

## Collaboration processes in inter-institutional alliances in higher education

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**Abstract:** *This paper is concerned with management processes in inter-institutional alliances in higher education, using an action research case study of a strategic alliance for research, teaching and the provision of services between two British universities. Findings are broadly supportive of the conclusions from the general literature on the management of strategic alliances and the literature on academic leadership for change. Experiences stress that change leaders must take multifaceted roles in a situation of considerable organisational complexity and their roles will change depending not only on the scale of the collaboration but also on its scope, including the number of organisational boundaries to be crossed.*

**Keywords:** *alliances, leadership, processes*

### Introduction

Inter-institutional alliances or partnerships are of increasing importance in higher education (Beerens, 2002) and this paper is concerned with the processes by which such alliances are managed. After summarising existing research, mainly outside the university sector, it explores strategic management, governance structures and other forms of support. An action research case study of an alliance between the Universities of Glasgow and Strathclyde is then presented, with conclusions drawn for the management of other similar alliances.

### Background

Motives for the formation of alliances include resource needs for assets or capabilities which the university does not possess, such as the need to cross organisation boundaries to create interdisciplinary teams. Costs may be reduced by economies of scale and scope in teaching or research. Growth may be achieved more quickly by combining resources, which may also reduce risk in new ventures (Reuer 2004). External factors also encourage the growth in alliances. Increasing competition encourages universities to explore new solutions to improve capabilities, sometimes reinforced by pressures from governments to combine for similar reasons (Brown, 2001; Lang, 2002; Harman & Harman, 2003).

Collaboration between organisations is a difficult route to the achievement of strategic objectives. Formal authority structures are lacking since there are two or more organisations, each with different objectives and control systems. Creating new structures can create uncertainty and managing the alliance runs the risk of creating costly bureaucracies which stifle initiative and commitment. There are tensions because of differences in culture, governance systems and perceived power. There are tensions because of the risk of free rider problems and the difficulties which organisations and their members may find in trusting each other (Gulati & Singh, 1998). These tensions lead to high failure rates and raise the costs of collaboration relative to alternative solutions (Das & Teng, 2000). It can also be argued that successful collaboration poses particular challenges to universities. In recent years there has been a growing recognition of the importance of leadership as a driver of change (e.g. Middelhurst, 1999) and a corresponding strengthening of executive power (Mignot-Gerard, 2003) which may help in finding management solutions for alliances. Nevertheless, universities are heavily influenced by principles of academic freedom, autonomy and collegial relationships which give members a right to elements of self governance. While collegiality leads to strong academic networks which familiarise academics with working across organisational boundaries, freedom and autonomy mean that the objectives at different levels of the institutional hierarchy may be difficult to reconcile, with the potential to compound difficulties when working across organisational boundaries.

### **Making collaboration work**

Much of the discussion in the higher education literature has concerned typologies of different types of collaboration and explanations of their rationale (Brown, 2001; Beerkens, 2002). Collaboration is seen as a continuum ranging from loose voluntary co-operation to collaboration so close that it leads to its own demise through merger and the creation of a single organisational form. Higher education literature has not been greatly concerned with management processes, although Lang (2002) points to the conflicts between the need for strong leadership against sharing of power in effective co-operation and Pettigrew (2003) has examined equality, power and role conflicts.

The general literature on alliances is more extensive and contributions have been made from economics, strategic management, business organisation and business behaviour theories. There is discussion of collaboration processes, for example most recently by Gulati & Singh (1998), Boddy et al (2000), Daz and Teng (2000), Vangen and Huxham (2003). Process issues have been categorised in various ways but discussion here is organised around the role of leadership since, as within the single institution (Mignot-Gerard, 2003), leadership is of major importance in both initiating alliances and in making collaboration happen. Three different aspects of leadership are discussed, following Boddy et al (2000): defining purpose and establishing success criteria, establishing governance systems and nurturing the development of activity.

