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Article *in* International Journal of Productivity and Performance Management · July 2014

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Received 27 June 2013
Revised 10 January 2014
10 February 2014
Accepted 18 February 2014

Models of collaboration between nonprofit organizations

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Abstract

Purpose – Third sector organizations regularly innovate through collaboration with other organizations in order to secure resources and to increase the potential to more effectively meet each collaborator's mission. Following a review of relevant literature, the purpose of this paper is to explore and document the variety of ways that third sector organizations collaborate with other nonprofit organizations.

Design/methodology/approach – The paper reviews the literature regarding motivations to collaborate, barriers to collaboration, and ways to ensure that collaboration is successful. Drawing on exemplary cases of collaboration that applied for a national (USA) prize, the paper describes the range of collaborations that third sector organizations used to enhance their performance and productivity.

Findings – The analysis culminates in eight models: the fully integrated merger, partially integrated merger, joint program office, joint partnership with affiliated programming, joint partnership for issue advocacy, joint partnership with a new formal organization, joint administrative operations, and confederation.

Research limitations/implications – All cases are drawn from one country in one part of the world, the USA; some models will have less veracity in other countries or contexts, and the nonprofit sectors of other countries will likely generate additional kinds of models not anticipated by the USA cases. Second, the eight models generated by the method are the result of debate, deliberation, and iterative process carried out by two coders. Other coders employing the same analytic process might generate more or fewer models.

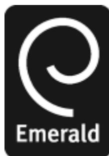
Practical implications – Once nonprofit boards, staff, and other advocates understand the potential that can come with collaboration, blurring boundaries and giving up autonomy might not seem so intimidating. The practical value of our work is in reporting the wide array of options available to nonprofits – models that staff and board can use to plot their way forward.

Social implications – The value of our work to research is identification of the assortment of ways that nonprofits collaborate. Future research may consider how any of the issues discussed in the literature – trust, co-opetition, resource dependence, network connectedness – vary or are conditioned by differences across these models of collaboration.

Originality/value – The paper documents collaboration as a viable strategy for the enhancement of performance and productivity among third sector organizations in the USA. For each model described, the paper discusses the circumstances in which they might be used, as well as the challenges and advantages associated with implementation.

Keywords Collaboration, Nonprofit organizations, Merger, Joint programming

Paper type Research paper



International Journal of Productivity and Performance Management
Vol. 63 No. 6, 2014
pp. 746-765
© Emerald Group Publishing Limited
1741-0401
DOI 10.1108/IJPPM-06-2013-0121

Discussion of the empirical models described in this paper previously appeared in a research brief, *Models of Collaboration: Nonprofit Organizations Working Together*, written by Mark A. Hager and Tyler Curry and self-published by the Arizona State University Lodestar Center for Philanthropy & Nonprofit Innovation, 2009.

Some nonprofit organizations have no need to interact with other organizations, or little to gain if they did. Many neighborhood associations, for example, serve their members without much need to foster interorganizational relationships. However, larger organizations and ones with a greater reach inevitably need what other organizations have to offer. Purchases, contracts, alliances, or some other kind of connection may be inevitable. Nonprofit organizations, particularly human service and healthcare organizations, routinely contract with government to deliver local services and programs (Feiock and Jang, 2009), representing one kind of strategic alliance. Nonprofits also develop alliances with businesses to access resources and program partners (Suárez and Hwang, 2013), representing another. However, perhaps the most common variety of interorganizational collaboration is when nonprofit organizations collaborate with each other, creating a dense web of information and resource sharing across the sector. This paper focusses on these kinds of intra-sectoral collaborations.

The paper seeks to contribute to our understanding of collaboration among nonprofit organizations in two ways. First, we provide a broad review of the scholarly literature on these kinds of collaborations, addressing barriers to collaboration, motivations to collaborate, ingredients for success, and ways that nonprofits collaborate. Sowa (2009) and Guo and Acar (2005) provide their own reviews, but only include scholarship that directly impinges on their arguments. Our overview of the literature covers broader ground and is written to orient the serious practitioner to current thinking on intra-sectoral collaboration. A second contribution of the paper is the independent effort to articulate the range of ways that nonprofit organizations successfully collaborate to mutual advantage, which we call models of collaboration. While others have provided their own summaries and conceptual continua of collaborations, ours is an empirically derived set of options that may be of interest to both scholars conducting research on interorganizational relationships and practitioners seeking information on the range of options that others have pursued successfully.

I. What the literature tells us about nonprofit collaboration

Although good data on the question are hard to come by, observers assert that the frequency of collaborative relationships between nonprofit organizations has been increasing in recent years (Guo and Acar, 2005; La Piana, 2000). As a consequence, collaboration is becoming fairly common (Vangen and Huxham, 2003). Proponents of nonprofit collaboration suggest that it leads to better results-per-dollar than if organizations work individually (Hill and Lynn, 2003). Faems *et al.* (2005) argue that strategic innovations diffuse through collaborative relationships. Some nonprofits collaborate formally, requiring restructuring; some nonprofits collaborate informally (Guo and Acar, 2005); and some choose not to collaborate at all.

While several definitions have been given for collaboration, they overlap in key places. Tsasis (2009) defines collaborative relationships as those that represent an interorganizational effort to "address mutual benefits or common interests among organizations through a process of information exchange and resource sharing" (p. 8). Snavely and Tracy (2002) suggest that collaboration occurs when organizations "come together out of recognition that they cannot resolve problems or accomplish their missions alone" (p. 63). The definition advanced by Guo and Acar (2005) combines these, defining collaboration as that which occurs when organizations "work together to address problems through joint effort, resources, and decision making and share ownership of the final product or service" (pp. 342-343). We focus on this definition of collaboration. Throughout nonprofit literature, the terms collaboration, partnership,

and integration are often used interchangeably. We will refer to partnerships and integration as types of nonprofit collaboration that fall along a spectrum of involvement. References to networks refer to the environment in which the organization operates and the organization's relationships to other organizations. Organizations may choose to connect to other entities within their network through collaboration.

