

## Gordon Institute of Business Science University of Pretoria

# Determining the traits and features necessary to overcoming low trust in cross-sector partnerships to attain successful partnerships between government and business

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#### **Abstract**

This study examines if and how low trust that may exist in cross-sector partnerships (CSPs) between government and business can be overcome in order to allow for more successful partnerships. CSPs have been lauded in the literature as a solution to addressing wicked social problems that are faced in many countries. However, the implementation of these partnerships has been stunted. One of the factors identified as contributing to this is the fact that there is low trust between government and business. This study explores the state of trust between government and business to determine whether in fact there is low trust between these stakeholders. It further considers the factors that influence the state of trust. With this understanding, the study seeks to determine if low trust can be overcome and if so, how. The research also looked at the role of individuals in developing and maintaining high trust. Further, it considered what features need to be present in the environment to have a climate conducive of trust between government and business. Interviews were conducted with nineteen representatives organisations that have been involved in CSPs in the past 5 years. The main focus of this study was to obtain learning for the business literature in an area that is lacking. Therefore, the sample used for this study included mostly public sector representatives.

The results of this study suggest that were there is low trust between government and business this can be overcome. It further demonstrated that the individuals involved in these CSPs have a critical role in developing high trust between the stakeholders. The findings also demonstrate that there are at least three broad groups of traits including, technical capabilities and behavioural qualities which these individuals need to have in order to be able to build trust between government and business in CSPs. The study also found that the features that are necessary in order to build trust in these CSPs will be dependent on the context in which they occur. A major finding of the study is that it is the responsibility of both government and business to create an environment conducive for in their CSPs.



With this trust, the CSPs are more likely to be successful in meeting their social and developmental goals.



## Keywords

Cross-sector partnership

Cross-sector collaboration

Trust

Low Trust

**Building Trust** 

Effective



#### **Declaration**

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out the research.

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I can do all things through Christ who strengthens me.

Philippians 4:13

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#### **Abbreviations**

CSPs – Cross-Sector Partnerships

MDGs - Millennium Development Goals

SDGs - Sustainable Development Goals

DBSA - Development Bank of Southern Africa

HSRC - Human Science Research Council

PPP – Public Private Partnerships

SOE – State Owned Entities

BEE – Black Economic Empowerment

For purposes of this study the terms government, state and public sector are used interchangeably. Similarly, the terms business and private sector are used together.



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#### 1. Chapter One: Introduction to Research Problem

#### 1.1. Introduction

The role that business plays in society has been the subject of debate from as early as Milton Friedman's work in 1970 and perhaps even earlier (Friedman, 1970). The main points of the debate being the different objectives of the business to make a profit and those objectives of the government to meet the needs of society as a whole. Over the years the idea of partnerships between government, business and society have been explored more and used to address long-term developmental objectives of society (Bryson, Crosby, & Stone, 2015). Partnerships between specifically business and government have also received much attention from scholars and practitioners alike (Manning & Roessler, 2014).

The advent of cross-sector partnerships (CSPs) comes off the back of a recognition that neither of the players (business, government or civil society) can act on their own to achieve developmental objectives and create social value (Getha-Taylor, 2012; Le Ber & Branzei, 2010). Thus the importance of CSPs cannot be understated, especially in developing countries that wish to achieve their developmental goals, such as South Africa (Luiz, 2014). In fact, already in 2002, world leaders at the World Summit on Sustainable Development which was held in Johannesburg had already highlighted the importance of partnerships between government, civil society and business in addressing issues of global development and achieving the Millennium Development Goals (MDGs) (United Nations, 2002). In September 2015, countries around the world adopted the United Nations' 17 Sustainable Development Goals (SDGs) for the 2030 Agenda Sustainable Development (United Nations, 2016b). These SDGs come in place of the MDGs which were aimed at alleviating all forms of poverty. The 17 SDGs will be applicable for the next fifteen years and provide principles that can be used by all countries in their efforts for economic development and address social needs (United Nations, 2016b). Goal 17 of the SDGs is named "Revitalise the global partnership for sustainable development" (United Nations, 2016a).



speaks directly to partnerships between governments, the private sector and civil society and points out that sustainable development requires such partnerships (United Nations, 2016a). This demonstrates that CSPs are high on the global agenda, and nations across the globe are considering them as a way in which they can achieve their developmental goals.

Trust like in any relationship, is a major factor that is at play in CSPs (Getha-Taylor, 2012). As will be illustrated below, often it is found that the trust relationship is most strained between government and business. In a country such as South Africa, development of the economy including aspects such as infrastructure is high on the agenda, and thus CSPs become of great importance. Moreover, as such the trust relationship, as well as the factors affecting it, between the government and business, is equally important.

The countries political background is one factor that is likely to affect not only the social ills that need to be addressed in the country through CSPs but also the trust relationship and potential for partnerships (Fakir, 2009). It has been 22 years since the country's first democratic election, and at present day the country is faced with stagnating economic growth (Statistics South Africa, 2016) and continued income inequality. The inequality is highlighted by considering the Gini coefficient of the country which was sitting at 0.64 in 2015 (Stiftung, 2016). These factors point out the need for immediate action and for government and business to work together to address these ills. Studies conducted by the Development Bank of Southern Africa (DBSA) (Fakir, 2009) and the Human Science Research Council (HSRC) (Gordon, Roberts, & Struwig, 2015) respectively illustrate how trust is a factor in the engagements between government and other stakeholders. Though these studies focused more on the trust that citizens have in public institutions, they illustrate that no government will be able to meet their development objectives if they do not have trust and support of the public. This can be extended to consider the trust between government and business (which is made up of citizens of the country).



What this study will do is to examine the concept of trust in the context of CSPs, to understand its importance to effective CSPs as indicated by the theory. Further, what this study will do is to learn how to overcome low trust which can act as a deterrent of effective partnerships that bring value to society. This study focuses specifically on the relationship between government and business as it would appear that the lowest trust would be between these stakeholders, however, there is no reason why the principles learnt here may not apply to any combination of CSPs. Further, it is noted that there is little research that has been conducted focusing specifically on overcoming trust in this relationship.

#### 1.2. Research Purpose & Objectives

The purpose of this study is to understand how the low trust in CSPs, can be overcome to allow for more effective partnerships between government and business. In this regard, we consider those traits which individuals that are involved in such partnerships need to have and also find the features of the environment surrounding the partnerships that would allow for more trust in (potential) CSPs.

The objectives of this study are as follows:

- To understand what are the factors that lead to low trust between government and business to more easily determine how they can be overcome;
- Identify key traits held by individuals that support an environment for high trust between partner organisations;
- Determine the features that need to be present in the operating environment that would allow for high trust between government and business.

#### 1.3. Research Motivation

There has been much emphasis on the need for partnerships between government and business (and civil society for that matter) across some platforms including at a national policy level in the case of South Africa (South African Government, 2016). Even with the recognition of the importance of CSPs in policy, there are very little, if any demonstrable results of effective CSPs. The prevailing theory also



continues to emphasise the importance of CSPs and acknowledges that there are challenges in bringing forth the theoretical aspects (as will be demonstrated in Chapter 2). It is also important from a business point of view, how the effectiveness of these CSP can hinder or support the sustainability of an entity. We thus consider the public policy, academic and business aspects as part of this motivation.

#### 1.3.1. Public Policy Motivation

CSPs that involve the public and private sector, as well as civil society, have been used in many countries as a manner to address societal issues such as education, healthcare and infrastructure (Le Ber & Branzei, 2010; Manning & Roessler, 2014; Vurro, Dacin, & Perrini, 2010). CSPs are also used as a mechanism for achieving developmental goals (Clarke & Fuller, 2010). Taking education as an example, it is evident why a poor education system would be a problem for the government. The government is the one that is tasked with putting into place mechanisms and policies to ensure that they provide their citizens with a high-quality education system. However, because the poor education system affects both business (as they will have a lack of skills) and society as a whole, the government cannot enact policy without working with these stakeholders or considering the effect of the policy on them.

In the South African context, the government's strategic policy to address the challenges faced by society is contained in the National Development Plan 2030 (NDP). The NDP focuses broadly on the objectives of doubling the country's GDP by 2030 and reducing poverty and inequality (National Planning Commission, 2012). "According to the plan, South Africa can realise these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society" (South African Government, 2016). The policy document also states that "long-term growth and investment requires shared vision, trust and cooperation between business, labour and government" (p. 33) also noting that trust is currently low between these stakeholders (South African Government, 2016). The importance of CSPs and trust is thus clear as the national policy itself



relies on the ability and effectiveness of such CSPs to address issues faced by the country such as poverty and inequality.

In this and other nations partnerships between government and the private sector are often conceived of or implemented in the form of Public Private Partnerships (PPP). A PPP is described as "a contractual agreement whereby the private sector is given the right and agrees to provide a public service or public infrastructure traditionally provided by the public sector on behalf of the government" (p. 4) (Danish Institute for International Studies, 2015). PPPs are regarded worldwide as a manner in which the public sector can share some risk with the private sector, obtain financing and the necessary skills while engaging in the provision of necessary public goods or services. South Africa has an established PPP framework which is managed by the National Treasury's PPP Unit. PPPs are regulated under the Public Finance Management Act No. 1 of 1999. From a reading of the relevant regulations, it is clear that PPPs are regarded as a particular form of procurement. However, Treasury Regulation 16 makes it clear that PPPs are not merely an outsourcing exercise or a privatisation of state goods, but involve substantial risk transfer to the private sector (National Treasury PPP Unit, 2007). PPPs involve a long-term relationship between the state and the private sector. In this regard, PPPs which can be considered as a form of CSPs, seem to be playing a larger role in the South African landscape. This research will assist in understanding how these relationships can be kept and sustained in a manner that will ensure that the partnerships are effective by addressing the issue of low trust. Even in relation to traditional procurement arrangements, it is not inconceivable that some of these contracts and relationships between government and business could benefit from the learnings about CSPs and trust from this study.

There is a general perception in many countries that the public sector is corrupt. On the other hand, private sector corruption (e.g. collusion, fraud, bribery) is also something that has become more prevalent over the years. This is evidenced by the increased number of top executives being brought to book for underhanded



and corrupt behaviour (Transparency International, 2016). In developing countries like South Africa, the public and private sector may find it harder to collaborate as the relations between these sectors is largely affected by the environment in which they are operating in (Fakir, 2009). The public perception of both the public and private sector is also telling. When considering each of the stakeholders, the public sector is often the least trusted. The results of the 2016 Edelman Trust Barometer show that government was the least trusted institution between non-government organisations (NGOs), business and media (Edelman, 2016). Even though the public's trust in state entities was lower than its trust in business, it does not take away the fact that these perceptions affect the ability of these stakeholders to work together. It is thus imperative for policy makers in government and business to ensure that there is an understanding of these underlying perceptions and the reasons behind them. This research will contribute to an understanding of the factors that affect these perceptions and trust between the public and private sectors.

Research also suggests that the trust situations in a country with South Africa's policy history is likely to be worsened. The level of social cohesion and trust in institutions is likely to be affected by the history of the country. Racial strains and divides may remain, which could have an impact on how different stakeholders interact with each other (Fakir, 2009).

Overall from a public policy point of view, given the current inclination by governments in many countries and the policies they have already set in place to work more with the private sector in different forms, it is important that a potential stumbling block to successful partnerships, such as low trust, is understood. Also, further how it can be overcome.

#### 1.3.2. Academic Motivation

Many scholars have written on the topic of cross-sector partnerships between different organisations, and others have identified the value these partnerships create, both through theoretical and empirical studies (Bryson et al., 2015). The issues related to CSPs have been considered in relation to aspects such as:



- the design and creation of such partnerships,
- understanding antecedent conditions for such partnership,
- the behavioural dimensions of those involved in the partnerships, and
- an understanding of the effects of such partnerships on different stakeholders (Baker, Kan, & Teo, 2011; Kolk, van Dolen, & Vock, 2010; Saz-Carranza & Ospina, 2011; Vock, van Dolen, & Kolk, 2013).

This study will contribute to the prevailing theories on CSPs by examining further one of the key factors that have been identified in theory as critical to the effectiveness of CSPs, by providing more insight on how to overcome this potential stumbling block.

Trust has been considered as an essential precondition to CSPs and an important factor that may, in fact, impede the creation of CSPs in some conditions (Getha-Taylor, 2012; Venn & Berg, 2014). Though the importance of trust in CSPs is highlighted in much of the literature, little attention is given in the current theory on this aspect, including issues such as to address low trust. This is an area of the theory that needs to be developed, and this study will certainly contribute.

The role of the individuals and their interactions with the organisations in the formation of partnerships has also been identified as an area that requires further study (Manning & Roessler, 2014). This research will contribute in part to this aspect as it will seek to understand the role that individuals play in the addressing issues about low trust thereof and thus in the formation of CSPs. What this study aims to understand are the traits that the persons involved in CSPs need to have to develop trust, thus ensuring effective CSPs.

#### 1.3.3. Business Motivation

Social challenges confront all organisations in every sector, and they have to respond to them in the course of their business (Selsky & Parker, 2010). No business can be sustainable in an environment that itself is not sustainable. The overarching principle as to why business should be concerned with CSPs and their



role in meeting social objectives can be understood by referring to the Porter and Kramer (2011) principle of "shared value". Shared value, simply put, entails that the businesses can still create economic value while also ensuring value creation for society as well (Porter & Kramer, 2011). Though the concept has received some criticism as being very superficial (Crane, Palazzo, Spence, & Matten, 2014), it provides a point for discussion.

The debate on the role of business in achieving developmental goals continues to this day. However it has become clearer to stakeholders in the private and public sectors that neither of them can survive without working together and in fact, it is this recognition that has led to more partnerships being embarked on (Siddiki, Carboni, Koski, & Sadiq, 2015; Stadtler, 2011). There is a recognition that there are benefits not only for the public sector (or society) in CSPs but that business does, in fact, benefit from such CSPs. Further to this business may become unsustainable if it is operating in an environment where the social ills continue to plague the citizens (Stadtler, 2011). For any business to thrive it needs a stable environment and income, thus addressing these issues ensure that their business can operate and will continue to have customers who can pay for their services.

Understanding that there may be challenges that may prevent the formation of CSPs, for instance, where the private sector lacks trust in the public sector or *vice versa*, this research will provide a practical illustration in understanding the issues about trust. The research will provide useful insight into understanding how trust can be built and sustained to create an environment more conducive to the creation of effective CSPs. The insights provided here are not only from the private sector but more importantly from the public sector.

#### 1.3.4. Summary on Motivation

In the wake of the recent protest action by students in various higher education institutions across South Africa for free education at tertiary level (#FeesMustFall), the role of the private sector in assisting the state to provide to free education has become part of the debate (Eye Witness News, 2016a, 2016b). Public perception is that the private sector has a role to play in achieving social goals, such as free



education. This is an example of why CSPs are important, and why government and businesses alike need to find a way to work together to address social issues such as unaffordable education.

