



Collaboration in the Third Sector:

From co-opetition to impact driven cooperation

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Dedication

"This report is dedicated to the many not-for-profit agencies which are committed each and every day to fulfilling their social mission through the sharing of intellectual, financial and in-kind resources and to the funding community which has supported collaboration networks and partnerships. It is because of these organizations that we enjoy the opportunity to improve our lives and health and to live in a just society."

*- J.R. Blickstead, CEO
Wellesley Institute*

Table of Contents

Report Content Overview	3
Background.....	3
Research project methodology	4
Section I	5
Preamble: The WI collaboration project	5
A vision for a new collaboration framework for the third sector	5
Section II	10
Evidence of Impact and a Framework for collaboration, best and promising practices.....	10
What Evidence Exists regarding Successful Forms of or Outcomes from Collaboration?	10
1. Organization-Centred Integration.....	11
2. Program-Centred Integration	11
3. Client-Centred Integration	12
Section III	19
A Local Perspective	19
1. What Does Government Want?.....	19
2. What does society want?.....	21
Challenges for NFPs	22
Section IV	23
Facilitating Successful Collaboration: myth versus reality	23
Section V	29
A model of 'good' collaboration.....	29
Section VI.....	31
Conclusions and recommendations.....	31
Recommendations	31
ACTIONS FOR THE NON-PROFIT SECTOR	32
ACTIONS FOR FUNDERS (GOVERNMENTAL AND NON-GOVERNMENTAL)..	33
ACTIONS FOR INDIVIDUAL NON-PROFIT SERVICE DELIVERY ORGANIZATIONS	33
Appendix 1	35
Themes from the literature review and interviews.....	35

Status of Service Delivery Collaboration in Toronto and emerging trends	40
Nature and Extent of Collaboration	40
Barriers to Collaboration	41
Emerging Trends	41
Appendix 2	43
A practical view for the centre for social innovation	43
Challenges and Opportunities for Sharing for Social Change	43
Appendix 3	45
Setting out details of a Collaborative Process	45
Cooperative interorganizational relationship development process	45
Antecedents or initial conditions	52
Other Factors	53
Bibliography	56

Report Content Overview

This report is comprised of six key sections addressing collaboration in the not-for-profit sector (NFP or the third sector)

The first explains the nature and rationale for the collaboration project as well as providing an executive summary of key recommendations.

The second examines evidence of impact and a framework reflecting research and best practices in collaborations in the third sector.

The third gives a more local perspective on government intentions and societal needs.

The fourth addresses the myths and realities of effective collaboration.

The fifth outlines a model for effective collaboration

The sixth provides specific conclusions and recommendation to improve collaboration in Toronto, the GTA and other communities.

Background

Collaboration involves a group of independent individuals or organizations working together to achieve a common purpose directly or indirectly affecting service delivery or other goals. This working together involves varying degrees of integration or sharing of functions and can be described according to the intensity of the relationships.



(Corbett & Noyes, 2008)

Collaboration requires each partner to give up some autonomy in the “interests of mutual gain or outcomes. True collaboration involves actual changes in agency, group, or individual behavior to support collective goals or ideals (p. 7).”

Given the potential importance of collaboration, the Wellesley Institute initiated this project with other Toronto NFP capacity builders as the first of two projects to investigate collaboration’s potential to enhance NFP capacity and effectiveness in Toronto. This first project focused primarily on formal collaboration and considered the following questions:

- What does government want or expect from collaboration between itself and NFPs, or among NFPs?
- Does collaboration work? That is, does it result in better services or better client outcomes?
- How does it work? What policies and policy support sponsor 'good' collaboration? What processes support 'good' collaboration?
- What is the status of NFP health and social services delivery in Toronto?
- What can we learn from good practices (and, for that matter, not-so-good practices) in Toronto and elsewhere to assist health and social services NFPs in building collaborations that will work, improve services and client outcomes?

Research project methodology

The project used four methods to explore the questions:

- A literature search including academic, government and gray literature across multiple jurisdictions, plus a review of government policy and initiatives in the UK, US, Australia, and New Zealand.
- Interviews of key informants within the government and NFP sectors primarily in Toronto; these included Toronto capacity builders, NFP sector experts and NFP service providers engaged in collaboration.
- Case studies of two Toronto collaborative activities to gain insight into different stages of the process: The East Scarborough Storefront Project, a collaboration successfully navigating the funding rollercoaster over the past ten years; and, the Korean Interagency Network, which is in the formative stage of collaboration.
- A round table involving local capacity builders, NFP sector experts, government representatives from all three levels of government, and NFP service providers. Project findings were discussed, gaining reactions and issues important for collaboration.
- A major Sharing for Social Change event conducted by the Centre for Social Innovation led by Tonya Surman. CSI has become Canada's leading social entrepreneurship incubation organization. Their overview is summarized in Appendix 2.
- Practical professional experience gained from working in collaboration networks, organizations, alliances and associations in the global private, NFP and public sectors.

Note: Themes from the literature review and interviews are embedded Appendix 1. Copies of the full reports are available at www.wellesleyinstitute.com/collaboration.

Section I

Preamble: The WI collaboration project

A vision for a new collaboration framework for the third sector

The WI believes that time-sensitive collaborations (rather than forced mergers or integration) by a committed group of relevant stakeholders who are critical to either understanding or addressing the problem can achieve “more for the same” through shared vision, the identification of specific goal and outcomes, the partnering of human and financial resources, and the evaluation of impact. This approach is key to increased effectiveness and efficiency in the third sector.

Over the past several years the Wellesley Institute has studied the evolving nature of systemic change in the NFP sector, or what has commonly become known as “the third sector”. While non-profit, voluntary and charitable groups are often neglected or taken for granted, this sector comprises hundreds of thousands of organizations of various sizes. In dollar terms, it contributes a larger share to the overall economy than automobile manufacturing, but the health of the third sector is rarely given serious public or policy attention. According to the most recent numbers from Statistics Canada, the third sector generates \$81 billion annually – which represents 7.1% of Canada’s Gross Domestic Product. The third sector is a major employer – with labour compensation of almost \$70 billion annually. That compares to about \$60 billion for the retail trade, and less than \$15 billion for motor vehicle manufacturing.

While the economic impact of the third sector is enormous, the social impact is even greater. Non-profit organizations deliver some of the most vital services in our communities and our country. By far the biggest segment of the third sector delivers essential health services, followed by a range of social services, housing, culture and recreation. Third sector groups helps us to stay healthy and deliver critical health services when we are ill; provides good quality homes for about one-in-twenty Canadians; and nurtures our bodies, our souls and our minds. They entertain, amuse and educate us and our children.

It has been argued that the third sector is now playing the role which has been virtually abdicated by governments; the sector has become the arbitrator and connector for civil society bridging the gaps between public and private sectors as the leading champion of a society that best serves its people.

But we cannot take the health of the third sector for granted. Financial cuts and structural changes by governmental and non-governmental funders have exacted a heavy price on the

third sector and the millions of Canadians who work for non-profit groups, volunteer their time, or rely on their programs and services. In many communities, residents have faced the loss of critical local services and organizations. The serious crisis facing the third sector threatens to bring both social and economic consequences.

Last year, the Wellesley Institute took a close look at financial sustainability and funding practices for community, non-profit organizations. “We Can’t Afford to Do Business This Way: A Study of the Administrative Burden Resulting from Funder Accountability and Compliance Practices”, by Lynn Eakin, set out in stark detail the story of a sector in acute difficulty. Among the many important findings:

“Our study provides further evidence that funders are not giving agencies the flexibility they need to innovate or adjust services, or to partner or develop new ways of responding to the complex challenges facing communities. We have too much of the wrong kind of accountability – too many administrative demands that sap productivity. Agencies need to be able to respond to local situations and search for new ways of meeting community needs. Funders need to involve their service providers in designing effective services and give them the stability and flexibility to try new ways of doing things.”

This important research, along with its practical and effective set of recommendations, was a wake-up call for both funders and non-profit organizations.

More recently, the Wellesley Institute in partnership with the Centre for Voluntary Sector Research and Development released a study called “Deliberate Relationships Between Government and the Non-Profit Sector: An Unfolding Picture”. This includes a pan-Canadian snapshot of non-profit and voluntary sector and government relationships and includes a detailed listing of both the factors for success and the challenges in building deliberate government-sector relationships.

As with the Eakin study, our “deliberate relationships” work seeks to provide a realistic assessment of the current landscape and to provide a roadmap to move forward.

Our work on collaboration sets the same goal: To inform the not-for-profit sector, governments, policy-makers and others about the state of collaboration; and to set out a plan for action to build on the positive values that come from collaboration, while lessening the challenges.

Collaborative activities form a significant part of the work of organizations in the non-profit sector. Much of this is accidental or incidental – a physician at a community health centre who builds a relationship with a lawyer at the local legal clinic to ensure that a patient gets all the support she needs, and not just the specific services provided by a particular NFP organization. This kind of collaboration is important, and helps non-profit organizations to meet the range of service needs of their clients. The collaboration initiative at the Wellesley Institute aims to push this work to the next level – to make collaboration more intentional, to ensure that the proper

resources are available, and to monitor and evaluate to improve the efficiency and effectiveness of service delivery.

Moving from accidental and incidental to intentional and structured requires resources (from both non-profit organizations and funders), knowledge exchange to share good practices, and a coherent structure that encourages collaboration and allows for proper monitoring and evaluation.

Over the years as government budgets have been reduced and reallocated, this third sector has been expected (and, in some cases, required) to do not only more with less but significantly more with significantly less, a victim of the legerdemain downloading theory of social change. Consequently, the third sector has encountered the same pressures as the private sector with respect to restructuring, right-sizing, efficiency and productivity enhancements, mergers, acquisitions, etc. Yet, NFPs are inherently different because they have a double or even triple bottom line: fiscal responsibility, social service responsibility and environmental responsibility.

During our research project it became clear that the sector would have to undertake some form of consolidation activity; that is NFP organizations would need to band together to achieve both effectiveness and efficiency objectives (i.e. doing the right things and doing things right). This challenge is exacerbated by the complicated and often conflicting funding and reporting models under which service providers have to function; a system which over time turns NFP leaders and innovators into NFP administrators (See Lynn Eakin/WI).

Furthermore, we also realized that consolidation or forced integration is not the panacea that governments and the private sector espouse; the “let them operate within a for-profit business model” argument.

This rationale does not recognize the billions of dollars of free labour enjoyed by many NFPs through volunteers. This labour pool, unlike business, is not easily transferable. For example, a worker in the telecommunications field might move from one wireless provider to another, but a volunteer committed to cancer prevention does not easily migrate to an organization involved in homelessness. Hence the barriers to consolidation are more than simply philosophical.

Furthermore, with the exception of industry associations and inter-company task forces with clear industry mandates, collaboration in the private sector in which clear competitors share strategy, research and resources is rare, if not non-existent. The two major consumer package goods companies do not share trade secrets, nor do competitors in auto, steel, retails etc industries. Private sector organizations collaborate where there is a clear mutual advantage that is spelled out, usually in a contractual relationship. Therefore to expect that pure collaboration should exist in the competitive world of NFPs, is somewhat of a wishful ambition. That being said, there are successful examples of a working context for collaboration

Consequently, through this process, a model surfaced which recognized the need for effectiveness and efficiency through increased collaboration. This new and improved model goes far beyond the usual “information-sharing” collaboration and beyond what has been written

about trans-organizational systems (See J. Roberts) to what we have termed Catalytic Collaborative Networks in which various organizational missions, financial and human resources and social mobilization actions are intertwined to achieve positive social change.

Finally any work in the area of collaboration must recognize the subtle but yet intense competition amongst NFPs for brand awareness, profile, funding, volunteers etc. It is by understanding that the future must address competition and cooperation in a form we term “co-opetition” that the sector can move forward. The following therefore provides a snapshot of our current situation and recommends specific action.

To restore the health of the third sector, and sustain its capacity to deliver high-quality services to Canadians, requires a new commitment on the part of non-profit organizations and the entire sector; a new collaborative structure to share knowledge and good practices; and effective funding practices by governments and non-governmental funders alike. Our research indicates that forced mergers and consolidations do not work in the NFP sector (as is often the case in the for-profit sector!) and that collaborative partnerships and networks must be cultivated, supported and financed – as well as continually monitored and evaluated.

