underpinning and support to the fundamental robustness of the overall research model as set out in Figure 3.1. An appropriate methodology is required if the complex issues outlined in the literature review are to be adequately explored in the West Midlands. The following Chapter explores the design, nature and structure of the research process.

Chapter Four

Methodology

This Chapter explores the design, nature and structure of the research process. The Chapter is split into five broad sections, namely, the nature of the research problem; adopting an appropriate methodological paradigm; techniques for data gathering; the analysis process; and finally, evaluating validity, reliability and generalisability. The first section outlines the key aims of the research. The research takes a deep, exploratory stance aimed at the generation of ‘thick descriptions’. A set of ten provisional research questions have been generated to clarify the key theoretical approaches taken. The following section identifies a number of important considerations in designing an appropriate research method. These include the nature of the relationship between theory and research, epistemological issues, ontological issues, the distinction between qualitative and quantitative research and values and practical issues. Each of these five criteria is discussed in relation to the specific aims of the research. The nature of the research problem points logically to adopting a strong qualitative framework.

A single-method approach to data gathering was selected in this research. The explanations for, and advantages of this approach are discussed in section three of this Chapter. The advantages of qualitative interviewing, specifically semi-structured interviewing are outlined. A single-method approach to data gathering is defended on a number of theoretical and practical grounds. The process of data gathering, including formulating research questions, pilot studies, sampling, negotiating access, developing a rapport and the advantages of tapes and transcripts are explored. Section four details the processes and procedures involved in analysing the data. A number of analytical techniques have been adopted, including open coding, pattern coding, content analysis and relationships mapping. The analytical approach involves a combination of both deductive and inductive enquiry. These procedures are discussed with reference to some practical examples.

Finally, the traditional methodological concepts of validity, reliability and generalisability are explored using an alternative set of criteria, here deemed more appropriate for evaluating

qualitative research. Lincoln and Guba's (1994) '*ordinary language definition*' involves a range of criteria that reflect the different paradigmatic approach used in qualitative research. The criteria of credibility, transferability, dependability and confirmability are debated, while acknowledging their strong parallels with the more traditional factors of validity, reliability and generalisability. The details of data triangulation and respondent validation techniques used in this research are provided. Figure 4.1 outlines the timescale of the research. The processes and procedures outlined in this Chapter are also summarised in Figure 4.1. Although the diagram schematically outlines a linear approach to the research, there were often a number of tasks and procedures under way at the same time. For example, the provisional analysis of data began while data gathering was still taking place.

The debate begins with a discussion of the research problems and the main aims of the study.

The Nature of the Research Problem

This study aims to evaluate the impact of an RDA on the partnership infrastructure of the West Midlands. The research began six months before the official start-up date of the RDA, in April 1999. During this time, partners were beginning to maneuver and position themselves in anticipation of the new regional experiment. One of the objectives was to explore and evaluate the collective impact of regional governance restructuring, and the ensuing effects on local partners. The West Midlands has a history of partnership working, and a strong pre-existing regional body in the form of WMREC. Local stakeholders were now faced with a new set of collaborative challenges. Some would be better positioned to deal with those challenges than others.

A Dynamic Analysis of Network Evolution

This study has explored the formation and evolution of the WMRDA network and captured the inherent complexities of regional partnerships. This demanded a close interpretation of events over a specified period of time.

Figure 4.1. Timescale of the study

Autumn 1997	Literature review
Summer 1998	Developing research proposal
Autumn 1998	Developing and piloting the interview schedule
Spring 1999	First round of data collection
Autumn 1999	Preliminary analysis
Winter 1999	Report to respondents Developing and piloting the second interview schedule
Spring 2000	Second round of data collection
Summer 2000	Preliminary analysis Report to respondents
Autumn 2000	Development of the literature review
Winter 2001	Main data analysis
Spring 2001	Development of the literature review
Summer 2001	Writing up

Indeed, Marsh (1998) points out the need for more dynamic studies of policy networks, which look at the development of networks, and especially its formation. Marsh believes that:

‘...too much of the work on networks adopts a static analysis; it takes a snapshot of the network at a particular time’ (p. 186).

Reflecting the dynamic features of the research domain, a comparative analysis was adopted here, involving two ‘snapshots’ in time: the first just before the formal introduction of the RDA, the second a year into the RDA’s formal operations. The literature suggests that two separate, but related, aspects of a formative policy network affect the governance outcome: the structure of the network and the interaction between the actors in the network. This is made more complicated because the interactions, which shape outcomes, are a product of the resources which the actors control. Furthermore, the resources which individual actors control are not given; they are a reflection of the structural position occupied by the group. In addition, the actor’s skill, while to an extent innate, is also the product of the actor learning from experience. This means that any analysis of the evolution of networks needs to examine each of these relationships (Marsh, 1998). This critical relationship between the network structure and network dynamics is central to this research.

A range of different approaches and theoretical frameworks have been utilised to assess the network at a number of levels. The first level focuses on *network structure*, incorporating aspects of the existing institutional environment, partnership infrastructure, the number and diversity of the various partners and the resources at their disposal. The second level of analysis seeks to explore the *interactions between partners* in the network. These include strategies, behaviours, dynamic relationships, partnering strategies, learning opportunities, strategic intent, and the commitment of local partners. The third level emphasises the *role of the individual network manager*, including inter-personal relationships, the development of trust, skills and competencies, experience and individual reputation and prestige. A detailed, in-depth analysis of these three network components has been used to present a rich explanatory account of the formation and evolution of the WMRDA network. This was subsequently used to reach a judgment on the ultimate success or failure of the RDA in the

West Midlands as a governance mechanism (discussed in the section titled ‘Measuring Success and Failure in Relation to AWM’ in Chapter Seven).

Theoretical Frameworks

The research builds on a number of theoretical frameworks. These include:

- *Policy Network Theory* (Amin and Thrift, 1994; Kickert *et al*, 1997; Marsh and Rhodes, 1992; Rhodes, 1994):
- *Partnership and Collaborative Theory* (Benson, 1982; Gray, 1989; Huxham, 1996):
- *Organisational Learning* (Argyris and Schon, 1996; Sitkin, 1996):
- *Trust and Social Capital* (Lane and Bachman, 1998; Putnam, 1993; Sako, 1992):

The research is multi-disciplinary, reflecting the multitude of variables and considerations inherent in network analysis. The research seeks to look beyond the rhetoric and official statements generated in partnership working. Actors often have a ‘formal response’ and a more genuine, often emotionally grounded ‘informal view’ of partnership working. The research intends to develop an authentic view of collaborative activities ‘on the ground’. The personal experiences of the key actors involved will be critical in formulating the type of rich, contextual data required in this evaluation. A number of provisional research questions were formulated, based on a review of the literature and the emerging policy issues surrounding the introduction of RDAs. These are as follows:

1. How does the structure of the network shape the behaviours and interactions between actors?
2. How do the behaviours and interactions between actors shape the network structure?
3. What are the incentives for, and barriers to increased joined-up thinking and holistic governance in the West Midlands?

4. What is the density of partnership relationships in the West Midlands? Who is being included and excluded?
5. Are partners able to develop new cross-sector alliances given the large number of diverse organisations and interests in the region?
6. How important is trust and social capital in facilitating and preserving partnerships?
7. What types of learning opportunities are evident in the network, and who is most likely to benefit from them?
8. How effective is the RDA as a 'broker' and 'facilitator' of new relationships across the region?
9. What factors can be used to assess the relative success or failure of the RDA in the West Midlands?
10. Has the RDA secured added public and social value?

These ten questions have guided the research process in a number of ways. First, the questions have identified themes in the literature to be evaluated empirically. Secondly, they have been used to frame the questions in the interview schedules. Thirdly, the ten preliminary questions have helped to frame the three evaluative questions discussed in Chapter Seven. An appropriate research methodology was required to obtain the depth and clarity of information needed to answer the above questions. Indeed, with the emphasis of the research on 'probing beyond the rhetoric', the use of soft process measures, incorporating a sensitive and flexible approach was selected. A number of methodological criteria were taken into account to this end. These are discussed in the next section.

Adopting an Appropriate Methodological Paradigm

A variety of considerations enter into the process of doing social research. The distinction that is commonly drawn among social researchers is between quantitative research and qualitative research. Bryman (2001) identifies a number of factors that need to be considered when designing a research method. These include:

1. *The nature of the relationship between theory and research*, in particular, whether theory guides research (known as a deductive approach) or whether theory is an outcome of research (known as an inductive approach).
2. *Epistemological issues*, relating to what is regarded as appropriate knowledge about the social world. One of the most crucial aspects here is the question of whether or not a natural science model of the research process is suitable for the study of the social world.
3. *Ontological issues*, addressing the degree to which the social world is regarded as something external to social actors or something that people are in the process of fashioning.
4. The ways in which these issues relate to the widely used distinction in the social sciences between two types of research strategy: *qualitative and quantitative* research.
5. The ways in which *values* and *practical issues* also impinge on the social research process are also relevant.

Each one of the above, five factors is discussed in relation to the nature of the present research. The discussion begins with an evaluation of the relationship between theory and research.

1. Theory and Research

Characterising the nature of the link between theory and research is by no means a straightforward matter. There are several issues at stake, but particularly important here is the distinction between deductive and inductive theory. *Deductive theory* represents the most common view of the nature of the relationship between theory and social research. The researcher, on the basis of what is known about a particular domain and of theoretical considerations in relation to that domain, deduces a hypothesis (or hypotheses) that must then be subjected to empirical scrutiny. Theory and the hypotheses deduced from it come first and drive the process of gathering data. In contrast, some researchers select an approach to the

relationship between theory and research that is primarily *inductive*. With an inductive stance, theory is the outcome of research. However, just as deduction entails an element of induction, the inductive process is likely to entail an element of deduction.

The analytical approach taken in this research is a combination of deductive and inductive enquiry: deductive in the sense that there were a number of key themes and concepts under investigation, inductive in that themes and concepts emerged from the data inductively (this methodological approach is discussed in the later section of this Chapter headed ‘Inductive and Deductive Analysis’). The researcher drew on deductive methods particularly at the beginning of the research when developing initial research questions. However, it is argued that the overall approach taken is largely inductive. There are a number of reasons for this. Firstly, the rich, contextual approach requires avoiding *a priori* assumptions. The direction of the research, and the clarification of the key themes and arguments should emerge from the data in the course of the study. As Wolcott (1982) puts it, there is merit in an open-mindedness that requires one to enter a research setting looking for questions as well as answers. Secondly, the introduction of RDAs was a new policy proposal. The process was characterised by a great deal of uncertainty and volatility. As such, it was important not to make prior judgments. Thirdly, considerable attention was given to the views and opinions of the actors themselves. A set of broad themes were useful in guiding the general direction of the research. However, the research strategy was flexible enough to account for a range of unforeseen responses and opinions.

The conventional image of inductive field research is one that keeps pre-structuring and tight design to a minimum. However, Miles and Huberman (1984) note two objections to this position: the omnipresence of theory and the need for a research design. Any research, no matter how unstructured or inductive, comes to fieldwork with some orienting ideas, foci and tools. A second objection to the *tabula rasa* approach is the potential for failure:

‘the looser the initial design, the less selective the collection of data; everything looks important at the outset to someone waiting for key constructs or regularities to emerge from the site, and that wait can be a long one’ (p. 28).

An evaluation of policy networks involves an array of theoretical and practical considerations. Without some *a priori* structure and guidance, the generation of useful and meaningful data would have been problematic. As such, the research process combined elements of both deduction and induction. A set of analytic categories was generated deductively. However, these preliminary categories transformed and evolved through a process of inductive inquiry. In much the same way that a deductive strategy is associated with quantitative research methods, an inductive strategy is typically associated with a qualitative research approach.

2. Epistemological Considerations

An epistemological issue concerns the question of what is (or should be) regarded as acceptable knowledge in a given discipline. A central issue in this context is the question of whether the social world can and should be studied according to the same principles, procedures and ethos as the natural sciences. The position that affirms the importance of imitating the natural sciences is typically associated with a *positivist* epistemology. In contrast, *interpretivism* suggests that the subject matter of the social sciences – people and their institutions – is fundamentally different from that of the natural sciences. The study of the social world therefore requires a different research procedure, one that reflects the distinctions of humans as against the natural order (Richardson, 1996).

The epistemology of this research is broadly interpretivist. One of the objectives of the research was to understand the processes and behaviours involved in network evolution. It was vital to draw on the experiences and perceptions of the human research subjects. The dynamic nature of the network environment, including the skills, perceptions, actions and behaviours of local partners required a subjective, interpretive approach that acknowledged the personal and political sensitivities of the subject matter. As Bogdan and Taylor (1975) point out, it is the task of the social scientist to gain access to people's common sense thinking and hence to interpret their actions and their social world from their point of view. Klijn and Koppenjan (2000) also advocate a more interpretivist approach to policy network evaluation, based on the perception and experiences of participating actors. They refer to this approach as

the *Network Approach* to policy evaluation. They criticise the more positivist evaluative approaches, based on the 'classic goal achievement method', in the following terms:

- Because a variety of actors are involved who have different objectives, it should not be expected that the process and outcome could be evaluated in terms of the objectives of one actor. Instead, criteria are needed which consider the multi-actor, dynamic character of interaction in networks.
- In classic top-down approaches, the success and failure of policy processes is measured in terms of a public actor's effectiveness in achieving goals. However, each of the actors customarily has their own objectives, so it is unclear whose objectives should serve as the yardstick.
- The problem of finding the right evaluation criterion is not solved by using a collectively achieved formulation of a societal problem or objectives as a yardstick either. It is unlikely that actors possess a common perception of the problem or objective at the beginning of the process, given the large number of parties involved and their divergent interests.
- There is an additional problem that makes the use of ex ante-formulated objectives in the network approach untenable. In interaction processes, actors adapt their perceptions and objectives based on the responses of other parties and events in the environment. This implies that the problem formulation and objectives will change in the course of the process. Ex ante problem formulation or objective setting as a yardstick, whether or not it has been arrived at collectively, does not take this into account.
- If parties do not participate in the interaction process, the chances are high that their interests and preferences will not be represented. There are 'absent' goals that would be entirely missed in a classic goal achievement approach.

In the network management literature, one solution to this is found in the *ex post satisfying criterion* (Klijn and Koppenjan, 2000). This states that the starting point of the assessment of policy process outcomes is to be based on the subjective judgment of individual actors. A more positivist approach to network evaluation, involving *ex ante* objectives and policy outcomes, fails to acknowledge the complexities and the *processes* involved in collaboration. An epistemology was required which captured a range of intangible and prosessional phenomena associated with policy network analysis. An interpretivist stance, which explores the views and responses of those individuals who comprise the network, was deemed most appropriate.

3. *Ontological Considerations*

Questions of social ontology are concerned with the nature of social entities. The central point of orientation here is the question of whether social entities can be considered objective entities that have a reality external to social actors, or whether they can and should be considered as social constructions built up from the perceptions and actions of social actors (Silverman, 2000). These positions are frequently referred to respectively as *objectivism* and *constructivism*. Objectivism is an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors. It implies that social phenomena and the categories that are used in everyday discourse have an existence that is independent or separate from actors.

In contrast, constructivism asserts that social phenomena and their meaning are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision. As Potter observes:

‘the world... is constituted in one way or another as people talk it, write it and argue it’ (1996, p. 98).

Ontological assumptions and commitments feed into the ways in which research questions are formulated and research is carried out. Reflecting the dynamic and fluctuating characteristics of policy networks, and the ways in which interactions between actors shape and influence the network structure, it was logical to adopt a largely constructivist ontology. The relationships between partners in the WMRDA network were in a constant state of revision. The intense period of negotiation, during the introduction of AWM, shaped the future trajectory of the network environment.

4. Quantitative and Qualitative Research

The quantitative and qualitative research distinction represents a useful means of classifying different methods of social inquiry. Quantitative and qualitative approaches differ with respect to their epistemological foundations. Quantitative research can be construed as a research strategy that emphasises quantification in the collection and analysis of data and that:

- entails a deductive approach to the relationship between theory and research, in which the accent is placed on the testing of theories;
- incorporates the practices and norms of the natural scientific model and of positivism in particular; and
- embodies a view of social reality as an external objective reality.

By contrast, qualitative research can be interpreted as a research strategy that usually emphasises words rather than quantification in the information collection process and has three distinct features, namely:

- an inductive view of the relationship between theory and research, whereby the former is generated out of the latter;

- an epistemological position described as interpretivist, meaning that, in contrast to the adoption of a natural scientific model in quantitative research, the stress is on the understanding of the social world through an examination of the interpretation of that world by its participants; and
- an ontological position described as constructionist, which implies that social properties are outcomes of the interactions between individuals, rather than ‘objective’ phenomena, separate from those involved in their construction (Bryman, 2001).

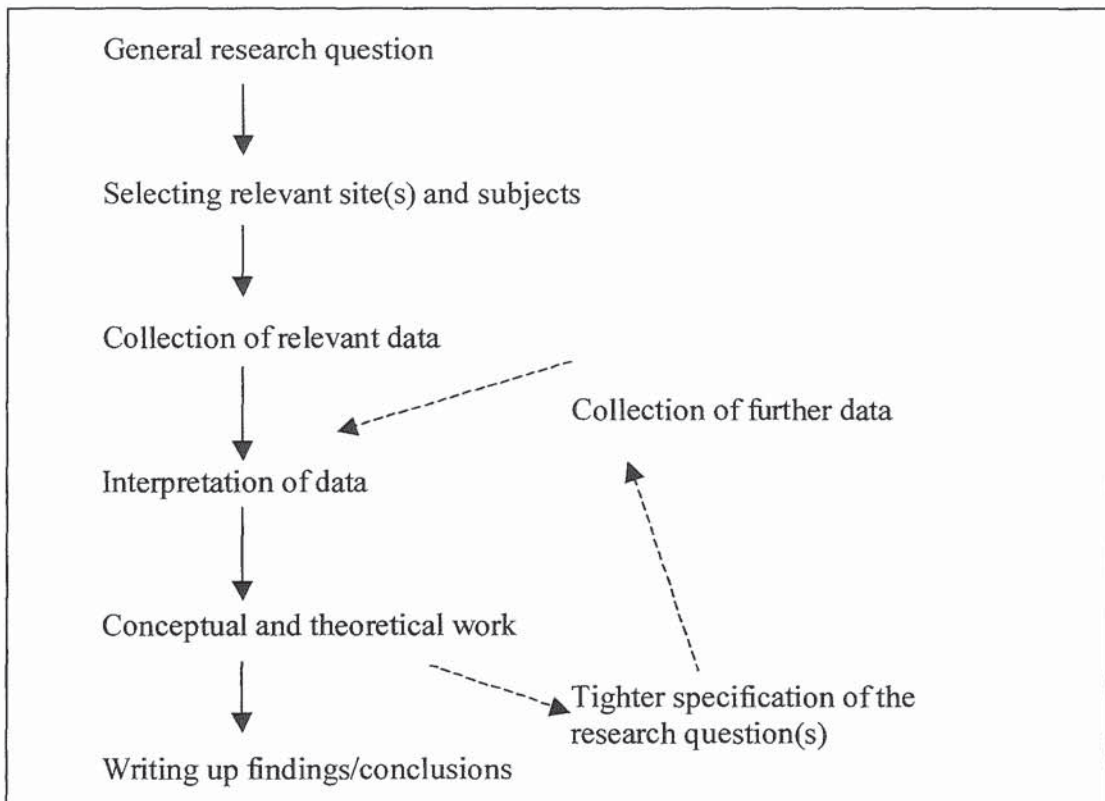
The nature of the current research, with an emphasis on process, behaviours and change, placed it firmly within the qualitative paradigm. Many qualitative researchers express a commitment to viewing events and the social world through the eyes of the people that they study. Additionally, qualitative research tends to view social life in terms of processes. One of the main ways in which this concern is manifest is that there is often a concern to show how events and patterns unfold over time. As a result, qualitative evidence often conveys a strong sense of change and flux. This makes it most appropriate to the demands of this research. As Pettigrew (1997) usefully puts it, process is:

‘a sequence of individual and collective events, actions, and activities unfolding over time in context’ (p. 338).

Denzin and Lincoln (2000) confirm that qualitative researchers believe that rich descriptions of the social world are valuable, whereas quantitative researchers are less concerned with such detail. The aim of qualitative research with its contextually sensitive and meaningful approach has been described as *thick description* (Geertz, 1979). This research provides a ‘thick description’ of the events leading up to, and resulting directly from, the introduction of an RDA in the West Midlands. Indeed, the focus on change, flux and adaptation required a qualitative approach. The sequence in Figure 4.2 provides a representation of how the qualitative research process can be visualised. An important aspect of qualitative research often involves the researcher collecting more data after interpreting some of the initial

findings. Such a strategy is referred to as an *iterative* one (Bryman, 2001). Preliminary findings are used to formulate a tighter specification of the research questions.

Figure 4.2. An outline of the main steps of qualitative research



(Bryman, 2001, p. 267)

5. Influences on the Conduct of Research

Values

Values reflect either the personal beliefs or the feelings of the researcher. It could be contended that social scientists should be value free and objective in their research. After all, one might want to argue that research that simply reflected the personal biases of its practitioners could not be considered valid and scientific because it was bound up with the subjectivities of its practitioners. However, there is growing recognition that the values of the

researcher can intrude at any of a number of points. Throughout this study, the researcher sought to provide an objective account of the subject's views and interpretations of social events. However, there were prior views held by the researcher regarding the need to ensure the legitimate inclusion of a range of stakeholders. The researcher had no prior contact with the research field and was not affiliated with any of the stakeholders in this study. As such, the personal biases of the researcher were minimised.

Practical considerations

The choices of research strategies, design, or method have to be dovetailed with the specific question being investigated. As the RDAs represented a new policy impetus, there had been limited research on the effects of their introduction. Consequently, an exploratory, qualitative stance was preferable and more appropriate, due to the absence of prior literature on the subject. As Silverman (2000) suggests, qualitative research provides a deeper understanding of social phenomena than would be obtained from purely quantitative data.

As part of the research process, a number of preliminary research questions were generated. A comparative analysis was utilised, involving two rounds of data gathering. This provided the opportunity to test initial assumptions and research themes. The responses and conceptual themes that emerged during the first round shaped the future direction of the research. This iterative approach meant that the direction of the research was guided by findings that were grounded firmly within the data. This process is illustrated in Figure 4.2.

Ethics

As Hammersley and Atkinson (1995) suggest "the only value which is central to research is truth: the aim should be to produce true accounts of social phenomena" (p. 263). However, there are other values beyond the pursuit of truth which mediate in and impact on the research process and these other values should not be ignored. Clearly, there are ways of pursuing inquiry that are unacceptable. To suggest that the goal of research is the production of knowledge is not to say that this goal should be pursued at all costs. There are ethical issues surrounding social research. Every attempt has been made during this study to be sensitive to

these wider ethical concerns. Hammersley and Atkinson (1995) identify a number of ethical considerations that are relevant to this study. The first of these concerns *informed consent*. It is often contended, they note, that the agents to be studied by social researchers should be informed about the research in a comprehensive and accurate way, and should give their unconstrained consent to that research. However, even when working in an overt manner, researchers rarely tell all the people they are studying everything about the research. There are various reasons for this. One is that, at the initial point of negotiating access, the researcher often does not know the course that the work will take, certainly not in any detail. Secondly, divulging some sorts of information might affect people's behaviour or responses in ways that will invalidate the research.

Both of these qualifiers are relevant to this study. Firstly, all potential respondents were informed of the nature of the research prior to scheduling the interviews. Potential respondents were informed of the status of the researcher (that is, as an ESRC-funded Doctoral student), the relevant areas for discussion, the plans to disseminate the results via reports, the likelihood of a further interview and finally, they were guaranteed confidentiality. In this respect, the researcher took steps to inform potential respondents of the study in a comprehensive and accurate manner. However, it was certainly true that, at this point, the researcher was unaware of the future trajectory of the study and was unable to provide a full account of the exact nature of the research output. Secondly, there were a number of specific themes under examination. For example, the issues of social inclusivity and inter-personal relationships were of particular interest to the researcher. However, this was not divulged to the respondents in fear of affecting responses and influencing the information that they might provide.

The second aspect relates to *harm*. Social research can sometimes have important consequences, both for the people studied and for others. These may arise as a result of the actual process of doing research and/or through publication of the findings. At the very least, being researched can sometimes create anxiety or worsen it. Where people are already in stressful situations, research may be judged to be unethical on these grounds alone. Careful consideration was taken during this study to put all respondents at ease and to avoid any

stressful situations. Respondents were able to (and in some cases did) decline answering questions and could ask for the tape recorder to be turned off at any time. Every care was taken to reassure respondents and be sensitive to their wishes. Turning to the potentially harmful consequences of the publication of research, these can come about in a variety of ways and may affect both the public reputations of individuals and organisations. During this study every care was taken to ensure respondent confidentiality and also to ensure the anonymity of individuals and organisations referred to during the interviews. In some instances, very strong comments were made about specific individuals. This information would have been most interesting to include in the research findings. However, information relating to specific individuals was omitted or the identity of the individual was not disclosed on ethical grounds.

As Hammersley and Atkinson (1995, p. 285) suggest:

“... the most effective strategies for pursuing research should be adopted unless there is clear evidence that these are ethically unacceptable”.

During this study the researcher has taken care to ensure that procedures have been ethically acceptable, taking due account of the research goals, the situation in which the research is being carried out, and the values and interests of the people involved.

Reflexivity

Reflexivity concerns the relationship between the researcher and the social world. Contrary to positivism, reflexivity suggests that there is no prospect of the social researcher achieving an entirely distanced, impassive or 'objective' position from which to study the social world (Denscombe, 1998). This is because the concepts that the researcher uses to make sense of the world are also part of that social world. Inevitably, the sense that researchers make of the social world and the meaning given to events and situations are shaped by their experience as social beings and the legacy of the values, norms and concepts have assimilated during a lifetime. These will differ from person to person, culture to culture.

It is important to be self-reflexive throughout the research process (Bryman, 2001). Researchers are viewed as implicated in the construction of knowledge through the stance that they assume in relation to the observed and through the way in which an account is transmitted in the form of a text. This understanding entails an acknowledgement of the implications and significance of the researcher's choices as both observer and writer. During this research process, a number of issues have been raised with regard to reflexivity. The first concerns the researcher's own personal values and beliefs. Prior to the study, the researcher had no previous contact with the research field. Any prior assumptions held by the researcher, relating to the concepts of partnership working, policy networks and inclusive governance, had been derived from a review of the literature. The researcher did, however, hold prior views on the need to ensure the inclusion of a range of stakeholders, in particular, those drawn from voluntary and community groups and environmental concerns. The researcher also had prior beliefs relating to the benefits of partnership working and the pursuit of joined-up thinking, both of which were viewed as public goods. It is feasible that the line of questioning and the views of the researcher during the interviews may have influenced the respondents' views and opinions. The nature of the questions posed and the content of the responses may have provoked certain thoughts and considerations among interviewees.

Secondly, the knowledge, skills and capabilities of the researcher were constantly developing and improving. This was particularly evident with regard to interviewing technique and generating knowledge of the research field. Hence, the style and approach of the *interviewer* was constantly changing. This undoubtedly led to inconsistencies in the way that interview respondents were treated. As the competencies of the researcher developed, so too did the style of enquiry. However, this is considered a positive transition, as, in the opinion of the researcher, the developing approach was more robust and significantly more rigorous in terms of accessing information. For example, the researcher's improved skills and knowledge allowed for increasingly persuasive probing and a more sophisticated exploration of the research field.

Thirdly, the status and credibility of the researcher changed during the course of the study. Initially, the researcher was unknown to potential respondents. By the second round of

interviews, the researcher had slowly built a reputation as an academic with a keen interest in the governance of the West Midlands region. The researcher's subsequent involvement in the West Midlands Regional Chamber Review and affiliation with John Mawson (a prominent academic in regional governance structures and well known to many interviewees) served to transform the researcher's status from 'unknown' to a 'recognised figure'. The researcher came into proximity with respondents at conferences and various meetings and, in some cases, developed inter-personal relationship with them. This transformation undoubtedly impacted on the subsequent information received from respondents. On the one hand, informality, trust and developing inter-personal relationships may have served to facilitate the transfer of information. On the other hand, the researcher's more involved or influential status may have made respondents increasingly cautious about revealing information which they feared might be being passed on to other influential regional figures (both academics and practitioners).

Finally, when scheduling the interviews, a copy of the research findings was promised to participating individuals. Two preliminary reports were sent to respondents. These reports detailed some of the findings from rounds one and two of the interviews. It is possible that these reports may have influenced the research field in a number of ways. Firstly, the fact that the findings were to be distributed to other key stakeholders in the network may have influenced interviewees' responses in some way. It is possible that interviewees tailored their responses as 'signals' with this in mind. Secondly, the two reports may have influenced the views and opinions of the interviewees. For example, after reading the first report, a respondent from the other stakeholder group commented:

"I am pleased to see that everyone is as disgruntled. I had thought that I was out on a limb in my views".

As this statement shows, the contents of the reports were impacting on the views of interviewees and potentially on the wider RDA network. In addition, the possibility of the research work being published in the future may have stimulated a similar response from interviewees.

As demonstrated, social research is not conducted in a vacuum. The role of the researcher and the research process itself has an effect on the research field. Hammersley and Atkinson (1995) suggest that this is an inevitable part of social research. However, this study sought to be as objective as possible in interpreting the views of key individuals in the network. Every care has been taken in terms of following research procedures and limiting the biases and influence of the researcher. The above observations are therefore acknowledged as inevitable in the conduct of research. The choice of research method reflects the specific nature of the research problem. These considerations are discussed next.

Techniques for Gathering Data

Semi-structured Interviews: The Methodological Advantages of Qualitative Interviewing

Reflecting the deep, exploratory nature of the research, semi-structured interviews were selected as the most appropriate technique for gathering data. The interview is probably the most widely employed method in qualitative research (Bryson, 2001). Berg (1998) defines interviewing as conversation with a purpose. Specifically, the purpose is to gather information. It is important to acknowledge the major alternative interview structures. These are sometimes referred to as 'the family of qualitative interviews' (Rubin and Rubin, 1995). Three major categories may be identified: the standardised (formal or structured) interview, the unstandardised (informal or non-directive) interview, and the semi-standardised (guided-semi-structured or focused) interview. Semi-structured interviews involve the implementation of a number of pre-determined questions and/or special topics. These questions are typically asked of each interviewee in a systematic and consistent order but the interviewees are allowed freedom to digress, that is, the interviewers are permitted (in fact, expected) to probe far beyond the answers to their prepared and standardised questions.

Qualitative interviewing has a number of advantages. There is an emphasis on greater generality in the formation of initial research ideas and on the interviewee's own perspectives. Interviewers can depart from any schedule or guide that is being used. They can ask new questions that follow up interviewees' replies. This is an essential component in generating

'rich descriptions'. This research began with a relatively clear focus, rather than a very general set of aspiratory notions. Semi-structured interviews allowed the discussions to be guided in a certain direction, but were also flexible enough to account for a range of responses. The research involved the evaluation of a number of case-sites. When undertaking multiple-case research, a degree of structure is essential in order to ensure cross-case comparability. The semi-structuring of questions allowed for a satisfactory degree of cross-case comparability.

Qualitative interviewing is a widely used methodology for data collection. Farr (1982, p. 36) suggests it is:

'essentially a technique or method for establishing or discovering that there are perspectives or viewpoints on events other than those of the person initiating the interview'.

Using qualitative interviewing to map and understand the respondents' life world is the entry point for social scientists, who then introduce interpretive frameworks to understand the actors' accounts in more conceptual or abstract ways. One of the objectives of this study was to develop an authentic and regionally specific view of collaborative action on the ground. In outlining the need for more dynamic studies of policy networks, Marsh (1998) advocates the use of a traditional methodology, relying to a large extent on interviews.

A Realist Approach to Interviewing

Many interview studies are used to elicit respondents' perceptions. However, how far is it appropriate to assert that people attach a single meaning to their experiences? It is plausible to suggest that what people say to the researcher and to each other may convey multiple meanings. This raises important methodological issues about whether interview responses are to be treated as giving direct access to 'experience' or as actively constructed 'narratives' involving activities which themselves demand analysis. Both positions are entirely legitimate depending on the nature of the research. Silverman (2000) suggests that:

‘the most popular way to treat respondent’s answers is as describing some external reality (e.g. facts or events) or internal experiences (feelings or meanings)’ (p. 122).

This method is referred to as *the realist approach to interviewing* (Silverman, 2000). And it was this approach that was adopted in the present study: why? First, if one attempts to apply multiple meanings, and explore the subjective, latent content of responses, this may be achieved only at the expense of reliability. This raises particular problems for the ‘lone researcher’. Any subjective evaluation of multiple meanings usually needs to be validated, as Bryman (2001) observes, by a number of researchers. Secondly, the research is exploratory in nature, based on interviewee responses. It was felt that more complex approaches to interviewing and text analysis would have clouded the issues and objectives of this research. As such, answers were used to ascertain some external reality or internal experiences. However, when adopting a realist approach to interviewing, it is important to build into the research design various devices to ensure the accuracy of respondents’ answers and the researcher’s interpretation. Data triangulation and/or respondent validation are useful techniques. The use of these research techniques is discussed in Section Five of this Chapter.

Defending a Single-Method Approach to Data Gathering

There is often a pre-supposition that a multi-method approach to data gathering always ensures increased validity and reliability. By having a cumulative view of data drawn from different contexts, one may be able to triangulate the ‘true’ state of affairs by examining where the different data intersect. However, multi-method approaches are not always appropriate, as Silverman (2000) suggests.

‘Multiple methods are often adopted in the mistaken hope that they will reveal the “whole picture”, but this “whole picture” is an illusion, which speedily leads to scrappy research based on under-analysed data and an imprecise or theoretically indigestible research problem. Choose simplicity and rigor’ (p. 99)

There are a number of reasons why a multi-method approach to data gathering was rejected in this study. These reflect the many theoretical perspectives in sociology and elsewhere that suggest that we cannot simply aggregate data in order to arrive at an overall 'truth'. As Hammersley and Atkinson (1983), point out.

'One should not adopt a naively "optimistic" view that the aggregation of data from different sources will unproblematically add up to produce a more complete picture' (p. 199).

The type of information generated through the semi-structured interviews was unique. The subject matter was of an extremely politically and personally sensitive nature. Issues of confidentiality were thus paramount. The researcher's opportunity to probe respondents and develop a rapport helped to elicit the high level of detail evident in the ensuing analysis. It was these considerations that pointed to interviews as the logical option. Other methodological techniques for data gathering were rejected for a variety of reasons itemised below. These alternative data gathering techniques included surveys, secondary data sources, focus groups and case studies.

1. Surveys: During the initial data-gathering phase, surveys were considered as a potential option for generating further data. However, as the interviews progressed, it became apparent that the only way to gather the type of rich, exploratory data required was through face-to-face interaction. Respondents needed to be assured repeatedly of confidentiality. The comments made were not of the nature to be trusted by the 'internal mail' of organisations. Respondents would be very unlikely to put their name to a postal survey detailing the types of responses they were giving during an interview. Indeed, during the presentation of a conference paper by the current author, at an ESRC conference in November 1999, John Bennigton from Warwick University condemned the use of surveys for this type of research and suggested that interviews were the only way of accessing depth in responses.

2. Secondary Data Sources: Data gathering began when the RDA was very much in its inception: it was a regional experiment which had yet to be evaluated and explored. There

would be little value in any analysis of formal mission statements or objectives of the participating partners. One of the objectives of the research was to penetrate beyond the 'rhetoric' of partnership working. Most partnering organisations had an official line that suggested that they were working with a range of interests groups and pursuing a number of partnership alliances. However, the reality 'on the ground' was often very different, characterised as much by rivalry as by co-operation. In addition, the key themes of the research, including trust, and learning, remained largely unexplored within the new policy context. There was an absence of comparable documentary evidence or secondary data. However, in May 2000 the then DETR commissioned a report on 'Partnership Working in the RDAs'. A draft copy of this report was used to validate some of the claims made in this research. The details of this are discussed in Section Five of this Chapter.

3. Focus Groups: During the interviews, partners were asked questions regarding their own collaborative competencies and the competencies of others. Other questions concerned issues of trust and mistrust, some of which related very strongly to certain individuals in the region. The subject matter and the responses obtained were thus particularly personal and confidential. The interviews enabled a frank and open discussion of other members of the WMRDA network. It is extremely unlikely that such responses would be generated in the company of other members of the network. Confidentiality requirements concerning interpersonal and network relationships therefore effectively ruled out this option.

4. Case Studies: The WMRDA network incorporates a wide range of interests and organisations. The study encompasses a broad spectrum of these diverse interests and opinions. Any detailed case study analysis would have to incorporate a number of diverse organisations for it to achieve coverage across such a fragmented domain. If only a couple of organisations were selected for more detailed analysis, it would not reflect the high levels of difference in the network. In terms of time and resources, this multiple case study approach was simply not possible.

Finally, mapping one set of data upon another is a more or less complicated task depending on the broader analytical framework. A multi-method approach to data gathering was, given all

of these potential pitfalls, deemed to be inappropriate to the analytic framework outlined in this research.

Formulating Research Questions

Patton (1980) suggests that researchers begin with an outline, listing all the broad categories that they feel may be relevant to their study. This preliminary listing allows them to visualise the general format of the interview schedule. The specific ordering (sequencing), phrasing, level of language and general style of the questions depends on the educational and social levels of the subjects. It is important to word questions so that they will provide the necessary data and to ask questions in a manner so as to motivate respondents to answer as completely and honestly as possible.

A set of critical ‘make or break’ issues emerged from the literature. These issues formed ten preliminary research questions (pp. 141-142). These research questions were used to frame the interview schedules. The formation of the questions was broad enough to allow for alternative avenues of enquiry to arise during the collection of the fieldwork. The kinds of questions asked in qualitative interviews are highly variable. Kvale (1996) has suggested nine different kinds of questions, involving introducing questions, probing questions, follow-up questions and interpreting questions, to name but a few. It was important to omit any leading questions. For example, rather than asking direct questions about particular problems, subjects were asked questions that encouraged them to speak openly about partnership arrangements, skills and capacities and inter-personal relationships. It was important in short, not to *assume* the responses of subjects. For example, it was not appropriate to ask a business respondent which social groups they were collaborating with, for this implies that they should have been so collaborating – a clearly prejudicial stance. Instead, broad questions relating to partnerships in general were used. Similarly, it was not appropriate to ask partners whom they did not trust. Instead, questions were put concerning the importance that respondents attached to inter-personal relationships in the network. As Douglas points out, ‘don’t use steamrollers to catch butterflies’ (1985, p. 23). The themes in the first interview questionnaire were largely exploratory in nature and covered the broad concerns of:

- existing partnership arrangements;
- organisational position and intentions; and
- motivations behind forging new alliances.

There were twenty-five questions in total and seventeen scripted prompts. A copy of the first interview schedule can be found in Appendix 1. Attention was paid to the theoretical guidelines on preparing an interview (Berg, 1998; Bryson, 2001; Denzin, 1970; Kvale, 1996). These included language, effectively worded questions, complex questions and question sequencing.

The generation of the second interview schedule involved a similar process. Indeed, the second stage of data gathering was guided by the preliminary analysis of the first round data. For example, the issue of trust proved to be such a strong feature in the data that further exploration proved vital. However, the context of the research site had shifted at this point. AWM was now officially operational and the interview questions now reflected this altered reality. The domain had shifted and the questioning line had to reflect that. During the first round of data gathering, many of the questions were speculative. Respondents were asked to project future strategies, possibilities and aspirations. The second round of interviews asked partners how they viewed the process and activities of the past year in retrospect. The second interview schedule can be found in Appendix 2.

In the second interview schedule, pre-determined categories were introduced at selected points. For a number of questions, subjects were therefore asked to pick from a range of possible responses. Respondents were then given the opportunity to expand on their responses and explain the reasoning behind them. A set of cards was used to show the list of response categories to the subjects. The pre-determined response categories were introduced to gain an increased clarification of some of the themes that emerged during the first round. The questions in the second round were thus confirmatory of some of the findings in round one. They included a range of question that expanded on important emerging themes. The interview schedule consisted of three broad questioning lines including:

- how the respondent has viewed the RDA process;
- the respondents' concrete experiences and learning; and
- the respondents relationship with other regional partners.

There were twenty-three questions in total and eleven scripted prompts. The reduction in the number of questions reflected the increased confidence in the format of questioning.

Piloting

Once the interview questions had been formulated and the general wording and sequencing of the questions were considered suitable, the interview schedules were piloted. Berg (1998) suggests that this involves two steps, the first of which relates to people who are familiar with the study's subject matter. Other researchers should critically examine the schedule. This first step facilitates the identification of poorly worded questions and the researcher's own bias. Step two involves practice interviews to assess how effectively the interview will work and whether the type of information being sought will actually be obtained. Both interview schedules were piloted with a senior research colleague within Aston University, who suggested a number of alterations on both schedules. Secondly, both schedules were piloted with a practitioner in the field. A senior member of Birmingham's Economic Development Department, who is a noted key figure in regional affairs, was enlisted to this end. A number of important changes were made, particularly to the first interview schedule in light of these pilots. The alterations suggested by the academic and practitioner are highlighted in Appendix 3. The next stage of piloting involved a number of practical interviews to assess how effectively the interview schedules worked and what type of information was being obtained. Chadwick *et al* (1984, p. 120) suggests five questions for assessing an interview schedule.

- 1 Has the researcher included all of the questions necessary to test a research hypothesis?
2. Do the interview questions elicit the types of response that were anticipated?
3. Is the language of the interview schedule meaningful to the respondents?
4. Are there other problems with the questions, such as double meanings or multiple issues embedded in a single question?

5. Finally, does the interview guide, as developed, help to motivate respondents to participate in the study?

These five criteria were used to assess a number of practical interviews. Two practical pilot interviews were conducted for each of the two interview schedules. Practical interviews were conducted with a local government officer and a member of the other stakeholder group.

Sampling

A purposive sampling strategy was adopted in this study. Purposive sampling allows the researcher to choose a case because it illustrates some feature of process in which one is interested. Purposive sampling demands that we think critical thought be given to the parameters of the population of interest and care taken in choosing the sample case on this basis, as Denzin and Lincoln suggest.

‘Many qualitative researchers employ... purposive, and not random, sampling methods. They seek out groups, settings and individuals where... the processes being studied are most likely to occur’ (1994, p. 202).

The sample frame included a representative range of regional interests. The sample is not representative of the regional governance system as a whole, but instead intends to represent a broad spectrum of divergent opinions. The sample was drawn from members of the precursor to the RDA, the WMREC. This was a pragmatic decision, as the WMREC included key and prominent players in the region, drawn from all sectors. In addition, the activities of the WMREC, would to a significant degree determine future outcomes – exerting a considerable *legacy effect*. Consequently, it was useful to obtain the views and opinions of those individuals who have been situated at the heart of regional partnerships for some time. The sample also included Regional Chamber business and other stakeholder members, West Midland Members for European Parliament (MEPs) and Board Members and Chair of AWM. Interviews were sought with personnel working at senior management level (director, chief executive). After all, it was senior management who participated in the major negotiations and

who made final collaborative decisions. There was also a degree of *snow balling* (Berg, 1998). In some cases, respondents passed on the name of a person they felt more appropriate to respond; or of someone they thought would be useful to talk to.

The sample included the three main stakeholder groups of:

- Local authorities
- Business sector
- Other stakeholder group

Additional responses were sought from:

- The regional branch of the Local Government Association
- Government Office of the West Midlands
- AWM
- MEPs

These groups of agents reflected the structures of power and influence within the region. It is important to consider how this social milieu might be segmented on certain issues (Gaskell, 2000). The present objective is, after all, to unearth the different views of partners within the regional network.

Negotiating Access

Gummeson (2000, p. 187) defines access as 'the researcher's number one problem'. Access refers to the ability to get close to the object of study, to be able to find out what is really happening below the rhetoric. In January 1999, a formal request for an interview was sent to a number of organisations. A covering letter set out the details of the research and promised a copy of the research findings, which would be completed within the ensuing six to twelve months. A copy of that correspondence can be found in Appendix 4. A follow up phone call

was used to schedule appointments. The timing of the research presented a number of specific advantages in terms of access.

Hammersley (1992a) recognises that the kinds of research questions and findings that might be of interest to practitioners and researchers are likely to be somewhat different. As Hammersley notes, practitioners are likely to be interested in research that helps them to understand or address problems with which they are currently confronted – their ‘front burner’ concerns. These may not be (and perhaps are unlikely to be) at the forefront of a researcher’s set of preoccupations. However, there may be occasions when researchers can combine the two and may even be able to use this capability as a means of securing access to organisations in which they wish to conduct research. The issue of relevance was a contributory factor in negotiating access to organisations. The introduction of RDAs and the effects on local partners presented an issue of extreme significance to potential respondents. The promise of a copy of the research findings indeed proved to be a useful incentive.

However, the scheduling of interviews in the first round was not without incident. Firstly, there was a severe lack of interest from the nine MEPs in the West Midlands. A number turned down the request for an interview on the grounds that they knew very little, if nothing at all, of the introduction of the RDA in the West Midlands. Secondly, there was an attempt by GOWM to block any interviews with the board members of AWM. Instead, GOWM granted an interview with their senior regional director and the head of the RDA secretariat (also part of GOWM). Despite this, two board members had already agreed an interview and were happy to participate.

In total, fifty-eight requests for interviews were sent to key stakeholders in the region. Thirty-five interviews were completed with a broad spectrum of regional interests and organisations. The interviews took place between February and July 1999. The three main stakeholder groups of local authorities, business and the other stakeholder group were represented by an equal number of respondents. A list of respondents can be found in Appendix 5.

In preparation for the second round of interviews, respondents were sent a covering letter, requesting a further interview. A copy of the preliminary research findings was also included, in report format. The report was titled '*Negotiating Regional Futures: Success and Failure. Lessons from Advantage West Midlands*'. A copy of the covering letter and the report can be found in Appendix 6. The report was aimed at a practitioner audience and sent to all respondents in January 2000. Following the disinterest of the majority of MEPs in the first round, only those who previously participated were sent a request. Fifty requests for interviews were sent out; thirty-five were completed between February and July 2000. Of the thirty-five interviews undertaken during this time, twenty-eight involved the same individuals who participated in the first round. This allows for a convincing comparative analysis of the views and opinions of key partners over a period of time.

The Interview Process – Developing a Rapport

It was possible that the interviewee might feel self-conscious and defensive, given the sensitive nature of the subject matter. To counter these understandable tendencies and to encourage the interviewee to talk at length, to expand on the emotional and intuitive content of their views and to be frank, it was important for the interviewer to put the interviewee at ease and establish a relationship of trust and confidence, so-called *rapport*. This was achieved by the interviewer's form of questions, by verbal and non-verbal reinforcement, and by being relaxed. The subject was assured that there were no correct or incorrect responses, that the researcher was after a frank and honest opinion, and that all responses would remain confidential.

Berg (1998) suggests that *confidentiality* and *anonymity* are sometimes mistaken as synonymous. However, they have quite distinct meanings. *Confidentiality* is an active attempt to remove from the research records any elements that might indicate the subject's identities. In a literal sense, *anonymity* means that the subjects remain nameless. In most qualitative research, however, because the investigators know the subjects, anonymity is virtually nonexistent. Thus, it was important to provide subjects with a high degree of confidentiality. Reinforcing confidentiality was a key factor in the development of trust between interviewer

and interviewee. Fontana and Frey (2000) suggest that the researcher needs to develop some kind of trust with the respondent. Gaining trust was essential to the success of the interviews. However, once gained, trust can still be very fragile. Because the goal of semi-structured interviewing is *understanding*, it is paramount that the researcher established a rapport with respondents. This was particularly important because repeat interviews were required.