Partnerships between government and business are of importance to the developing nation such as South Africa. However, issues about trust between institutions in the different sectors are likely to be more pronounced given the history of the country and the current socio-economic imbalances that continue to plague the country. This research contributes to the important literature around CSPs by considering one of the factors that have been identified as a potential obstacle to effective CSPs, which is low trust. This will also contribute by identifying a way to address the issues about low trust, from the insights and experiences of professionals who have had experience in some form of CSP. The study will thus contribute to practitioners and theory alike, and more importantly, contribute to addressing real social ills that plague our country and the world at large.



## 2. Chapter Two: Literature Review

#### 2.1. Introduction

The theory on cross-sector partnerships has developed over the years and along with the debates on the role that business should play in achieving developmental goals. This theory, however, does at times have to face up to reality. For instance, with regard to CSPs, practitioners have faced challenges in the implementation of CSPs or in achieving the value stated in theory. It is for this reason that it is always important to critically review the literature and question those aspects that may not seem to be in line with real world experience.

This chapter examines the prevailing theories about the nature of CSPs as outlined by the theory and develops a description of what will be considered in this study as a CSP. It then examines the concepts of value(s) which such partners bring about, to further highlight the need to make sure that these CSPs are effective. The subsequent sections will then contain discussions on trust, its importance, how it can be an obstacle, the role it plays in partnerships and theories of how to overcome issues of trust. These learning from the literature will then be synthesised in summary at the end of this chapter which provides the context for the research questions posed.

#### 2.2. Defining Cross-Sector Partnerships

The study of CSPs cuts across many disciplines including management, marketing, organisational design, leadership and public administration and management. There is a number of different terms used to refer to CSPs including cross-sector social partnerships or cross-sector partnerships. There is further different terms to describe 'partnerships' including networks, alliances, interorganisational and collaborations (Baker et al., 2011; Bryson et al., 2015; Saz-Carranza & Ospina, 2011). The term 'cross-sector partnerships' is used for this study.



CSPs can be described as "close, mutually beneficial, long-term partnerships that involve more than philanthropy, sponsorship or cause-related marketing" (p. 518) (Vock et al., 2013). They have also been defined as "collaborative models formed explicitly to address a broad variety of social issues and causes" (p. 39) (Vurro et al., 2010). Page, Stone, Bryson & Crosby (2015) define collaborations "as the linking or sharing of information, resources, activities, and capabilities by organisations to achieve an outcome jointly that the organisations could not achieve separately" (p. 716). Stadler (2011) notes that these partnerships involve more than contractual relationships, but involve integrated collaboration that includes shared contributions to inputs, responsibilities and exposure to risk.

In public administration the term is 'collaborative governance' which is used to describe "processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, levels of government, and/or the public, private and civic spheres in order to carry out a public purpose that could not otherwise be accomplished" (p. 2) (Emerson, Nabatchi, & Balogh, 2012). Further, in public administration and management, the term collaborative governance or collaborative governance strategies are also used to refer to those engagements between government entities and non-state entities in sustained dialogue concerning some parts of the policy, whether through statute or law (Siddiki et al., 2015). Public management theory considers partnerships about the delivery of public services where the delivery of these public services is now more participatory and collaborative with governments engaging business, civil society and other stakeholders (Bryson et al., 2015; Kettl, 2015; Walker & Hills, 2012). According to the literature, the emergence of CSPs is a demonstration that traditional techniques of addressing society's problems have become ineffective (Getha-Taylor, 2012). In this regard, another element to consider of CSPs is that they are often set up to address a societal need or problem.

There does seem to be some common themes coming across the different iterations of partnerships in the various fields of study. From this, a description of



what can be considered as a CSP for this study can be developed. In this regard, CSPs relate to those long-term, or prolonged relationships or engagements between government and business. These also include more than just mere armslength contracting. Parties to such partnerships have a specific societal goal, policy objective or mandate to meet which now becomes shared between them. There does seem to be an element that relates to a sharing of resources, be it skills or financing and also some level of shared decision making between the partner organisations. In this regard, there does seem to be an element of risk transfer or risk sharing between the partner organisations. An essential, element of these partnerships is that they are between entities in the different sectors, of public, private or civil society or any combination of these. In this regard, this study will examine any form of partnership that meets the above stated common elements as relevant, however with a focus on partnerships between the public and the private sector.

#### 2.3. The nature of Cross-Sector Partnerships

With a better understanding of what can be regarded as a CSP, it is now important to gain a better understanding of how these CSPs operate as this may have an effect on the trust relationship is addressed. As stated above, CSPs are engagements with an end goal or objective. In this regard, organisations choose to enter into the partnership as they are not able to meet these targets by themselves. Organisations in partnerships collaborate, by sharing information, decision-making, and activities to address a problem together. Given the nature of different organisations and the context in which they operate, the CSP may take various forms. Many CSPs also change their form and nature over time and remain dynamic in character (Page, Stone, Bryson, & Crosby, 2015). It is thus not possible to come up with a standard form that CSPs should take. This also suggests that there is invariably a shift from traditional organisational design, culture and operation involved in CSPs. This does contribute to some of the challenges that are faced in CSPs as will be discussed later in this review.



Partnerships that are entered into between different organisations can come about as a result of them being legally mandated, for instance through policy such as the procurement policy (such as the PPP policy in South Africa). Other partnerships are entered into voluntarily by the partners. The nature of the CSP can be affected by whether it is a voluntary or mandatory (Bryson, Crosby, Stone 2015). In this regard, it is clear that the relationship between partners who entered into a partnership voluntarily is likely to be more collaborative and participatory than one that is mandated. Further to this, it is probable that the buy-in and motivations from partners in voluntary collaborations are also different.

The nature of the CSP can also be affected by the political environment in the territory in which the partnership is being formed (Bryson et al., 2015). It does seem likely that in a climate of political stability, the relationship between stakeholders in different sectors will be more conducive to the creation of partnerships. The political context will also affect the willingness and ability of state entities to engage in partnerships with other sectors. Thus the form that a CSP takes will most likely be affected by the political context in which it operates. Given the history of the South African political environment as well as the environment since 1994, it is more than likely that these factors will affect the manner in which CSPs are formed in this country as well as similar countries.

Looking further at the issue of the context of the environment in which the partners operates, other factors may come into play in determining how CSPs are formed. However, it is not only the external environment that is likely to affect the nature of the CSP but the character of the organisations that are forming the partnerships as well. For instance, each organisation has its administrative systems, human resource practices, organisational culture and decision-making processes. Where there is a partnership between different organisations, there is often frustration between the participants that is caused as a result of these differences (Bryson et al., 2015; Page et al., 2015; Siddiki et al., 2015). The ability of the organisations involved in the CSP to find a way to collaborate and ease over these frustrations will affect how the CSP looks and works at the end. In fact, it may be necessary for



the partners to set up a new set of processes that will apply to the CSPs. Partnerships also face conflicts as a result of differences in the views on the value of the partnership to the organisation(s) by various stakeholders (Page et al., 2015). Such differing ideas of the value would also affect the nature of the CSP.

These partnerships are also facing criticism for blurring the lines between the public and private sector and causing the private sector to take over the role of government (Kettl, 2015). This just highlights how CSPs have meant a change in the traditional roles of business and government. CSPs are such that business engages in a role that it would normally not play. However, the criticism found in the literature that these partnerships result in business usurping government's role does not seem to take into account the fact that there should still be shared responsibility. Further to this, as stated in the other literature, the traditional operating models seem insufficient in the wake of prevailing social ills or needs, and hence the necessity of shared responsibility. It does however also highlight the point that CSPs should not be used as a form of shifting responsibility from governments to the private sector.

The current literature illustrates just how complex CSPs can be and how no standard formula can be followed in forming one. There are however some factors that can be considered based on the learning from the different studies reviewed, these include:

- CSPs can take on various forms;
- The nature of the CSP will be affected by the context and the environment in which it is formed;
- Both the external and internal factors influencing partner organisations will affect how the CSP is designed, structured and implemented;
- CSPs entail the sharing of responsibilities by the partners, rather than a shifting of responsibilities from one stakeholder to another.

We now consider the theories about the value of these CSPs in the following section.



#### 2.4. The value of Cross-Sector Partnerships

Much of the literature outlining the theories on the value created by CSPs considers this at either a macro, meso or micro level. The review and discussion below are thus structured as such.

#### 2.4.1. Macro-level

CSPs have been identified as essential to assist with solving wicked social problems, such as poverty, poor education and healthcare systems, environmental sustainability and economic development. These problems affect business, government and civil society alike (Getha-Taylor, 2012; Kolk et al., 2010; Manning & Roessler, 2014; Selsky & Parker, 2010; Siddiki et al., 2015; Venn & Berg, 2014). The problems are often complex and interlinked and thus making simple solutions ineffective in resolving them (Stadtler, 2011). It is understandable that these social problems would affect all stakeholders in the environment in which they occur. It is perhaps this simple construction that justifies the need for partnerships between these stakeholders as they can work together to address these common issues.

Cross-sector partnerships are often measured by the public value which they create. The concept of 'public value' may mean different things to different people however we consider it as explained by Page et al. (2015). They suggest a framework that has democratic accountability (which includes transparent decision-making processes that are responsive to authorizers, stakeholders and citizens) as its first dimension and procedural legitimacy (entailing processes that are fair, rational, transparent and intentional) as the second dimension. The final dimension is substantive outcomes (which entails performance accountability, including effectiveness and efficiency). From this framework, it would appear that the public value in created when the needs of the stakeholders are achieved in an effective and efficient manner while maintaining fair practices and transparency. Though in their study the authors did find that there may be trade-offs from one dimension to the other and that it may be hard to find high value in all dimensions. They seem to suggest that the manner in which the social needs are met (efficiency) contributes



to the value obtained from such partnerships. Nonetheless, it appears from this that there is some value that can be extracted.

The value that is created at the macro level by CSPs seems to be concerning the fact that stakeholders come together to address common problems and they can do this more efficiently and effectively. Moreover, overall these problems are overcome or simplified. This means that the society at large (including business and government) will benefit as a social ill or need is now addressed and met.

#### 2.4.2. Meso-level

Such partnerships are also helpful in achieving organisational benefits by leveraging on competencies and resources of stakeholders (Kolk et al., 2010; Venn & Berg, 2013; Vock et al., 2013). These partnerships can provide great opportunities for learning, transfer of skills, access to capital for organisations that take part in them. Organisations who may lack resources can now draw value from CSPs as they may now have access to these resources from their partner organisation.

Organisation can become agiler when engaged in CSPs (Dentoni, Bitzer, & Pascucci, 2015). The dynamic nature of CSPs ensures that an organisation can effectively assess the environment in which they operate, and come up with innovative ways by which to address any issues that arise.

Stadler (2011) points out that the following benefits may accrue to businesses in CSPs:

- Businesses can maintain positive relationships with stakeholders;
- It can strengthen brand and reputation;
- They could attract and develop talented employees;
- It could improve the efficiency of the value chain;
- A business can develop a competitive advantage by for instance accessing new markets.

The above illustrates that value that can be extracted by business in CSPs, however, the benefits are not only for the private sector. The public sector also



benefits from CSPs, for instance in relation to accessing skills and or capital as stated above. Further, research also seems to suggest that CSPs have the effect of increasing the levels of public service performance (Walker & Hills, 2012). This construction does seem appropriate as the efficiencies that arise from the CSPs are likely to be felt both in the public and the private sector.

#### 2.4.3. Micro-level

Studies have shown that there are benefits that can accrue to individual employees and customers of the firms that are engaged in CSPs (Kolk et al., 2010; Vock et al., 2013). For instance, in an organisation that is involved in a partnership, there may be trickle-down effects where managers positively influence employees to act in order to achieve the stated goals of the CSPs. These effects can occur at different levels within the organisation and across partner organisations and can involve a number of different gains including obtaining skills. Customers of these organisations also benefit as they are able to engage with firms that are more involved in the social exchange and are perceived better by society.

#### 2.4.4. Views on value creation

Though CSPs are lauded for creating value for stakeholders, the actual value that has been extracted from them has come into question more often. Stakeholders are looking for more tangible results rather than focusing only on the theoretical notion of value that is expected from collaboration. It is, however, notable that these results need not only be seen from the point of view of cost cutting or production efficiencies but may also include aspects such as process legitimacy and democratic responsiveness (Page et al., 2015). The doubt that is cast on the value of CSPs seems to emanate more from the point of view that they have been ineffective in achieving their goals. So though the literature has identified the benefits of CSPs, they are sometimes not realised as a result of the poor implementation. It thus contended that should CSPs be adequately implemented, then these benefits discussed above are likely to accrue. It is the very purpose of this study to ensure that a key factor in the implementation of CSPs, which is trust



is addressed so as to allow for the most successful implementation of the partnerships.

#### 2.5. Trust in Cross-Sector Partnerships

#### 2.5.1. The importance of Trust

The importance of trust in partnerships has been identified and emphasised in the literature for some time now (Bryson et al., 2015; Kolk et al., 2010; Venn & Berg, 2014). A CSP can be seen as any other relationship between two entities (individuals or organisations) and in this instance, if a relationship between partners is to be successful, they would need to trust each other. The extensive interactions between business and government may affect the levels and nature of trust that exists in any given environment. It is likely that trust can differ due to the context of the country, the economy, the industry, the firms in question and the nature of the partnerships (Kolk et al., 2010). In trying to understanding the importance of trust, it is important to consider its meaning. Venn and Berg (2014) referring to earlier literature define trust as "an expectation that things or people will not fail us ... even if there are opportunities and incentives for it" (p. 393). From this, it is clear that this relates more to the expectations between the partners. It also does acknowledge that there is a level of information asymmetry that exists between the partners and this comes with an element of risk taking as partners act only based on expectations. It is because of this very nature of trust that it often can form an obstacle to the relationship/partnership.

Trust can manifest in one of two ways. The partners can either have high trust in each other (to varying degrees), or they can have mistrust also to different levels. Both of these have an effect on the partnership. Where there is little or no trust between partners the partnership can be affected in that transactions costs are increased between the partners (Walker & Hills, 2012). In this regard, the partners will be spending more time and effort to varying information received from their counterparts. However, where there is trust, this also will affect the relationship between the partners. Studies have found that where there is trust between partners this can improve investments and stimulate learning, knowledge



exchange and innovation (Emerson et al., 2012). The trust will engender mutual understanding which in turn creates legitimacy and commitment between the partners in a CSP (Emerson et al., 2012). Thus understanding that the nature of trust between the partners in a CSP can have negative or positive effects on the partnership itself makes the case as to why it is such an important factor in CSPs.