Our key findings are:

1. The guiding principle for collaboration should be “more for the same”, not “the same for less”. Collaboration can make existing organizations more efficient and effective, and can deliver better programs and services that benefit clients, through shared resources. Funders should not view collaboration (or, indeed, measures such as forced integration or amalgamation) as a means to reduce infrastructure costs in the traditional private sector “cost-cutting-head-office-elimination” consolidation model. Collaboration should be seen as a means to improve effectiveness and efficiency starting, at a minimum, with existing resources. To be blunt, collaboration cannot be seen as a codeword for “cost-cutting”.
2. A new “virtual” Centre for Leadership in Collaboration, working in partnership with a funders’ collaborative alliance, should be created to serve as a hub and a catalyst for action among individual organizations, and with funders. The Wellesley Institute and the Centre for Social Innovation will provide the initial partnership for this initiative. To achieve the gains from collaboration (including greater efficiency and effectiveness for the non-profit organization, as well as better service delivery for clients), there needs to be a more intentional structure within the third sector to identify and share good practices and to bring together NFPs and funders to share and assess collaborative ventures.
3. Funding agencies should shift a meaningful portion of program dollars to create the infrastructure that supports collaborative partnerships. (As an example, the

Atkinson Foundation has provided progressive grants to allow coalitions and collaborations to move forward.) If collaboration is one of many activities that NFPs are expected to perform without dedicated resources, then the real gains from collaboration will be hard to achieve.

4. Existing collaboratives, networks and integration structures (as an example: Local Health Integration Networks, the Community-Based Research Network, Community Partnerships, and others) should provide leadership in developing and sustaining effective collaborations. There are plenty of structures that have been developed in recent years to share information and assist NFPs to collaborate more effectively. The capacity for creativity for collaboration among these existing organizations needs to be encouraged and supported.
5. Collaborative efforts should be established as time-dated initiatives with a shared vision, clear goals and objectives, and highly-defined impact mandates by all partners. Longer-term collaboratives should be encouraged to continually self-assess and re-invent themselves to remain relevant. As circumstances continually change (both in the community and in the funding environment), existing collaborations should regularly monitor and evaluate their effectiveness. Collaborations should adapt to changing circumstances and, in some instances, should be prepared to wind down in response to evolving conditions.

Detailed recommendations are set out at the end of this report, along with estimates of investment requirements.

Section II

Evidence of Impact and a Framework for collaboration, best and promising practices

What Evidence Exists regarding Successful Forms of or Outcomes from Collaboration?

Plenty of energy is being expended investigating and discussing collaborative process and what makes it effective. Research to date often consists of qualitative case studies exploring motivation or predisposition for collaboration and the collaboration process (Dowling, 2004). These studies confirm that collaboration 'exists', but do not necessarily explain what works best, when, and how due to the complexity of the process and the many contextual factors influencing process and outcomes. Quantitative research linking collaboration processes to client outcomes is minimal in part due to the lack of evaluation intent and capacity among participants and in part due to the complexity of understanding and negotiating desired collaboration outcomes. Additionally, existing evidence has been controversial in its findings (as cited in Provan et al., 2002). This review covers outcomes associated with collaborative process performance and client-centred activities.

We do know that collaboration can take many forms, can occur at any level from granter to client, and can occur at any point along the service delivery process. In describing the evidence associated with successful forms or outcomes and for clarity, collaboration is characterized by its level, primarily but not solely, of service delivery integration and then examined within this structure (Kagan, 1993). These levels include:

- Policy-centred integration, for example, policy across government sectors and pooling of sector budgets;
- Organization-centred integration involving the setting up of an Management Services Organization (MSO) for sharing of back-office administrative functions or an umbrella organization with administrative and/or coordinating and monitoring functions;
- Program-centred integration, for example, co-location, shared or linked information systems, resource-sharing, and joint funding, planning or programming;

- Client-centred integration, for example, integrated intake procedures, referrals, or case management.

Findings on these three levels are examined here.

1. Organization-Centred Integration

Collaboration at an organization-centred level typically involves integrated management or administrative activities or pooling of budgets. Rarely in NFP collaboration do we see what for-profit and government sectors often set up as a Management Services Organizations (MSOs) operating with a service contract generally managing transaction-based activities. More often, case studies specifically feature a management organization set up as a coordinating and/or monitoring body for a particular service area. This organization may evolve from a network of service providers working together (Brown & Keast, 2006; Ferguson, 2004) or be set up and funded by a level of government to carry out sector programs (Provan et al., 2002, Berry et al., 2008; Chen, 2008; Townsend, 2004). In either situation, this organization may also act as an intermediary between the service NFPs and the funders. Often this coordinating body is supported with external funding, government or nonprofit. With most forms, little evidence exists on actual impact to participant NFPs (Walsh, 2006; Dowling, 2004). Benefits are inferred or are qualitative and are generally efficiency-related.

Evidence of organization-centred impact includes:

- Improvement in network effectiveness when coordination is performed by a central body (Milward & Provan, 1995) (Provan et al., 2002)
- Efficiency gains in networks funds controlled by a central body (Milward & Provan, 1995)
- Increased stability through formal governance structure reflecting multiple voices (Ferguson, 2004)

2. Program-Centred Integration

Program-centred Integration can be formal or informal. Informal integration typically involves sharing of information or resources or co-locating. Formal program-centred integration collaboration results in co-location, shared or linked information systems, resource-sharing, and joint funding, planning or programming. Where a government-sponsored management organization with a program focus has been established, program standardization and sophisticated tools are more evident than in what emerges from an umbrella organization formed from a network of service providers (Berry et al., 2008; Townsend, 2004; Brown & Keast, 2006; Ferguson, 2004). Additionally, measurement of adoption of program tools, curriculum or standardization by NFPs within collaboration generally occurs.

Evidence of more program-oriented integration outcomes is minimal. Measurement of the expansion of programs is cited but seldom supported with data. Measurement of efficiencies

gained is generally inferred. Conflicts are often introduced in sharing of resources, cultural differences, differences in employment terms, and differences in IT systems and record-keeping processes (Hultberg et al., 2005).

Evidence of program-centred outcomes includes:

- Improvement in curriculum through standardization (Seldon, 2006);
- Improvement in programs through availability and use of more sophisticated tools (Berry et al., 2008; Townsend, 2004);
- Improvement or enlargement of programs due to increased access to specialized expertise and resources (Berry et al, 2008; Brudney, 2007; Burch & Borland, 2001; Townsend, 2004; Hultberg et al., 2005);
- Efficiency from reduction in duplication of services (Burch & Borland, 2001; Hultberg, 2005).
- Increased funding or diversion of existing funds for specialized program resources or additional services contributing to improved program quality and improved client outcomes (Poole, 1997; Selden, 2006; Provan et al., 2002);
- A more formalized staff support structure including improved salaries and benefits and greater opportunity for professional development. These features contribute to increased staff morale although threats of staff turnover also increase due to greater competency-based opportunities externally. Staff benefits increased as the intensity of collaboration increased (Seldon, 2006).

3. Client-Centred Integration

Client-centred integration involves formal integration collaboration of client-related processes such as intake procedures, referrals, or case management. Collaboration with a client-centred focus is intended to improve services across a population sector and in its broadest level of impact is seen as an increase in client health or well-being across the targeted population. Collaboration evaluation involves repeatedly surveying an array of programs across a broad client base, often difficult to measure and requiring research over a number of years.

Research to-date on overall client impact is most often inconclusive or conflicted (as cited in Provan et al., 2002; Brown, 2006; Sure Start Programme, 2005). Benefits are inferred and attribution errors are common (Dowling, 2004). Further, due to the length of time of a study, socioeconomic changes may impact outcomes (BBBF, 2003).

Findings to-date include:

- Increased services and service facilities contributing to improved client outcomes (Seldon, 2006; Brudney, 2007; BBBF, 2003);

- Improved quality of services (BBBF, 2007; Seldon, 2006; Brudney, 2007);
- Transfer and creation of knowledge applied to additional or improved client services inferring or correlating with improved client outcomes (BBBF, 2007; Lawrence, 2002);
- Shifts in funding such that a greater population proportion receives services which may, unfortunately, mean a minority receives less or different services (Provan et al., 2002); this may be perceived by some stakeholders as a negative.

Network studies have indicated potential benefits from collaboration. Significant increase in interactions between and among members associated with shifts in funded services and more people receiving benefit have been documented (Provan et al., 2002). This increase in network ties could indicate greater social capital such that unusual problems arising in daily operation are dealt with easily or expediently.

Additionally, intensity of the collaboration or degree of involvement of participants has been correlated with increased innovation (Lawrence, 2002). Knowledge transfer and creation can be a result of NFP members' involvement and increased interaction and problem-solving extending well beyond formal contract requirements. Indicators or influencers of this intensity include the depth and scope of interaction, the type of structure formed, and the patterns of information flow.

Although across all levels of collaboration, much research has been cited as indicating positive outcomes, evidence is conflicting. As mentioned previously many of the outcomes cited in case studies are inferred. Additionally, outcomes are qualitatively described or reflect interviews of some stakeholders at a single point in time. Comprehensive longitudinal studies are rare although do exist (Provan et al., 2002) or are in process (BBBF, 2003). Even where they exist, the complexity of the problem domain and services offered make it difficult to make strong recommendations on approaches for other similar contexts. Further research is required that empirically establishes links between collaboration and intended outcomes at every level of collaboration and explores cause-and-effect relationships through longitudinal studies. Comparative or quasi-experimental research as is represented in the Better Beginnings study is required whereby the strength and influence of different forms of collaboration on outcomes can be better understood (McGuire, 2006).

What are Components or Supports for Successful Collaboration?

The previous section dealt with evidence on outcomes from collaboration, primarily in the health and social services domain. The complexity seen in the variation in types of outcomes across multiple levels and the difficulty in obtaining conclusive outcomes sets the stage for the complexity of the collaboration process from its initial conditions to its outcomes. **It also justifies the need for collaborative solutions.**

Collaborative process is complex and challenging. It has been represented in many models (Van de Ven & Ring, 1994; Gray, 1985; Perry & Thomson, 2006; Bryson et al., 2006; Corbett &

Noyes, 2008) and often depicted as a two, three, or five step linear process where simplicity is pervasive. However, clear agreement exists among authors and researchers on the challenges inherent in every step and at every moment of problem-setting, direction-setting, and execution. Consequently, collaborative process is represented here using Van de Ven and Ring's framework (below and in Appendix Two.), primarily because it represent a dynamic, developmental, and iterative process subject to participants' constant evaluations and re-evaluations and associated actions and surprises. This model is represented below with the initial conditions significantly impacting collaboration, the many implicit and explicit social-psychological factors affecting stages of the iterative process, and policy supports implemented by progressive governments.

Collaborative Process

Van de Ven's model of collaborative process is described below and in Appendix 3.