Kale (1996) identifies an important component for successful interviewing: *listening*. This involves being very attentive to what the interviewee is saying. It means that the interviewer is being active without being too intrusive. It was important to allow the respondent the freedom to speak at will and for the interviewer to respond appropriately to the comments made. Permission was requested for the interviews to be recorded. In all cases, respondents agreed to this request. However, there were two occasions when respondents asked for the tape recorder to be switched off while they made a particularly controversial or confidential point. In those instances, written notes were added to transcripts.

The Advantages of Tapes and Transcripts

Where detailed analysis of the process of discourse is involved, pauses may need to be timed, overlaps in talk between one speaker and another clearly marked as well as other verbal and non-verbal features of talk included. By contrast, the transcripts normally used by qualitative researchers, who are not so closely concerned with discourse features, contain much less detail and are often imprecise in the linguistic sense (Boulton and Hammersley, 1996). How detailed the transcription needs to be, and what does and does not need to be included, are a matter of judgment that depends on the purposes of the research (Ochs, 1979). A detailed analysis of the process of discourse was not involved in this research. Transcripts were restricted to the features of verbal communication only, with no attempt to capture pauses and non-verbal communication.

There were a number of considerable advantages with tape recording of the interviews and producing transcripts. Within the semi-structured interview context, the interviewer was highly alert to what was being said; following up interesting points made, prompting and

probing where necessary. It was advantageous not to have been distracted by writing notes. Silverman (2000) points out that qualitative researchers nearly always tape-record and transcribe their interviews. This procedure is important for detailed analysis and to ensure that interviewees' answers are captured in their own terms. If the interviewer is simultaneously taking notes, it is easy to lose the phrases and language used. Heritage (1984, p. 238) suggests that the procedure of recording and transcribing interviews has the following advantages:

- It helps to correct the natural limitations of memory.
- It allows more thorough examination of what people say.
- It permits repeated examinations of the interviewee's answers.
- It opens up the data to public scrutiny by other researchers, who can evaluate the analysis that is carried out by the original researcher of the data.
- It therefore helps to counter accusations that an analysis might have been influenced by a researcher's values and biases.
- It allows the data to be reused in other ways from those intended by the original researcher – for example, in light of new theoretical ideas or analytical strategies.

Throughout this research, it was important to illustrate findings and observations using quotations from the respondents themselves. This was another advantage of transcribed data.

The Analysis Process

Inductive and Deductive Analysis

As noted earlier, the analytic approach taken in this research is a combination of deductive and inductive enquiry. Abrahamson (1983, p. 286) indicates that an inductive approach begins

with researchers 'immersing' themselves in the documents in order to identify the dimensions of themes that seem meaningful to the respondents. In a deductive approach, researchers use some categorical scheme suggested by a theoretical perspective, and the documents provide a means for assessing a hypothesis. As Berg (1998) comments, in many circumstances, the relationship between a theoretical perspective and a certain message involves both inductive and deductive approaches. However, in order to present the perceptions of the respondents in the most forthright manner, a greater reliance upon induction is necessary. The development of inductive categories allows researchers to link or 'ground' these categories to the data from which they derive.

During analysis it was vital to adopt a systematic means of organising and reducing the large quantities of transcribed data into more manageable components. This research incorporated a number of analytical techniques namely, open coding, pattern coding, content analysis, and relationships mapping. The discussion begins with a review of the coding process. This is followed by details of the content analysis. Finally, the procedures involved in the relationships mapping exercise are set out. Each technique offers a range of analytical advantages: these are discussed in relation to the research.

The Coding Process – the Advantages of Coding

In coding processes one begins with a text, trying out coding categories on it, and then moving on to identify trend and themes, and then to testing hunches and findings, aiming to delineate the 'deep structure' and then to integrate the data into an explanatory framework. In this sense one can speak of 'data transformation', as information is condensed, clustered, sorted and linked over time. There are a number of considerable advantages with coding. This study has adopted the position taken by Miles and Huberman that 'coding is analysis' (1994, p. 56). To review a set of field notes, and to dissect them meaningfully, while keeping the relations between the parts intact, is in this interpretation the stuff of analysis. This part of the analysis involves differentiating and combining the retrieved data and reflecting on this information.

There are two types of codes: *descriptive codes* and *pattern codes*. Descriptive codes entail little interpretation. Rather, one is attributing a class of phenomena to a segment of text. This process is usually associated with *open coding*. Pattern codes are more inferential and explanatory. A coded segment of transcript illustrates an emergent pattern that has been discerned in local events and relationships. Pattern codes are typically used later in the course of data analysis as patterns become clearer. Codes can be at different levels of analysis ranging from the descriptive to the inferential. Second, they can happen at any time during the analysis, some created at the start while others follow – typically descriptive first and inferential later. Third, and most important, codes are astringent – they consolidate a lot of material, thus permitting analysis.

Level of Analysis – Creating Codes

The same coding process was used to analyse both sets of interview data. When coding, it is important to establish the units of analysis what Krippendorff (1980, p. 62) calls *thematic units*. Units of analysis can be sentences, words or themes. During coding, a unit of analysis was defined as *a sentence or multi-sentence*. This was the most appropriate unit of analysis where a single code may be attributed. Any larger amount of text would normally involve the application of more than one code.

The interview questions and theoretical frameworks were used to generate a number of pre-existing themes and codes. Themes are abstract constructs that investigators identify before, during and after data collection. The literature review provided a rich source and it was possible to induce further themes from the text. Miles and Huberman (1994) suggest that researchers start with some general themes derived from appraising the literature and add more themes and sub-themes as they go along. A more inductive researcher may not want to pre-code any datum. This is essentially the ‘grounded approach’ originally advocated by Glaser and Strauss (1967). In the present context, each interview question was related to a theoretical proposition. Figure 4.3 outlines one such relationship between the interview questions, the relevant literature, pre-existing (broad) themes, and the codes induced from the data. This process had a number of advantages:

- It formalised the link between the data and the relevant literature.
- It generated a set of broad research themes (related directly to the research question).
- It provided a broad, pre-existing coding frame from which to organise the data.
- The themes were broad enough to account for all induced findings.
- The codes were revised and refined during the course of the analysis.

Figure 4.3. Creating open codes

<i>Interview Question</i>	<i>Theoretical Framework</i>	<i>Authors</i>	<i>Pre-existing Code</i>	<i>Induced Codes</i>
The RDA agenda demands a range of interests to be involved. Is that being achieved in the West Midlands?	Closedness in Networks	Schaap & van Twist (1997)	Inclusivity	Inclusivity queries Deliberate exclusion Identify who is excluded Process problems Too much inclusion Key partners sidelined Different organisational objectives

Figure 4.3 provides an illustration of the coding process. The interview question is derived from the first round interview schedule. There are forty-eight scheduled interview questions in total (twenty-five in round one and twenty-three in round two). Figure 4.3 represents one of the forty-eight interview questions. Each of the forty-eight interview questions relates to various aspects of the literature and research objectives in a similar and systematic way.

Open Coding

The inductive coding technique used was that of Strauss and Corbin (1990). Initially the data was collected, written-up, and reviewed line by line. A close reading of the data was undertaken, with a view to identifying aspects that may be significant. One of the implications of the exploratory character of qualitative research is that the focus of enquiry is clarified over the course of data collection and analysis. The analytical categories used to make sense of the data were developed, in part, in the process of data analysis. Reading through the data helped

to clarify topics or categories to which the data related and which were relevant to the research focus. This process also helped to identify any recurrences that indicate patterns.

Beside or below the paragraphs in the text, categories or labels were generated, and a list of these was produced. The labels were revised and typically a slightly more abstract category was attributed to several incidents or observations. To pick out provisional codes, Strauss (1987) suggests re-reading field notes of contrasting groups, in order to identify what is different about and between them: this was a crucial process in the present analysis. It was necessary to evaluate and explore the data in relation to the distribution of opinion across the network and in particular, between the three main stakeholder groups. The three stakeholder groups often evidenced very different opinions and viewpoints. It was critical to capture those distinctions in order to explore the dynamics of network interaction. During the first stage of analysis it was useful to generate as many categories as possible. This reflected the creative, exploratory character of the process.

Strauss (1987) also proposes writing up a copy of transcripts into segments, each containing a potentially important aspect. The task of sorting the material created both categories and differentiations and also gave an idea of the frequency with which each category recurred. It became clear, very early on, that certain opinions and incidents were widespread across the network. Phrases that were used repeatedly by informants (*in vivo codes*) also acted as good leads and were used where appropriate. Strauss and Corbin (1990) suggest that in analysis, the task is not just the assignment of data to categories; the categories themselves have to be developed at the same time.

Strauss (1987, p. 28) suggests that the analyst begins with a procedure he calls open coding. This procedure is described as an 'unrestricted coding of the data'. Strauss (1987, p. 30) suggests four basic guidelines when conducting open coding.

1. Ask the data a specific and consistent set of questions. What was the original objective of the research strategy?

As mentioned above, each interview question relates to a number of issues and theoretical propositions under investigation. For example, when analysing the data it was important to ask a number of related questions. Once again, it was necessary to return to the ten preliminary research questions to ensure that the empirical findings were sufficient enough to respond to each of the themes under investigation.

2. Analyse the data minutely. Researchers should remember that they are conducting an initial coding procedure. At the beginning, more is better.

It was useful to begin with a set of broad statements and an extensive number of open codes. Later, this effort (now encompassing many incidents, categories, observations) ensured an extensive theoretical coverage that was thoroughly grounded. In the later stages, a more systematic coding procedure was introduced building from the numerous elements that emerge during open coding.

3. Frequently interrupt the coding to write a theoretical note.

As important themes emerged, it proved indeed useful to jot down a note about new ideas.

4. Never assume the analytical relevance of any traditional variable such as age, sex or social class until the data show it to be relevant.

It was important not to assume the opinions of partners based on their affiliation with a particular sector, for example, business or voluntary sector. There were numerous examples of individuals articulating positions and perspectives seemingly at odds with their structural positions.

Pattern Coding

Given a working set of codes that describe the phenomena in transcribed field notes, how can the researcher move to a second level – one that is more general, perhaps more explanatory?

Just naming or classifying what is in the field is usually not enough. It is essential to understand the patterns, the recurrences, the ‘plausible whys’ (Miles and Huberman, 1994). Pattern codes are explanatory or inferential codes, ones that identify an emergent theme, configuration, or explanation. They agglomerate a mass of material into more meaningful and parsimonious units of analysis. First-level coding (Miles and Huberman, 1994) or open coding (Strauss and Corbin, 1990) is a device for summarising segments of data. Pattern coding is a way of grouping those summaries into a smaller number of sets, themes and constructs.

Figure 4.4. Creating pattern codes

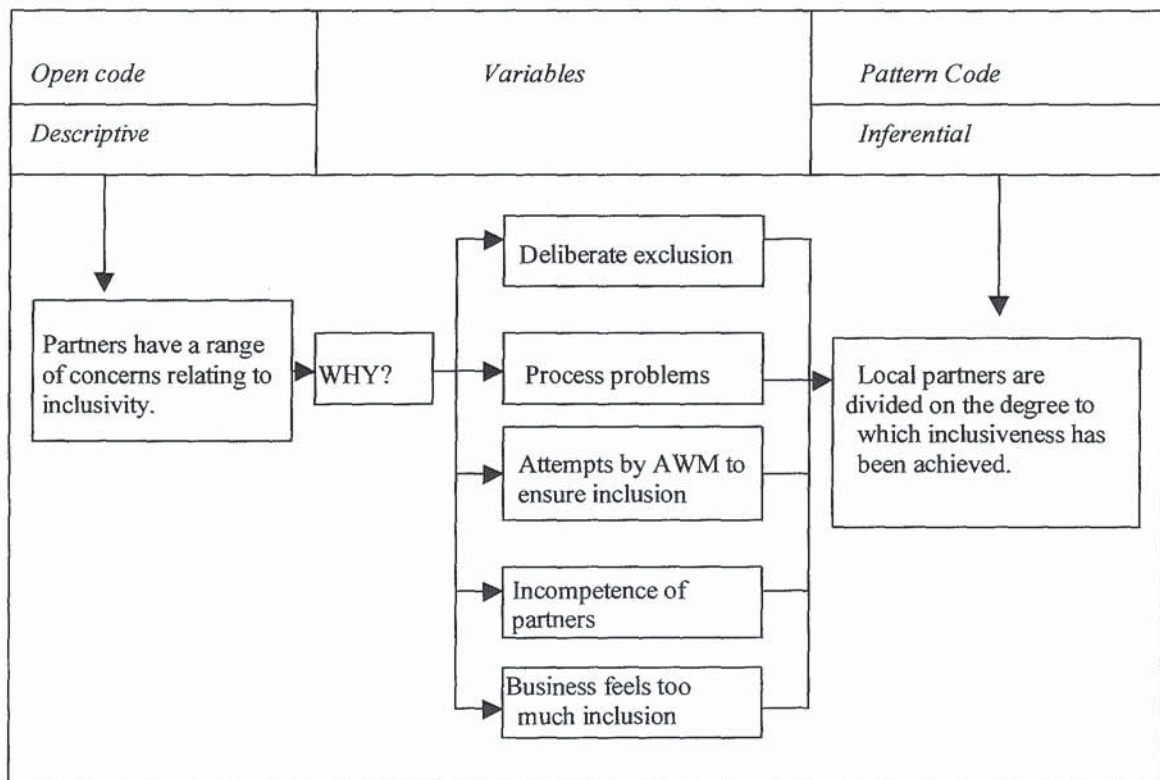


Figure 4.4 identifies how a range of open codes has been grouped to produce a more explanatory account of particular phenomena. These open codes and a review of the coded segments being pulled together are research ‘leads’. They suggest important variables for further inquiry, factors that may account for other local perceptions and behaviours.

Revising Codes

Usually a pattern code does not get discounted, but rather becomes qualified: the conditions under which it holds are specified. Pattern coding is useful as a tool for proceeding to the next level above (or below) the immediate ebb and flow of events in the case. As more and more pattern codes began to emerge, there was a degree of overlap between certain concepts and categories. It was therefore necessary continually to revise the codes and ensure that the correct variables were associated with the appropriate codes. During the course of the analysis, the predefined theme guide, and the post-defined codes changed and developed. Some codes worked; others decayed. Some codes flourished, sometimes too much. In some instances, too many segments were assigned to the same codes. This problem called for the breaking down of codes into sub-codes. Other codes emerged progressively during data collection. These were better grounded in empirical terms.

As the coding process progressed, it became apparent that some codes and themes were more significant than others. There was then a need to demonstrate the frequency with which certain themes were emerging in the data. This process would add validity to some of the key claims of the research. The preliminary coding phase had been completed. In total, one hundred and eight categories (or pattern codes) had been generated, largely inductively. From those, twenty-four were identified as being of particular significance. The frequency with which they occurred highlighted the significance of a number of phenomena within the WMRDA network. A content analysis of those key themes was used to identify the scale and magnitude of their influence across the network.

Content Analysis

By reporting the frequency with which a given concept appears in the text, it was possible to suggest the magnitude of particular observations. It was felt more convincing for some of the key claims of the research to be described in some large proportion of the material under study (for example 20%). However, descriptive statistics – namely, proportions and frequency distributions – do not reflect the nature of the data or variables. The magnitudes for certain

observations were presented to demonstrate more fully the overall analysis. Content analysis has been defined as:

‘a research technique for *making inferences* by *objectively and systematically* identifying characteristics of messages’ (Holsti, 1969, p. 14, emphasis as in original).

An alternative definition emphasises replication. In this definition, content analysis is:

‘A research technique for making *replicable and valid inferences* from data to their context’ (Krippendorff, 1980, p. 21, emphasis as in original).

Pidgeon (1996) suggests that content analysis has a very different goal from that of theory generation, insofar as it emphasises the criteria of reliability and validity and the counting of instances within a predefined set of mutually exclusive and jointly exhaustive categories.

In qualitative research, Smith (1975) suggests that some blend of both quantitative and qualitative analysis should be used:

‘... because qualitative analysis deals with the forms and antecedent-consequent patterns of form, while quantitative analysis deals with duration and frequency of form’ (p. 218).

In this research, the qualitative coding process allowed themes and observations to emerge inductively from the text. A content analysis would illustrate some of the key themes by attributing frequency.

Manifest and Latent Content

It was important to establish exactly what linguistic units would be counted in the text. A useful distinction can be made in this context as between *manifest* and *latent* concepts (Berg, 1998). Manifest Content concerns those elements that are physically present and countable.

Latent Content involves an analysis that is extended to an interpretive reading of the symbolism underlying the physically presented data. Manifest content is comparable to the 'surface structure' present in the message, while latent content is the 'deep structural meaning' conveyed in the message (Berg, 1998). Holsti (1969) points out that:

'it is true that only the manifest attributes of text may be coded, but this limitation is already implied by the requirement of objectivity. Inferences about latent meanings of messages are therefore permitted but... they require corroboration by independent evidence' (p. 598).

In keeping with the *realist approach* to interviewing, only the manifest content of the text was analysed. The single method approach taken in this research limits cross-referencing by independent sources. As Holsti (1969) suggests, this limits the analysis to messages present in the surface structure of the text.

Levels of Unit Analysis

When using a content analysis strategy to assess written documents, researchers must first decide at what level they plan to sample and what linguistic units of analysis will be counted. Sampling may occur at any of the following levels: words, phrases, sentences, paragraphs, sections, chapters, and books. Due to the flexible, semi-structured nature of the interview schedule, it was possible that specific themes would be located throughout the text of the interviews. The content analysis thus involved an analysis of the entire transcripts, from all respondents. Those research claims that related to round one of data collection involved an analysis of the transcripts from that round. Those issues relating to round two of the data collection involved an analysis of the transcripts from round two.

The second decision concerned what units of analysis to count. Seven major elements in written messages can be counted in content analysis (Merton, 1968; Settler *et al* 1959). These are:

- Words or terms
- Themes
- Characters
- Paragraphs
- Items
- Concepts
- Semantics

The categories to be explored in the content analysis had already been derived from the coding process. These categories are best described as *themes*. The theme is a useful unit to count. In its simplest form, a theme is a simple sentence, a string of words with a subject and a predicate. Figure 4.5 outlines a case of some of the ‘themes’ identified in the text. In this Figure, two of the examples supports the key observation made on the left hand side of the diagram, the other does not.

Figure 4.5. The process of content analysis

<i>Key Observation</i>	<i>'Themes' in the text</i>	<i>Confirm</i>	<i>Reject</i>
There are a number of key individuals who facilitate collaboration within the network	‘One of the strengths in the West Midlands, is that there are key people who drive the process forward.’	Yes	
	‘I don’t think it can come down to a personal level over strategic capabilities.’		Yes
	‘I can phone certain people who can make a difference.’	Yes	

There were a number of advantages in carrying out a content analysis. Content analysis is appropriate and useful to indicate the magnitude of certain responses. Bauer (2000) argues that content analysis is the only method of text analysis that has been developed within the empirical social sciences. While most classical content analyses culminate in numerical

descriptions of some features of the text corpus, considerable thought is given to the kinds, qualities and distinctions in the text before any quantification takes place. In this manner content analysis bridges statistical formalism and the qualitative analysis of the research materials.

Relationships Mapping

The aim of the relationships mapping exercise (discussed in Chapter Seven) was to produce a visual illustration of the evolution of relationships across the network during the start-up phase of the RDA. The mapping exercise displays the density of heterophilic relationships. The density of heterophilic relationships provides a good indicator of the levels of 'joined-up thinking' in the region. It was also important to highlight the tensions between partners. The uncertainty and apprehensions ushered in by the new regional agenda have increased the scope for tensions across the network. It was also therefore useful to indicate the intensity of those relationships. A set of four diagrams were produced which illustrated the positive and negative relationships evident in the network during rounds one and two of data collection. These diagrams focus on:

- Heterophilic relationships between partners during round one of data collection
- Negative relationships between partners during round one of data collection
- Heterophilic relationships between partners during round two of data collection
- Negative relationships between partners during round two of data collection

The Mapping Exercise

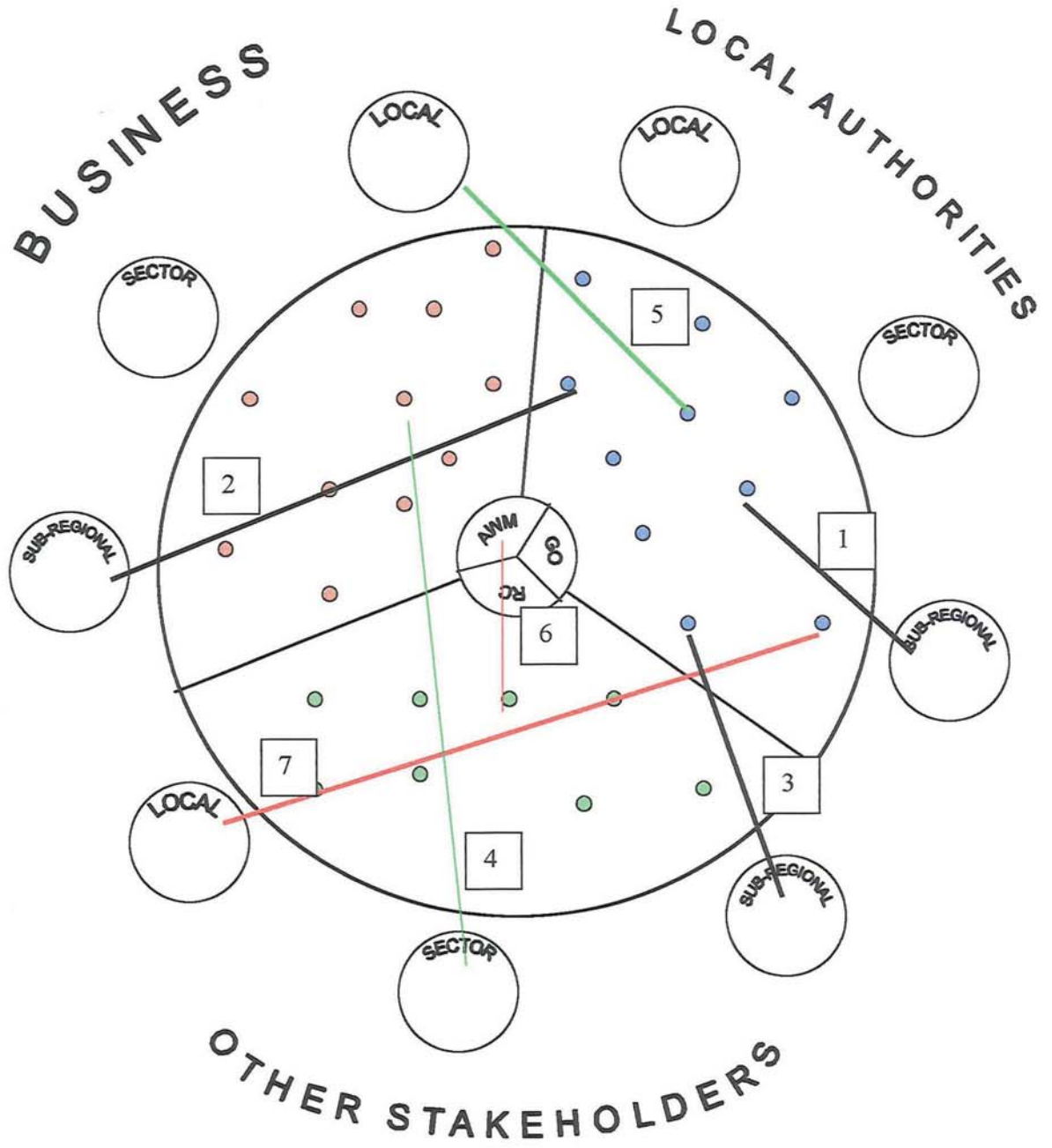
Each interviewee was situated within one of the three main stakeholder groups. Respondents from AWM, GOWM and MEPs were excluded from this mapping exercise for a number of reasons. Firstly, the exercise was intended to explore the *horizontal* dynamics developing between local authorities, business and the other stakeholder group. The preliminary research questions (outlined earlier in this Chapter) relate very strongly to the reactions and responses of these local partners to regional governance restructuring: they may be classed, therefore as the *independent variable* in the problem domain. It was important to establish how the respondents view their collaborative relationship with the key regional governance bodies, including AWM, GOWM and the Regional Chamber.

Respondents from the WMLGA were included in the mapping exercise and were positioned logically within the local authority sector. This was felt appropriate as WMLGA members directly represent local government concerns. Secondly, it was clear from the coding process that a key network broker within the WMLGA was involved at a highly personal level with a large number of respondents. This evidence of strong social bonds was an element of the research findings that was important to represent visually.

The Mapping Diagram

Figure 4.6 sets out the template used for the mapping exercise in round one of the data analysis. The diagram is divided into three main sections representing local authorities, the business sector and other stakeholders. These three constituencies are allocated an equal third segment of the total 'actor space' defined by the circle. For each of them, a further tripartite division is drawn, as between their local, sub-regional and sectoral nodes. At the centre of the diagram, AWM, GOWM and the Regional Chamber are identified. This position reflects their focal role. Each interviewee is assigned a 'point': a blue point represents a local authority interviewee, a red point represents a business interviewee, and a green point represents an other stakeholder interviewee. Interviewees are positioned within their respective constituency 'segment'.

Figure 4.6. The relationships mapping diagram



The diagrams for the second round data employ a number of minor differences. On the whole, the same individuals were interviewed in the second round of interviews. Where there are changes in the research subjects, these are symbolised in the diagram. Different individuals interviewed from the same organisation are identified with a '□' symbol. Different individuals interviewed from different organisations are denoted with a '★' symbol.

Contact lines between these points in the diagram represent a (self-declared indeed!) link between the two individuals and/or their organisations. For clarity, a number of examples of the mapping process are outlined below.

- If the contact line goes from an individual to one of the outer nodes (for example, from a local authority interviewee to the 'sub-regional' node within the local authority sector - line 1 in Figure 4.6), this indicates a relationship between that local authority respondent and sub-regional local authority partners. In this context, a sub-regional local authority partner might constitute the Black Country grouping of four relevant districts.
- If the contact line goes from a local authority interviewee to the sub-regional node within the business sector of the diagram - line 2 - this indicates a relationship between that local authority respondent and sub-regional business partners. A sub-regional business partner might include, for example, Hereford and Worcester TEC.
- If the contact line goes from a local authority interviewee to the sub-regional node within the other stakeholder sector of the diagram - line 3 - this indicates a relationship between that local authority respondent and a sub-regional other stakeholder partner. A sub-regional other stakeholder partner might include, for example, Co-operation Black Country.

Levels and Units of Analysis

The data used to complete the relationship maps was derived from the interview transcripts. The transcripts from rounds one and two of the data were analysed for any indication of heterophilic relationships and negative relationships with other partners in the network. The entire transcripts were analysed. The unit of analysis was the same as that adopted in the content analysis – a *theme*. The technique used to convert the data into the relationships maps was derived from the ‘social network mapping’ exercise outlined by Burt (1977) in his evaluation of social capital bonds between senior managers in US firms. Burt used data from interviews and surveys to map in diagrammatic form the connections between individuals and organisations.

In completing the relationships mapping exercise, it was vital to be clear about what kinds of comments constituted certain classifications of relationship. It was important for the researcher to be as objective and systematic as possible in determining the classification of responses. The linkages between individuals in the relationship maps were based solely on how individual interviewees perceived their relationship with others. In a more comprehensive analysis, it may be advantageous to include the judgements of other partners with regard to that particular relationship. This may be used as an added benchmark and a triangulation technique. However, due to time constraints and the specific lines of questioning used in this research, this was not possible. A number of key variables (or criteria) were used as a benchmark in the mapping exercise. These are highlighted in Figure 4.7.

Figure 4.7. Key variables in the mapping exercise.

<i>Key Variables</i>
Strength of feeling
Intensity of relationship
Frequency of contact (proximity)
Experience of working together
Social bonds
Levels of trust
Legacy (past experiences)
Ability to overcome repertoires
Policy objectives (compatibility)
Overcoming difference
Perception of others
Perceived competency
Sustained communications
Commitment to future work

Figure 4.8 illustrates the mapping exercise by identifying the nature of the relationship, the key variable used to classify the response (from Figure 4.7) and examples of quotes from the interview data.

Figure 4.8. The classification exercise

<i>Type of Relationship</i>	<i>Key variables</i>	<i>Evidence base</i>
Heterophilic/ Low intensity	Frequency of contact Intensity of relationships Commitment to future work	'I do have some contact with AWM. It's early days and I'd like to see more from them, but it's a start.'
Heterophilic/ High intensity	Strength of feeling Social bonds Intensity of relationship	'We have developed a strong bond and good inter-personal links with the LGA. It's been fantastic.'
Negative/ Low intensity	Perceived competencies Policy objectives (compatibility) Legacy	'I do talk to the voluntary sector. They are unorganised which is frustrating and they are not essential to our work.'
Negative/ High intensity	Ability to overcome repertoires Strength of feeling Legacy Commitment to future work	'The activities in the Chamber are a shambles. It's a talking shop full of jargon and political speak and I'm not interested in that. If it doesn't improve I shall walk away.'

As noted, there are four main relationship categories. Figure 4.9 outlines these categories and gives examples of the 'themes' in the text that indicate certain relationships. Figure 4.9 presents a number of cases (drawn from the interviews) which are illustrated on the diagram in figure 4.6. The intensity of the relationship is indicated by the thickness of the line. High intensity relationships are captured as thicker lines compared to those lines for lower intensity relationships. A green line indicates heterophilic relationships, while a red line indicates negative tensions.

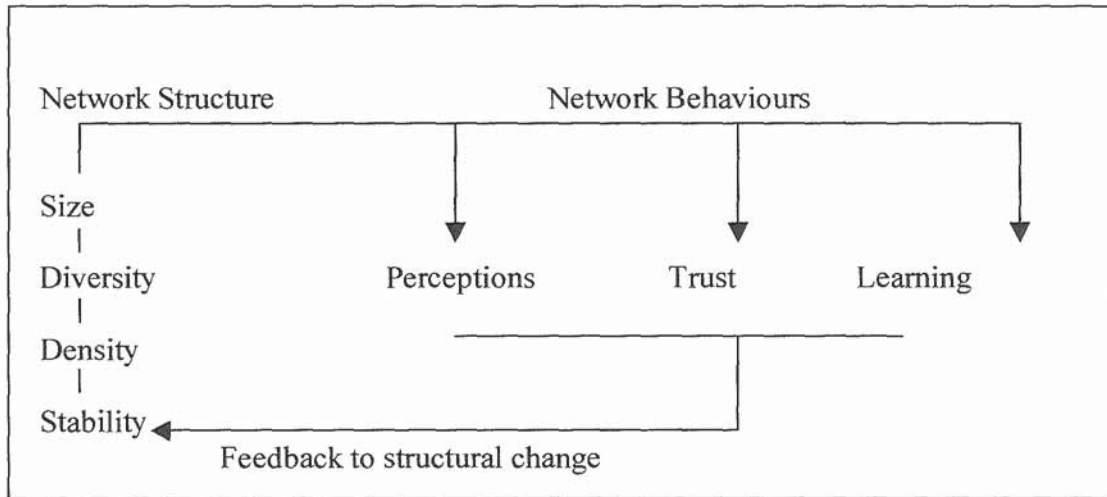
Figure 4.9. The relationship categories involved in the mapping exercise

<i>Types of Relationship</i>	<i>Sector of partner</i>	<i>Theme in text</i>	<i>Line represented in Figure 4.6</i>
Heterophilic/ Low intensity	Business	'We have had some contact with the other stakeholder group, but it's been limited.'	Line 4
Heterophilic/ High intensity	Local Authority	'Collaboration with the business sector at the local level has been fantastic, lots of good work had been done.'	Line 5
Negative/ Low intensity	Other Stakeholder	'I haven't seen much from AWM. What I have seen hasn't been impressive.'	Line 6
Negative/ High Intensity	Local Authority	'There has been some very serious problems with our local health authority. Any communication there has broken down.'	Line 7

Developing a Theoretical Model

Berg (1998) suggests that the most thorough analysis of the various concepts and categories will best be accomplished after all the material has been coded. An extended coding process was undertaken once all the data had been sufficiently classified. The coding scheme provided a conceptual web, involving larger meanings and their constituent characteristics. The first step was to split the research findings into two categories: one reflecting the structural aspects of the network; the second reflecting the dynamic interactions within the network. Some broad themes began to emerge from this. Network structure includes the size of the network, network diversity, network density and the stability of the network. Similarly, broad themes relating to the dynamic aspects of the network include perceptions, trust and learning. A provisional research model was produced (Figure 4.10).

Figure 4.10. Provisional research model



However, this model was rejected on a number of accounts. Firstly, network stability is not static. The whole concept of stability entails elements of instability. Quite often, stability relates to the commitment and strategies of the partners within the network. This concept is thus more akin to behaviours and the interaction between partners. Secondly, the issue of trust and the processes involved in building trust are of a behavioural nature. The research findings indicate very strongly the tangible benefits of trust, in terms of partnership outcomes. In this sense, levels of trust may be considered an asset, a form of capital: social capital. Thirdly, network brokers and the skills and competencies of individual network managers have also been identified very strongly in the data as key variables in network structure. These skills are not simply an aggregation of behaviours and interactions. They too can therefore be considered a valuable network asset and they appear to be perendurable.

In light of this, the decision was taken to evaluate the network in terms of its *Assets* and *Transformative Behaviours*. ‘Transformation’ indicates the influence of behaviours on the overall structure of the network. Once again, a set of *core categories* were generated relating to network structure. These include:

- Network Configuration
- Human Capital

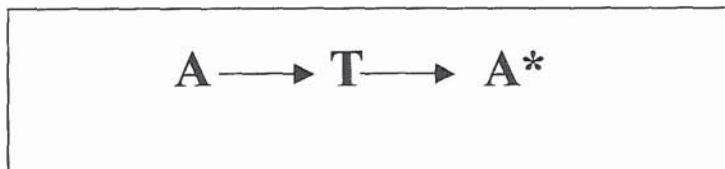
- Social Capital

Similarly, sets of core categories relating to the behaviours in the network were identified. These include:

- Strategic Thrust
- Perceptions
- Learning

These core categories contained a number of distinct concepts and themes relating to the research question and theoretical framework. Eighteen *sub-categories* were generated which helped to link the data directly to the literature. These sub-categories are outlined in the research model (Figure 3.1 in Chapter 3). The core categories were used to explore the evolution of the network. The WMRDA network, prior to the introduction of AWM, consisted of a 'stock of assets'. The strategies and behaviours adopted by local partners during the introduction of AWM produced a new stock of assets, for individual organisations and also for the regional network as a whole. On this basis a research model was produced, the full statement of which was set out in Figure 3.1 above. As noted in Chapters One and Two above, the research model has been used to conceptualise the key research findings and frame the structure of the thesis. For ease of reference, the summary model is restated at Figure 4.11 below.

Figure 4.11. Summary research model



Validity, Reliability & Generalisability: Alternative Evaluative Criteria for Qualitative Research

Some writers have suggested that qualitative studies should be judged or evaluated according to quite different criteria from those used by quantitative researchers. Lincoln and Guba (1985) and Guba and Lincoln (1994) propose that it is necessary to specify terms and ways of establishing and accessing the quality of qualitative research that provides an alternative to reliability and validity. Such a position reflects the different paradigmatic approach used in qualitative research and the broader interpretation of what constitutes 'truth'. Lincoln and Guba's *ordinary language definition* suggests a criterion for good qualitative research, namely, that it should demonstrate *trustworthiness*. The 'ordinary language definition' provides an alternative to the standard definitions of validity, reliability and generalisability. However, a number of parallels can be drawn between Lincoln and Guba's method and some of the 'softer' qualitative approaches of validity, reliability and generalisability (for example, Silverman, 2000; Miles and Huberman, 1994; Hammersley and Atkinson, 1983). An evaluation of the quality of this research will be based largely on the criterion of trustworthiness. Where appropriate, this criterion will be compared and illustrated with a number of approaches and methods more akin to the traditional concepts of validity, reliability and generalisability.

Trustworthiness is made up of four criteria:

- Credibility
- Transferability
- Dependability
- Confirmability

Credibility

Credibility is comparable to the concept of validity in qualitative research. Validity means truth: interpreted as ‘the extent to which an account accurately represents the social phenomena to which it refers’ (Hammersley, 1990, p. 57). Silverman (2000) suggests that, when adopting a single-method approach to data gathering (as was used in this study) it is often necessary to increase the validity of the research by adopting a number of specific techniques. Two common techniques in meeting the criterion of validity are *data triangulation* and *respondent validation*. Similarly, Guba and Lincoln (1994) suggest that the establishment of the credibility of findings entails both ensuring that research is carried out according to the canons of good practice and submitting research findings to members of the social world who were studied for confirmation that the investigator has correctly understood that social world. This latter technique is referred to as respondent validation or member validation. Both data triangulation and respondent validation have been employed in this study.

- *Respondent Validation*

Respondent validation is a process whereby a researcher provides the people with whom he or she conducted research with an account of the findings. Respondent validation has been particularly popular among qualitative researchers, because they frequently want to ensure that there is a good correspondence between their findings and the perspectives and experiences of their research participants. A copy of the preliminary research findings, for both rounds of data, was sent to respondents. (These reports can be found in Appendices 6 and 7.) The aim of the exercise was to seek corroboration, or otherwise, of the preliminary findings.

The first of these validation reports titled: ‘*Negotiating Regional Futures: Success and Failures. Lessons from Advantage West Midlands*’ was sent to respondents in January 2000, six months after completing the first round of interviews. The report was sent with a covering letter requesting a further interview. The majority of respondents agreed to a second

interview, to be scheduled within the next few months. The second interviews provided the opportunity to seek confirmation of the findings outlined in the report. The feedback on the report from interviewees was most encouraging. Understandably, not all respondents had read the report. The comments of those who did were broadly confirmatory. A number of respondents picked up on some specific issues that they wished to discuss. These are outlined in Appendix 8.

The second report titled: '*Advantage West Midlands and Regional Partnerships: An Evaluation of the Network Infrastructure for Regional Governance in the West Midlands*' was sent to respondents in September 2000, approximately two months after the completion of the second round of interviews. Two respondents contacted the researcher with their opinions. The researcher was involved in a second research project focussing on the West Midlands Regional Chamber in early May 2001. This enabled further contact with a number of respondents, some of whom made some useful comments. These comments are also outlined in Appendix 8.

- *Triangulation*

Triangulation entails using more than one method or source of data in the study of social phenomena. A number of data triangulation techniques were used during this study. The first involves the triangulation of the interviewees' responses. Where possible, the responses of interviewees were cross-referenced with the responses of other interviewees. This was particularly appropriate when discussing collaborative partners. For example, if respondent X suggested a productive collaborative link with partner Y, it was often possible to cross-reference that claim with the responses given by Y. This technique was actively pursued during the course of the interviews. When respondent X mentioned a relationship with partner Y, a prompt memorandum was written reminding the interviewer to probe partner Y concerning their involvement with partner X. This helped to check the validity of the claims being made during the interviews.

The second triangulation technique adopted to test some of the key research findings entailed the use of secondary source data: namely a study commissioned by the then DETR in 2000 on 'Partnership Working in the RDAs'. It is important to point out that, although there are a number of significant similarities between the two independent sources, the comparisons made were identified long after the final analysis stage of this study. The report findings in the DETR report thus in no way contributed to or shaped the emergent themes and findings of this research. The DETR report was based on a number of interviews and focus groups, involving key regional stakeholders, conducted at the beginning of the year 2000. The timescales involved are particularly significant. The interviews and focus groups undertaken as part of the DETR report were completed at the same time as the interviews conducted in this study. Consequently, the comments of the respondents, in both studies, would reflect the views and opinions of local partners during this period. It is also important to note that the majority of people contacted as part of the DETR report were also interviewed in this research. This enabled cross-referencing between the two studies.

Reflecting the very different nature of the research aims of the two studies, the DETR report does not address many of the aspects and themes covered in this research. There is extremely limited reference to the themes of *social capital* and *learning*. However, confirmatory evidence was found relating to the more general themes of partnership working, RDA practices and procedures and local partners' perceptions of the process to date. As such, the DETR report was considered to be a useful validating, secondary source. The evidence from this exercise can be found in Appendix 9. Some of the key observations made in this study are compared with those generated for the DETR, using extracts from the DETR report itself.

Transferability

Because qualitative research typically entails the intensive study of a small group, or of individuals sharing certain characteristics (that is, research depth rather than breadth), qualitative findings tend to be orientated to the contextual uniqueness and significance of the aspect of the social world being studied. As Guba and Lincoln suggest, whether findings 'hold in some other context, or even in the same context at some other time, is an empirical issue'

(1985, p. 316). Instead, qualitative researchers are encouraged to produce what Geertz (1973a) calls *thick* description – that is, rich accounts of the details of a culture. Guba and Lincoln argue that a thick description provides others with what they refer to as a database for making judgments about possible transferability of findings to another milieu. The concept of transferability is related to the issue of *generalisability*. Some qualitative researchers like Alasuutari (1995) believe that generalisability is a term that should be reserved for surveys-based research only.

‘What can be analysed instead is how the researcher demonstrates that the analysis relates to things beyond the material at hand... exploration better captures the typical procedure in qualitative research’ (Alasuutari, 1995, pp. 156-7).

Indeed, the findings of this research contribute to the growing body of thought on policy networks and regional governance. The findings are context-specific: however, the relationships and tensions identified in the West Midlands RDA network are comparable to an array of collaborative partnership contexts. This increases the transferability (or generalisability) of the research to domains beyond the WMRDA network.

Dependability

As a parallel to reliability in quantitative research, Guba and Lincoln propose the idea of dependability and argue that researchers should adopt an ‘auditing’ approach. This entails ensuring that complete records are kept of all phases of the research process. Peers would then act as auditors. However, auditing has not become a popular approach to enhancing the dependability of qualitative research. One reason for this is that it is very demanding for the auditors, bearing in mind that qualitative research frequently generates extremely large data sets, and it may be that this is a major reason why auditory has not become a pervasive approach to validation. Consequently, this research adopts an alternative approach to dependability.

Reliability refers to ‘the consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions’ (Hammersley, 1992, p. 67). The issue of consistency particularly arises because extended transcripts are rarely available. To counter this dilemma, this research has sought to illustrate key claims and findings using direct quotes from the respondents. This has a number of advantages. Firstly, it is essential to capture the perceptions of respondents using their own words and interpretations. This is an important aspect of the in-depth, exploratory nature of the research. Secondly, it provides the reader the opportunity to formulate his or her ‘own hunches’ based on the abundance of raw data made available. This may be viewed as a way of ensuring ‘dependability’ without the demanding auditing process outlined by Lincoln and Guba.

Similarly, reliability relates to how one executes the research in the first place. Miles and Huberman (1984, 94) focus on the problems established by positivistic science – that of how simultaneously to ensure reliability and validity in qualitative research. The strength of qualitative research is its move towards greater realism (and hence validity) but counterbalanced to this are the attendant dangers of poor reliability. This research has followed a number of practical strategies, as documented in Miles and Huberman’s (1994) book for ensuring that checks can be made on reliability without compromising analytical gains in terms of flexibility, contextual sensitivity and external validity.

Confirmability

Confirmability is concerned with ensuring that, while recognising that complete objectivity is impossible in social reality, the researcher can be shown to have acted in good faith. In other words, it should be apparent that one has not overtly allowed personal values or theoretical inclinations manifestly to sway the conduct of the research and findings derived from it. Consideration of the process of research is one part of what is sometimes referred to as *reflexivity* (Hammersley and Atkinson, 1983). A researcher should be a reflexive practitioner, continually thinking about the process of research and especially their role. This has been achieved in a number of ways in this study. Firstly, the research process has been guided by standard procedures of data collection and analysis. Every attempt has been made to follow

established research method techniques. Secondly, the predominantly inductive nature of the analysis reduces the influence of theoretical persuasion or bias. Finally, the researcher has no affiliation with any of the respondents. An objective approach was taken to ensure a fair representation of views and opinions across the network. Consequently, the researcher can be said to have entered the research site with minimal pre-conceptions.

The criterion of trustworthiness and its component parts have been used in conjunction with a variety of alternative approaches to evaluate the quality of the research.

Conclusions

The key issues discussed in this Chapter are summarised in the following key points.

- This research aims to evaluate the impact of an RDA on the partnership infrastructure of the West Midlands.
- A qualitative approach was taken with a view to generating ‘thick descriptions’, based on the opinions and perceptions of the subjects.
- The research builds upon a number of theoretical frameworks, including policy network theory, partnerships and collaboration, organisational learning, and trust and social capital.
- A single-method approach to data gathering was utilised, involving semi-structured interviews. The use of a single-method approach has been defended on a number of theoretical and practical grounds. Data triangulation and respondent validation techniques have been used to increase the validity of the research.
- A number of analytical techniques were applied to the data, including coding, content analysis and relationships mapping.

- A research model was produced which illustrates the complex and dynamic relationship between network structure and transformative behaviours.

The structure of the research model has been used to frame the presentation of the research findings in the proceeding Chapters. The research findings relating to network assets, including structural configuration, human capital and social capital are outlined systematically. Likewise, the behavioural manifestations evident in the network regarding strategic thrust, perceptions and learning are presented in a similar fashion. Chapter Five presents the research findings from the first round of interviews, undertaken in 1999.

Chapter Five

Findings from the First-Round Data Analysis

This Chapter seeks to communicate the key issues and perspectives of the actors as at the time of the first-round interviews. The Chapter is structured to reflect the logic of the research model set out in Chapter Three (Figure 3.1) above. It thus proceeds by presenting the variety of network, human and social capital assets evident in the RDA network during 1999. The discussion then turns to the behavioural and strategic responses of relevant stakeholders. Local partners were operating within a new policy environment. The only certain outcome was the inevitability of change, as a social partner indicates.

‘If you throw pieces into the air and stir the pot it produces something different.’

The first round of interviews commenced in February 1999, just two months before the official start up date of AWM. Partners had been anticipating the new move, towards regional governance for some time. RDAs were officially inaugurated on 1st April 1999: however, a great deal of preparation had taken place in the West Midlands pre-dating that time. A new policy environment was on the horizon although the precise trajectory for all partners remained unclear. The analogy of the ‘glass jar’ (de Bruijn and ten Heuvelhove, 1998) outlined in Chapter Two is once again applicable. At this juncture, the glass jar had just been placed over the West Midlands region. The glass jar had the effect of ‘hot housing’ local partners into rethinking their existing partnership arrangements and formulating appropriate strategies for future alliances. Partners were then locked in a game of anticipation, uncertainty and undeniable change.

Given the uncertainty, partners could only attempt to second-guess the unfolding institutional environment. Initial positioning is important in a gaming strategy that seeks to avoid marginalisation. Thus, an other stakeholder partner was seeking to keep options open during this critical period.

‘We are not aligning ourselves with anyone too closely at the minute. That would be a mistake. We need to network across a whole range of organisations, but we don’t want to take decisions too early.’

Partners were operating in uncharted territory. This inevitably brings a degree of risk and uncertainty, and risk-spreading options will form one of a number of possible responses. There was a measure of turmoil involving the dislocation from previous regional arrangements. Some partners would accommodate to that change better than others. The RDA network is remarkably inclusive, incorporating a wide spectrum of interests. This will present challenges in terms of negotiated co-ordination. Partners’ success in achieving active participation will depend on the assets at their disposal and their responsive behaviours.

Assets

The following section presents the research findings relating to the asset base of the West Midlands RDA network. The first section appraises network assets: the size, diversity and density of the network. The second section explores human capital assets: network manager skills, experience and human resource capacities. The final section evaluates social capital assets: levels of trust, network brokers and the diversity of trust relationships evident in the West Midlands.

Network Configuration

Size of Network

1. The inclusive novelty of the RDA network means that many of the network agents have never encountered each other before, at least in a task-orientated environment. Partners appeared to be manoeuvring fluidly within the confines of the regional institutional environment. The increased emphasis on the region forced partners to refocus their objectives, as this business partner demonstrates.

‘We have a good track record of collaborating across the region on all sorts of things. Certainly the RDA has created a situation where everyone wants a regional focus of some kind. It’s forced us to think about how we represent ourselves at a regional level.’