Venn and Berg (2014) make use of an earlier construct to make the argument that the development of the CSP happens on a 'collaboration continuum'. The continuum has different stages, and in these stages, the social exchange patterns and the state of trust are also different. Table 1 below illustrates the continuum. What is important to note here is that at the integrative partnership stage, the trust between the stakeholders naturally is high. This is the stage where joint problem solving occurs and in fact as Venn and Berg (2014) point out, that it is at this juncture that the partners can start solving problems such as poverty. This highlights the importance of ensuring that high levels of trust are built and maintained if CSPs are ever to be effective in reaching their developmental goals. Partners at this stage need to be able to exchange ideas and information openly.

Table 1 Social Exchange Patterns at Different Stages of Cross-Sector Partnerships

Partnership Stage	Partnerships Purpose	Social Exchange Pattern	Trust and Intensity of collaboration
Conflict Resolution	Overcoming Differences	Negotiated	Low
Philanthropy	Charity and publicity	Reciprocal	Low – Medium
Transactional	Stakeholder management and Capacity Building	Generalized	Medium - High
Integrative	Co-creation of innovative solutions to mutual problems	Co-productive	High

Source: Venn and Berg (2014), pg. 319



Often in new partnerships, it is not clear what the outcomes will be like and the nature of today's rapidly evolving environment exacerbates this situation (Baker et al., 2011). In the face of such uncertainty, the partners need to have high trust in each other. The difficulty lies in that having high trust is not something that one can do overnight. It is often said that the trust between entities is built over time. Even so, many partners seem never to be able to obtain that high level of trust. This has the effect that many CSPs that are entered into end up being more transactional or philanthropic rather than integrative. This means that those CSPs that are affected by low trust often do not meet their objectives satisfactorily. This demonstrates how the lack of trust in CSPs does, in fact, influence the effectiveness of the CSPs in meeting its objectives.

As stated above, trust can be built over time and may become stronger over the course of the relationship between the partners. No research indicates the specific time partners in a CSP need to develop high trust in each other. Therefore, the uncertainty that is present at the initial stage of the relationship may persist into the relationship. Partners can, however, develop trust quicker by sharing information, assumptions and experiences (Venn & Berg, 2014). Therefore, though trust is likely to be low in many instances, the partners in CSPs need to make a concerted and deliberate effort to build trust. Further, it would appear that trust is more of an issue in new partnerships. Therefore, where parties have been in partnerships or engaged each other before, the trust may be less of an issue or at least the position of each stakeholder more pronounced to them. However, even in these cases, the trust may be at a lower level than it needs to be (perhaps even based on the experiences of the partners), thus it is still important to understand how the nature of trust is affecting the effectiveness of the partnership. The lack of tried and tested governance structures can also contribute to the uncertainty and suspicion between stakeholders which then makes the need for trust more pronounced (Venn & Berg, 2014).

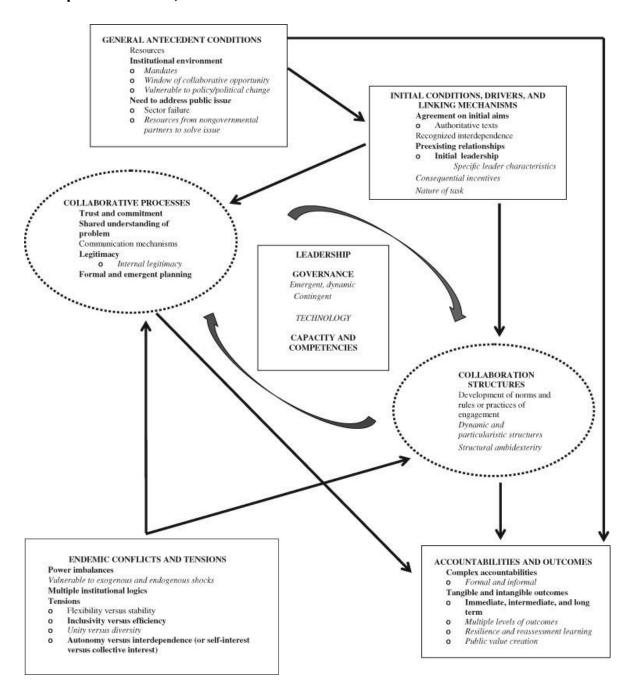
In their study, Bryson, Crosby and Stone (2015), provide a summary of the main theoretical frameworks and empirical studies. In their summary, trust is identified in



as part of the collaborative processes, which have been found in the literature as assisting in fostering effective cross-sector partnerships. Trust in the context of this process relates to interpersonal behaviour, confidence, and expected performance and a sense of goodwill. It is also identified as an on-going requirement throughout the lifespan of the partnership (Bryson et al., 2015).



Figure 1 Summary of Major Theoretical Frameworks and Findings from empirical studies, 2006 – 2015



Source: Bryson et al., (2015) on pg. 651



It is evident from the summary above that trust as a factor, has been considered by many authors, and its role in the formation, design and implementation of CSPs cannot be understated. It is also evident from the literature that nature of trust between partners in a CSP can affect the effectiveness of the CSP.

#### 2.5.2. Low trust as an obstacle to CSP

Scholars sometimes overlook the role of trust in CSPs, and there seems to be an assumption that all stakeholders will enter into partnerships simply with the understanding that they will both benefit from these partnerships (Baker et al., 2011). On the other hand, other scholars have realised the importance that trust plays in setting up effective CSPs (Getha-Taylor, 2012). Organisations in partnerships could have a different view on the desired outcomes and based on each one's perceptions this could cause conflict between the stakeholders. For instance, the private sector may be entering into a CSP with the motive to make profit, whereas the public sector needs to provide its citizens with services at a reasonable cost (Kolk et al., 2010; Le Ber & Branzei, 2010; Saz-Carranza & Ospina, 2011; Stadtler, 2011; Venn & Berg, 2014). Though broader macro-level goals (e.g. economic development) may be easier to agree on and often be shared between the stakeholders, the differences in objectives are often observed at organisational and individual level. The underlying reasoning from each partner may continue to play a role even where there is an agreement on shared goals. Even when organisations are trying to address the same challenges, they may do so differently with different outcomes in mind (Selsky & Parker, 2010). The motivations and desired results of each stakeholder and the accompanying perceptions of each partner to the CSP often contribute the to the low trust between them. Partners may view each other with circumspection as they are of the opinion that their objectives are not always completely aligned. This can be more pronounced in relationships between business and government whose objectives are often different.

The lack of trust between organisations may also come about as a result of a lack of sharing of confidential information in the fear that the counterpart only seeks to



benefit themselves by accessing such information (Getha-Taylor, 2012; Kolk et al., 2010). In this regard, stakeholders already approach each other suspicion and as such fail to do the very thing that is required to build trust, which is share information. In this situation, the low trust will remain and perhaps sustain for the duration of the relationship between the stakeholders. It is reasonable also to form a view that the perceptions held by potential partners in CSPs may, in fact, stop the formation of such CSPs. If the stakeholders already engage each other with suspicion on the motivations of the other stakeholder for entering into the CSP, this may stop such stakeholder from proceeding with the partnership. Even in instances where they do in fact enter into the CSP, the nature and effectiveness of the CSP are likely to be negatively affected. Where there is low trust between partners, the partnership is not likely to be successful as there will be a breakdown in the communication and the partners will not be acting in the best interest of the partnership (Kolk et al., 2010).

High trust between the government and business has been identified as a mechanism that assists the creation of new initiatives and partnerships between various stakeholders (Walker & Hills, 2012). Thus creating an environment conducive to high trust among different stakeholders would assist in identifying potential CSPs that could help a country. It is for this reason that it is important to understand how trust can be built and how low trust can be overcome so as to have an environment that can facilitate effective CSPs.

#### 2.6. How can trust be developed to ensure effective CSPs

Some of the literature that has looked at the issue has provided some ideas on how trust can be established between partners in a CSP. In this regard, what has been suggested is that the partner organisations each need to invest time in the development of the relationship and that it takes place over time (Emerson et al., 2012; Venn & Berg, 2014). This suggests that both partners will need to be prepared to spend time on deliberately working on their relationship. Often the 'softer' issues are overlooked when organisations engage in commercial negotiations and are also likely to be neglected when CSPs are formed. However,



it seems critical in relation to CSPs that there be engagement on the development of the relationship between the organisations and that time be set aside for actions to be taken in relation to building trust.

As stated above, trust entails that there is some uncertainty that the stakeholder has. In this regard, there is asymmetry of information between the partners which is further exacerbated by the complex and uncertain environment in which firms operate. It is not surprising that the literature states that to develop trust partners, have to take a certain level of risk and place themselves in a vulnerable position (Venn & Berg, 2014). Tolerance for risk is something that is dependent on some factors including the context in which organisations are operating. However, given the importance of building trust, this tolerance appears to be a critical factor that organisations need to have. This would thus mean that organisations that are not in able to place themselves in a vulnerable position should not even attempt to enter into CSPs. The level of risk that exists is affected by the availability of information and certainty, and no organisation can fully have either.

Where there are pre-existing relationships between CSP partners, this may involve less risk for the partners. The pre-existing conditions in relation to trust as well as the nature of the proposed partnership may have an effect on the trust between the organisations and their representatives (Vurro et al., 2010). So, as discussed above, it is likely that trust will be higher in situations where the parties have engaged before (Bryson et al., 2015). Studies have also shown that trust is also earned through the actions of the partnering organisation (Venn & Berg, 2014). Further to this, however, there is a suggestion that the nature of the partnership itself will also contribute to building trust. Longer term mutual value partnerships may foster more trust than shorter arms-length interactions, which may, in fact, break trust (Venn & Berg, 2014). Thus in relation to the nature of the partnerships, the organisations need to ensure that the proposed CSP does, in fact, have mutual value.

Imbalances in resources create an environment where parties can bring in power plays (Venn & Berg, 2013). Resource complementarity creates a state of



equilibrium in CSPs, thus mutual, and equal dependency would provide an environment where both organisations and individuals involved have to engage to meet each other halfway. This level of engagement reduces power plays that can affect the trust relationship (Venn & Berg, 2014). Thus it would improve the trust situation if there is more balance in relation to resources. However, since many CSPs are entered into because one of the stakeholders is lacking a resource (e.g. skills or capital) it may prove difficult to reach this balance on a simple resource for resource basis. Thus it is important to clarify that what appears to be essential is a mutual dependency between the partners. So even if a stakeholder does not have a resource which the other has, there needs to be a fair exchange where no one party has power over the other. By construction, it may mean that where there is an obvious power imbalance, a partnership is likely to fail and should not be pursued as trust will be negatively affected.

Studies have also found that intermediaries can prevent the breakdown in trust. These intermediaries can be employees of the organisations (Venn & Berg, 2014; Vock et al., 2013). These individuals have also been referred to as bridging agents (BAs) (Manning & Roessler, 2014). This highlights the importance of the individuals that are involved in a CSP. This does seem appropriate as the relationship between organisations will be affected by the relationship between the people who are representing the respective organisations. These individuals will play a fundamental role in building and maintaining the relationship between the organisations. Bryson, Crosby & Stone (2015) refer to these people as sponsors or champions. They state that a collaborative mindset is a key characteristic for such sponsors and champions (Bryson et al., 2015). From this, it is evident that to be able to build trust between partnering organisations; it is fundamental to have people that have the right traits to build and maintain trust. The individuals involved in a CSP can either help to create the trust or can destroy it. These people can come from different levels of the organisations. For instance, important factors that have been identified in building trust are participative and effective leadership at multiple levels, the involvement of top and middle management, open and frank communication, and human resource management practices (Baker et al., 2011;



Getha-Taylor, 2012; Kolk et al., 2010). So it would appear that all the individual involved in a CSP can play a role in building trust in the partnership. Each can play a part in his or her own way, from top management to the ordinary employee that is tasked with day-to-day operations of the CSP. The key factor that appears from this is that the relational aspects are of importance in ensuring effective partnerships (Baker et al., 2011; Getha-Taylor, 2012; Stadtler, 2011). The involvement and relationships of the individuals in a CSP needs to create the environment for trust to be built. Thus the actions and intentions of the people involved in CSPs need to be aligned with the shared objective. Exchange of information, offering help, meeting commitments are some of the ways in which individuals in these partnerships can foster trust (Getha-Taylor, 2012). Also, a belief that the problem needs to be addressed, relevant qualifications, and age of these individuals can also be important traits that may affect the relationship, the level of trust and thus the effectiveness of a CSP (Bryson et al., 2015).

In their study, Emerson, Nabatchi and Balogh (2012) propose an integrative framework for collaborative governance. The framework considers collaborations like a system that operates within a particular legal, socioeconomic, political and environmental context. This system has drivers (including leaderships, interdependence, consequential incentives and uncertainty), collaborative dynamics (such as shared motivation, capacity for joint action and principled engagement) and outputs and collaborative actions (which will depend on the context). The collaborative dynamics work together to produce collaborative actions in an iterative and interactive manner. Mutual trust is identified as one of the components of shared motivation which is a collaborative dynamic. The figure below depicts the framework.



System Context Collaborative Governance Regime Collaboration Dynamics Principled Engagement Adaptation Impacts Leads to Actions Drivers Capacity for Joint Action Shared Motivation Adaptation Impacts

Figure 2 The Integrative Framework for Collaborative Governance

Source: Emerson et al. (2012), pg. 6

This framework emphasises the importance of interpersonal and relational elements between the different organisations participating in the collaborative effort. This framework provides the basis for which this study will examine trust as a factor in CSPs. From this, we can understand the factor that effect and affect the trust in CSPs. It is evident from the framework that there are factors that work together in ensuring an effective partnership. These factors include:

- a) The environmental context including issues such as the political reality, the economic environment, etc.;
- b) The structure of the CSP;
- c) The objectives of the CSP, and;
- d) The actions of the parties involved in the CSP.



These are the factors that will be examined in this study to understand how they affect the trust relationship between partnering organisations.

From this framework, it does appear that more than relational aspects of the partnership, the structure of the CSPs is also of importance. In this regard, procedural legitimacy is said to assist in addressing conflicts between different organisational systems. Partners can use processes, guidelines and structures to create an environment conducive for collaboration (Page et al., 2015). Institutional design is also identified as critical to defining participation in partnerships (Siddiki et al., 2015). Therefore, it appears that partnering organisation can make use of these factors to also ensure that trust is built in CSPs. This idea does seem appropriate as it would reduce some of the uncertainty between the organisations. The guideline, structure and processes can ensure that partners are held accountable, maintain the objectives of the partnership and take on the requisite risk that comes with CSPs. Trust is more likely to be higher in a circumstance where these uncertainties are eliminated.

#### 2.7. Conclusions on Literature Review

It is evident from the literature that what is envisage with CSPs is more than just arms-length transactions between organisations in different sectors. There is a deeper relationship that is involved in such CSPs. One of the main determining factors is that the partnering organisations have to have a shared goal or objective. However, CSPs are not simple creations as they are themselves complex. The difference between organisations and their aims means that there is general tension that can affect the relationship between them. Trust between the organisations is often affected by these tensions. Given the often widely different objectives of government and business, the trust relationship between these stakeholders is likely to be worse off than other forms of partnerships.