Cooperative interorganizational relationship development process

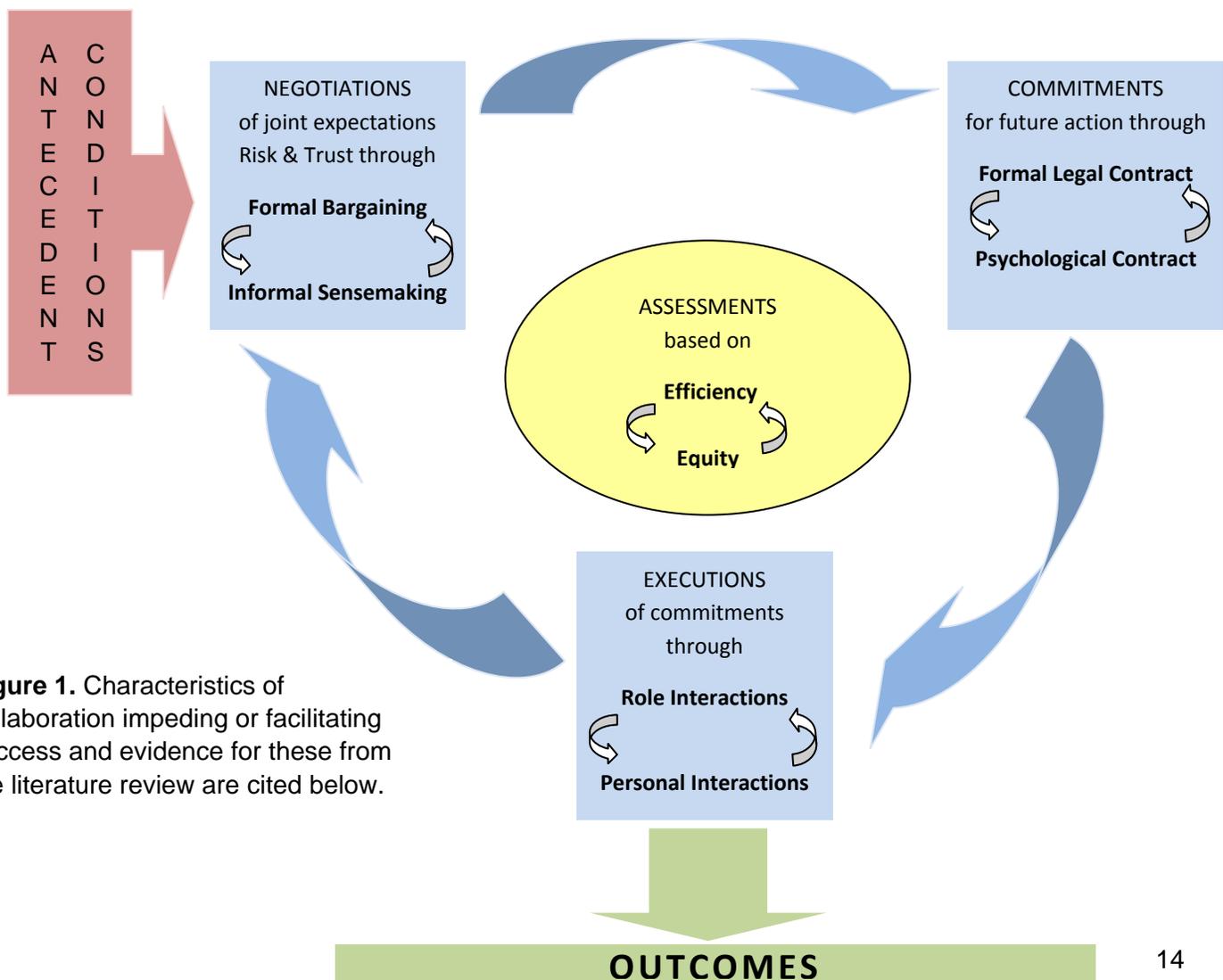


Figure 1. Characteristics of collaboration impeding or facilitating success and evidence for these from the literature review are cited below.

Antecedents or Initial Conditions

1. General Agreement on the Problem

The problem has to be recognized similarly by all stakeholders important to addressing the problem (Gray, 1985; Bryson et al., 2006). This takes time and effort and it is this incredible time pressure that often works against collaborative efforts; additionally, working alone is much simpler than working as a group.

2. Relevant stakeholders and interdependencies or relationships

The number and diversity among relevant stakeholders and the interdependencies and relationships among them are determining factors to how and how quickly a potential collaboration moves through the processes of negotiation, commitment, and execution (Gray, 1985; Mandell and Steelman, 2003). This may happen more easily in bottoms-up collaboration where NFPs already have established relationships and share information and resources informally. More complex collaboration will require more time and orchestration to build levels of trust among participants such that the collaboration can generate positive outcomes.

3. Motivation

Motivation for collaboration must exist initially but must also be sustained throughout the collaboration. Initially, motivation to collaborate depends on access to resources and expertise, potential improvement in service quality and community access to service, and more and better relationships, these relationships often increasing the legitimacy of the NFP (Ragan, 2003; Brudney & Gazley, 2007). This legitimacy often represents a major gain for the NFP. However, for collaboration to survive, motivation based on identity and inclusion through sense making and bonding is critical (Turner, 1987). Parties have to continuously 'want' the relationship (Gray, 1985).

Other Factors

The necessity of effective leadership, constant two-way communication, and deepening trust are inferred in the collaborative process framework depicted above. However, these factors are so important to collaboration that they merit more attention here.

1. Leadership

An effective leadership team and management with the appropriate skills and abilities are critical to 'good' collaborative process (Shortell, 2002) and longevity of this team affects the stability of the collaboration. Effective leadership where government sponsors are involved means governments contribute with equal voice to the problem agreement, direction-setting, and negotiation stage. However, once a governance structure is in place, then government sponsors must step back allowing the expertise and ability of NFPs to carry the service delivery commitments autonomously and interdependently. Given the huge diversity of client needs from community to community, this stepping back is critical to the functioning of the NFP as a client problem-solver at the grass-roots level.

Capabilities critical for collaboration to work include the ability to:

- a. Manage politics while still getting the job done right
- b. Manage size and diversity of stakeholders
- c. Maintain focus
- d. Manage and channel conflict
- e. Detect and adapt to a changing environment
- f. Share leadership
- g. Empower others at all levels and of particular importance to NFPs, effectively delegate authority and resources to levels of front-line staff
- h. Develop staff

Leadership and the ability of each participant to manage the tension between individual self-interest and collective interest, preserving some autonomy and yet also sharing information for the good of the collective will affect the need for an ongoing facilitator or network broker (Brown & Keast, 2006; Rugkasa et al., 2007). Wood and Gray (1991) suggest that “collaboration can occur if stakeholders can satisfy one another’s differing interests without loss to themselves (p. 161).”

2. **Communications**

Effective communication establishing common meaning among parties is essential to initiating and sustaining shared purpose and values and managing ongoing expectations. This common meaning requires subsequent reinforcement or creation of new meaning as changing circumstances emerge (Hultberg, 2003).

3. **Trust**

Trust is a principle of successful collaborative relationships (Ragan, 2003; Townsend, 2004; Brown & Keast, 2006; Bryson et al., 2006). Trust builds slowly and as such initial interactions need to be small. Initially where trust has not been established through interaction and experience, definition of roles agreed to by participants defines relationships and sets expectations, forming the foundation for trust to grow. As trust builds through ongoing ‘fair’ and positive interaction, it promotes further interaction and expansion of formal or informal contracts, more often informal (Isett & Provan, 2005). As trust develops, flexibility and innovation (Lawrence et al., 2002) and attachment to the relationship increases. This depth of relationship will govern the impact of momentary breaches in commitment (Provan et al., 2002; McGuire, 2006) ultimately determining the longevity of the relationship (Milward & Provan, 2003; Provan, 2007). Concurrent with building of trust is increased efficiency as less effort is required in getting the job done with and through others.

Contingencies or Constraints

As critical as effective leadership and communication and the building of trust are to successful collaboration, several factors can impede progress or contribute to collapse:

- Stability of funding and stakeholders--recognition of the longer-term need (Ferguson, 2004; Keast et al., 2006; Milward & Provan, 2003; Scott, 2003; Townsend, 2004);
- Recognition by funding bodies of the amount of time and resources required to ensure successful collaboration process (without as yet much evidence of its effect on client outcomes) (Leutz, 1999; Gazley & Brudney, 2007; Walsh et al., 2006; Clarke & Glendinning, 2002; Hultberg, 2005); Polivka et al., 2001);
- Capacity of NFPs (Poole, 1997; Brudney & Gazley, 2007) to engage in collaboration including capability, time, and resources;
- Negative attitudes on collaboration from either funders or other NFPs based on prior experience or concerns such as loss of independence (Brudney & Gazley, 2007);
- Readiness for detecting and addressing environmental and organization changes; changes may trigger a strategic planning process iteration and potentially renegotiation, commitment, and execution...no different from for-profit (Stone, 2000). Pilot approaches to refine and expand strategy are useful for learning and readjusting before implementation (Berry, 2008).
- Use of facilitator, broker or other third party in the early stages of collaboration and possibly throughout the life of the collaboration
- Legitimacy of the collaboration within the community—if the community is not involved in the upfront problem recognition and direction-setting, the collaboration may not work (Ferguson, 2004). However, the type of service delivery considered and the nature of the client relationship affects the receptivity of the client to the collaboration's services.
- Awareness of the many contingent factors affecting the unfolding and shape of the collaboration. Although common themes and practices are evident across service delivery collaboration, much variation exists within specific studies with multiple locations and across studies in seemingly the same service delivery area. These differences reflect the different contextual factors influencing the initiatives, from policy at different levels of government through to population variations affecting client diversity and need.
These differences justify collaborative solutions.

Policy Support

Inherent in studies on collaboration is government support or influence. Often this support is in the form of funding. Occasionally, it is an imposed governance or administrative structure, pre-existing IT systems, or collaboration coordinator. To gain insight on this, the jurisdictions of England, Queensland, and New Zealand were examined and findings are summarized here.

Together, these governments have demonstrated commitment to the community sector through policy statements, community-focused government structures, and support in the form of initiatives or programs. Of these, Queensland is the most progressive and advanced in implementation and its specific focus on collaboration. However, evidence on results or impact of initiatives in any jurisdiction is mixed to-date, with some initiatives such as websites operational and in-use, others such as common accounting systems operational with no report on use, and others such as databases with no report on activation or use.

Specific programs either supporting collaboration or removing barriers include:

Initiative or Program Support	Jurisdiction	Status
IT systems for grant application designed to integrate and streamline the application process	Queensland	No evidence
Structuring and tailoring of contracts to support integrated services collaboration	New Zealand	In practice and saves time
Common accounting system for all NFPs to simplify financial arrangements and sharing of financial information among NFPs	Queensland	Training in 2006 No evidence
A website for NFPs to assist them with tools and information in addressing all aspects of their operation and collaborative practice;	Queensland New Zealand England	In practice/active In practice In practice
Centers for co-location of NFPs	Queensland	Pilot and some mixed evidence
Grants for establishing partnerships, startups, business plans	Queensland England	No evidence No evidence
Full cost recovery grants with no specific mention of collaboration	England	No evidence
Funding for three years from one year	England	No evidence / 2008 – 2011 focus
Streamlining collaborative funding application through an online registry of	England	Piloted and saved time

NFPs, this info also shared among funders	New Zealand	Initiated / no evidence
Government funding info website	England	In practice and useful
Evidence-based database on NFP activities	England	2008 initiation
Community Feedback Forums	England	Ongoing and useful
	New Zealand	Ongoing and useful

The above represents the information available at the time of this review. Further information may be available now and warrants exploration as the potential impact of these initiatives is significant.

Section III

A Local Perspective

1. What Does Government Want?

Reflecting the role of government funding and support in sustainable NFP collaboration, a literature review was conducted across all levels of government documents. The review included policy statements, program funding guidelines, and government planning documents referencing collaboration with and among NP community health and social service organizations.

Overall, there appears to be a desire to promote collaboration with policy statements and program requirements but a reluctance to define explicitly the nature and extent of collaboration to meet program desired outcomes. This may indeed reflect what Human Resources and Development Canada's report on Community Investments states as the role for non-profit sector in "bridging and linking social capital between governments and communities....as a producer of the relationships that governments need to foster horizontal initiatives (Task Force on Community Investments, 2007, p. 19)."

Key findings include:

- Policy at all three levels of government includes recognition of the role NFPs play and in some cases objectives in delivering services to communities. Examples are:
 - At the federal level, the 2001 Accord and Code of Good Practice on Funding outline respective roles and responsibilities, shared values and objectives of collaboration both with and among NFPs
 - At the provincial level, the strategic plan for the Ministry of Community and Social Services, the Ministry of Children and Youth's report, and the LHINs legislation (2006) and specifically, the Toronto Central Integrated Health Service Plan, 2006..
 - At the City of Toronto level, the Social Development Strategy (SDS)
- Policy at the federal and City level recognizes the need to align and integrate programs and services across ministries or departments and with the for-profit and non-profit sectors. Examples of inter-departmental integration include the federal initiative, Service Canada and the City initiative, Neighbourhood Action Teams. Examples of government and non-profit collaboration include the Vancouver Agreement, Action for Neighbourhood Change and the National Homelessness Initiative.
- Specific programs at all three levels often define collaboration in conjunction with goals and consistently call for more partnerships and greater intensity of collaboration among agencies in service delivery. Goals generally appear to be focused on improved service delivery effectiveness through, for example, increased service coordination for clients and streamlined access. Additionally, service delivery efficiency is reflected in goals directed at reducing service duplication. However, although general effectiveness and efficiency goals are expressed, strategies to achieve these goals are infrequent. An example of such specificity exists with the City's SCS framework.
- Governments at all three levels do not specify types or intensity of collaboration. However, NFPs have expressed concern that there is an implicit government agenda that seeks to force the consolidation or amalgamation of community-based organizations in the name of administrative efficiency or cost-effectiveness. One large administrative entity may fit a certain model of governance, but the evidence that bigger entities lead to better service outcomes remains elusive, at best.