A. Barriers to nonprofit collaboration

Barriers and challenges associated with nonprofit collaborations are common topics in the literature. One recurring theme highlights the pre-existing relationships between collaborating organizations. Organizations are often urged to coordinate with others that are competing for the same resources. This increases the risk associated with collaboration, as each partner organization has an economic interest in the other's failure (Bunger, 2013). In other literature, this phenomenon has been referred to as co-opetition. Co-opetition refers to cases in which organizations simultaneously collaborate and compete with one another (Gnyawali *et al.*, 2006). Peloza and Falkenberg (2009) suggest that organizations may engage in this type of relationship when they recognize that a complex problem could be better solved with a collaborative effort, and that solving that complex problem would benefit all organizations involved. In their research, Gnyawali *et al.* (2006) assert that proprietary firms that engage in co-opetition form a valuable network. While they encounter risks, including information leakage, organizations with many ties in their network also benefit from the flow of information, assets, and status among the networked organizations. They can learn both about and from their competitors and use these relationships to their advantage. Gnyawali *et al.* (2006) suggest that competitors who have different, complementary assets or expertise will make better partners than those with similar assets.

In general, collaboration puts big demands on participating organizations (Vangen and Huxham, 2003), requiring organizations to interact in ways that are unnecessary when they act independently. They need to find ways to coordinate per the understandings they have formed about what each organization will contribute and receive, which can be difficult (Hill and Lynn, 2003). One of the chief challenges of collaboration is the loss of autonomy. Daft (2009) describes identifiable boundaries as one of the defining characteristics of a formal organization. This is the characteristic that makes collaboration innovative for organizations. Collaboration can threaten the boundary, and therefore the identity, of any kind of organization. Participation in a collaborative activity results in the loss of at least some of an organization's autonomy (Tsasis, 2009; Mulroy and Shay, 1998). Organizations must find ways to retain and manage boundaries when carrying out collaborative activities (Tsasis, 2009). Loss of autonomy comes with a measure of risk. Collaborating organizations risk their reputations, lose some control over their activities, and are often involved in unequal exchanges where one partner must provide more resources than the other (Snavely and Tracy, 2002). An unequal partnership also raises the risk that one organization will dominate the relationship, perhaps to the detriment of the other organization's chances of survival (Bunger, 2013). This type of domination can take several forms, all of which involve a violation of the partner organization's trust.

This violation of trust can be the result of a disconnect between the goals of the individual organizations and the goal of the collaboration. A dominating organization can adopt what Snavely and Tracy (2002) refer to as an "I instead of We attitude" or a "Lone Ranger attitude," both of which are focussed on their organization's well-being rather than the goals of the collaboration. Peloza and Falkenberg (2009) address this issue also. Their work focusses on nonprofits collaborating with for-profit businesses,

but points are generalizable to our focus on intra-sectoral collaboration. They note that managers must clearly examine their objectives in engaging in collaboration and base their choice of collaborative partner and activity on those objectives. Participating organizations must understand any differences in cultures and goals. If one partner is engaging in the collaboration to make itself more visible in the community, while the other partner believes it is collaborating to impact a particular issue, trust may be violated and the collaboration may fail as a result.

Other challenges that arise in collaboration include communication and determination of accountability (Vangen and Huxham, 2003). Bunger (2013) even suggests that in the long term, coordination among competitors can lead to the dissolution of small organizations that cannot compete with larger organizations. Specialized organizations may be forced to collaborate to survive, while compromising their own specialized functions.

B. Motivations for collaboration

Despite these challenges, scholarship has outlined some of the forces that motivate organizations to engage in collaborative activities. A common theory of motivation is resource dependence. This theoretical camp suggests that organizations collaborate as a reaction to uncertainty in their resource environments (Guo and Acar, 2005; Sowa, 2009; Bunger, 2013; Mulroy and Shay, 1998). Guo and Acar (2005) also suggest that more nonprofits are considering formal types of collaboration for this very reason. Organizations are willing to give up some autonomy in exchange for a better chance at resource sufficiency. Resource dependence suggests that organizations are looking for a tangible benefit from their collaborations (Snavely and Tracy, 2002).

All nonprofits need to secure adequate funding, but strategic focus on funding increases when contributions, contracts, and other sources of money are depleted. La Piana (2000) argues that some resource scarcity is a result of the growth of the sector (and even businesses competing for social and health service delivery contracts), leading to increased competition for funding. Resource dependence can be the primary motivation in situations like one described by Arsenault (1998), in which an organization's survival as an independent entity is in doubt and the leadership wants to ensure that the organization's activities are sustained. This perspective is also reflected in a study by Sowa (2009), who determined that the more uncertain an organization's resource base, the more likely it will enter into a collaboration with another organization. On the other hand, Guo and Acar (2005) found that organizations with greater resource sufficiency were more likely to formally collaborate, perhaps because they experience fewer risks to their autonomy in collaboration than a small organization, and they may also be more desirable collaboration partners. In any case, the literature on collaboration routinely points to resource acquisition and security as a primary motivation for deciding to work closely with other organizations.

This resource acquisition may not necessarily occur from a direct transfer of tangible resources, although that is one possibility. As AL-Tabbaa *et al.* (2014) mention in their discussion of nonprofit collaboration with the business sector, each actor looks for the other to provide value. In the case of nonprofit collaboration, this value could derive from tangible resources, such as funding or personnel, which would help in the administration of a joint program or help advocate for a particular issue. However, particularly in cases where the collaborating organizations are also competitors, they may be more comfortable exchanging intangible resources as part of the collaboration. These could include things like knowledge, visibility, and legitimacy, which

we discuss further below. In turn, these intangible resources could lead to tangible resources. Increased visibility or legitimacy could lead to more donations, or meeting a requirement to engage in collaboration could lead to additional grant funding.