The nature of trust between organisations can positively or negatively affect the relationship between (potential) partnering organisations. The more trust exists between partners in a CSP, the more likely it is that they can collaborate effectively. Thus it is clear that trust is an important factor for effective CSPs.



Effective collaborations bring value not only to the broader community but for the organisations involved and the individuals within and around those organisations. However, to see these benefits that have been written about, it is key that more partnerships are implemented in a manner that such benefits do in fact accrue. Doubt over the stated value of CSPs is likely to be as a result of many poorly implemented CSPs. Trust again, is one of the factors that can affect the successful implementation of these CSPs.



# 3. Chapter Three: Research Questions

#### 3.1. Introduction

It is evident from the literature that trust is a major factor in CSPs. In this regard, trust can affect whether or not a CSP is successful in meeting its objectives or not. It is thus important to understand how trust can be built in CSPs so as to ensure that the maximum value can be realised from them.

The research questions are formulated so as to determine what are the factors that can ensure that trust is built and maintained in CSPs so as to ensure a higher likelihood of their success.

#### 3.2. Research Question 1

Emerson et al. (2012) point out in their framework that context, structure, objectives and actions are important in CSPs. Venn and Berg (2014) also note that for CSPs to be effective in meeting their objectives, they need to operate in a state of high trust. In the South African perspective, there seems to be, from a policy point of view, a recognition that the state needs to work together with business to achieve its developmental goals (South African Government, 2016). In this regard, it is imperative that the relationship between government and business be such that effective CSPs can be formed. However, as we have learnt, trust between government and business is often low largely owing to the perceptions held by both stakeholders of each other's motives (Selsky & Parker, 2010; Venn & Berg, 2014). What is not clear is whether the stakeholders can in fact meet and have shared objectives. In this regard, though theory holds that this is a possibility, it is not clear how the organisations in these sectors view this. It is thus important to understand from the perspective of these stakeholders, whether the factors that have been identified can, in fact, be overcome, to build trust between partnering organisations. This considers, if, in fact, the claimed long-standing issues in relation to low trust between government and business can be overcome. The broad question posed in this regard is as follows:



# Can low trust, if it exists, in CSPs between government and business be overcome to build more effective CSPs and how?

#### 3.3. Research Question 2

The framework provided by Emerson et al. (2012) identifies that relational aspects are of importance to build trust in CSPs. As has been stated above, individuals in the partnering organisations play a key part in maintaining the relationship between organisations. In this regard, this study will consider specifically what are those traits that individuals in CSPs need to possess to be able to maintain a relationship that is conducive to building trust. Therefore, the second research question is a sub-question to the first one but has a focus on the individuals involved. It is stated as follows:

# What are the traits that individuals need to possess to maintain relationships of high trust?

#### 3.4. Research Question 3

Further to the role of individuals within the organisation, the literature states that the external factors also play a part in the effectiveness of CSPs (Emerson et al., 2012). The context and the state of the external environment are also important factors that need to be considered. However, what the literature fails to address is what are features are necessary to create a climate that is conducive to build trust between partnering organisations. It is noted that the nature of the environment is complex and it would be difficult to state exactly those factors that are necessary to make CSPs successful. What this study aims to do is to identify at least those minimum features that are required for any environment to create a climate conducive to building high trust between partner organisations. The third research question is thus as follows:

What features need to be present in the environmental context to build high trust between partnering organisations?



# 4. Chapter Four: Research Methodology

This chapter outlines the aspects of the methodology used in this study.

## 4.1. Research Design

Studies on CSPs have followed a mix of qualitative (Getha-Taylor, 2012; Stadtler, 2011) and quantitative (Venn & Berg, 2014; Vock et al., 2013) methods. This study was based primarily on an inductive qualitative approach to obtain some insights that can be useful for a further quantitative study. Though the theory on CSPs is widely developed (Bryson et al., 2015), and there is some literature that covers specifically the concept of trust concerning how it applies to CSPs (Getha-Taylor, 2012; Venn & Berg, 2014). This research sought to explore the idea of how trust can be engendered into partnering organisations, and the individuals involved. It is understood from literature that trust can act as a stumbling block to the effectiveness of CSPs. However, what this study sought to learn is what are the traits and features required from the relevant individuals and organisations to build trust that would allow for more effective CSPs between business and government. This study sought to glean insights from the experiences of organisations and people that have been part of CSPs between business and government. This is why a qualitative study was more appropriate (Swanson & Holton, 2005). An exploratory study was conducted to develop the existing literature on trust and its application to CSPs, to build on the understanding on how to overcome the adverse effect of low trust on the effectiveness of CSPs (Saunders & Lewis, 2012).

The study depended on learning from the experiences of individuals in current and past partnerships in the previous five years. In this regard, semi-structured interviews were used to obtain information from key people who were or are involved in CSPs. According to Saunders and Lewis (2012), this form of semi-structured interviews is most appropriate when the researcher is asking complicated questions that may require further exploration. It would be difficult to follow a single standard form of questioning interviewees about their experiences as individual's experiences is different, and their stories may not be the same.



However, in orders to make sure that the research questions are answered, some form of structure is needed to ensure that the relevant aspects are covered in the discussion.

Face-to-face interviews were conducted with key managers and staff in business and government who were involved in the setting, operations and decision making of CSPs to obtain their insights from their experiences. Given that previous research had a little insight from the side of government, this study determined to obtain more insights from the side of the government. This would provide useful learning for the business community and academics and counter the bias in the business literature which largely focuses on the view from the business.

Given that this is an exploratory study and the insights obtained from different people may be very broad ranging, the proposed methodology was deemed the most appropriate. This allowed the researcher to identify and understand some of the underlying aspects that could affect people's perceptions of trust, even in light of possible limitations (discussed further below).

## 4.2. Population

The population comprised of all government and business entities that have been involved in cross-sector partnerships in South Africa. As stated however the study sought to obtain more insights from government entities. Given the varying forms of CSPs that can exist as discussed above, the determining factor was that the partnerships that were considered had to be fall within the criteria of CSPs developed in the preceding chapters. For instance, these partnerships involved more than an arms-length procurement process but an element of risk transfer or sharing and also some joint decision making (Page et al., 2015; Stadtler, 2011; Vock et al., 2013). Most importantly the partnership had to be put in place to deal with a social need or objective such as policy or infrastructure development. It was imperative to differentiate CSPs between government and business in this regard as these stakeholders interact in the form of arms-length procurement of services regularly. In the South African, context the line between CSP and normal arm-



length transactions was hard to draw. However, the above guidelines proved to be useful.

## 4.3. Sampling

Non-probability sampling was used in the form of convenience and purposive (selective) sampling. Convenience sampling takes place where the sampling units are selected based on accessibility and ease. Purposive sampling, on the other hand, occurs when elements chosen for the sample are elected by the judgment of the researcher (Saunders & Lewis, 2012). Access to organisations that have been part of CSPs, to discuss the operations of those CSPs proved to be difficult and thus the researcher obtained information from those individuals and organisations that were willing to participate. Hence this form of non-probability sampling was most appropriate, given that the researcher was dependant finding those organisations and people that were ready to share their insights. The sampling would also be affected by convenience as access to government officials would be restricted to those officials that were accessible. The sample would include those government officials and business representatives that were located in the Gauteng area (primarily in Pretoria and Johannesburg) and those that would be willing to engage in an interview electronically. The purposive aspects of the sampling were in that preference was given to public sector institutions that would be willing to participate for the reasons discussed above. Further, a level of judgement had to be applied in relation to the relevant partnerships only to include those that met the characteristics discussed. Identifying the appropriate CSPs involved some pre-discussions with identified organisations in determining whether the organisation were in fact involved in CSPs. The pre-discussions sought to determine whether the relevant factors for a CSP were present and whether they were suitable to be included in the sample. Where organisations and individuals were determined to be unsuitable, the interviews were excluded from the sample.

#### 4.4. Unit of analysis

Previous research into CSPs has primarily been focused on the partnering organisations, their employees as well as the customers to examine various



aspects of CSPs (Bryson et al., 2015; Kolk et al., 2010; Vock et al., 2013). This accepted form of analysing CSPs seems appropriate for use in this study as well. This study in concerned with a relational aspect between the government and business, which is trust. It was thus appropriate to consider not only the government and business entities involved in CSPs as they unit of analysis but the representative employees of each of these entities. The role of the individuals in these CSPs has been alluded to in the literature, and this study sought to obtain their insights from their experiences in many different CSPs.

#### 4.5. Data Collection

Due to the nature of the study, the data was collected in the form of semistructured interviews to allow for flexibility in obtaining different insights from various interviewees in different organisations. An interview schedule was prepared to guide the discussion with respondents. However, respondents were allowed an opportunity to state their views freely (Saunders & Lewis, 2012). In this regard, each interview was unique in that some questions were asked directly, while in other instances the respondents addressed the issues without being probed on them. The majority of the questions posed were open-ended however where necessary the interviewer would probe respondents on specific elements of the CSP and the issue of trust.

The interviews were recorded with the permission of the interviewees and these recording were transcribed by a service provider and verified by the researcher. Interviews were conducted face-to-face with the respondents depending on their availability. Others were however conducted over the telephone or using Skype which did not cause any problems in relation to the data collected (Ng & Coakes, 2014). The duration of the interviews averaged approximately 50 minutes, with 30 minutes representing the formal interview and informal discussions taking up the rest of the time. The preliminary discussions were used to provide the background and context of the study. The interviews were conducted in a conversational style which allowed for respondents to discuss their views and experiences freely and to provide more information than may have been contained in the interview schedule.



Given that the study sought to understand the insights and experiences of the individuals in CSPs and because of concerns raised about providing commercially sensitive information in specific CSPs, the interview was in the form of a general discussion without referring to specific partnerships. This allowed respondents to submit their insights over a number of CSPs even though they did provide some specific examples where it was deemed appropriate.

## 4.6. Data Analysis

Data analysis in regard refers to the sorting and categorising of information to identify any emerging themes that come from the interviews with respondents (Swanson & Holton, 2005). In this regard, the transcripts of the recorded interviews were reviewed to verify the contents, against the recordings to reduce any observer biases that may occur and obtain the nuances of the statements made. Each transcription was read at least two times to ensure that the content was fully understood by the researcher and where necessary the audio would be referred to again. As stated by Saunders and Lewis (2012) in relation to qualitative studies such as this one, categories or codes were developed, to which a unit of data was attached. Through reviewing the data collected, the researcher was able to identify themes that came through across the interviews. The researcher thus made use of both theory-driven and data-driven codes (Swanson & Holton, 2005). This meant that the codes used were those that were predetermined based on theory, but also those that emerged from the responses received from the interviewees. This meant that an inductive approach was used to interpret the data based on the insights provided by the respondents and the literature that was reviewed (Ng & Coakes, 2014). However, a deductive element remained as data confirmed or challenged some of the ideas stated in the literature (Swanson & Holton, 2005). Thus the analysis involved both inductive and deductive elements and the results were analysed for what they revealed objectively.

The researcher made use of Microsoft Excel to conduct the data analysis as this allowed for the thematic development to occur outside of predetermined themes. Quotations from the transcripts were then copied into the relevant areas of the



analysis framework as it developed. Amendments to the framework were made as the data was analysed to ensure that the themes that emerged made logical sense.

Given that data was collected from both the public and private sector, with a primary focus on the public sector, the data was grouped into these categories to be able to provide the views from the different sectors. The themes that emanated from all stakeholders were however kept standard across both sector interviewees.

The responses were analysed in relation to the key questions asked. Therefore, were an interviewee provided information that was relevant to a question, even though it did not follow the chronology of the interview schedule, these were captured under the relevant themes during the coding process.

## 4.7. Data Validity and Reliability

Given that this is qualitative study; it was essential to ensure that the validity and trustworthiness of the data analysis were maintained. This was maintained by making sure that interviews were recorded, transcribed and verified (this ensures internal validity: making sure that the findings match reality). Moreover, further the findings appeared to be consistent amongst the different types of respondents (this ensures external validity: generalisability in other settings) (Swanson & Holton, 2005).

## 4.8. Potential Research Limitations

The research has the following identified limitations, however, where possible efforts were made to mitigate these limitations:

i. The nature of the sample is such that it may not be fully representative of the population statistically and thus, the findings may not be generalisable (Saunders & Lewis, 2012). Limitations in this regard may include the fact that this was limited largely to Gauteng, or even that it was mostly government officials. However, it is notable that the general nature of the interviews allowed for a broader application than the specifically represented organisations and sought insights from individuals, some of which had experience from both sectors.



- ii. There may be research bias, as such form of exploratory research is subjective in nature (Saunders & Lewis, 2012). The best way to mitigate this was review recordings after each interview to ensure that the researcher was not driving any bias in interviews, and making changes where necessary to questioning style in subsequent interviews.
- iii. To obtain insights from the interviewees, a lengthy discussion was required and an establishment of trust. The researcher was able to allay this by engaging the respondents in pre-discussions and building rapport with them to make sure they were comfortable to share their experiences freely.



# 5. Chapter Five: Research Results

#### 5.1. Introduction

This chapter outlines the results of the interviews held to collect information for this study. First, it will provide a description of the interviewees that took part in this study. The interviews were recorded and transcribed for analysis. The results of the interviews are provided herein following the structure of the research questions outlined in chapter three.

## 5.2. Description of interviewees

As described above, this study was looking specifically at CSPs between government and business. When referring to the government, this could mean any of the many different structures that exist in the executive, administrative or legislative functions of the government. This could also include state-owned entities (SOEs) and government departments. Interviewees were sought in all types of government functions. For this study, there was a high focus on obtaining as many as possible respondents in the public sector as this has been a missing feature in previous studies. Interviews were also conducted with some representatives of the private sector to determine whether any aspects would be in common from both sectors. It was also determined that some of the interviewees have previous experience in the counterpart sector, for instance, some of the interviewees who were in the private sector at the time of the study had previously worked in the public sector, and there were those in the public sector who were previously in the private sector.

The people interviewed were at varying levels in their respective organisations ranging from executives to senior management, project managers and coordinators. The primary criteria used was that each had to have personal interactions with the counterpart sector as part of a CSP in the last five years. Given the nature of CSPs as discussed above, it was clear that there would not be any consistency in the nature of the CSPs being examined, however, the same criteria discussed above was used. Partnerships examined were mainly in



infrastructure development and maintenance as well as policy development. The infrastructure projects entailed specific projects to design, build or upgrade infrastructure over a period, the smaller projects ranged from a period of 1 to 5 years. Larger infrastructure projects which in many cases included not just the building of infrastructure but also the maintenance and management of the infrastructure lasted a period of about 15 to 35 years. Other partnerships were in the form of what has been referred to above as collaborative governance where there is continued engagement between the government and business in policy development and implementation in various fora. These partnerships fall within the description of CSPs as they involve some shared social goal, in which government and business share decision-making and responsibility.