It remains our opinion that the government's quest for organizational efficiency and effectiveness has created a belief that mergers, consolidation and integration automatically leads to better productivity. While we agree that some form of integration can reduce costs and duplication, we must also be aware that we are not dealing with the merger of two "widget producing corporations". When your outcome is measured in the well being of people and society, the complexity of implementation and the risks of failure are far greater.

Consequently, we propose that the best avenue for attaining the goals of government is to provide mechanisms, supports, and appropriate collaboration funding which allows similar NFPs to work together and share resources under a coordinated umbrella. Imagine what could be achieved if the partners in the “25 in 5” poverty reduction strategy alliance had the resources available to coordinate the efforts of the thirty or so partners. Hence the establishment of enabling collaboration grants of \$15-25,000 would significantly move the success forward.

2. What does society want?

Over the last twenty years the world has experienced a dramatic increase in the private nonprofit sector both in developed and developing countries (Salamon, 1994). Social and technological changes along with a growing inability of governments to address the needs of their population have been in part responsible for this increase. Private non-profit entities able to stimulate grass-roots energy have stepped up to address the gap between population needs and what governments can deliver.

Canada reflects this trend. Over the past twenty years, the globalization of the economy has left Canada increasingly vulnerable to the desires of business to take advantage of low labor costs in other countries and avoid government constraints (Rice, 2000). At the same time, society has been demanding greater protection from the impact of economic fluctuations and becoming more pluralized and culturally diverse and demanding, each identity wanting to be heard. Today Canada ranks among the highest in the world in terms of its nonprofit and voluntary organization workforce as a share of the economically active population (Barr et al, 2005).

In recent years, economic activity in the non-profit sector has outpaced the economy as a whole. Statistics Canada reports that the overall non-profit sector generates almost \$80 billion in annual economic activity and more than 7% of the country's Gross Domestic Product. This ranks it well ahead of other sectors – such as motor vehicle manufacturing, agriculture, retail trade and mining, oil and gas extraction. Non-profits provide critical services to communities and they are also substantial employers. Total compensation for paid labour in the non-profit sector is more than \$70 billion, according to Statistics Canada, and non-profits also mobilize an estimated \$14 billion in volunteer labour (the estimated replacement cost value of volunteering).

What is relevant within Canada is mirrored within Ontario. Globalization has been primarily responsible for the loss of 60,000 manufacturing jobs from 2001 to 2006 (Statscan, 2006). With a large population of over 12 million Ontario continues to attract the majority of new immigrants to Canada and with over 45,000 nonprofits, Ontario ranks highest with Quebec in its number of nonprofit and voluntary organizations (CCSD & Imagine Canada, 2005). The majority of these institutions (65%) serve their local community. These organizations are an economic force, generating \$47.7 billion in annual revenues in 2003. However, only 1% of organizations have revenues greater than \$10 million with 34% having less than \$30,000. All levels of governments have a significant role in funding NFP activity in Ontario with the provincial government having the largest share.

The GTA contains a multicultural subset of Ontario's nonprofit sector. With a population of over 4 million people, GTA attracts over 60% of the new immigrant population to Ontario (Statscan, 2006). Within the City of Toronto are over 1200 community service nonprofit associations and a subset of 316 agencies employ 82,000 volunteers (City of Toronto, 2003). 72% of these agencies' funding comes from government with the government relying heavily on these agencies to deliver services to communities. 71% of the agencies have clients who need service in a language other than English.

Challenges for NFPs

Within this context, nonprofits are faced with a number of challenges. Governments are devolving authority to lower levels of government and service delivery to nonprofit entities. Associated with devolution have been funding changes and cutbacks and a shift from core funding to project funding (Banting & Brock, 2001, pp. 25-27; City of Toronto, 2003). Nonprofits are forced to compete with each other for funding to survive and funding is not guaranteed for multiple years. Additionally, governments are moving to more transparent public management with an emphasis on customer results or outcomes. Consequently, a new relationship and increased accountability is evolving between nonprofits and government without necessarily, appropriate strategies, structure, resources or expertise yet in place to govern these relationships.

Increasingly within this environment, collaboration is viewed as a means of addressing challenges, both from government and nonprofit perspectives (Banting, 2000; Brock & Banting). The current attention and action on collaboration suggests that collaboration is a potentially powerful strategy to build the capacity of NFPs in ways that improve outcomes. Currently, over half the Toronto agencies surveyed partner with an ethno-cultural agency and with a mainstream agency.

Section IV

Facilitating Successful Collaboration: myth versus reality

The following thoughts reflect a synthesis of practices elsewhere with what Toronto has experienced. These thoughts are described as ‘myths’ to reflect either an unproven or a questionable collective belief or an untested and implicit assumption about integrated service delivery collaboration. These myths are followed by a Vision of what ‘good’ collaboration looks like.

Myth: Integrated services collaboration in health and social services has demonstrated improved client outcomes resulting in greater health and well-being of the target population.

Reality: Integrated services collaboration in health and social services is complex. To-date, less than a handful of health and social services projects reflect quantitative evidence in changes in client outcomes. Of those, integrated services collaboration has resulted in benefits such as greater and easier access of services over a wider population. It has effected shifting in the use of funds and the type of service provided to serve the greater population but to the detriment of some. However, client outcomes of greater health and well-being of the target population require further focused and long-term research and greater capacity across NFPs in tracking and measuring client before and after changes.

Myth: Collaboration is “free” and can be used to deliver more services for less money.

Reality: Service collaboration requires structures and it must be properly resourced. Our review of collaboration in the for-profit sector shows that successful collaboration requires the allocation of staff time and other resources. Sharing and co-operation are fundamental values in the operation of many not-for-profit organizations, and these are important foundational values for effective collaboration.

Myth: Collaboration is best-served as a bottom-up versus top-down initiative.

Reality: Current perception in Toronto is that collaboration works well where it is a bottom-up, organic process. Undoubtedly this is to a large extent, true. Present in such an arrangement are trust, autonomy for NFPs, and mutuality, vital characteristics of a healthy collaboration. The degree to which NFPs have worked together and built relationships affects outcomes of collaboration potentially at every level of the

process. The degree to which NFPs can harness the value they bring to directly affecting collaboration outcomes is critical to identify, inclusion and ultimately, autonomy. And the extent to which individually and organizationally the involved stakeholders 'want' to collaborate affects how quickly a focus is established and ideas are realized.

While this approach works well, bottom-up collaboration can be complementary to top-down-initiated collaboration and when well-orchestrated overall may result in better client outcomes. Sufficient evidence exists on the structure and positive effect of hierarchical and networked relationships in community service delivery to seriously warrant consideration of a combined approach. Centralized coordination, often assigned to a community-supported NFP and sponsored by the funding source, can remove the administrative burden of that function, freeing the NFPs to concentrate on applying their knowledge and expertise where it most benefits the client. Centralized coordination can also increase the legitimacy of the collaboration. However, this arrangement necessitates the involvement of government/funders in setting the stage and then stepping back to allow the NFPs to operate.

What is essential in a hierarchical and networked collaboration to retain the vital characteristics of a bottom-up initiative?

Many factors contribute to achieving this goal. Among the most important is capable leadership (government and NFP) informed and practiced in the process of effective collaboration and in systems change. It requires a process where all stakeholders have choice and benefit. The challenge in either bottom-up or a mixed approach is to move collaboration along and in such a manner that NFPs motivation grows with the unfolding of the process. Within any systems change, some NFPs will not make the grade for many reasons including capacity, leadership, or value they bring. The challenge is to find the optimal relationship for and among all stakeholders positively impacting client outcomes.

- Myth:** Collaboration is easy, straight-forward, and fits with the service and values orientation of NFPs naturally know how to collaborate.
- Reality:** Regardless of the intended outcome of collaboration--whether its purpose is to get more funding, pool resources, or increase the spectrum of services--collaboration is complex and to be successful consumes money, time and resources. Shared vision, meaning, and leadership among all participants are critical from initiation onwards and the process takes constant communication and focus on shared purpose. Where this is lacking, NFPs may collaborate on some level such as funding but then 'fall-away' rather than collaborating in service delivery. Additionally, network cliques can bias in favor of certain clientele. In any form, collaboration is

costly and requires capabilities often beyond the scope of any NFP. Although NFP leadership may be visionary and inclusive, seldom do they have the internal organizational capacity to lead a collaborative arrangement or even participate.

At any level or type of collaboration, a collaborative approach is essential in both funding—among funders, among NFPs, and between funders and NFPs—and in service delivery—among government or nonprofit funders and NFPs. Collaboration among funders requires funders (government and non-government) with input from relevant stakeholders to collectively determine the vision on addressing needs and subsequent service delivery priorities and share these needs with NFPs. Sharing information on initiatives and applicants and working collaboratively in support of funded projects is also required. Along with a clear vision and priorities, the necessary resources both in money and in capability must be applied to orchestrate the beginning and then support the implementation for a sustained period.

Between funders and NFPs, education and guidance from funders on their vision and practical approaches to that vision are important to enhance the ‘spirit’ of collaboration with NFPs and alignment between funders and initiatives.

Once a collaborative project is established accountability for coordinating and monitoring of progress and process, deficiencies, and outcomes must occur that feeds concrete actions to address the gaps. Additionally, as the end of the funding of the collaborative project looms, self-sufficiency of the system must be monitored and guidance has to be ramped up so that sustainability is realized long-term.

Critical in the funder’s role is an attitude of partnership with NFPs in finding the best approach and delivering collaboratively on the vision. This means equality among participants, voice for all stakeholders, and a desire to work jointly on addressing problems and conflict to effect workable solutions. For funders, it also means stepping back and allowing the collaborative process to work.

Myth: Funders intuitively know best what works in collaborative endeavors and can effectively guide NFPs to successful outcomes.

Reality: As evident from the many documented case studies of failed endeavors or unclear outcomes, collaboration is an emerging field of practice requiring focused, short- and long-term research and constant sharing of progress and learnings both explicitly and tacitly. This requires involvement of both funders and NFPs and collaboration among funders to improve their body of knowledge on approaches that work for the NFP organizations, their programs, and the client. It also requires building from a strong foundation of shared understanding of definitions and what we know today.

- Myth:** Existing funder practices regarding grant application and reporting further collaboration and support NFPs in their mission.
- Reality:** NFPs are faced with many obstacles in getting adequate funding efficiently. Grant application, processes and reporting requirements are different among funders and often onerous. Grant application appears to support competition among NFPs rather than collaboration. Grant applications require 'collaborative partners' without adequate means for NFPs to find other suitable partners. Funding is often awarded on a project basis, i.e., for a year where the project is a program extending over a number of years. To obtain sufficient funding, NFPs have to apply for a number of grants from different funders, each with its different application forms and application and reporting processes. These funding activities consume NFP time and resources, already constrained by funder budgetary concerns or cutbacks.
- Myth:** Bringing stakeholders together and giving them a voice is sufficient to initiate collaboration.
- Reality:** Bringing stakeholders together and giving them a voice is a necessary but minimal step in initiating collaborative process. Striking the chord of interest based on a community need and catalyzing that into sufficient motivation to create self-sustaining energy is hard work. Clarity and agreement on vision, i.e., where they are going, clarity and commitment to an approach, and measurable progress on immediate next steps are essential. Underlying the commitment to next steps is the meaning the vision and approach hold for each stakeholder, i.e., the value each stakeholder brings to the process, the potential gain from participation, and the benefit each stakeholder perceives of every other stakeholder. Underlying the success of a good start is a coordinator who engenders trust, commitment to the process, and focus.
- Myth:** NFPs in all sectors are at the same level of capacity and can easily take advantage of whatever collaborative supports are available.
- Reality:** NFPs in various sectors differ in their state of readiness to collaborate. Those in communities with the greatest health and social service need, for example, ethnic immigrant populations, may be the least capable of collaboration. Although capacity-building supports are available, their ability to take advantage of them uniformly across their population of NFPs may be limited. At the least, their culture, their communication skills, and their level of understanding of what collaboration is,

how it can be achieved, and its benefits may severely hamper collaborative intent.

Myth: Research is inherently beneficial.

Reality: Apparent from the literature review is repetition in the type of studies conducted and the findings from those studies, with little or no advancement of knowledge overall on collaboration's best practices to improve client outcomes. Many studies are yet another story of what happened without quantitative evaluation of before and after opinions, measurement of process, measurement of outcomes, or comparative analysis with control groups. Research is often rediscovery of what is already known.