Many were seeking new alliances involving a fundamental shift in policy direction. In some quarters, there was acknowledgement that organisations could not achieve their objectives in isolation. A business partner favoured the new direction in policy and was convinced that co-operation between agencies would result in more effective policy development.

‘You can see it already if we look at the way our partnerships have gone. In the early days, the city council agenda was much more about social exclusion, equalisation and helping the needy, which is quite correct and proper. Today, we have changed (our) focus to the development of the economy and they’ve realised that wealth creation has to take a different focus to tackle social exclusion. (This) has helped to develop policy quite effectively.’

The introduction of a range of new partners and a refocusing of policy objectives highlights the new collaborative opportunities evident in the network. The expansion of the *policy arena* has provided new opportunities for added value.

2. The drive towards more holistic regional governance presented both opportunities and challenges. Some agents were accommodating to that change better than others. There was, however, common consent as to where the gaps were in the current institutional framework. Many respondents perceived the education sector as having a particularly low capacity to self-organise. The claim was that it needed to strengthen its internal networking, especially and particularly the relationships between further and higher education. Respondents from all sectors identified this area, above all others, as a vital missing link at the regional institutional level. When asked where future collaboration was most required a business partner replied:

‘we need to look at the education infrastructure in the region. I think the education authorities have not worked as closely as they should have done. It’s improving now but needs attention.’

In this perspective, the perceived inadequacies or ‘gaps’ in the institutional framework of the RDA network need to be addressed if holistic governance is to be secured. Negotiated co-ordination requires each partner to have an input. Failure to do so may result in certain partners being banished to the silent network periphery.

3. Even at this early stage, partners were already able to pinpoint areas of process weakness and resistance. This was matched by unease regarding the costs and potential pitfalls of ensuring inclusivity for all. The issue of selectivity in partnership working was evident, echoed in a concern about time sunk in engaging all without discernible progress or added value. Many partners opined that inclusion for all can prevent policy progress, as consensus-building is made more difficult in light of time and resource constraints (a *large numbers problem*). Many partners, particularly local authorities and business, were reluctant to invest time and resources into partnerships that they perceived as yielding limited added value. Looking forward, many partners clearly intended to select their respective partners carefully, based on common objectives and focussed strategic purpose. Many were concerned that negotiations might lead to policy paralysis, with organisations at loggerheads. The comments of a local authority partner illustrate this argument.

‘It’s difficult because, if you get too many people involved you get policy paralysis (and) you can’t make decisions. The RDA is involved in a bottom up approach but it needs to be able to stand back and make key decisions for the whole region.’

This of course begs the question of the kind of leadership style expected of the RDA, a point that will be explored more fully in Chapter Seven below. Many partners were trying to create integrated systems for policy development purposes, but with varying levels of success. Selective partnerships, which are seen as a vehicle for pursuing this integration, may lead others to fear that they will be excluded from negotiations. An other stakeholder partner

highlighted her concerns regarding the inclusion of social partners in the regional debate, with particular reference to the partnering tactics of GOWM.

‘The worry is, people overcoming all the previous territories and tensions and don’t perpetuate what are seen to be preferences and favourites. There is a perception that Government Office have their preferred people to work with.’

Network Diversity

1. Some partners perceived the differences between sectors as a significant barrier to achieving collaborative benefits. As noted, a strategy based on selective partnerships often implies the selection of homophilic relationships. The business sector appeared particularly reluctant to partner with anyone beyond its ‘turf’. Business representatives were certainly unwilling to partner ‘just for the sake of it’ – in order to satisfy symbolic or accountability imperatives. This perception usually translated into a strong preference for business-to-business links wherein perceived red tape can be avoided. The business sector clearly appeared to be adopting *difference reduction* strategies. A business partner outlined, in vivid terms, the frustrations of engaging with unwanted partners.

‘There is a need to work with everyone. The challenge for organisations like me is that some people are better to engage with, like the business community. We have the voluntary sector and others running round on my back wanting things and you don’t always want to engage. That’s a challenge for us, to keep our feet firmly within our business.’

The business sector appeared therefore, particularly reluctant to partner with the other stakeholder group, which they viewed as both unorganised and under-resourced. At this point, they had a strong preference for operating with partners in their own sector, considering co-operation with the other stakeholder group as less important in achieving their objectives.

‘We have a good relationship within the private sector. We have always worked close together. The local authorities we have worked with and want to increase that. The area we are weakest is the voluntary sector: although that’s less vital for our work.’

While expressing an intention to engage with the local government sector, the business sector representatives also perceived local authorities as being difficult to mobilise, as this business member predicted.

‘The most important (area for future collaboration) is between local authorities. The problem lies with whether they can organise themselves.’

2. The interviews revealed a strong sentiment to the effect that stakeholders were trying to engage effectively with the new agenda, but the increased focus on collaboration was fraught with practical complexities. A local authority partner illustrates the tendency for partners to think locally in terms of partnership.

‘Regionalism is new to this area. We are very parochial. We are obsessed with what’s happening in our street, not the West Midlands.’

It would appear that partners recognised the new opportunities but were also fully aware of the potential for disappointment. This recognises that the practical complexities involved in collaboration can often outweigh the benefits. The research indicates that the other stakeholder group appeared to be collaborating largely within the confines of its own sector. This is not due to any unwillingness to partner across sectors, but rather, according to interviewees, with perceived resistance from potential partners. An other stakeholder partner acknowledged the problems associated with active participation.

‘Yes, collaboration is vital in achieving our strategic objectives but only if we can be seen as a key partner in the region. We can make an impact... *if we can get to talk to people*’(emphasis added).

These fear-based perceptions were not confined to the other stakeholder group. A business partner also foresaw an inability to develop new partnerships across sectors, this time between business and local authorities.

‘The biggest problem is the fear that local authorities will still continue with their own agendas... they are probably the most difficult partner to work with. They say that they are working in partnership but continue to work alone.’

3. In some cases, partners were looking to AWM for guidance. For example, a business partner was seeking help from AWM in providing greater coherence to the current institutional environment in the region.

‘What I’m hoping is that we have all these partnerships all over the place. One of the things the RDA can do is give a regional focus to that. They need to be far more instrumental in this early stage.’

A business respondent highlighted the difficulty in making contact with AWM in the period pre-dating its formal introduction.

‘Contact with the RDA has been a problem until now as the RDA isn’t legally formed until April. There was a big launch and hopefully, more useful interaction will take place now that they are in operation.’

AWM needs, in this view, to assert its role as the region’s broker and co-ordinator of partnership arrangements. The absence of a strong, central, co-ordinating mechanism may lead to increased uncertainty and apprehension among local partners. It is essential that local partners view AWM as responsive and instrumental in the process. This requires AWM to pursue a range of heterophilic relationships across the region.

Network Density

1. Although a great deal of partnership working has taken place in the West Midlands, dating back to the 1960s, there appears to be considerable scope for further joined-up thinking and working. Local authorities and business have enjoyed historical partnership ties. However, the increased emphasis on multilateral collaboration has served to emphasise the sectoral limits to current partnerships. This has forced partners to pursue new relationships, but they have done so with varying degrees of enthusiasm. In many cases, agents appeared to have responded to this challenge by building on existing ties, as a local authority partner indicates.

‘By the very nature of local authority working, we have to work with other partners who also work on a regional basis.’

Many of the agents in the other stakeholder group had also historically engaged in partnership working, particularly education establishments and organisations like the regional Trades Union Congress (TUC). However, some voluntary and social organisations are relatively new players in the game. An other stakeholder partner outlined the preparations that the organisation had made in anticipation of the new drive towards regionalism.

‘We started up a regional office two years ago with the longer term vision that government was then being seen to be going up this regionalisation route.’

Another other stakeholder partner acknowledged the policy thrust of building bridges between business and social organisations.

‘We have to adapt to the new agenda. We are trying to recognise we have a role to play in business.’

2. However, some partners had yet to achieve new relationship-building. Some remained cautious about forging new alliances beyond their existing territorial boundaries. Many respondents appeared to be working across a range of sectors and interests. This boundary-

spanning activity was, though, often confined to partnerships *in their local geographical vicinity*. This spatial discordance may result in inadequate joined-up thinking at the regional level. Many local authority partners were determined to adhere to existing partnership arrangements, rather than seek new relationships outside of their existing territorial boundaries. A further indication of these defensive strategies can be found in the fact that many partners were looking to strengthen their *existing* partnerships as a means of forestalling any threat from future arrangements, as this local authority partner suggested.

‘What we are doing at the moment is building up the internal bridges with our own local organisations. There is an urgency to organise ourselves before the RDA comes in and does it for us.’

Some business partners felt that competition between sectors was likely to continue regardless of any new networking arrangements. When asked whether they would co-operate with a partner with an unrelated agenda, this business partner was clearly reluctant.

‘I think the answer is no... to form an alliance where there are different views is very difficult.’

This statement reflects a quite general reluctance to adopt *boundary-spanning* strategies. Some partners appeared particularly reluctant to embrace AWM as a strategic partner. Many were uncertain as to how AWM might add value to their existing arrangements. Some went beyond this, fearing potential net *loss of* value from the new agency. This was reflected in the observation that AWM could lead to ‘another tier of confusion’, rather than provide greater coherence. Thus, a local authority partner had reservations about the benefits of partnering AWM.

‘The RDA has got to be one (a new partner) whether we like it or not. The RDA will be a very significant player, but my view is that it will lead to a lot of duplication.’

3. The interviews revealed a near-universal understanding across all sectors that the RDA agenda constituted a ‘new game’, requiring a radical break from previous partnership arrangements. The increased focus on governance restructuring has presented new opportunities for collaboration, often involving previously unknown partners. In some cases, this had nurtured new relationships traversing structural holes. This appears to have been especially true of the developing relationships between the other stakeholder members active in the Regional Chamber, as the comments of this partner illustrate.

‘It’s interesting the way the Chamber has been constructed in terms of the other stakeholder group. There is no way we would have come together but having to work together, we are finding things in common. When you come together without assumptions, it’s much easier to find commonality.’

Improved links were also evident as between the WMLGA and some areas of business, as a business partner indicates.

‘Yes, we have had some productive discussions with the LGA. I feel we are developing a good relationship. If they don’t say the same, I will be very disappointed.’

Summary

Figure 5.1 outlines the key observations made with regard to the configuration of the WMRDA network. It would appear that partners were anticipating a new phase in policy development, but they seemed reluctant to grasp the opportunity with both hands. Some partners clearly had doubts regarding the capacity and competencies of their counterparts, particularly those in the educational sectors. Other partners appeared cautious about the efficacy of an open-ended collaborative strategy. Some respondents viewed highly selective partnerships as the only way to reduce collaboration costs, avoid duplication and ensure added value. Yet others were fearful that they might be excluded from the negotiations. The business sector perceived the wider differences between sectors as a barrier to co-operation. They were

more open to partnering local authorities than organisations from the other stakeholder group, whom they view as peripheral to the business development agenda.

Figure 5.1. Key observations relating to network configuration assets

	Network Configuration
Assets	Key Observations
Size of Network	<p>Partners appeared keen to prepare and manoeuvre themselves within the confines of the new regional institutional environment.</p> <p>There was significant consensus on where the gaps were in the existing institutional framework.</p> <p>Selective partnerships were viewed as a way of building consensus and avoiding policy paralysis.</p>
Network Diversity	<p>The business sector in particular, believed that the differences between sectors present a barrier to future collaboration.</p> <p>Partners were aware of the practical complexities involved in collaboration, particularly collaboration between sectors.</p> <p>Partners were looking towards AWM for guidance. However, this had not always been forthcoming.</p>
Network Density	<p>For many, the preparations for collaboration had already taken place.</p> <p>Some partners remained cautious about forging new alliances beyond their existing territorial boundaries.</p> <p>There is evidence of new-cross sector relationships between some partners.</p>

There are already extensive regional partnerships in the West Midlands. In many cases, partners had anticipated the move towards regionalism and already begun a process of institutional restructure. There was, however, considerable scope for further cross-sector collaboration, provided that the complexities involved in partnerships could be overcome. Partners were looking to AWM for guidance in the early start-up phase, but with disappointing results thus far. Although new relationships had developed, there were a number of tensions between partners which were limiting the scope for joined-up thinking. Many local authorities were fearful that their existing partnership arrangements might be disrupted and were busily reinforcing those existing linkages. It is, in light of these initial conditions, quite possible that the different sectors will continue to operate individually while proclaiming the rhetoric of inclusion.

Human Capital

Network Management Skills

1. There appeared to be a strong group of key individuals who are widely perceived as being the 'key drivers' in the region's policy formation and implementation processes. This core elite appears largely to pre-date the RDA or Regional Chamber process. It is noticeable that many were members of WMREC. Partners believed that the WMREC was effective and productive and were hoping for an extension of that process, centrally involving these powerful individuals. The personal and inter-personal qualities of these central individuals were deemed important, a point made very directly by an other stakeholder partner.

'It's more a question of style, collective personality, openness and transparency. Co-ordination won't come out of a vast number of working groups but a few heads.'

Similarly, a local authority partner acknowledged the strength of contacts between 'insider' individuals in the West Midlands.

‘One of the strengths of the West Midlands is that there is a relatively small group of players at the regional level. There are probably a dozen people who tend to meet up pretty frequently and the personal trust between them has led to the speed and the degree of cordiality in which we have been able to set up the Regional Chamber.’

2. The interviews suggested that partners were anxious to avoid marginalisation and intended to address this through active personal involvement and commitment. The degree to which they are able to do this varies considerably. Local authorities’ representatives were intending to use their roles in the Regional Chamber. Local authority individuals also viewed the WMLGA as a crucial mechanism in providing them with added support and information.

Likewise, business respondents identified the WMBPG as providing them with an invaluable support network, offering information and guidance. The WMBPG was set up in anticipation of the introduction of the RDAs. The business sector interviewees were eager to present a coherent voice and viewed the business policy group as a useful device in this regard. A business representative demonstrated the critical role of the WMBPG in supporting individual business members in the Chamber.

‘The WMBPG has been remarkable. X does a jolly good job of keeping us all “up to speed”. Without him I really don’t know if I’d know what was going on.’

Business respondents were also intent on stressing the importance of personal contacts with key individuals in the network, as a means of maintaining influence.

‘We are working well together as the business sector through the WMBPG. We play a strong role in that. It’s also important that we keep our own personal contact with key players in the RDA and Chamber.’

This emphasis on individual, personal contacts in these comments is suggestive of the centrality of individually borne skills in network building. In contrast, interviewees from the

other stakeholder group viewed their position with a degree of circumspection. They appeared unsure of how to secure influence, as this other stakeholder respondent suggested.

‘The interesting thing with the RDA is how much it invites us to the party and how much it sees us as an organisation to consult with. I would like to gauge the RDA in the way it participates rather than clap it for the way it consults.’

They were also looking to cement their individual roles in the Regional Chamber. However, unlike the local authority and business sectors, many other stakeholder partners lack an integrated support network or apparent representative institutions. Thus, their network management skills are not *enhanced* by a wider institutional support infrastructure. Gathering information, knowledge and know-how was often the responsibility of the individuals themselves. This arguably placed them at a comparative disadvantage in terms of available information and guidance. Thus, some other stakeholder partners feared being marginalised and were working hard to present a clear and competent response.

‘(We can avoid marginalisation) by being credible. I am developing my skills and understanding all the time. It’s about learning the ropes and demonstrating competence.’

The support and information available to network managers significantly affects their individual capacities in ‘doing the job’. In this argument, many of the other stakeholder group may need to combat their relative weaknesses.

3. Partners remained hopeful of a productive consultative relationship between AWM, Regional Chamber and WMLGA. Most respondents recognised that this collaboration was in the early stages of development and that it was too early to pass judgement on the effectiveness of that particular tripartite arrangement. However, many partners expressed disappointment that senior figures in AWM had not been more instrumental in facilitating this critical inter-relationship. Many Chamber members wanted to see key AWM personnel adopting a more ‘front-line’ approach. Partners viewed face-to-face contact as a crucial

mechanism in building new relationships. Some interviewees claimed that AWM Board Members, in particular, needed to adopt a more ‘public face’ during the start-up phase of the RDA, as a local authority partner indicated.

‘The board members should be doing the rounds, introducing themselves, building contacts. People want to put a face to names. That hasn’t happened. I don’t think it’s the fault of the board members themselves. I feel it has more to do with those individuals who are managing the process: Government Office.’

In this sense, personal contacts were not so much about building trust, but more about familiarising oneself with the *repertoires* and style of key individuals. Some Chamber members felt that AWM personnel needed to demonstrate their collaborative approach. A social partner hoped for greater contact between individuals from the Chamber and AWM.

‘There needs to be greater contact between members of the Chamber and AWM. It’s difficult to say that we have a partnership with someone when we don’t know who they are and what they think.’

Experience and Reciprocity

1. Both the local authority and business sectors have historically worked extensively at the regional level and across sectors. In contrast, the other stakeholder group has operated at a regional level but tended to work more within its own sector. Only 63% of other stakeholder representatives had previously worked across sectors at a regional level, compared with 81% of business and 100% of local authority partners. One other stakeholder respondent acknowledged their limited experience of partnership working at the regional level in comparison with business and local authority partners.

‘I suppose we have got a bit of ground to cover. I don’t see that as being a problem, as long as other partners give us the opportunity to do that.’

This scenario places the other stakeholder representatives at a considerable disadvantage in terms of personal partnership experience with heterophiles. Consequently, there is a danger that some other stakeholder partners may lack the required personal expertise, knowledge and inter-personal contacts to effectively penetrate activities at the *core* of the network.

2. More experienced partners were using the lessons of the past to dictate future partnership development. Local authority and business partners, in particular, were looking to build on their past experiences and contacts. For example, one local authority partner intended to use the lessons learned from previous partnership arrangements as a key to developing new relationships in the future.

‘What we looked at was what was best in partnership working and what wasn’t so good and what needed to be recreated.’

Here, what was deemed ‘best’ was clearly based on the partner’s own set of experiences, the past thus strongly shaping the future. Interviewees from the local authority and business sectors cited existing partnership operations and personal relationships as key factors in determining their negotiation and collaborative tactics. There was a clear perception that a history of partnership working at both the organisational and personal level would heavily influence current partnership activities. A business partner underscored the importance of historical and experimental factors.

‘It’s important to have a history with people. If you have a past history, you can look at track record and how other people have felt when they have worked with them.’

In contrast, the other stakeholder partners were primarily concerned with the ‘process’ of consultation. They tended to the view that partners should be judged and based on their *current* commitment and involvement. This was potentially more open and assumptions-free, but it was based, to a degree, on limited past exposure and experiences. New entrants need to demonstrate innovatory flare and individual skills to counter their perceived lack of experience and overcome ‘legacy’ effects.

3. Local partners were most anxious to work with 'established' or reputable and competent partners. This can make it difficult for 'new entrants' to facilitate partnership development. Reputation and credibility was of paramount importance to prospective partners. A local authority respondent was keen to demonstrate competence.

'You demonstrate a lot by the contribution you make, the quality of it is important. I feel as though I am already doing that.'

This is clearly a signalling mechanism, a socially appropriate behaviour designed to evoke specific, desired responses (willingness to partner) from others. A number of individuals had already been involved in partnership working in the West Midlands for a number of years prior to the inception of the RDA. Other partners repeatedly acknowledged the value and integrity of these individuals during the course of the interviews. Many of the emerging new relationships identified through the interview process resulted from the actions of a few central individuals at the heart of the process. There were, however, also a smaller number of examples of 'new players' who were not so well established but who, through partnering skill, had likewise facilitated new relationships. An other stakeholder partner had worked hard to transform and adjust the perceptions of other partners. As a consequence, new links had been made between sectors.

'I have worked hard at getting people to understand our views. We have had a very bad press lately. We have now set up good links with a variety of organisations who might have misunderstood us.'

Relevant skills, appropriately deployed, can, this suggests, effectively counter legacy effects.

Resources

1. Some partners viewed the costs of negotiation and collaboration as a significant barrier to further networking. A number of interviewees identified the formidable time costs incurred under the banner of collaboration. During this formative stage, considerable demands were

being made on officer time and commitment. Individual network managers were required to attend an array of meetings and briefings. Not all partners were convinced that these personal time investments were justified, as a business partner pointed out.

‘The notion of effectiveness is all theory and you have to say “yes” but these collaboration processes can be very costly in terms of officer time. The danger is collaboration for the sake of it or to be seen to be doing it, but then nothing comes out of it.’

The interviews revealed that the demands on human resources could be managed more effectively. Interviewees feared that duplication in the process may disenfranchise already busy network managers. A local authority partner highlighted the dual problems of multiple personal commitments and limited time.

‘The problem is that a lot of people wear a lot of different “hats”. You often find yourself in different meetings, with the same people, covering old ground. It’s personally very frustrating, especially when I am already overloaded (with work).’

2. Not all partners have equal resource capacities. A paucity of *existing* resources presented a barrier to collaboration on the part of the other stakeholder group. In some cases, other stakeholder partners were part of a small organisational team with extremely limited human resources. Some other stakeholder representatives were juggling prior work commitments and the new demands of the RDA agenda. This lack of collaborative resource posed a danger of premature foreclosure of partnering options for the other stakeholder group. For them, the RDA agenda has presented both opportunities and challenges. The costs of engaging were proving challenging, although they were deemed justifiable in terms of ascending an inter-organisational learning curve. One other stakeholder partner acknowledged the limitations of their partnership capacities and the brittle choices attending that.

‘The difficulty at the moment is stretching my available time. We have difficulties here. We have to get real and all have to decide what we do best and do it as effectively and efficiently as we can and stop pretending we can do everything.’

Another social partner was committed to invest additional resources in facilitating new cross-sector partnerships.

‘Obviously, with the limited resources available to us we have to concentrate in some ways but at the moment I’m trying to personally do some work on promoting links between ourselves and other sectors.’

3. Despite this, many interviewees were clear that the incentives for co-operation were so great that they simply could not afford to disengage. A partner from the other stakeholder group felt that high investments are an inevitable part of the collaborative process.

‘It’s a lot of work, especially for me, but that’s the nature of partnership working. What you put in you hopefully get out.’

Summary

A summary of the findings related to Human Capital assets can be found in Figure 5.2. During the start-up phase of AWM, local partners appeared to be utilising a range of competencies and skills to potentially diverging ends. Many interviewees acknowledged the role of individuals who are widely perceived as being the ‘key drivers’ to collaboration. These individuals enjoy a rich historical legacy of partnership working. However, not all network managers benefit from such a prestigious position. Many interviewees remained concerned about their possible marginalisation in the process. In particular, some of the other stakeholder group were at a comparative disadvantage in terms of their collaborative competencies. Some partners felt that AWM personnel should adopt a higher personal profile. There was a view that key figures within AWM needed to demonstrate their collaborative skills – a potential personal credibility gap.

Figure 5.2. Key observations relating to human capital assets

	Human Capital
Assets	Key Observations
Network Management Skills	<p>There are a group of individuals who are considered to be the 'key drivers' to collaboration in the region, enjoying a rich historical legacy of partnership working.</p> <p>The other stakeholder representatives appeared at a relative disadvantage in terms of their support infrastructures.</p> <p>Many partners argued that AWM personnel need to adopt a more 'front line' approach in facilitating relationships between themselves, the WMLGA and Regional Chamber.</p>
Experience and Reciprocity	<p>Some other stakeholder individuals appeared hampered by their lack of previous partnership experience.</p> <p>Interviewees intend to use the lessons and experiences of the past to guide future partnership development.</p> <p>Local partners were most anxious to work with 'reputable' and 'established' individuals.</p>
Resources	<p>Some partners considered the human investment required in partnership working a potential barrier to further collaboration.</p> <p>The other stakeholder group, in particular, have encountered human resource problems and may need to strategically manage their limited capacity.</p> <p>Despite the high costs, many partners felt that the incentives for co-operation were so great they could not afford to disengage.</p>

As noted, network managers bring a range of collaborative experiences to the process. The other stakeholder group had hitherto operated largely within its own sectoral boundaries, although they were looking to increase cross-sector collaboration further. Many partners were intent on using past lessons and experiences to influence future policy development, often

involving historical inter-personal contacts. This, once again, poses a problem for ‘new entrants’ and the potential for marginalisation. There is a realisation that, in theory, resources should yield better value for money where they are mobilised on a collaborative basis. However, the practical complexities involved in joint resourcing often produce very different outcomes. Some perceived the costs of negotiation as a considerable barrier to further partnership development. This was a particular concern for the other stakeholder group whose partners were finding involvement in the RDA process a considerable financial burden.

Social Capital

Trust Assets

1. Almost all regional partners were convinced that personal relationships played a vital role in developing collaboration. Most governance relationships known to the interviewees were considered positive and beneficial. Informal channels, involving inter-personal contacts, were often used to take the process forward, as one local authority partner suggested.

‘Speaking personally, there is a lot of personal contact and networking to get things done. Often the best way to get things done is to start by contacting the people you know. Quite often you have to use the informal channels.’

The legacy of past partnership working and the complex network structure of inter-personal relationships in the West Midlands appeared to facilitate clear and understood channels of communication. A business partner makes explicit reference to the benefits derived from the existing partnership infrastructure.

‘The most important partnership experience was the sharing of information and trying to work towards a common economic strategy. It helped very much with the RDA that we already had a mechanism in place and key people involved who knew where each other were coming from.’

2. The use of personal contacts can facilitate co-operation between partners. However, problems may arise when certain partners are excluded from the information exchange and sharing of expertise facilitated through social capital. The fact that some partners were looking to base their strategies on *existing relationships* and certain *known individuals* suggests that some individuals could be about to be excluded. This means, specifically, that those without previous partnership experience or pre-existing strong social relationships may be sidelined. For example, a business partner made reference to previously established trust links within the West Midlands.

‘We had already gone through the initial pain of establishing trust so that set us in good stead for the RDA.’

Those organisations or partners who had yet to establish extensive inter-personal contacts within the region could then find themselves at a disadvantage. For example, many partners remained unconvinced of the role and contribution of some elements of the social community sector. Potentially reflecting the impact of these reservations, one other stakeholder partner highlighted collaborative *resistance* and opined that trust could help to bridge some of the divisions between sectors.

‘The important thing is breaking down pre-conceived impressions and showing you’ve got things to say. Personal relationships make that process easier.’

3. It was the view of many interviewees that partnerships must be based on goodwill and mutuality if the RDA agenda is to add value to existing institutional arrangements. An other stakeholder partner demonstrated how the absence of trust might exacerbate institutional differences.

‘I had a particular problem with one sector and I couldn’t work out if it was a personal clash or organisational difference. With any partnership, they can only work if based on trust. It’s not even a case of liking people.’

However, there is a view that uncertainty regarding the future direction of the RDA might prevent the nurturing of trust between partners. For example, a business partner drew attention to the detrimental effects of uncertainty on trust-building.

‘The uncertainty of the future of the RDA hinders it (trust). The partners are too busy seeing where they are going to be in the future rather than what they can do now. That’s not to do with personalities.’

Network Brokers

1. The business sector, in particular, depicted the personal relationships within the governance networks of the West Midlands as extremely positive. They perceived a core grouping of negotiators as the main actors in the regional debate. This and other evidence from the interviews provides significant support for the notion that individual brokers can play a crucial role in fostering wide learning and building bridges between previously unknown partners. As noted above, trust is an important resource in this regard. Thus, a business partner clearly intended to use her inter-personal contacts to enhance her influence and position.

‘Personal relationship factors help as I know a few of the board. When I get too cheesed off, I will phone them up and say: “let’s have a coffee”.’

Another partner from the other stakeholder grouping made reference to decisions grounded in both strategic and personal understandings, when considering forming new relationship.

‘We take an organisational view that says, “strategically, we need to develop a partnership”. Then I take a personal view which says, “now, have I found the right person to develop it with?”

It would therefore appear from comments like these that the personal characteristics of individuals play a critical role in partnership development. The interviews suggest that there

were a number of pivotal network brokers in the West Midlands governance network who were using existing social networks as a platform for developing new relationships.

2. The interviews revealed numerous examples of the value of face-to-face contacts and the use of richer communicational media. All partners emphasised the need for a relationship based on respect and trust. Most interviewees believed these brokering competencies to be already evident in the West Midlands. A local authority partner stressed the importance of the personal characteristics of people in partnership working.

‘Trust is very important. The ability to work with people is the key to success. The personal characteristics of people help.’

Value-adding interpersonal relationships (social capital) and trust are viewed here as a precondition for inter-organisational collaboration. All of the individuals involved in cross-sector partnerships were developing robust social networks, based on inter-personal relationships, as a business partner observed.

‘(Inter-personal relationships are) very important. Most of the representatives know each other. Sitting down at meetings and going through a packed agenda forces people to bond as a group.’

3. There is some evidence that certain individuals had, even at this early stage, damaged the development of co-operation in some areas. Style, personalities, competence and attitudes can prove damaging to inter-organisational and inter-personal relationships, as this business partner suggested.

‘Now he’s the problem: I have to tell you. And if there is one person who has done the damage then I’m afraid he’s the one. He’s been very secretive. He’s been controlling in terms of who you can and can’t see. It’s been very damaging.’

In a network context, such behaviours may be considered an example of ‘contrapreneurship’ (Morgan and Murgatroyd, 1994).

Diverse Trust Base

1. Local partners appeared to hold convergent views on how they calculate trust with new partners. Trust between organisations usually appears to involve both a strategic and a personal consideration. The majority of local partners would seek to calculate the worth of a new joint venture on a strategic and rationalist level. However, that calculation also often incorporates considerations of a more personal nature. Personal opinions and relationships play an important role, although organisational objectives were often (at least formally) a higher priority. As an other stakeholder partner indicates, strategic responsibilities typically outweigh personal viewpoints.

‘I wouldn’t bring it down to a personal level over professional expertise.’

However, it often proves difficult to separate organisational objectives from the quality of inter-personal relationships, as another partner from the other stakeholder sector suggested.

‘I do try and think about the views of the organisation, but that is often tied up with the behaviour of the individual.’

All interviewees were looking for capacity to deliver as well as signals of trust. Trust can help reduce uncertainty but it is also vital that organisations have common agendas and shared objectives if the probability of failed partnerships is to be reduced. Many partners appeared to evaluate a trust relationship in terms of the calculation of potential risks and benefits. Thus, a business partner hoped to avoid misplaced and violated trust through careful weighting of decisions.

‘You have to weigh up the risks and benefits because you can make errors. There is always the element of risk, but you learn from your mistakes.’

2. Partners from all sectors perceived openness and honesty to be the most desirable properties for developing trust between partners. A local authority partner acknowledged the importance of transparency.

‘There needs to be openness. We have to be transparent about what we are doing.’

A business partner echoed this view.

‘Openness and communication is the key.’

Finally, a partner from the other stakeholder sector emphasised the importance of honest collaborative processes.

‘Openness and tensions brought out into the open. You can’t pretend everything is okay.’

3. There were a number of partners who suggested that collaboration was possible (and necessary) even in the absence of trust and good working relations. For a minority, trust was *not* an essential requirement for collaboration. They argued that there was often simply no option but to endeavour to build new relationships, even in the absence of trust: ‘needs must’. A local authority partner made this point.

‘I suppose you have to collaborate whether you trust someone or not. I don’t have too much of a problem with trust. Most people do have that genuine feeling of what we are trying to achieve.’

Another local authority partner believed the value of trust to be overstated and preferred to approach new relationships based on a strategic decision-making model.

‘I think trust is overstated. I don’t think networks are about how much you can trust. It’s a question of whether people can deliver.’

In the secondary literature, a partner's capacity to deliver and the confidence others have in that ability may be interpreted as a specific type of trust called 'competence trust': confidence that the partner has the competence to carry out the agreement.

Summary

Figure 5.3 summarises the main observations relating to social capital assets arising from the first round of interviews. Extensive inter-personal networks appeared to be in operation within the WMRDA network even at this very early stage. Many trust relationships pre-dated the formation of the RDA network and seemed to play a crucial role in lubricating action. There was a concomitant danger that some partners would be excluded from the benefits of trusting relationships. They might either end up being locked out of emerging social networks before they can establish their own credentials or set up alternative networks; or might experience opposition and resistance as an outsider from other local partners.

Trust may be inculcated in response to this in an attempt to tackle prejudice and suspicion. Finally, some partners articulated a concern that the uncertain institutional environment was inhibiting the development of trust. In this view, risk and uncertainty hamper the nurturing of trusting relationships, particularly between previously unrelated partners. The personal characteristics and partnering skills of key individuals was already playing a crucial role in the development of new relationships. There is also some evidence of some individuals having a negative effect on partnership development. It would appear from this that there is also a model of *worst practice* in relation to network brokering. The majority of partners address both strategic and personal considerations when they consider entering into a new partnership. In many cases, trust is based on a mix of calculation and emotional-empathetic factors.

Most organisations and individuals interviewed were aware of the pitfalls of misplaced trust. Openness appeared to be the most desirable factor when developing trusting relationships. There were a small number of respondents for whom trust had limited importance or

credibility. For them, operational, organisational and strategic objectives appeared to outweigh any considerations at an inter-personal level.

Figure 5.3. Key observations relating to social capital assets

	Social Capital
Assets	Key Observations
Trust Assets	<p>Almost all local partners suggested that personal relationships play a vital role in the development of partnerships.</p> <p>Certain partners were excluded from the benefits that accrue from social capital.</p> <p>There was a view that future uncertainty inhibits the development of trust between partners.</p>
Network Brokers	<p>There were a number of widely acknowledged key network managers that facilitate collaboration.</p> <p>The personal attributes of individuals can play a central role in the development of new relationships.</p> <p>There is evidence that some individuals impede the development of co-operation.</p>
Diverse Trust Base	<p>Local partners appeared to hold common views on how they gauge trust.</p> <p>Partners viewed openness and honesty as the most desirable properties to develop trust.</p> <p>For some, trust was not an essential requirement for collaboration. Rationalist judgements of cost-effectiveness were claimed to underpin collaborative efforts in these cases.</p>

Behaviours

During the first-round interviews, partners were adopting a range of collaborative techniques, strategies and partnership behaviours. The next section outlines the behavioural components of strategic thrust, perceptions and learning, apparent in the West Midlands RDA network during early 1999.

Strategic Thrust

Consensus Building

1. Many partners highlighted persistent inter-organisational tensions as an obstacle to the forming of a regional strategic consensus. These often historically rooted tensions tended to fuel suspicions as to how the process would evolve. There was therefore a risk that past rivalry might impede future effectiveness. There was also a sentiment that the regionalisation agenda might not fulfil expectations, but at the same time, a pragmatic recognition that agencies could ill afford not to participate. A local authority partner acknowledged the inevitability of tension.

‘We try to carry with us the partners that we need to carry, in order to achieve whatever it is we are trying to achieve. There are always tensions. They are very often personal, in my experience.’

An other stakeholder partner also considered many of the historical tensions to be personality based.

‘The answer is no (we will not alienate partners) but there are historical tensions between, for example, the TECs and FE. I think that in some cases, it’s down to personality.’

2. The historical tensions often reflected the divergent policy aspirations as between local authorities and business, on the one hand, and the other stakeholder group on the other. Local authorities and business were anxious to see a predominantly economic focus to regional governance. A business partner was insistent on the need for a primarily economic focus.

‘We very much need to have an economic focus. Without that, what’s the point? We have to accept that as the harsh reality. If that’s not working, what else will?’

In contrast, the other stakeholder group generally felt that social issues, related to deprivation and exclusion in the West Midlands presented the greatest opportunity for development, as articulated by a partner from the other stakeholder sector.

‘I suppose (the objective is) to improve the economy but also the social capital and sense of community and to tackle social exclusion: to contribute to the eradication of multi-layered deprivation and multi-generation deprivation in some of our worst areas.’

In addition, some partners feared the ‘Birmingham effect’ and were hoping that the RDA would not focus its entire attention on the conurbation, a point made forcefully by a local authority partner.

‘It’s hard in an area like this with a big conurbation... they (the RDA) need to seek to be truly pluralistic in terms of its (sic) approach and demonstrate that we are in the business of regional development, not just the development of Birmingham.’

3. Partners were resistant to the notion of ‘forced alliances’ - the idea that everything must be done in partnership. The majority of interviewees were persuaded that the next stage in regional partnership development was to build effective and selective partnerships between agencies with a common agenda, as a local authority partner indicated.

‘At this stage, we have to be selective: there are so many potential partners. We need to address our priority concerns and be ruthless in our partnering decisions. You can’t partner everyone: it doesn’t work like that.’

Partners hoped that the RDA would achieve shared vision, encourage public entrepreneurship, strategic drive and ambition with and through strong leadership. Partners were eager to avoid duplication. They looked, furthermore, for RES and RDA programmes that were demonstrably regionally specific and that clearly tackled the complex issues of the region. A local authority partner was not alone in articulating the desire for a clearer vision from the RDA.

‘I would like the RDA to bring a clearer vision of the West Midlands, where we want to go and where the economic and social issues connect. We need to produce programmes which reflect the real needs of the region.’

The importance of regionally grounded strategies was highlighted by Nathan *et al* (1999) in their appraisal of the first-round RES’ of the English RDAs.

Procuring Commitment

1. According to the interviewees, holistic governance is a process that everyone is anxious to secure. There was a widely shared sentiment among partners that, if organisations were willing to be active and contribute to the agenda, then that commitment constitutes a stake and claim. The comment of a business partner illustrated this point.

‘Oh yes, I believe in what we are doing. Whether I’m right or wrong remains to be seen. I do believe we are going down the right road: everyone can gain.’

This commitment was, however, qualified among many local authority partners. From their perspective, although the new commitment to regionalisation was vital and something they want to be a part of, a new regional body would enjoy little legitimacy if it sought to impose

practices and procedures on existing bodies. Local authority representatives were sure that strategic challenges would arise in the future, and would wait and see how AWM might respond once it was operational. Some interviewees foresaw the real challenge as coming if and when AWM presents strategies drastically at odds with their own objectives. Local authority partners claimed to be committed to addressing the quality of existing partnership arrangements but were also hoping that the RDA would not 'rock the boat' too much, as one local authority partner observed.

'Personally, I think the RDA has presented opportunities. There is a downside... It may also be considered a measure by government to enforce unelected bodies who want to take over our role. However, I personally see this "bringing things together" as very desirable.'

Some local authority partners were concerned that legitimacy problems and confusion about policy could damage the regional experiment. There were a minority of partners who were of the view that they had little to gain from the RDA.

'Being marginalised by other partners does not bother us. We don't want anything from the RDA particularly. We are not in the queue rattling our tin cans.'

2. Local authorities generally claimed that they were taking a greater political risk than other partners, particularly the business sector. They were convinced that, if the initiative failed, the business sector would 'jump ship'. Local authority interviewees also saw themselves as increasingly stepping outside of traditional local authority groupings and forging partnerships with agencies that do not share the same obligation to a democratic process. Some business partners did recognise the political risk being borne by the local authorities: however, the majority opined that 'everyone is in it together'. In this view, if the *oeuvre* fails, all partners will lose. The other stakeholder group tended to reserve its position on risk exposure, noting that the agenda was in its early days and indicating that all partners appeared to share a degree of risk. Overall, respondents were not able to identify a particular partner whom they felt was

not sharing political risk. However, they all agreed that the governance infrastructure of the West Midlands was in a period of transformation, as a business partner describes.

‘I guess if you are fairly hung up about geographical or territorial boundaries, then you will be concerned about what’s happening and might stand to lose more than you might gain. The only certain thing is change.’

3. Interviewees from the business sector clearly considered themselves to be key regional partners. They acknowledged that they would have to rise to the challenge and present a coherent business voice if they were to gain maximum input and achieve impact.

‘Yes, all partners can benefit massively if the RDA gets it right. The RDA gives incredible opportunity.’

The other stakeholder group also viewed the RDA as a considerable opportunity. They were likewise keen to adopt a central role in the regionalisation process. This, their interviews suggested, was best achieved through active participation and displaying competence, as one partner remarks.

‘We currently have a respect. No organisation has the right to exist just because it exists. If we don’t deliver against the new agenda, there might be another way of doing our job in the future.’

Maintaining Control

1. Many partners strongly believed that the RDA network was responding vigorously to the challenge of an increased focus on collaboration. Partners were, however, intent on protecting their territorial functions. The majority hoped that RDA strategies would fit within their existing programmes and objectives. One local authority partner described how the actions of AWM might impact on her agency’s positioning.

‘I suppose one thing that will affect us is the attitude and actions from the RDA. I do feel it’s important that we are not treated as nothing. A lot will depend on their approach towards us.’

Hostile responses to perceived threats were not generally viewed as an option: moreover all interviewees viewed a policy of collaboration as far more productive than confrontation. An other stakeholder partner intended to actively collaborate with AWM.

‘If I don’t speak up then we will be marginalised. My job is to work with them (AWM) and establish a RES... It will be down to me to ensure my voice is heard.’

Partners intended to focus largely on the protection of their functional territories and influence across the region. Some business partners believed that their historical legacy would serve to protect their organisational identity. As one business partner observed, ‘we have been around for a long time and deserve recognition’ on that basis.

2. Most respondents were reasonably confident about their ability to predict the activities of other partners over the next year. Predictability was clearly equated here with domain control. All partners viewed the coming year as a period of newness and experimentation. They recognised a number of possible scenarios, however, which would create uncertainty in relation to the strategies of their counterparts. Partners were particularly confident regarding the strength of their existing local partnerships, as one local authority partner indicates.

‘We are in a “shifting sands” situation so organisations tend to stick to what they are good at and what they’ve been doing. I’m sure we’ll stick to our own business in the first year. Everyone is waiting to see what happens.’

Similarly, a business partner acknowledged a degree of instability and the uncertainty in collaborating with new partners.

‘I hope no one’s been arrogant enough to be absolutely confident. Although we have something good to build on in terms of links, there is also a bit of instability. What we have achieved so far has been built on the same group of people. With new people I’m not so confident.’

Partners were less certain about predicting the activities of AWM over the coming year. Indeed, most partners were quite lacking in confidence in this regard. This uncertainty was compounded by a lack of feedback from the Agency itself. There was also a degree of concern over the role of the GOWM and the relationship that they might build with AWM in the long term. AWM will, interviewees claim, require greater transparency and openness if it is to gain the full support of regional partners. Again, the ability to predict outcomes is often rooted in inter-personal relationships. Local actors were at this time largely unfamiliar with many of the personnel within AWM, as an other stakeholder partner highlights.

‘It’s such a new body and not even up and running, I would say (I was) unconfident (about the RDA’s future direction)... because I *don’t know enough about the individuals* (emphasis added).’

3. Fragmentation in a network system may result in leading actors or insiders gaining expertise and experience, while less well-networked agencies and partners fall farther and farther behind. Under such circumstances, a distinction may emerge between those actors that orchestrate policy decisions and those taking an essentially passive role. This scenario was highlighted in relation to the RDA network. Thus, a local authority partner describes the scenario of ‘leaders and laggards’.

‘Coherence is always superior to confusion. Confusion causes winners and losers. We need to get coherence. If partners take the opportunity, some will do better than others and some won’t bother at all. However, everyone will learn.’

Some respondents were persuaded that AWM should take a stronger lead in the early stages to insure that partners have a sense of direction and can then negotiate their individual role and

contribution. Some local authority and business partners were of the view that, until the RDA was effectively operational, with a clearly articulated strategy, they would do best to reserve their position. As a consequence, such partners felt that this represented a missed opportunity to effectively contribute, during this early stage. In this sense, they would like to have seen increased feedback from AWM, even during the initial start up phase. There are organisations that are keen to respond but remained unsure of the channels to pursue. A business partner acknowledged leadership as an essential prerequisite for effective policy development.

‘It is going to require leadership and at the moment we are not seeing that.’

Summary

Figure 5.4 outlines the key observations relating to strategic behaviours. Partners were clearly aware of the historical tensions evident in the West Midlands. In many cases, these were based on different strategic objectives. Partners once again stressed the need to be selective in their partnering. There was a categorical refusal to collaborate for purely symbolic or accountability reasons. It was hoped that the RDA would bring vision and leadership and help offset uncertainty. The majority of partners were committed to holistic governance. Local authority partners enjoyed legitimacy (an asset) and expressed territorial concerns. They were hoping that the RDA would not have a monumental effect on their existing remit. Local authority representatives viewed themselves as taking more political risk, compared to the other sectors. However, all partners acknowledged that everyone involved carried some form of risk and uncertainty. Both business and the other stakeholder group recognised the new challenges that the regional debate was to bring and were looking to respond to that competently.

Partners who feared any erosion in their territorial functions or organisational identity intended to protect themselves through active involvement with the process: a proactive strategy. The majority of partners were confident in predicting the activities of their fellow partners, especially those that were active in their local partnerships. On the other hand, partners were unable or unwilling to make any predictions about the future direction of

AWM. There is a danger that some partners may be ‘left behind’ in the restructuring of regional governance. The interviews suggested that partners might combat this by ensuring that they keep informed of developments and by displaying competence and commitment.

Figure 5.4. Key observations relating to strategic behaviours

	Strategic Thrust
Behaviours	Key Observations
Consensus Building	<p>Partners highlighted persistent tensions as an obstacle to forming a regional consensus.</p> <p>Tensions often reflect the different policy aspirations, particularly as between economic and social interest groups.</p> <p>Partners were resistant to the notion of forced alliances.</p>
Procuring Commitment	<p>Holistic governance is a process that all wished to have a stake in.</p> <p>Local authority partners generally felt that they were taking more political risk than other partners.</p> <p>Both business and the other stakeholder group viewed the RDA as a considerable opportunity, but one which also presented a number of challenges.</p>
Maintaining Control	<p>Partners were anxious to protect their territorial functions.</p> <p>Partners remained confident in predicting the activities of their fellow partners but were less confident about the future direction of AWM.</p> <p>A possible scenario may emerge of increasing divergence as between network leaders and network laggards.</p>

Perceptions

Managing Perceptual Conflict

1. There was a broad consensus that organisations cannot achieve their objectives in isolation. Organisations from all sectors were therefore looking to bring new partners on board. However, there were strong perceptions at work even in this formative stage within the RDA network, which may prove to be a blockage, particularly to new partnerships spanning sectors. There are a number of examples of such perceptions at work: for instance, some partners viewed the local authority sector as both domineering and defensive. Some interviewees saw the business sector as lacking real commitment, while others viewed the other stakeholder group as ideologically extreme and unprofessional. The following examples were generated by interviewees and provide a compelling insight into the various perceptions evident in the region.

Local authority partner: 'I don't think business have the same risks and commitment we have. If things don't work out I think they will jump ship. I can see them doing that if they don't get their way.'

Business partner: 'The problem is with local government. They still think they are the bees knees and are always looking to run the show.'

Business partner: 'I think the small interest groups will benefit from this (regional governance restructuring). They will be "over-voiced". Like the voluntary and environmental sectors, they can be a bit extreme in their views and that's not always helpful.'

2. Some actors were apparently not always capable or willing to adapt their pre-existing perceptions. The Regional Chamber process had, in some instances, confirmed negative perceptions as between sectors. Partners were sometimes seeing their negative perceptions confirmed by unproductive dialogue and frustrations with process. Partners within the

Regional Chamber continued to work exclusively with very little apparent cross-sector collaborative effort, with the exception of the other stakeholder group who are collaborating within their own Chamber grouping. There was optimism for the future, although marred by present frustrations. A business partner outlined his frustrations with the Regional Chamber.

‘The trouble with the Regional Chamber is, you get tied up with all that democratic... I nearly said “nonsense” then, but it is nonsense. Local government business can be really tiresome.’

Some business and other stakeholder partners were concerned that they might be sidelined in the Regional Chamber due to the distribution of representation, as this business partner points out.

‘There is a great danger of us being marginalised in the Chamber with forty-two local authority members. We will have a hard time in ensuring our voice is heard.’

Many interviewees suggested that the Regional Chamber had drawn attention to the differences in objectives and operational styles between sectors. This divergence needs, in the view of a number of interviewees, to be managed more effectively. Various examples were given of perceptual blockages within the West Midlands, some apparently based on perceptual misjudgements.

