Introduction

Rosabeth Moss Kanter, former editor of the Harvard Business Review, is Ernest L Arbuckle Professor at Harvard Business School. She is the author of numerous books and is best known for her work on partnerships and change management.

In ‘When Giants Learn to Dance’, Rosabeth Moss Kanter looks in detail at partnerships. Today’s organisations face increasing demands ‘doing more with less’ as Kanter puts it. She describes how this has led them to lose their original paranoid fear of competitors and become ‘PALs’ by Pooling resources, Allying and Linking systems. Sharing resources and becoming allies with other organisations has now become the norm for many organisations.

In ‘Collaborative Advantage: The Art of Alliances’ Kanter describes how business partnerships grow and develop in a way not dissimilar to human relationships. She stresses how often too much emphasis is laid on the legal and financial aspects of partnership, whereas she sees them as ‘living systems that evolve progressively in their possibilities’.

Collaborative advantage, the benefit and resources enjoyed by those who form part of a successful partnership or partnerships, is vital for global organisations today. Kanter describes how this can be attained by attending to and ‘nurturing’ a partnership in the same way that one would a relationship.

Three Views on Partnership

Kanter has carried out global research on partnerships. Her research has enabled her to identify three key views on business partnerships:

1. Although partnerships must have benefits for both sides, there is more to the partnership than simple financial gain for each party. Partnerships provide endless opportunities.

2. Partnerships that were viewed as a success by both parties involved actually working together to create value.

3. It is not possible to control a partnership as a whole – it requires working at every level of the partner organisations.

Interestingly, Kanter’s research identified differences in the way in which organisations viewed partnership working. Kanter and her research group found that one perspective on partnerships focused primarily on the finances of the arrangement. Another was focused on relationships and used them to best advantage.

Not all partnerships are the same. According to Kanter, a scale exists ranging from those with minimal involvement, e.g. sharing mutual resources, to full-blown ‘value-chain partnerships’. These relationships tend to lead to change in both organisations due to interlinking and partnership working at many levels throughout the organisation.

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1 Rosabeth Moss Kanter, When Giants Learn to Dance (Routledge, 1989).
Organisations can be concurrently involved in more than one partnership arrangement. Sometimes it may be that partners own/or have a stake in part of their partner organisation.

**Five main Phases**

Kanter identified the five main phases which partnerships pass through, as being the same as those experienced by partners in a human relationship. She categorises these phases as follows:

1. **Meeting and dating**

   This represents the initial stage in a business partnership, when, much like in human relationships, two partners first meet and discover what they have in common and that they work well together. The relationship flourishes and grows. No two relationships grow in the same way however. Kanter compares finding the perfect business partner to being similar in many ways to finding true love. For a start, the same initial excitement is attached to both.

   Although often thought of as clinical, business partnerships cannot survive without a human element. A good relationship between two executives on either side can be crucial for a partnership to work.

2. **‘Getting engaged**

   It is at this stage that the deal is planned and confirmed. The intimate relationship between two chief executives has now become official. Other stakeholders must give the partnership their blessing for it to succeed – Kanter compares this to ‘meeting the family’. The aim at this stage, however, is not to ‘depersonalise’ the partnership with third parties. This phase ends ‘courtship’ and the partnership starts to work together. The partnership contract is analogised by Kanter to the wedding vows.

3. **Living together**

   Once the partnership is underway, the partners become aware of the differences in the way they work. The initial illusion of ‘love at first sight’ is shattered and the reality of the day-to-day grind sets in. Problems threaten to arise as people are now working together at all levels of the partnership. Kanter reminds us that not all staff will view the partnership in the same light with the same motivations at the founding executives.

   Kanter urges us to respect our partner for the different things that they bring to the relationship, but realise at the same time that differences in the way things are done, need to be resolved.

4. **Learning to get along**

   The next stage represents how the two partners deal with these differences and learn to get along amicably. Partners discover how to overcome organisational differences. When learning to collaborate, Kanter describes how integration at five levels is required: ‘strategic’, ‘tactical’, ‘operational’, ‘interpersonal’ and ‘cultural’.
5. Married for years

Kanter highlights how in the same way that human relationships prompt permanent change in both parties, so too do business partnerships. Both partners have made permanent changes to accommodate the other and, in a good partnership, both partners will learn from the other's way of working. The change is inevitable.

In order to benefit from collaborative advantage, companies must be prepared to learn from each other.

Six Rules for a Happy Partnership

In ‘Six Rules for a Happy Marriage … uh, Partnership’ Kanter gives six fundamental pieces of advice noting, again, that business partnerships are not dissimilar to romantic ones. Her advice can be summarised as follows:

1. Don’t be blinded by love

Look in depth at your potential partner for less obvious faults which could realistically cause problems in the future. Do not rely too heavily on the written partnership contract as this will not foresee all potential problems. Hold a trial project which will allow you to test the water while keeping a close eye on the changes occurring in your organisation.

2. Nurture the human side of the partnership

Continue to pay attention to the human side of the relationship as well as the formalities once the partnership is confirmed. This should not be delegated, and is the role of the leaders. There should be a partnership ambassador in each company.

3. Form inter-organisational bonds

Form relationships across all levels of the partnership. This will strengthen the partnership and prevent rejection. Encourage staff to get to know each other socially as well as in the workplace. Although not described as such by Kanter, this could be compared to two families becoming one, when two of their family members marry. The initial relationship acts as a catalyst to many further relationships forming which are affected by, and have an affect on, the marriage (partnership).

4. Work differently but together

Remember that the organisations will have key differences in what they do. Respect these. Differences between how things are done which lead to conflict must be worked through and resolved.

5. Don’t be stuck in your ways

Change is inevitable on both sides to avoid permanent conflict. These changes can be a window of opportunity to change for the better. Be open to change for the better, and your partner should do the same.

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6. **Aim for a ‘win-win’ situation**

Ensure that both sides are winners. There is no point in getting what you want out of the deal in the short term, at the expense of the long-term partnership. Help each other to make the most out of the opportunities presented to you.

**If all fails…**

Although not mentioned by Kanter, many marriages come to an end, and so many partnerships also end in ‘divorce’. Following on the analogy, the partnership contract could be compared to a pre-nuptial agreement. The partnership contract is there to support the partnership through the above stages by providing guidelines regarding responsibilities, sharing of costs and timescales. It may be that the partnership is open-ended, or it may have a definite, pre-decided end point.