Good research requires coordination and shared vision among funders and NFPs. Research must advance learning on where and what service delivery needs exist and how best to address those needs. Research must advance collective learning such that the tipping point for change is reached, required policy and practice change is obvious, methods and approaches that work are advanced and shared, and systemic change occurs.

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Myth: Academics are clear and in agreement on the theoretical underpinnings of service delivery collaboration such that they can guide practitioners in advancing theory and practice.

Reality: Service delivery collaboration is complex, cutting across many forms of organization from institutional to entrepreneurial, many sectors of government, many levels of society from professionals to the unemployed homeless, many disciplines of care from health to housing, and many demographic populations from ethnic immigrant to homeless. It also addresses the needs of the individual within the context of the larger community. Consequently, the theoretical basis for collaboration is fluid as each of these views is conceptualized and then applied or as collaboration theory varies as an extension of existing theory to an exclusive world of its own.

Additionally, service delivery collaboration is a marriage of macro process with micro process. For example, an approach to a domain problem becomes internalized across a diverse stakeholder group, i.e., it makes sense; yet it also has to be motivating to the NFP participant who is working with another NFP participant and directly with the client. Progress in the for-profit world on the theoretical and practical role and impact of social-psychological processes on desired collaborative outcomes is being made. In the non-profit world, theoretical and practical evolution has co-existed without much interaction—for many reasons.

One area of promise—perhaps more so for the nonprofit world than for-profit—is network theory and interactions promoting or negating trust. Some studies pertaining to network theory have shown increases over time in the density and strength of relationships among collaborating NFPs . This increase has tentatively been linked to changes in services and number of clients served. Further research is required to better understand impacts to clients where relationships change.

Another area of advancing theory directly relevant to NFP collaboration is knowledge of the initial and ongoing interactions of collaborating NFPs contributing to or detracting from trust. Studies based on network theory infer an increased level of trust associated with greater density and strength in relationships among NFPs. Articulating this level of trust and understanding how it relates to contracts is being explored. Concurrently, research on the effects of contextual factors and methods of interaction conducive to trust-building is being conducted and will ultimately inform collaboration.

Section V

A model of 'good' collaboration

Key elements for successful collaboration are:

- A shared understanding and **agreement** on the problem, i.e., the client need, among all **relevant** stakeholders. Agreement on the problem requires thinking through the scope of the client need...is it more services for a greater proportion of the population?...is it different services for the same population? Agreement can be superficial and if it is among the majority of stakeholders, the collaboration will not work. Agreement takes time and effort and requires a convener to bring stakeholders together and a facilitator to design and unfold the agreement process and gain agreement.

A committed group of relevant stakeholders who are critical to either understanding or addressing the problem. Many will be interested; a few are critical. Relevant stakeholders may change as the collaboration is implemented and adjusts to environmental or internal pressures.

- A shared understanding and agreement on the direction to address the problem among all relevant stakeholders.
 - Each stakeholder has a voice.
 - Each stakeholder has value to contribute and stands to gain from the collaboration either in efficiencies, more clients, access to expertise, greater legitimacy, and a desire for improved client outcomes.
 - Each stakeholder recognizes the collective goal over individual self-interest.
 - Each stakeholder recognizes the value contributed by every other stakeholder...the seeds for mutual respect. This is the glue that experience will develop into trust, making the collaboration work, and needs to be there in the foundation.
- A governance structure with clear roles, responsibilities, and accountabilities...shared decision-making and differentiated expertise in service delivery. Clear roles and responsibilities will facilitate the absence of trust...and allow trust to develop through interactions over time.
- Informed and capable leadership in government/funders and NFPs practiced in the process of effective collaboration and in systems change. Shared and distributed capabilities include political and instrumental skills, ability to manage size and diversity of stakeholders, maintain focus, manage and channel conflict, empower others and

delegate authority, and lastly, sensitivity to change and flexibility and adaptability in adjusting to change—either environmentally- or internally-induced. Leadership must understand the characteristics and the importance of a collaborative culture, distinguished by open communication, reciprocity, mutuality, and trust.

- A change process whereby staff across the collaboration are informed and mobilized to commitment to the joint process. This is not an easy or quick process and must be planned and orchestrated such that different cultures are recognized and integrated and participants have choice.
- A measurement framework and monitoring process to assess progress and challenges and course-correct. This framework includes measurement of process outcomes: e.g., are all stakeholders involved and contributing to decision-making; the health of relationships among interdependent staff, e.g., the level of trust or conflict, the amount of turnover; the health of the partnership, e.g., the level of trust or conflict among leaders; the level of interdependence, e.g., the extent and strength of network ties; and client outcomes: short-term linked to long-term impact.
- Depending on the scope of the problem and solution, a funder-supported centralized coordinating and monitoring body to manage the administrative responsibilities, facilitating the NFPs with service expertise to autonomously and interdependently address the service requirements and solve client problems. However, not every collaborative venture requires this umbrella organization—the complexity and scope of what needs to be accomplished drives this.
- Appropriate funding for infrastructure to support the collaborative process. Collaboration takes time and effort on the part of every stakeholder. Funders must be willing to fund the infrastructure to initiate the collaboration and to support an ongoing infrastructure and investment of resources.

Section VI

Conclusions and recommendations

Understandably, the world of collaboration is complex and contingent on many factors unique to populations and problem domains. Advancing theory and practice and effecting social change is not easy. It requires collaboration within and across research-funding bodies, NFP funders, researchers, and NFPs. It requires deep connections with community needs promoting an acute sense of the purpose of the research regarding the nature of the collaboration, the gaps in community service delivery, and the critical questions that need to be answered. It requires a variety of collaborative methods and approaches reflecting the diversity of populations and the characteristics of linguistically distinct and marginalized communities. It requires exploration and change at every stage of collaboration, i.e., the effect of policy, of funding practices, of NFP approaches to research, and of the use of research and findings in NFP practice.

Effective models of collaboration exist in Toronto and elsewhere embodying important lessons on what doesn't work. A great deal of collaboration is unplanned and arises from day-to-day requirements of service providers. This kind of collaboration is important, allows for better outcomes for clients, and needs to continue.

However, our research shows that to move collaboration to the next level and to ensure that it actually produces good results, a more structured approach is required. Non-profit organizations and funders (governmental and non-governmental) supporting their work need to participate in the planning, implementation and ongoing evaluation of higher-level forms of collaboration. Good practices and learning experiences need to be shared, studied and incorporated into a conscious process of building a culture of collaboration.

Collaboration requires sharing and learning across sectors, across levels, across all types of organizations. It requires a collaborative spirit and concerted effort from many organizations traditionally pursuing self-interests. It requires the intentional application of resources (staff time, funding, organizational infrastructure, etc.) by non-profit organizations and funders alike. Finally above all else, it requires trust—in the outcome, in the approach, and among all participants.

Our recommendations are aimed at both NFPs and funders and are based on the fundamental requirement that specific structures need to be supported to create and sustain collaboration.

Recommendations

Our recommendations are addressed to the non-profit sector, funders and individual non-profit service delivery organizations. Overall, our goal is to create a culture of collaboration, where non-profit groups, their funders (governmental and non-governmental) and the wider non-profit sector have the infrastructure and resources, can share models of good practices and can

monitor and evaluate the success of collaborations over time (including their effectiveness in improving services and programs for clients).

ACTIONS FOR THE NON-PROFIT SECTOR

1. Effective co-ordinating infrastructure

To achieve the goal of establishing a culture of collaboration based on true resource sharing – when non-profits are able to share financial, intellectual and coordination activities using the model described in this report – all partners should contribute to an effective coordinating infrastructure as well as adopting social entrepreneurship governance models which encourage collective risk-taking.

- a) NFPs should ensure that the collaboration defines and agrees to specific goals, objectives and impacts with specific timeframes and deadlines.
- b) NFPs should ensure the collaboration monitors, evaluates and adjusts to outcomes and results.
- c) In addition, NFPs should work with existing bodies within the NFP sector whose mandate is to assist all organizations in becoming more effective and efficient. The goal is to build more productive collaborations with funding organizations such as the LHINs, United Ways and foundations, as well as existing community networks.

2. Establish a centre of leadership in collaboration

A “virtual” Centre for Leadership in Collaboration – based on an initial partnership between the Wellesley Institute and the Centre for Social Innovation – should be created to serve as a hub and a catalyst for the exchange of knowledge and good practices in collaboration. Federal and provincial governments should each commit \$250,000 annually for five years to incubate the centre (the successful centres for excellence in urban health were launched by federal funders using a similar model). The collaboration centre would:

- a) Identify and share good practices in collaboration;
- b) Identify and initiate effective processes for engaging funders and non-profit service organizations in visioning and development of collaborative structures;
- c) Sponsor forums with non-profit organizations and funders to share knowledge, develop shared visions and develop collaboration strategies.
- d) Develop and refine measurement and evaluation methods for collaboration.
- e) Allocate seed funding to selected collaborative initiatives.
- f) Co-ordinate its work with the funders’ collaborative alliance to ensure maximum synergy.

ACTIONS FOR FUNDERS (GOVERNMENTAL AND NON-GOVERNMENTAL)

3. Sustain collaboration through proper resourcing

Funders (including foundations, United Ways and private foundations) should create a **funders' collaborative alliance** as a specific structure within the sector to identify, promote and implement collaborative practices. In addition, funders should:

- a) Jointly endow a \$250,000 fund for "collaboration enabling grants" targeted at small organizations best served by collaboration efforts. Individual grants would be in the range of \$20,000 to \$30,000 for one-year sustainability grants.
- b) Participate in a regular forum to review and assess funding practices to ensure that effective collaboration is properly resourced. This forum should include NFP groups and the new Centre of Leadership in Collaboration.
- c) Set individual, annual contribution target for funding of collaboration initiatives as a demonstration of their commitment to the value of collaboration. Funders should allocate a portion of current and future funding envelopes to collaborative networks, including the funding of coordinating infrastructure – starting with a minimum target of 10% of overall funding. This funding should address a specific framework and ensure effective accountability, but should not become administratively onerous (the goal is action over paperwork).
- d) Participate with the Centre of Leadership in the ongoing review and application of good practices in collaboration and funding, including monitoring and evaluation.

ACTIONS FOR INDIVIDUAL NON-PROFIT SERVICE DELIVERY ORGANIZATIONS

4. Specific strategies, operational plans and budget allocations for non-profit organizations

Non-profit organizations collaborate in a myriad of ways, but further action (including collaborative structures, the sharing of good practices and enhanced resources) is needed to move from incidental and accidental to intentional collaboration. NFPs should be proactive not reactive. NFPs should identify and assess possible collaborations that will improve service delivery and create more efficient operations. NFPs should:

- a) Identify possible collaboration(s), using internal strategic planning processes. Partner identification is critical to success.

- b) Assign collaboration responsibilities to specific staff as part of operational planning processes. In larger organizations, the responsibility for collaboration should be assigned to senior staff. In smaller organizations, the responsibility for collaboration should be assigned to the executive director or senior administrator.
- c) Create a specific line to support and resource collaboration in annual budgeting exercises.
- d) Participate with the Centre of Leadership and with funders in collaborative forums to create shared visions, effective collaborative structures and robust monitoring and evaluation processes.

Appendix 1

Themes from the literature review and interviews

Inter-Agency Service Collaboration in the NFP Sector - Report Overview

By Joan Roberts and Pauline O'Connor

Wellesley Institute undertook a comprehensive literature review to answer the following questions:

- What assumptions or forces appear to be pushing local NFP service agencies to collaborate more in service delivery?
- Does collaboration work? That is, does it result in better services, better client outcomes, than agencies working alone?
- What is the state of collaboration among Toronto health and social service agencies? What are the forces shaping the amount and kind of collaboration we are currently seeing in NFP health and social service delivery in Toronto?
- On the assumption that collaboration can work, at least sometimes, what policies and policy supports promote collaboration that improves services and client outcomes?
- On the assumption that collaboration can work, at least sometimes, what do NFP service agencies need to know about when and how to build collaborations that will work, that is, improve services and client outcomes?

The Overview of this project lays out its methodology and summarizes findings of the subsections, each subsection responding to one of the above questions. The subsections explore government's objectives of collaboration; seek evidence of impacts on client, services, and communities; survey private sector models of collaboration for analogies and relevant successful practices; summarize the views of Toronto informants on the status of collaboration in Toronto; examine policy supports in the UK, Queensland, and New Zealand; and reflect process learnings from studies of the Scarborough Storefront Operation and the Korean Interagency Network. These findings are formulated into 10 recommendations covering the value of collaboration; research required; the need for documented and shared learnings; questions for NFPs to ask before collaborating; the need for leadership and skill-building in NFPs; the need for government, NFP, and community involvement in system planning; and the need for changes in funding practices.