A second frequently mentioned theory of motivation relates to institutional forces: external pressure on organizations to adhere to norms of their field. This perspective suggests that an organization has better chances of survival when it conforms to the norms of its institutional environment, whether this is done to meet legal requirements or to keep up with similar organizations (Guo and Acar, 2005). Whether collaboration is rare or normative, nonprofits feel pressure to conform. Many funders place a high value on collaboration (Sowa, 2009), so organizations may collaborate in order to gain legitimacy in the eyes of these funders (Bunger, 2013). The number of organizations engaged in collaboration in a given environment may also influence prevailing norms. As more and more organizations begin to collaborate, collaboration begins to be viewed as the right way to do things. Nonprofits may feel pressured to collaborate to prove their legitimacy in this regard. In fact, La Piana (2000) suggests that the increasing number of successful mergers inspires other nonprofit leaders to look closer at this strategy. This is likely true of other forms of collaboration also, to the extent that sector professionals become aware of the range of collaboration options available to them. Institutional forces can also drive nonprofits to collaborate in a shared response to problems that cannot be dealt with at the individual organizational level (Sowa, 2009).

According to a third theory, collaboration can also be motivated by the information and resources that flow from network connectedness. The network theory proposes that organizations can be motivated to collaborate by a previous history of collaboration or interaction with other organizations (Sowa, 2009). This allows an organization to respond to potential risks of collaboration by relying on the information they get through their networks (Guo and Acar, 2005). Guo and Acar (2005) focussed particularly on common board members between organizations; they found that those with more board linkages were more likely to formally collaborate. They also determined that older organizations are more likely to collaborate than younger organizations, a finding that they attributed in part to the greater depth of the older organizations' networks.

Another motivation for collaboration is simply the improvement or expansion of program services. An organization might choose to collaborate to maintain or increase its mission-driven programming (Arsenault, 1998). Collaboration can be a path to help the organization improve the depth or quality of its services, which might be achieved through added financial resources or through the sharing of organizational expertise or ideas (Sowa, 2009). If collaboration is proven to help an organization achieve its mission in the short term, the organization may be willing to extend that collaboration into a long-term commitment (Mulroy and Shay, 1998).

In short, organizations collaborate due to motives aligned with their organization's services or those aligned with their organization's general operation. Comprehensive strategic planning, including an analysis of the organization's current environment, can help uncover whether a nonprofit organization can benefit from collaboration (Arsenault, 1998). Environmental factors suggesting the possibility for collaboration include changes in consumer demand, anticipated changes in funding, changes in the knowledge base or technology in the field, or the actions of other organizations in the area. Through strategic planning, organizations can also uncover gaps in their services or expertise that might be filled by partnerships, as well as outline areas of expertise or excess that they could make available to another organization (Arsenault, 1998). Organizations might

choose to collaborate for many reasons, but all of these different motivations can lead to successful collaborations if the right steps are taken.

C. Making a collaboration a success

A recurring theme in scholarship focussed on successful collaboration is the establishment of trust. Bunger (2013) suggests that trust counteracts the negative influence competition may have on coordination by offsetting many of the risks associated with collaboration. Bunger describes trust as an understanding that one's organizational partner will not act opportunistically and exploit the collaborative relationship. Tsasis (2009) refers similarly to a "domain consensus," which encompasses the expectations of what each organization involved in the collaboration will and will not do. An understanding of clear domains leads to more effective collaboration. Similarly, Huxham and Vangen (2005, p. 154) describe trust as the "anticipation that something will be forthcoming in return for the efforts that are put into the collaboration."

Building trust is a process that takes time. Huxham and Vangen (2005) suggest that trust implies a willingness to be vulnerable and accept the long-term risks of collaboration. In discussion of their Theory of Collaborative Advantage, Vangen and Huxham (2003), Huxham and Vangen (2005) present the idea of building trust as a cyclical process. In that view, organizations may take a risk in acting together. They form expectations about how others will contribute and what the outcome will be. If these expectations are met, their trust is reinforced. This becomes part of the organizational memory, increasing the chance that the organizations would be willing to collaborate again. In other words, when organizations reflect on their experiences with one another, they will make decisions about trust. Trust can be built up through an intentional process of exploring common interests, sharing ownership, and building a common identity (Snavely and Tracy, 2002). Trust building as an intentional process provides a starting point for developing successful collaborations. Organizations should have clear, mutually agreed-upon ways of arranging and enforcing their collaborative agreements (Hill and Lynn, 2003). By building monitoring mechanisms into the collaboration, organizations can discuss their interactions throughout the collaborative process and continue to build trust (Snavely and Tracy, 2002).

However, Huxham and Vangen (2005) suggest that while organizational actors know that trust is important in collaboration, trust is often nonetheless in short supply. They note that the cyclical view of trust building is simplistic, and overlooks the potential for difficulty in agreeing on goals and the possibility of a power imbalance between the organizations. Furthermore, trust must be constantly re-addressed over time. While trust may be established in a small project, passage of time, turnover of management, or a changing environment can all damage that trust. Therefore, collaborative relationships need to be nurtured. To build long-term trust, they suggest that the best method involves small steps. Potential collaborators might, when possible given their circumstances, begin with a small and low-risk collaborative effort. If this goes well, trust can be built incrementally and with continued nurturing of their relationship the organizations can innovate into larger collaborative ventures in the future (Vangen and Huxham, 2003; Huxham and Vangen, 2005).

