Overview

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In a world in which many major problems cannot be resolved by a single person, organisation or solution, it is essential for leaders of transformational change to build high-level skills in collaboration. These skills include the ability to identify and gather a coalition of people with influence and access to resources, including funding, to communicate a compelling need and to create structures and processes that keep people on task and accountable. The chapters presented by Dr Leeora Black, Krystian Seibert and Robyn Keast present different perspectives on both the theory and the reality of leading collaborative work, provide examples of success and systemic constraints and challenge us to consider our own roles in leading and supporting change.

Dr Black's chapter addresses the key issue of funding social services and the opportunity to access more resources by collaborating with the private sector. It also addresses the role government can play in supporting (or inhibiting) private investment.

Black uses Big Society Capital's definition of social investment, which is 'the use of repayable finance to achieve social as well as financial returns', thereby clearly differentiating it from the donation of capital, whether in full or partially through an acceptance of a lower than market return. She provides examples of the opportunities for direct and indirect investment and highlights the important role of financial intermediaries, such as banks and superannuation funds, in channelling investor funds into social initiatives rather than into the more traditional financial products. She also comments on investors' growing interest in ethical and impact investing and that achievement of financial returns and social returns does not necessarily require a trade-off in that regard.

In examining the different roles that financial intermediaries play, Black observes that funding is not fungible and each of these providers will be looking for different forms of collaboration and return. For example, investors in social impact bonds compare these instruments with other forms of investment, including other social investments, and seek the highest return for the lowest risk. Each investor may value the social impact differently. They may also aim to create portfolios of investments with particular risk and impact profiles. In contrast, philanthropists and governments will weigh up the outcome that can be achieved by each social investment opportunity and compare it with a wide range of funding priorities, seeking to identify which will achieve the biggest impact.

Governments have a range of mechanisms through which they can support (or hinder) increased private investment in social services, and Black identifies five in particular that are relevant in the Australian context—being the opportunity to: create new business structures; build a greater awareness of the benefits of shared valued; establish a specific intermediary organisation to facilitate investment; provide a range of tax concessions for social investment; and provide clarification of the 'sole-purpose test' in regard to the duties of superannuation fund trustees and allow them to take social impact into account when making investment decisions.

She concludes by stating that investment in social outcomes will be increased when they can be shown to achieve both a financial and a social return, when there is a greater understanding of shared value and when the financial service sector and governments each play their part in channelling private funds into social investments.

Krystian Seibert's reflection on the establishment of the Australian Charities and Not-for-profits Commission (ACNC) provides deep insight into a specific and recent example of cross-sector collaboration. The establishment of the ACNC was, in effect, a single large-scale collaborative reform project with a beginning, middle and end. As such, it required different leadership and coworking skills to those needed to build and maintain collaborations between governments, funders and service providers to achieve the kind of social outcomes that Black introduces.

Seibert's case study also highlights the fact that some collaborative projects are not always universally supported. The establishment and first years of the ACNC were met with heavy resistance from some quarters and required leaders from across government agencies, the not-for-profit sector, academia and others to come together, 'hold the line' and continue the push for change. Further, it shows how difficult it can be to gain support for a new, unknown future state, particularly when many do not see harm in maintaining the status quo. Given these circumstances, the establishment and survival of the ACNC is an excellent example of effective cross-sector working and the skilled application of change techniques, including those of understanding stakeholders, maintaining clarity and focus, co-production, establishing a supportive culture and adjusting the speed and approach as required. Seibert concludes that collaborations succeed best when the processes and relationships are managed as carefully as the outcomes.

In the final chapter of this section, Keast summarises recent academic research and provides a strong scaffold for framing further discussion of best practice in cross-sector working. She places collaboration clearly on a spectrum ranging from competition to consolidation and highlights the characteristics that separate collaboration from other forms of coworking. Collaboration is not simply sharing information or aligning existing operations, but aiming to meet a shared goal through achieving something new or different by implementing initiatives that would not be possible for individual organisations.

Importantly, she forcefully challenges the received wisdom that 'effective collaboration is a black box'—that is, good in theory, but doing it well is a mystery or a matter of luck. Instead, she sets out some pragmatic advice regarding the factors critical to success. Arguably, the most important of these is recognising that the skills required for collaboration are unique and that it is important not to assume leaders or others know how to do it. (Given that more than half of all collaborations fail to meet their objectives, clearly many do not.) She also highlights research showing that providing training in collaborative working and recognising and rewarding collaborative work improve outcomes.

To do this, Keast examines a number of case studies of collaborative initiatives and identifies a range of collaborative processes, supplementary processes and 'micro-processes' used by those who have achieved success. She emphasises the need for leaders to undertake a stocktake of their operating and stakeholder environments, and their goals, and to select the strategies that are most appropriate to the situation.

While all writers comment on various aspects of the drivers of and inhibitors to effective coworking, there are a couple of aspects that are implicit in their arguments but not specifically addressed. Their identification may prove fruitful for further discussion and research.

In particular, the power to create change lies within each of us and motivating ourselves and others to challenge the status quo is a prerequisite for success. It is well acknowledged that a sudden crisis or emergency creates strong clarity of purpose (for example, to preserve life) and can be so powerful that people willingly put their differences and other priorities aside and work constructively together. An example of this is the introduction of gun control laws in Australia after the Port Arthur massacre in 1996. For nearly a decade, the federal government had been working with the states and territories in an effort to introduce stricter gun control laws. Despite some ongoing opposition, this was achieved within months of the tragedy in Tasmania.

How do we create the same sense of shared responsibility, passion and energy for the less dramatic, but entrenched and insidious problems that persist in our society? How do we shake ourselves and others out of accepting things as they are and unlock the drive to create change—particularly when it may take 20 years or longer to realise the changes? One answer might lie in the rapid improvement in information technology and our increased access to independent, reliable and real-time data. Good information can tell a stronger, more compelling story to those with power than case studies and anecdotes. It can also provide us with a quantifiable 'return on investment' that facilitates collaborative goal setting and enables measurement of alternative strategies and accurate evaluation of impact. Importantly, good data are a prerequisite for the expansion of access to private capital, such as social investment bonds.

While the focus of these chapters is cross-sector collaboration, there are also many examples of projects initiated and driven by those outside existing systems. Independent advocates can often achieve change where others cannot. Unlike those who have worked 'in the system' for some years, they usually have no association with previous policies nor are they limited by existing relationships, organisational structures or modes of thinking. Their loyalty is to solving the problem or to helping a specific population and, as an outsider, they can cut through bureaucracy when others cannot. On some occasions the best cross-sector leaders are those who can recognise when they are not the best person to lead change and who instead support someone better placed to create change.

With governments continuing to transfer the provision of human and other services from the public sector to the not-for-profit and for-profit sectors, and ongoing budget pressures, the need for more sophisticated collaborative processes and skills will continue to increase. The challenges of cross-sector working are not new, but by pooling the knowledge of experts, such as Keast, Seibert and Black, and by leveraging ever improving information technology and other resources (including innovative methods of fundraising), there are real opportunities to achieve step change for some of society's most entrenched problems.