3. Partners differed on how well the regional process was working. They also differed on how well the system encouraged consensus. Concerns were evident in relation to the institutions involved in, and processes adopted in the negotiations. These widespread apprehensions appeared to relate to key organisations and issues of trust. There were suspicions and criticisms relating to GOWM and AWM, which had led to further apprehension and mistrust, as these comments demonstrate.

Local authority partner: ‘The RDA must have a public face with which to work with. We have heard nothing from them and know very little about them. How can you consult with a body like that.’

Business partner: ‘The RDA under the GOWM influence at the moment is very concerning... this is the challenge at the moment.’

Other stakeholder partner: ‘There has been some peculiar practices going on and a lot of corridor deals made between meetings. That has hindered partnerships. Dealing with the GOWM is like dealing with a bar of soap.’

A GOWM partner was keen to address what are classed as the ‘misconceptions’ of others. He feared that many partners were holding unrealistic expectations about what AWM can achieve.

‘We’ve got to get things into proportion. Ministers are keen to go around saying we must raise the GDP per capita and the RDA will help us achieve that. Well, it will, but only as a peashooter may help to knock down a wall.’

Overcoming Repertoire Difference

1. It was apparent that each sector within the RDA network had its own *repertoire* – its own way of doing things. Each agent in the network will likewise have very different personal histories and positions. Interviewees tend to prioritise organisational cultures as central in ‘doing business’ in networks. For example, a local authority partner highlighted the importance of democratic responsibility in shaping action.

‘We do have a responsibility to our local areas in terms of social inclusion and tackling deprivation. It may be that these concerns will be at odds with our desire to take a more economic regional focus.’

A business partner set out a business approach to partnership.

‘The thing is, the business of business is business. It’s about deliverability, actions, results, outcomes. It’s a certain style and way of doing things. Now that doesn’t always fit in with the objectives of others.’

An other stakeholder interviewee highlights the costs of collaboration and how this affects organisational strategies.

‘The scarce resources and the funding have presented a challenge. Yes, we do have an agenda but the extent to which we will be in a position to fulfil it, I do not know.’

These statements reflect the very different strategic priorities, operational styles and accountabilities evident between partners. The challenge will be for partners to overcome those differences and find common ground.

2. Where partners viewed different styles of working as a potential barrier, they remained committed to overcome them. There are examples in the collective experience of members of the RDA network which demonstrate that changes in perceptions and repertoire adjustment can occur. These cases often appear to hinge on a conscious decision by the individual network broker to embrace alternative repertoires and maybe, to adjust their own. There is evidence – even at this formative stage - of some partners seeking to understand the different conducts and styles of their new partners. Many viewed the process as a learning curve for themselves and were evidently open to new ideas and new ways of working. An other stakeholder partner thus demonstrates openness towards perceptual adjustment.

‘You have to be accommodating. If you are awkward, then it produces a bad feeling. We are trying to improve our relationship with business. There were problems but that was partly a result of my own attitude towards them. I was quite often wrong and I am happy to admit that.’

Similarly, a business partner wished to develop a greater understanding with local government.

‘I am most keen to pursue a relationship with the local authorities. We come from very different backgrounds. We are very different animals and I need to get my head round the complexities of that.’

3. The other stakeholder group remained intent on participation regardless of early resistance. In contrast to the business sector, the other stakeholder group appeared sensitive to others’ *modus operandi* and willing to adjust their collaborative repertoire in response. They viewed the RDA process as an opportunity to gain influence and explain their objectives to others. To do this, they must adopt an appropriate and effective repertoire.

‘We are well placed to take advantage of the new agenda. There is a window of opportunity to deal with the social-economic considerations. The important thing is how we communicate our objectives to others.’

Avoiding Network Closure

1. The majority of local authority and business partners were persuaded that a degree of alienation of some partners was virtually inevitable. Most recognised the existence of turf wars and tensions, which may limit the benefits of partnership at times. As a local authority partner suggests,

‘there is a danger of alienation and we play it quite carefully’.

A business partner expressed a concern regarding the tensions within the Regional Chamber and the potential ramifications of this at a local level.

‘If we are not careful, the Regional Chamber could cause a rift between the local authorities and the private sector. This could ripple down to a local level but I hope this won’t happen.’

2. Many interviewees attributed the responsibility for co-ordinating the multiple views and interests of partners to AWM itself. There were a number of different opinions regarding AWM’s brokering role. Some hoped that AWM would ensure inclusion for all. Others wanted AWM to allow local partners to decide who is to participate on what. Finally, some partners wanted AWM to ensure that the ‘key drivers’ (usually regarded as local authorities and business) are represented above all others. In some cases, partners were looking towards AWM for guidance and direction. This had not always proven fruitful, as an other stakeholder partner outlines.

‘I’d rather see something up front from the RDA to see what those groups were working on. If so, you feel they might have made more progress. I don’t want to be too damning. You have a lot of people learning the process, including the RDA staff.’

3. Some smaller partners were encountering *invisible doors* that covertly shut them out of the corridors of power. They perceived larger players focusing attention on existing relationships even while continuing to claim inclusion for all. An other stakeholder partner asserted that AWM and GOWM were reluctant to acknowledge the extensiveness of social networks within the West Midlands.

‘When the RDA or GOWM want representation for a certain thing, they pick the people they want rather than the network they want. We do have to sort out where all the different networks fit in and how do we sit together.’

Local authorities were already operating at this formative stage under the umbrella of the WMLGA. The business group enjoyed a similar regional representative body, namely the WMBPG. However, the other stakeholder group continue to work largely individually. The research findings suggest that they therefore need, as a matter of urgency, to collaborate much

more actively to counter their relative fragmentation. An other stakeholder partner highlighted the challenges they face in convincing others of the value of their contribution.

‘It’s a question of waking people up to the new agenda then getting them to see its advantageous to their own work. Certainly, two years ago our ideas were falling on fairly barren land. As the steamroller of regionalisation started, people then began coming back and realising the importance of our own contribution.’

The other stakeholder partners were clearly concerned about the consultation process. They expressed caution as to the degree to which they will be included in future developments. They were cautious but optimistic about their future role. There were continuing fears, however, regarding their having been invited to the table only as a symbolic gesture. They were therefore waiting to gauge the extent of their substantive contribution and would position themselves accordingly. An other stakeholder partner articulated this fear regarding the consultation process.

‘In consultation, the fear is that the Chamber will be at the bottom of the list so where does that put us?’

Summary

Figure 5.5 summarises the key observations relating to perceptions and behaviours. Strong perceptions were evident within the WMRDA network, which may have a detrimental effect on future partnership development. The evidence suggests that not all partners were able or willing to adapt their perceptions. Partners had their own, often diverging, views regarding the procedures and practices of the process so far. Criticisms were levelled at AWM and GOWM, in terms of their collaborative repertoires. The various partners had their own distinctive operational styles and partnering strategies. The problems occurred when these different styles and process collided. In many cases, the practical co-ordination problems appeared to outweigh the potential benefits.

Figure 5.5. Key observations relating to perceptual behaviours

	Perceptions
Behaviours	Key Observations
Managing Perceptual Conflict	<p>There are strong perceptions at work within the RDA network, some of which may prove to be a barrier to collaboration.</p> <p>Actors were not always capable or willing to adapt their perceptions.</p> <p>Partners had different views on how well the system encourages consensus.</p>
Overcoming Repertoire Difference	<p>Each organisation has its own repertoire, which demonstrably affects how they approach partnership working.</p> <p>There were examples that demonstrate that changes in perceptions and repertoires can occur.</p> <p>The other stakeholder group in particular, were seeking to adopt an effective collaborative repertoire.</p>
Avoiding Network Closure	<p>The majority of local authority and business partners felt that some alienation of partners is inevitable.</p> <p>Many assign the responsibility for ensuring inclusivity to AWM.</p> <p>Some smaller partners encountered invisible doors that shut them out of the corridors of power.</p>

Despite the complications, there was evidence of early success as some partners worked to adapt their own *repertoires* and learn from and accommodate others'. Tensions and turf wars can lead to alienation and the marginalisation of some partners. Smaller organisations must compete on their strengths and protect themselves from their respective weaknesses if they are to maintain influence. All partners were aware of the risk of being positioned at the network periphery, although the other stakeholder group were most fearful of this.

Learning

Learning Through Experience

1. The interviews suggest that the most valued component of partnership working was the opportunity to learn through experience. Respondents claimed to have been challenged by the new regional agenda. Most organisations had likewise been presented with strategic challenges. Many interviewees suggested that the challenge lay not specifically with the RDA development itself, but rather with the more general recent trend towards partnership development. A local authority partner describes the increased policy emphasis on regionalism pre-dating the RDA.

‘I don’t think we’ve changed to meet the needs of the RDA as we were already moving resources and expertise of some of our work to a regional level. That would have happened anyway.’

Representatives of the business sector awaited developments with some interest. They indicated that their response would depend on the style adopted by AWM itself. Concerns were expressed about a perceived lack of action from AWM, as the comments of a business partner demonstrate.

‘We are doing things we have always done. We just had to run harder and faster to pick up the extra workload resulting from the RDA. I would like to see something more from them though, give us a few clues.’

For the other stakeholder group, the process represented a transition in their received ways of working. The majority of their representatives saw the RDA agenda as an opportunity to be able to work in a way that they had previously viewed as desirable anyway. Many were clearly adapting to the challenge.

‘At the moment, we are a bit fragmented and are looking for ways to make ourselves more effective.’

2. The evidence suggests that a great deal of accelerated learning was taking place at this time. Partners did express concern as to whether their learning was being utilised to the best within the network. They were again seeking a stronger sense of policy direction from the RDA. This would enable them to channel their energies and learning activities. Partners were eager to demonstrate competence and knowledge, as an other stakeholder partner points out.

‘I am totally confident that I am as up to speed as I possibly can be as to what’s happening there.’

It would appear that the increasing trend towards regionalism has presented challenges and learning opportunities to local partners. The experience of partnership working, which pre-dates the RDA process, has provided valuable learning opportunities for partners. There are signs that partners are keen to develop their partnership building skills further and use the lessons of the past in doing so.

Learning Through Partnership

1. Some partners appeared to enjoy greater opportunities to accumulate know-how and to learn. These opportunities were rooted in and depended on the degree to which their counterparts consulted them. There was a view held amongst all partners that the process remained essentially open. With few exceptions, the general feeling was that if organisations were willing to be active and contribute to the development process then again, everyone could be said to have a stake. It was acknowledged that the magnitude and scale of advantage would vary depending on the partners involved. Some areas and sectors were certainly likely to gain more than others. One local authority partner demonstrated clarity on this and a determination to make the most of their position within the wider network and in seeking maximum advantage for the organisation.

‘We have to work with what we have and make the best of it. It has affected us and we are hoping to take maximum advantage.’

Partners recognised the many intangible learning benefits associated with collaboration. Quite often, the claimed benefits were multiple. A business partner described the increased opportunity to participate in the development of policy.

‘We are always trying to find a way to participate in the development of policy. We have strengthened our regional ties and it’s made us think beyond our own boundaries. It has stopped us from becoming too insular.’

2. It would appear that the intense period of negotiation and preparation had allowed partners to develop their competencies and expand their knowledge of collaboration, as the comments of an other stakeholder partner illustrate.

‘It has presented challenges. It’s an agenda that is moving very fast. There is a big role for us in developing our capacity. It’s different from the work we have done traditionally.’

Comments like these indicate considerable scope for learning. One of the features of the RDA network is that it is composed of a wide range of organisations. Each group of stakeholders has its own unique lines of accountability. These accountabilities can work to feed valued know-how lessons through the partners into the wider network. It is arguable that these triggers for learning need to be shared around the network if it is to learn at a rapid pace. The scale and magnitude of learning opportunities will very much depend on the degree to which an organisation is consulted. A local authority partner indicates the difference in potential gain.

‘Everyone should or will get something out of it, but some will benefit more than others. Those who are under-performing will probably be brought up to speed.’

Another local authority partner outlined the long-term benefits of partnering with an organisation with an unrelated agenda.

‘You have to see the long term pay back. You run the risk of becoming very bound up and parochial if you don’t seize the opportunity to learn.’

Single and Double Loop Learning

1. The interviews suggest that a constant process of trial and error was underway. The RDA had provided the impetus, but with no hard and fast rules for success. Many respondents had witnessed a transformation in their own organisational culture and were adapting to the new policy environment. Local authority representatives believed that they had been moving towards sharper and more strategic partnerships prior to the inception of the RDA. Some asserted that a transformation in organisational culture was underway, and a part of this transformation required a greater need to reflect on how they worked in partnership, as one partner indicates.

‘I want to see collaboration across the board, whenever and wherever it’s appropriate. They (collaborative arrangements) need to be all encompassing.’

There was a split within the business sector. On the one hand, there were those who felt that they were already effectively collaborating and, as such, needed to make only minimal changes. There were others who suggested that a clearer definition of partnership had latterly emerged which required them to run faster to keep up with the agenda. This indicates a degree of receptiveness to learning on their part. However, one business partner was not so convinced about the benefits of partnership. Some partners were unable to see the learning potential, even in failed partnerships.

‘We are keeping our options open, despite my cynicism. You have to get in there and work with what you have got: but don’t hold your breath. You call it “partnership” but invest hours of meaningless conversation without cutting to the rump. The hard bit is accepting the outcomes.’

Representatives of the other stakeholder group did not perceive any substantial need to change internally but were nonetheless receptive to new possibilities. An other stakeholder partner was able to demonstrate an improvement in organisational capacity arising from collaboration.

‘It has been the preparation ground for letting people know that we have got a regional structure. We are now a much easier group to consult with.’

2. For some partners, the learning process appeared incremental and evolutionary rather than quantum or frame-breaking. Organisations appear to have adapted at different rates and learned distinct partnering skills. For instance, a network manager may not always be able to understand the communication tactics of agents in other sectors. Learning and know-how transfer requires the *loosening of anchors* and/or the development of new links. There are a number of examples of such behaviour in the network. For example, the Regional Chamber has facilitated new links between diverse organisations. An other stakeholder partner described the benefits of close proximity.

‘What has been good is that everyone in the other stakeholder group has been brought together. It’s surprising how much you have in common once you begin to discuss things. It’s been very useful, much more (useful) than I thought it would be.’

Summary

Figure 5.6 summarises the key observations relating to learning behaviours. Partners appear to have developed a great deal of experience, knowledge and know-how as a result of their partnering experiences. Not all partnerships have been successful, but both failures and

successes would seem to have provided invaluable learning opportunities and lessons for the future. Interviewees highlighted the need for AWM to demonstrate competence and leadership if partners' motivation levels are to be maintained. Partners were anxious to see some of the early fruits of their collaborative efforts. Learning opportunities appeared to vary depending on the degree to which partners enjoy access to new collaborative negotiations and ventures. Many partners were adapting rapidly to keep up with the hectic pace of progress. There was a recognised danger that some may get left behind. It was therefore deemed important to harness new learning opportunities and ensure access for all if the network is to develop in a holistic way.

Figure 5.6. Key observations relating to learning behaviours

	Learning
Behaviours	Key Observations
Learning Through Experience	<p>Partners consider the most valued experience of partnership working to be the opportunity to learn through experience.</p> <p>Partners did express concern as to whether learning was being utilised to the best within the network.</p>
Learning Through Partnership	<p>Some partners appeared to have increased opportunity to accumulate know how depending on the degree to which they are consulted by their counterparts.</p> <p>The intense period of negotiations has allowed partners to develop their collaborative capacities.</p>
Single/Double Loop Learning	<p>Many partners have witnessed a transformation in their organisational culture.</p> <p>For some, the learning process appeared incremental and evolutionary rather than a great leap forward.</p>

Conclusions

The first-round interviews supported the contention that a transformation in the region's institutional environment was beginning to take place. Local partners were apparently adapting and rising to the challenges of collaboration. The ways in which they are both able and willing to achieve this clearly vary. Some were building on existing practice, while others were undergoing a more drastic metamorphosis. The novel regional landscape has provided a new arena in which to develop partnership working. The degree to which organisations were re-inventing the wheel or harnessing new innovative approaches to partnership was dependent on their skills, resources and partnering opportunities. This Chapter has explored the distribution of assets and behaviours across the WMRDA network at the time of the first-round data collection exercise in 1999. The following Chapter presents the findings of the second round of data gathering over one year later. Chapter Six is structured using the same format as Chapter Five.

Chapter Six

Findings from the Second-Round Data Analysis

This Chapter explores the turbulent partnership environment of the West Midlands, during the spring and summer of 2000. Partners were increasingly using the ongoing negotiation process as an opportunity to voice their concerns at the regional level. AWM, as the region's *broker* and *co-ordinator*, was locked in an intense period of consultation and engagement with local partners. Partners viewed this period as a critical stage in regional partnership development.

'This is make or break basically. If people don't get their acts together over the next few months, regional partnerships will never come together. This next stage is critical, for everyone.'

This prediction was made by a business partner in the early summer of 2000, just over twelve months after AWM became formally operational. It illustrates the pressures faced by partners in the West Midlands during the time of the second-round interviews. Local partners were engaged in the various task groups associated with the RES and Action Plans (APs). Many partners who were previously unknown to one another were congregating in various working meetings. This period was characterised by 'newness' and 'transformation'. In many respects, partners were faced with the first *practical* steps in the long and complex process of regional governance restructuring.

New relationships were being developed in this implementation stage and these set the tone for future partnership development. It was vital for AWM to establish an appropriate collaborative standard in the region. Partners were looking to them to play the 'honest broker', to demonstrate innovative flare and bring added value. Partners acknowledged that AWM as an institution was still very much in its inception. However, many stakeholders were beginning to pass critical judgement on the competencies and collaborative style of the new regional organisation. Perceptions were clearly hardening. The consultation process had provided local partners with the opportunity to judge the *brokering skills* of AWM, generally

deemed the pivotal partner in the region. However, in many cases, AWM's partnership approach and style left many interviewees less than impressed. Consequently, expectations concerning the added value of the RDA were tempered, as the comments from one partner from the other stakeholder group illustrated.

‘Can they add value or are they just another piece in the jigsaw we have to work with to get money? The whole concept was that they wouldn't be that sort of additional agency.’

Alongside the activities of AWM, the Regional Chamber was beginning to establish itself. This again brought previously unrelated partners into close proximity. By now, partners were beginning to familiarise themselves with their counterparts and used this new familiarity in the pursuit of new relationships. Partners were also developing new skills and behaviours. However, increasing tensions and uncertainties clouded the process. Not all partners were willing to accept their counterparts, or AWM, as prospective counterparts. The research findings are presented using the same format as Chapter Five. The discussion begins with an evaluation of network assets.

Assets

The next section explores the asset base of the West Midlands RDA network during spring and summer 2000. The discussion begins with an evaluation of network assets, followed by a detailed appraisal of the human and social capital assets amassed during this time.

Network Configuration

Size of Network

1. Many partners viewed the increased emphasis on the region as considerably advantageous. The RDA process had sought to unite local stakeholders and increase the levels of joined-up thinking in the West Midlands. This had led to the extension of existing partnerships and the

formation of new collaborative arrangements, thus increasing the size of the network. One quarter of respondents identified the RDA process as having had a positive impact on partnership development. A minority of partners felt that a productive dialogue with AWM was a crucial, contributory factor in securing progress. However, as one other stakeholder partner commented, AWM's collaborative contributions were not always seen as central to the process.

‘There is a greater understanding of the way partnerships operate and how the region should function. As a result people are engaging with it. It's despite the RDA, not because of them.’

2. Partners readily acknowledged the significant impact of the RDA process. The region was certainly witnessing a transformation of the partnership environment. Agencies were being drawn together in the pursuit of collective strategies. However, the extent to which those activities were attributable to the brokering role of AWM was far from evident. Many partners believed that AWM itself had yet to have a significant impact on partnership development in the region. Thus, in some cases, partners were cautious in predicting the added value of the RDA.

Partners were enjoying variable degrees of contact and communication with AWM. There was a common view that AWM would need to demonstrate its competence in the near future before local partners lost enthusiasm. In this argument, if holistic governance is to be achieved, AWM will need to ensure the full engagement of all partners in the growing network. One local authority partner was clearly aware of the time pressures facing AWM.

‘It (AWM) hasn't really affected us yet. You have to wait and see: these things take time. How long they (AWM) have got before people start to get disenfranchised... I don't know.’

The interviews revealed a concern that AWM had simply added a further layer of bureaucracy to the governance structure. Not all partners were persuaded of the advantages of inclusive governance on a wider regional scale. One local authority partner, in particular, remained

unconvinced of the benefits of extensive regional co-ordination strategies. In this view, the large numbers problem is seen as restricting the pace of progress.

‘I don’t think partnerships lead to innovation. They often lead to conservatism when you have to take everyone along. You are often slowed down when you have to go at the speed of the slowest (partner).’

3. The business representatives felt that too much emphasis was being placed on inclusion for all. Many business partners expressed a fear that inclusivity concerns had led to ‘policy paralysis’ and ‘the large numbers problem’. There was a view that single-issue groups had dominated the process. Indeed, some respondents believed that a concern for ‘political correctness’ might endanger what they perceived to be the prime focus of the RDA: economic development. Many business partners claimed that, while AWM was addressing inclusivity, many of the key partners with the power to take the agenda forward were being sidelined. One business partner reinforced the argument that social considerations should play a role but should not be the central focus of AWM’s remit.

‘They (AWM) would say that they have gone out of their way to work with representatives of the key stakeholders across the region. I think that would be one reason why the process has been difficult. My personal view is that the single-issue groups have dominated. They should be a check list not the be all and end all.’

The other stakeholder partners forcefully disagreed with this sentiment. On the whole, they remained clearly frustrated with their involvement in the consultation process. Many feared that they were being excluded from the regional debate. An other stakeholder partner blamed the collaborative style of AWM for their perceived exclusion.

‘It (the consultation process for the RES) has been a model of worst practice and it comes down to the concept of partnership not fully being understood (by AWM).’

Network Diversity

1. Local authority partners, in particular, were most intent on strengthening their local and sub-regional partnerships and these were therefore their key collaborative priority. These partnerships often included agencies from a broad spectrum of interests, operating at a local level. Many stakeholders were anxious to strengthen their existing partnership arrangements as a means of maintaining control over local decisions. One local authority partner was adamant that the most productive partnership working was often based at the sub-regional level.

‘The best partnership we have is within our sub-region. It’s the key, founding partners who have been very good.’

Similarly, business partners appeared to be operating largely, and in some cases, exclusively with others drawn from their own sector. They cited business-to-business links as their preferred partnership relationship. Thus, the business representatives were particularly reluctant to collaborate beyond their sectoral boundaries. The research findings suggest that specific incentives are needed to encourage business partners to engage in cross-sector alliances. One business partner underscores the relative ease of working with other business organisations.

‘I would have to say that the business sector are exceptionally good at partnership working. They are very business-like about getting the right people into the right places at the right time. I can read that, you see, because I’m in business. I can see how local government operates but not as well.’

The other stakeholder group perceived the business sector as a difficult partner to work with. They did, however, view local authorities as more useful partners. Local authorities often adopt a gate-keeping role for some of the other stakeholder partners. On the whole, the other stakeholder group faced resistance from the business sector, as this social partner suggests.

‘The private sector has underachieved. They have no more of an idea about getting involved now than they did at the start. They have not held out any olive branches to anyone.’

2. In the view of a significant number of interviewees, the other stakeholder group are the most problematic partner to collaborate with. Many partners perceived co-ordination, representation, collaborative capacities and strategic objectives, as being particular problems for the other stakeholder group. Despite this, some local authority representatives were able to identify a number of productive associations with the other stakeholder group. In contrast, not one business respondent identified any such link. There appeared to be significant and continuing barriers to value-adding negotiations and trust building between the business sector and some social partners. One business partner underscored the view that the voluntary sector, in particular, was difficult to work with.

‘Yes, I find some of the voluntary sector very difficult... those who carry the minority banners are totally, in my view, destructive or anti-productive to the process.’

The diversity between the sectors, in terms of their collaborative styles and historical legacies, often accentuates the policy and ideological differences between them. The introduction of new players in the network requires a concerted effort by partners to work together. However, not all partners were willing or able to bridge the ‘diversity gap’, as one business partner articulated.

‘The problem is the dialogue across partners doesn’t seem to be working well. It’s the voluntary sector that were not in the equation before. I think they are in it now but I’m not talking to them and I don’t know who they are.’

3. There were similar concerns relating to the collaborative capacities of AWM. Partners from all sectors were questioning the partnering approach of AWM during this intensive consultation period. The interviews revealed that many partners had found it extremely

difficult to make contact with AWM. A local authority partner outlined communication problems with AWM.

‘AWM: they talk a different language. Those barriers are being slowly resolved but there are still problems of communication and process.’

Government Office was also viewed by interviewees to have a poor collaborative style, as one local authority partner observed.

‘Government Office needs to be a partner in the process. If they are not buying into this arrangement then a major player is not seen to be a partner, which is terrible.’

A number of partners outlined frustrations regarding the commitment and support of GOWM amidst what appeared to be an increasing mood of discontent in the region. Indeed, one business partner raised suspicions regarding the partnering tactics of GOWM.

‘Government Office backed it to start with. My opinion is that now they are trying to back out and say, “if there are problems its nothing to do with us”.’

The interviews revealed considerable apprehension and frustration on the part of local partners in forming heterophilic links as between themselves and AWM and GOWM.

Network Density

1. There was evidence of increased cross-sector working involving all three sectors engaged in the RDA network. For example, a local authority representative was pursuing improved links with the voluntary sector at a local level, acknowledging their perceived deficits in capacity at the regional level.

‘At the local level, we have done a lot of capacity building with the voluntary sector. I know people are expected to act at a regional level but they haven’t got the staff or capacity to do so.’

There appeared to be valued relationship-building taking place between the local authority and business sectors, as a local authority partner remarked.

‘One area where relations have flourished is with the WMBPG. That relationship has been productive.’

However, there was extremely limited evidence of boundary-spanning between the business sector and the other stakeholder group. Despite this, one business partner clearly intended to take the seemingly unusual step of facilitating negotiations with the other stakeholder group.

‘I have worked hard to get to know the other stakeholder group... working at breaking down barriers really. That involves going to one of their meetings they invite you to, ordinary things like that.’

On the whole, the business sector was far more intent on pursuing cross-sector relationships with local government than with social partners. There were a number of examples of extensive negotiations between business and local authorities, as this business partner suggested.

‘An already excellent relationship with our local authority has really bloomed. We’ve worked a lot more with our sub-regional partners. There has been far more sub-regional engagement across sectors.’

2. Although often sidelined in the wider network arena, the other stakeholder group appeared to be bonding well as a group. Proximity in the Regional Chamber helped to strengthen relationships within the group. Many of the other stakeholder partners were then able to discover a commonality of interest and objectives. One social partner echoed this point.

‘The social partners have certainly flourished. In some meetings, you do meet people and bond together as you are coming from the same viewpoint.’

All partners from the other stakeholder group displayed a willingness to pursue new relationships across a range of sectors and interests. This demonstrated their particular ability for adaptation, change, and receptiveness. Unfortunately, not all prospective partners shared a similar belief.

3. All partners affirmed the WMLGA to be a productive and responsive new partner. This view was held particularly strongly among the business and other stakeholder sectors. This demonstrates an encouraging capacity to bridge structural holes and break down sectoral barriers. The Regional Chamber had played a prominent role in this regard. The WMLGA’s significant involvement in the activities of the Chamber provided it with the opportunity to engage with the majority of partners in the RDA network. It was widely accepted that information exchange was an important component in building these new relationships, as one local authority partner highlighted.

‘The WMLGA is a relatively new one. We have had a lot more dealings with them. We provide information to them and get that information back, its very useful.’

There appeared to be a flourishing relationship between the WMLGA and the WMBPG. Both partners perceived the relationship as extremely positive. Inter-personal relationships played a key role in developing organisational relationships between the WMLGA and local partners. Many partners made explicit reference to the informal channels of communication between themselves and the WMLGA. In these cases, informality facilitated communication and increased understanding. A social partner was convinced of the collaborative value of informality.

‘I will always share things informally with members from the LGA and they will share things with me. You can have a good open chat with them. You may not see eye to eye but at least its open.’

Summary

Figure 6.1 outlines the key observations made with regards to network configuration. A minority of partners felt that an increased regional emphasis had been advantageous. Not all partners credited AWM with improvements in local and regional partnerships. Many asserted that AWM had yet to add value in this regard. The business sector remained concerned about the increased emphasis on inclusion. Some business representatives were insistent that attention to ‘political correctness’ (an insistence on social inclusiveness) would lead to *policy paralysis*. The other stakeholder group strongly disagreed with this position and feared their exclusion from the regional debate. Local partners appeared to be operating largely, and in some cases exclusively within their existing territorial boundaries. Partners tended to view the other stakeholder group as the most problematic partner to collaborate with. This was due to problems of resources and co-ordination. Many partners have also questioned the collaborative capacities of AWM and GOWM, who they consider to be unresponsive.

Despite these collaborative barriers, there was evidence of increased boundary-spanning involving (albeit unevenly) all three sectors. Partners from the other stakeholder group were bonding well and pursuing a range of partnership possibilities. Many partners have been successful in forging a new relationship with the WMLGA. There was a strong consensus that the WMLGA is a competent and useful partner in the region, spanning a range of structural holes.

Figure 6.1. Key observations relating to network configuration assets

	Network Configuration
Assets	Key Observations
Size of Network	<p>A minority of partners viewed the RDA process as having a positive impact on partnership development in the West Midlands.</p> <p>Some partners believed the RDA to have had a significant impact but has yet to add value.</p> <p>The business group was persuaded that too much emphasis was been placed on inclusion, leading to episodes of policy paralysis.</p>
Network Diversity	<p>Local partners appeared to be operating largely within their existing territorial boundaries.</p> <p>The business sector in particular, viewed the other stakeholder group as a problematic partner to work with.</p> <p>All sectors perceived AWM and GOWM as difficult collaborative partners.</p>
Network Density	<p>There is evidence that partners were forging new cross-sector alliances.</p> <p>The other stakeholder group appeared to be bonding well as a group and was pursuing new relationships across a range of sectors.</p> <p>All sectors identified the WMLGA as a productive and responsive partner.</p>

Human Capital

Network Management Skills

1. Local authority interviewees perceived themselves as prominent *brokers, gatekeepers* and *mediators*. This is a significant claim to leadership. In part-confirmation of this, the other stakeholder group viewed local authorities as extremely useful collaborators. Local government individuals often mediated exchanged between social and business partners. This facilitating function is vital in procuring negotiations between unfamiliar partners. A partner from the other stakeholder group acknowledged the enabling role of local authorities in the collaboration process.

‘I suppose local authorities act as a major gate-keeper for us. They have strong gatekeeping roles, particularly when (we are) dealing with business.’

2. Business representatives appeared to hold their personal collaborative style in high regard. Business managers appeared to have a broad range of collaborative skills and experience. However, in some cases, these skills were being applied singularly to business-to-business links.

‘I prefer to work with the business sector. Deliverability is at the forefront. How you do things is important but it’s results at the end of the day.’

While the business respondents remained convinced of their individual collaborative competencies, they often doubted the capacities of their heterophilic counterparts, particularly those in the social sector. A business partner was critical of the community sector, branding them as unprofessional.

‘There is always this question of the community sector. They are small and non-professionally led. It’s another bureaucracy. I don’t think anything is being done and we are as guilty here... I don’t think much has been done to embrace grass roots community level stuff. But then I don’t see why we should.’

3. Many interviewees identified a lack of organisational dynamism and severe co-ordination problems within AWM. Partners perceived AWM’s staff as lacking an understanding of consultation and partnership working. Despite this, a local authority partner was still willing to engage with AWM.

‘It (AWM) has made mistakes, like putting people with urban backgrounds into rural issues to generate neutrality – it doesn’t work. There is no dynamism. Despite that we will do everything to make it work.’

Comments like these suggest the possibility of severe competence and knowledge gaps in specific areas of the organisation. An other stakeholder partner viewed AWM’s lack of knowledge as a potential opportunity to secure an increased level of influence.

‘We have to impart the knowledge they (AWM) haven’t got. I get a sense this knowledge gap is an opportunity for us to fill the gaps and influence AWM. I’m confident we can influence the agenda.’

Experience and Reciprocity

There were some individuals who clearly lacked the experience and knowledge of other more prominent players in the network. Some of the other stakeholder group interviewees were at a considerable disadvantage with regards to their previous collaborative experience. It is important for social partners to familiarise themselves with the *process* of partnership working, as one local authority partner observed.

‘There are some people who don’t know the process. A difficult one is the voluntary sector in all its diversity. We try to find a point to co-ordinate and sometimes that’s not as easy as it appears. That’s not through a lack of willingness on their part.’

Network managers differed considerably on the issue of how to address the uneven distribution of collaborative experience and knowledge. Some partners expressed the view that AWM should provide assistance to less-experienced partners and ensure inclusion for all. A social partner made this point forcefully.

‘If the capacity is not there, someone should play the honest broker in bringing the groups together. It’s not sufficient to say, “well, they were invited but couldn’t get it together”. Some organisations do need help.’

2. For a number of interviewees, the opportunity to contribute to the RES and APs provided an invaluable learning experience. For some, the experience of working in the various consultation groups enabled them to develop their partnering skills and techniques at a personal level. An other stakeholder partner valued the personal experience of contributing to the RES, and the opportunity to use her role in the Regional Chamber.

‘We have had to respond to the RES. One of the highlights of that was when the RES really hit the buffers when it came up against the Regional Chamber.’

There was, however, widespread criticism of the RES process. Many partners highlighted severe deficiencies with regard to process, timescales, inclusivity, and available information. This arguably limited the opportunity for many individuals to gain the desired experience of regional partnership working. Indeed, a local authority partner was far from enthused.

‘The RES has been at best chaotic and at it’s worst a sodding shambles.’

3. Many partners wished to see 'old faces' at the negotiating table. This is clearly a *legacy* factor, with the past actively shaping current relationships and choices. A local authority partner outlined the benefits of engaging with individuals with a historical legacy.

‘There is sometimes a value in people who have a history and can use their networks or knowledge to move things along.’

The interviews revealed a concern that much of the work surrounding the RES had disrupted old relationships and had worked to separate individuals and organisations that had previously worked together. A partner from the other stakeholder sector was particularly disappointed to lose contact with a number of ‘familiar faces’.

‘There is a part of the process that doesn’t always bring the collections of people you want together. When things get changed around, you lose some of the contacts you had before. That’s a shame, especially for me as I like working with familiar faces.’

Resources

1. The distribution of resources was sometimes considered a barrier to collaboration. It was widely accepted that some organisations have a greater ability to ‘play the game’ depending on their human resource capacities. Not all organisations had the personnel deemed vital for collaboration. This argument related to both levels of individual skill and the availability of officer time. Resource constraints, including human resources, appeared to be the biggest problem for the other stakeholder group. An other stakeholder partner was convinced of the participatory value of all partners, regardless of resource capacities.

‘In terms of partnership building, everyone has come on so well. In terms of delivering at the table there are some groups who offer less. Where people don’t bring specialist knowledge or resources to the table, they can be brokers or mediators.’

2. Some partners highlighted the considerable investment of officer time in the consultation processes. In some cases, this had placed a considerable strain on human resources. An other stakeholder partner articulated the considerable demands placed on 'officer time'.

'The process has had a considerable impact on our resources. There have been huge demands on my time.'

Despite these resource challenges, partners were still willing to invest both tangible and intangible resources in the regional experiment. Partners appeared to be primarily concerned with 'returns on investment'. Many feared that the costs of collaboration often outweigh the discernible benefits. Some organisations were in a better position than others to invest *time* and *officer commitment* to the regional experiment. For example, Birmingham City Council would be better positioned to invest a considerable amount of officer time to the process because of the size of their financial and human resources. In contrast, organisations like Friends of the Earth may be staffed by a handful of volunteers. This clearly demonstrates the stark difference in human capital assets and available time as between partners in the network.

3. Partners thought AWM to be suffering from a severe human resources problem. These shortfalls were perceived at all levels within the organisation, from the Chief Executive to officer level. A number of partners claimed that the culture of AWM was far from conducive to partnership working. Many interviewees called for the board members to raise their profile and be more active within the region. There were also frustrations regarding the secondment of staff from GOWM. Some interviewees suggested that staff had moved from GOWM to much more senior positions in AWM that they were ill-equipped to undertake. This negative perception of AWM and its personnel has resulted in suspicion, caution and apprehension across the network. A local authority partner outlined a number of criticisms relating to AWM's personnel.

‘They (AWM) do have a human resources problem. The chairman and chief executive are perceived by the rest of the country as “patsies” of Government Office. The board members have been completely anonymous: the directors are invisible. Down the line, there are fairly moderate standard civil servants who have been transferred into work which they may not be familiar with.’

A business partner reinforced this point.

‘There was a lot of worry a year ago when lots of people were transferred to AWM (from GOWM). That situation hasn’t changed. There is worry that people who moved across to the RDA have moved into posts that were more senior than they deserved.’

The majority of interviewees expressed concerns regarding the leadership and competency of AWM. All partners affirmed the desire for AWM to build its leadership competencies, both within the organisation itself and across the region. An other stakeholder partner criticised the leadership within AWM.

‘The problem may be the internal fault of the leading lights in the RDA who are perhaps a bit more intent on setting up a new organisation and organising their own problems than the problems of their partners.’

Summary

Figure 6.2 identifies the key observations relating to Human Capital assets in the region. Local authority partners often adopted a leadership role in facilitating new relationships, particularly between business and the other stakeholder group. Business partners were largely confident regarding their personal collaborative skills, although doubted the competences of some of their counterparts.

Figure 6.2. Key observations relating to human capital assets

	Human Capital
Assets	Key Observations
Network Management Skills	<p>Local authority partners viewed themselves as brokers, gatekeepers and mediators between business and social partners.</p> <p>The business respondents held their collaborative style in high regard, but had doubts as to the competencies of their counterparts.</p> <p>Partners from all sectors criticised AWM's staff in a number of areas relating to partnership development.</p>
Experience and Reciprocity	<p>There is a considerable diversity between partners with regard to collaborative experience and knowledge.</p> <p>For some partners, the experience of working on the RES and APs enabled them to develop their partnership skills and techniques at a personal level.</p> <p>Many partners wished to see 'old faces' at the table.</p>
Resources	<p>Some organisations had a greater ability to 'play the game' depending on their human resource capacities.</p> <p>Partners highlighted the costs of collaboration as being a considerable strain of officer time.</p> <p>Partners perceived AWM to have a severe human resources problem.</p>

The criticisms made of AWM were many and varied, including the tokenistic engagement of partners, lack of organisational dynamism, co-ordination problems and severe knowledge gaps.

Diversity characterised the collaborative experiences of network managers in the network. The other stakeholder group often found itself at a comparative disadvantage to many local

authority and business partners. However, there were some opportunities for partners to accumulate personal partnership experiences. For example, a number of interviewees pinpointed the RES and AP processes as a valued learning opportunity. Many partners remained committed to working with individuals with whom they shared a historical connection. Some partners have a greater ability to engage depending on their human capital resources. In many cases, the investments of officer time were viewed as a considerable strain, particularly on smaller organisations. Finally, partners considered AWM to have a severe human resources problem throughout the organisation.

Social Capital

Trust Assets

1. The majority of partners interviewed were convinced that the overall level of trust between partners had grown during the previous twelve months. Many interviewees suggested that trust had significantly developed at an inter-personal level, but not necessarily between organisations. One local authority partner drew this distinction particularly sharply.

‘On the one hand I think there probably is greater trust. There is a greater level of trust between officers but not between organisations at a higher level. It’s (trust) between the individuals as opposed to the organisations.’

Interestingly, some partners were convinced that the growing discontent with AWM had the effect of increasing levels of trust between local partners. Some interviewees suggested that certain partners had been drawn together in opposition to AWM, as one business partner argued.

‘I think that any enemy or adversity that a group of partners comes up against makes the partners closer together. I would say there is a common concern about AWM as a potential enemy.’

Finally, there were a number of interviewees who were unable to identify any change in the levels of trust between local partners. On the whole, the business sector was noticeably more sceptical in pursuing trust relationships, particularly with the public sector, as one business representative made clear.

‘No, not distrust but not a greater level of trust. There is still a tension from the private sector when engaging with the public sector. I don’t see it so much from the public sector.’

2. The interviews revealed an increase in regional tensions and apprehensions, ushered in by the new agenda. Trust was viewed, in some quarters, as a necessary mechanism in managing uncertainty. In contrast, others believe that the turbulent, uncertain environment inhibited the development of trust within the RDA network. A local authority partner was persuaded of the benefits of an increased *realism* in relation to building trust.

‘There is probably slightly less trust. People may have had a naïve view that everything is going to work without recognising that there are very different interests (in the region). Trust has diminished but that might be a better place to come from.’

The other stakeholder group, in particular, was fearful that future uncertainty would negatively affect trust assets within the network. However, it is precisely the high levels of risk and uncertainty that make trust such a highly valuable asset. The effective management of discontinuity and change demands a degree of trust and openness. Despite this, an other stakeholder partner viewed the turbulent environment as having tempered levels of trust across the RDA network.

‘No (there is not a greater level of trust than twelve months ago). I have to say so inevitably because of the change... I focus on the people rather than the institutions. It’s not that I don’t trust the same people I was working with before, but you have other dimensions in the equation that increases the uncertainty.’

3. Most partners felt that the element of trust could be improved with AWM. This view was most strongly held by local authorities and other stakeholder representatives. Partners highlighted the aforementioned problems in support of this contention. An other stakeholder representative was reluctant to pursue a trust relationship with AWM for a number of reasons.

‘I don’t trust AWM. There are questions about competence. I would like to trust them but I don’t have the confidence that they can deliver and will have mutual feelings.’

A local authority partner echoed this sentiment.

‘The element of trust could be improved with the RDA. They don’t trust us and we don’t trust them.’

The GOWM was also viewed with a significant degree of mistrust, particularly by the business sector. Many partners remained unsure of the exact role and remit of the GOWM following the inception of AWM in 1999. Thus, there appeared to be extensive reservations across the network regarding the partnership approach of GOWM. A business partner was pointed on this issue.

‘I don’t trust Government Office. It’s they’re whole attitude and approach... I’ve even had them threaten us.’

Some interviewees perceived the agenda of GOWM with suspicion, as a business partner illustrated.

‘I’m not sure what the agenda of GOWM is. I suspect it’s a self-serving agenda. If they felt it was in their interests that AWM wasn’t successful, I have a nagging doubt that they might pursue that agenda.’

Brokers

1. Virtually all partners affirmed the importance of individuals, personalities, rapport, and network manager skill in developing new partnerships. There is by consensus a central role for inter-personal trust within the network. For example, there was unanimous praise for the Vice-Chair of the Regional Chamber and her role as representative of the voluntary sector. This underscores the great importance of trust and personality factors in making networks function. A representative from the other stakeholder group underscores this point.

‘The vice-chair (of the other stakeholder group) has been good. The main reason we work as a unit is our vice-chair. She works with the vice-chair of business and the chair of the chamber and passes on her information to us.’

Likewise, key personnel within the WMLGA were viewed as central in securing new cross-sector relationships. The linkage between inter-personal relationships and trust-building was therefore deemed a strong one. This provides an example of how social capital can be utilised to bridge structural holes. This was achieved, in part, by the responsive collaborative style of the WMLGA’s network brokers. Likewise, the interviews revealed a rare example of social capital between the business sector and the other stakeholder group. A business partner depicted inter-personal relationships as central in overcoming institutional differences.

‘Some of the problems of not getting on with organisations is that you don’t know the individuals. You must have personal contact. I can speak to the representative from FOE (Friends of the Earth). I couldn’t be more opposed to his agenda, but the fact that we can talk in a civilised way is more productive than shouting at each other over the pages of newspapers.’

2. The business sector was particularly concerned about the absence of key individuals at the regional ‘negotiating table’. A number of interviewees were fearful that new practices and procedures would exclude particular individuals who they perceived as central to the future

process of regionalisation. Many partners expressed a desire to build on the relationships of the past, as one business respondent articulated.

‘There were general ways in which things had been done in this region. Information was captured and individuals worked with each other. All of us clearly wanted the RDA to work, but the communication channels and processes have not picked up on the inter-personal channels that there were before.’

A number of interviewees from all three sectors made explicit reference to the critical role of certain key individuals in securing progress in the region. One local authority respondent clearly attributed considerable value to the brokering tactics of certain individuals.

‘Collaboration involves different styles and different organisations. As such, it can be very much down to individuals to make or break a relationship or agreement.’

3. In stark contrast, some individuals were perceived as having a detrimental effect on partnership development. Some interviewees were of the view that certain individuals lacked the required style and approach essential for effective partnership development. A business partner points out that not all individuals possess a flair for bridging structural holes.

‘It’s got to come down to people at the end of the day. Some people are facilitators (in partnership development) and some aren’t. It’s as simple as that.’

One business partner asserted that some individuals may be wholly ignorant of their own collaborative deficiencies.

‘There are some partnerships working well and some people who think they are communicating who obviously aren’t.’

Diverse Trust Base

1. The clear majority of partners looked for *common values* as the platform for building trust. Thus, partners were anxious to move to more selective partnerships with a win-win outcome (where both parties gain simultaneously). It was felt that this could only be achieved if common values were evident. This may provide an explanation for the limited cross-sector working between the business sector and the other stakeholder group where the value discordance is most apparent. Indeed, the business sector highlighted common values as the most important pre-condition for trust.

‘When you are trying to get something done in the region, you are always looking for a win-win situation. So you are always looking for your agenda to coincide with someone else’s: that’s the easiest way.’

Local authorities believed that *evident commitment to working as a partner* was the most important precondition for trust. This underscores the importance of past behaviours (providing the evidence required) as a precondition for forming new partnering arrangements. The other stakeholder group held diverse views on this matter. This again reflects their inherent diversity as a group. In contrast to the business sector, the other stakeholder group was less concerned with common agendas, as this social partner demonstrated.

‘I would never insist on common values as they will never be the same.’

2. Partners held convergent views on how to avoid misplaced trust. *Professionalism* was cited by all three sectors as the central mechanism protecting partners from misplaced trust. Partners claimed that professionalism entails following certain rules and behavioural norms that prevent foul play. Business partners viewed themselves as highly professional but doubted the professionalism of their counterparts, especially the other stakeholder group.

‘You have to be professional: professionalism represents credibility. That’s one thing the business partners are good at. I do have some reservations about the professionalism of some of the social partners. That could be the tricky one.’

3. All partners affirmed the tangible benefits derived from *high-trust* relationships. However, the three sectors viewed the nature of these benefits very differently. Local authority representatives considered *innovative solutions* as the most likely benefit (a *learning outcome*) to be derived from a high trust relationship. In contrast, the business partners identified *faster progress* as the most likely advantage (an *efficiency outcome*). Finally, the other stakeholder group believed that *new learning opportunities* offer the greatest tangible outcome (again, a *learning and effectiveness outcome*). A social partner makes explicit reference to the concept of trust in the development of collaborative *know-how*.

‘We have been in the regeneration game for twenty years. We know the language, the short hand and the terrain. That’s something you have to build from scratch. Trust makes that process easier.’

4. Interviewees were asked to consider four separate definitions of trust. They were then asked to categorise their trust relationships with various partners in the network based on the following definitions.

A/ Contractual: confidence that agreements will be kept (‘they have to do it because they are under contract’).

B/ Competence: confidence that the partner has the competence to carry out the agreements (‘we have worked with them before and know they can do it’).

C/ Goodwill: confidence that the other party will do more than is formally expected and not undermine the relationship through opportunistic behaviour (‘we consider our partner to have our interests at heart and will not work against us’).

D/ Mistrust: ('we do not trust this partner').

It was important to clarify exactly how partners distinguish between the various types of trust. For example, *contractual trust* has very different connotations and potential outcomes than *goodwill trust*. Partners tended to hold similar perceptions regarding their trust relationships with certain partners in the network. The responses are outlined below.