A second factor mentioned frequently in discussions of successful collaboration is the importance of complementary goals or a shared vision (Tsasis, 2009; Peloza and Falkenberg, 2009). According to Alter and Hage (1993), organizations are willing to enter into collaboration when they understand the potential partners' needs and feel that they are compatible with their own needs. Although organizational goals may not

be exactly the same, if one organization can see how the goals of another organization could help it meet its own goals, it might become more focussed on assisting the other organization through some collaborative effort (Tsasis, 2009). This may require organizations to look beyond their specific activities to focus on goals that serve the other organization's interest (Snavely and Tracy, 2002). Developing shared norms between the two organizations can aid in their commitment to a common cause (Tsasis, 2009).

Social relationships and organizational leadership are also important in the development of successful collaborations. Snavely and Tracy (2002) suggest that collaboration can be seen as a process of interpersonal relationships. Social bonds between individuals can lead to the stable organizational relationships that form a successful collaboration. Correspondingly, nonprofit leaders are a key component in successful collaboration. The leadership of an organization can establish a climate of collaboration, which will make the organization's members more receptive to collaborative activities.

Collaboration can be difficult, and the process has been described as a learned skill rather than something that comes naturally (Mulroy and Shay, 1998). Collaboration is complex and dynamic, and as such, requires the leaders of collaborations to develop a "continuous process of nurturing" (Vangen and Huxham, 2003). A successful collaboration achieves its original goals, is recognized by the intended group of people, and meets the needs of the member organizations (Mulroy and Shay, 1998).

D. Ways that nonprofits collaborate

Suárez and Hwang (2013) review some of the labels used to describe interorganizational relationships: joint ventures, partnerships, networks, consortiums, and collaborations, among others. Sometimes these terms are used interchangeably, and sometimes they refer to a specific type, intensity, or formality of interaction. Guo and Acar (2005) describe collaboration as something that occurs on a spectrum of formality. At one end of the continuum are one-time transactions or exchanges between organizations (low innovation), and at the other end are full legal mergers (high innovation). They classify interactions along the continuum as collaboration (such as information sharing), alliances (joint programming or administrative consolidation), and integrations (joint ventures or mergers). In informal collaborations, organizations do not make a lasting commitment, but do retain decision-making power for their individual organization. Formal collaborations involve the establishment of an ongoing relationship by sharing or combining services, resources, or programs.

Arsenault (1998) also reviews a range of collaboration types on a continuum, which she terms "alliance options." Arsenault's continuum begins with models that are low risk and low cost with higher individual autonomy, and proceeds to models that are higher risk, have a higher cost to create, and result in reduced autonomy. At the first end of the spectrum are joint ventures, which are time-limited and narrowly defined. These are flexible endeavors, and an organization could engage in multiple joint ventures with different partners. This could involve knowledge sharing or new program development. After the joint venture comes the management service organization, which is a separate entity created to provide management and administrative services to the collaborating organizations with the goal of increasing efficiency. This is followed by the parent corporation, which involves an umbrella organization holding some degree of designated authority over the member organizations. This is a way of combining two or more organizations while allowing them to retain some autonomy, and could be part of a gradual consolidation process. At the far end of Arsenault's continuum is the merger, in

which two corporations combine. They can form a new entity or one organization can absorb the other.

Nonprofit mergers are the primary focus of La Piana's (2000) work, but he also briefly discusses other partnership options. He refers to the first of these as collaboration, in which organizations confer or work together with no permanent commitment, while maintaining their individual autonomy. The next model is a strategic restructuring, which involves an ongoing relationship featuring shared, transferred, or combined services or resources. This may or may not involve a change to the corporate structure of the organizations. In a strategic alliance, such as administrative consolidation or joint programming, the organizations agree to work together for the foreseeable future, but no change is made to their corporate structures. In a corporate integration, one or more organizations is created or dissolved. This includes management service organizations, joint venture corporations, parent-subsidiary groups, or full mergers. In terms of mergers themselves, La Piana suggests that they provide medium to long-range benefits and should be considered only when the level of integration desired by the partner organizations cannot be achieved by any lesser means.

These different approaches to description and categorization of different dimensions of collaboration begs the question of how many different distinct collaborative forms can be used to the strategic advantage of organizations seeking to improve their positions through such alliance. In the following section, we shift to our empirical exploration of the range of models.

II. What a review of models tells us about nonprofit collaboration

In 2009 and 2011, the Lodestar Foundation sponsored a competition to recognize the best and most innovative examples of collaboration between two or more nonprofit organizations in the USA. The 2009 award was split (co-winners) between the merger of three Dallas museums to create the Museum of Nature and Science and the merger of a YMCA and Jewish Community Center in suburban Toledo. The process began with 644 applicants who provided narrative descriptions of collaborations. Collaborations had to have begun operations 18 months prior to nomination and could not have been operating more than eight years prior to the date of nomination. Our understanding of each case is aided by an application form where applicants note the categories of actors with significant involvement in forming the collaboration (e.g. board members, donors), factors to describe why the collaboration was formed (e.g. administrative efficiencies, improving program outcomes), and the structure of the collaboration. Applicants also provided copies of contracts, merger documents, memoranda of understanding, or other formal documentation of the collaboration. However, both the contest evaluations and our empirical summaries of collaborations were formed primarily from the open-ended descriptions of the intent, history, management, impact, finances, challenges, and achievements of each case. These narratives ran between two and eight pages in length. Applicant information and narratives are available at http://foundationcenter.org/gainknowledge/collaboration/, which serves as a rich resource, for examples, on exemplary collaborations between nonprofits.

Staff and faculty in nonprofit studies programs at Arizona State University, Indiana University, and Grand Valley State University (Michigan) culled the 644 applicants to 44 quarterfinalists from across the USA. Evaluators considered ten criteria in making these cuts:

(1) origins of collaboration from previously competing organizations;

(2) fit of collaboration model choice;
(3) effectiveness of management of collaboration;
(4) measurable benefit from collaboration;
(5) positive community response to collaboration;
(6) whether the collaboration was a creative exemplar;
(7) positive reaction to challenges;
(8) evidence of efficiency gains;
(9) evidence of more effective deployment of staff; and
(10) implementation of outcomes evaluation.