Service Delivery Collaboration in Non-profit Health and Community Services: What Does Government Want?

By Rob Howarth

NFPs in Toronto perceive governments wanting them to collaborate more in service provision. This paper canvasses a range of federal, provincial, and City of Toronto policy statements referencing collaboration with and among non-profit community service organizations, examining governments' intent, objectives (if any) and rationale for increased collaboration. These include higher-level policy statements, and a sample of program-specific funding guidelines and government planning documents in the areas of community-based health and social services.

Findings suggest that although collaboration is desired as reflected in policy in government across all levels, governments offer no single rationale or agenda for collaboration within the non-profit sector and do not articulate the desired level of collaboration. Policy statements often relate to increased civic engagement and enhanced policy development or greater service coordination to create efficiencies, reduce duplication, and improve service impact. Other policy statements appear to intend a rationalization and consolidation of non-profit infrastructure, but this objective is never explicitly stated. Where program statements exist, they may be in conflict with policy statements. Where consistent, the objective of increased partnership and collaboration may be reinforced but is not often explicitly linked to specific program outcomes. Collaboration within the non-profit sector is generally encouraged as a positive or essential element of successful program-delivery, but the desired depth and intensity of inter-agency connections is not addressed.

Does Collaborative Service Delivery Improve Client and Organization Outcomes? A Review of the Evidence on NFP Collaboration in Health and Social Services

By Marie Boutillier, Pauline O'Connor, Tom Zizys, Joan Roberts, Krista Banasiak

Collaboration in health and social services NFPs has been increasing over the last ten years and ranges from administrative services to client-facing activities. However, evidence on the outcomes or benefits to the NFPs or clients is scarce, seldom measured and evaluated, and often inferred. Pooling governmental budgets has led to increased effectiveness, eliminating staff duplication, offering flexibility and tailoring of funding. Integrating a range of services appears to benefit more clients and offers more and different services to the same client with generally positive client impact.

However, many challenges exist in initiating collaboration and making it work. Good collaborative process is necessary, but not sufficient, for effective service delivery. Key factors include shared vision, communication, formal but flexible agreements, coordination protocols, conflict management techniques, voice for every partner, leadership, staff acceptance, and compatible IT infrastructure and collective agreements. Benefits include access to resources or

expertise and staff development opportunity. However, good collaborative process also costs in process expense and in time and introduces risk for each partner. To advance understanding of what strategies generate good outcomes in process and for clients requires consistent categorization of collaboration and longitudinal research on client outcomes.

Collaboration Practices in Government and in Business: A Literature Review
By Tom Zizys

Collaboration in government and business share similarities in popularity, perceived value, and factors contributing to success but differ in level and tangibility of measurements and outcomes. Collaboration in both ranges from concrete shared services organizations managing administrative functions to alliances resulting in impact to clients in expanded or different services or products. Factors facilitating collaboration are similar in both government and private sector. These include leadership, communication, coordination, positive working relationships, sufficient and dedicated resources, and trust. Collaboration is perceived to be of value within business and government. Support in business is apparent in opinion surveys of CEOs, alliance managers, and purchasing executives and in tangible indicators of efficiencies, particularly in back office or shared services functions. Similar support is present in government as reflected in surveys, policy, and shared services arrangements; however, evidence of benefit of shared services arrangements is less substantial and convincing. Measurements are less advanced and less informative.

In more complex alliances or collaboration, similar problems in managing successful process and obtaining substantial outcomes are documented, although the evidence of impact is much less obvious in government initiatives. Tangible indicators of success in business alliances are available but are less prevalent and less convincing than those in shared services arrangements, often attributed to poor implementation. Evidence in government for more complex collaboration such as service delivery is scarce. Generally, anecdotal evidence supports service delivery benefits obtained from collaboration and includes client outcomes, impact on staff, client satisfaction, and measurement of program objectives. This disparity between government and private sector evidence is attributed to the more complex and broader environment of government and social services, greater complexity of partnerships, and the length of time governments have focused on evaluation and tangible measurements, much less than that of the private sector. However, the commonality of fewer tangible indicators for multi-party collaboration in either the private sector or government, speaks to perceived or actual difficulty of measurement and evaluation in complex situations.

The State of Service Delivery Collaboration in the Toronto NFP Sector: A Key Informant Study

By Heather Graham

To understand the state of service delivery collaboration in Toronto today, nineteen interviews were conducted from among government and foundation funders, independent consultants, and NFPs. Key themes emerging from the interviews cover the nature and extent of collaboration, who is collaborating and why, how they are funded, impact of collaboration, sustainability factors, and emerging trends.

These themes are summarized in recommendations directed at a systems level for funders and a practice level for NFPs. Dominating the recommendations is the need for funders to think differently about collaboration, engaging in systems planning and strategizing to prioritize and address problems; enabling collaborative capacity by building infrastructure to support collaboration; funding learning forums; funding collaborative initiatives adequately and setting forth a multi-level government collaborative framework such that NFPs can operate independently making wise, practical decisions in service delivery. Systems level recommendations include the need for systems planning among all stakeholders,

NFPs are advised to drive collaboration from the perspective of client need, building a sense of shared need and prioritized opportunities for solution. Sharing best practices, tools, and templates concerning collaboration is important in this process. Lastly, context should dictate how these practices, tools, and templates apply to solving a problem, balancing formal process with flexible and creative practices.

Policy Supports to the NFP Sector: A Quick Scan of Other Jurisdictions

By Krista Banasiak

This research investigated current policy supports for collaborative service delivery for NFPs in England, New Zealand, and Queensland, Australia. All three jurisdictions have policy frameworks in place that articulate the government's relationship with the nonprofit and voluntary sector, as well as infrastructure to move policy forward. However, in both England and New Zealand policy is focused on the sector rather than at collaboration within the sector. Funded initiatives remove barriers to collaboration, facilitating information-sharing, streamlining funding, building outcome evidence, and improving contract integration. Queensland has similar sector initiatives to streamline funding, standardize accounting systems, and provide tools and information for capacity-building. However, they are more progressive and sponsor initiatives directed at collaboration involving pilots for co-location of offices and grant funding specifically supporting the collaboration process.

The East Scarborough Storefront Project: A Successful Inter-Organizational Service Collaboration

By Brenda Roche and Joan Roberts

The East Scarborough Storefront (The Storefront) stands out as a unique example of non-profit work. It emerged out of a coalition of community members, local faith-based organizations, and community-based service providers who identified an area marked by an increasingly vulnerable population of newcomers with high needs who were under-served by agencies. Research was conducted with The Storefront to determine critical factors and dynamics of partnership and collaboration that lead to a successful, formalized, inter-organizational service collaboration. Research consisted of interviews, examination of relevant documents, and a historical scan.

Findings highlight the importance of a robust governance structure and process reflecting transparency, power sharing, and conflict resolution techniques, participative decision-making processes building and sustaining trust among agencies and community, and collaborative and shared leadership.

Re-Visioning Project with the Korean Interagency Network

By Joan Roberts

The Korean Interagency Network (KIN) was formed in 1998 with a mission to co-ordinate the services, programs and resources of agencies in the Korean-Canadian (KC) community and in the mainstream. It provides leadership in identifying and meeting the needs of the K-C community in the Greater Toronto Area (GTA). KIN consists of 14 agencies, and a few independent persons, who, combined, have been providing ethno-cultural services to this diverse community since 1998.

Action research was conducted to increase understanding of what is necessary for a networked organization like KIN to function successfully; to test a collaboration tool and build capacity of this Network in collaboration and adaptation to current challenges; and to develop a common vision for the network and goals and action plans to achieve the vision. Although goals and action plans were achieved, the process was challenged by language barriers, time pressures, participant turnover, and lack of funding permitting consistent participation from member organizations. These learnings reinforce the need for resources and capacity to effectively collaborate.

Status of Service Delivery Collaboration in Toronto and emerging trends

Having reviewed what governments are looking for and collaboration as it is interpreted and practiced in countries around the world, our focus now moves to what is occurring in Toronto. The following are overall perceptions of 19 key informants in Toronto obtained through interviews or Roundtable discussions. These perceptions cover the nature and extent of collaboration in Toronto, factors affecting sustainability, and emerging trends. Essentially, they mirror research findings reported in other jurisdictions, albeit reflected here at a more detailed level.

Nature and Extent of Collaboration

Service delivery collaboration in Toronto is prevalent to varying degrees in many service sectors and by neighborhood. Toronto's Strong Neighbourhoods Task Force is a city-led effort at services collaboration that starts with municipal agencies and then moves outwards to the community. The CAISI project, an information-sharing initiative among homeless service providers, started with individual care-givers and is seeking to evolve out to include city agencies. There are associations, networks and coalitions of service providers and other non-profit organizations that were created to share information, collaborate on service delivery, advance policy goals or achieve other objectives. Often, the specifics of collaborative exercises change over time. Examples from the direct experience of the informants in the Wellesley Institute study group include:

- Housing and homeless services;
- Health and mental health services; ;
- Immigration and settlement services
- Multi-sectoral partnerships involving arts and environment;
- Services for underserved and marginalized communities.

Further, collaboration in Toronto exists formally and informally anywhere along the service delivery continuum or associated support processes. Occurring frequently and often with a population focus, informal collaboration involves information-sharing or unwritten agreements to work together, most often sharing resources. Formal collaboration involves contracts. Toronto examples include:

- Advocacy;
- Planning;
- Community-based research;

- Back-office/support processes such as finance, HR (to a lesser degree);
- Operational protocols and processes such as post-discharge from hospitals, TO drop-in network, RENT—housing and support; and to a limited extent,
- Client-focused service collaboration such as intake or case management.

Where desired and appropriate, sustainability of collaboration continues to be difficult due to changes in the environment and the considerable skill, resources, and time required. Conversely, once collaboration is successful but the need disappears, it is difficult to dismantle. Characteristics or factors favouring sustainability include:

- “Organic, grass-roots” collaborations focused on a clear need with strong commitment from partners; mandated collaborations tend not to last;
- Strength of partners, i.e., well-funded with relevant experience and capacity
- Partner leadership and collaboration skills.

Barriers to Collaboration

Barriers to collaboration are many and are common across jurisdictions. These include:

- Lack of financial resources for collaboration and a lack of recognition by funders of the need; inadequate resourcing is aggravated by project-based funding approaches and is particularly acute in smaller agencies; inflexible funding parameters further limit collaboration activity;
- Lack of standardized funding application and reporting procedures across funder types and even within a single funder (e.g. one level of government); significant resources are required;
- Complexity of funding applications when multiple agencies each with different support systems and structures are collaborating on funding from multiple funders;
- Funders silo approach emphasizing NFP competition rather than collaboration; this approach contributes to NFP fears of imposed amalgamation;
- Lack of skills, expertise and personnel capacity to underwrite complex partnership building and negotiation.

Emerging Trends

Emerging trends reflect movement in policy or programs in governments. Specific examples include:

- More inter-sectoral collaboration initiated by funders such as the City's Priority Neighborhoods;
- Larger, more established agencies/organizations initiating collaborations and in some situations becoming agencies for funder-driven collaborations. This is particularly true in ethno-specific initiatives in order to meet the needs of emergent communities;
- Funder-imposed collaboration as a requirement for funding but no recognition of the capacity required for collaboration itself; their focus is on service delivery outcomes.