The interviews that were conducted with the public sector did, in fact, outweigh the number of those carried out with the private sector. Specifically, eleven individuals were interviewed from one SOE, four from provincial government departments, one from another SOE, totalling to sixteen public sector interviewees. There were only three interviewees from the private sector (in the fuel and energy sectors). The purposive nature of the sampling as described in chapter 4 led to this form of the sample. All the interviewees were currently engaged in some or other form of partnership with their counterparts. The interviewee's personal details and other organisational information was used without identifiers as indicated in the letters of consent signed by each of them. Thus each interviewee was provided descriptors as follows so that they cannot be identified:



### **Table 2 List of Interviewees**

Interviewee Description	Allocated Descriptor
1. Project Manager – SOE 1	Public 1
2. Project Manager – SOE 1	Public 2
3. Project Manager – SOE 1	Public 3
4. Project Manager – SOE 1	Public 4
5. Project Manager – SOE 1	Public 5
6. Project Manager – SOE 1	Public 6
7. Project Manager – SOE 1	Public 7
8. Project Manager – SOE 1	Public 8
9. Senior Project Manager – SOE 1	Public 9
10. Project Manager – SOE 1	Public 10
11. Project Manager – SOE 1	Public 11
12.Government official - Department 1	Public 12
13. Government official - Department 2	Public 13
14. Government official - Department 1	Public 14
15.Government official - Department 1	Public 15
16. Project Manager – SOE 2	Public 16
17. Private representative – Company 1	Private 1
18. Private representative – Company 2	Private 2
19. Private representative – Company 3	Private 3

The interviewees were asked to provide answers based on their experiences and in some instances, they were able to draw from broader experiences than just their current role, for example, were some interviewees worked in the private sector previously and are now in the public sector and they could draw on the experiences from this.



## 5.3. Question One: Overcoming low trust and effectiveness

Can low trust, if it exists, in CSPs between government and business be overcome to build more effective CSPs and how?

During the research process, it became apparent that it would be important to determine the current state of the relationship between business and government and to understand what are the underlying factors that may affect the state of trust between the two. Further to this, it was important to determine whether in fact there is low trust that is manifesting in the partnerships between government and business under consideration. Also, further to this, it was essential to understand what are those factors that lead to the current state of trust, as understanding this will assist in determining the appropriate factors that may work to counter low trust. From here the study sought to understand if, in fact, trust affected the effectiveness of the partnership. Moreover, finally considered how the interviewees proposed or have been able to overcome low trust.

## 5.3.1. The current state of the relationship

#### **Public Sector's view**

The public sector interviewees provided similar responses in that the relationship between the public and the private sector varies given a number of factors. The most common factor that was brought up was that there is a difference between the well-established companies in the private sector and those of the new developmental Black Economic Empowerment (BEE) companies. The general sense is that the older firms have the necessary skills and competencies whereas the newer BEE companies often lack. The statement below summarises the sentiment that was shared by most of the public sector interviewees.

"... what I have seen on your major contractors or your big contractors that's actually accompanied by a big complement in terms of skill set but on your smaller contractors I feel that there is still lots of room for growth" (Public 11).



This aspect is telling of how the relationships between the private and public sector may be dependent on the nature of the organisations involved. The sentiment share, for instance, was that because of the lack of skills of the emerging players in the private sector, they needed to be monitored more by their public sector counterparts.

"one has to be actively involved in terms of making sure that, um, everything is, according to contract quality there, because from the established companies there is less time in terms of monitoring them" (Public 1).

This is also leading to a view that in fact, private sector players do in fact act unethically where they claim to have the necessary skills during the tender phase, and then only to subcontract someone else with the necessary skills after the tender has been awarded.

"You find contractors that when they tender they claim to know what they are doing. For example, in my case; this person used--subcontracted a very experienced ...he subcontracted someone that was very good .... that sort of, clouds your judgement in terms of the fact that you will end up giving the contract to this person, and yet he ends up just giving all his work to someone else, and that shouldn't be the case" (Public 2).

The perceptions held by the public sector of the private sector are also quite telling of the nature of the relationship between these two counterparts. When questioned on this, the public sector interviewees stated that they were of the view that their business counterparts that they engage with are mostly just driven by profit, as expressed by one interviewee:

"Okay, contractors are all sharks..." (Public 15).

This drive for profit was identified as one of the reasons why the private sector may stay away from partnerships, especially if they are of the view that these only benefit the public sector and not their business (Public 12).



Other characteristics of the relationship between the public and private sector (at least from the view of the public sector interviewees) can be summarised as follows:

- Private sector thinks if you are black, you are incompetent until proven otherwise (Public 6);
- The private sector is mostly white. And they feel discriminated on account of the fact that government is trying to empower previously disadvantaged people (Public 9);
- It's not a colour thing. Private sector is generally snobbish to the public sector (Public 4);
- There is sometimes 'unethical' behaviour where the private sector would want to charge the state three times more than the market-related price (Public 5);
- Project managers always have to be on guard as contractors are always trying to find loopholes to make more money (Public 2).

When asked if their views of the private sector have changed over a period, the public sector interviewees had different responses. Though some respondents provided positive views of the changes in the private sector, the majority of the views provided where negative. The negative aspects related to continued arrogance in the sector, deteriorating quality standards in the sector and the lack of skills of some players in the sector. Others recorded no marked changes in the sector as their organisations made use of the same pool of private sector firms. A change pointed out by interviewee Public 1 is that there has been more pressure on white-owned companies with the advent of BEE, for the awarding of tenders.

When asked what they believed are the perceptions of the private sector of the public sector, the public sector interviewees provided mainly negative commentary. The following statement is telling of these perceptions:



"... being from the private sector, I used to think that people in the public sector are lazy and don't have the know-how. Having joined the public sector, I see that people are competent and are willing to work." (Public 9)

The perceptions are not limited only to the competencies of the public sector employees.

"Okay, I firstly think that from private sector they look at us and think that we don't know what we're doing. We have no clue what we're doing. They think that we've got blank cheques in our pockets that, you know, I mean come on, that [Organisation] should have so much of money" (Public 16).

Further to this the following was stated by the interviewees on the perceptions of their counterparts:

"To generalise based on my own experience, there definitely is a sense that government employees are almost I want to say "fly by nights", stupid or are lazy; we are all just cronies; we got these jobs through nepotism and things like that" (Public 4).

"Look, they get very frustrated because of our bureaucracy. I mean to approve a payment, there's four signatures" (Public 8).

"I think their views will be, maybe project managers on the employer's side they are too strict, maybe harsh because obviously as contractors they are always chasing gold – they want to make money basically – and as project managers on the other hand, on the employer's side we also want to make sure that we protect our organisation" (Public 10).

I think they are weary, and they sometimes inflate their costs because of the risks such as government not being clear about exactly what they want, and also with some of the delays and bureaucracy in terms of approvals (this is costly); political changes e.g. DA now in PTA and JHB; government doesn't pay on time (this affects especially smaller companies) (Researchers notes – Public 7).

#### **Private Sector's view**



The private sector interviewees provided some insights which were very much in line with what was stated by the public sector interviewees. The initial view of the public sector provided was that there were challenges with resource and skill availability, the inconsistency of policy, and inconsistencies in relationships as a result of redeployment. This is what was stated:

"I think the concern for us, not only us but the whole industry and basically the business sector is basically the changes that have been taking place. As soon as you've been able to start to build a good relationship, you find people moving, and there's a bit of deployment that actually comes in. Also, some of the office bearers are not contactable, not reachable" (Private 3).

"In any business, or in a country, obviously you are looking for sustainability if you have invested in a country or any corporate for that matter, you'll be looking at having some sort of ledge to give you a long-term view on policy. Unfortunately, I think we are at a stage now where there is quite a lot of policy uncertainty coming from government" (Private 3).

The perceptions shared by the public sector interviewees seem to be echoed by the private sector interviewees:

Before I joined [Government Department] I was at [Corporate Firm] and already then the view of the public sector was not great. People in corporate were arrogant, but we have tried to change this approach recently (Researcher's note – Private 2).

From this, the negative perceptions expressed by the public sector interviewees seem to be shared by the private sector interviewees.

"I think it has worsened, to be honest. It possibly starts at the top, I'm going to use energy as an example, we've had outstanding ministers in this place who have actually taken it upon themselves to ensure that they were first of all, reachable, and secondly that they supported and were close to what was actually happening; I look at where we are now, we have gone a bit backwards, slightly. Operationally, things are really good; they haven't changed much. I think at a much higher level; I think there is room for improvement there" (Private 3).



However, not everyone had only negative perceptions to share:

Industry knowledge increases as technology becomes more common, and government has tried to stay abreast of all the changes (Researcher's notes – Private 1).

When asked about their views of how the public sector perceives the private sector, the responses were aligned with what was stated by the public sector:

"... I think that the perception or might could be that corporate sometimes may have different objectives from Government and but that's a tough one" (Private 1).

"I think it's always this us and them, especially multinationals, they are seen to make a quick buck and expatriate the funds" (Private 3).

## 5.3.2. The state of trust and the factors affecting it

#### **Public Sector's View**

When questioned as to the state of trust in the private sector some varied responses were received, some examples are as follows:

- "You have trust until that trust is broken" (Public 2)
- "No, not really" (Public 5)
- "I've got a relatively okay amount of trust" (Public 8)
- "Of course, we must always give people benefit of the doubt" (Public 10)
- "No!" (Public 11)
- "Yes and No" (Public 15).

The wide range of responses to is telling of the different experiences that each interviewee may have had. The factors identified by the interviewees that lead to their current view on trust are as follows:

Low trust:



"...lack of communication and transparency" (Public 1)

"the reason why I am saying oh is, because... look there is a number of things I have found unethical that have come from the private sector, but our, my, my thing is that do I say it is the entire private sector, or it is those unethical individuals within the private sector" (Public 11)

## Higher trust:

"because the time that the tender is issued to the market, and the time we take evaluating this person when it gets to negotiations and all that where you can see that on paper, this person has the know-how of how to do this project. He has the references and all that, the trust is already developed there" (Public 2)

"even if there are disputes doesn't necessarily mean you don't trust that person" (Public 10)

Yes, on a professional level because they have to deliver at the end of the day and fulfil their contractual obligation, and the stuff works (Researcher's notes – Public 15)

#### **Private Sector's View**

Only one private sector interviewee (Private 3) provided a clear answer to this, indicating that there was trust with the public sector, however not reasoning was provided.

### 5.3.3. Trust affecting the effectiveness of the partnership

All the interviewees across both the public and private sectors agreed that the level of trust does have an effect on the success or failure of their partnerships. The following statements provide some insights into why it is believed that trust is of importance:

"...when there's trust between us and the contractor then all the projects that we implement becomes successful because then you don't have to worry about you



know that they are not going to cut corners, you know that when there is a problem they are going to alert you to say look there a mistake, we have made a mistake this is how we going to resolve it." (Public 5).

"there are just certain things that you leave on the basis of trust you know, um you use your discretion to say okay I won't impose penalties or allow this to slide what not, on the basis of trust that you will deliver and that we will have a working, good working relationship" (Public 11).

"Because remember with project management you deal with evidence where you have issues or claims from the contractor, cause project environment is a very strange environment, contractors can submit claims and if you don't have the information to proof your case, because it's not about me and you talking now, Ya like "but I told you Mr Contractor..." so you have to have things in writing; so you put a lot of effort into it because of that lack of trust" (Public 14).

"Because we know not to trust them, you sort of just always have your guard up when you are running the contract so you maybe just double check that all your T's are crossed and that your I's are dotted and stuff like that" (Public 15).

"That would also affect them getting other projects as well because if you could not deliver before, why would we want to get into a relationship with you to deliver on something else, you know" (Public 13).

"I mean, if I don't trust you, are you going in with an agenda? And if you don't trust me, you don't listen to anything that I have got to say because you already have ideas about whatever ideas I have may be one sided and not for the good of the country. And if you don't trust me, you won't share information with me" (Private 2).

#### 5.3.4. How to overcome low trust

Having examined the current state of the trust relationship between the public and the private sectors, the interviewees were asked to propose how they believe that low trust can be overcome. Given the diverse responses on the state of trust the interviewees have been invited to answer the question on a conceptual level where they did not have any issues with trust. The responses received from all



stakeholders can be grouped according to the level that the proposed intervention is to take place. In this regard, some of the proposals are made concerning the external environment, others about the organisation and further other concerning the individuals involved in the partnerships.

Concerning the external environments, interviewees have identified issues in relation to the context in which the partnership is taking place, these include the policies in place, the time and the objectives of the partnerships and how this will affect the development of trust:

"Transparency, transparency, transparency, transparency. I mean, policies — I'm talking from high level — policies must be clear. So when I come in, I want to do business with a particular department or municipality, I must know their policies. Um, what the strategic objectives are and whether I can, you know, work in that space. If not, then I'm gonna go in there, and I'm going to battle to... do business or partner with them" (Public 1).

"...you need to be clear with what you want; you need to understand your nonnegotiables both as Government and both as Corporate and once you have done that, I think as a starting point" (Private 2).

"Trust is built over time as you work with them over and over again. You also need to set the ground rules for engagement" (Public 5).

"We build trust on output" (Public 8).

Concerning the organisational level of engagement, the following was stated:

It is important that the senior management of both organisations meet at the beginning of the partnership to establish the relationship and make sure matters can be escalated when necessary. (Researcher's notes – Public 5).

"...reputation and your track record" (Private 3).



"Remember, at the end of the day, it is about business, it is about delivering and not trust per se, but your reference. Whether you have done work before and where have you done work before, which also helps" (Public 13).

"I definitely think that it's not going to come from our level. I'm damn sure. It has to come from the high levels of leadership. On both sides to, to enter into those relationships and those discussions to be able to facilitate this process. It has to come from the top down because on the one side, from our leadership" (Public 16).

"I think one most important thing that I see is lacking we need to educate our contractors. Because some of them like we say, yes the goal of the company is to make money, but they need to understand at what stage can you make money, because some they believe they made money at the beginning of the project, or in the middle but my believe is you make money or profit at the end of the project once you've done the project" (Public 14).

At the level of the individual person, the following was stated:

People need to understand their roles. There needs to be a workshop where there is clear communication of the goal and vision of government. To understand who can provide services, policies, and so forth. (Researcher's notes – Public 9).

"I think continuous interaction with them and when they make mistakes obviously being honest with them and making sure that they don't repeat similar mistakes and – but obviously it starts with me because obviously tell other people to be trustworthy if I'm not" (Public 10).

It comes down to ethics code and also engaging and being open. (Researcher's note – Public 11).

One of the interviewees responded to the question as follows:



"I do not think you can. I do not think you can. It is always going to be -- you have to understand that government -- a government institution is there to provide a service, but a private institution is there to make a profit. And there is always going to be that in adding conflict between the two" (Public 15)

## 5.3.5. Summary of findings for Question One

The findings illustrate that some challenges exist in the relationship between the public and the private sector. The perceptions that each of these parties holds of each other illustrates the difficult nature of the relationship between government and business. There is a negative sense held by each sector on the other. The responses show that the private sector has a sense that the public sector is slow and bureaucratic and lacks the necessary skills and competencies, whereas the public sector is of the view that the private sector players are only driven by profit making and sometimes engages in unscrupulous behaviour just to increase their bottom line.