Those 44 organizations judged most positively on these criteria are in the upper tier of nonprofit collaborations. They are cases of excellence in collaboration and managed outcomes from that collaboration. These 44 are the subject for our empirical review of models of collaboration (see also Hager and Curry, 2009). They are not representative of nonprofit collaborations generally: rather they are examples of highly successful relationships between organizations. Therefore, our empirical exercise is not to conduct an accounting of all the ways nonprofits collaborate (including weak models, or failures), but rather to provide illustrations of the types and number of ways that nonprofits have banded together and gained mutual advantage or increased effectiveness in their communities.

Confronted with 44 different cases, our goal was parsimony: to derive inductively as few models of collaboration as are presented in the data, without sacrificing useful distinctions. Step one was immersion in the literature as presented in the first section of this paper, so that coders would have a common understanding of the different varieties of collaboration described by other scholars. In step two, two coders (one an author of this paper, one not) carefully read each case to gain an understanding of the structure and purpose of a given case. In step three, the two coders worked together to draw a visual representation of the interorganizational structure of all 44 cases. So, data elements included full narratives, coder notes of key characteristics of each case, and visual representations of each case.

The procedure quickly culminated in three broad categories of collaborative goals and method: merger, program partnership, and administrative efficiency. However, neither coder felt that the 44 cases could be productively summarized by three models. Charmaz (2006) describes focussed coding as an iterative procedure used to synthesize and explain larger segments of data. We used a modified version of her focussed coding procedures to reduce the 44 cases to a more meaningful assortment of discrete models. This procedure required the two coders to debate and decide when two models were sufficiently similar to collapse into a single model or sufficiently distinct on key elements to separate into different models. For example, the coders identified 18 cases of merger among the 44 cases, including the Prize co-winners mentioned above, described summarily as merger between two nonprofits and merger between three nonprofits. Despite some differences in structure, both cases were ultimately included in a single "fully integrated merger" model because the outcome (a single, whole organization) for both was the same. However, one merger case did not ring true to this characterization. In that case, a large public health corporation subsumed a smaller, struggling community health nonprofit. Because that smaller organization served a particular ethnic group and

had standing and name recognition with that community, the smaller health nonprofit maintained its corporate identity within the merger. The two coders judged that a separate category was warranted to capture this exemplar, which we dubbed "partially integrated merger."

The coders observed 17 cases that they broadly categorized as program partnership. In the iterative process of identifying core similarities and differences across these cases, new model codes or categories gained credence when we located other cases that exemplified the model. The most common was joint partnerships around service programming, which was common to ten of the cases. The coders identified two other cases that collaborated on program gains, but judged that their advocacy efforts were sufficiently different from direct service to justify a separate model. Similarly, two partnerships that resulted in new, separate formal entities were judged as sufficiently different and innovative to justify a separate model. In two more cases, collaborators created and contributed staff to a "joint program office," an approach that the coders judged as conceptually distinct. On the other hand, an initial category of "hybrid joint programming" was abandoned when the coders ultimately could not defend one rather comprehensive joint effort as sufficiently different from "affiliated programming," and the categories were merged.

The coders observed nine cases that they broadly categorized as administrative efficiency. The most common case of administrative efficiency was dubbed "joint administrative office," to capture those cases that sought efficiency gains through joint human resource management, financial management, fundraising, information technology, and the like. Two other cases were initially separated into a "back office consolidation" category, but the process culminated in the collapse of this category with "joint administrative office," bringing its total to seven cases. The remaining two cases were broadly administrative, but in a very different way: federations of similar organizations or satellites that benefitted from an organizing umbrella firm. This rounded out the eighth model of "confederation." Each model is described more fully in the following sections.

A. Fully integrated merger

The first, and most extreme, model of collaboration is a fully integrated merger of two or more organizations. In this model, shown in Figure 1, multiple organizations fully combine their operations to form a single entity. Frequently, organizations will choose to retain the corporate status and charitable exemption of one partner; however, the

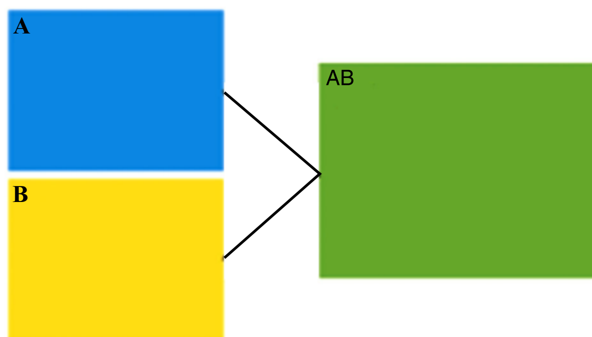


Figure 1.
Fully integrated merger

disparate organizations might also form an entirely new legal organization from the merger. In order for a fully integrated merger to be successful, the collaborating organizations must have similar or complementary missions. Mergers often occur when organizations have previously been in competition for funding or clients, reflecting the resource dependence theory of motivation. If they provide overlapping services, the organizations' efficiency can be improved by merging. Furthermore, outside forces may accentuate the fact that a service is being duplicated, which falls under the institutional factors theory of motivation.

Fully integrated mergers can be difficult for several reasons. First, these organizations have often been competing with one another prior to the merger. The prevailing sense of competition can be difficult to replace with a willingness to cooperate. The organizations may have very different histories and organizational cultures, which can be complicated to combine. Both organizations will also have their own leadership. These leadership structures will need to be combined in the merged organization without undue duplication. This can lead to struggles in determining who will retain leadership positions. Leadership struggles can extend to the boards of directors as well, as the separate boards of the merging organizations will also have to be combined, and their practices adapted to working together.