Contractual Trust. A significant number of partners perceived their trust relationships with GOWM, AWM, and some local authority partners to be contractual in nature. A partner from the other stakeholder group suggested that a contractual relationship with AWM was the only logical possibility for a number of reasons.

'It has to be contractual. There has been nothing else to base trust on. They certainly aren't competent and I can't see any goodwill on their behalf. I don't mistrust them... well not yet.'

Competence. Partners largely viewed the education sector as competent and cited the educational institutions' contributions to the process as of a high quality. This was particularly aimed at the higher education (HE) institutions in the region. A local authority partner praised the competence of higher education institutions.

'We have worked with HE before and I do view them as competent. Competence makes trust easier. It (trust) is less risky when you know a partner will not cock things up.'

Interviewees also favoured the WMLGA as a competent regional partner. In contrast, there were competence queries surrounding some of the environmental groups. Partners were often suspicious of environmentalist concerns and how such policy objectives would fit within the wider regional framework. Some partners also doubted the competence of the Regional Chamber. Interviewees acknowledged the fact that the Regional Chamber was very much in

its early stages of development. Looking forward, many partners hoped that the confusion and lack of direction over the Chamber's role would be rectified.

Goodwill. A clear majority of interviewees considered trust relationships with the Regional Chamber to be based on goodwill. There was a hope that the Regional Chamber would transform into an effective institution, able to provide a check on AWM. An other stakeholder partner explained why goodwill trust is so important for the Regional Chamber.

‘There is a great deal of goodwill between partners in the Chamber. Everyone wants it to work and become a forceful institution. That can only happen if partners from all areas co-operate. The Chamber has no contractual relationships and has yet to have the opportunity to demonstrate competence. Until then there has to be goodwill.’

The other stakeholder group, in particular, viewed local authorities with a high degree of goodwill. In contrast, partners were least likely to regard their relationships with GOWM as based on goodwill. Instead, GOWM was perceived with mistrust, particularly by the business sector.

Mistrust. The business sector, in particular, pinpointed a mistrust of the environmental groups. Business respondents perceive the environmentalists as having an essentially opposing agenda. This view was shared by a smaller number of local authority and other stakeholder partners. A local authority partner expressed concerns regarding the environmentalist agenda.

‘The environmentalists, I would mistrust. I am in favour of the environment but I do question their agendas. They are very political and don't live in the real world.’

There was, however, a virtually universal mistrust of AWM. Partners referred to the issues of lack of competence, human resources problems and poor collaborative style as reasons for mistrusting AWM. A partner from the other stakeholder group would like to trust AWM but felt that any trust investment would be misplaced.

‘AWM has to be mistrust. There are questions about competence. I would like to trust them but don’t have the confidence that they can deliver and have mutual feelings.’

Summary

The key observations relating to social capital are outlined in Figure 6.3. The overall levels of trust within the WMRDA network appeared to have increased during the preceding twelve months. However, partners were concerned that the new tensions and uncertainties surrounding the regional agenda may have a negative impact on existing levels of trust between partners. Both AWM and GOWM need to improve their trust relationships with local partners in the region. High levels of mistrust endanger future partnership development. A number of key individuals were identified who have the ability to facilitate new partnership arrangements. Personalities, skills and collaborative style were considered vital components for successful collaboration. However, the business sector believed that key individual brokers were absent from the negotiations. They suggested that this had contributed to the perceived slow pace of progress. In contrast, other involved individuals were seen to have a negative effect on partnership developments.

Common values appeared to be the most desirable pre-condition for trust. Selective partnerships were seen as the only way to move the agenda forward. Professionalism was considered the most effective form of protection against misplaced trust. Professionalism ensures that certain rules and regulations govern behaviour. The majority of partners agreed that there were considerable benefits to be derived from high-trust relationships. However, partners viewed those benefits very differently on a spectrum from efficiency to effectiveness. Finally, there are a number of different types of trust, which incorporate a variety of manifestations. Partners have adopted different types of trust relationship depending on which organisation or individual they are partnering.

Figure 6.3. Key observations relating to social capital assets

	Social Capital
Assets	Key Observations
Trust Assets	<p>Over half of respondents believed that the overall level of trust between partners had grown during the preceding twelve months.</p> <p>Discontinuity and change, brought in by the new policy agenda, has affected the way partners view trust.</p> <p>Most partners felt that the element of trust could be improved with both AWM and GOWM, institutions widely viewed with suspicion and caution.</p>
Network Brokers	<p>There are a number of key individuals who facilitate collaboration within the network.</p> <p>The business sector was concerned about the absence of key individuals and missing skills at the regional 'negotiating table'.</p> <p>Some individuals are viewed as having a detrimental effect on partnership development.</p>
Diverse Trust Base	<p>Most partners look for <i>common values</i> as the basis on which to build trust.</p> <p>Partners believed that <i>professionalism</i> exceeds, by a considerable margin, any other form of protection against misplaced trust.</p> <p>The three sectors viewed the tangible benefits of trust very differently. Partners acknowledged the various types of trust, for example contractual, competence, goodwill and mistrust. Different approaches to trust were adopted depending on the characteristics and track-record of their collaborative counterparts.</p>

Behaviours

The next section identifies the behavioural manifestations evident in the network, including strategic thrust, perceptions and learning. These three concepts will be discussed in turn.

Strategic Thrust

Consensus Building

1. The initial policy *hot-housing* period was over. The interviews suggested that that the RDA agenda had forced partners in the West Midlands to think more actively at the regional and sub-regional levels. In many respects, this was a new and positive signal. However, the heightened expectations evident in the innovation phase were diminishing. Interviewees were divided on how realistic their prior expectations had been, in retrospect. Some partners claimed that they had always harboured *realistic* expectations regarding what AWM might achieve. There were a number of interviewees who had been convinced that the RDA was going to be ‘a disaster’ from the outset and that the course of events had vindicated their pessimism. A local authority partner underscores this point.

‘My views haven’t changed. I always thought it would be another useless layer of bureaucracy and I was unfortunately right.’

An other stakeholder partner recognised that the experiences of the past twelve months had encouraged a greater realism regarding the added value of AWM.

‘I don’t think my aspirations have changed too much... there is maybe a bit more realism about what can be achieved.’

2. The majority of interviewees believed that their aspirations for what AWM might achieve had fallen during the previous twelve months. Many perceived the enthusiasm and excitement

surrounding the agenda to have dwindled. A number of partners were disappointed by what they had seen from AWM. A social partner echoed this point.

‘My aspirations are lower. I was very enthusiastic about the potential for AWM to be involved and proactive. I was impressed because the rhetoric was going that way, but it hasn’t lived up to that.’

In an interesting twist, a minority of interviewees forcefully insisted that their aspirations were *higher* now due to the perceived failure of AWM to deliver its remit. In this argument, higher aspirations were needed to counter the negative effects of AWM. A business partner believed that higher expectations were essential if the region was to overcome some of the collaborative problems encountered during the second-round interviews.

‘I think it’s critical that they (expectations) are higher given the problems that we face. It is even more important now that we get this right.’

3. Partners were reluctant to explore how realistic their expectations were in retrospect. Many interviewees identified the West Midlands as *lagging behind* other regions, in terms of its regional co-ordination strategies. Thus, disappointment was evident in the network. A local authority partner asserted that the initial excitement had dampened.

‘I suspect (my aspirations are) lower because what we had at the time of creation of the RDA was a great excitement that there was something completely new. The experiences of the first twelve months have tempered that.’

Procuring Commitment

1. A significant transformation of the partnership environment of the West Midlands has taken place. Despite the noted disappointment of some partners regarding the pace of progress, there was a degree of optimism about the potential for future partnership development. The interviews revealed a continuing high level of commitment to inclusive

regional governance. One local authority partner credited AWM with *jump-starting* partners into pursuing greater joined-up thinking in the region.

‘The RDA itself continues to struggle as to how to add value to the whole economic planning process. However, it has caused a lot of activity to start taking place and has helped bring together a lot of disparate parties.’

A local authority partner provided a rare example of productive partnership working directly with AWM.

‘There has been some good working between the authority and AWM and I remain hopeful for the future. My aspirations are higher because it’s clearer where they (AWM) are going now.’

2. However, the majority of interviewees perceived the RDA process to have had a negative impact on regional partnerships in the West Midlands. This opinion was most forcefully voiced by the business sector. From the outset, local partners were hoping for a ‘tier of regional champions’, with the capacity to draw together a range of existing partnerships in the West Midlands. A business partner expressed a continued desire for strong leadership in the region.

‘I still think there is a need for a regional champion. My key criticism (of AWM) would be that a majority of staff are civil servants out of GOWM. We have a rehash of existing bad practice.’

Some local authority and business partners were of the view that AWM had even *damaged* existing partnership arrangements. A local authority representative was clearly frustrated with the partnering tactics of AWM.

‘The West Midlands has a history of partnership working. The RDA hasn’t undermined it but hasn’t taken the process forward and has, in fact, at times, put some significant stresses and strains on good working relationships.’

Similarly, a business partner underscored this argument with explicit reference to the lack of continuity taken in partnership development.

‘The one thing it (AWM) has brought is a great lack of continuity from what there was before. What we had before worked very well: it should be built upon.’

3. Almost two thirds of partners highlighted specific problems with the RES and AP process. Many partners perceived the process as chaotic and unorganised. Some partners even insisted that they were deliberately sidelined. Many interviewees were undecided as to the cause of the problem, a hesitancy articulated by a local authority partner.

‘How much of it is incompetence as against deliberate policy I can’t judge.’

The business and other stakeholder group were most concerned by this. Thus, the suspicion and confusion surrounding AWM had caused significant apprehension and, at worse, the disengagement of partners. In some cases, this damaged local partners’ commitment to the process. Likewise, the interviews revealed that increasing tensions and uncertainty negatively influenced trust-building between AWM and the wider network. A local authority partner remained unconvinced of AWM’s leadership capabilities.

‘It comes down to the quality of the people in the organisation (AWM). AWM have hardly dented the strategic and regional leadership possibilities. You have to earn leadership and strategic vision, and I don’t think they have done that yet.’

Maintaining Control

Local authorities, in particular, were fearful that their local arrangements were being endangered by AWM decisions. In some cases, partners had worked hard to cultivate consensus decisions, which AWM then chose to ignore. Local authority partners were determined to maintain their hold and jurisdiction over local decisions and partnerships. These concerns appeared to be echoed at the sub-regional level. In many cases, partners were looking to their sub-regions for support, as a local authority partner demonstrated.

‘One of the things it’s done for us is to force us to develop a much more coherent sub-region. The sub-regions are a vital mechanism in protecting our existing partnership arrangement and securing an input.’

2. On the whole, the majority of respondents were largely confident in predicting the activities of other partners during the coming year. Local partners were most assured in predicting the actions of partners with whom they shared a historical legacy. There appeared to be an attitude of openness regarding partnership working in the network. A local authority partner was absolutely confident in predicting the activities of its sub-regional relationships.

‘Most partnerships work at the sub-regional level. I would say that I’m absolutely confident that the agendas of all partners (within the sub-region) are on the table. Whether you agree with them is another issue.’

Similarly, a business partner was confident in foreseeing the agenda of the business sector, but doubted the future direction of local government.

‘Most of the business community is absolutely open about what their agenda is. When you start to involve politicians you don’t know, it gets tricky... they always have their eye on the next election.’

Partners identified the voluntary sector as the actor most difficult to forecast. This was often due to the voluntary sectors' inherent diversity and limited resource capacity, a point made by one local authority partner.

'The voluntary sector is under-resourced. They have a challenge in formulating a regional body of staff. It's difficult to know how things will work out.'

3. In contrast, interviewees were less bold in predicting the future direction of AWM. Some partners were hoping for increased stability once the RES and APs had been completed. However, not all partners were convinced that AWM could rectify its tarnished image within the network, as a business partner commented.

'I'm not confident. I think it's worrying that the non-engagement of partners is a trait AWM has. It has it at the top: people at the top hear the criticisms and would rather deny it than tackle it.'

Some respondents felt absolutely confident in predicting that AWM would fail in its role as regional co-ordinator. A partner from the other stakeholder group clearly argued this point.

'So if I say, "I'm absolutely confident it's going to be a cock up", that's okay? As it happens, I'm not confident in what they are doing or what they will do in the future.'

Summary

Figure 6.4 identifies the key observations relating to strategic behaviours in the RDA network during the second-round interviews. The initial hot-housing was over. Interviewees had divergent views on how accurate or realistic their expectations had been in retrospect. However, over half of those partners interviewed believed that their aspirations had fallen. Many were disappointed by the progress made by AWM, during its initial phase. Other partners refused to acknowledge their prior expectations and aspirations as 'unrealistic'. Despite the obvious dissatisfaction, partners remained predominantly committed to securing

inclusive regional governance. There was continuing support for the process of enhanced regional governance, on the one hand. However, on the other hand, many partners perceived AWM as a specific institution to have had a negative impact on partnership development. Partners were particularly disappointed with the RES and AP process, which they viewed as unorganised, unprofessional and chaotic.

Figure 6.4. Key observations relating to strategic behaviours

	Strategic Thrust
Behaviours	Key Observations
Consensus Building	<p>The heightened expectations in the initial start up phase had diminished.</p> <p>Over half the partners believed their aspirations for what AWM might achieve had fallen during the preceding twelve months.</p> <p>Partners were reluctant to explore how realistic their expectations were in retrospect.</p>
Procuring Commitment	<p>There was a continuing degree of optimism about the future for partnership development. Partners remained committed to inclusive governance.</p> <p>Over half the respondents felt that the introduction of AWM had a negative impact on extant regional partnerships.</p> <p>Two thirds of partners highlighted severe problems with the RES and AP process.</p>
Maintaining Control	<p>Local authorities in particular, were fearful that their local arrangements were being endangered by AWM decisions.</p> <p>Partners were largely confident in predicting the activities of other partners over the next year.</p> <p>Partners were unable to predict the activities of AWM. A degree of confusion and apprehension was evident.</p>

Many partners appeared to be looking towards their sub-regional alliances for protection from potentially negative impacts. Many interviewees were fearful that their local arrangements would be undermined by AWM. Most partners were willing and able to predict the activities of their fellow partners over the following year, particularly those with whom they had previous experience. In contrast, partners were more reluctant to make any predictions regarding the activities of AWM. The perceived confusion and lack of feedback from AWM fuelled uncertainty among partners in the network.

Perceptions

Managing Perceptual Conflict

The interviews revealed a significant increase in negative perceptions across the network. There were numerous examples of negativity as between the business and the other stakeholder sectors. The consultation process for the RES and AP had brought an array of diverse partners together. However, in some cases, proximity and reciprocity failed to strengthen ties between disparate groups. In some instances, close proximity fuelled existing suspicions and negative perceptions. A social partner was frustrated by what were depicted as the closed collaborative views of the business sector.

‘There is a much greater interchange between sectors. The business sector doesn’t believe in this. They see profit and innovation are here and community regeneration over there. They say, “this is what we do as we are profit driven and dynamic and that’s what you do because you look after people who aren’t dynamic”. It’s not like that, and the business people have to get out of that way of thinking.’

Reciprocally, one business partner also acknowledged the difficulty in communicating with members of the other stakeholder group.

‘The other stakeholder group have been problematic. It’s their defensiveness. You have a job to get into them. They are busy being them so you become the other.’

Another business partner cited an example of negative perceptions involving local government.

‘If I had to say any group (where improvements in trust could be made) it would be the elected councillors, because of their partisan views that sometimes clouds the issue of trust.’

In return, one local authority partner aimed criticism at the business sector.

‘The business sector doesn’t always see the role it has to play. It has been disruptive to some developments.’

2. The interviews suggested that differences in organisational objectives and agendas had led to perceptual barriers between sectors. Conflicting objectives appeared to be the largest cause of negative tension across the network. Business partners continued to view their objectives and aspirations in stark contrast to those of the other stakeholder group. There appeared to be a limited desire, on the part of business, to involve itself in social concerns. A business partner highlighted what he perceived to be conflicting social and economic concerns.

‘Yes, we might ensure that all people with one leg are working by 2005 but that won’t help us make the West Midlands one of the most competitive regions in Europe, will it?’

A minority of the interviewees were unhappy about being ‘pigeon holed’ into particular groups within the Regional Chamber. A partner from the other stakeholder group favoured a position on the side of business.

‘In the Regional Chamber, we are in the voluntary part. No member of the (identified institution) would choose to be among that bunch of... you know. I love them all but I wouldn’t want to spend too much time with them. Frankly, I think we would have been much better cited with business, as that’s our world: not dealing with Greenpeace or Friends of the Earth.’

This clearly illustrates the disparate nature of the other stakeholder grouping and divergent internal perceptions generated on this basis.

3. On a more positive note, the evidence suggested that some partners were looking to challenge perceptual biases. For example, an other stakeholder partner was intent on improving ties with business.

‘The first thing to do with the business sector is break down barriers and make them realise that we have something to offer. They need to take our issues seriously.’

Likewise, one local authority partner claimed that old perceptions were being challenged within the transforming RDA network.

‘Old perceptions are challenged. New reactions and possibilities are emerging and we are adapting to that as best we can.’

It should be noted here that claims such as these were being lodged with equal vigour in the first round of interviews. This suggests that perceptions are obdurate and require persistence is they are to be transformed.

Overcoming Repertoire Difference

1. Communication between partners was considered a vital mechanism in overcoming *repertoire difference*. However, communication is complicated when partners talk different languages, use different terminology and adopt contrasting partnership styles. Partners

acknowledged these potential barriers to communication in the RDA network. The differences between sectors have been highlighted and, if anything, accentuated both in the Regional Chamber and during meetings for the RES and APs. A partner from the other stakeholder group underscores this point with explicit reference to the jargon used by some partners in the Regional Chamber.

‘I do find the Chamber meetings hard work. There is so much jargon used, which is often political. It does draw attention to how different the sectors are. I think local government could manage it a bit better. They must know the jargon turns people off.’

One local authority partner was willing to acknowledge the inadequacies of the local government sector in this regard and the need to avoid the use of obscure political terminology.

‘The weakest area is local government. There is a misunderstanding of the role of the Chamber. We need to try not to make it too political, with language in the Chamber meetings.’

Within the Regional Chamber, partners appeared to be communicating effectively within their respective sectors. However, there is limited cross-sector collaboration. It is arguable that this communicative introversion has sharpened distinctions between the sectors. This distinction is highlighted by the diverse interests and viewpoints expressed by the various partners, as one local authority partner observed.

‘I was at a meeting a while back and we were discussing infrastructure plans. This environmental guy stands up and starts talking about organic vegetables. I mean, it’s just not helpful.’

However, not all interviewees considered proximity within the Regional Chamber as so destructive. Some partners cited the Chamber as a key mechanism in understanding the differences between sectors, as one local authority partner remarked.

‘I think the advent of the Regional Chamber has been almost wholly beneficial. There has been a much greater degree of trust between local authorities and the business sector in terms of being confident that, between us we can all work out what the region needs. We are beginning to talk the same language.’

Comments like this provide a signal that *repertoire adjustment* was occurring – albeit partially - in the network.

2. Business representatives insisted that they found it far easier to communicate and collaborate with other like-minded business partners. They perceived their partnering style and approach as particularly productive.

‘We, as the business community have always been good at partnership building. It’s something we have always done, long before it was a buzzword. That’s our business and we know it well. However, it is not so good across the public-private divide.’

Not all partners found the collaborative repertoire of the business sector as so productive. A partner from the other stakeholder group outlined frustrations regarding the reluctance of the business sector to engage with social partnerships.

‘We can see the business community being very nervous about engaging with people who they don’t perceive as taking their issues seriously. Business isn’t always right because it makes money; you have to look at the environmental and social impact as well.’

3. There was common consent among partners that AWM’s collaborative repertoire was far from satisfactory. The transfer of staff from the GOWM was cited as a primary factor in producing a 'civil service culture' within AWM that was deemed not conducive to partnership working. Many partners perceived arrogance on the part of AWM and reluctance to face up to

the growing criticisms being made of it. A local authority partner was quick to criticise AWM's collaborative style.

'There is a belief among partners that the RDA has a certain view as to how it wants things done and that's not always applicable to regional partners.'

Similarly, an other stakeholder partner was convinced that AWM lacked any understanding of the collaborative process. This view was apparently based on AWM's inability to negotiate and communicate with local partners.

'The talk in the coffee breaks is that there is an enormous knowledge gap in AWM. It has big gaps in its own understanding and knowledge as to what's going on.'

The evidence suggests that AWM needs to find an appropriate repertoire with which to engage local partners. In the absence of a competent *brokering style* AWM will be unable to motivate unwilling and disenfranchised partners.

Avoiding Network Closure

1. Local partners remained divided on the degree to which inclusiveness had been achieved in the RDA network. Half of the respondents believed that AWM had either been able, or had tried to engage all partners in the process. This indicates a continuing degree of valuable 'good faith'. Some interviewees felt that AWM was trying to be inclusive, even if it had not achieved it. Other partners claimed that if certain organisations had been excluded, it was their incompetence or lack of co-ordinated voice that was responsible for the exclusion. A local authority partner argued that organisations must be fully aware of the collaborative process if inclusivity is to be achieved.

'No one has been deliberately excluded. Some have probably fallen though the net but they should have learnt the process by now.'

One business partner was sympathetic to the difficulties that AWM faced in trying to mobilise partners.

‘I don’t think there is anyone deliberately excluded. It’s just that people are beginning to realise that there are some who play and some who don’t. It’s about bringing that network together.’

Some interviewees were of a view that AWM was paying too much attention to single-issue groups and ‘political correctness’, while key decision-makers were being sidelined. This view was held most strongly by the business sector.

‘Everyone is involved in the sense of political correctness. The problem is the people who create and drive change and wealth creation are under-involved.’

2. The interviews revealed that some partners still lacked the required organisation and coherence to effectively engage at the regional level. The voluntary sector, faith communities, ethnic minority and equal opportunity groups were highlighted in this regard. However, the considerable progress on the part of the voluntary sector was praised. A social partner was willing to admit the need for the other stakeholder group to improve its collaborative capacity.

‘The other stakeholder group has to sharpen its response if it is to have influence in the process.’

One third of partners interviewed were sure that the process and style adopted by AWM had contributed to the exclusion of some partners. Many other stakeholder representatives had prepared significantly for the consultation process and, in some cases, were disappointed with their eventual degree of involvement.

‘One of the things we have found is that we have tried to engage quite seriously with the RDA. We are knocking on the door to be involved but have found a great deal of resistance.’

3. A minority of partners suggested that the exclusion of partners was a deliberate, strategic decision on the part of AWM. However, other interviewees were more inclined to view the exclusion of partners more as a symptom of mismanagement. An other stakeholder illustrated this point.

‘The task and planning groups have tended to be very selective: whether cock-up or conspiracy, I don’t know.’

The business and other stakeholder sectors were most concerned by this. At the most negative, some partners argued that engagement had been tokenistic, partners had been ‘cherry picked’ and bureaucratic problems in AWM itself had resulted in a considerable lack of inclusiveness.

Summary

Figure 6.5 highlights the key observations relating to perceptual behaviours in the network. There appears to have been a significant increase in negative perceptions across the network and particularly between sectors. Partners perceived different policy objectives as a barrier to co-operation. Some partners even expressed the desire to change their affiliation with the other stakeholder group in the Regional Chamber. In this argument, certain partners considered their objectives more akin to the business sector. Communication is a key factor in overcoming perceptual conflict. However, in some cases, proximity and communication tended to fuel tensions within the network. For example, many business partners preferred to work with like-minded associates and were demotivated by proceedings in the Regional Chamber. The evidence from the second-round interviews suggests that AWM needs to adopt a more appropriate collaborative style. Partners viewed AWM’s collaborative repertoire with suspicion.

Partners remained divided on the degree to which inclusiveness had been achieved. Many interviewees were persuaded that AWM had sought to engage local partners. Some blamed

the capacities of individual organisations for any exclusion that had taken place. In contrast, a minority of partners criticised the partnering tactics of AWM for sidelining partners. In this argument, partners were undecided whether AWM had purposefully marginalised partners, or if they had mismanaged the process.

Figure 6.5. Key observations relating to perceptual behaviours

	Perceptions
Behaviours	Key Observations
Managing Perceptual Conflict	<p>There appears to have been a significant increase in negative perceptions between sectors.</p> <p>Differences in organisational objectives had led to perceived barriers between sectors.</p> <p>There is evidence that some partners are challenging perceptual biases.</p>
Overcoming Repertoire Difference	<p>The ability to communicate with other partners is seen as a vital mechanism in overcoming the barriers presented by existing repertoires.</p> <p>The business sector viewed their partnerships repertoire as particularly productive.</p> <p>AWM needed to find an appropriate repertoire with which to engage local partners.</p>
Avoiding Network Closure	<p>Local partners were divided on the degree to which inclusiveness had been achieved.</p> <p>Most partners identified an organisation, or interest group which they felt was being excluded.</p> <p>A minority of partners suggested that the exclusion of some partners was a deliberate decision by AWM.</p>

Learning

Learning From Experience

1. The majority of partners affirmed that valuable partnership experience had been accumulated in the network. Many partners considered this new *know-how* the result of building on, and refining, existing partnership arrangements. There appeared to be widespread acceptance that the *experience* of collaboration was the key factor in skills development. Local authority partners and the other stakeholder group viewed their involvement in the Regional Chamber as particularly useful in this regard. One local authority partner demonstrated this valued learning potential.

‘There are lessons we have learned through our involvement with the Chamber. The most significant is that sharing experience probably helps to develop trust and you need to be sufficiently mature to recognise where there are conflicts of interest.’

In contrast, the business representatives were less convinced of any drastic skills improvement.

2. There is an increased recognition among all local partners that partnerships do not always succeed. Local authority and the other stakeholder partners, in particular, acknowledged the valued learning experiences associated with so-called ‘failed partnerships’. For example, a partner from the other stakeholder group viewed the new, decentralised Single Regeneration Budget (SRB) bidding process far more positively.

‘If we don’t get a penny, it would have been worth it’.

Likewise, a local authority partner highlighted the value of failed partnerships, in terms of developing collaborative capacities.

‘You have to see the value. Sometimes you don’t get anything out of the partner but you do get a greater understanding of potential issues. None of it is wasted effort.’

Learning Through Partnership

1. Respondents were evenly divided on the issue of whether their experience of the RDA process had affected the way that they approach partnership development more generally. This experience had been both positive and negative for different parties, resulting in highly uneven partnership development across the Region. This holds particularly for the other stakeholder group, most of whom viewed the process as a considerable learning curve, with many opportunities and challenges. For example, one other stakeholder partner clearly intended to adapt and progress in tune with the regional experiment.

‘Our organisation has come on in leaps and bounds. The requirement to consult and link with almost everyone else in the West Midlands has brought people to the fore within partnerships, including ourselves.’

In contrast, business representatives were more inclined to reserve their position, asserting that the RDA process had not affected their approach to partnership working. This particular business partner was reluctant to admit any transformation in his collaborative approach.

‘It’s no different. The RDA is just another vehicle for engagement. We have not had to reorient to the new mechanism.’

Local authority partners were divided on the extent to which any transformation had occurred on their part.

2. In the view of a number of interviewees, the development of partnership skills can only arise from 'genuine' partnership experience. For interviewees, this meant collaboration that extends way beyond the formative stage. It appeared that many of the partners considered the

RDA to have had limited impact in this regard. A local authority partner clearly echoed this point.

‘I don’t think the RDA has had an impact. I haven’t seen anything in what AWM has done to bring things forward. We certainly haven’t learned any new tricks from them.’

Thus, partners were generally more inclined to view their existing partnership arrangements as a key to learning. A local authority partner acknowledged the tensions and conflicts inherent in partnerships as a vital learning experience.

‘The real lessons can only arise from true partnerships. Superficial arrangements don’t tell you anything more than you already know. Partnership means conflict, tensions, and breakthroughs. You don’t get that through casual discussion.’

3. The interviews revealed that a considerable amount of learning was taking place between partners at the time of the second-stage interviews. Information exchange and negotiations between partners had led to the accumulation of *know-how* and skills development. In some cases, this had involved partners from different sectors. For example, a business partner identified the valuable learning experiences accrued from collaboration with the WMLGA.

‘I hope I have learned something. I have certainly learned a hell of a lot from working with the LGA. Yes, in that area we would have learned things from them.’

Likewise, a partner from the other stakeholder group made explicit reference to the benefits of working with heterophilic partners.

‘Some of the (heterophilic) processes are reassuring and add value as they confirm and sharpen up some of the thinking... If there are ideas and energy you can bring that together and make it work, but in similar organisations that may not be there and you don’t bother.’

Single and Double Loop Learning

1. All partners were able to identify certain skill deficiencies and inadequacies in the RDA network. Partners were most determined to improve skills in the area of *representing the interests of their own organisation*. This view was most strongly articulated among the other stakeholder group, in terms of a need to present a coherent voice at a regional level. However, one other stakeholder partner acknowledged the inherent difficulty in this task.

‘One of the difficulties is keeping up to speed. We are such a diverse group and making sure we are representative of the people we represent is crucial. That’s not always easy given the timescales.’

Generating *innovative solutions* and *gathering information* were also areas of desired improvement. Local authority partners perceived *working across sectors* as the area they were most eager to improve upon. In contrast, the business representatives identified the pursuit of *innovative solutions* as paramount. One business partner clearly intended to pursue greater entrepreneurship and innovation.

‘Now there are so many so-called partnerships, there is a lot of duplication. Inefficiency is leaking into the process. We need to produce something radical and innovatory.’

2. Local partners asserted that they had made the most significant skills improvement in *building regional knowledge*. Many interviewees claimed that an increased regional focus had required them to take a more regional, holistic approach to partnerships. This often involved a greater emphasis on gathering information and being aware of the activities of other regional partners. This specific example of skill development (greater environmental receptivity) was particularly important for the other stakeholder group. Increased awareness is a prelude to any spanning of traditional governance boundaries. An other stakeholder partner suggested that AWM should improve its information gathering skills.

‘Building regional knowledge is critical. We have worked hard to be proactive not just reactive. We all need to know a lot more than we do, especially the RDA.’

Local authority partners viewed *consensus building* as their greatest skills improvement. The business representatives highlighted advances in the specific area of *working across sectors*. However, the research findings show very limited evidence in support of this. Business partners appeared to be operating largely, and in some cases, exclusively with their own sector.

3. There was a great deal of trial and error based learning taking place across the network at the time of the second-round interviews. Both local authority and other stakeholder partners were directly tackling their perceived collaborative inadequacies. A partner from the other stakeholder group was committed to adapt with the pace of change.

‘You have to admit errors and self-monitor. It’s vital if you are to develop and progress in line with the pace of change.’

The business partners, however, were not so eager to adapt their strategies. They favoured a more incremental and cautious approach to self-examination. In this view, the business sector may be considered less amenable to transformation and self-examination. For example, one business partner intended to prioritise his own judgement.

‘I’ve also worked hard at trusting your own judgement. It’s important for everyone to have a voice but, sometimes there needs to be a captain and an infantry. You often see the ways forward when others don’t.’

Summary

Figure 6.6 identifies the key observations relating to learning behaviours in the network. There appeared to be a strong consensus to the effect that valuable learning experiences were being generated within the network. This had led to the development of new skills and partnership techniques. Some partners, particularly local authorities and the other stakeholder

partners, acknowledged the valued learning experiences associated with failed partnerships. Interviewees remained divided on the issue of whether their collaborative experiences had affected the way that they approach partnerships more generally. The business sector was more reluctant to admit to any major transformation in their partnering style.

Figure 6.6. Key observations relating to learning behaviours

	Learning
Behaviours	Key Observations
Learning Through Experience	<p>Partners viewed the experience of partnership working as the key to improving collaborative skills.</p> <p>Local authority and other stakeholder partners in particular, acknowledge the valued learning experiences associated with failed partnerships.</p>
Learning Through Partnership	<p>Partners were evenly divided on the issue of whether their experiences of the RDA process had affected the way they approach partnerships.</p> <p>Partnership development skills can only arise from ‘genuine’ partnerships.</p> <p>Information exchange and negotiations between partners has led to knowledge acquisition and skills development.</p>
Single/Double Loop Learning	<p>There was an acknowledgement of the skills deficiencies and inadequacies in the network.</p> <p>Partners were able to identify areas in which they had witnessed an improvement in certain skills.</p> <p>Some partners were less willing than others to self-examine and re-adjust partnering behaviours.</p>

Some interviewees expressed the view that learning can only be derived from genuine partnership experience. In this view, formative negotiations and discussions offer limited learning opportunities. Instead, partners considered intense partnership interaction across all stages of project development as the key to skills development. Partners were able to identify current skills deficiencies in the network. They were also able to highlight areas of recent skills improvement. Some interviewees perceive the development of collaborative competencies as a predominantly incremental process, while others have witnessed a drastic transformation from previous behaviours.

Conclusions

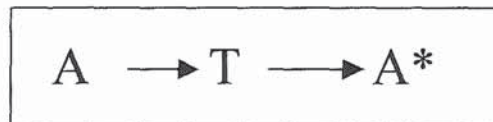
The evidence presented in Chapters Five and Six are based on an extensive investigation of the research field. The key observations outlined in the preceding two Chapters provides the basis on which to formulate a series of informed judgments regarding the RDA process in the West Midlands. The following Chapter builds upon and extends the mass of primary evidence presented above. The data has been organised under a set of themes and concepts relating to the collaborative process. Based on this evidence, Chapter Seven provides a consolidated account of exactly how and why the network has transformed and developed.

Chapter Seven

Discussion and Summative Evaluation

This Chapter explores the key contributory factors in the evolution of the WMRDA network and its transmutation in status following the inception of Advantage West Midlands in 1999. A number of case based scenarios have been produced which illustrate the key inter-relationships between assets (A), transformative behaviours (T) and the subsequent effects on partnership development (A*). The discussion will reflect the key elements of the research model. One again, for ease of reference the model is outlined in Figure 7.1.

Figure 7.1. Asset base renewal through transformative behaviours



The research data provides two cross-sectional analyses at different points in time (see Chapters Five and Six respectively). The first details the WMRDA network at its inception. This period was characterised by considerable uncertainty and sense of impending change. Despite this, there was a climate of optimism and goodwill. The second round of interviews explored the properties and dynamics of the network a year later (spring/summer 2000). Local stakeholders were now locked in an intense period of negotiation and consultation and were also beginning to pass formative judgements on the competencies of their partners and on AWM itself. The next section seeks to evaluate the impact of an RDA on the partnership infrastructure of the West Midlands. Three evaluative questions have been generated to explore the transformation of the WMRDA network. These are as follows:

1. In what ways has the initial asset base of the WMRDA network changed?
2. What are the positive and negative outcomes in terms of greater joined-up thinking and holistic governance?
3. Can the introduction of an RDA in the West Midlands be viewed as a success in terms of achieving the key externally imposed policy requirements?

These evaluative questions seek to consolidate the mass of primary evidence in Chapters Five and Six and draw conclusions to the ten preliminary research questions outlined in Chapter Four (pp. 141-142). The following discussion generates a 'system of explanation' to account for the development of the RDA network. These explanations are illustrated in the following eight scenarios.

This Chapter builds on the 108 key observations (Figures 5.1 – 6.6) in Chapters Five and Six to construct the most influential drivers for change and transformation in the network. In total, twenty-four key observations from rounds one and two of the interviews have been identified. These have been numerically quantified, in terms of the percentage of partners affected or articulated by them. This is intended to demonstrate the scale and relative influence of these factors in the evolution of the wider network. These observations illustrate the relationship between the network's initial asset base, transformative behaviours and the final asset base (Figure 7.1). Key observations relating to **A** are generated from the first round of interviews. Principal observations relating to **T** are generated from both rounds one and two. Questions in the first round of interviews asked partners to speculate about future strategies and behaviours. The questions in round two of the interviews asked partners to make a retrospective judgement on how successfully those strategies and behaviours had been implemented. Key observations relating to **A*** were generated from the findings in round two of the interviews.

Eight 'scenarios' (Bloom and Menegee, 1994) have been identified which evaluate both the positive and negative manifestations of the recent governance restructuring in the West Midlands. Four scenarios illustrate the synergistic (or positive collaborative) effects witnessed by local partners during the start-up phase of AWM. In most cases, these events have stimulated partnership development and an encouraging move towards increased joined-up thinking. These positive outcomes reflect the productive deployment of these four critical strategies, as summarised in Table 7.1.

Table 7.1. Four positive collaborative scenarios

Scenario A: Compliance and the benefits of experience
Scenario B: Utilising the current network infrastructure
Scenario C: Communication and the role of network brokers
Scenario D: The development of social capital

In contrast, four scenarios are presented which reflect the tensions and barriers that local partners face when trying to facilitate new relationships. In many cases, these negative outcomes reflect a failure to instigate new collaborative ventures. Local partners are faced with numerous collaborative barriers, including high collaboration costs, diversity between partners and negative perceptions. The four negative scenarios are summarised in Table 7.2 below.

Table 7.2. Four negative collaborative scenarios

Scenario E: Managing collaborative costs and policy aspirations
Scenario F: Selective partnerships and the accumulation of know how
Scenario G: Managing negative perceptions and environmental uncertainty
Scenario H: Measuring success: the 'brokering' role of AWM

The magnitude and scale of influence that each of these critical factors has had on the network is discussed. This analysis is intended to develop a detailed understanding of regional partnership working on the ground. Firstly, the positive manifestations of partnership development (scenarios A-D) will be outlined, in terms of a capacity for joined-up thinking. Secondly, the negative manifestations (scenarios E-H) of network transformation will be discussed. These scenarios provide an indication as to the transformation of the initial asset base of the RDA network (Question 1). Each of the assets relating to network structure, human, and social capital will be explored and evaluated. The transmutation of the RDA network, both positive and negative, is then mapped and evaluated.

The next section looks at the formal structure and relationship maps of the West Midlands RDA network. These assist in answering the second of the three evaluative questions set out above. The relationships and tensions between local partners in the network have been mapped in diagrammatic form. This mapping exercise (detailed on pages 181-186 in Chapter Four) visually illustrates the accumulated outcomes of the changes in assets and behaviours. The four network diagrams that follow detail firstly, changes in cross-sector relationships and secondly, the negative relationships between partners. These findings reflect the variation in responses between rounds one and two of the interviews. They also summarise the overall changes in network structure during that period. Thirdly, the mass of primary evidence presented in Chapters Five and Six is drawn upon to answer the final evaluative question: can the introduction of the RDA in the West Midlands be viewed as a success in terms of achieving the key externally imposed policy requirements? Finally, a number of inconsistencies between the research findings and the literature are identified and explored. Four key areas are identified which explore these inconsistencies with reference to different aspects of the literature.

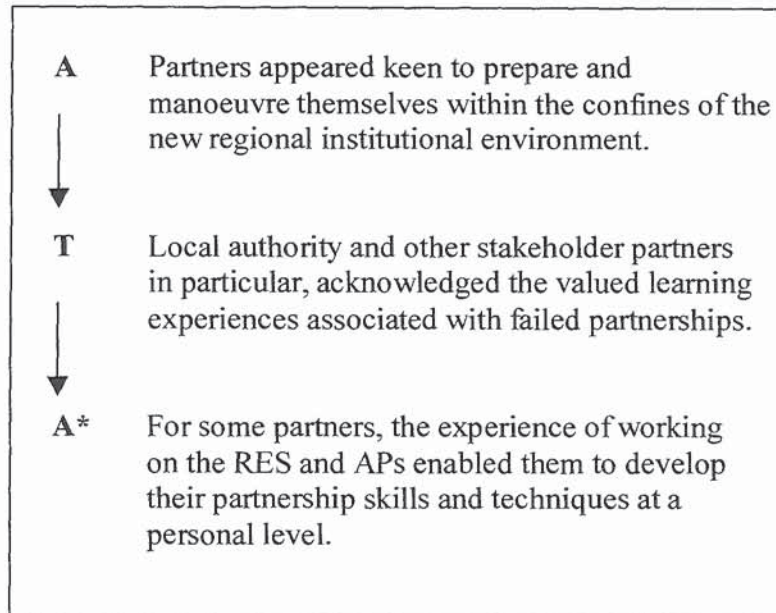
Synergistic Responses to Network Transformation

The following section details the synergistic or positive manifestations of network transformation in the West Midlands over this period (scenarios A – D).

Scenario A: Compliance and the benefits of experience

Scenario A incorporates three key observations relating to the relationships between organisational positioning, learning through failure and skills development. These are summarised in Figure 7.2.

Figure 7.2. Compliance and the benefits of experience



Scenario Evidence

A. Out of the thirty-one partners interviewed, only one (a local authority representative) was wholly opposed to an increased focus on regional governance. This particular respondent was fearful about the future of existing partnership arrangements and the possibility of increased duplication, as this comment suggests.

‘The RDA has got to be a partner whether we like it or not... and I don’t. I think there is a hidden agenda at play with the RDAs and Regional Chambers. My view is that there will be lots of duplication. We have had all these partnerships between local authorities and business. What are they going to do now? Are they going to be subsumed into the RDA or do what they have been doing?’

Contra this extreme case, partners were looking to take full advantage of future opportunities. A business partner illustrates the importance of organisational positioning and open disposition towards the future.

‘Our feeling is that it might take twelve months or so before they (AWM) can do anything, rather than have an opinion on it. So we need to position ourselves... and keep an eye on how the RDA develops. Our positioning is to keep talking and monitoring.’

The other stakeholder group are more concerned about the degree of their involvement and inclusion. The majority view the introduction of RDAs as an opportunity they cannot afford to lose out on, as this partner suggests.

‘We could be more marginal if we wished. We could provide our services to the industry and it would be a long time before the RDA would get round to bothering us too much. That’s not the attitude we have taken. We could do a lot more for our industry by closeness to the RDA. It’s a drive that we have to be there. The RDA is one route to looking for greater investment. We could get by without them but we have come a long way and intend to go further.’

The widening *policy arena* that this openness enabled has presented a set of new collaborative assets for local partners. The introduction of a new strategic regional partner (AWM) and the participation of a host of diverse organisations has highlighted new partnership possibilities in the region.

T. Over half of the local authority and other stakeholder respondents were inclined to identify the valuable learning experiences associated with *failed partnerships*. These learning benefits may take the form of valued experiences, skills development, the testing of innovative solutions, altered perceptions and/or changing belief systems. Two case studies have been selected to illustrate the various ways that partners can learn through unsuccessful or failed partnership arrangements.

Figure 7.3 provides an example of how tensions and difficulties between partners can lead to valuable learning outcomes. The example involves a local authority partner. It is often the case, as in this example, that deficiencies in partnering skills and inter-personal

communication go unnoticed and unchallenged until there is a collaborative problem. *Intelligent failure* can then result in collaborative skills development.

Figure 7.3. Case Study – Learning new partnering techniques through partnership failure

Interviewer: Are you able to identify any partners who have proved themselves particularly poor at partnership development?

Interviewee: Yes, our local health authority. We have a personality problem, which exacerbates an institutional problem. We think here that the institutional problem can be overcome but it is difficult to overcome personality problems. So we are in some disarray with the health authority. That's caused some difficulty.

Interviewer: What will happen in the future?

Interviewee: We are hoping that 'our chum' will be appointed in a different area out of our hair.

Interviewer: Are there any ways of ensuring this type of negative arrangement will not happen again?

Interviewee: Yes, our bad experiences with the health authority have led us to conclude that our attitude to process is too cavalier and that we need to have partnership working better documented than we have in the past.

Interviewer: What do you mean by documented?

Interviewee: Protocols, agreements, what happen when things go wrong.

Figure 7.4 outlines another example of how a failed partnership arrangement can have positive spin off effects in terms of learning and outcomes. A local authority partner describes a positive outcome of a failed partnership arrangement with AWM.

Figure 7.4. Case Study – Improving relationships through collaborative failure

Interviewer: What impact has the RDA process had on regional partnerships over the past twelve months?

Interviewee: It's been quite rocky and not at all even. Some of the sub-regional partnership working has been damaged or potentially damaged. One comment from one of the RDA staff at the meeting was, 'well we've made the decision but it might change at the margin'. That's not consultation. In those senses they have weakened or are a potential threat to other parts of joint working. Ironically, one of the benefits of all this is that it's improved our relationship with GO significantly. They (GO) are no longer seen as being the people who aren't listening. It's now the RDA. Our relationship with GO has improved considerably as a result of the RDA's failure.

In this case, trust assets have been redistributed around the network, with unintended externality effects being generated as a consequence. The revalorisation in the relational stock of the GOWM was certainly unintended by the RDA, but the interaction of a suite of behaviours has caused just such a shift in perceptions and relationships.

A* The RES and AP process provides an intriguing example of how local agents have learned from what has essentially been viewed as an unsuccessful exercise. This again demonstrates partners' ability to learn from failure. Despite the fact that two thirds of interviewees acknowledge severe problems with the RES and APs, many partners have gained valuable personal experience from the process. The opportunity to engage with other partners and communicate ideas and viewpoints at the regional level has produced some valuable learning opportunities. Stakeholders' involvement in the Regional Chamber has also been acknowledged as a useful learning process, as a local authority partner indicates.

'Meetings in the Chamber and the RES and AP process have been productive. The draft response to the APs has been a valued experience.'

Overall, one third of partners viewed the RES and AP process as providing the opportunity to develop their individual collaborative skills and techniques. This is despite much criticism of

the process itself. A partner from the other stakeholder group acknowledged the RES as an opportunity to voice her concerns at a regional level.

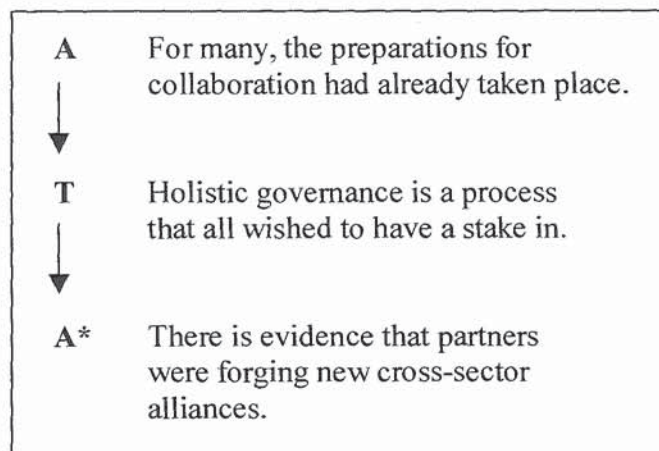
‘We have had to respond to the RES. One of the highlights was that the RES really hit the buffers when it came up against the Regional Chamber. The whole process has given us an arena to voice our concerns.’

Scenario A can thus be summarised in the following terms. An initial open demeanour or ‘mind-set’ in relation to new partnership opportunities may often be rooted in a more general positive orientation to ‘trial-and-error’ based learning. This learning orientation is likewise reflected in a permissive attitude to the possibility of failure – not as something to be eschewed or punished – but as an episode of intelligent failure. The fruits of learning (A*) are harvested, in this scenario, at a number of levels, from the organisational to the individual (human capital).

Scenario B: Utilising the Current Network Infrastructure

Scenario B incorporates three key observations relating to the preparations made for collaboration, holistic governance and new relationships. These are summarised in Figure 7.5.

Figure 7.5. Utilising the current network infrastructure



A. With only a handful of exceptions, partners had been preparing for the anticipated move towards regional governance for some time. Many partners cited the valuable work of WMREC in preparing local partners, and the region itself, for the RDA agenda. A business partner was particularly anxious to see a continuation of the work of WMREC under the new RDA.

‘Regional partnerships are not new here (West Midlands). WMREC has provided a very useful forum and has been instrumental in much of the preparatory work undertaken for the introduction of the RDA. That work needs to be built upon.’

Many partners were looking to strengthen their historical partnership ties, particularly the local authority and business stakeholders. In contrast, the other stakeholder group have been working hard to develop their internal competencies. For example, a partner from the other stakeholder group was intent on improving the collaborative capacity of her sector.

‘I have been doing a lot of work mobilising our sector. It’s a struggle as they can’t always see what role they have to play. We are trying to be representative, and I am giving the sector the opportunity to be, but I don’t always get the feedback. That makes my job difficult.’