Appendix 2

A practical view for the centre for social innovation

Challenges and Opportunities for Sharing for Social Change

We have identified three areas that we think provide opportunities for further development:

1. It was clear that there are going to need to be **changes to funding practices** if the funders are to assist in building more effective collaboration. There need to be resources allocated to early partnership development to ensure that the potential partners have the necessary time and 'thinking space' to develop trust, shared understanding and a deeper sense of the potential for the collaboration. There needs to be a recognition of the need for ongoing management & coordination support in the collaboration. We would suggest that funders consider allocating at least 7-20% of their budgets to partnership and network development. We would also suggest that funders look to remove barriers to collaboration in their funding process. For example, the entire RFP process is inherently secretive and counter to facilitating collaboration in the sector. How could funders play a role in enabling, but not mandating, collaboration in the sector. The timelines of many funding programs are also completely antithetical to undertaking effective partnership. Even we know one thing, it is that collaboration takes time. Ensure that there are consistent funding programs that provide 6-12 months notice would go along way to enabling the sector to better organize themselves to collaborate.
2. Building a **culture and a capacity for collaboration** is critical. The sector sees some models emerging but there is a disconnect between the information and knowledge that is available and having it in the hands of the people that need it. Creating an Institute for Collaborative Leadership or a Centre of Excellence for Collaboration could achieve many things, including sharing promising practices, models, templates, it could develop leadership training that is geared to facilitating collaboration, it might explore how we evaluate our partnerships, tweak them, it would share success stories, examine which technical tools might help and it would inspire others to collaborate. There is a tremendous need to figure out what we already know, share these models and work to enhance the way that we collaborate. This is about knowledge but it is even more fundamentally about building the capacity of our leaders to understand and embrace collaborative leadership styles and build a culture of collaboration in the nonprofit sector.

3. We need to build the systems that support collaboration. We need to explore the **role of third-party intermediaries, conveners and brokers** in our efforts to build better sharing arrangements. In the corporate sector there are a range of service intermediaries that facilitate sharing through things like back end service provision, payroll services, business executive centres, greater use of consultants and facilitators for example. In Ontario there is a dearth of management serving organizations that are geared to supporting the nonprofit sector. There are very limited resources allocated to supporting cross-sectoral capacity building. The sector needs to encourage and support the introduction of these important players in the ecosystem.

The Sharing for Social Change event was an incredible opportunity to hold a conversation about partnership, collaboration and sharing. It was a way to celebrate what has already evolved but to also recognize how much more work we have to do together. This topic is central to the DNA of our sector. To become more effective and reap the benefits of sharing, we are going to need to take risks and bring our whole selves to this work. We can't blame the funders – instead the third sector needs to take initiative and do the work of building better systems for sharing; it must drive the solution before it becomes mandated.

Appendix 3

Setting out details of a Collaborative Process

Cooperative inter-organizational relationship development process

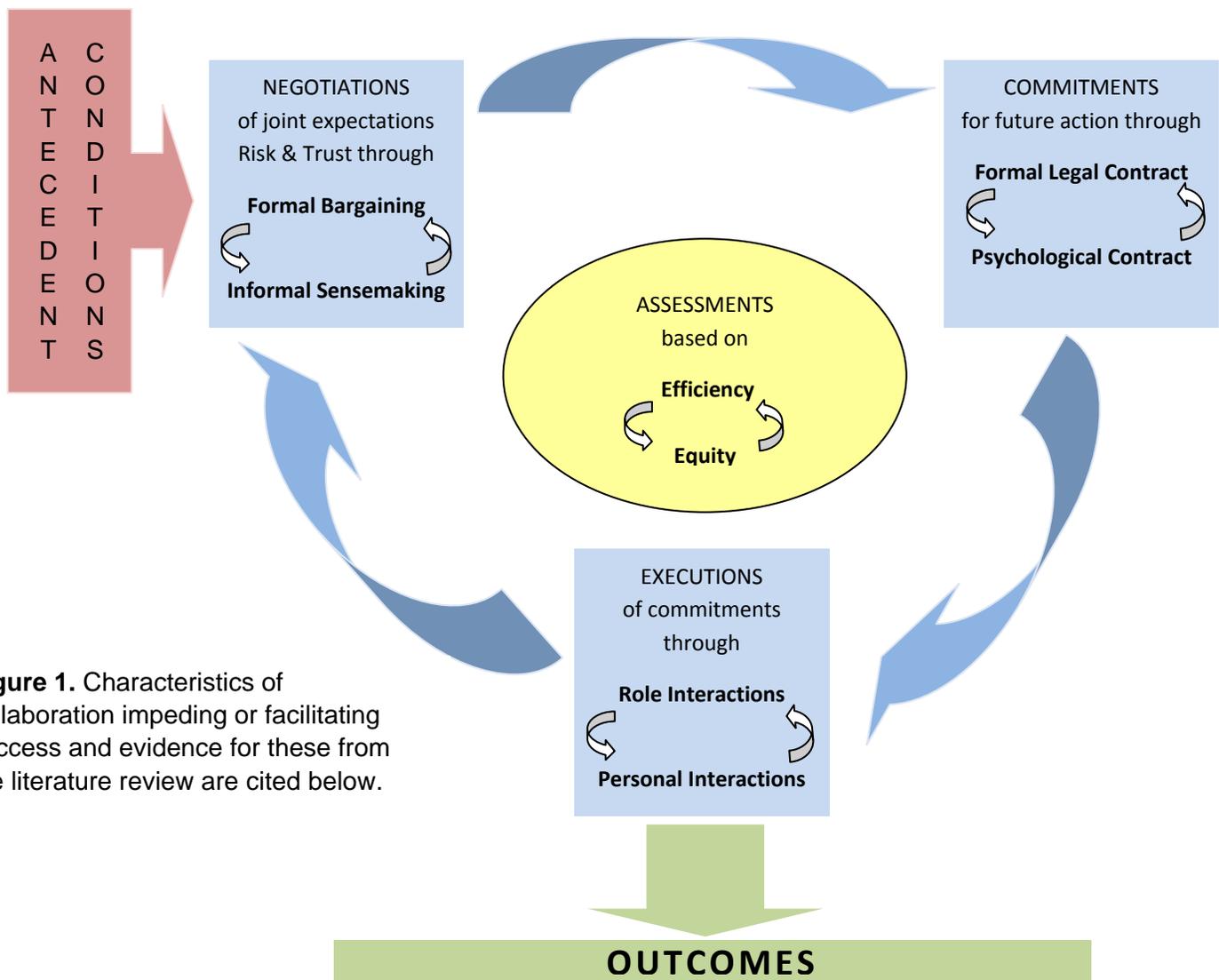
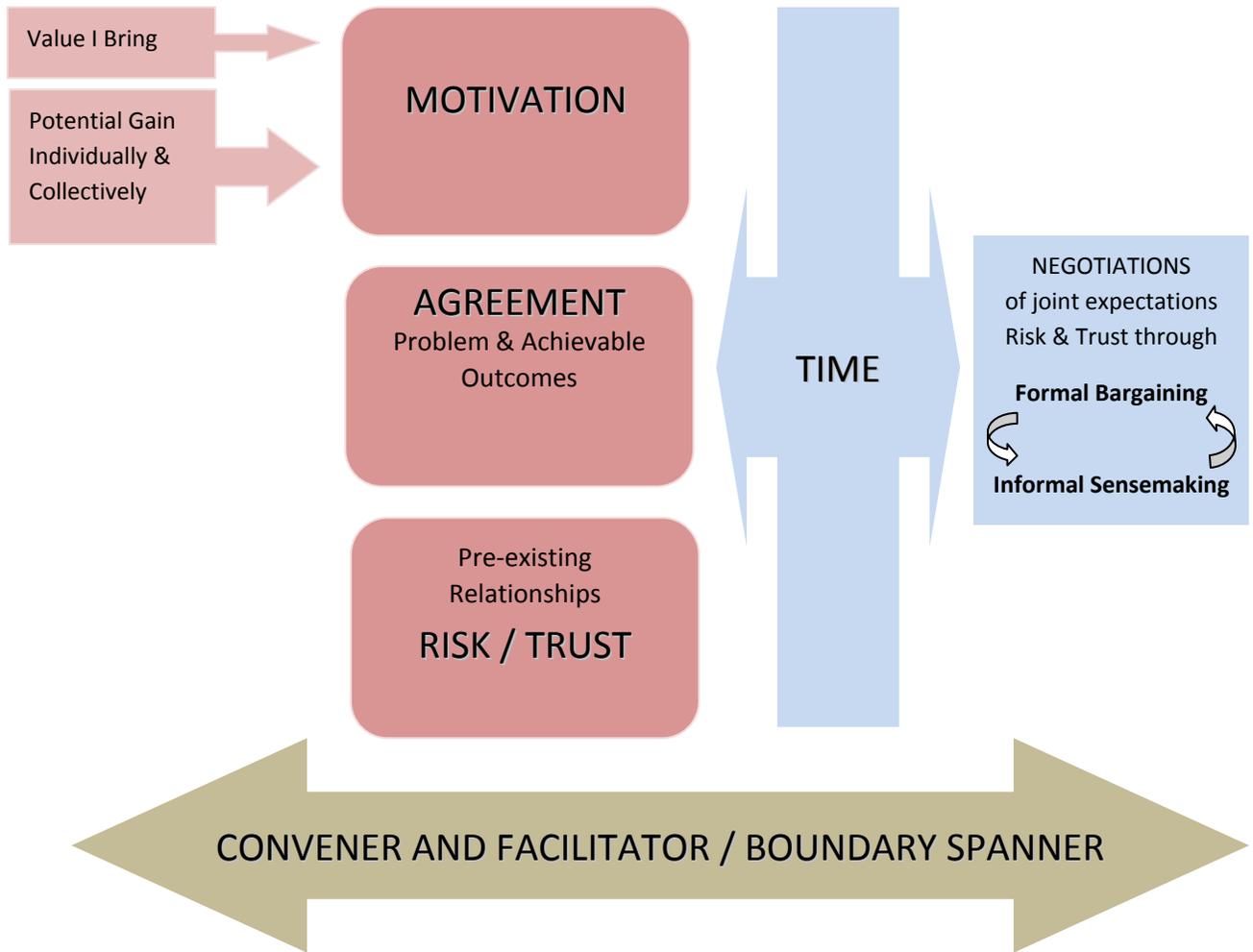


Figure 1. Characteristics of collaboration impeding or facilitating success and evidence for these from the literature review are cited below.

1. **Constantly Changing.** The model reflects social construction of reality as a governing principle. Any one or all three stages of the process are constantly recurring explicitly or tacitly as interactions and interpretations invoke reactions and re-assessments of initial assumptions (Stone, 2000). As such, participants are constantly re-evaluating the value they gain from collaboration against the costs such as loss of autonomy.
2. **Dimensions in Balance for Each Participant.** Key dimensions of a collaborative process are suggested to be governance, administration (coordinating and monitoring), organizational autonomy, mutuality (mutual benefit in interdependence), and norms of trust and reciprocity (Perry & Thomson, 2006). Governance and administration are about structure, mutuality and norms of trust are about social capital, and reciprocity is about NFP autonomy. These five dimensions must be in balance and valued by each NFP for the agency to remain engaged. Of value in governance and administration means having a voice in the setting up of structure and the ongoing decision-making.
3. **Mindset Change.** Collaboration requires thinking about the world in a different way. It requires a shared understanding among all participants of the problem which is the client need, what are the real drivers of this need and what will address it, and a deep understanding as to how each other participant is necessary to solving the problem. This appreciation and respect of what others bring is fundamental to collaboration and requires moving beyond the hierarchical relationships and positions of traditional organizational forms (Wood & Gray, 1991).
4. **Assumptions varying throughout the term of the relationship are:**
 - a. **Uncertainties continuously govern relationships** (Stone, 2000). Ambiguity is inherent in collaborative process. Environmental ambiguity can be lessened through collaboration as each NFP gains some legitimacy and potentially, longevity. However, where pre-existing relationships are few and trust has not been generated, ambiguity as to the NFP's 'place' in the collaboration is dependent on the value the NFP is perceived to bring. Relationships implied through roles and responsibilities once defined, can lessen this ambiguity and allow the building of trust through interaction.
 - b. **Assessments of efficiency and equity are ongoing and relate to levels of trust.** Participants constantly assess the fairness of process and the gain from collaboration with the cost in effort and lost opportunity of doing it alone. To remain engaged, NFPs must feel a strong commitment to the overall outcome and personal gain from the interactions. Where NFPs establish relationships and trust builds, efficiency of solving problems—either client-related or interpersonally-related—increases to the benefit of meaningful productivity and overall outcomes.

