

The [Government Innovators Network](#) provides summaries of current academic research in the field of public management that is most pertinent to practitioners, policy advisors and policy makers.

This document summarizes:

Hansen, Morten T. and Nohria, Nitin. “How to Build Collaborative Advantage.” *MIT Sloan Management Review* Fall 2004: 22-30.

The issues of public management differ in many ways from those in the private sector. Yet, government can learn from successes and failures in the private sector, especially in areas such as network management, where business has a ten-year head start.

With this in mind, Hansen and Nohria’s analysis of collaboration among competing multinational corporations provides useful insights. First, they look at when and why companies should collaborate. Second, they look at possible barriers to collaboration. Finally, they examine how managers can promote collaboration within their companies.

In the first section, the authors stress that collaboration should not take place solely for collaboration’s sake. Instead, collaboration should take place if and when the benefits outweigh the costs. The authors use BP PLC as a concrete example of collaboration in a multinational corporation. BP gave responsibilities to peer groups—instead of individuals—to force collaboration within the office. BP also changed promotion standards to include an evaluation of an employee’s willingness and ability to collaborate with others in the corporation. These changes proved cost effective for the company in the form of better decision making overall and increased revenue.

The article also examines barriers to collaboration and how specific companies have overcome these barriers. The first barrier is “unwillingness to seek input and learn from others.” Hewlett-Packard Co.’s European operations faced this problem when managers who had slow processing times for computer orders were unwilling to contact those managers in factories with faster processing times. Collaboration occurred only when senior managers intervened. At BP, on the other hand, senior managers keep a close eye on peer assists and *quickly* intervene when an under performer does not seek peer assistance.

According to the authors, the second barrier to collaboration is an “inability to seek and find expertise.” Ispat International N.V., one of the world’s largest steel companies, created a system that allows managers to compare themselves to all the other operating units.

The third barrier is an “unwillingness to help.” The authors point out that this is especially problematic among investment banks. John Mack at Morgan Stanley Group resolved this issue by forcing managers to demonstrate not only their own achievements but also their contributions to others. Cooperation increased because managers seeking a promotion had incentive to collaborate.

The final barrier the authors focus on is the “inability to work together and transfer knowledge.” To alleviate this problem, which often results from communication barriers among strangers, executives should establish working relationships with managers before launching a serious collaboration effort.

The last section of the article focuses on *how* managers can promote collaboration. The first variable is “leadership, values and goals.” These can promote willingness to seek and provide help. With shared values—such as the 1960s Nike Inc. pledge to “Crush Adidas”—team members are more likely to work together. Leadership, values, and goals do not, however, help overcome barriers that affect people’s ability to find help and work together. The second variable, “human resources procedures,” can also help overcome the unwillingness to work together. Intuit Inc. changed their promotion criteria to one which required employees to fill out an annual performance evaluation to reward collaboration. Finally, the authors look at how “lateral cross-unit mechanisms” can promote collaboration. To assist people who are unable to find help, companies can develop different connectors, establish electronic yellow pages, and create benchmark systems so that employees can find best practices within the company.

The conclusion cautions against the potential downfalls of collaboration. Too much collaboration can be unproductive. For example, when BP first started promoting collaboration, there were so many cross-unit teams that employees were constantly traveling and/or sitting in on unproductive meetings. Managers must keep in mind that collaboration is only worthwhile if it is cost effective. Government collaboration faces many restrictions, including civil service, distance, legislative restrictions, overspecialization, poor knowledge management, and inexperience. Articles outlining helpful tips drawn from the private sector can provide government practitioners with fresh—and proven—ideas.