Although the above comment evidences a degree of frustration on the part of the network manager, it also presents an encouraging example of attempts to build competencies within a sector that, by its own admission, has been characterised by weak ties and low bonding social capital.

T. There is a broad consensus that organisations cannot achieve their objectives in isolation. 96% of respondents felt that collaboration was vital in achieving their strategic objectives. The vast majority of partners were looking to engage with stakeholders that were new to them and to facilitate new collaborative arrangements. An other stakeholder partner demonstrates a transformation in partnering tactics.

‘If you look at the old model which was confrontational and interested in short term gains without looking at the strategic gains... if we tried to continue with that it wouldn’t work. What we are trying to project now is that we need to work with business. In order to achieve our objectives, that’s the only way. The only other way is our confrontational role and that doesn’t work.’

Similarly, a business partner acknowledged the increasing need to collaborate across a range of sectors.

‘Nothing is gained at the regional level by agencies actually pursuing separate agendas. We have been successful in some areas but have weaknesses in others. There is much to gain by working together. You gain more for the West Midlands by maximising the resources, skills and expertise of all people involved in all agencies. The spin off to that is that over time they begin to understand much more how each agency works. That enhanced understanding also helps to break down some of the barriers.’

Partners remain extremely optimistic about the future benefits of greater joined-up thinking in the region. 75% of second-round respondents believed that co-operation between agencies will lead to more effective policy development. Such broadly held optimism is vital to procuring commitment. *Genuine incentives* and *generating a clear sense of purpose* are key strategies in ensuring that this collaborative commitment continues.

A*. Collaborative preparations combined with genuine commitment from partners, has resulted in the development of new relationships. Approximately one third of respondents have been successful in forging significant new alliances within the network. Moreover, many of these new links traversed sectors. An other stakeholder partner outlines the increasing desire to broaden their partnership ties.

‘We have certainly been knocking on doors. It has become easier due to the introduction of RDAs. Organisations are required to collaborate, which means that they are now more inclined to listen. That doesn’t mean they always do but we have been successful in making new links which may not have been possible a year or two ago.’

A business partner also acknowledges the increase in the pace of partnership development since the introduction of AWM in April 1999.

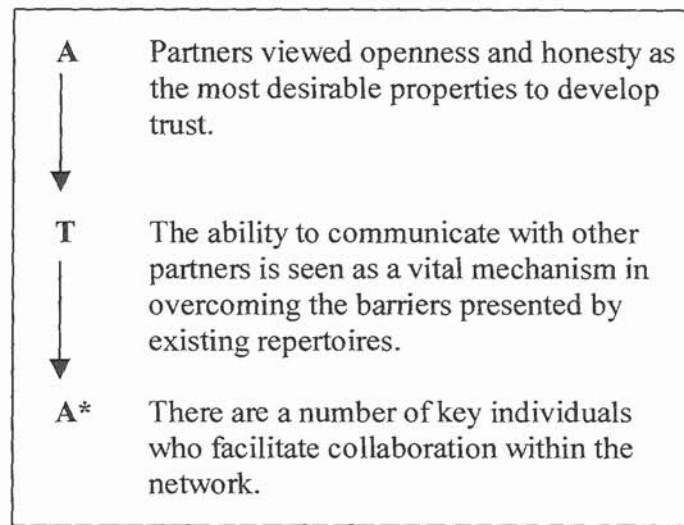
‘What the RDAs have done is allowed us to identify more clearly who the key strategic partners are. You don’t always know what’s going on outside your own sector. I have got to know people and understand them better. It has allowed us to build bridges with previously unrelated interests.’

This appears to be, quite literally, social capital under construction. In this scenario, the regional focus has provided the opportunity for partners to adopt successful boundary-spanning tactics. Genuine commitment and prior (lengthy) preparation combined with the incentive of accessing new assets (for example, non-redundant information) has provided the impetus for bridging structural holes.

Scenario C: Communication and the role of network brokers

Scenario C incorporates three observations relating to trust between partners, communication and the role of network brokers. These are summarised in Figure 7.6 below.

Figure 7.6. *Communication and the role of network brokers*



A. 46% of first-round respondents specifically used the term ‘openness’ as a key descriptor in their interpretation of how trust may be built between partners. This crucial emphasis was completely unprompted by the researcher. A local authority agent specifically refers to openness and an allied key term, honesty as paramount qualities in the development of trust.

‘It’s a bit idealistic but I look for a partner to be open about why they are there: what do they want to get out of the situation and what they want to put in? : an honesty about what they hope to gain. You need to have that so you don’t waste your time.’

Many partners are seeking a milieu of co-operation based on common values and genuine commitment. These qualities are most akin to the concept of ‘goodwill’ trust. Partners feel that these are crucial elements for the nurturing of trust relationships. A business partner reinforces these points.

‘I look for openness. That may sound obvious but if I can understand where they are coming from then it’s easier to understand how you can work together.’

If partners consider openness and honesty as the most desirable properties for the development of trust, then effective (high-density) communication can be considered a vital component in promoting and activating those values throughout the network.

T. All respondents affirmed communication as a key to developing partnerships. There were, however, differences about exactly where in the network and process, improved communication was more desirable. Local authority partners were looking to improve communication in and through the Regional Chamber, as this partner suggests.

‘We need to find a universal language to communicate with players from all sectors. The Regional Chamber could be a useful forum for that but it’s not playing that role at the moment.’

Local authority and business partners are also extremely concerned about the lack of effective communication from AWM to local partners.

‘I don’t think the communication from the RDA has been particularly good. They could have been more aware of how important people are regarding them and could have responded better. You can only communicate if one wants to send and one wants to receive. The RDA does neither.’

This explicit reference to a ‘sender-receiver’ model (an abiding theme in the literature) indicates a sophisticated understanding of the nuance in social communication processes. The other stakeholder group is actively seeking to communicate its views to other partners in the region.

‘We all have different views but if we don’t talk to them (other partners), there is no understanding. Without understanding, how can we work with them? If we don’t talk to people, there will be no meeting of minds and when you talk to people, that happens.’

Proximity and communication between partners provides the opportunity for *contact between different repertoires* and the *loosening of anchors*. These are important strategies and behaviours in adjusting one's own repertoire and gaining a more comprehensive understanding of others' collaborative repertoires in a strongly heterophilic network. .

A*. There are, by common consent, certain individuals whose particular communicative style and collaborative approach helps to break down the barriers between partners and develop trust. 81% of partners interviewed acknowledge the role of key individuals in facilitating partnership development. These *network brokers* are often positioned at the core of the network. Their skills and individual collaborative competencies make them an invaluable network commodity. A business partner describes the qualities of certain individuals.

'If you look at some of the players, some of the individuals in the Chamber for example, there are some very positive players there. They need to be good as they make things happen. There are some people who I would consider excellent. They bring a whole dimension to regional play.'

These key individuals function, fundamentally, as *social entrepreneurs*, directly fostering innovation in and through their communicational styles and dense social networks, a point underscored by an other stakeholder partner.

'There certainly are people who have a catalytic role, almost like an *innovator*. The people who were involved in WMREC are now involved in the RDA or Chamber. These are the people I am talking about. There is a strong group with a strong business leadership element who you want to drive things forward. They get on and do it' (emphasis added).

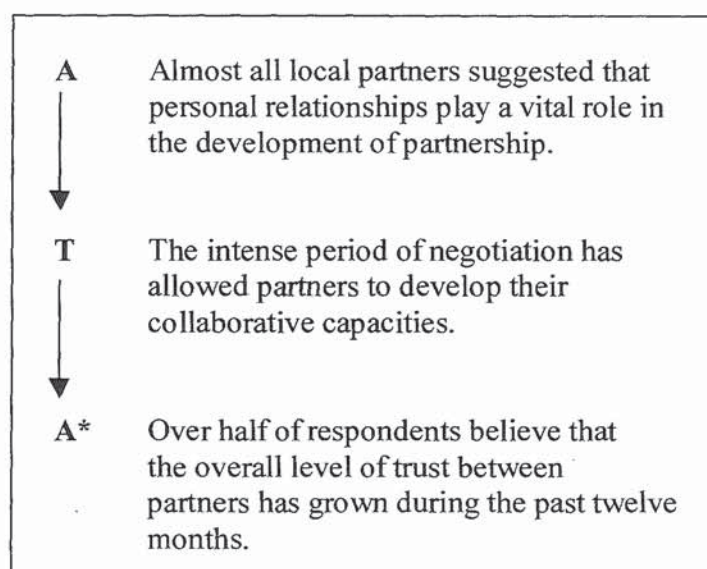
Trust and communication appear to be paramount in the development of new relationships. Such attributes can only be facilitated through face-to-face contact. The intensity of the collaborative effort during this time places an ever-growing emphasis on the individual

network manager. As such, key individuals or so-called network brokers are becoming an increasingly valuable network commodity.

Scenario D: The Development of Social Capital

Scenario D incorporates three observations relating to the role of inter-personal relationships, the intensity of the collaboration process and the development of social capital. These are summarised in Figure 7.7.

Figure 7.7. The development of social capital



A. Only one business partner out of the thirty-five second-round interviewees suggested that personal relationships did *not* play a role in the development of partnerships. The considerable majority were persuaded that the informal relationships and structures evident in the West Midlands play a critical role in the development of partnerships. These informal conduits appear particularly important in times of uncertainty and change. During the early stages of change, formal agreements and statements are deemed inappropriate, as partners seek risk-hedging positions. Informal contacts and discussions are vital in shaping more formal responses in the future. A local authority partner outlines the role of informal contact.

‘I feel they (inter-personal relationships) are very important. I’m a great believer in looking people in the eyes. That’s very important and the ability to work with people is a key to success. By the nature of my experience I tend to be someone who is seeking consensus. The evidence suggests that, prior to the establishment of the RDA and Chamber, we had a WMREC which worked together extremely well. The personal characteristics of individuals helped. Those relationships are very strong in the West Midlands.’

T. All partners acknowledge that the formative consultation process and the accompanying intense period of negotiations had led to a development of their collaborative skills, particularly their inter-personal skills (*learning through experience & learning through partnership*). Many were unwilling to identify tangible learning outcomes and instead felt that any developments had been incremental rather than frame-breaking. Many also believed that their individual understanding of partnerships had developed. This made them, as individuals, a more competent prospective partner. In some cases, this also enhanced their capacity to develop trust, as an other stakeholder demonstrates.

‘We spend a lot of time at it and I personally must have improved. I can’t think of anything particularly. There is a continuing active participation in partnership working. That inevitably brings certain developments and you learn how to trust.’

Similarly, a business partner acknowledges the positive learning outcomes.

‘I am sticking at it and I’m still learning. I feel I am getting more than I’m giving but that may not be true... I’m using it as a personal experience to educate myself.’

It would be appropriate to conclude from this that there is a strong relationship between personal and political strategic advances in network development.

A*. Individual network managers have had the opportunity to familiarise and develop rapport with their peers. This has resulted in a greater level of trust, particularly between those

individuals at the heart of the process. Just over half the respondents felt that the levels of trust had *grown* over the year separating the two interview rounds. A partner from the other stakeholder sector refers to the changing ‘climate’ of partnership working and suggests that this may be more conducive to the development of social capital.

‘We all know better where we are coming from. We can disagree on some issues and still be partners. There is a degree of warmth between some of the partner organisations where before there may have been a simple working relationship. Friendships are being built: that’s got to be good. Friends don’t go to war, they work together.’

This is an encouraging sign that social capital assets are being built and utilised within the network. That growth appears to be nurtured by a step-by-step process of familiarisation, underpinned, in turn, by a near-universal recognition of the centrality of inter-personal assets.

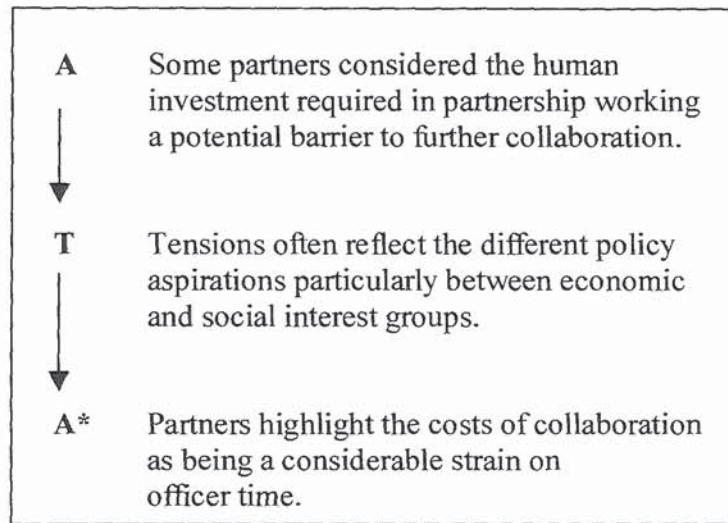
Negative Responses to Network Transformation

The following section details certain apparently central negative manifestations of network transformation in the West Midlands (scenarios E - H).

Scenario E: Managing Collaborative Costs and Policy Aspirations

Scenario E incorporates three key observations relating to the costs of collaboration, divergent policy aspirations and human resources. These are summarised in Figure 7.8.

Figure 7.8. *Managing collaborative costs and policy aspirations*



A. 36% of respondents were concerned that the costs of collaboration might endanger future collaboration. The business sector was particularly concerned with investing time and resources into what they considered ‘meaningless’ collaboration. This usually implied negotiations with some of the social groups. A business respondent highlights the frustrations and the cost of partnership development.

‘Partnership is costly. That has been our experience, even with other business partners. Those costs are increased when you bring in numerous partners, with different objectives... negotiations are lengthy and complicated and the worst thing is, sometimes you don’t even get anywhere.’

Local authority and other stakeholder partners were also concerned with the human investments necessary in collaboration. There was a view that the substantial investments made by partners would not necessarily guarantee any significant return on investments. This led some respondents to question the added value of partnership development, a point made by a local authority representative.

‘We have to be careful. When partnerships work, and I mean really work, they can be most beneficial. However, more often than not, the reality of partnerships is that they are time consuming, expensive, and a lot of hard work.’

Local partners were looking to put their stock of assets to best use within the network. Facilitating partnerships, particularly those based on heterophilic relationships, can be a complicated and costly process. The human capital investments involved do not always yield satisfactory results.

T. There is a considerable divide in the policy aspirations of local partners in the region. 42% of first-round respondents wish to see a predominantly economic focus. Some of the business partners, in particular, are hostile to aspects of the social agenda, as this respondent highlights.

‘There is a big social lobby who suggest they should come first. It’s the whole idea of saying, “Okay, I’ll give you a nice house, give credit to you and because you happen to be female and black, I’ll include you”. It doesn’t work. If you don’t have the economic focus then you can’t challenge the social.’

In contrast, 29% of partners wish to pursue a social agenda. Other policy aspirations include: innovative policy solutions, achieving regionally specific programmes and avoiding duplication. Not surprisingly, the other stakeholder group is most anxious to see social concerns being tackled, as this partner suggests.

‘We need to improve the economy but also the social capital and sense of community and to tackle social exclusion. There is certainly a concern that the GDP figure will be used as the only indicator.’

The co-ordination of such a large number of heterophilic potential regional partners is fraught with complexities and risk. The costs of collaboration are typically seen as higher between dissimilar organisations, with conflicting objectives. This has led to an increasing concern over the costs of collaboration.

A*. Over one third of partners make reference to the considerable strain being placed on network managers. Partners' fears regarding potentially high human resource costs, articulated during the first-round interviews appeared to have been confirmed and compounded. Not all organisations have the human resource capacity to manage their involvement in the agenda effectively. A social partner illustrates this point forcefully.

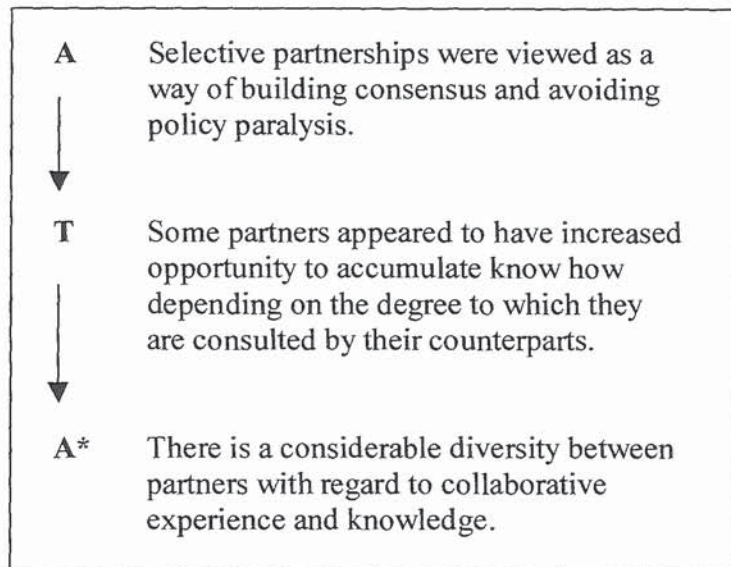
'We are mostly run by volunteers. So, if we need a representative at a meeting, someone may need to take a day off from their day-to-day job to fill in... Who pays them for the day they have to take off? Are they able to take the day off in the first place? If they can't, how do we ensure we are represented at the meeting? There are lots of resource issues.'

Even large organisations face human resource constraints. Collaboration requires individuals with *high skill levels, experience of partnership working* and *available time*. These human capital assets are unevenly distributed across the network. The evidence suggests, moreover, that those specialised human asset bases are being stretched, at positions in the RDA network, to breaking point.

Scenario F: Selective Partnerships and the Accumulation of Know How

Scenario F incorporates three key observations relating to selective partnerships, knowledge acquisition and collaborative competencies. These are summarised in Figure 7.9.

Figure 7.9. Selective partnerships and the accumulation of know how



A. 65% of partners are looking to be selective in their partnership arrangements. This is mostly due to the considerable costs incurred in collaboration and a desire to avoid the *large numbers problem*. Local authorities are looking predominantly towards their sub-regional alliances. Business partners are typically seeking partners with common objectives. Meanwhile, the other stakeholder group tend to be operating within their own sector or in local partnerships. Typifying these tendencies, a business partner is reluctant to engage with local authority politics.

‘Business people don’t want to get involved in political standpoints. They want to see things moving forward to the benefit of business and hence the benefit of society. When you go to a meeting and have all the clap trap formalities that go in local politics, then the danger is that the business men will walk away.’

A local authority stakeholder also suggests that some partners are more important than others.

‘Because we are working with such limited resources we’ve had to work with certain other people in order to achieve our objectives. You have to be selective in that. It’s difficult to carry partners who don’t contribute to the overall outcomes. It’s not financially possible to do that.’

T. Selective partnerships have generated unequal opportunities for partners to participate in the process. Half the respondents felt that AWM had not consulted in an inclusive manner in relation to the RES and APs. This resulted in some partners being absent from the meetings and the discussions taking place there. As has already been established, these meetings and negotiations provide an essential opportunity for partners to hone their partnering techniques and, in some cases, learn new skills (*learning through partnership*). The other stakeholder group, in particular, perceived that they were not being effectively involved in the process. During the first round interviews, 70% of the other stakeholder partners had experienced resistance from other partners. An other stakeholder agent articulates this ‘outsider’ perception with regard to AWM’s selection process for participation in the task and planning groups.

‘What I certainly seem to have witnessed, in terms of the task and planning groups that have been set up, is that they have appeared to have been very selective. The structure hasn’t allowed us to get along to many of the groups. Consequently, we have missed out on the opportunity to contribute and get feedback.’

This situation has meant that there is varying opportunity for partners to accumulate knowledge and know how. A business partner highlights the considerable benefits of being able to engage with the process.

‘Everyone who’s involved in the process has found out much more in the areas they didn’t know before. We’ve gone through some brainstorming and everyone sat round the table has learned something. It’s a learning process because of the enhanced awareness of what drives other partners.’

Those partners who have been excluded from meetings and discussion groups have thus been unable to capitalise on the valuable learning opportunities experienced by their counterparts. A distinction is then likely to emerge between *network leaders* and *network laggards*. As the leaders develop their collaborative skills and techniques, the laggards fall further and further behind in the absence of new learning opportunities.

A*. One third of partners view the other stakeholder group as having deficiencies in their collaborative capacities. Many partners accept that improvements have been made. Abiding concerns remain, however, in relation to the experience and understanding of some individuals in the other stakeholder group. It is possible that, due to the exclusion of some smaller organisations, the gap between those who are ‘engaged’ and those who are not is growing. A business partner cites the lack of experience on the part of some social groups as a potential problem.

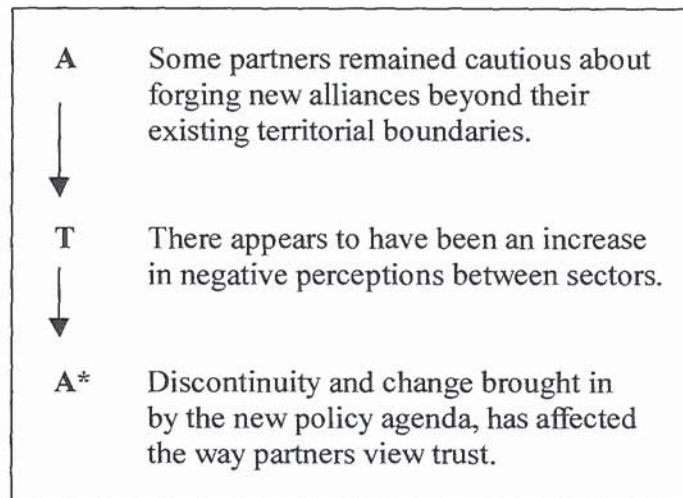
‘If they wanted inclusion badly enough they would create the framework necessary to get in or make enough noise to find a partnership on which they could genuinely shape the organisation to come. They (social groups) haven’t had the experience that business or local government has had at getting on the right committees and getting to know the right people. They lack the experience at power games.’

The interview evidence appears to support the validity of this diagnosis. However, the problem for smaller stakeholders is to lever a seat at the table. The other stakeholder group has a powerful resource in the form of *veto powers*. The RDA policy process provides social partners with a legitimate mandate for involvement. However, in some cases, veto powers appear to have limited power and influence in the RDA network.

Scenario G: Managing Negative Perceptions and Environmental Uncertainty

Scenario G incorporates three key observations relating to a high degree of caution on the part of local partners, increased negative perceptions across the network and the impact of uncertainty on trust. These are summarised in Figure 7.10.

Figure 7.10. Managing negative perceptions and environmental uncertainty



A. 45% of partners were cautious about forging new alliances during the early stages of regional governance restructuring. Most were focussed on tending to their existing partnership arrangements. One local authority partner reflecting this preoccupation, was hoping that the RDA would have only a limited effect on existing arrangements.

‘In reality, the best way to be allowed to get on with what we want is to influence the writing of the regional policy, to have the effect of allowing us to do what we want. We want to build on the good relationships we have. Until the RDA sets out its stall, we can do no more than that.’

The other stakeholder group was more willing to begin to engage in *boundary-spanning* activities. Some 70% of other stakeholder respondents were amenable to forging new relationships beyond their existing boundaries. On the whole, the other stakeholder group was actively seeking new alliances, offering *non-redundant information*, as this partner indicates.

‘It’s been interesting to see how organisations which do work on a regional basis have had to change tactics. I’ve been very interested in talking with the business community. I hope that those discussions will turn into something more formal.’

T. 80% of respondents were able to identify another partner with whom there had been some form of negative tension. Most of the examples of negative tensions or unproductive partnership working refer to cross-sector alliances. Partners were ready to make generalisations about other sectors, reinforcing the *'in-group'* / *'out-group'* bias. In generalising stereotypes, reference was typically made to the sector as whole rather than to individual organisations. One third of partners highlighted negative perceptions involving the social groups. A business partner describes his frustrations with the social agenda.

‘AWM has allowed itself to become dominated by a single-issue approach. I get fed up with going to meetings where it’s “what the social perspective on this and that?” Let’s be honest: I want a focus on economic issues. I don’t think the social groups have got enough credibility to be at centre stage.’

AWM is also itself the focus of much negative tension. An other stakeholder agent is extremely critical of AWM.

‘It really has been a model of worst practice and it comes down to the concept of partnership not fully being understood.’

A*. There are a number of different views regarding the way that the new policy environment has affected trust within the network. 29% of respondents felt that the increased uncertainty and risk associated with the new agenda had negatively affected the way that partners view trust. Trust is made more difficult in uncertain environments, as a business partner suggests.

‘We have so many changes under way with BLs (Business Links) and TECs: it’s still a melting pot. The government has made some major changes and local people are finding it hard to accept that. Change can often have a negative effect on the levels of trust.’

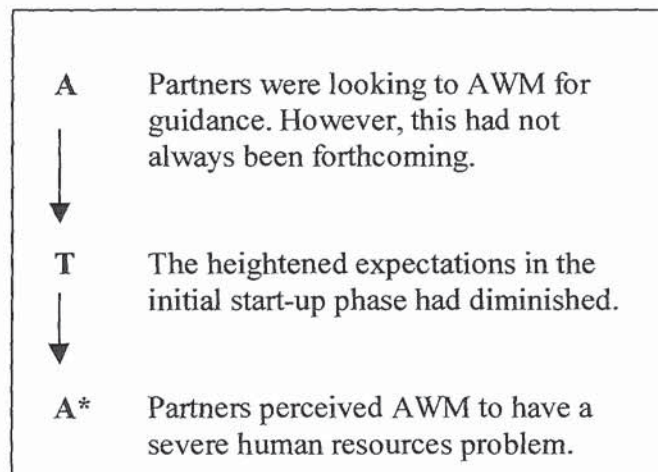
Actors went into the RDA policy arena with homophilic tendencies, and those introverted tendencies have, if anything, been strengthened by numerous experiences of tensions arising

between heterophiles. Trust levels have suffered as a result of these negative experiences. It would appear that, under certain circumstances social capital assets in the RDA network can be depleted as well as generated. Local partners will need to protect the region's stock of social capital assets, an asset that has proved so valuable in partnership development.

Scenario H: Measuring Success: The 'Brokering' Role of AWM

Scenario H incorporates three key observations relating to partners' expectations and the quality of AWM's brokering role. These are summarised in Figure 7.11.

Figure 7.11. Measuring success: the 'brokering' role of AWM



A. 42% of first-round interviewees expressed disappointment with the level of feedback from AWM. This was a particularly strong concern of the business community. 73% of business partners interviewed saw contact with AWM as being extremely limited, as a business partner points out.

'I feel, in this particular RDA, there is a lack of communication. I have no idea what they are doing. I haven't seen one piece of communication from the board members as to how they intend to operate.'

Many partners were looking to AWM for a strategic perspective on how best to position themselves in preparation for a novel future. An other stakeholder member was increasingly frustrated by the lack of guidance being given by AWM to local partners.

‘If the RDA could work more with local partners and bring transparency into what I call “effective partnership” - not just a token gesture - we might all be able to work along the same track. To my knowledge, the RDA are not consulting.’

The new policy environment brings with it a host of collaborative challenges, one of the most significant being managing the diversity between organisations. AWM is charged with the role of facilitating and brokering such relationships. If such a pivotal mechanism in the network is viewed as ineffective, a crucial component is missing in the network infrastructure.

T. Partners’ commitment and enthusiasm in the early stages have been dampened by a perceived lack of feedback and communication from AWM. 58% of second-round respondents felt that their aspirations regarding what AWM might achieve were lower than one-year prior. Only 10% of interviewees articulated increased aspirations. A business partner is disappointed by the progress AWM has made to date and believes that much of the diminished enthusiasm is the result of AWM’s style and approach.

‘I think this past twelve months have been disappointing. I remember talking to you last year and saying, “yes, the RDA could provide a very useful role”. I don’t think it has done that to the extent that people would have liked and I don’t think the omens are very good. The trouble is, once an organisations gets off to a bad start, it is difficult to turn that round.’

This partner is clearly highlighting the importance of inertia in the formation of expectations. Once a perspective solidifies (thus becoming part of the new asset configuration), it is doubly difficult to shift through the transformation process. An other stakeholder partner was impressed by the rhetoric of AWM during its start-up phase, but believes that AWM has effectively failed to deliver.

‘I was very enthusiastic about the potential for AWM to be involved and to be proactive. I was impressed because the rhetoric was going that way, but it hasn’t lived up to that.’

A*. 60% of second-round respondents perceive AWM to have a severe human resources problem. This has led 45% of interviewees to question the knowledge and competence of AWM as an organisation. A local authority partner makes multiple criticisms of personnel within AWM.

‘Our direct relationship with AWM has been quite difficult. We have only seen the chairman once. We have never seen the chief executive: and because their staff are of variable and questionable quality, it has been difficult to make contact.’

An other stakeholder member casts doubt on the competencies of AWM’s middle managers.

‘Our day-to-day involvement is with the middle management layer and there really are question marks about the competence and background they have in their technical areas. There is a completely invisible board and chief executive and the senior management is simply not there.’

Discontent regarding the collaborative style and competency of AWM has further reduced the enthusiasm and the positive expectations of partners within the region.

Summative Evaluation

The mass of evidence presented in Chapters Five and Six and the eight scenarios outlined above are based on an extensive investigation of the research field. Interviews with over fifty individuals at the heart of the process have produced a wealth and depth of information. The researcher has followed key network managers through the process, over an eighteen-month period to produce almost one hundred hours of rich, contextually specific tape-recorded data. This data has been organised under a set of themes and concepts relating to the collaborative

process. It is on this basis that the following questions are answered. The sum of these findings supports a consolidated account of exactly how and why the network has transformed and developed. This information therefore provides a platform for answering the first of the evaluative questions posed earlier, namely:

Question 1. In what ways has the initial asset base of the WMRDA network changed?

The response to this involves essentially an audit of each of the key assets identified in the research model. These assets will be discussed in turn, beginning with the size of the network.

An Exploration of Asset Base Renewal

Network Configuration

Size of Network.

Initially, many partners were dubious about the co-ordination and inclusion of such an array of organisations. Some partners feared that they would be marginalised, while others anticipated that inclusion for all would lead to a state of *policy paralysis*. One year later, both these concerns appear to be at least partially confirmed and compounded. The negotiated co-ordination of a large number of potential partners has been a complex process, fraught with shortcomings and weaknesses. New entrants to the network have faced barriers and resistance, while the established partners often believed themselves to have been sidelined and under utilised.

A large network offers benefits in terms of scope for social entrepreneurship, the application of diverse resources and expertise and greater regional representation. However, those advantages need to be harnessed subtly and shrewdly if they are to be transformed from potential into real added network value. The negative characteristics associated with the *large numbers problem* appear to have presented very real barriers to collective action, in the West Midlands.

Diverse Network

The high levels of diversity between partners, combined with conflicting objectives, continue to present a considerable hurdle in securing heterophilic partnerships. Proximity and reciprocity has allowed partners to familiarise themselves, to a degree, with one another. This new knowledge and experience has often only served, however, to confirm partners' negative perceptions of difference. As a result, respondents continue to engage largely with their *homophilic* counterparts. Most continue to pursue *difference maintenance strategies* instead of seeking ways of overcoming dissimilarity. Despite this, there was, one year in, an increased number of partners who wish to pursue the collaborative benefits that may accrue from *heterophilic* alliances.

Rich Structural Holes

Partners are generally enthusiastic and committed to a more holistic form of regional governance. During the start-up phase of AWM, organisations began to position themselves accordingly. Partners then witnessed an increased opportunity to expand their collaborative contacts with 'unlike' partners. In some cases, this has led to a rise in the number of heterophilic alliances in the network. The abundance of *structural holes* in the WMRDA network offers considerable scope for entrepreneurship and added value. Partners are faced with a range of potential collaborative options. Some have been successful in negotiating new relationships with previously unrelated organisations. This appears to have resulted in an increase in *non-redundant information* exchange across the network. The WMLGA offers an excellent example of spanning structural holes with a range of non-redundant contacts.

Most respondents have been successful, in one form or another, in spanning structural holes. However, the scope for added value varies considerably depending on the quality and intensity of the partnership. High trust and genuine commitment are essential for inventive and voluminous exchange. In summary, structural holes have been spanned and network density has increased. This is an encouraging signal of an increasing move towards joined-up thinking. However, the co-ordination difficulties arising from the large numbers problem and the continuation of difference maintenance strategies by many local partners means that the

scale and magnitude of structural hole spanning has far from maximised the true potential of the network.

Human Capital

Network Management Skills

There is a wide diversity in terms of the distribution of collaborative competencies as between partners. There are some individuals and organisations with a strong historical legacy of partnership working. These key agents have amassed considerable experience (see below), through which they have developed an advanced understanding of collaboration and sophisticated skills to match. Other agents are relative novices. New entrants, in particular, need to develop their skills capacities in line with the novel demands and responsibilities being placed upon them.

In overall terms, it appears that there has been a general improvement in collaborative skill levels across the network. Some partners have responded to and exploited an abundance of emerging learning opportunities. Those who have been excluded from those opportunities may reciprocally be further marginalised in the process. On the whole, however, this overall enhancement in skills and know-how may be considered a beneficial outcome in terms of network evolution. Such improvements will need to continue and intensify if all partners are to secure an acceptable position and level of influence within the network.

Experience and Reciprocity

Some partners remain at a considerable disadvantage in relation to their peers, in terms of levels of experience. There is wide variation in the degree to which the various partners are consulted. As such, the *network laggards* miss out on valuable learning opportunities and fall farther and farther behind. This scenario has caused a growing divergence in the experience and knowledge of some partners. This divergence is likely to continue in the absence of genuine commitment to bring all partners on board. The first step in tackling this issue is to avoid *network closure*. Partners with a legitimate remit must have adequate opportunity to

engage. AWM and local partners have ultimate responsibility in ensuring the involvement of all sectors and organisations.

The second measure is for less well-resourced partners to accumulate the adequate resources and skills to allow them to demonstrate competence once they are permitted 'through the door'. It is only then that certain partners will be able to develop the experience and knowledge that they currently lack. Most partners have gained experience through the process, but not at a rate comparable to the 'core elite'. Unless this is addressed, a situation is likely to emerge of a sharp division between those who make the decisions and those who are situated at the silent periphery of the network.

Resources

There is a highly uneven distribution of human resource assets across the network. The other stakeholder group continues to operate at a considerable disadvantage in terms of its financial and human resource capacity. Many partners view the costs of collaboration, in terms of human investment, as a potential barrier to future partnership development. The continuation of this scenario presents a number of threats to achieving effective regional governance. The research evidence suggests two possible solutions to the growing strain on human resources. The first involves *more effective management of the consultation and collaboration process*. AWM could improve its procedures by:

- streamlining the number of meetings;
- operating an effective timetabling and scheduling process (do not change meeting dates at the last minute, be aware of the diaries and calendars of participating individuals, give adequate notice of meeting dates, do not schedule the same organisation in two places at the same time);
- briefing partners prior to meetings using simple and concise information; and

- managing the process to ensure the effective and efficient utilisation of the time and resources of participating individuals.

This is a role that AWM appears thus far to have failed to fulfil. Mismanagement of the process has resulted in the ineffective use of officer time – a network asset already in limited supply and overused. The second solution is to *provide operational and strategic support to network managers who lack collaborative skill and experience*. A support infrastructure to provide training and skills development for those partners with a limited human resource capacity would be beneficial. Once again, AWM is the logical choice for such a role. However, in light of AWM's own human resource dilemmas, it may be unwise to presume their effective involvement in solving the human resource problems facing partners in the wider network.

Social Capital

Trust Assets

There was already a considerable stock of social capital amassed in the West Midlands' governance system, pre-dating the introduction of the RDA. Indeed, many partners recognised the value of this legacy in determining the outcomes of the new situation facing them. Reflecting this, inter-personal relationships and the development of trust are considered by the partners themselves to be highly valuable network assets. Social capital is an asset that can build through intensive use. The intense period of negotiation has thus provided a signal opportunity to develop social capital assets further. Familiarity and proximity have yielded a strong and extensive informal structure based on trust, shared norms and reciprocity. Any increase in the levels of social capital in the region should provide significant momentum to future partnership development.

There is, however, a danger that the diminishing excitement and enthusiasm of partners following an excited *oeuvre* may have a negative impact on levels of social capital. Some of the goodwill between partners has already clearly been damaged. However, evidence suggests

that social capital assets are, on the whole, strong and enduring. Partners are looking to protect and build upon their existing inter-personal relationships.

Network Brokers

The network brokers are positioned at the core of the network. These individuals have sufficient involvement to allow for face-to-face contact with an array of individuals. They play a key role in the brokering of new relationships. There has been an increase in the number of brokers in the network. The interview evidence suggests that *the number of recognised brokers appears to have doubled between 1999 and 2000*. As network managers continue to engage in the process, they develop their inter-personal contacts further. Again, this represents a considerable increase in social capital assets.

The brokers predominantly represent organisations at the core of the network. To achieve greater inclusion, it would be advantageous for network brokers to be affiliated, in some way, with organisations positioned at the network periphery. This would generate much needed contact between the 'leaders' and laggards'. Strong brokering relationships may provide a highly effective mechanism to bridge remaining structural holes. The brokers are certainly a powerful network asset and could provide the key to greater inclusivity and avoiding network closure.

Diverse Trust Base

Partners hold common views on how they estimate and evaluate trust. This is potentially one of the main reasons why there is such a high level of social capital evident in the network. In terms of trust typologies, the behaviours of local partners appear to suggest the prevalence of value or norm based trust (Granovetter, 1985; Sako, 1992). Value or norm based trust is based predominantly on personal relations. The re-organisation of the institutional environment has had little effect on how partners view trust. It is perhaps surprising that such diverse partners, with such dissimilar interests and objectives, hold such comparable views on trust. This perceptual commonality can be utilised to enhance the levels of trust between dissimilar partners, and this may provide a useful mechanism for tackling the barriers posed-by difference.

There is, however, equally strong evidence for a high and shared level of *mistrust* aimed at specific organisations in the network. Partners hold common views on how they build trust, but take very different views on the content of their trust relationships with other partners. AWM, GOWM and some of the other stakeholder group are viewed with suspicion and caution. This situation may be remediable. The fact that the network appears to be seeking the same trust attributes, in the form of openness and honesty, should provide the mistrusted with an avenue for improving their future relations. AWM and GOWM have not generated the levels of social capital present in the wider network. Where mistrust has been identified, the task of addressing it needs to be approached with sensitivity and caution. Mistrust leads to exclusion and partner disengagement – often tacit. In the future, it is hoped that AWM will manage this accordingly to reduce the possibility of network stagnation and moral depreciation.

The above discussion provides a summary of how the initial asset base has transformed. Exactly how the development of these assets has shaped the overall structure of the network (Question 2) is discussed next.

Formal Structure and Relationship Maps of the West Midlands RDA Network

The following section looks at the formal structure and relationship maps of the West Midlands RDA network. These assist in answering the second of the three evaluative questions that guide this Chapter, namely:

Question 2: What are the positive and negative outcomes in terms of greater joined-up thinking and holistic governance?

This question may be answered by systematically mapping the relationships between partners over the eighteen-month period of investigation. There are both positive and negative manifestations to these changing relationships. Interviewees were asked a number of questions about existing partnership arrangements and the development of new channels of communication with both unlike and like partners. It is on this basis that partnership

arrangements can be mapped at the highest level of detail. This has been undertaken for the three stakeholder groups, namely, local authorities, business sector and other stakeholders. For each, the strength of the ties between them has been identified. In each case, the relationship is identified as either heterophilic or homophilic in nature.

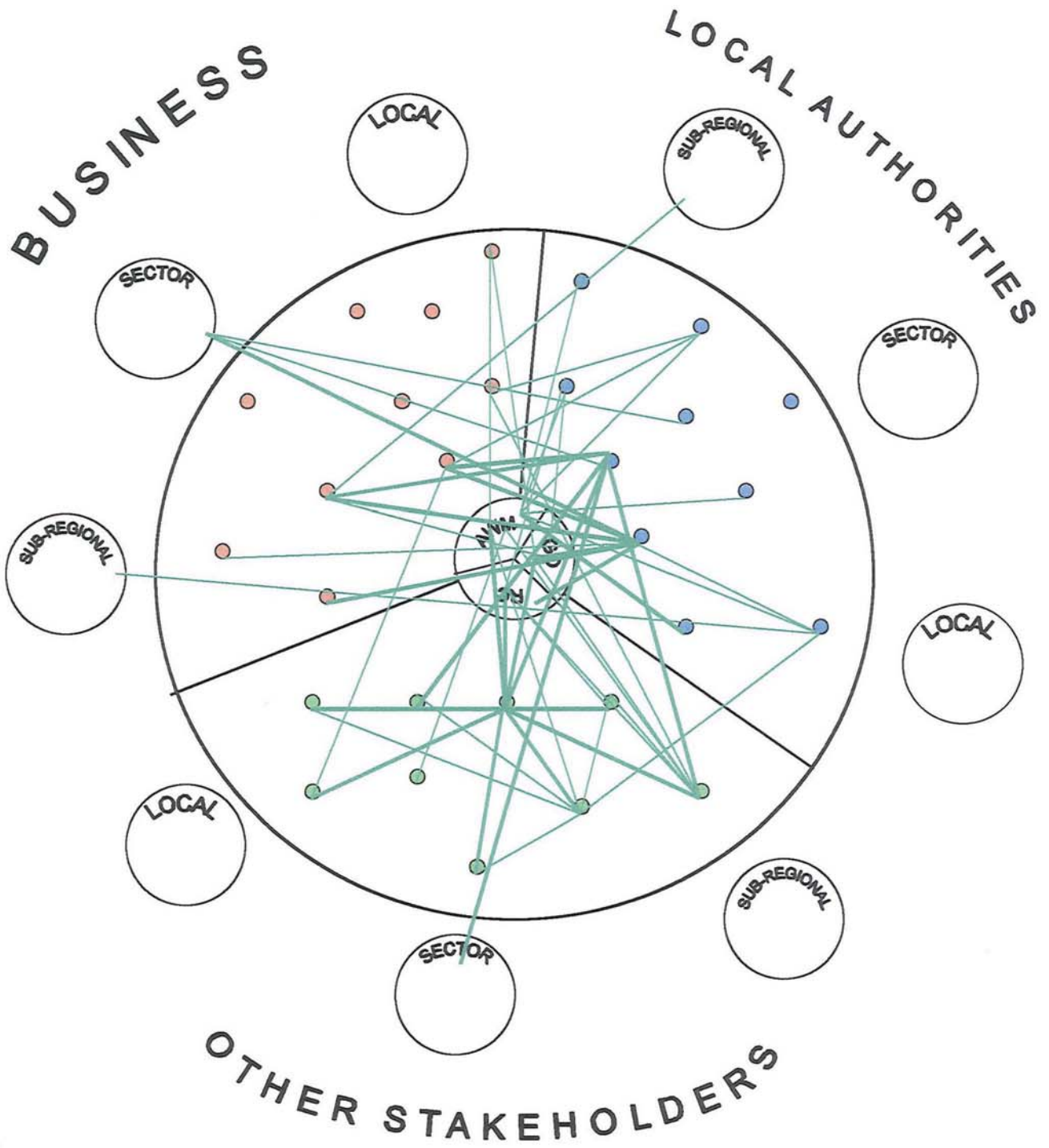
The vast majority of partners are involved in extensive homophilic relationships. These include collaborative arrangements within sectors and also local and sub-regional arrangements. Local and sub-regional partnerships do however, often include partners from a range of sectors. This local communication and activity is, again, largely homophilic in nature. Although partners may appear to be working across sectors, their practices are actually largely homophilic even here, due to both proximity and familiarity. The information exchanges and channels of communication arising from these local and, in some cases, sub-regional networks can therefore be seen to offer *redundant information*. There is thus, in cybernetic terms, limited added value. In contrast, heterophilic relationships are critical in the pursuit of added value and joined-up thinking. It is on this basis that the development of the WMRDA network will then be evaluated. The next section will look at the development of heterophilic relationships across the network. An evaluation of how and why the network has changed ensues.

This is followed by an analysis of mistrust and interference factors in the network. As with heterophilic relationships, the negative relationships between partners will be mapped in an identical fashion. Again, the distribution of those negative relations between partners will be explored. Comparisons will be made between rounds one and two of the interview data. An evaluation of the scale and magnitude of heterophilic relationships, combined with levels of negativity in the network, will provide a basis for measuring the success of the RDA in the West Midlands. The discussion will begin with an evaluation of heterophilic relationships.

Mapping Heterophilic Relationships – First Stage Analysis

Figure 7.12 details the heterophilic relationships between partners existing at the time when the first round interviews were analysed.

Figure 7.12. Heterophilic relationships during the first stage of analysis



The diagram details the relationships between local authorities, business and the other stakeholder group. A detailed explanation of the relationships mapping exercise can be found on pages 181-186 in Chapter Four. Figure 7.12 illustrates a number of heterophilic relationships between partners. The findings are discussed below.

1/ Social proximity to the Regional Chamber

Most of the other stakeholder group interviewees are members of the Regional Chamber. They represent a diverse range of sectoral interests and are therefore a heterophilic aggregation. They have been forced together under the title of ‘the other stakeholder group’ and now have a common affiliation. As a result, they have forged new heterophilic relationships with one another. The vice-chair of the Regional Chamber, who is representative of the regional voluntary sector, has developed a particularly strong bond with other members of the group. Her role as co-ordinator and ‘information provider’ has allowed intense new relationships to develop, not only with the other stakeholder group, but also with other members of the Chamber.

Proximity and reciprocity within the Regional Chamber has also facilitated new relationships between members from all sectors. Despite the fact that the three main groups are largely segregated in the daily organisation of Chamber activities, opportunities nonetheless exist to develop and expand the levels of social capital between boundary-spanning key individuals. These individuals are becoming familiar to each other and find the ‘informal coffee breaks’ at the Chamber of considerable importance in the development of more formal collaboration. Many of the heterophilic bonds identified in Figure 7.12 represent these new relationships.

2/ The role of key network brokers

There are approximately four or five key individuals who have an extensive array of contacts across a range of sectors and organisations. Many were involved in the WMREC and have been party to the majority of negotiations pre-dating the introduction of AWM. The relationship map graphically demonstrates this reliance on a few key individuals, at the core of the network, who are involved in a range of heterophilic relationships.

3/ Impact of AWM

It would appear that there are a limited number of heterophilic relationships with AWM, albeit that the organisation was very much in its inception when the research was undertaken. A restricted number of low intensity relationships have emerged. These contacts appear to be predominantly with local authority partners. The vast majority of respondents had yet to make any significant contact with AWM.

4/ Cross Sector Partnerships

There was very limited evidence of partners forging alliances across sectors. Only a small number of local authority partners have formed new alliances with elements of the business sector.

5/ The Prevalence of Homophilic Ties

There were a number of interviewees who did not identify any significant heterophilic partnership working. In fact, 50% of business respondents in the first round of interviews were continuing to operate on a solely homophilic basis.