Though there is mixed feeling about the current state of trust, there is some level of low trust between the two sectors. There is agreement that trust does have an effect on the success or failure of the partnerships between government and business. The interviewees have proposed interventions to address situations of low trust between government and business, and these range at the different levels of the partnerships, including the external environment, the organisations involved and the individuals that are taking part in the CSPs. From this, it appears that most are of the view that the challenges identified can, in fact, be overcome, even though one of the interviewees was of the opinion that this is not possible.

### 5.4. Question Two: Individual traits needed to establish high trust

What are the traits that individuals need to possess to maintain relationships of high trust?



Proceeding on the premise that there are things that the individuals can do to overcome low trust and maintain high trust in CSPs, we consider those responses of the interviewees in relation to this aspect.

#### 5.4.1. The role of individuals

The interviewees were asked to comment on the role of that individuals play in building trust in CSPs and most of them agreed that individuals in the CSPs were of importance in establishing trust.

"Of course. It, without a doubt. I mean, people write the policies, and you need to be able to communicate, you need to be able to advise each other." (Private 2)

Some identified the project lead as the relevant person whose role it is to build trust. Further to this, it was also pointed out that there need to be representatives from each partner organisations who would play this role.

Public 6, however, was of the view that it might not necessarily be the person that is involved that is of importance but the set of circumstance that is present.

The following is also notable as stated by one interviewee:

Some contractors only hire staff when they get a tender and also use subconsultants, so there is little loyalty as they know they will be let go off after the project (Researcher's note – Public 16).

From this, it is clear that if the right individuals are not in place with the right motivation, they may be detrimental to the trust relationship between the partner organisations.

## 5.4.2. Individual traits

With consensus that the individuals do have a role to play in building trust in CSPs, the interviewees were also asked to identify those traits or characteristics that these individuals need to have; their responses were as follows:

"Ya, look, you have to be... integrity .... I'm thinking that your competency -- I mean you should be competent" (Public 1).



"I think-- open communication is one of them, being able to make decisions, those are the main ones; being a leader, a project manager that can lead people. Listening, you don't only speak, but you also listen to contractors when they speak-engagement, engage people, being people orientated" (Public 2).

"I think you have to be a good listener... You have to respect that you have to earn your own respect. You have to have a servant mind-set about what's going on and being a good team player. Being very helpful towards others and also not being confrontational. In an emergency setting, you have to work very quickly to keep the trust going. Doing what you said you will do. When I think of it, I think it's a lot of similarities with raising a child and being a parent. You have to be consistent, there have to be boundaries, within these boundaries, we can be very relaxed and social. You still need the ability to stop everyone with the word and let them know when they are pushing it too far." (Public 4).

"...you need someone who is very objective " (Public 5).

"You have to be resilient. You have to be a problem solver in the sense that solving problems as they come but also solving people problem so to a large extent you have to be a people person. You have to be very, very patient. Incredibly patient. You must be able to listen and in listening you must be a sort of a discerning listener" (Public 8).

"...for starters you need to have sort of like competency to be in this position, that is in terms of qualification also in terms of experience" (Public 10).

"...that person just need to have a high ethical code; it's about ethics" (Public 11).

"I think authenticity is key also what's part of the authenticity is you show your own short comes about what you know and what you don't know. Be honest about the capabilities you have and the capabilities that you don't have. Be honest with the capabilities" (Public 6)



"I think it is courage, openness and also I think it ties up with other things that I have mentioned. That you actually approach and engage proactively rather than wait for things to decay" (Private 3)

## 5.4.3. Summary of finding for Question Two

It is evident from the responses that there are some characteristics that the individual in the position to build trust will need to have. There are however some recurring themes that come out of the responses, such as the communication skills of this individual as well as their personal behaviour and integrity. Further to this, it does seem that there is recognition that this is not an easy role as this person is also said to need patience and resilience. An interesting aspect that has arisen from the responses is that this individual needs to act objectively in the interest of the partnerships, and not necessarily for the benefit of their original organisation.

#### 5.5. Question Three: Features in the environmental context

What features need to be present in the environmental context to build high trust between partnering organisations?

Question three sought to determine what are the features that need to exist to create an environment that is conducive to trust building. The interviewees were asked to provide their views in this regard. The responses provided can be categorised into one of two categories of environmental features, being either structural or behavioural.

#### 5.5.1. Structural features

Concerning the structural features, these are described in the following statements:

"Ya I think we need to put a number of controls, I think that, that will assist if you put a number of controls around how the project is supposed to be done and how the contractor's supposed to, he is got to interact with the project manager, I think that that will assist a lot, because the process will be clear in terms of who needs to what and when" (Public 14).



"...yes I agree, there need to be good guidelines in terms of the expectations... We need to have something between, between the two to set out what do we expect of each other. But I do feel as well that public sector being so bureaucratic and having so much of red tape to go through for all decisions and everything that we do, it hurts the process" (Public 16)

There is sometimes a lack of continuity in approach to partnerships where there is a new MEC or HOD in a government department after five years, who doesn't share the same vision as their predecessor - this makes the private sector nervous (Researcher's notes – Public 12)

#### 5.5.2. Behavioural features

To the behavioural features that are needed in the environment, the interviewees stated the following:

"I think established companies must be assisted in seeing BEE as not a threat but an opportunity. I think it must be sold to them ... And also having genuine entrepreneurs. And active citizens, you know, people who to assist government in terms of, uh, making sure that, uh, those projects that are supposed to be delivered are delivered and, ya, I guess it will make it difficult for people who are not supporting there to be there" (Public 1).

There needs to be a mind shift in people. Business seems stuck on this idea of more is more (Researcher's notes – Public 4).

People need to change their mindset and understand that they have a role to play in the country and not push their own agendas. People in public sector should perform their tasks to the best of their ability while the private sector needs to change their view of the public sector (Researcher's notes – Public 9).

"...to build trust basically, you need to prove – I mean to show these people that you are also trustworthy and be basically make them feel part of the project, sometimes there's this tendency by some of us project managers – there's this



tendency to treat contractors as just contractors, as if they are not part of the project team" (Public 10).

"We should start showcasing good partnerships" (Public 8).

## 5.5.3. Summary of finding for Question Three

It is evident from the interviewee's responses that there are a number of features that need to be present in the operating environment that could contribute to creating trust between partner organisations. The features are both structural and behavioural however what they do have in common is that there needs to be positive action taken to make sure that such an environment in created.

## 5.6. Summary of Findings

Research question one sought to answer whether there if low trust does exist between government and business, can it be overcome and how. Based on the findings it was clear that the perceptions held by the individuals in the different sectors were largely negative. There were mixed findings in relation to the current state of trust. However, it is notable that even in instances where there is a level of trust indicated, it does not seem to be very high. The findings also show that there is an acknowledged link between trust and the effectiveness of the CSPs. All save for on respondent were of the view that low trust could, in fact, be overcome. Some suggestions were made in relation to how trust can be overcome. These ranged from aspects in the operating environment, the organisation and the people involved in CSPs. These findings also confirm the relevance of the following two research questions as it became apparent that there is a role for individuals and the environmental context to play in building trust.

Concerning research question two, the findings illustrated firstly that the is a role for the individual to play in building trust, and secondly that there are a number of traits that a person that is involved in CSPs should possess. These traits include a number of interpersonal skills that will allow the individual to engage effectively with



their counterparts. Interestingly the findings show that these individuals need to have a level of independence and objectivity from the primary organisation.

The findings in relation to research question three confirm that there are environmental aspects that could exist that would be conducive to building trust. Interestingly the findings suggest that these features can be created through the actions of the partnering organisations and those involved.

The results in this chapter illustrate that there is a specific context in which to consider trust in CSPs, especially in a country such a South Africa. Comments provided below illustrate this:

There is the perception that whites own the economy and blacks own the government. However, over time as the newer generations build social capital there may be possibilities of more partnerships (Researcher's notes – Public 6)

"By the way, they can look at me these old whiteheads and think this chick; she doesn't know what she's doing. She's just a darkie. Probably slept her way to this position or her uncle gave it to her. Whatever, she doesn't know what she's doing" (Public 8)

Such comments illustrate that the country's specific history of racial discrimination and subsequent democratisation has had an effect on the relationship between government and business and the people representing each.



# 6. Chapter Six: Discussion of Results

#### 6.1. Introduction

Chapter five provided the results of the interviews conducted to address the three research questions posed in chapter three. This chapter will provide as a discussion on the results in relation to what the theory espoused in chapter two stated. The structure of the chapter will follow the format of the research questions.

#### 6.2. Discussion of Research Question One

Research question one sought to understand if in fact, were long-standing issues in relation to trust between government and business exist, these can be overcome and if so, how. From the results of the interviews, it became apparent that there are in fact issues of trust between those representatives in government and those in business. It was also acknowledged that this lack of trust does have an effect on the effectiveness of the partnerships. All except one of the interviewees suggested that it would be possible for these issues to be overcome. The interviewees also provided some suggestions on how low trust can be overcome.

## 6.2.1. The state of the partnership relationship

The partnership relationships between government and business were found in this instance to take place in varying forms and in fact, they did remain dynamic as suggested by Page et al. (2015). The interviewees provided different understandings of how the partnerships between business and government can be formed. It is notable that even though the majority of relationships observed in this study were in relation to infrastructure developments, there were a number of different dynamics at play in each and every one. This study thus confirmed what was stated in the literature. The dynamic nature of CSPs is such that no two CSPs will be the same.

Many of the CSPs that were examined were mandatory as a result of procurement policies in the state organisations or necessitated by the need to engage with a policy that could affect the business. Nonetheless, this may have an effect on the willingness of the representatives to work together (Bryson et al., 2015). Partners



in such mandatory relationships are less likely to co-operate with their mandated partners. This is evidenced by the challenges identified by the public sector interviewees in relation to working with new and emerging BEE players from the private sector. From their responses, it was clear that many of them would have preferred to partner with well-established and experienced firms rather than the emerging players as required by the policies. The findings of study thus confirm this theory. However, what emerges from this conclusion which was not found in theory reviewed is, that given the nature of government policy, it is likely that all CSPs involving government will be mandated in some form or another. This would mean that, in many instances, this would always affect the nature of the CSPs between government and business. This also contributes to the nature of the strained relationship between government and business in partnerships.

The perceptions held by partner organisations may have an effect on their relationship (Saz-Carranza & Ospina, 2011; Stadtler, 2011; Venn & Berg, 2014). The role of perceptions in defining the relationship between the government and business was made clear in the results of this study. The interviewees provided similar accounts of their views on the perceptions of both business and the government of each other. Words such as 'lazy, incompetent, bureaucratic, slow' where used to describe views of the public sector. Whereas terms such as 'profit-driven, sharks, snobbish, unethical' were used to describe the private sector. It is evident from this that these factors are likely to be contributing to the strained trust relationship between government and business. These findings confirm what was stated in the literature and in fact, contribute to the understanding of what are the underlying factors affecting the relationship between government and business.

#### 6.2.2. The current state of trust

The environment in which the partner organisations operate in is also of critical importance and can affect the trust relationship between them. Bryson et al. (2015), point out that the political environment is one of the aspects that can influence the CSP. In this regard, they seemed to suggest that the current political climate was of importance. However, what has become apparent from the results



of the study is that in a country like South Africa the political history and the events leading to present day will have an effect on the nature of the trust relationship, and the formation of CSPs.

The findings of the study showed that the current sentiment of trust was somewhat mixed. There were those conclusions that indicated that there is low trust between business and government, while others indicated that there was a higher level of trust. In this regard, this did not jeopardise the study. Given the nature of this study, it is understood that the interviewees will glean from their experiences, and some of these will have positive, thus leading to higher trust. However, understanding the factors identified as leading to low trust, is sufficient to know that there are in fact instances that would lead to low trust between government and business. This is adequate for the requirements of this study.

## 6.2.3. Trust affecting the effectiveness of CSPs

The literature in chapter 2 pointed to the fact that trust is a major factor in CSPs (Bryson et al., 2015; Venn & Berg, 2014). All the interviewees both in the public and private sector agreed that this is, in fact, true thus confirming the position of the theory. There was recognition that trust is built as part of the relationship that you have with the partner organisation. Thus the factors that affect the broader relationship as discussed above would invariably affect the nature of trust between the organisations. The state of trust in the CSPs has an effect on the partnerships in the following manners:

- Transactions costs (Walker & Hills, 2012), the interviewees stated:
  - Where there is low trust one has to 'double check' everything (Public 15);
  - If there is trust you "don't have to worry that they are going to cut corners" (Public 5);

It is evident that where there is low trust, the transaction costs will be increased, as the partners would spend more time verifying everything, whereas if there were higher trust, this would be foregone.



- Knowledge and information sharing (Emerson et al., 2012; Getha-Taylor, 2012), the interviewees stated that where there is low trust, the partners won't share information (Private 2). In this regard, there will be no learning or knowledge sharing that takes place. And will affect the mutual understanding between the partners of dynamics (Emerson et al., 2012).
- Further partnerships an interesting dynamic that was pointed out by the
  interviewees was that the nature of the trust relationship would affect where
  or not, for instance, the private partner gets into further partnerships or
  projects. This could thus have a knock-on effect resulting in further potential
  CSPs not being implemented as partners' low trust in one partnership
  ripples further to other potential CSPs. This has a circular effect, for instance
  as the low trust will be maintained.

The findings of this study largely confirm what has been stated in the literature on the effect of trust on the effectiveness of CSPs. The third finding discussed above relates to how trust can affect future CSPs. This suggests that when looking at the success of CSPs, one should not only be looking at the current CSPs but also the potential ones. Looking at the effectiveness of CSPs, by this construct, would not be limited to looking at whether the current objectives have been met but in considering the lost opportunities to meet more social objective through this form of CSP. It does not appear that there is any research that has been conducted into the question of how many potential CSPs have failed as a result of low trust. This may be a difficult one to scope and measure. However, it is sufficient here to say that low trust may not only limit the success of existing CSPs but may hinder potential future CSPs. This also emphasises the need for this research, so that the issues of low trust can be overcome.

#### 6.2.4. How low trust can be overcome?

The literature and as well as the interviewees provided suggestion on how low trust can be overcome or higher trust be built in CSPs. We examine the recurring themes below.



# a) Invest time, over time

The literature states that partner organisations each need to invest time to develop their trust relationship over time (Emerson et al., 2012; Venn & Berg, 2014). The findings of this study build on this aspect of the literature and provide two aspects to consider in this regard.

