



## Direct Bearing Network Resource

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### The Direct Bearing Network



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## Organizational Culture Dictates Partnership Success

Jeff Jackson, Professor and Coordinator, Algonquin College in the Ottawa Valley

Partnerships are being seen more often in all facets of public services and commercial industries. In particular, private public partnerships (known as P3) are crossing the boundary between the two sectors, and re-defining how products and services are created and delivered.

**Partnership:** joining forces with another organization or service provider to create and deliver a unique product – one that neither could deliver on their own.

While the potential benefits P3 brings to fulfilling or expanding your mission are important, these arrangements are a challenge to manage. The inherent differences in organizational culture between private, for profit commercial enterprise and public not-for-profit agencies pose a significant difficulty to navigate.

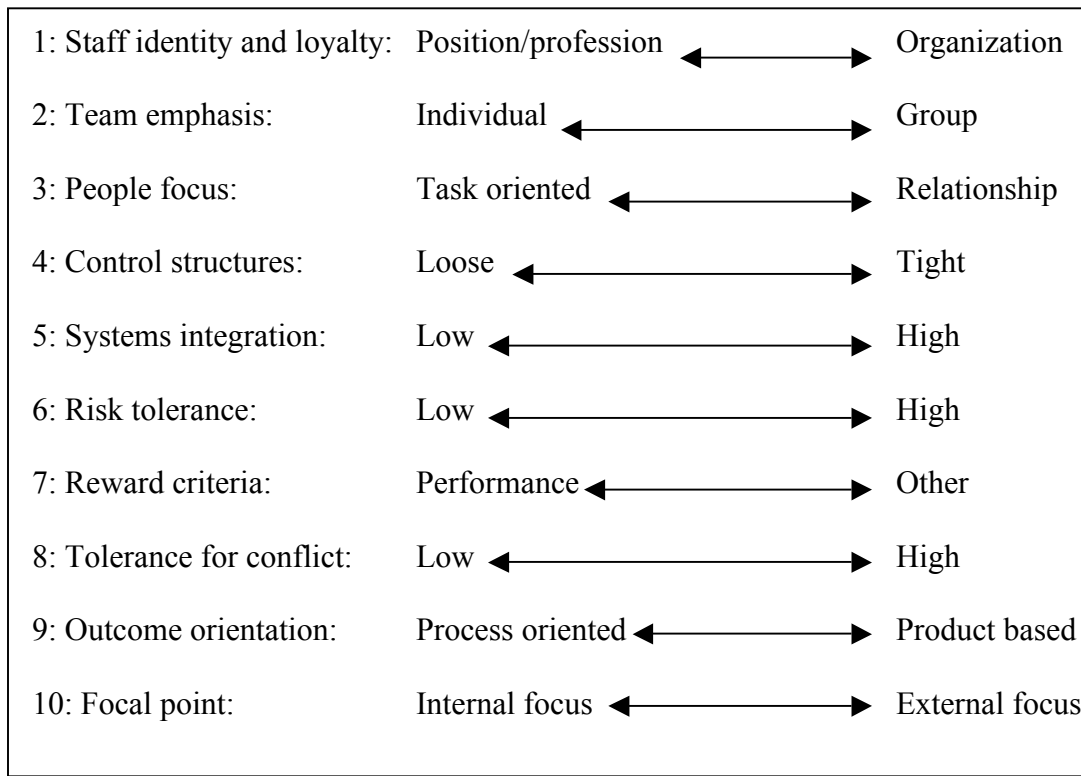
“It’s all about culture,” says Murray Kyte, Department Chair at Algonquin College in the Ottawa Valley, who oversees several private public partnerships that jointly deliver college credit courses. “The organizational culture sets the stage for the relationship that develops.”

### **Measuring Organizational Culture**

Organizational culture is the underlying beliefs, values and assumptions that inform and shape an organization. Theorists use a ten point matrix to define a particular culture (Figure 1), but certain parameters are more important than others when broaching a partnership arrangement.

A first step is to plot your own organization on this matrix. This may seem deceptively easy, however care should be taken to gain a consensus view that represents your whole organization (or working unit within your organization). For anyone inside the organization, there is no such thing as an ‘objective’ view, and it is here outside input can be valuable. Respected peers or consultants with expertise in this area can often articulate what those in the midst of it cannot. This articulation is important to create a lexicon and consistent message to build in a partnership.

**Figure 1: Organizational Culture Matrix (Gray & Larson, 2008)**



Importantly, the culture of your potential partner needs to be evaluated. While the key player your P3 builds its relationship upon may have one take on his or her own corporate culture, what the rest of the organization (and those who will actually deliver the product) believes may not align. As in assessing one's own corporate culture, wishful thinking and ideals are intermingled with actual practice. It is not uncommon for differing sub-cultures to exist, specific to hierarchy, technical specialty, or production models. Spending time in and amongst your potential partner's operation is revealing. Consider:

- How staff interact and work among peers and with clients;
- The physical space they work from;
- The attire of different levels of staff;
- Reviewing their marketing material, annual reports, and mission statement;
- Decision making and management structure.

By placing your partner on the Organizational Culture Matrix, you can already identify where potential synergies and challenges will lie. Taken in context of the project or product you are considering, you can start to imagine how a working relationship will take shape.

Certain elements of your partner's organizational culture are critical to the success of your relationship, while others have little impact (Figure 2):

## Figure 2: Cultural Traits Supportive of Partnerships

- 1: Staff identity and loyalty: Less important in most partnerships.
- 2: Team emphasis: Tendency towards Group indicative of collaborative outlook and partnership success.
- 3: People focus: Balance between Task and Relationship desirable in most arrangements.
- 4: Control structures: Dependent on nature of project or partnership. A research and development initiative may be Loose, while delivering high risk activity may require Tight.
- 5: Systems integration: Tending towards High. Systems integration signifies thorough management systems and attention to detail. Note that a very highly integrated systems based organization may have difficulty incorporating your systems or less integrated structures.
- 6: Risk tolerance: Should match your organization's risk tolerance. In many ways this is a 'make or break' factor.
- 7: Reward criteria: Less important in most partnerships.
- 8: Tolerance for conflict: High; conflict will arise between partners, and needs to be dealt with positively.
- 9: Outcome orientation: Dependent on nature of project or partnership.
- 10: Focal point: Dependent on nature of project or partnership. A partner with technical expertise can be internally focused, if you are providing greater strategy and outlook, while a balance may be required for joint development projects.

Divergent organizational cultures need to be identified and discussed. Internally, your organization has to be comfortable with the ethics and operating culture of your partner, and with that partner you need to discuss differences in culture and establish clear expectations and boundaries. Both of these are good ideas in the early stages of the relationship building, and will create a platform for an effective working relationship.

In many cases, different or divergent organizational cultures can be an asset and a source of synergy, assuming it is identified and managed carefully and continually.

### **Bottom line:**

1. Before entering into a partnership arrangement, identify your organization's culture.
2. Identify your partner's cultural traits and consider their importance to the project or arrangement.
3. Discuss cultural differences internally and externally to build a platform for an effective working relationship.

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