Despite the barriers to fully integrated mergers, this model does provide several benefits. Primarily, a merger can result in increased efficiency for program delivery. The newly created larger organization may also have greater access to resources than the individual organizations did before the merger. Finally, both organizations will bring their strengths to the table, allowing for a stronger organization overall.

B. Partially integrated merger

While similar to the model for a fully integrated merger, the partially integrated merger, shown in Figure 2, allows both collaborating organizations to retain their individual characters. Here, organizations do not lose their established brands, despite a formal (or technical) merging of the organizations. This model often involves a larger or stronger organization providing support to a smaller, struggling organization. As in

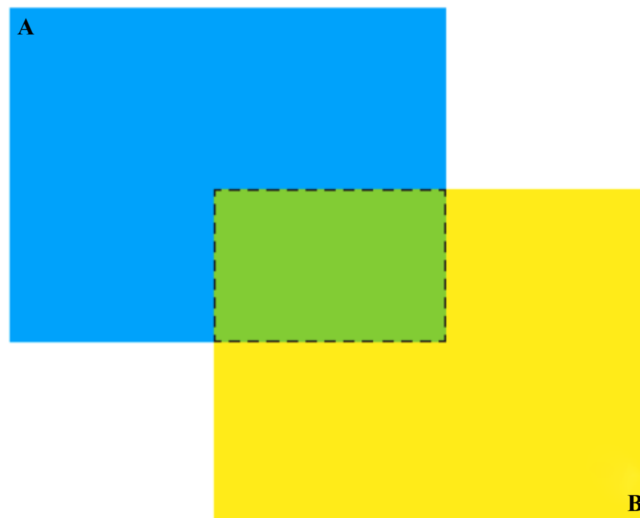


Figure 2.
Partially integrated merger

a fully integrated merger, the organizations have some overlap in clientele or services provided and likely compete for funding. However, in a partially integrated merger, one or both organizations have some incentive or advantage in retaining individual identities, such as the value that each organization's reputation or brand brings to its respective clienteles.

Challenges to the partially integrated merger are related to the contrasting sizes of the organizations involved. For example, stakeholders of the smaller organization may view the merger as a takeover of the smaller organization rather than as the development of a partnership, leading to resistance or opposition to the merger. The smaller organization may also be overshadowed by the larger organization, leading to an unintentional loss of identity. The larger organization also risks taking on the capacity needs of the smaller organization, which can slow or threaten its own service delivery.

However, the partially integrated merger can be a good option for organizations. The smaller or less-developed organization gains resources, stability, and capacity from its relationship with the larger partner, while the larger partner may gain established programs from the smaller partner. Additionally, as in the fully integrated merger, this model can lead to the elimination of overlapping services, making the organizations and the field more efficient.

C. Joint program office

The next model, illustrated in Figure 3, is the creation of a joint program office. In this case, organizations fully maintain their separate identities while blurring their organizational boundaries regarding the delivery of joint programs. A merger would not meet their needs, but they may collaborate where some of their programs or

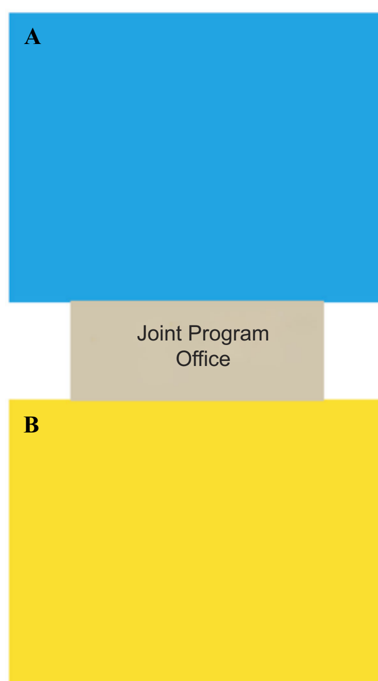


Figure 3.
Joint program office

services overlap. In many cases, joint staff work together to deliver the particular program, with blurred autonomy and lines of reporting. In this model, organizations combine one or more programs to strengthen the efforts of both organizations, and the program is jointly administered by both organizations. Generally, organizations that choose this model will have similar programs and services for the same population, but might not offer precisely the same programming. The organizations are likely to compete for funding in areas of overlap, but also to have a shared overall mission. Collaborating can work to their advantage, where a full integration would not be appropriate.

The division of labor for the shared programming is the primary challenge for this model. This begins with the assignment of staff to the joint program office. The collaborators must determine a fair mix of staff from each organization. There must also be clear guidelines for which organization will be in charge of the logistics for the shared programs, including fundraising, strategic direction, and operating expenses. Furthermore, clear lines of communication from the joint office to each collaborating organization are key.

Joining a program office can result in a greater economy of scale for the shared services. Resources can be used more efficiently when the organizations work together. The combined efforts of the organizations may make a greater impact on an issue than if each organization worked separately. Furthermore, this type of collaboration allows organizations working with the same goal to communicate directly about issues and concerns that arise in that area. Additionally, working together in just one area of programming allows each organization to maintain its independence.

D. Joint partnership with affiliated programming

Figure 4 represents the next model of nonprofit collaboration: a joint partnership with affiliated programming. In this model, separate organizations work together on a shared project. However, unlike the joint program office, each organization contributes its work independently. Organizations engaged in this type of collaboration generally share a mission and serve the same population, but do not necessarily offer the same services. Rather, they work together to provide a continuum of care through their

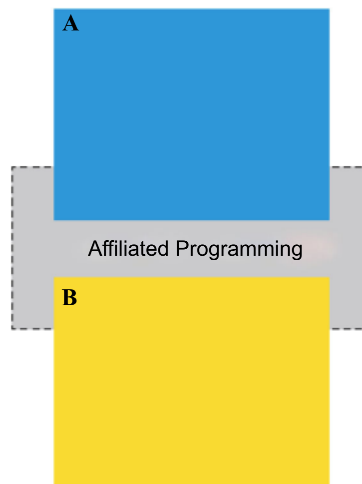


Figure 4.
Joint partnership with affiliated programming

combined efforts, or to enhance a program or service through their complementary strengths. This is generally part of a long-term, ongoing relationship where the organizations are focussed on long-term goals. They may partially integrate staff or financial resources to work toward these long-term goals, but a larger degree of independence is the norm and defining characteristic of the joint partnership.