The first, defining purpose and success criteria, is the same as the role of leadership within any organisational form. Where the role is distinctive is in relation to situational characteristics. Strategy has to be determined in a situation where there are two or more organisations with different histories, cultures and norms of behaviour. The alliance has to sit within a framework of other objectives which the separate organisations and their members are trying to fulfil and which, as indicated above, may be in conflict with each other.

The second role is to define the organisational form of the alliance, i.e. the rules of engagement, the balance of power and decision processes. Decisions have to be made as to how tasks will be allocated and performance monitored. Much of the debate has focussed on the role of formal systems, in particular the level of hierarchical control necessary to support an alliance. Gulati & Singh (1998), among others, argue that hierarchical structures with clear lines of authority are a useful means of dealing with

appropriation or free rider concerns because formality provides a vehicle for aligning objectives and the setting of rules and procedures. Formal lines of authority help to clarify responsibilities, define tasks and co-ordinate activities jointly or individually across organisational boundaries. Formal bodies do however have disadvantages. Boddy (2000) suggests that they take time to establish, may have the wrong people as members, may slow processes and be inflexible so that they blunt initiative and discourage those who would otherwise play key roles. The consensus is that much will depend on the situation. Where the alliance is intended to be long term, where there is expected to be difficulty in establishing common objectives and working patterns and where co-ordination is complex and difficult, there is a stronger case for taking the time to establish formal structures which can grow and adapt over time. In some circumstances this may lead to the creation of autonomous entities, jointly owned with resources located in a single, jointly owned entity. Decision making is dispersed to the managers and there is a clear role for each partner on the management body.

Governance systems also need operational procedures and agreements on the costing of inputs. Part of the process of reducing complexity is the establishment of an agreed methodology in a situation where each institution may have different internal rules so that decisions can be made more by rules than by exception. There also need for incentives to participate in the alliance (Doz & Baburoglu, 2000). These should be inherent in the rationale for the alliance but additional incentives to participate have a role by increasing the returns or reducing the costs of collaboration, particularly when participation is voluntary.

Embracing the two earlier roles but extending beyond them is the role of leadership in actually “making sure things happen” (Vangen & Huxham, 2003) or of an “integrating agenda” (Boddy, 2000) to oversee developments. This is a commitment to push the collaborative agenda forward, influencing agendas, resolving disputes, networking amongst stakeholders and working to alleviate bottlenecks because the lack of traditional hierarchies does not allow for autocratic decision-making. While leadership is often defined as primarily a concern with strategic issues, leadership in alliances may also require involvement at operational level for these reasons. Finally leaders also have a role communicating learning, which together with the development of trust builds the success of the alliance (Doz & Baburoglu, 2000).

### **Synergy – the strategic alliance of the Universities of Glasgow and Strathclyde**

This alliance between two universities in the City of Glasgow was signed in 1998. The University of Glasgow is a large, ancient civic university. The University of Strathclyde received university status in 1964, after a history of advanced education primarily in science, engineering and business and is about two thirds of the size of the University of Glasgow. Between them there are around 27,000 undergraduates, 7000 postgraduates and a complete range of academic subjects across medicine, science, engineering, social sciences, arts and humanities. The research portfolio from external funding of the two universities is over £150 million per annum and 75% of staff submitted in the UK 2001 Research Assessment Exercise were rated of national or international excellence. The prior history of the relationship was rivalry with little inter institutional collaboration. The alliance was initiated by the two vice chancellors who saw collaboration initially as a means of building Glasgow as a centre of international research excellence by capturing more benefits from interdisciplinary research and critical mass through complementary research interests. The favourable internal response to *Synergy* led to a widening of objectives to seek other benefits of collaboration. The spatial proximity of the two universities in the same city was considered a major reason why benefits could be realised because of the ease of communication. An alliance was preferred to institutional merger because of differences in missions and a recognition that the benefits of collaboration existed in some areas but not in others. Collaboration was encouraged across the entire range of university activities from research collaborations of various sizes, some commercialisation activities to collaboration in learning and teaching and in the provision of services.