Mapping Heterophilic Relationships – Second Stage Analysis



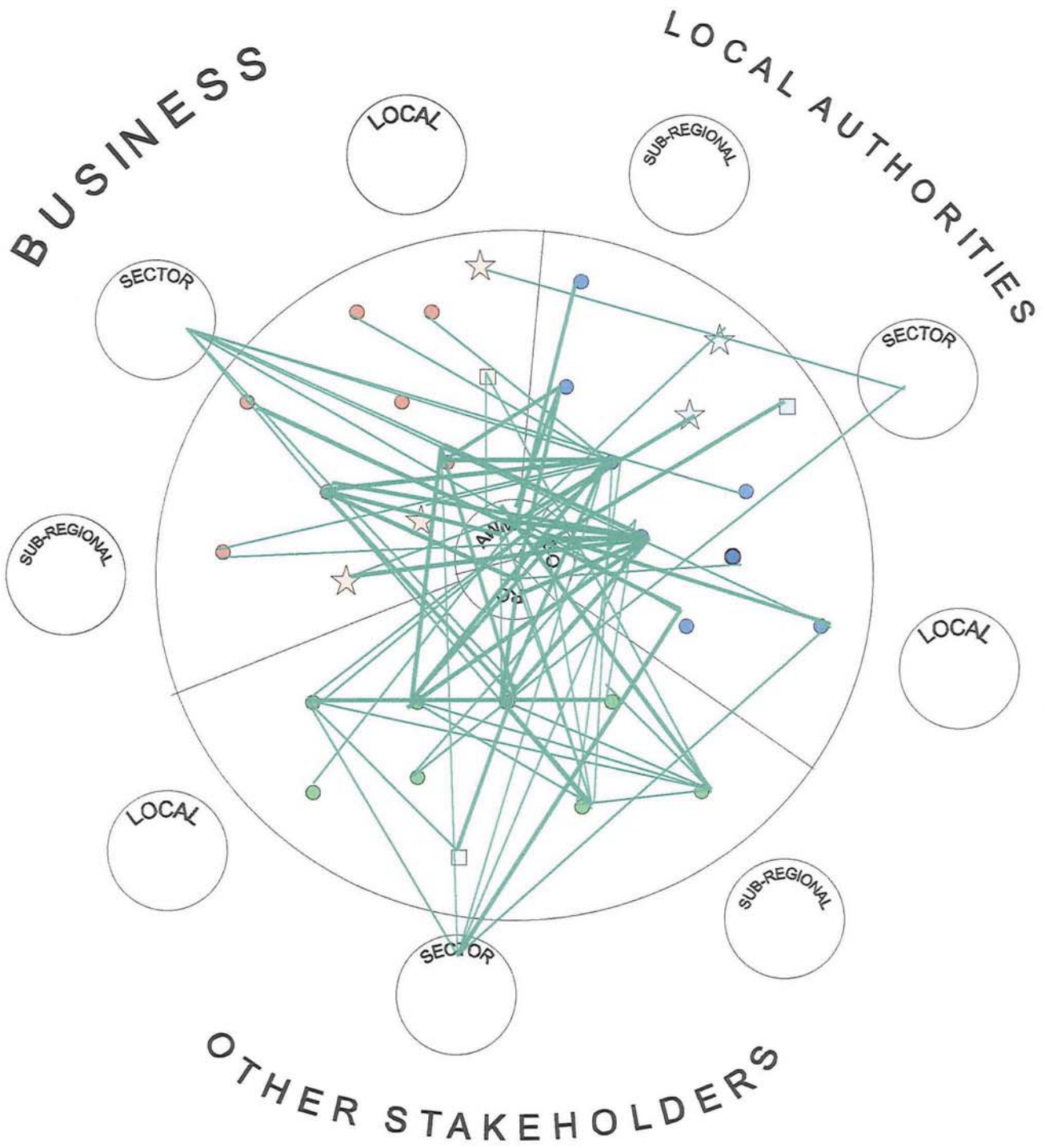
In the large part, the individuals interviewed in the first and second round of interviews were identical. Where there are amendments these are symbolised in the diagram. Different individuals interviewed from the same organisation are identified with a  ' symbol. Different individuals interviewed from different organisations are denoted with a '  ' symbol.

Figure 7. 13 identifies the heterophilic relationships evident from the second round of interviews. Visual inspection reveals the emergence of a number of new relationships, new lines of connection on the diagram. These new relationships may be attributed to a number of factors affecting the network during this time. These include:

Figure 7.13. Heterophilic relationships during the second stage of analysis



- Social proximity to the Regional Chamber
- The role of key network brokers
- The impact of AWM itself
- A rise in cross-sector partnerships
- Greater inclusivity in & across the network
- The enhancing governance capacity of the other stakeholder group
- New alliances formed between local authority and business representatives

Each of these is briefly discussed in turn.

1/ Social proximity to the Regional Chamber

There are a number of contacts between members of the Regional Chamber that have intensified since the first round. The relationships between the Chairman and two Vice Chairs within the Regional Chamber have particularly blossomed. This again presents an encouraging sign of productive, in-depth negotiations taking place across sectors and the network as a whole – but intensively focused on certain key *social nodes*.

2/ The role of key network brokers

Figure 7.13 indicates a great deal of activity and contact centred on and between eight or so key individuals at the core of the network structure. Each serves as the nexus for a series of high intensity relationships. It would appear that contacts made during the start-up phase of AWM have flourished into significant working relationships. There is a strong and integrated network of contacts, across a range of sectors, operating at the heart of the process. This core group is a vital component in ensuring the future effectiveness and trajectory of the network in terms of increasing the density of cross sector relationships.

3/ The impact of AWM itself

There has been an extension in the number of relationships between local partners and AWM. These tend, however, to be low intensity relationships. Although this represents an increase in social activity around the Agency itself compared to the first round, only a minority of respondents identified AWM as a partner of any significance. This implies, in turn, that much

of the social business of regional governance may take place away from the formal regional institution itself.

4/ A rise in cross-sector partnerships

There appears to have been an increase in the number of relationships being forged across sectors. Many interviewees acknowledge new relationships, particularly between local authority and the other stakeholder partners (albeit from a very low base, in this instance). This presents an encouraging signal that partners are pursuing new cross-sector alliances, and more generally, beginning to practice the key principles of holistic governance.

5/ Greater inclusivity in & across the network

In contrast to round one, all interviewees within the network are by now involved in some form of heterophilic relationship. The network, in terms of its heterophilic contacts, is much more inclusive of all the partners. This is most likely to be the result of increased contact and proximity during the RES and AP process. Organisations are operating under the umbrella of a wider regional strategy, which to a certain degree, increases the commonality between them.

6/ The enhancing governance capacity of the other stakeholder group

The other stakeholder group appears to be enhancing its contacts across the network, albeit that these contacts are of relatively low intensity. This demonstrates the sector's commitment and enthusiasm in pursuing joined-up thinking and practice at the regional level.

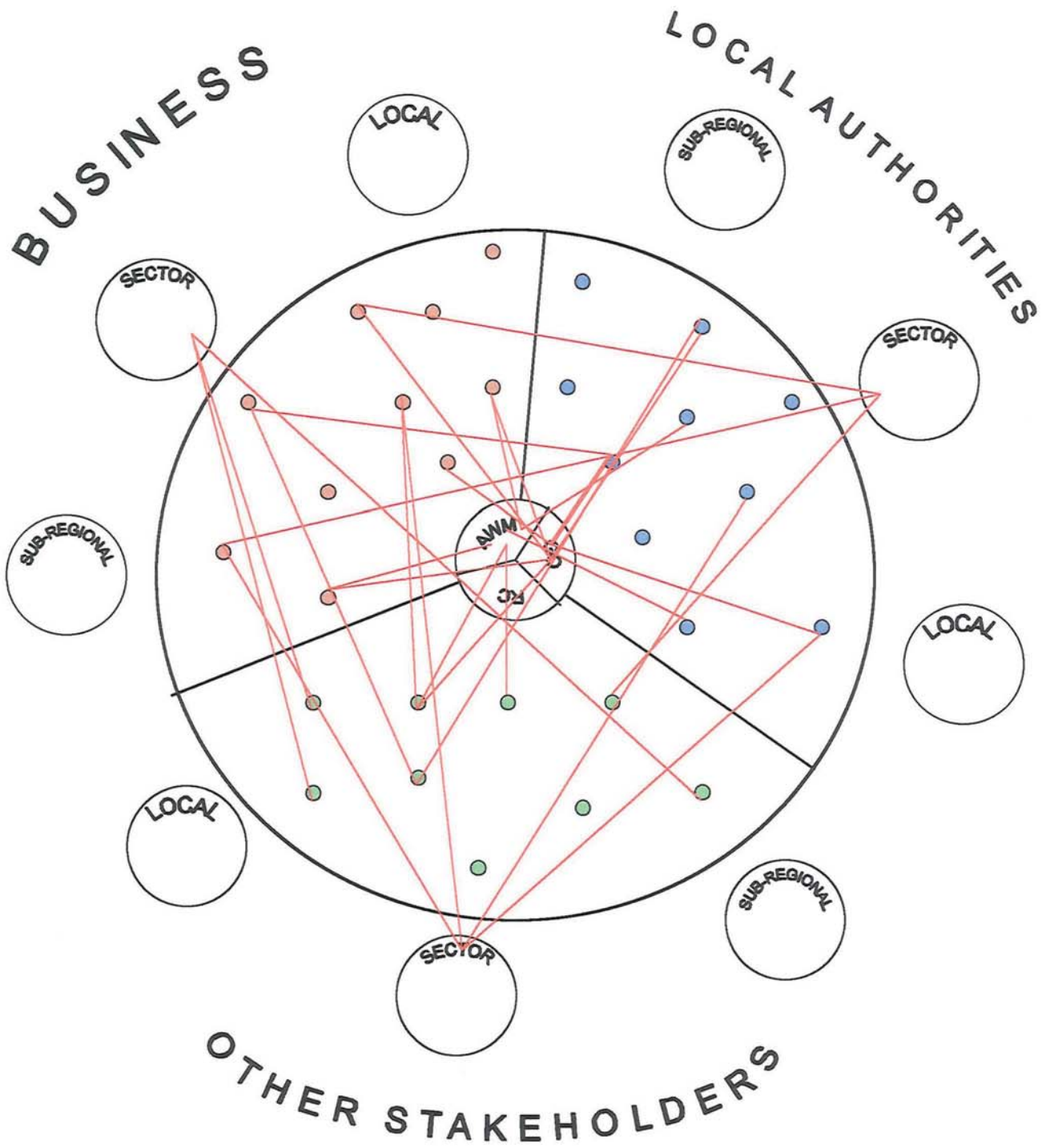
7/ Local authority and business alliances

There has been an apparent upsurge in the density of contacts between local authorities and business. In some cases, these are of high intensity. Again, the majority, but not all, of these new contacts are the result of the actions of the key network brokers.

Mapping Negative Relationships – First Stage Analysis

Figure 7.14 maps the negative relationships between partners at the time that the first set of interviews was conducted.

Figure 7.14. Negative relationships during the first stage of analysis



Interviewees were asked to identify any partner with whom they had experienced difficulty or particular conflicts. It was on that basis that judgements were made regarding any negative relationships. The key findings are discussed below.

1/ The impact of AWM

Partners from all sectors have criticised AWM on the grounds of limited feedback and poor consultation. Although some partners were disappointed with progress so far, they acknowledged that the agenda was still very much at its inception. Nonetheless, a significant degree of mistrust was already evident.

2/ Cross-sector partnerships

Some respondents viewed the agendas of others with a degree of caution. A number of generalised perceptions had emerged including: local authorities seeking to monopolise the process, business partners lacking real commitment to boundary-spanning, and the other stakeholder group being too diverse and lacking coherence. These opinions and perceptions on repertoires and behaviours represented concerns for a minority of partners. They certainly seemed to pose barriers to successful cross-sectoral partnership working.

3/ The impact of Government Office of the West Midlands

The greatest level of hostility from the network agents was aimed at GOWM. Partners were sceptical of its agenda and how it had managed the introduction of AWM. There was concerns regarding 'corridor deals' and many viewed the selection process for the AWM board (which the GOWM has considerable discretion over) with considerable suspicion.

4/ Climate of goodwill

The general mood at the time was one of enthusiasm and goodwill. Partners were extremely reluctant to reveal negative tensions or relationships with their counterparts. The climate of optimism dampened overt hostility between local partners. If anything, therefore, this overall climate may have caused a degree of understatement in this depiction of the degree and extent of mistrust.

It is striking that there are no mistrustful ties linking interviewees with the Regional Chamber. This finding further testifies to the extremely positive sentiments generally articulated by all interviewees regarding the performance of this institution. Despite the fact that there were obvious inadequacies, the majority of respondents view its introduction with goodwill and eagerness.

Mapping Negative Relationships – Second Stage Analysis

Figure 7.15 sets out the negative relationships between partners as at the second stage interview process. These changes in the structure and intensity of antagonistic relationships may be credited to a number of factors within the network environment. These include:

- The impact of AWM as an institution
- The development and experience of cross-sector partnerships
- The effects of a continuing climate of apprehension & diminishing expectation

Each of these is briefly discussed in turn.

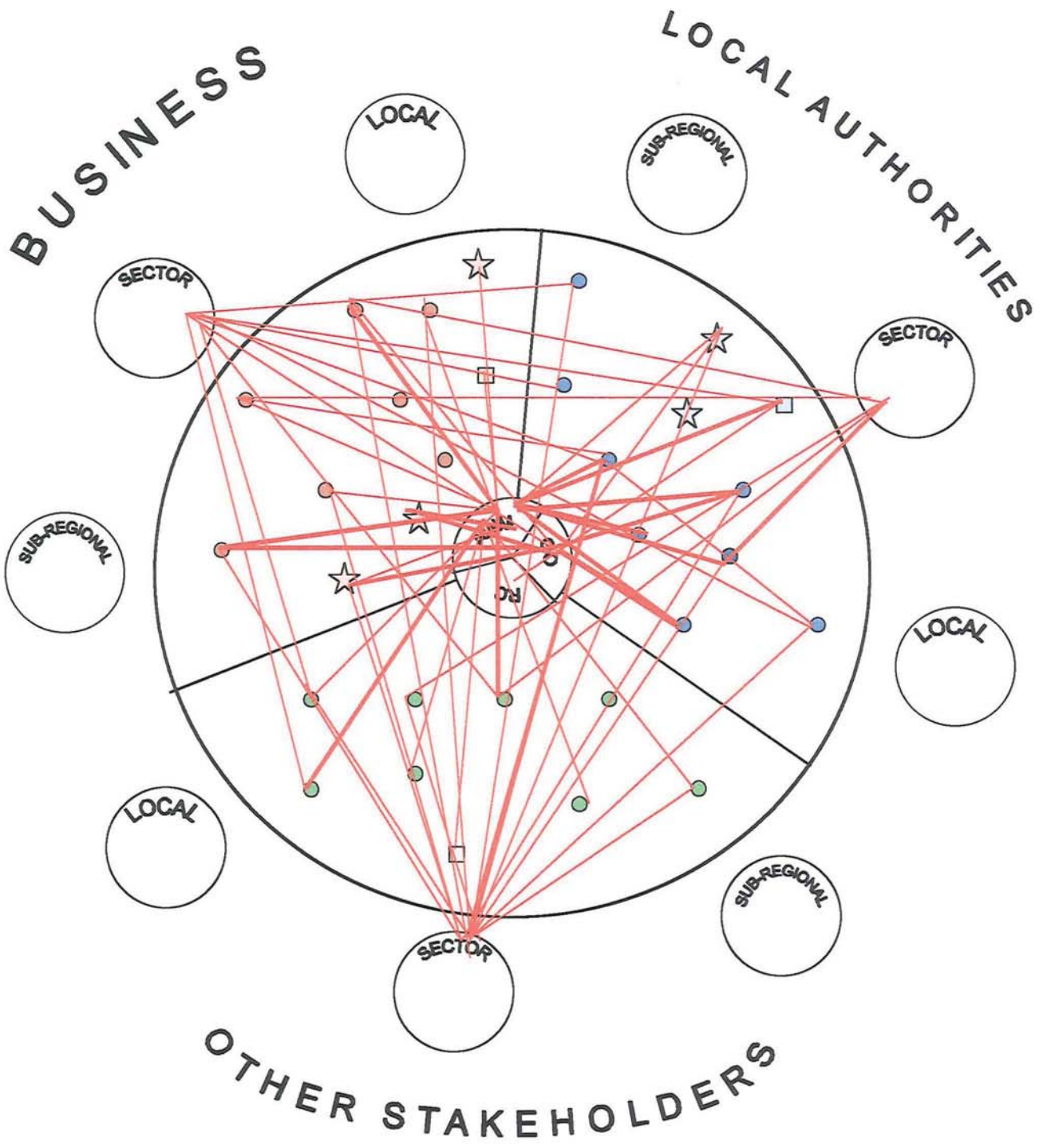
1/ The impact of AWM as an institution

The network evidenced a very significant rise in hostility towards AWM. The intensity of that hostility was, moreover, extremely high: it was deeply felt. Partners from all sectors formulated their negative perceptions based on AWM's apparently faltering partnering style and collaborative approach.

2/ The development and experiences of cross-sector partnerships

There was a sharp increase in negativity between sectors. This occurrence was most noticeable as between the business and other stakeholder group. Local agents had been almost forced together within the Regional Chamber and for the purposes of the RES and AP processes. In some cases, partners had their negative perceptions confirmed and compounded through this process. Differences in policy objectives and different styles of working (repertoires) had produced and reinforced many of the barriers between the sectors.

Figure 7.15. Negative relationships during the second stage of analysis



3/ The effects of a continuing climate of apprehension and diminishing expectations

The mood of the network had drastically changed since the first set of interviews. Optimism and enthusiasm had transmuted into disappointment and frustration. This is most likely to have had an impact on partner's responses. The sombre mood undoubtedly fuelled disruptive perceptions.

An interesting observation here is the absence of any significant or increased level of hostility between the key network brokers. It would appear that social capital may be highly effective in guarding against negativity. In the majority of cases where there has been a rise in heterophilic relationships, this has usually been accompanied by an increase in negative tensions. The clear exception is between the network brokers who have intensified heterophilic alliances without incurring heightened hostility.

This Chapter has sought to draw together the critical influences on the development and transformation of the WMRDA network. As has been discussed, there are both positive and negative manifestations evident in terms of increased joined-up thinking and the move towards holistic governance. The *raison d'être* of the RDAs is to formulate and pursue a meaningful regional strategy, based on consultation with local partners. It is intended that this will bring greater regional coherence and increased synergy between partners – and thus, added public value. A number of key policy requirements relating to the RDA agenda are set out in Table 3.1 in Chapter Three. This draws the argument back to the third and final question with which this Chapter opened.

Question 3: Can the introduction of an RDA in the West Midlands be viewed as a success in terms of achieving the key externally imposed policy requirements?

In total, eight key RDA policy requirements are identified on page 57 in Chapter Three. Drawing on the mass of primary evidence presented in this study, each of these eight factors is discussed. The following evaluation is aimed at determining how successful AWM and local partners have been in facilitating and pursuing these objectives since the placing of the

hypothetical 'glass jar' over the West Midlands in 1999. The discussion begins with the first of the eight policy objectives: joined-up thinking.

Measuring Success and Failure in Relation to AWM

1. Joined-up Thinking

As Figure 7.13 clearly demonstrates, there has been an increase in the number and variety of contacts within the network. The expansion of heterophilic ties indicates an escalating move towards greater joined-up thinking. There are, though, structural holes that have yet to be spanned: further public value therefore remaining to be extracted. These holes are differentially distributed, being particularly concentrated in the missing relations that divide the business and social sectors, on the one hand, and the core and peripheral players, on the other. A possible hazard is the comparable increase in negative (mistrustful) tensions across the network. Hostility between partners could increase the barriers to future collaboration, particularly across sectors.

2. Holistic Governance

An important distinction needs to be made between joined-up thinking and holistic governance. Joined-up thinking is characterised by contacts, links, negotiations and information exchange. There is an abundance of evidence to suggest that these transfers are occurring in the RDA network. In contrast, it is contended that *holistic governance* involves proactive, productive and what the partners themselves term 'genuine' partnership working. In some interpretations, this represents a 'next step' in terms of the systematic codification of relationships. This occurrence has been less apparent in the network. Involvement in the Regional Chamber and formulation of the RES may be considered a move towards holistic governance. However, informal negotiations between partners cannot: these are merely the prefigurative stages. The outcomes of the RES, APs and the Regional Chamber will provide a clearer test of the degree of achievement regarding holistic governance in the West Midlands. The evaluation undertaken for this study, with its emphasis on negotiated co-ordination and process efficiency, may not be sufficient as a basis for evaluating the achievement of this objective.

3. *Inclusive Governance*

The degree to which inclusivity has been secured in the processes surrounding the RDA remains highly variable. The critical issue lies in balancing the interests of all the parties involved. Some fear that too great an emphasis has been placed on inclusion, at the expense of policy development. Others contend that they have been marginalised and excluded from the process of consultation. There is currently no agreement on the scope and level of inclusion intended by AWM. Partners hold sharply opposing views on the levels of inclusivity that they wish to see. Partners are looking for AWM to provide some form of agreement or protocol regarding the inclusion of all partners, which AWM will then follow rigorously. At this stage, partners remain unconvinced as to whether the exclusion of some organisations was deliberate AWM policy or AWM error and misjudgement – a ‘sin of commission’ or of ‘omission’.

Some partner groups are more resistant, in principle, to the concept of inclusivity than others. For example, the business sector has very limited desire to pursue relationships with partners from the social sector. The problem for smaller stakeholders is to lever a seat at the table. The other stakeholder group have a *potentially* powerful resource in the form of *veto powers*. The RDA policy process provides social partners with a legitimate mandate for involvement. However, within the WMRDA network, veto powers appear to have limited power and influence. It is possible that some form of incentive scheme needs to be introduced in a bid to motivate partners into more inclusive partnering arrangements. Some take the view that the exclusion of a given partner is the result of that agent’s own collaborative inadequacies. Smaller stakeholders and new entrants to the network may need dedicated assistance in achieving tolerable relative levels of collaborative competence. This assistance may take the form of financial support or training. This would ensure inclusion for those who are currently under-resourced and under-skilled.

A number of possible explanations for why some partners have been excluded have been put forward in the foregoing analyses. These include:

- AWM policy strategies
- AWM failure and mismanagement
- Resistance and incomprehension dividing partners
- Lack of incentive mechanisms
- Inadequately or unevenly developed collaborative competencies
- Lack of adequate support infrastructure

Many partners remain unclear regarding the definition of inclusion being pursued. This management role can only logically be provided by AWM.

4. AWM – A Strategic Co-ordinating Body

AWM is charged with the role of facilitator, network manager, broker and co-ordinator. As has previously been stated, AWM appears to have been largely unsuccessful in effectively fulfilling any of these roles. In some cases, partners have even suggested that AWM has damaged the existing regional network infrastructure. This equates to a net loss in public value. The West Midlands enjoys an extensive network infrastructure legacy, which it would be unwise to set aside. Partners were fearful that the strengths and advantages of the West Midlands, in terms of its history of partnership working, were not being fully utilised in the regionalisation process.

There were also significant discrepancies regarding the management of local partners' aspirations, expectations and perceptions. An increased level of communication and feedback from AWM could potentially have alleviated this problem. Partners often claimed that they were unable to effectively communicate with AWM. The social capital assets that have proven so powerful and productive within the wider network, failed to materialise in the relationship with AWM. There was extremely limited inter-personal contact between local partners and AWM personnel. This resulted in a lack of communication and eventually, a considerable level of mistrust.

Due to the perceived shortcomings of AWM as an organisation, a significant opportunity for the West Midlands may have been missed. The enthusiasm and commitment of partners pre-

dating 1999 has diminished. It will prove a difficult task to turn the process around and regenerate this lost positive mood.

5. Avoiding Duplication

There has certainly been a significant exchange of information across the network. It is difficult to determine at this stage the extent to which this has helped to reduce the levels of duplication in the network. Indeed, there have even been charges levelled of *increased* functional duplication. There is evidence that AWM has commissioned work that had already been completed by local partners. This has resulted in a degree of anger and frustration.

On a more positive note, there has been close collaboration between some members of the other stakeholder group. This newly established commonality of interests has increased horizontal synergies within what is of necessity a relatively heterophilic sector. This is viewed as a promising move towards reducing duplication.

6. Innovation and Entrepreneurship

The network brokers have displayed significant entrepreneurial skills. Likewise, many partners have been particularly innovative in their preparation for the new policy environment. Not all partners had the capacities already in place to allow them to engage with the process. Consequently, they were required to evolve and develop their competencies at a considerable pace. The rapidity with which the agenda developed was challenging and many partners demonstrated considerable innovatory flare in matching developments.

In addition, many organisations found themselves operating in a radically unfamiliar environment. A considerable number of partners were experimenting with new collaborative methods and techniques. 'Trial-and-error', incremental innovation seems to typify the responses generated under the Glass Jar of policy hot-housing. Some organisations and individuals were more open to adaptation than others. In relation to Double-Loop Learning, some agents were noticeably more resistant to reflecting on the effectiveness of their partnering techniques than others. This restricted the network's innovation potential.

Entrepreneurial style and innovatory flare appears to have been largely absent in the actions of AWM itself.

7. Adding Public and Social Value

A degree of added value has been secured in terms of the emergence of new partnering arrangements. There is arguably a greater understanding of the interests and issues at hand. A considerable number of learning opportunities have ensued from this greater comprehension. All partners have also acknowledged some form of skills improvement at the individual level. The evidence of skills development is an extremely positive network outcome, especially in relation to governance capacity and public entrepreneurship. A RES has been produced, based on consultation with regional stakeholders. This has provided partners with the opportunity to influence regional policy. This has certainly added value to the influence of selected groups and organisations.

However, the most important question must be: *what is the added value of AWM itself, as an institution?* The West Midlands already had a strong co-ordinating, collaborative body in the form of the WMREC. Partners viewed this consortium with almost universal high regard. In 1999, the potential to add value through this consortium appeared considerable. However, that potential has far from eventualised in practice. Many partners consider that more comprehensive and productive outcomes could have been secured in the absence of AWM. This undoubtedly raises questions over the added value of AWM as a new, co-ordinating organisation.

8. Innovative Policy Development

The investigative remit focused solely on the process of consultation and not on the policy outcomes. However, what can be evaluated is the quality of the policy process itself. The structures and procedures adopted by AWM during the consultation phase lacked any indication of innovative policy development. The complexities of the task at hand required a highly sophisticated relationships management system (Levine, 1978). This largely failed, the evidence suggests, to materialise. This may have contributed to the widely noted inadequacies in the consultation process.

Reconciling the Research Findings and the Literature

The final section of this Chapter identifies and explores a number of intriguing inconsistencies between the research findings presented in this study and certain aspects of the literature. This research has sought to empirically test a number of theoretical propositions. In the majority of cases, the empirical findings have confirmed the propositions made in the literature. For example, the ‘large numbers problem’ (Scharpf, 1993) and the ‘importance of trust’ in developing partnerships (Sako, 1992) have been confirmed through the findings of the research. There were, however, a number of areas where the research findings appeared to contradict aspects of the literature. The following four examples explore these inconsistencies. These four areas represent the only substantial evidence of contradiction between the empirical findings of this research and arguments made in the literature. They include:

- the added value and learning benefits derived from heterophilic partnerships;
- the use of ‘veto powers’ to secure influence;
- the status of an ‘enforcing agency’ in developing trust; and
- the opportunities for ‘learning from failure’.

Each one of these four areas will be discussed in turn, in relation to key aspects of the research findings. The discussion begins with the added value and learning benefits derived from heterophilic partnerships.

The added value and learning benefits derived from heterophilic partnerships

Mowery *et al* (1996) suggest that strategies of difference reduction (the pursuit of similarity) often forsake much of the possible learning that could take place in a relationship between heterophiles. Those relationships that promise most in terms of new public learning and added

value are those that require partners to form heterophilic ties and bridge structural holes (Burt, 1997).

The research evidence certainly demonstrates that linking up asset bases and spanning structural holes has considerable advantages in terms of transferring know-how, information and learning opportunities. However, the research evidence also suggests that, under certain circumstances a policy of *difference reduction* may be the most viable option. When trying to implement networking strategies 'on the ground' the harsh realities of collaborative work are all too evident. Collaboration is costly and complex while tangible returns from investments are hard to secure. These pitfalls dramatically increase when one is attempting to facilitate heterophilic relationships. Partnership working is based on interdependence, incentives and the exchange of resources. This infers an element of 'give and take': each partner will want something from the other. However, the research data suggests that not all partners in the RDA network have adequate resources with which to bargain, or that the resources they do have are not essential to others. Additionally, the objectives of partners and their ideological positions are so diverse as to make partnership development exceedingly hazardous.

When operating within such a diverse environment as the WMRDA network, partners need to be selective. There comes a point when the barriers, costs, time and tensions between heterophiles simply become too great to preclude any form of 'genuine' partnership arrangement. For example, how great are the incentives for a large organisation like the West Midlands Confederation of British Industry (WMCBI) to collaborate with a smaller, less powerful organisation like Friends of the Earth? How likely are the tangible benefits to outweigh the human and financial investments incurred in the collaboration process? There are considerable benefits to be derived from heterophilic partnerships and joined-up thinking. However, when dissimilarity is too great, the costs far outweigh the benefits. As the research data shows, heightened costs, negative perceptions, tensions and perceived differences between partners significantly affect collaborative spirit and commitment. This is a potentially damaging scenario, one that has far reaching consequences for the wider network.

The use of veto powers to secure influence

Partners that are *not* 'resource-rich' may gain significant influence from their *discursive legitimacy* – their ability to speak legitimately for issues or organisations (Thompson, 1990). This provides actors with 'veto powers' (Klijn and Koppenjan, 2000). By enabling actors to veto interaction processes, they acquire a privileged position in the network.

The RDA policy initiative gives a legitimate mandate to a variety of interests and organisations. The RDA itself is required to consult with a range of economic, political and social institutions. Despite this, many partners felt that they had been marginalised in the process. This was particularly true of the other stakeholder group. The exclusion or marginalisation of partners who provide a legitimate voice for particular interests suggests two possible explanations. Firstly, local partners are not aware of or, are not effectively utilising their veto powers. Secondly, AWM and the wider network are not aware of, or are not acknowledging the veto powers of some partners. Either way, a significant collaborative mechanism is not functioning, thus failing to ensure inclusive governance.

This calls 'theoretical network strategies' into question (Klijn and Koppenjan, 2000; Thompson, 1990). The exclusion or omission of certain partners in the consultation process for the RES, for example, did not lead to partners veto the interaction process. Even if partners had attempted to veto the process, would AWM have listened and responded? Veto powers are more likely to operate if it is large, influential organisations that apply the veto: a key player cannot be seen to be absent from the process. However, large organisations do not need veto powers to secure their involvement: their large resource capacity ensures participation. The research findings have not identified any significant use of veto powers, and certainly not on the part of smaller stakeholders.

The status of an 'enforcing agency' in developing trust

Trust will be enhanced where an enforcing agency is both legitimate and efficient. The existence of a functioning enforcing agency is critical in supporting the creation of trust based on incentive/governance structures (Korcynski, 2000).

The interviews revealed a significant amount of mistrust surrounding AWM as the enforcing agency in the WMRDA network. Partners had a number of fears, including loss of autonomy, being marginalised, and a lack of policy guidance. Korcynski (2000) argues that trust will be enhanced when an enforcing agency is both *legitimate* and *efficient*. The efficiency of AWM has been questioned throughout this study, providing a possible explanation for why partners view the Agency with such mistrust. However, a question remains: if AWM had proven itself to be an efficient and effective enforcing agency, would its introduction still be viewed with suspicion and caution? In a region like the West Midlands, with a historical legacy of partnership working, local partners may fear a loss of control regarding their collaborative arrangements. This may provide an explanation for why so many partners were anxious to see a continuation of the activities of WMREC in parallel with the inception of AWM. Redundancy can allay risk, in this scenario.

An enforcing agency is a facilitator, broker, information provider, co-ordinator and manager of relationships. However, partners may view an enforcing agency as a controller, leader, decision-maker, director and enforcer. This perception increases tension and negativity and is potentially damaging to the creation of trust. The establishment of an enforcing agency represents a shift in the distribution of power across an existing network. Even a legitimate and efficient agency may face opposition and find it difficult to develop trust within the existing partnership infrastructure.

The opportunities for 'learning from failure'

Failure is an essential prerequisite for effective organizational learning and adaptation. Failure can enhance resilience when confronting unknown future changes (Sitkin, 1996). Failure

stimulates the sort of experimentation fundamental for sound policy development (Cambell, 1969; March, 1978; Weick, 1979).

The interviews revealed a number of examples where partners had successfully learned from failure. Learning from failure is an important mechanism in network development. However, failure can also be extremely costly within a network environment, pointing to the need for active risk management strategies. The shortcomings of AWM in terms of consultation, communication and collaborative competencies have been well documented in this study. For example, AWM had sought to initiate innovation and dynamism by placing personnel with urban backgrounds into positions of rural concern, resulting in considerable knowledge gaps within the Agency. This was a risky but innovatory strategy and one that appears to have backfired. There were undoubtedly useful learning outcomes that could have been derived from strategies such as this. However, the damage caused in terms of partnership working in the region may be irreparable.

Another example involved AWM's decision to develop new channels of communication and consultation within the network, rather than rely on existing linkages and channels. Partners expressed considerable concern regarding the consultation process and the new approach was widely viewed as a failure. Once again, the process most probably produced valuable learning outcomes but, at what expense? The implications and ramifications of failure on this scale are considerable. AWM, as an organisation may never be able to rebuild the credibility and confidence of local partners. It is possible that a risk-management strategy based on the systematic utilisation of existing social systems would have averted these negative outcomes. The potential benefits of learning through failure are matched by considerable risks and threats to policy development.

Conclusions

This Chapter has sought to evaluate firstly, how the initial asset base of the network has changed; secondly, the major influences on the transformation of the network; and finally, the success of AWM in achieving the key policy requirements of the RDA agenda. It would

appear that certain aspects of the policy requirements have been implemented with a degree of success. The evaluation of assets and behaviours has provided an insight into the dynamics of the network environment. The network's collaborative strengths and weaknesses have been identified. It is only through an increased awareness of how specific assets and behaviours affect the development of the network that more appropriate management solutions can be found. The final section of this Chapter has sought to highlight and challenge a number of claims made in the literature. The final Chapter of this thesis discusses the key contributions of this research to the wider debate on policy networks and collaborative governance and proposes a number of possibilities for the future direction of this research.

Chapter Eight

Conclusion

This study has evaluated the impact of an RDA on the partnership infrastructure of the West Midlands. It has explored the formation and evolution of the WMRDA network and captured the inherent complexities of regional partnerships. Chapter Four identifies ten preliminary research questions, based on a review of the literature. These questions have posed some challenging issues for evaluation, focusing on the concepts of network structure, behaviours, inclusivity, trust, learning and network effectiveness. These issues were subsequently addressed and explored in Chapters Five and Six. In addition, three evaluative questions were presented in Chapter Seven, which sought to consolidate the critical issues into central evaluation themes. The success and failure of the WMRDA network has been evaluated on the basis of the answers to these three questions. Finally, Chapter Seven sets out areas of contradiction between the empirical findings in this research and key themes in the literature.

Contributions to Knowledge

This study has sought to identify some of the key theoretical concepts associated with the policy network approach and explore their practical implementation ‘on the ground’. A qualitative methodology was employed in generating ‘thick descriptions’ based on the interpretations of partners in the field. This research builds upon and contributes to the growing body of thought on the subject. The findings outlined in this thesis make contributions in two key areas.

The first area relates to the evaluation of the RDA policy process. The approach taken in this study may be used as part of a generic evaluation tool: to explore the implementation and added value of regionalisation processes. The problems with evaluating policy networks based on the classic ‘goal achievement model’ (Klijn and Koppenjan, 2000) are outlined in Chapter Four. Evaluative criteria based on, for example, levels of GDP, quality of the RES or

implementation of the APs fail to acknowledge the complexities and the *processes* involved in the collaboration process. Instead, actors have to:

‘determine how the outcomes have benefited them, what the outcomes have cost them and how the outcomes fit in the changing environment. In this assessment both the substantive and process elements are weighted’ (Klijn and Koppenjan, 2000, p. 149).

The scale and depth of the information presented in this study is intended to provide a convincing and compelling account of the RDA policy process in the West Midlands. This evidence may be used to develop strategies that build on the success stories in the region and which seek to protect and nurture the conditions that have facilitated increased joined-up thinking. Likewise, the research evidence has identified a number of areas where improvements are needed if holistic governance is to be achieved. The research findings are based on *ex post satisfying criteria* (Klijn and Koppenjan, 2000). In other words, justice is done to the development of objectives and problem formulation during the process. As such, it provides a useful evaluative framework.

Secondly, this study has applied a series of theoretical concepts to the WMRDA network. For example, the large numbers problem (Scharpf, 1993) has proved to be a significant barrier in achieving successful co-ordination in the West Midlands. The homophily-heterophily paradox (Dearing, 1993) has been explored and the practical incentives for, and barriers against achieving heterophilic relationships highlighted. Network management skills (Klijn *et al*, 1995) and strategies (Huxham, 2000) have been outlined and the relative success of local partners in obtaining and achieving them explored. The management of perceptual conflict and network closure (Van Twist and Termeer, 1991) has been debated and the research evidence has highlighted partners most at risk of marginalisation. Organisational learning (Argyris and Schon, 1978) has been explored and partners’ ability to learn through partnership (Inkpen, 2000) and failure (Sitkin, 1996) debated. Finally, a most arresting research finding relates to social capital (Putnam, 1993) and the role of trust (Lane, 1998; Sako, 1992) in facilitating collaborative relationships. Social capital is a vital mechanism in facilitating new relationships in the region. The evidence suggests that social capital assets are

strong and enduring with over half the respondents citing an increase in the level of trust across the network since the introduction of AWM in 1999. Trust and social capital are difficult concepts to test empirically. The research methodology adopted in this study provided the opportunity to explore the concept in some detail, thus adding to the growing knowledge base and understanding of the subject. It is through empirical studies that these concepts can be conceptualised and examined in relation to real life events. The WMRDA presents a new, emerging policy network environment and provided a useful opportunity to test some of the theories relating to policy networks and collaboration. Empirical studies contribute to theory development by testing propositions in a number of diverse and alternative environments.

Theoretical Contributions to Knowledge

This research has made a contribution to theoretical knowledge in two key areas. First, it has made additions to theory in the area of regional governance. The issues of homophily and heterophily have been explored in some detail. The research findings demonstrate that, in a highly heterophilic network, uneven access to both tangible and intangible resources on the part of different partners is a core equity and learning concern. This poses problems in terms of achieving inclusivity and joined-up thinking. The research has also demonstrated that a network that is highly heterophilic may need to be carefully managed by a central co-ordinating body. Without a strong and competent 'broker' or a 'mediator', the less influential players will be sidelined.

Second, the research contributes to policy networks theory. It has achieved this through the generation of a research model (Figure 3.1). As Marsh (1998) notes, much of the empirical work on networks adopts a static approach. This study has sought to examine the dynamics and transformation of a policy network. The model is conceptualised and extended in the eight scenarios presented in Chapter Seven (pp. 305-330). These scenarios encapsulate the observation that certain forms of assets and behaviours are more prevalent than others. Thus, at the most complex level possible the research has identified the most influential variables, both positive and negative, in the WMRDA network. Only some combinations of assets and

behaviours were evident, while other conceptually possible combinations were absent. The focus on network transformation utilising specific sets of assets and behaviours, derived empirically, make the A – T – A* model a most useful evaluative and explanatory tool. It is a framework that may be capable of being further modified, specified and applied to other policy network environments.

Implications for Policy and Management

The research findings also have a number of implications for policy and management strategies. Based on the empirical conclusions, a number of grounded suggestions for policy development are highlighted. First, the research findings suggest that a continued policy of ‘difference reduction’, the lessening of perceptual gaps between partners, will have a negative long term effect on achieving joined-up thinking. Hence, policy practitioners need actively to pursue relationships with partners who are dissimilar if the full learning potential of partnership working is to be realised. However, the research findings also suggest that a policy of ‘difference maintenance’, the retention of perceptual gaps between partners, should not be pursued at all costs and in all circumstances. Collaborative advantage is *not* to be found in every potential partnership. Policy practitioners need to strike the right balance between ‘wasted opportunity’ and ‘wasted effort’.

Second, the research findings highlight the need to introduce a dedicated support infrastructure to aid those organisations and individuals that lack the resources and expertise to engage effectively in the collaborative process. This support network might take the form of financial resources and also, training for network managers. In the West Midlands, the support role might be financed by Central Government, GOWM or AWM. Third, those who develop and implement policy should not underestimate the importance and power of interpersonal relationships and trust. Often, formal partnership objectives focus on the tangible factors of information sharing, resources, objectives and time schedules. However, this study has highlighted the considerable importance of social capital as an asset: one that needs to be consciously harnessed and exploited, like any other organisational or individual asset. This poses some interesting implications in terms of partnership strategy and management.

Finally, the research has highlighted a number of challenges in relation to the collaborative style of AWM itself. In one reading, AWM needs to refine and improve its partnership approach and present itself as a competent player in the game. It also needs to clarify its own understanding of the range of roles that its centrality in the network may permit. The research evidence has suggested a number of areas for improvement relating to the personal styles and competencies of staff, the need for greater information exchange, improving the management of meetings and correspondence and demonstrating competence. These issues present logical areas for policy and management improvements.

Future Scope For Research

The research looked at the start-up phase of AWM: a new organisation and the birth of a new policy network. A degree of turmoil and chaos was inevitable. There would be considerable advantages in continuing to explore the network as it evolves therefrom. It would be interesting to note whether certain partners have learned through trial and error or if they continue to make the same mistakes. For example, future research may look at the role of the network brokers and assess their contributions and behaviours over a sustained period of time. Alternatively, it might focus on the brokering role of AWM and explore how its shortcomings in the early stages of its introduction affect its future role in the region. Finally, future research might explore the individual competencies of the network manager and explore ways in which all participants might improve their collaborative styles.

The research has been successful in identifying some of the core collaborative issues facing local partners in the West Midlands. However, it remains to be seen whether they are applicable to other regions in England. Indeed, inter-regional process comparisons would be most useful in evaluating some of the emerging themes in this study. The most obvious basis for drawing comparisons would be to repeat this research process laterally in other English regions and assess any similarities or discrepancies. A cross-regional comparison, incorporating a number of RDA networks would provide a useful tool in evaluating the RDA policy directive, as formulated and imposed by Central Government. If the added value and efficiency of the RDA was questionable in a number of different regions, the policy impetus

may be regarded as having limited success at a UK level. However, if future research highlights the West Midlands as the only region facing such wide-ranging collaborative difficulties, it may be possible to assume that the collaborative problems are the result of the region's historical partnership legacy, its partnership infrastructure or of AWM as an organisation.

A further extension of this work may involve cross-regional comparisons with European regions. This would enable one to build an evidence base that extends beyond the present remit of the RDA network. This may direct the scope of the research away from policy evaluation, in terms of the RDA, and into a more theoretically driven research project based on the wider implications of policy networks and collaborative governance. The additional variables of cross-national comparisons and socio-cultural factors may then provide interesting further insight.

Another possible direction that this area of research may take in the future is to adopt an alternative methodology. This study was based entirely on semi-structured interviews. This decision is defended on a number of grounds in Chapter Four. To capture the essence of the research findings and draw any comparisons with this study, it is vital to draw on the perceptions and interpretations of the subjects themselves. This research has taken a comparative-static approach involving the analysis of two 'snap shots' over a period of time. An alternative methodology may involve a more progressive, evolutionary and dynamic approach. This would involve the continuous involvement of the researcher over a given period of time. Instead of analysing two snap shots, it may be interesting to observe the *evolution* of the process more closely. This would require a research methodology based on participant observation, the analysis of documented evidence, observing meetings and collaborative settings and following the events as they unfold. The use of an ethnographic approach (Hammersely and Atkinson, 1995) may be advantageous.

This study has explored and evaluated the collective impact of regional governance restructuring, and the ensuing effects on local partners. This kind of approach cannot proceed without the sustained co-operation and engagement of the often over-worked and stressed

practitioners charged with the production of social and public value in the governance system. It is to be hoped that this study had done justice to them and their efforts.

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**The West Midlands Regional
Development Agency
Interview Questionnaire**

Explaining the visit:

* My name is Sarah Ayres. I am a doctoral student at Aston University. I am conducting a study, under ESRC scholarship, into the West Midlands RDA with a specific focus on maximising the beneficial effects of network and partnership formation.

* I am undertaking a series of interviews involving key organisations in the process at the current time.

* The interview is in three stages concerning existing partnership arrangements, your organisations position and intentions and finally your motivations behind forging new alliances.

* I wish to assure you that all responses will be totally confidential and the respondents will remain anonymous.

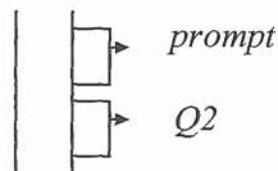
INTRODUCTION:

The first part of the interview deals with existing partnership arrangements, the introduction of the RDA and what you hope might be achieved by it.

Q1. Has your organisation had any previous partnership or networking experience at the regional level prior to the RDA?

Yes...

No...



If so what do you consider to be the most important parts of that experience?

Q2. Who do you consider to be a key partner at the present time, including partners in activities outside the RDA forum?

Leading statement: *A number of problems have been encountered involving organisations with different territories and jurisdictions. This has lead to co-ordination and collaboration problems.*

Q3. Do you feel a regional focus is useful in combating such problems? If so how?

Q4. Do you believe co-operation between agencies will lead to more effective policy development? If so, how?

Q5. Who would you most like to collaborate with? For what reason?

Q6. Is collaboration vital to your strategic objectives? If yes, how exactly?

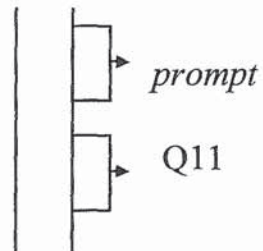
Q7. Would you be willing to collaborate with another agency with different objectives to your own, although working within the same field of regional economic development?

Q8. Excluding your own organisation, between whom would you most like to see collaboration? Why?

Q9. What do you hope the RDA might achieve for the people of the West Midlands?

Q10. Has the development of the debate concerning the RDA presented new opportunities for your organisation?

Yes...
No...



How has your organisation changed in response to this?

Could we move now to the second stage of the interview concerned with the position of your organisation and your strategic intentions within the RDA.

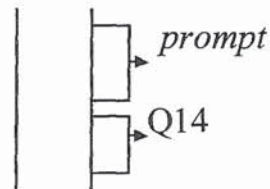
Q11. What factors will affect how you position your organisation within the RDA?

Q12. Strategically, how will you try to ensure that you are not marginalised by other regional partners within the RDA process?

Q13. Do you expect to alienate some partners if you form alliances with others?

Yes...

No...



If so, what do you feel able to do about it?

Q14. Have contacts forged in the RDA process affected your organisation already? If so how?

Q15. Do you feel your resources will yield better value for money through collaboration?

Yes...

No...

<input type="checkbox"/>	→ <i>prompt</i>
<input type="checkbox"/>	→ Q16.

If so how do you plan to ensure this?

Q16. Has the RDA presented your staff and organisation with strategic challenges? If yes, how exactly?

Q17. In your opinion, can all partners benefit from the RDA process?

Yes...

No...

<input type="checkbox"/>	→ <i>prompt</i>
<input type="checkbox"/>	→ <i>Why?</i>

Can you see some partners benefiting more than others?

Q18. Using one of the following categories, how confident are you in predicting the activities of other partners over....say the next year?

Absolutely Confident	
Very Confident	
Confident	
Quite Confident	
Unconfident	

What are your reasons for that?

Q19. Using one of the following categories, how confident are you in predicting the overall direction of the RDA over say the next year?

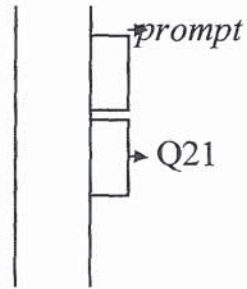
Absolutely Confident	
Very Confident	
Confident	
Quite Confident	
Unconfident	

What are your reasons for that?

20. Have relationships at an individual, personal level played an important role in developing collaboration between yourself and other partners?

Yes...

No...



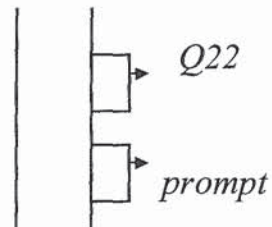
If so and in what ways? Do you think such relationships have played a role in developing collaboration between agencies more generally within the RDA?

Could we move on to the final part of the interview and look at the motivations behind forging new alliances and the characteristics you look for in a partner when deciding to collaborate

Q21. Do you believe all partners in the RDA process are sharing the political risks involved in collaboration?

Yes...

No...



Can you identify particular partners who you feel are not bearing their share of risk?

Q22. In what ways has your organisation had to change internally in order to meet the need to collaborate within the RDA network?