Since the organizations remain separate in this model, they must agree on a division of responsibilities upfront. Ownership over affiliated programming is unclear, so these responsibilities must be spelled out. This unclear ownership can also cause difficulties in determining who can take the credit for outcomes of the affiliated programming. Both organizations may be interested in reporting the outcome to their stakeholders, but they may disagree about where credit lies, opening up the potential for tension in the collaboration.

This type of joint partnership can allow organizations to have greater short and long-term impact through the combination of their resources. Interaction between organizations with a shared mission but different services also increases efficiency by reducing the fragmentation of services in the community. It provides for a more comprehensive approach to the issue the organizations are addressing.

E. Joint partnership for issue advocacy

The fifth model of collaboration involves two or more organizations engaging in a joint partnership for issue advocacy, as shown in Figure 5. This model can be used when multiple organizations want to voice the same message, but that message is likely to be subject to powerful opposition. This type of collaboration allows organizations to speak with one voice. It is generally a short-term collaboration involving the formation of joint committees working together to communicate and mobilize for a particular issue. Organizations engaging in this type of collaboration generally share a long-term mission as well as some short-term goals. One of these goals involves expanding the

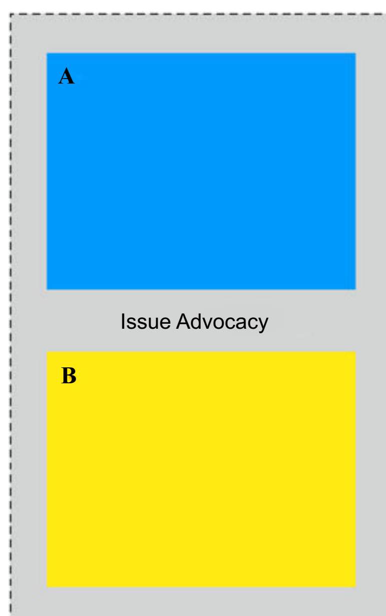


Figure 5.
Joint partnership for issue advocacy

effort surrounding a particular issue. Organizations with different expertise and resources can work together, without losing their independence, in a short-term advocacy collaboration.

Organizations attempting joint issue advocacy may be challenged to present a united front in their community. Collaborators may have different philosophies about the issue, which will need to be reconciled before the collaboration begins. They must also clearly outline which organizations will be responsible for particular costs incurred during the campaign.

Working together in this type of joint partnership, organizations can ensure that their message reaches a larger audience than individual organizations would be capable of reaching. By combining resources, organizations can increase their impact in the short term. Multiple organizations are also able to coordinate their message across the field to prevent confusion from mixed messages. This is an informal partnership, so it can be assembled and disassembled quickly as needed.

F. Joint partnership with the birth of a new formal organization

The next model of collaboration occurs when two or more nonprofit organizations conclude that their joint programming would be implemented most successfully through the creation of an entirely new, separate organization, as shown in Figure 6. The collaborating organizations generally have similar missions and similar services, and compete for funding. However, the organizations observe a long-term need or goal that is outside the scope of the existing organizations. They take an entrepreneurial approach to this realization by determining that a new organization will best meet this need.

This can be challenging for organizations, as giving up ownership of an idea or service to the others who will run the new organization is often difficult. Securing a sustained source of funding for a new enterprise can also be difficult. Exacerbating this, outside observers may express concerns that the new organization is duplicating existing services rather than streamlining or creating a new service.

Creation of a new organization can allow important new programs to be implemented without an interruption to the current programming or change to the identity of the collaborating organizations. The new organization also has the advantage of a built-in support system, as it is able to get advice from the original organizations. The new organization will have partnerships with existing community organizations that have already validated the mission of the new organization.

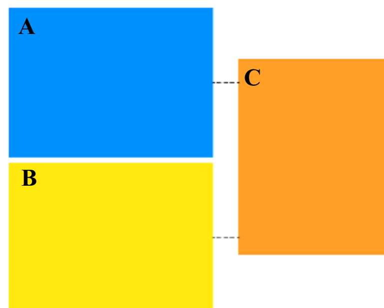


Figure 6.
Joint partnership with the birth of a new formal organization

G. Joint administrative office and back office operations

The next model is similar to the joint program office we saw in Figure 3, but involves administrative tasks rather than program tasks. As seen in Figure 7, each collaborating organization maintains independent programs, but they form a joint administrative office. Partners share administrative personnel, such as financial, human resource, and information technology staffers. Alternatively, organizations might contract these functions out to a separate organization whose sole purpose is to provide this type of administrative support. This type of collaboration occurs when organizations want to enhance their administrative operations and are willing to have a blurring of organizational boundaries at the administrative level. At least one of the partners must have strong administrative operations initially.

The relationship between this stronger partner and the other partner(s) can be a challenge. The stronger partner may be in a position to dictate administrative processes unlike those that the other organization(s) would have chosen. Additionally, once administration is shared, it can be difficult for any of the organizations to grow or change with that constraint. This also presents the possibility that the board and staff of the collaborating organizations may have a harder time accessing financial information and controlling financial decisions.

However, combining administrative offices can improve the efficiency of all of the organizations involved. The organizations can then focus on the development and implementation of their programs, rather than being caught up in administrative operations. The increased communication between organizations sharing an administrative office could lead to other productive collaborations. As in several of the models, the collaborating organizations in this model are also able to retain their sovereignty.