Their vision to change the culture to one where collaboration was acceptable and encouraged. Collaboration was voluntary since it was recognised that, given university governance structures, collaborations do not work unless members are willing participants. Area specialists are also best able to identify the existence of opportunities which are variable between areas.

### The case study

This case study reports on experiences during the period 1998-2004. Over this period the two authors were the vice principals of the two universities with responsibility to develop the alliance. Thus the findings have the limitations of action research in that there are dangers of bias in the interpretation of actions and outcomes but action research is accepted in social science as valid means of exploring social complexity. It is hoped, following Pettigrew (2003), that first hand insiders' accounts help to explore issues of structures, relationships and influence in a poorly researched area.

Collaboration	Outcomes
<b>Research</b> Research collaborations	More than 100, across most subject areas, often interdisciplinary including large joint research grants over £1mn. Additional income generated estimated @ £30 million
<b>Teaching collaboration</b> Student reciprocal access  Exchanges of staff Joint degrees	Various joint honours options – variety of subject areas. Collaboration in undergraduate teaching modern languages, engineering, law Widespread – many subject areas Seventeen joint degrees – variety of areas
Library	Reciprocal access, aligning collection policies, joint document delivery and provision of on line training materials
<b>Free standing joint ventures</b> Venture capital fund  Research institutes  Spin out companies & commercialisation	<i>Synergy Fund</i> - £4 million jointly owned company  Drug research, information technology,  Two companies, with other partners + joint involvement in pre-commercialisation research in number of projects
<b>Partial mergers</b> Graduate schools Joint research marketing	Law, Chemistry, others under discussion £4mn activity in joint marketing drug discovery research - <i>PharmaLinks</i>
Fully merged academic departments	Naval Architecture & Marine Engineering Glasgow School of Social Work (70 staff)

Table 1. Synergy in 2004

The state of collaboration at the end of 2004 can be seen in Table 1. Only one collaboration – the Graduate School of Law predated 1998.

In a single case study with a single set of interventions, we cannot judge whether more collaboration would have occurred with different policies or compare experiences with other collaborations between different institutions. In terms of the original objectives, however, extensive collaboration was achieved and the alliance is perceived by the two universities as having been successful and worth continuing.

### The management of Synergy

The Vice Chancellors delegated responsibility for the alliance to the *Synergy* Steering Committee, comprising the ten vice principals and the two heads of administration, supported by a small secretariat. The committee was jointly chaired by a vice principal from each university, for both of whom the success of the alliance was a major criterion in the evaluation of their personal performance. Its activities are described in Table 2.

The strategic role of *Synergy* Steering Committee has changed over five years. Initially we saw our role primarily to change cultures, as the best route to demonstrate the benefits and feasibility of collaboration.. We identified several areas where we thought returns very high (e.g. a venture capital fund where external finance was available, interdisciplinary collaboration in drug discovery). We devoted considerable energy to acquiring funding, setting up systems and working with area specialists who could lead change for us. As the alliance has grown in scope and scale and matured, both universities have demanded that the *Synergy* Steering Committee play a more formal strategic management role in planning, target setting and performance monitoring.