Invest time: in this respect, one of the interviewees stated that the senior management of both organisations needs to meet to establish the relationship (Public 5). This suggests that there needs to be a conscious positive action or effort in ensuring that there is time spent in establishing a trust relationship between the organisations. This view was however not shared by all the interviewees, for instance, Public 13 was of the opinion that the main issue is about delivering what is required in the relationship. Based on the theory in this study, however, it would appear that the statement by Public 13 in fact point to the problem leading to ineffective CSPs. Developing the argument here, it would seem that this interviewee was suggesting that no time should be spent on developing the relationship, but that everyone should just focus on what he or she need to deliver. This form of transactional engagement, however, is not conducive to effective CSPs. When considering the collaboration continuum provided by Venn and Berg (2014), it is clear that this type of transactional behaviour is suboptimal. It may be this very transactional based attitude that has led to partnerships not achieving their full potential. This study thus concludes on the finding that to overcome trust issues that affect the CSP, representatives from partnering organisations need to make an effort to build the trust relationship.

**Over time:** this speaks to the element that it will take time for a trust relationship to be built. The responses of the interviewees provide more insight into this concept. One interviewee stated that "trust is built over time as you work with them over and over again" (Public 5). This finding suggests that it is more than the mere passage of time that is important, but rather the opportunity for partners organisations to prove themselves to each other. This provides insight to the literature in that there seems to be a need for a trial-and-error to take place for trust to be built. Only



through the engagement of a partnership's activities, for instance, where deadlines are set and have to be met, can the trust building take place where the partners get to prove their trustworthiness. When considering the Venn and Berg (2014) collaboration continuum, it seems to confirm that building trust is not just a matter of the passage of time, but rather part of a social exchange between the partner organisations. One could suggest an addition to the framework as illustrated in Table 3 below:

Table 3 Adaptation of collaboration continuum, Venn and Berg (2014)

Partnership Stage	Partnerships Purpose	Social Exchange Pattern	Trust and Intensity of collaboration	
Conflict Resolution	Overcoming Differences	Negotiated	Low	Increased
Philanthropy	Charity and publicity	Reciprocal	Low – Medium	ed Evidence
Transactional	Stakeholder management and Capacity Building	Generalized	Medium - High	nce of Trust
Integrative	Co-creation of innovative solutions to mutual problems	Co-productive	High	

Based on this, the questions raised in chapter 2 in relation to the amount of time it would take for CSPs to build high trust are now moot. By this construction, organisations that have been in partnerships before or had a relationship for an extended period, may still not have high trust in each other. By the same token, it may not take a long time for partner organisations to build trust if they engage each other effectively. This seems consistent with the views stated by the interviewees, who still do not have trust in organisations they have been engaging with for a long time. In fact, they have indicated that the low trust they currently have is sometimes based on their past experiences with those organisations. Sharing of information is



one of the behaviours that partner organisations need to engage in to demonstrate their trustworthiness and build trust quicker (Venn & Berg, 2014). Further the impression that trust may be more of an issue where the partnership is new, also seems to be debunked by the results of this study.

## b) Clear policy and objectives

Emerson et al. (2012) collaborative governance framework identifies a number of factors, including factors that speak to the objectives of the CSPs. Responses received in this study point out that having clear objectives and policies is one of the factors that will contribute to building trust in partnerships. With regard to policies, this aspect seems to take away some uncertainty. Where the policies of an organisation are clear to their partner, it is more likely their relationship, and thus trust will flow smoother. The policies also lay the rule of the games, as everyone will know what can and cannot be done. With clearer policies, the partner organisations are more certain about the counterpart's intent.

In relation to the objectives, again clarity on the objectives of the CSP is suggested by the findings of this study as a way to overcome low trust. This is consistent with the literature. Concerning these objectives, the study clarified that it is not only the shared objectives of the CSPs that needs to be clear, as referred to in theory (Bryson et al., 2015; Emerson et al., 2012; Getha-Taylor, 2012). It is also the objectives and aims of the partnering organisations that need to be clarified. The partnering organisation each need to be clear about what they hope to achieve from the CSP. An example is provided to illustrate: A shared goal of a CSP may be to develop much-needed school infrastructure. Even if this objective is clear to parties, if the government doesn't know that their private sector partner entered into the partnership with the key intention to test a new building method that they can use for the rest of their business; or the private sector is not aware that the government is seeking to shift the costs as they do not have budget, this may affect the trust relationship. The stakeholders will be acting within the bounds of what they understand the objectives to be. Without an understanding of all the objectives, the partners are likely to be acting past each other, thus causing trust



issues. This could however also contribute to ensuring that the objectives are in fact shared between the partners. It would also take away the doubt that the partner organisations may have ulterior motives, at least in so far as everyone does lay out their objectives for the partners to see. This study is thus in concurrence with the theory.

## c) The role of leadership

When asked the general question on how trust can be overcome, some of the interviewees pointed to the role of leadership in the partnering organisations. The discussion on research question two will address the issue of the individual involved in CSPs. However, what is key to point out here is that it does seem that the senior management plays a huge role in facilitating and establishing the trust relationship at the beginning of a partnership. Again here the findings of the study were consistent with the theory.

## 6.2.5. Conclusion of discussion: Research question one

Research question one sought to understand if there is in fact low trust in the relationship between government and business. Further to this, it tried to figure out if this low trust could be overcome to build effective CSPs and how. The study found that the relationship between business and government was plagued with negative perceptions of each other. The historical and environmental context in the country had an effect on the relationship between partnerships between government and business. In this regard, the current trust relationship is as a result of countries context. The study was able to address the issue of whether there is low trust. It emerged that there can exist situations where trust is low between government and business, based on a number of factors.

The study was able to confirm the position that trust is important in CSPs. Further the study was able to answer the question as to whether trust can be built. From the findings, there is a clear understanding that trust can, in fact, be overcome. All except one interviewee seemed to be of the view that it can. It is critical that issues in relation to trust can be addressed; otherwise, they will continue to plague the CSPs between government and business. On the question of how the trust could



be built a number of factors were identified, some of which touched on aspects of the remaining two research questions. Those that fall specifically within the ambit of these research questions are discussed below. However, what is clear from the findings that positive action from the organisations in ensuring that they develop the relationship with their counterparts is necessary. Further to this trust is built on evidence of being trustworthy. The partnering organisations have to prove themselves trustworthy by delivering positive results in their actions. Other things that can be done to build trust is having clear and defined objectives and policies.

The study has also been able to affirm many of the principles of the theory, save for one or two areas which were not evident from the findings or contrary to the findings. The study provides key insights and develops on some of the theories. However, the key research question was answered in that it does seem that low trust can be overcome, where it exists in CSPs between government and business. The relevance of this study is that the business community will obtain key learnings on how low trust can be overcome to ensure successful partnerships with government in the future to address the social ills.

#### 6.3. Discussion of Research Question Two

Research question two flows from question one, however, has it focus on the role of the individuals involved in building trust. Some of the relational aspects have already been alluded to, however, what this study sought to unpack in this section is those traits identified that are necessary for people involved in CSPs to overcome low trust.

#### 6.3.1. The role of individuals

The literature pointed out that there is a role for individuals to play in CSPs whether these are referred to as intermediaries (Venn & Berg, 2014), bridging agents (Manning & Roessler, 2014) or sponsors/champions (Bryson et al., 2015). The findings of the study also pointed out that the people involved in a partnership are of great importance in line with the theory.

It also became clear in this study that there a number of different people that are important in building trust in a CSP. These range from the various levels of the



organisations, from the project lead to top management of the organisation. Each will, of course, have a different role to play. As suggested by the interviewees, for instance, the top management can be involved in initially setting up the relationship and being available when there are issues of concern, whereas the project managers/leads can be involved with the day-to-day administration of the partnership. The thought can be developed that different individuals are key to building and maintaining trust at a different time during the life of a CSP. It is thus not one individual that is key in this regard. This provides clarity that may assist in ensuring that the right individuals are involved in the CSP. It is also notable that the study reaffirmed the theory in that the people involved in a CSP may also lead to the deterioration of the trust relationship. This emphasises the importance of this understanding who are the right people that need to get involved at which time of the CSP. This insight was not the primary focus of this study but does identify an area for future study.

#### 6.3.2. The identified individual traits

Theory points out to a number of traits that individuals in CSPs need to possess to build trust, and these include (Bryson et al., 2015; Getha-Taylor, 2012):

- Ability to share information;
- Offering help;
- Meeting commitments;
- A belief that the problem needs to be addressed
- Relevant qualifications; and
- Age.

This does not appear to an exhaustive list; thus this is why this study sought to understand what other traits these individuals should possess to understand better if there are commonalities in these that can be used to transpose further learnings in this area of CSP study.

The table below provides a summary of the traits identified from the findings of this study:



# **Table 4 Traits identified from findings**

Qualification / Competency
Integrity
Honesty
Objective
Resilient
Being a leader
Open communication
Ability to make decisions
Discerning listener
Being helpful

When considering the factors listed above there are some clear themes that come through and these have been grouped and colour coded in the table above. The first category (green) emerging is the technical competence, which is something that both the literature and this study has found as being an important trait for individuals in CSPs. Thus organisations that wish to enter into CSPs need to make sure that they place people that have the necessary competencies to be able to engage in the CSP. This insight seems to suggest a move from the traditional view of CSPs, for instance, where one stakeholder does not have the skills and relies completely on the other stakeholder. This came out strongly in the study largely because of the nature of the CSPs involved. However, what it seems to suggest is that both organisations need to have some level of competence even if it is not in the same aspect, but none of the people from any of the partner organisations can walk in without any form of competence or skill or even the ability to learn. To illustrate, this means that the government can enter into partnerships with the private sector with the expectation that the private sector will bring all the skills and competencies necessary to meet the objectives. This learning suggests that the government should also have in place individuals that can at least engage with and



perhaps learn the necessary competencies. It appears that this would help build the trust between the partner organisations as the people involved will at least operate from a level of understanding their capabilities, and with confidence that the deliverables will be met. This also does away with some of the uncertainty in the relationship between the partners.

The next group (blue) of traits identified in the study are more behavioural. What seems to be a common theme amongst them is that they involve the inward or self-observing behaviour of those individuals in CSPs. What this suggests is that to build trust an individual should not necessarily just be looking out at their partners' actions but should be looking at their own actions as well and be very self-aware. This would require a level of introspection and perhaps what this suggests is that individuals that are requested to participate in CSPs should be required to do this in any case. This does indicate that there are individuals that should be excluded from participating in CSPs. The interesting aspect that came about during this study is that a high-level of self-awareness will be necessary for such individuals, given that there may come times where the objectives of the CSP go against those of their organisation. Ideally, a person in this positions should be able to resolve their conflicts to achieve the shared goal. This would require someone who can act very objectively.

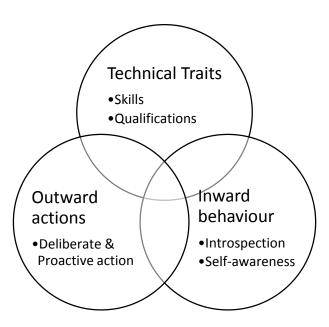
The last group of traits identified (orange) though also behavioural have a different aspect of commonality. The behavioural traits are those that require proactive action from the individual concerned. All of these require the individuals to make an effort and act consciously in a specific manner. For example, to be a discerning listener, it requires the individual to act consciously towards that. In this regard, these are more focused on how the individual acts towards his counterparts and the external and internal efforts they need to make to create an environment that will lead to high trust in the CSP.

Though some of the findings are consistent with theory, none of the literature has been able as yet to provide a framework under which these traits can be understood. From the findings of this study, the following framework was



developed to create a better understanding of the traits needed by individual in CSPs to build trust:

Figure 3 Individual trait for building trust in CSPs



This framework will assist in understanding the traits that individuals in CSPs need to have to address issues of low trust. Thus the second research question has been dealt with in this regard.

## 6.3.3. Conclusion of discussion: Research question two

Based on the findings of this study it would appear that the traits needed by individuals in CSPs are both technical and behavioural. In relation to the operational aspects, the one that was provided by both the theory and the findings of this study is in relation to the qualifications. It is not clear at this stage whether there are possibly other technical traits that would be needed by these individuals and this could be the subject of a further study. In relation to the behavioural traits, it came out that there are at least two areas of focus for individuals in CSPs. These relate to self-awareness of the individuals as well as their proactive actions that would go a long way in building trust in the CSP. Based on these findings it could



be suggested that people that do not possess any of these traits should not be taking part in any CSPs as they may contribute to the deterioration of the trust in such partnerships and ultimately the partnership itself. This study developed a framework that can be used to examine the necessary traits that an individual needs to have to address low trust. This contribution to the field can be developed with further studies on this specific area of focus.

#### 6.4. Discussion of Research Question Three

The importance of the environmental context has been discussed above in the literature review (Emerson et al., 2012). The results in relation to question three identified structural and behavioural features that have been identified by the interviewees as being necessary for the environmental context to allow for more trust to manifest in CSPs. We discuss these results below.

#### 6.4.1. Structural features of the environment

The aspects identified by the interviewees relate firstly to guidelines to the partnering organisations. As proposed such guidelines can set out the expectations of the partnering organisations but can also include the rules of engagement, strategies and plans. Such can also take the form of policy and thus the discussion above should be regarded. Creating such guidelines would provide an environment where there is certainty between the partnering organisations. At the very least it would provide some legal certainty to the stakeholders as these guidelines can layout the parties rights and obligations. The reason this is seen more as a structural feature is because the interviewees seemed to suggest that there needs to be a regulatory or legal framework that will bring about this form of guidelines. Though none of them stated clearly who would be responsible for setting up such a framework, the suggestion that there needs to be this regime created came out very clearly. The principle suggested by these findings seems to be at odds with itself. Though greater certainty can provide an environment for higher trust, the multifaceted nature of CSPs lends itself to difficulty in standardisation. What this means is that it may be difficult to have guidelines that will apply to all CSPs. What may be possible however is to provide guidelines that cover those areas that are



likely to be common in all CSPs for instance in collective decision-making processes. Another way in which guidelines can be useful is by providing different scenarios and solutions that could apply to a number of different CSPs. It may be easier to come up with the guideline in CSPs between government and business, as these are largely already regulated to some extent. These findings provide learning that can develop the theory on overcoming trust in CSPs, as starts to consider the practical application of guidelines.

Another structural feature that was identified related to the bureaucratic nature of the public sector. In this regard, the suggestion seems to be that the government would need to find a way of shortening the decision-making processes. The slowness in making a decision affects the relationship between the government and business negatively and thus addressing this may result in better trust relations between the stakeholders. The government would need to consider looking at different decision-making processes when it comes to CSPs. This, however, would require a restructuring of some of the relevant laws and structures. Most of the theory point to this problem but none of it suggests how it can be addressed. This study does recognise that there will be a need to address this issue through action by the government.