H. Confederation

The final model of nonprofit collaboration derived from the 2009 Collaboration Prize quarterfinalists is a confederation, seen in Figure 8. In this model, an umbrella organization provides services, coordination, and support to various constituent organizations. This type of arrangement can create order out of fragmentation. The amount of control exerted by the umbrella organization can vary, from tight control to cases where the umbrella organization answers to the member organizations. A confederation is a potential model when multiple similar organizations are providing services for different communities. The affiliate organizations must be willing to defer to and draw from a central organization, but this model allows organizations to coordinate services across regions, including states or even countries.

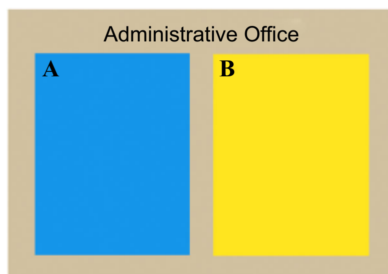


Figure 7.
Joint administrative office and back office operations

Balancing the authority of the umbrella organization with the independence of the affiliate organizations can be a challenge. In the confederation model, partners must make sure the interests of the affiliate organizations are represented when the umbrella organization makes decisions about strategic direction. Communication and networking can be difficult in such a complex interorganizational model.

Despite these challenges, confederations also provide distinct advantages. The affiliate organizations gain increased exposure as their brand expands beyond their original local community. Smaller affiliate organizations receive support and services from the umbrella organization, providing them with increased stability. Confederations also allow for the coordination of activities and services across regions.

III. Implications and limitations

Our observations about the conditions, challenges, and benefits of each model are drawn from the stories that nonprofits told about their collaboration experiences in their Prize applications. Table I summarizes the performance dimensions and key challenges of models described above.

Organizations may be motivated to collaborate for a variety of reasons, from resource scarcity to environmental pressure. Regardless of the reason for collaborating, challenges

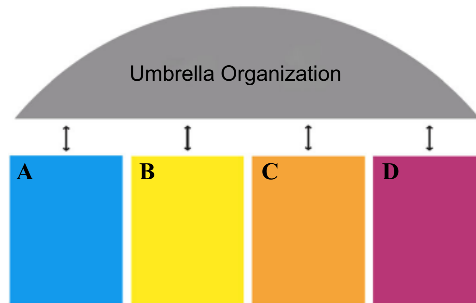


Figure 8.
Confederation

Table I.
Summary of models, links to performance, and key challenges

Model	Link to performance	Key challenge
Fully integrated merger	Combines the strengths of multiple organizations	Decisions about how to remove duplications
Partially integrated merger	Retains the brand strength of merged partners	Maintaining identity of smaller partners
Joint program office	Shared fundraising and program development	Division of labor
Joint partnership with affiliated programming	Establishes a continuum of care	Unclear ownership
Joint partnership for issue advocacy	Communicates a united front	Differences in philosophy
Joint partnership with the birth of a new formal organization	Tasks and risk diffused to new entity	Loss of control by founding partners
Joint administrative office	Administrative efficiency	Loss of control among smaller partners
Confederation	Affiliate support	Affiliate independence

in collaboration need to be addressed through careful planning and monitoring of the program, office, or new organization. Part of this planning includes embracing the potential for innovative application and selecting the right type of collaboration for the organizations involved.

Whether they are birthed by boards, staff, or foundation officers, collaborations between community organizations have the potential to help nonprofit organizations of all types and sizes access resources, manage programs, and deliver services better. The models we observed from the 2009 Collaboration Prize demonstrate the variety of productive and viable collaborations that nonprofits are putting into practice. We present eight amalgam models, although creative organizations all over the world are implementing hybrid variations that make the most sense for their organizations' situations, cultures, histories, and personalities. Once nonprofit boards, staff, and other advocates understand the potential that can come with collaboration, blurring boundaries and giving up autonomy might not seem so intimidating. The practical value of our work is in reporting the wide array of options available to nonprofits – models that staff and board can use to plot their way forward. The information we present provides individual organizations that wish to consider engaging in collaborative activities with a framework for their discussions about the potential advantages and challenges of different types of collaboration.

The value of our work to research is the identification of the assortment of ways that nonprofits collaborate. Future research may consider how any of the issues discussed in the literature – trust, co-opetition, resource dependence, network connectedness – vary or are conditioned by differences across these models of collaboration. The most valuable practical research question concerns the effectiveness of these collaborations in achieving program advances and efficiencies. Even when collaborations result in advances and efficiencies, they may provide no more advantage than what is achieved separately, or what might have been achieved by one stronger organization alone. Or, advances and efficiencies may be offset by problems accompanying the collaboration, such as loss of trust or harmony among community actors. Also, collaborations likely fail at high rates, a topic for future research that cannot be studied from a sample of success stories.

To wit, consumers of these models must keep in mind a key feature of their selection: they are examples of highly successful collaborations rather than a representative group of typical collaborations. They illustrate what is possible rather than what is usual. On the other hand, any application of these models should also keep in mind two clear limitations of the research. First, all cases are drawn from one country in one part of the world, the USA. While we believe that our research can be useful to people working or conducting research in other countries, we fully anticipate that some models will have less veracity in other countries or contexts, and that the nonprofit sectors of other countries will likely generate additional kinds of models not anticipated by the USA cases. Second, the eight models generated by our method are the result of debate, deliberation, and iterative process carried out by two coders. Other coders employing the same analytic process might generate more or fewer models. One reviewer for this paper suggested collapsing into fewer models. Van Korlaar (2012) employed a different data reduction procedure for 2009 Collaboration Prize applicants that yielded ten models. So, while we stand by our eight models, future research might provide reasonable challenges to the number and boundaries of these models. Our work provides fuel for that debate.

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