Many of the new collaborations such as joint applications for external research grants, were initiated by academics themselves following the change in the universities' strategy. They were short term, needed flexibility and required no other intervention except support from research offices, which was available. But the *Synergy* Steering Committee was involved in setting up a variety of new governance structures. The larger the scale of the collaboration, and the higher the initial investment, the greater the role of the *Synergy* Steering Committee in setting up new formal structures (Table 3). Where the collaboration operated with new staff, new legal entities and day to day autonomy (venture capital fund, spin-out companies, research institutes), the main *Synergy* Steering Committee task was to oversee the setting up of the new structure and establish new operating rules and reporting arrangements. While this was often complex, such bodies are not new forms of organisation and there were guidelines available inside or outside the universities which could be used by finance and research offices to develop procedures. Where the new structures required embedding within existing structures (research and graduate schools, merged departments), the number of stakeholders inside the universities was much higher. Here collaboration raised issues across the spectrum of university activities from academic issues, to issues of administrative and financial systems, university regulations, degree structures, personnel issues and space management. New formal structures were necessary to align objectives, clarify responsibilities, assign tasks and define reporting lines because they were expected to be permanent structures. More innovation – and improvisation – was necessary and the decision-making groups were also larger to reflect the variety of functional interests. The structure of strategic management was relatively straightforward in that principles of equal representation and joint reporting systems had been agreed at the outset. The design of operating systems was more problematic. We rejected solutions which involved the establishment of systems unique to the collaboration and different from those of either institution. Instead, we combined joint management with a single set of operating procedures from the university chosen to “administer” (but not own) the collaboration in order to reduce complexity.

Function	Actions
Direction & Strategy	<p>Publicity supported by Vice Chancellors of benefits of collaboration &amp; support available, to all staff directly and via faculty management.</p> <p>Direct involvement and leadership in some areas. Success used to demonstrate feasibility to others.</p> <p>Strategic role in planning the alliance, target setting &amp; performance monitoring.</p> <p><i>Synergy</i> Steering Committee reports formally &amp; regularly to Vice Chancellors, Senate and Courts.</p>
Governance -development of structures	<p>Varied:</p> <p>Some collaborations self regulating</p> <p>Creation of new management bodies, either directly or working with others:</p> <p>autonomous structures without new legal identities</p> <p>autonomous structures with new legal identities</p> <p>jointly managed integrated structures</p> <p>Sometimes external representation</p> <p>Formal rules for new structures:</p> <p>equal membership from both institutions with one vice principal from each university or their nominees as joint or rotating chairs.</p> <ul style="list-style-type: none"> <li>- reporting lines jointly to <i>Synergy</i> Steering Committee and to faculties</li> </ul>
Governance - development of operating rules	<p>New operating rules required because of lack of harmonised systems.</p> <p>Often initial ad hoc rules to start collaboration. Ring fenced initial financial arrangements for major collaborations.</p> <p>Management always joint but selection of operating procedures of a single institution to which the other deferred wherever possible – concept of the “administering university”. New “third way” solutions rejected.</p>
Governance - incentives	<p>Major financial incentives for large scale collaborations from government funding council and local development agencies</p> <p>Internal incentives:</p> <p>extensive funding of joint workshops, conferences etc</p> <p>pump priming grants to encourage research collaboration</p> <p>financial support early stages large collaborations</p> <p>research scholarships for joint students</p> <ul style="list-style-type: none"> <li>- internal &amp; external publicity</li> </ul>
Nurturing collaboration	<p>Templates and advice on web site <a href="http://www.strath.gla.ac.uk/synergy">www.strath.gla.ac.uk/synergy</a></p> <p>Interventions as “trouble shooters”, to deal with issues within collaborations, to facilitate systems and operating changes &amp; working with other stakeholders</p> <p>Advice and occasional administrative support to leaders of collaborations</p> <p>Regular meetings, especially with Deans, to judge changing attitudes, identify problems, seek new collaborations.</p>

Table 2. The Synergy Steering Committee

We found that financial incentives played a role, not in creating collaboration where there were otherwise no benefits, but in speeding development, especially where the incentives were time limited. External support from the funding council or development agencies, who also had collaboration agendas, to support investment in infrastructure was crucial for some of the larger collaborations. Internal financial incentives also played a role. Collaborative restructuring changes received internal financial support and funded workshops and minor pump priming grants (up to £2000) showed high gearing.