The other suggestion made in this study is that there is a need for continuity between government's approach across the different officials that are deployed into positions over periods of time. The interviews pointed out to an instance where a new MEC or HOD comes into the department and does not have the same vision as their predecessor. It seems clear that this lack of continuity would have an effect on the trust between the stakeholders, as the private sector partner is hanging under a large amount of uncertainty about what will happen when a new term is entered. The statements from the interviewees seem to suggest that government needs to find a way to ensure that the policy objectives remain consistent over time despite the people that are involved. This does appear to be a sound proposal; however, it is not clear how this will be achieved. Technically speaking the government's policies should be clear and consistent to all, however, the people in



the positions at the departments are the ones tasked with putting measures in place to and implementing the policy objectives. The fact that it does involve the human element does already mean that there may be variances in the manner or format that each person interprets a single policy. Despite this, it does appear worthwhile that were possible the government should ensure consistency in policy objectives as this will contribute to a high trust relationship between it and the private sector. In relation to this finding and the one above, it does appear that there is work that is necessary to look at how governance rules do affect the operation of CSPs and thus the trust relationship which area the literature is only now starting to look at (Kettl, 2015).

#### 6.4.2. Behavioural features in the environment

The behavioural features identified appear mostly to involve changing the perceptions of stakeholders. The social and socioeconomic aspects of the environment are what would be affected by the proposed interventions, and these are just as important in ensuring the success of CSPs (Emerson et al., 2012). The results discussed in chapter 5 for instance state that one of the things that can be done is to try and change the perception of the old and established businesses in the private sector about BEE. In this regard what is suggested is that if a concerted effort is made to ensure that the established private sector sees BEE as an opportunity for them to engage further and obtain benefits, this will assist in ensuring that there is a conducive environment for and an amicable relationship between all involved. The results of the study are thus consistent with the theory.

The further results of the study also illustrate the need to change perceptions of stakeholders, be it changing businesses perceptions that "more is more", or making people understand the role they play in achieving the country's objectives, or in the manner they partner organisations. Even the suggestion that the good partnerships will contribute to changing the perception about the CSPs and their successfulness. This is implied in theory, however, what the results seem to suggest that positive action is necessary to change the current perceptions held by stakeholders. Changing the perceptions of stakeholders would have an effect of



increasing the social capital between interested parties and perhaps counter some of the negative perceptions which currently plague the relationship between government and business. It would also place stakeholders in a position where they are more likely willing to enter into these relationships, and also willing to be a little more trusting of their partners.

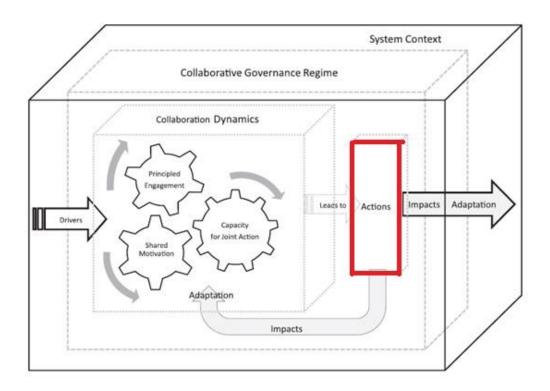
## 6.4.3. Conclusion of discussion: Research question three

Emerson et al. (2012) point out the importance of the environmental context in in their framework for collaborative governance. The political, legal, social and economic aspects of the environment will have an effect on the success or failure of a CSP. What this study sought to achieve with this research question was to identify those features that need to be introduced into an environment to create a situation where more trust is engendered between business and government.

Both the structural and behavioural aspects identified in this study have one thing in common, and that is that action is required. For instance, it will require action to create the structural framework that provides guidance in the CSP environment. Further, changing perceptions of stakeholders requires certain actions as well. This seems to be in line with Emerson et al. (2012) model as highlighted below:



Figure 4 Highlighted Collaborative Governance Framework, Emerson et. al (2012)



The reason why the actions are emphasised in this discussion is that there seems to be a recurring theme that is coming from the study. There are aspects of all environments that work to either assist or hinder the development of trust and thus CSPs in any context. However, what seems to be emanating from the study is that organisations are then required to act in a certain manner to mitigate the adverse effects or amplify the benefits. As stated in the chapters above, CSPs should be dynamic to be able to operate in this complex environment the world finds itself.

CSPs between government and business take place in an environmental context that has many variables. Any of these variables can affect the nature of trust between these partners. It appears highly unlikely that all of these variables would spontaneously be found to create an environment conducive for high trust. Anyone of these aspects can work against building high trust. What has emerged from this study is that it is the responsibility of the partner organisations to mitigate any adverse effects of the environment on the trust relationship. This can be done



through either of the ways discussed above, for instance, organisational design, legislative amendment or even stakeholder engagement. The key 'feature' that is common amongst these that will allow for an environment that is conducive for trust is the ability and willingness of the partner organisations to make use of their abilities and act accordingly. These actions are deliberate and purposive in order to mitigate against the causes of low trust. In this regard, where there is low trust between government and business, the government will be required to act on improving its own internal decision-making processes in order to allow an environment of high trust with its counterpart. What this also entails is that there is a constant interaction between the external environment and the partner organisations actions. Unlike what is seems to be suggested in the current theory, these results indicate that CSPs are not just susceptible to the environment in which they operate in, but have the ability to take actions that can mitigate or change aspects of the environment, in order to make it conducive for high trust, and thus more effective CSPs. What this study then adds to the theory is the understanding of how CSPs between government and business interact with their environment and its effect on their trust of each other.

These results show that both stakeholders need to take the necessary steps to create an environment conducive to building trust. This involves what is well within their power to do. This means that governments need to bring in place policy that will support trust in CSPs. On the other hand, a business can, for instance, change the way it contracts with the government to take on more risk and responsibility. Another construction is that it is the responsibility of both stakeholders to educate the relevant people about CSPs, as doing away with some uncertainty will contribute to a climate of trust. These types of action are proactive and deliberate in order to build trust. This understanding is essential in the CSP theory because if these structures (which are stated to be the only hope to achieve the developmental goals and address social ills) are to be successful, it is important that there be a better understanding of how the best results can be obtained from them.



# 7. Chapter seven: Conclusion

#### 7.1. Introduction

This study sought to determine if and how low trust in CSPs between government and business can be overcome, to allow for more effective partnerships. The previous chapters provide an outline of the study, along with the results and findings. This chapter will offer an overview of the main conclusions and make some recommendations based on these.

## 7.2. Summary of findings

The findings are outlined below about each of the three research questions.

#### 7.2.1. Research Question One

The objective of the first research question was to determine whether low trust in CSPs between government and business can be overcome, leading to more successful CSPs. This study confirmed the earlier work of scholars concerning the importance of trust in CSPs (Bryson et al., 2015; Venn & Berg, 2014). The study found that where there is low trust, there are likely to be challenges that will affect the success of the CSP. It also found that low trust may, in fact, prevent potential CSPs from coming into existence. The results indicated that trust between government and business could be built, despite their often varying objectives which often cause the tension.

The multifaceted nature of CSPs, as well as the contextual climate in which they operate, have an effect on the character of the trust relationship between partner organisation. The study found that to overcome low trust in CSPs, the partnering organisations will need to take steps to counter any adverse effects of their environment. The major aspects of this finding are as follows:

- The partners need to make a dedicated effort in trying to build trust;
- The partners need to demonstrate their trustworthiness during the partnership;
- Each partner has to clearly state their aims and goals from the CSP;



- The partners have to set out clear policies concerning their engagements in the CSP:
- Leadership has a role to play in building and maintaining trust.

The findings of the study also addressed an area that was not previously addressed directly in the literature. The time it takes to develop high trust is a question that was raised by this study. This is premised on the assumption that longer term relationship will invariably have higher trust than shorter term relationship. The findings illustrate that this may not be the case. Partners in shorter term CSPs that take the necessary steps, as discussed above, are more likely to develop high trust than those in a long run CSP who make no effort. This finding helped to draw up and provide more insight into the Venn and Berg (2014) collaboration continuum framework. Based on these results it can be concluded the trust can be built where there is low trust in CSPs between government and business in order increase the success of such partnerships.

#### 7.2.2. Research Question Two

The second research question wanted to understand, the role of the people involved in CSPs in developing high trust and what qualities such people need to possess to fulfil this role. The study found that individuals do in fact play a crucial role in building and maintaining trust between partnering organisations. This finding affirms previous works by other scholars (Bryson et al., 2015; Manning & Roessler, 2014; Venn & Berg, 2014). What the study found further was that there is a role to be played by different people in the partnering organisations at the various stages of the partnerships. It should thus be considered by organisations in CSPs who of their staff or management they involve in the CSP at which stage.

The findings concerning the qualities of these individuals need to have are in line with the prevailing theory (Bryson et al., 2015; Getha-Taylor, 2012). Based on the findings of this study a framework was developed to outline the traits that are needed by the people involved in CSPs to build high trust. The framework suggests three broad sets of qualities for these individuals. These are the technical abilities, inward behaviours looking at self and deliberate actions to the outside



world. The research also found that organisations entering into CSPs need to ensure that they choose the right people to take part in the activities. This choice is an important consideration as these people can contribute to building or destroying the trust between the partner organisations and thus the CSP.

#### 7.2.3. Research Question Three

This research question was aimed at determining what features needed to be present in the environment in which CSPs take place so as to make it conducive to building high trust. It was already acknowledged that it would be difficult to define exactly the all the features that are necessary given the complex nature of any operating environment. There are various components in any environment, politics, the economy, history and any one of them can have an effect on the nature of the trust relationship between government and business (Emerson et al., 2012).

The study found that there are structural and behavioural features that can be addressed to create a climate conducive to building trust between government and business. The main finding, however, was that all features would be context specific, and thus it is the responsibility of the partnering organisations to act accordingly. The stakeholders have to act deliberately and proactively to mitigate those areas that may result in a low trust environment. For instance, if there are negative perceptions about the public sector, this can be mitigated through some advocacy and proactive information sharing. The study also found that the capacity to act is also dependent on the organisation. Each organisation can only act within the limits of what they can. The government, for instance, can affect legislation were as a business can address issues of their commercial relations.

## 7.3. Implications of the findings

International and national policy have recognised the need for partnerships between government and business, especially in connection with the aim of meeting developmental goals and addressing social problems that exist in the world. CSPs as a form of partnership between government and business are critical to understand. The theory has shown that CSPs can be used to bring value to society, government and business. However, in practice, some issues have



been faced with the implementation and success of these CSPs. Low trust between organisations in different sectors has been identified as one of the issues that have made the implementation of CSPs difficult (Venn & Berg, 2014). Many countries, including South Africa, continue to face difficulties that have proved difficult for the government to address on their own. The imperative for a solution is very high. If CSPs can help resolve some of these difficulties, then it is important to try and address the issues that have hindered their implementation.

This research is aimed at identifying how low trust can be overcome. Thus the implication of these findings is that practitioners and scholars alike will be able to examine solutions proposed. These findings have been contributed to better understanding of how to address low trust in CSPs between government and business. This research can be developed further so that the issues of low trust is eventually eliminated between government and business in CSPs so that their partnerships can be successful in reaching their goals. Further, if the issues of trust are addressed, then more CSPs may come in place to address other societal issues.

#### 7.4. Recommendations to Stakeholders

The aim of this study was to obtain insights mainly from the public sector to provide learnings in the business literature. The recommendations made here are made based on the findings of the research.

#### 7.4.1. Private sector

It is important to note that in South Africa the private sector is diverse, and thus there may be aspects of the recommendations that may not apply across the board.

The first recommendation relates to the manner in which established business engages with emerging business. Rather than seeing each other as competitors in the context of CSPs, these parties need to find a way in which they can engage each other positively for the development of their sector. New entrants lack the experience to participate successfully in these CSPs, however at times they are given preference as a result of policy. The players in this sector need to find a way



to work together and leverage each other's knowledge and opportunities. This obviously needs to be done in good faith for the development of the industry and the society at large. Such a win-win situation is preferable to a win-lose one.

The second recommendation relates to the manner in which business engages the government. Business has more flexibility in its actions and can thus be more innovative to come up with ideas to address some of the issues that affect the relationship with government. Business needs to be more innovative in the manner it which it runs it operations, for instance how it contracts with suppliers. The innovation will also be useful in relation to addressing issues that come about during their engagement with government. For example, a business may be better placed to come up with innovative systems that ensure that payments from government are received on time, or to mitigate situations where delays occur. This would involve more than just simply adding a risk premium to the monetary exchange.

The final recommendation relates to the general engagement between government and business concerning CSPs. Business needs to realise the potential that lies in successful CSPs not just for society but the business as well. If business were to proactively identify some partnership opportunities and bring these to the government, this might go a long way to addressing perceptions and the trust relationship between the stakeholders.

#### 7.4.2. Public Sector

The public sector is often seen as the one responsible for identifying partnership opportunities. Following on from the previous section, the first recommendation here relates to the manner in which government engages with business. Understanding that there is low trust between the two, it is imperative for the government to create an environment where it can engage with business, with little to no risk. For instance, the government can create a dispensation through policy that allows for information and knowledge exchange between state departments and business, putting in place the necessary checks and balances. The gist here is



that government needs to find a way to engage more effectively with business and their ideas.

The second recommendation relates to clear communication from state entities concerning their needs, objectives and policies. More clarity in this regard will take away some of the uncertainty and anxiety of business, thus allowing for a climate of trust.

#### 7.5. Limitations of the research

The nature of CSPs is widely affected by the context of the environment in which they are active. In this regard, this study was limited to experiences from CSPs in the South African context and more specifically largely within the Gauteng province. The results of this study may be affected by the specific context of these areas. For instance, the country's political history has led to the current relationship between government and business. This study may thus only apply to countries where there are emerging democracies dealing with similar trust issues between government and business. Walker and Hills (2012) note a similar limitation in their study. This aspect can, however, be tested in further research.

As a qualitative study, this research is susceptible to many different interpretations and would not be as generally accepted as a quantitative study (Saunders & Lewis, 2012). However, the very purpose of this study was exploratory in nature in order to contribute to the field of study and assist in the further research.

## 7.6. Suggestions for future research

Future research can be conducted to develop on the findings of this study. The following areas have been identified for further study:

The framework developed about the traits of the individual in a CSP needs
to be tested for its veracity. Broader research can be conducted in order to
determine whether the framework fully covers all the traits that are
necessary for a person that can maintain trust in CSPs between government
and business.



- Another study could be conducted would look at case studies, examining both sides of a CSP in order to obtain the view from the partners in one CSP in order to understand more directly what are the factor that are affecting the trust relations.
- A study can be conducted focusing only on those CSPs between government and business that have been successful in meeting their objective, in order to extract the learnings of how they were able to overcome low trust.

#### 7.7. Conclusion

The imperative for business and government to work together to address social problems is high. Society as whole requires that the stated advantages be seen. Low trust between government and business hinders these partnerships through CSPs. This research seeks to address this issues and contribute to the body of work looking to improve the success of CSPs so that their social goals and objectives can be met for the good of all.



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