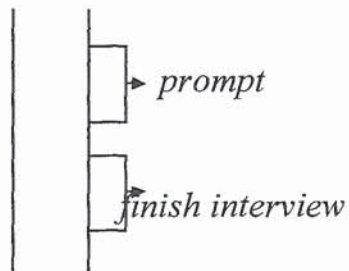
Q23. What do you look for in the behaviour and actions of others when deciding whether you should trust them?

Q24. When you think about trust do you think of that relationship in terms of the calculation of potential risks and benefits?

Q25. Do you think that the protection of your identity within the RDA forum is important?

Yes...

No...



If so, how do you intend to do this?

**The West Midlands Regional
Development Agency
Interview Questionnaire**

Explaining the visit:

- My name is Sarah Ayres. I am a doctoral student at Aston University. I am conducting a study, under ESRC scholarship, into the West Midlands RDA, Advantage West Midlands.
 - I am undertaking a series of interviews involving key organisations in the process at the current time.
 - The interview is in three stages concerning how you view the RDA process, your experiences and learning, and finally your relationship with other regional partners.
 - I wish to assure you that all responses will be totally confidential and the respondents will remain anonymous.
-

INTRODUCTION:

The first part of the interview deals how you view the RDA process to date and how the region has been affected by it.

Q1. What impact has the RDA process had on regional partnerships over the past twelve months?

Q1p. What impact has the RDA process had specifically on your organisation over the past twelve months?

Q2. The RDA agenda demands a range of regional interests to be involved. Is that being achieved in the West Midlands? If not, who is being excluded and why?

Q3. Are your aspirations for what the RDA might achieve higher or lower than twelve months ago? What are your reasons for this?

Q4. Using one of the following categories, how confident are you in predicting the activities of other partners over the next year? What are your reasons for that?

Absolutely Confident	
Very Confident	
Confident	
Quite Confident	
Not Confident	

Q4 prompt. Are there any particular partners whose actions you are finding difficult to predict?

Q5. Using one of the following categories, how confident are you in predicting the overall direction of the RDA over the next year? What are your reasons for that?

Absolutely Confident	
Very Confident	
Confident	
Quite Confident	
Not Confident	

Q6. Are you able to identify any partner organisations who have proved themselves to be exceptionally good at partnership building? If so, for what reasons?

Q7. Are you able to identify any partner organisations who have proved themselves particularly poor at partnership development? If so, for what reasons?

The second part of the interview concerns the process of consensus building and partnership development. A number of key skills have been identified which are viewed as being essential in producing positive outcomes.

The next few questions aim to find out how your individual experiences over the past twelve months have affected your view on how best to collaborate with your regional partners. .

The focus is on your individual learning process: the valued experiences arising from the RDA process for you. Key collaboration skills include:

- **Representing the interests of your organisation or interest group**
- **Productive negotiations with other partners**
- **Consensus building**
- **Improving your own collaborative skills**
- **Involving all regional partners**
- **Ability to voice your concerns effectively**
- **Listening to others**
- **Working across sectors**
- **Resolving tensions**
- **Gathering information**
- **Building your regional knowledge and expertise**
- **Planning ahead**

Q8. Is there anything you would like to add to that list?

Q9. Partners have been responding to the challenge of an increased focus on regional partnership during the past twelve months. In which of these areas do you feel you have improved your partnership building skills?

Please tick the boxes where you feel you have *significantly* improved your partnership building skills.

Desired Outcomes	Improved skills
Representing interests of org/interest group	
Productive negotiations with other partners	
Consensus building	
Improving own collaboration skills	
Involving all regional partners	
Ability to voice own concerns effectively	
Listening to others	
Working across sectors	
Resolving tensions	
Gathering information	
Building your regional knowledge	
Planning ahead	

Q10. Can you think of one instance over the past twelve months, which particularly illustrates how your partnering skills have improved?

Q11. Has your experience of the RDA process, over the past twelve months, affected the way you approach partnership building more generally? If so how?

Q12. Can you identify any areas where you think you might have to improve your collaboration skills in the future?

Please tick box.

Desired Outcomes	Desired improvement
Representing interests of org /interest group	
Productive negotiations with other partners	
Consensus building	
Improving your own collaboration skills	
Involving all regional partners	
Ability to voice your concerns effectively	
Listening to others	
Working across sectors	
Resolving tensions	
Gathering information	
Building your regional knowledge	
Planning ahead	

Q13. If yes. How are you responding to the skill challenges you have recognised?

This section of the interview deals with building relationships and issues related to trust.

Q14. Do you believe that there is a greater level of trust among the regional partners than twelve months ago? Please explain your reasons for this.

Q15. Can you identify a partner with whom your relationship has flourished over the last twelve months? What have been the contributing factors? If no **Q16.**

Q16. Are you able to identify partners with whom you have had some difficulty in developing an effective partnership? What have been the contributing factors? If no **Q17.**

Please look at the following definitions of trust

A / Contractual: confidence that agreements will be kept (they have to do it because they are under contract)

B / Competence: confidence that the partner has the competence to carry out the agreements (we have worked with them before and know they can do it)

C / Goodwill: confidence that the other party will do more than is formally expected and not undermine the relationship through opportunistic behaviour (we consider our partner to have our interests at heart and will not work against us)

D/ Mistrust: (we do not trust this partner)

Q17. Which of the four types of trust provides the *main* basis on which you have formed a perception of the following partners? Please tick the relevant boxes.

Partners	A	B	C	D
Local Authorities				
LGA				
Government Office				
Regional Chamber				
AWM				
Chamber of Commerce				
Business sector				
TECs				
Social Groups				
Education sector				
Environ't Groups				

Q18. In your opinion, what sector or partner do you have the most productive trust relationship with? What are your reasons for this?

Q19. With which sector or partner do you feel the element of trust could be improved? What are your reasons for this?

Q20. What has prevented improvement in that relationship to date?

Q21. A set of concerns that both partners must have in order to build trust are set out below. Of these, which *three* do you consider to be the most important?

Please state in order of important. *One* being most important.

Conditions	Condition for trust
Common values - you both want the same things	
Rules of behaviour - agreed ways of working	
Own reputation	
Partners reputation	
You know how each other does business	
Willing to take a chance	
Mutual caution - you both agree to take the risk	
Gaining experience through partnership	
Willing to work as a joint partnership	
Lasting relationships – built up over time	

Q22. A set of factors that help to prevent partners from betraying trust are set out below. Of these, which *three* do you consider to be the most important?

Please state in order of importance. *One* being the most important.

Conditions	Preventing the violation of trust
Obeying moral codes of conduct	
Weighing up the risks and benefits	
Building trust over time	
Punishment for violations of trust	
Obligations as a public servant	
Responsibility as a regional partner	
Rules that determine behaviour	
Professionalism	

Q23. In a relationship built on high trust which of the *three* advantages listed below are you most likely to benefit from?

Please state in order of importance. *One* being the most important.

Possible advantages	Identified advantages
Increased information	
Fewer contractual costs	
New ways of working	
Innovative solutions	
New learning opportunities	
Increased flexibility	
Faster progress	
Reduced risk	

Appendix 3. Amendments made to the interview schedules during the piloting stage

<i>Round One Interview Schedule: Amendments made during the pilot test</i>	
<i>Structure of questions before the pilot</i>	<i>Structure of questions after the pilot</i>
<p>Q6. Is collaboration vital to your strategic success?</p> <p>Q7. Would you be willing to collaborate with another agency with a conflicting agenda to your own?</p> <p>Q10. Has the RDA presented new opportunities for your organisation?</p> <p>Q18. How confident are you in predicting the activities of other partners over the next year?</p> <p>Q19. How confident are you in predicting the overall direction of the RDA over the next year?</p> <p>Q21. Do you believe that all partners in the RDA process are sharing the political risks involved in collaboration?</p>	<p>Is collaboration vital to your strategic objectives?</p> <p>Would you be willing to collaborate with another agency with different objectives to your own, although working within the same field of regional economic development?</p> <p>Has the development of the debate concerning the RDA presented new opportunities for your organisation? How has your organisation changed in response to this?</p> <p>Using one of the following categories, (likert scale) how confident are you in predicting the categories of other partners over the next year?</p> <p>Using one of the following categories, (likert scale) how confident are you in predicting the overall direction of the RDA over the next year?</p> <p>Do you believe that all partners in the RDA process are sharing the political risks involved in collaboration? Can you identify particular partners who you feel are not bearing their share of risk?</p>

<i>Round Two Interview Schedule: Amendments made during the pilot test</i>	
<i>Structure of questions before the pilot</i>	<i>Structure of questions after the pilot</i>
<p>Q2. The RDA agenda seeks a more holistic approach to regional governance. Is that being achieved in the West Midlands?</p> <p>Q9. Please tick the boxes where you feel you have improved your partnership building skills?</p> <p>Q17. Please look at the following definitions of trust.</p> <p>A/ Contractual: confidence that agreements will be kept.</p> <p>B/ Competence: confidence that the partner has the competence to carry out the agreements.</p> <p>C/ Goodwill: confidence that the other party will do more than is formally expected and not undermine the relationship through opportunistic behaviour.</p> <p>D/ Mistrust</p> <p>Q22. Add category</p>	<p>The RDA agenda demands that a range of regional interests to be involved. Is that being achieved in the West Midlands?</p> <p>Please tick the boxes where you feel you have <i>significantly</i> improved your partnership building skills.</p> <p>A/ Contractual: confidence that agreements will be kept (they have to do it because they are under contract).</p> <p>B/ Competence: confidence that the partner has the competence to carry out the agreements (we have worked with them before and know they can do it).</p> <p>C/ Goodwill: confidence that the other party will do more than is formally expected and not undermine the relationship through opportunistic behaviour (we consider our partner to have our interests at heart and will not work against us).</p> <p>D/ Mistrust (we do not trust this partner).</p> <p>Add <i>professionalism</i> to a list of responses.</p>

Appendix 4. Written request to respondents for a first interview

Dear

I am conducting a study into the West Midlands Regional Development Agency, funded by the *Economic and Social Research Council*. The research focuses on how to maximise the beneficial effects of network and partnership formation and the capabilities of organisations and individuals in utilising those benefits.

I am looking to enlist your help in carrying out the research. I aim to conduct two interviews with key regional partners like yourself. The first series of interviews is scheduled for April and May 1999. The second set of interviews will be sought six to twelve months later. Each interviewee will receive an evaluation of research findings at key stages over the next two years. This evaluation will include:

- what resources are available to whom within the RDA.
- management decisions in line with recent policy developments.
- what 'good practice' strategies are being adopted in the development of the RDA.
- the role of trust in supporting partnerships within the RDA.
- an assessment of the skills being used in developing innovatory strategies within the RDA network.

There is a common consensus between key academics and practitioners in this field that such research is important and has yet not been undertaken. I hope you will view this as an opportunity for academics and policy practitioners to work together to provide a greater understanding. I am confident that participation will be mutually advantageous.

All responses and interview material will remain confidential. I will be in touch in the near future and look forward to speaking with you.

If you have any queries in the meantime, please do not hesitate to contact me.

Yours Sincerely

Sarah Ayres
ESRC Doctoral Student



Aston University

Information on this page has been removed for data
protection purposes

Appendix 6. Covering letter and first report to respondents

Dear

I am conducting a study into the West Midlands Regional Development Agency funded by the *Economic and Social Research Council*. The research focuses on how to maximise the beneficial effects of network and partnership formation and the capabilities of organisation and individuals in utilising those benefits.

May I thank you for your participation in the first stage interview process during last year. The participation of thirty-five key regional stakeholders within the region has produced some interesting viewpoints and varied discussion. An evaluation of these findings is enclosed. The report has been kept brief and concise for your convenience. If you require additional information do not hesitate to contact me.

Previous interviews centred round the preparation and initial start-up phase of the West Midlands Regional Development Agency. I am interested to discover how initial reactions to the agenda have developed and transformed in the intervening twelve months. I am looking to enlist your help in carrying out the research. I am to conduct a second round interview with key regional partners like yourself. The interviews are scheduled for March and April of this year.

All responses and interview material will remain confidential. I will be in touch in the near future and look forward to speaking with you. If you have any queries do not hesitate to contact me.

Yours Sincerely

Sarah Ayres
ESRC Doctoral Student

**Negotiating Regional Futures – Success and Failure:
Lessons from Advantage West Midlands**

February 2000
Aston University, Birmingham, UK

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Executive Summary

In the English West Midlands region, as elsewhere in England, local stakeholders have attempted to influence the evolution of the Regional Development Agency (RDA) through a process of formal and informal collaboration. The West Midlands RDA network was founded on these collaborative efforts. Interview data with thirty-five key West Midland stakeholders has been collated to support an interim evaluation of the relationships and patterns of behaviour emerging in this network.

The report identifies positive and negative behaviours among the partners. Key findings include:

- Effective development of new relationships within the network
- In some cases, relationships have built new institutions
- Communication and co-ordination systems appear well developed, with clearly identifiable channels of communication
- A generally high level of commitment from most partners
- Concerns that some partners may be sidelined in the process
- Some would-be partners experience barriers to participation put up by other partners in the network
- Concerns regarding the communication of purpose from the RDA itself once it is up and running
- Potential for the unequal distribution of benefit between the partners

The West Midlands RDA network is still very much in a developmental phase even though Advantage West Midlands is up and running. Partners are still experimenting. The test will come when those creases are to be ironed out. The West Midland partners appear to have the will to find solutions to the governance problems posed by the new regional tier. Positive collaborative behaviours must be built upon and inadequacies must be addressed if this is to be achieved. The findings of the report highlight such areas.

A set of five criteria are proposed namely, Extent of Coalition Building; Recognition of New Opportunities; Consensus on New Agenda; Partners Ability to Collaborate and Learning and Adaptation. These are intended to enable the evaluation of the negotiations undertaken to date between local partners. Interview responses have been split into three main stakeholder groups for analysis:

- Local Government
- Business Sector
- Other Stakeholder Group

Extent of Coalition Building

<i>Network Factors</i>	<i>Indicator</i>	<i>Evidence of Effectiveness</i>	<i>Areas for Improvement</i>
<ul style="list-style-type: none"> • Extent of Coalition Building 	Collaborative Structures	Extensive Regional Networking Effective sub-regional Partnerships	Deficiencies in cross-sector working
	Resources	Pooling of information.	Capacities unevenly spread between sectors
	Strategic Intentions	Willingness to overcome different styles and Commitment based on altruistic terms	LA apprehensions and caution

- Holistic governance is a process everyone is keen to have a stake in. A healthy recognition of different ways of working is evident. Generally, where partners view different styles of working as a potential barrier, they remain keen to overcome them.
 - Both the *business sector* and *local authorities* have worked extensively at a regional level and across sectors. In contrast, the *other stakeholder group*, which includes voluntary, education and environmental agencies, has operated at a regional level but tended to work more within its own sector.
 - Sub regional alliances appear, in many cases to be operating effectively. These alliances signal a shift in the coalition building process from formal negotiation to implementation.
 - The majority of organisations already do or are prepared to collaborate with another agency with an unrelated agenda. Many partners are even willing to lend a hand to partners on altruistic terms.
- The motivation rests largely with encouraging a climate of mutual trust.
- Behind the rhetoric some partners are holding back. There are agencies in the West Midlands, who are continuing to hope that the RDA will have only a minor effect on their existing functions.
 - The *business sector* is unwilling to partner just for the sake of it. This usually implies that business-to-business links are favoured by them as 'red tape' can be eradicated.
 - Partners remain cautious about forging new alliances beyond their existing territorial boundaries. This results in inadequate 'joined-up' thinking. *Local authorities* appear particularly reluctant in comparison with other respondents.
 - A barrier faced by the *other stakeholder group* is the lack of available resources. They are not able to approach everyone as equals as their resources simply will not allow them to do so. This could also be because they lack the prestige.

Recognition of New Opportunities

<i>Network Factors</i>	<i>Indicator</i>	<i>Evidence of Effectiveness</i>	<i>Areas for Improvement</i>
<ul style="list-style-type: none"> • Recognition of New Opportunities 	Feedback	Positive negotiations between local partners	Limited feedback from RDA
	Transaction costs	Sharing of public risk exposure	Limited resources seen as potential blockage to collaboration
	Strategic Aspirations	Consensus on necessity to collaborate	Differential policy aspirations and goals
	Stakeholder perceptions	Commitment to common purpose; shared entrepreneurial perceptions	Education sector required to present a more coherent body

- The RDA agenda has presented both opportunities and challenges for all partners. Some are accommodating to that development better than others.
- Most partners acknowledge the emerging opportunities but with varying degrees of caution. Many partners are looking towards the emergent sub-regional alliances to give them a stronger position within the region.
- The costs of negotiation and collaboration were viewed as a barrier to working together. This is a particular concern for some of the smaller stakeholder groups. Despite this, many felt that the incentives for co-operation are so great they cannot afford to disengage.
- A number of partners have expressed a concern over the lack of feedback from Advantage West Midlands following its start up. They have suggested that this could be a problem in the future. As a consequence some partners felt that they were not contributing to the full.
- What do partners hope the RDA might achieve? The most common response overall identified economic factors (regional gross domestic product and jobs). There were differences on this matter as between *local authorities* and *business groups*, on the one hand, and the *other stakeholder group* on the other. The latter group generally felt that social issues related to deprivation and exclusion in the West Midlands presented the greatest opportunity.
- Everyone seems to agree about where the gaps are in the current institutional framework. Many respondents perceive the education sector as having a particularly low capacity to organise itself. Respondents from all sectors highlighted this area above all others as a vital missing link at the regional institutional level.
- Partners feel that experience and time will enable opportunities to be identified. There is an inevitability of a degree of trial-and-error.

Consensus on New Agenda

<i>Network Factors</i>	<i>Indicator</i>	<i>Evidence of Effectiveness</i>	<i>Areas for Improvement</i>
• Consensus On Agenda	Environment characteristics	Motivations for partnership development evident	Persistent tensions and conflicts
	Institutional structures	Potential for added value	Persistence of duplication
		Extensive negotiations to find best solutions	Policy paralysis and Large Numbers Problem

- Partners highlighted persistent tensions as an obstacle to forming a consensus. Tensions tended to fuel suspicions as to how the process would evolve. There is a danger that past uncertainty may impede future effectiveness.
 - Many *local authorities* were concerned that legitimacy problems and confusion over where policy was going might damage the regional experiment. The *other stakeholder group* remains cautious about the degree to which they will be consulted. Despite this, there is some optimism shared by partners.
 - Partners differed on how well the regional process was working. They also differed on how well the system encouraged consensus. Concerns related to the institutions and processes adopted in the negotiations are evident. These apprehensions appear to relate to key organisations and issues of trust between people clearly underpinned these apprehensions.
 - All partners share optimism about the potential for improved services.
- The *other stakeholder group* were especially positive on this.
- Many partners were concerned that negotiations may lead to *policy paralysis*, with organisations at loggerheads. Partners were trying to create integrated policy development but have not always been successful. *Selective partnerships* are seen as a way of building consensus and avoiding policy paralysis.
 - Some respondents felt that the RDA should take a stronger lead in the early stages to insure that partners had a sense of direction and knew their individual role and contribution. There were organisations that were keen to respond but remained unsure of the channels to pursue.
 - The majority of partners saw risk as being shared around fairly equitably. Fairness encourages consensus. However, local authorities were fearful that the *business sector* would shed their risk if things did not work out.

Partners' Ability to Collaborate

<i>Network Factors</i>	<i>Indicator</i>	<i>Evidence of Effectiveness</i>	<i>Areas for Improvement</i>
<ul style="list-style-type: none"> • Collaborative Competencies 	<p>Capacity to engage</p> <p>Power distribution</p>	<p>LA and Business regional bodies facilitating collaboration</p> <p>Assertiveness of 'other stakeholder' group in preparing to engage</p> <p>Inclusiveness in formative procedures</p>	<p>'Other stakeholder group' at disadvantage in institutional-building</p> <p>Network Laggard scenario</p> <p>Alienation and marginalisation</p>

- Partners strongly believe the RDA network is responding vigorously to the challenge of an increased focus on collaboration. The most common way that partners felt they could protect or enhance their position was to be actively involved in inter-organisational collaboration with their counterparts.
- *Local authorities* view the West Midlands Local Government Association (WMLGA) and the West Midlands Voluntary Regional Chamber as key components in safeguarding their position. The WMLGA was praised by respondents from all sectors in its role as secretariat to the Regional Chamber.
- The *business community* view the West Midlands Business Policy Group and Regional Chamber as having a vital role in supporting collaboration. There appears to be near-unanimous admiration for the business personnel appointed in the Regional Chamber.
- In contrast the *other stakeholder group* continue to work individually. They therefore need, as a matter of urgency, to collaborate much more actively to counter their relative fragmentation. These partners intended to respond to this challenge by ensuring that when consulted they would be able to deliver a comprehensive response.
- Fragmentation may result in leading actors gaining expertise and experience, while less well networked agencies may fall farther and farther behind. Given this, a distinction is likely to emerge between those actors that orchestrate policy decisions and those taking an essentially passive role.
- Smaller partners encounter *invisible doors* that shut them out of the corridors of power. They see larger players focusing attention on existing relationships even while continuing to claim inclusion for all.

Learning and Adaptation

<i>Network Factors</i>	<i>Indicator</i>	<i>Evidence of Effectiveness</i>	<i>Areas for Improvement</i>
<ul style="list-style-type: none"> Learning And Adaptation 	Types of learning Changes in behaviour	Double loop learning evident Bottom-up learning processes More sophisticated mechanisms of collaborative procedure	Disproportionate capacity to learn between partners Blockage to learning arising from accountability deficits Further marginalisation of network laggards

- Some partners appear to have more opportunity to accumulate know-how and to learn depending on the degree to which they are consulted by their counterparts.
- Many respondents have witnessed a transformation in organisational culture and a need to adapt and change in accordance with the new policy environment.
- For some local partners, the learning process appeared incremental and evolutionary rather than a great leap forward. Organisations have adapted at different speeds and learned in different areas of policy development.
- Partners particularly valued the opportunity to learn through experience. There is a constant process of trial and error underway. The RDA has provided the impetus, but with no hard and fast rules for success.
- After a period of consultation, the majority of respondents were ready to progress to the next stage of partnership development: to build effective and selective partnerships that clearly add value.
- The evidence suggests that a great deal of learning is taking place at a rapid pace. Partners did express concern as to whether their learning was being utilised to the best within the network. They are seeking a stronger sense of policy direction from the RDA. This would enable them to channel their energies and learning activities.
- One of the features of the RDA network is that it is made up of a wide range of organisations. Each group of stakeholders has its own unique lines of accountability. These accountabilities feed valued know-how and lessons through the partners into the network. These triggers for learning need to be opened up and shared around the network if it is to learn at a rapid pace.

**Advantage West Midlands and Regional
Partnerships: An Evaluation of the Network
Infrastructure for Regional Governance in the
West Midlands**

September 2000
Aston University, Birmingham, UK

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Executive Summary

Advantage West Midlands (AWM) has now been operational for sixteen months. An interim report looked at the governance impacts of the start-up phase of AWM (Ayres, 2000). Since then, partners in the West Midlands have continued to evolve a regional policy through further communication and collaboration with a wide range of regional stakeholders, including with the new agency itself. The degree to which they have been successful in developing regional capacities has been dependent on a number of factors. These include:

- Partners' existing partnership arrangements and the influence this can give them.
- Access to negotiating processes and communications networks.
- Partners' own network development skills.
- Development of high-trust relationships across the network as a whole.
- The competence and behaviour of AWM as a 'broker' for intra-regional relationships.

This evaluation of the relationships and patterns of behaviour in the network is based on interviews with thirty-six key West Midland stakeholders. The report identifies examples of both positive and negative behaviours among partners. Key findings include:

- Significant extension of existing partnerships and development of new networks in the Region.
- Evidence of highly integrated working across regional sectors.
- Partners exhibiting diverse and widely shared learning behaviours within the network.
- Continued effectiveness of local and sub-regional partnerships.
- The development of a number of high-trust relationships at an inter-personal and inter-organisational level.
- Concerns regarding AWM operations cutting across existing partnership arrangements.
- Local partners continuing to question the leadership and competence of AWM.
- Reluctance of some partners to examine their own partnership development skills.
- Discontent with AWM's style, communication and processes.
- A rapidly changing regional environment producing barriers to high trust.

Many of the barriers to collaboration identified in the interim evaluation continue to block progress. A number of partners have argued that, far from improving the partnership infrastructure, the West Midlands has actually been damaged by the new regional agenda. These claims have been evaluated using three criteria, namely: Perceptions; Learning; and Trust. Interview responses have been aggregated into three main stakeholder groups for clarity of analysis:

- Local Government.
- The Business Sector.
- The Other Stakeholder Group, including the voluntary and not-for-profit sector.

1. Perceptions

<i>Network Factor</i>	<i>Indicator</i>	<i>Measure of Effectiveness</i>	<i>Areas for Improvement</i>
Perceptions	Regional Structures	Increased regional organisation and identity	Identify, manage and reduce overlap of AWM with existing partnership arrangements
	Regional-local relations	Evidence of productive collaborations	Build leadership competencies within AWM
	Policy Process	Opportunity to contribute to regional policy	RES* & AP [§] process problems need to be tackled & inclusiveness secured
	Inclusiveness	Evidence of commitment to inclusive governance	Communication lines need to be clarified. Consensus regarding potential partners for tasks needs to be built
	Aspirations/ Expectations	Optimism about future possibilities	AWM needs actively to manage expectations
	Partnership Behaviours	WMLGA praised by all sectors	Incentives needed for business partners to collaborate outside own sector
		Evidence of cross sector partnerships	Roots of difficulties in partnering with AWM need to be explored

Key: * Regional Economic Strategy; [§] Action Plan.

Analysis of Indicators of Perception:

1.1 Regional Structures

- Only a minority of interviewees view the RDA process in a positive light. An increased regional emphasis coupled with the introduction of new partnerships, has been beneficial. Regional organisation has sought to unite local stakeholders. A significant transformation of the partnership environment of the West Midlands has taken place. There is a degree of optimism about the potential of that development for the future.
- However, the business sector in particular feels that in some instances, AWM has *damaged* existing partnership arrangements. In some cases, local partners had worked hard to cultivate consensus decisions which AWM either chose to set aside or over-rule. Local authorities especially fear local arrangements being undermined in consequence. They are eager to maintain control over local partnerships and decisions.

1.2 Regional-local Relations

- Local authorities in particular cite evidence of productive communications with AWM. However, over half of all respondents view the RDA process as having a

negative impact on regional partnerships, with some partners labelling AWM as an example of worst practice.

- Over one half of respondents expressed concerns over leadership and competence issues within AWM. The transfer of staff from the Government Office has been cited as a primary factor in producing a 'civil service culture' within AWM that is deemed not conducive to partnership working. Partners view AWM staff as being of variable quality, This has led to accusations of knowledge deficits, non-responsiveness and lack of transparency.

1.3 Policy Process

- Some respondents feel that the RES and AP processes had been valuable to them. However, the majority (a disquieting two thirds of partners) perceived significant deficiencies with regard to the planning processes. The other stakeholder group and business sectors are most concerned by this. At the most negative, some partners argue that engagement has been tokenistic, partners had been 'cherry picked' and bureaucratic problems in AWM itself had resulted in a considerable lack of inclusiveness (see below). There was a spilt among partners as to whether this problem was 'cock-up or conspiracy'.

1.4 Inclusiveness

- Local partners are divided on the degree to which inclusiveness has been achieved. Half of the respondents believe that AWM either had been able or had tried to engage all partners in the process. This indicates a continuing degree of valuable 'good faith'.
- Interviewees acknowledged that some partners still lack the required organisation and coherence at the regional level to engage adequately. The voluntary sector, faith communities, ethnic minority and equal opportunity groups are highlighted in this regard. Many partners do recognise considerable progress on the part of the voluntary sector.
- For the half of the respondents who perceived the planning process as exclusive: local authority and business partners often depict the approach adopted by AWM as fundamentally *unprofessional*. Reflecting this, communication breakdowns have resulted in the unplanned exclusion of some partners.
- The business sector is concerned about the absence of key driving individuals in the region. There are, in this view, missing skills at the regional 'negotiating table'. Related to this, the business sector also perceives too great an emphasis on inclusion. The concern is that single-issue groups are dominating the agenda, while key economic development partners are being sidelined.

1.5 Aspirations & Expectations

- Some partners' aspirations regarding what AWM might achieve are higher than twelve months ago. These agents remain optimistic and are encouraged by progress to date.

- However, the aspirations of over half of the partners interviewed regarding what AWM might achieve had fallen over the last twelve months. It is possible that the heightened expectations in the innovation phase are diminishing. Partners are reluctant to explore how realistic those expectations were in retrospect. Many view regionalism in the West Midlands as lagging behind other regions. They remain largely disappointed with progress so far.

1.6 Partnership Behaviours

- Local authorities are typically still prioritising their local and sub-regional partnerships. They view themselves and some members of the other stakeholder group as 'good partners'. This perception is often rooted in the quality of interpersonal relationships. There is, thus, unanimous praise for the Vice Chair of the Regional Chamber and her role as representative of the voluntary sector. This underscores the great importance of trust and personality factors in making networks function.
- Business stakeholders likewise tend to consider themselves as 'good partners'. For them, a shared style and language is clearly a key factor in supporting productive collaborations. Business partners appear anxious to resist getting drawn into the minutiae of local government politics and often see their interests as standing in opposition to the other stakeholder partners. There is limited evidence of cross-sector collaboration beyond their local partnerships.
- Interviewees from all sectors continue to view the West Midlands Local Government Association (WMLGA) as a valuable and constructive partner. This view is held most strongly among the business partners. Partners praise the WMLGA for its ability to foster a spirit of trust, its transparent operational style and brokering of valued information. Again, this often resulted from interpersonal relationships, supported by key individuals within the organisations concerned.
- Particular problems were perceived in forming alliances with partners from the other stakeholder grouping. The issues of resourcing, group coherence, diversity and inchoate objectives are often viewed as barriers to collaboration. AWM was also highlighted as a poor partner (sections 1.1 – 1.6).

2. Learning

<i>Network Factor</i>	<i>Indicator</i>	<i>Measure of Effectiveness</i>	<i>Areas for Improvements</i>
Learning	Skills Development	Trial and error learning across RDA network	Business sector needs to develop its responsiveness to the network environment & open up to learning
	Network Opportunities	Valuable partnership experience obtained in network	Actors need to view RES and AP process as an opportunity for partnership development
	Adaptation & responsiveness	Other stakeholder group displaying openness and responsiveness	Support business sector in enhancing receptiveness to other cultures
	Skills Management	Recognition of weaknesses within network and desire to counter them	Explore roots of partners' different approaches to skills development as stimulus to learning

Analysis of Indicators of Learning:

2.1 Skills Development

- The process of building consensus and developing new partnerships requires a number of special skills including leadership, network management and analytical capacity. Strategic management capabilities are also vital. Many partners are seeking to expand and develop their skills as a precursor to inter-organisational collaboration. The majority of partners have experienced a significant improvement in partnership building skills as a result of the RDA process.
- Partners feel that they have made the most profound improvement in *building regional knowledge*. Many feel that regionalisation has required them to take a more holistic and regional focus. This has often required increased investment in gathering information and enhanced awareness of the activities of others. This example of skill development (greater environmental receptivity) is particularly important for the other stakeholder group. Increased awareness is a prelude to any spanning of traditional governance boundaries.
- The business sector is less convinced of any skills improvement on the part of other actors in the regional networks. It is, on the other hand, confident as to its own competence in this regard. Business representatives do, however, highlight improvement in the specific area of *working across sectors* over the past twelve months. The research findings show very limited evidence in support of this. Business partners appear to be operating largely, and in some cases, exclusively within their own sector.

- Local authority partners see *consensus building* as the skill that they have most rapidly developed. Local authority partners often view themselves as brokers in some alliances, gatekeepers for some other stakeholder partners and mediators between business and social interest groups. This is a significant claim to leadership.

2.2 Network Opportunities

- There is a consensus that partnership development skills can only arise from 'genuine' partnership experience. The majority of partners view the RDA process as having limited impact in this regard. Instead, the vital experiences are the result of building on existing, local partnerships.
- Only a minority of respondents experienced their involvement in the RES and AWM's Action Plan process as productive. There are very mixed views on this, and some partners clearly regard the process with considerable negativity. However, the new, decentralised bidding process for SRB was more positively viewed. As an other stakeholder partner suggests, 'if we don't get a penny, it would have been worth it'.
- There is an increasing recognition among all stakeholders that partnerships do not always succeed. Local authorities and many other partners do acknowledge the learning experiences and value associated with failed partnerships. Conversely, business partners are reluctant to invest time and resources in the absence of tangible returns. They do not, on the whole, appear to value learning from failure as an intangible benefit.

2.3 Adaptation and Responsiveness

- Respondents were evenly divided on the issue of whether their experience of the RDA process over the past twelve months had affected the way that they approach partnership development more generally. This experience has been both positive and negative for different parties, resulting in highly uneven development of partnerships across the Region. This holds particularly for the other stakeholder group. Most view the process as a considerable learning curve, with many opportunities and challenges. The other stakeholder group remains responsive and open to transformation and innovation.
- Business representatives reserved their position, asserting that the RDA process had not affected their approach to partnership working. On the whole, business partners view their own style of collaboration as the most efficient way of forging alliances. There is limited desire to alter their approach, with a degree of resistance apparent to any significant adaptation. Local authority partners are divided on the extent of adaptation required.

2.4 Skills Management

- There is acknowledgement that there are some skill deficiencies and inadequacies in the current network. Partners are most keen to improve skills in the area of *representing the interests of their own organisation*. This view is most strongly felt among the other stakeholder group. Many feel that it is important to provide a coherent voice for their interest group or organisation on the regional stage. Generating *innovative solutions* and *gathering information* are also areas of desired improvement. Local authority partners view *working across sectors* as the area most in need of improving: business partners highlight innovation themes.
- Local authority and other stakeholder partners are attempting to tackle the relevant skill challenges head on. They are seeking to identify weaknesses and take steps to counter them. Business partners are taking a more incremental approach to improvement. There is an apparent reluctance to examine own behaviours on the part of the business sector.

3. Trust

<i>Network Factor</i>	<i>Indicator</i>	<i>Evidence of Effectiveness</i>	<i>Areas for Improvement</i>
Trust	Magnitude & quality	Central role of inter-personal trust	AWM needs to demonstrate capacity to manage uncertainty and apprehension, thus building trust
	Distribution of dependencies	Effective local and sub-regional partnerships based on burden-sharing principles	Legacy suspicions of GO & AWM need to be tackled. Limited trust across sectors requires concerted bridge-building
	Preconditions for Trust	Common values viewed as key to successful partnerships	Need to reconcile conflicting pre-conditions for trust between partners
	Protection against cheating	Consensus on measures needed to protect against misplaced trust	Need to address doubts over capacity of some specific partners
	Benefits of Trust	Evidence of cross sector high trust relationships	High trust relationships need mapping & treated as demonstration projects

Analysis of Indicators of Trust:

3.1 Magnitude and Quality of Trust

- Over half of the respondents believe that the overall level of trust between partners has grown over the past twelve months. Some suggested that trust has developed at an inter-personal level, but not necessarily between organisations as a whole. Local authority partners highlight the role of the Regional Chamber in fostering trust and communication between partners.
- The business sector is more sceptical. Some business representatives feel that partners had formed stronger alliances against AWM, whom they view as a shared 'enemy.' This perspective is shared by a number of local authority and other stakeholder partners. Many partners highlight the tensions and apprehensions ushered in by the new agenda. Trust is viewed, in some quarters, as a necessary factor in managing this discontinuity and change. Others believe, conversely, that such an environment inhibits the development of trust.
- Discontent with AWM as an organisation has caused ill feelings and apprehension. Partners have doubts about AWM's overall competence and ability to deliver. This hinders their commitment to the process and again, impacts on trust between networking organisations.

3.2 Distribution of Reliance on Others

- Partners are most trusting of their local or sub-regional partners, particularly local authorities and business. Partners have a higher degree of trust with organisations and individuals with whom they have previously worked. Many are keen to see 'old faces' at the table. This is clearly a *legacy* factor, with the past actively shaping current relationships and choices.
- Local authority partners identify strong links with the other stakeholder group. In contrast, not one business respondent identified such strong boundary-spanning links. There would appear to be significant and continuing barriers to productive negotiations and trust-building between business and partners from the other stakeholder group.
- Partners from all sectors appear to regard the WMLGA with a high degree of trust. This position is strongly held by the business and other stakeholder group. This provides an encouraging example of cross-sector collaboration at the regional level and needs to be evaluated (as a demonstration project), so that wider lessons may be drawn. Trust at an inter-personal level plays a key role in developing institutional relationships between the LGA and regional partners.
- Many partners suggested that trust relations with AWM could be improved. Generally, partners view AWM with mistrust and consequently, often reserve their positions (see sections 1.6 above on *Behaviours*). Poor communications networks and divergent organisational cultures are cited as key barriers to further collaboration. The GO is also viewed with some mistrust, especially by the business sector. A considerable number of partners are uncertain as to the exact role and remit of the GO following the initiation phase of AWM.
- The other stakeholder group is widely considered to be the most problematical sector to partner with. Local authority representatives, in particular, identify the sector's diversity, lack of coherence and inadequate resourcing as sources of risk and hazard.

3.3 Preconditions for Trust

- The factor that most partners look for in order to build trust is *common values*. Partners are keen to move to more selective partnerships with a win-win outcome (where both parties gain simultaneously). It is felt that this can only be achieved if common values are evident. This is arguably why there is such limited evidence of partnership between the business and other stakeholder sectors. Indeed, the business sector highlights common values as clearly the most important precondition for trust.
- Local authorities believe that *evident commitment to working as a partner* is the most important precondition for trust. This underscores the importance of past behaviours (providing the evidence required) as a precondition for forming new partnering arrangements. The other stakeholder group has given divergent responses on this matter, which may again reflect their inherent diversity as a group.

3.4 Protection against Cheating

- Professionalism exceeds by a considerable margin any other form of protection against misplaced trust. This was important for all three sectors. Partners believe that if they are collaborating with a professional agent, then there are certain rules of behaviour which come into play to prevent foul play. Business partners view themselves as highly professional but have doubts as to the professionalism of their counterparts, especially the other stakeholder group.
- The degree to which the *accreditation* of professionalism through associations and societies (like planning associations or industry quality standards) can assist in building protection against downside risk remains unclear.

3.5 The Benefits of Trust

- The majority of partners agree that there are considerable benefits to be derived from high-trust relationships. Respondents were able to give examples of partnerships in which they had incurred considerable advantages due simply to high levels of trust.
- The three sectors view the tangible benefits of trust very differently, however. Local authorities consider *innovative solutions* as the most likely benefit (a *learning outcome*). Business partners consider *faster progress* as the most likely advantage (an *efficiency outcome*). The other stakeholder group believe that *new learning opportunities* are the greatest benefit (again, a *learning and effectiveness outcome*).

Appendix 8. Respondent validation exercise

Respondent Validation Comments from the First Preliminary Analysis

Partner	Comments
Local Authority	Confirmed the findings that partners in the West Midlands were committed to regional governance re-structuring and the introduction of AWM. There had been an effective development of new relationships and encouraging signs of co-operation.
Business	Partner felt that more direction from AWM was required. AWM needed to provide more information to partners and adopt a more pro-active role in facilitating new relationships in the region.
Other stakeholder Partner	Partner felt that the overall report was very perceptive.
Other stakeholder Partner	Partner agreed that there was a considerable amount of suspicion aimed at GOWM.

Respondent Validation Comments from the Second Preliminary Analysis

Partner	Comments
Business	Discussed the possible reasons for business sector resistance to partnering members from the other stakeholder group. Agreed that the business sector's approach and language is very different from that of the social groups.
AWM	Partner acknowledged that there had been some considerable problems with consulting partners in the region.
Business	Agreed that there was a big divide between partners at the core of the debate and others who were positioned at the periphery.
Other stakeholder Partner	Partner held particularly strong views on the failures and shortcomings of AWM.

Appendix 9. Comparisons between the DETR (2000) report and elements of the research findings

Comparisons between network configuration findings and the findings of the DETR report

<i>Research Findings</i>	<i>DETR Report</i>
<i>Network Configuration</i>	<i>Extracts</i>
<p>For many, the preparations for collaboration had already taken place.</p> <p>Partners were looking to AWM for guidance however, this had not always been forthcoming.</p> <p>A minority of partners viewed the RDA process as having a positive impact on partnership development in the WMs.</p> <p>All sectors perceived AWM (and GO) as difficult collaborative partners.</p>	<p>Preparation for the RES had already begun, through work carried out by the former WM REC (p. 50).</p> <p>Some partners felt that there was a lack of clarity about the role that RDAs were to play (p. 53).</p> <p>The general view... is that the RDA does not understand the nature of partnership working... At the same time this negative view can be countered by a view that the partnership's role had been enhanced by the presence of the RDA (p. 56).</p> <p>At the collective level, the view was that the Chamber had an "uncomfortable relationship" with the RDA... It is clear that this stems from the lack of understanding by the RDA of the need to consult the Chamber on the final RES (p. 55).</p>

Comparisons between human capital findings and the findings of the DETR report

<i>Research Findings</i>	<i>DETR Report</i>
<i>Human Capital</i>	<i>Extracts</i>
<p>Many partners argued that AWM personnel need to adopt a more 'front line' approach in facilitating relationships between themselves, the LGA and the Chamber.</p> <p>Some other stakeholder individuals appeared hampered by their lack of previous partnership experience.</p> <p>There are a group of individuals who are considered to be the 'key drivers' in the region, enjoying a rich historical legacy of partnership working.</p> <p>Partners from all sectors criticised AWM's staff in a number of areas relating to partnership development.</p> <p>There is considerable diversity between partners with regards to collaborative experience and knowledge.</p> <p>Partners perceived AWM to have a severe human resources problem.</p>	<p>The RDAs Act 1998, requires the RDA to consult with its Regional Chamber and to have regard to its views. As the study revealed, the degree of consultation was varied (p. 54).</p> <p>Another set of issues is raised by the lack of knowledge and experience of the voluntary and community sector agenda in the Chamber and the RDA. This has involved a great deal of learning to establish a working relationship between the sector and especially the RDA (p. 57).</p> <p>The region has its share of notes personalities, in both the public and private sectors (p. 49).</p> <p>The view given in the RES is that the Regional Chamber is the main mechanism and body for ensuring effective joint working. This suggests a limited approach was taken towards partnership working – a view confirmed by the findings of the interviews and focus group discussions (p. 48).</p> <p>...a clear view emerged from the interviews and the focus group discussions that, in general, partners considered that the RDA had not really engaged in a sufficient extent or quality of partnership working (p. 52).</p> <p>The Voluntary sector...was in a difficult position, as it had no regional structure that could treat with the RDA – it is in the process of setting one up (p. 49).</p> <p>There is a need for capacity building, the lack of regional structure for some sectors being a problem (p. 59).</p> <p>There were seen to be local difficulties for the RDA. The Chief Executive was late in post; it also being noted that he had come from outside the region. In addition, there was a lack of staff and also staff who did not have sufficient experience in the areas they were working on (p. 53).</p>

Comparisons between social capital findings and the findings of the DETR report

<i>Research Findings</i>	<i>DETR Report</i>
<i>Social Capital</i>	<i>Extracts</i>
Most partners felt that the elements of trust could be improved with both AWM and GO, institutions widely viewed with suspicion and caution.	Some respondents thought that there were too many civil servants in the RDA and therefore that it was too influenced by the GOWM. It was also said that the RDA was taking 'secret advise' from the GO. It was thought that the RDA must establish itself as a <i>regional</i> body and not appear to be part of central government machinery (p. 55).

Comparisons between strategic thrust findings and the findings of the DETR report

<i>Research Findings</i>	<i>DETR Report</i>
<i>Strategic Thrust</i>	<i>Extracts</i>
<p>Holistic governance is a process that all wished to have a stake in.</p> <p>Over half the partners believe their aspirations for what AWM might achieve had fallen during the preceding twelve months.</p> <p>Two thirds of partners highlighted severe problems with the RES and AP process.</p> <p>Local authorities, in particular, were fearful that their local arrangements were being endangered by AWM decisions.</p> <p>Partners were unable to predict the activities of AWM. A danger of confusion and apprehension was evident.</p>	<p>There was support in the region for the establishment of a regional tier of administration, both in the form of an RDA, and the Regional Chamber (p. 49).</p> <p>... there was almost universal agreement among the respondents that the reality of partnership working on the development of the strategy fell far short of expectations (p. 53).</p> <p>For several partners that sat on working groups... the view was that the whole process was chaotic and the way the groups were set up was haphazard. It was the view of one major regional partner that the RDA just "grabbed people" to join the working groups; there was no overt strategy in setting up the groups. Some partners also questioned the extent to which these groups were actually involved in drawing up the strategy and also the Action Plans (p. 53).</p> <p>The impression given by respondents was that this process (APs) was not leading to any greater involvement of regional partners that was the case in the process of developing the strategy... (S)ome of the meetings of some of the action plan groups had not taken place and moreover that some meetings had been cancelled (p. 54).</p> <p>The concern was that local authorities in particular would be expected to change their programmes to fit into the regional strategy rather than their programmes, to some extent, forming part of the strategy (p. 53).</p> <p>The RES speaks of setting a framework for partners' activities, and not being comprised of them, indicative of a strategy, which has been devised on a top down, not a bottom up basis. It is not clear whether the partners are expected to change their programmes to fit in with the RES (p. 56).</p>

Comparisons between perceptions findings and the findings of the DETR report

<i>Research Findings</i>	<i>DETR Report</i>
<i>Perceptions</i>	<i>Extracts</i>
<p>Many assign the responsibility for ensuring inclusivity to AWM.</p> <p>AWM needed to find an appropriate repertoire with which to engage local partners.</p> <p>Local partners were divided on the degree to which inclusiveness had been achieved.</p> <p>Most partners identified an organisation, or interest group which they felt was being excluded.</p> <p>A minority of partners suggested that the exclusion of some partners was a deliberate decision by AWM.</p>	<p>For many partners who took part in the sub-regional consultation events, the story was similar. The criticism was that the RDA had not really engaged with the partners... Some said that they had made points to the RDA, but that it did not appear to listen (p. 53).</p> <p>In seeing the Regional Chamber as the primary mechanism for partnership working, some partners feel that the RDA had not sufficiently focused on building direct relationships, and ensuring the close involvement of partners themselves (p. 59).</p> <p>Other concerns were the lack of regular communication; insufficient consultation... The business sector feel that the RDA has not taken on enough of a leadership role and has not engaged the sub-regional partners enough (p. 56).</p> <p>It is clear that the RDA were already rewriting the strategy, at the same time that the consultation responses were coming in (p. 52).</p> <p>(I)n general, partners considered that the RDA had not really engaged in a sufficient extent or quality of partnership working (p. 52).</p> <p>Questions were raised as to the extent of the RDA's even understood the basic and fundamental nature of partnership working and the fact, that to be ultimately effective, that the development of the strategy required significant involvement, input and ownership from partners. Since many felt that the RDA did not really involve them satisfactorily in the process of developing the strategy, the ownership of the strategy was therefore in doubt (p. 52).</p> <p>The view of partners was that the strategy should be developed through a proper understanding of what the partners are doing and that a consensus should be achieved; instead of an overly prescribed approach by the RDA (p. 53).</p>

Comparisons between learning findings and the findings of the DETR report

<i>Research Findings</i>	<i>DETR Report</i>
<i>Learning</i>	<i>Extracts</i>
<p>The intense period of negotiations has allowed partner to develop their collaborative capacities.</p>	<p>A number of lessons have been learned. The timescale for producing the strategy was a problem... (S)ufficient time needs to be allowed, especially for consultation exercises (p. 59).</p> <p>Among the lessons learned by AWM in the process of developing the strategy was the need for dedicated Strategy Development staff and that the Strategy Director should be an appointment at a senior level. The management structure and staff need to be in place (p. 59).</p>