Collaboration	Start up costs and risk	Stakeholders	New formal structure	Financial Incentives	Synergy Steering Committee Start-up control	Synergy Steering Committee Steady state control	Synergy Steering Committee Performance monitoring	Synergy Steering Committee Networking
<b>Research projects</b> Research collaboration	Low – ad hoc short term	Academics, research office	No	Modest	No	No	No (faculty task)	Rarely
<b>Teaching collaboration</b> Student course access exchanges of staff - joint degrees	Low, long term but easy exit time costs, reputation risk	Academics, Faculty officers, students Registry	No Yes – new management groups	No Modest	No No	No	Not at Synergy Steering Committee level Periodic	Rarely Sometimes
<b>Library</b> Collaboration access, acquisitions etc	Low start up but high exit costs	Library, academics	No- existing library committees	No	No	No	Annual review	Sometimes
<b>Joint ventures</b> venture capital fund research institutes spin out companies	High time start up costs “ “	Academics, research offices, external agencies, faculties	Yes – ltd company Yes – new management group Yes – ltd company	Yes – internal & external “ “	Board membership/ sometimes chair “	Board membership Sometimes board membership	Annual review “ “	Sometimes Yes – many stakeholders “
<b>Partial mergers</b> Graduate schools Joint marketing of research	High set up costs, reputational risk Complex	Academics, faculties, registry research &, marketing	Yes- new management group Yes – new management group	Yes Yes	No- faculty Management group chair	No Management group member	Annual review “	Yes – many stakeholders “
Merged departments	High cost and risk High risk	All university functions	Yes – new management group	Yes- internal & external	Management group chair	Management group member	Annual review	Yes – many stakeholders

Table 3. Type of collaboration and management system

Turning to the nurturing role of the *Synergy* Steering Committee, time spent on initiatives was a function not only of the size of the collaboration but also of the number of stakeholders and boundaries to be spanned. The task of amending regulations and systems had to compete with the costs for administrators of making changes for whom these changes were a lower order objective. Often the difficulties related to relatively minor issues but ones which were embedded within larger systems so were complex to change. Often the solutions were found by supportive administrators and Deans, but the *Synergy* Steering Committee played two roles. The first was in exercising delegated power from the Vice Chancellors to persuade others to find solutions. The second was frequent practical involvement in finding solutions ourselves, simply because the collaboration was a higher priority for us than for some of the other stakeholders. The level of *Synergy* Steering Committee – and sometimes Vice Chancellor – involvement also depended on a further, critical factor. Where the enthusiasms and skills of the leaders of initiatives were high and the quality of interpersonal relationships was good the *Synergy* Steering Committee played a more minor role than when the reverse was the case.

There has been considerable personal and organisational learning. As experience has grown and levels of trust have risen, many tasks have become routine. For example, the second inter departmental merger proceeded much more smoothly than the first. For an increasing number of collaborations we have been able to point to templates and guidelines and we have not had to create new rules. However, the *Synergy* Steering Committee continues to have a presence on management bodies of all large scale collaborations if only to demonstrate that both universities support them, that there is not a “winning” and “loosing” institution and that the *Synergy* Steering Committee is there to deal with disputes and difficulties should they arise and to see that developments are aligned with university objectives.

## Conclusions

In general, our experiences support conclusions in the literature, although we would place differences in emphasis. Despite the possible costs and rigidities, our experiences support the view that for any significant collaboration, formal structures have to be established. These are complex and have high set up costs, so careful prior evaluation of the opportunity is necessary. Our experiences also strongly support Vangen & Huxham (2003) in the nurturing role which senior management must play; the role cannot be purely strategic. This is also consistent with the literature on change management in universities which recognises the multifaceted role which change leaders must play (e.g. Middelhurst, 1999). There were other aspects of our experience which we believe offer new insights into the management of this scale of collaboration between universities. The culture of two universities and their attitudes towards each other can be changed by top-down communication of a timely idea and through voluntary co-operation. While set up costs are high, new inter-organisational structures are workable. Finally, despite the complexities, the looser form which an alliance offers can provide significant benefits to universities without the loss of separate missions and identifies which a full merger would require.

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