5. Negotiations Stage:

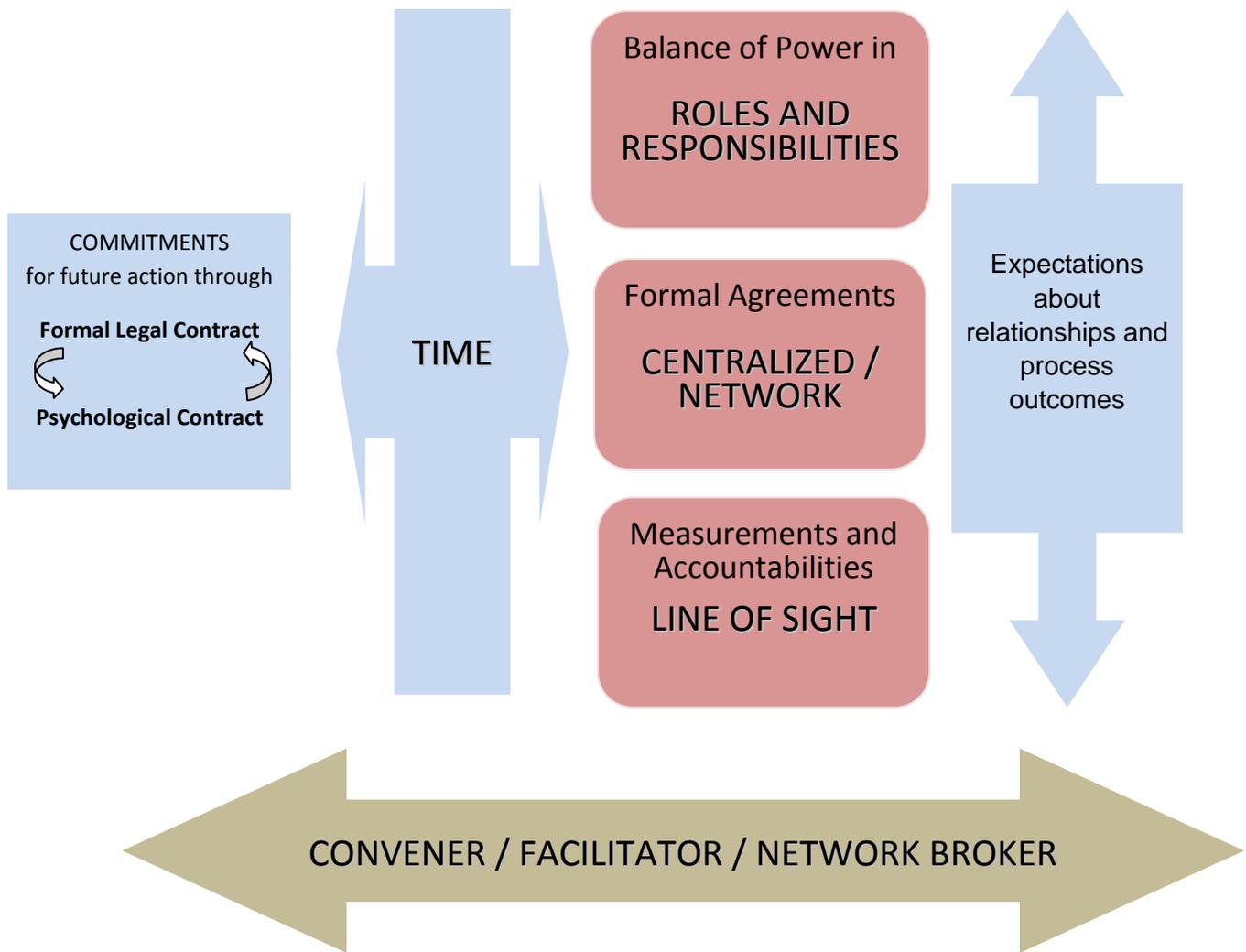


Consists of formal bargaining and constant sense-making as expectations governing the relationship are set. Underlying this stage are perceptions of risk and trust.

Specific factors include:

- A convener or overall sponsor may be required to initiate collaboration.
- Purpose, values, and expectation must be aligned and congruent among parties to ensure an ongoing relationship (Commons, 1950). Highly participatory processes among all stakeholders facilitates this alignment and subsequent commitment (Page, 2004). Critical to alignment and congruence are:
 - Common and clear mission (Huxham 2003; Ragan, 2003)
 - Commitment by all partners (Huxham 2003, Keast & Brown, 2006; Roche & Roberts, 2007);
 - Involvement of community representatives in setting goals and priorities (Ferguson, 2004); Ragan, 2003; Roche & Roberts, 2007; Shortell, 2002);
 - Alignment of goals of principals and agents (Provan et al., 2002—inferred);
- Information from front-line to governing body or from changing external influences may lead to recurrent negotiation as expectations need adjusting (Ferguson, 2004; Shortell, 2002; Stone, 2000);
- Power relations must be balanced initially and throughout the process and are managed through formal and informal processes (Huang & Provan, 2007)
- Negotiators' biases at any stage of the relationship influence interactions and outcomes (Carroll, 1987; Neale & Northcraft, 1991).

6. Commitment Stage:



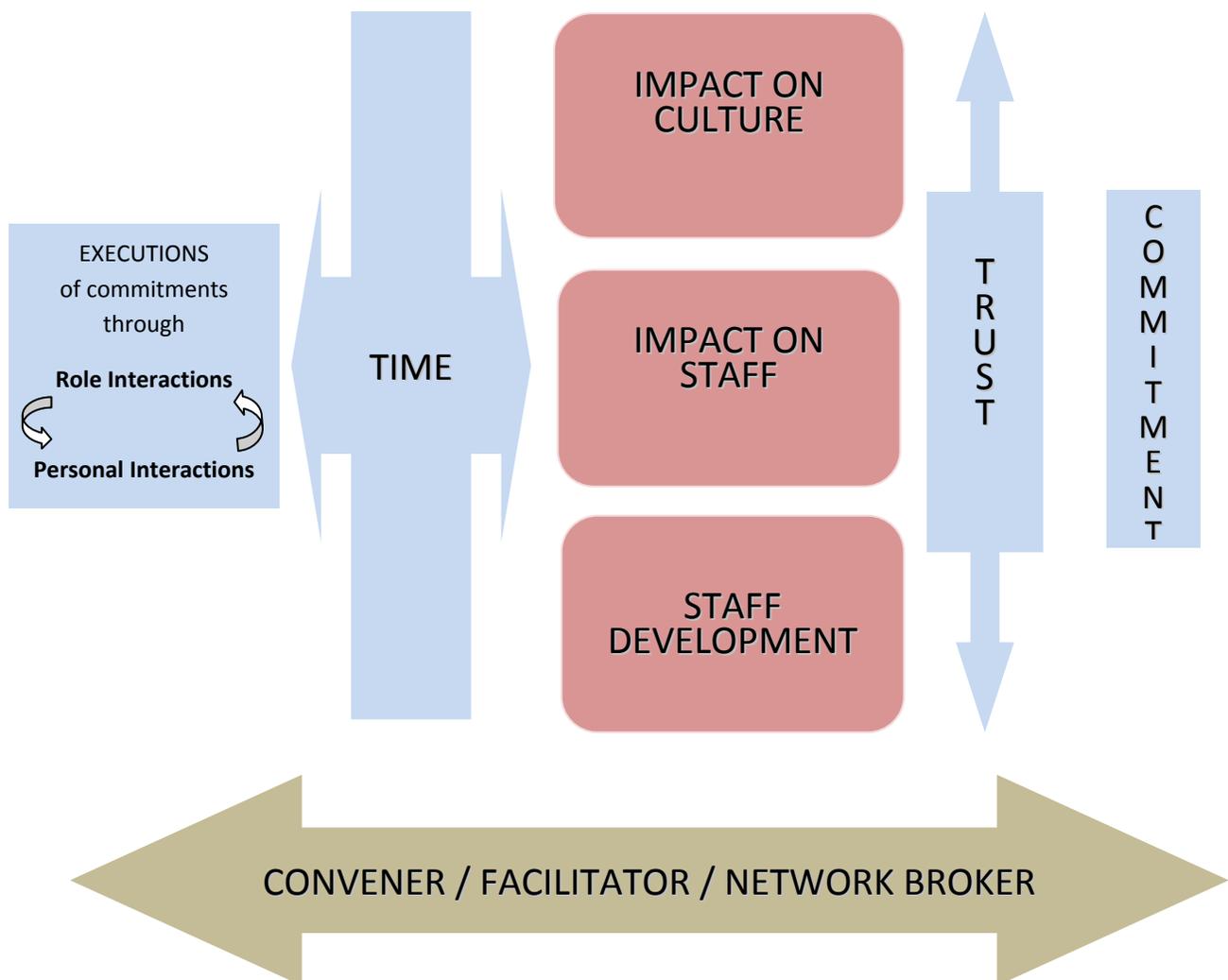
Rules and governance structure for the relationship are set--existing in either formal written contracts or informal psychological contracts. The commitments made today govern an uncertain future and occur through sense making and participatory processes.

Supporting evidence addresses:

- Structure
 - Governance structure reflects a balance of power (Ferguson, 2004; Shortell, 2002); governance structure of networks is minimally, a set of coordinating and monitoring activities to sustain the collaboration and affect client outcomes (Bryson et al., 2006)
 - Power relations balance is maintained through formal and informal processes (Hepburn et al., 2004; (Isett & Provan, 2005); Stone, 2000)
 - Formal agreements are necessary where large number of stakeholders (Hepburn et al., 2004; Roche & Roberts, 2007)
 - Agreements must be flexible to adjust to environmentally-induced or relationship changes (Roche & Roberts, 2007; Stone, 2000); this may necessitate iterative direction-setting and negotiation
 - Centralized and network structures appear to support better outcomes (Isett, 2005; Milward & Provan, 1995; McGuire, 2000; Provan et al., 2002; Shortell et al., 2002; Roche & Roberts, 2007); centralized integration with direct control at front-line level is necessary in professional service delivery (Milward & Provan, 2003; McGuire, 2006)
 - Accountability is necessary for inputs, processes, and process outcomes as well as overall client outcomes (Bryson et al.; Dowling et al. 2004); process outcomes include what is expected from a working partnership, what is expected regarding the relationships among participants, and how healthy is the partnership—for example, the level of trust (Chen, 2008). Client outcomes need to reflect potential tradeoffs in client outcomes as to which clients benefit (Selden et al., 2006).
- Resourcing
 - A network broker/facilitator is essential to catalyzing and coordinating (Brown & Keast, 2006; (Rugkasa et al., 2007));
 - Depending on the size of the consortium, resourcing of a project team to guide the effort is a requirement (Shortell, 2002; Ferguson, 2004);
 - If client-centred service delivery, then an IT systems integration solution may need to be funded (Townsend, 2004);

- Shared service arrangements may or may not be suitable (Gannon-Leary et al., 2006; Browne et al., 2004).
- Monitoring
 - Measurement, reporting, and evaluation means; accountability structure; and processes (Page, 2004; Shortell, 2002)
 - Accountability for results and measurement of outcomes requires IT system support (Page, 2004)

7. Execution stage:



This consists of carrying out commitments and rules of action. These commitments are embodied in role and personal interactions and change over time as familiarity breeds either greater or less trust. (Provan et al., 2002)(Huang & Provan, 2007). Although role definition introduces initially more predictability, uncertainty may subsequently increase or decrease depending on level of trust.

The impact of changes in process and culture on staff and the way in which these are handled affect staff commitment (Selden et al., 2006; Glisson & Hemmelgarn, 2005; Karaicha et al., 2004; Ragan, 2003). Although job enlargement and cross-training may be the opportunity for staff, other factors such as compensation, training, development opportunities and the community's acceptance of changes in delivery must be managed.

Leadership and the ability of each participant to manage the tension between individual self-interest and collective interest, preserving some autonomy and yet also sharing information for the good of the collective will affect the need for an ongoing facilitator or network broker. Wood and Gray (1991) suggest that "collaboration can occur if stakeholders can satisfy one another's differing interests without loss to themselves (p. 161)." A focus on individual versus collective interests may impact managerial decisions, network distribution and client benefit (O'Toole & Meier, 2004).

8. **A beginning and an end:**

The relationship may dissolve in time once initial commitments are met or due to environmental changes, misunderstandings and conflict, and subsequently, changing motivations. These motivations are based on assessments of equity and efficiency.

Antecedents or initial conditions

1. **General Agreement on the Problem**

The problem has to be recognized similarly by all stakeholders important to addressing the problem (Gray, 1985; Bryson et al., 2006). This takes time and effort and it is this incredible time pressure that often works against collaborative efforts; working alone is much more simple than working as a group.

2. **Relevant stakeholders and interdependencies or relationships**

The number and diversity among relevant stakeholders and the interdependencies and relationships among them are determining factors to how and how quickly a potential collaboration moves through the processes of negotiation, commitment, and execution (Gray, 1985; Mandell and Steelman, 2003). This may happen more easily in bottoms-up collaboration where NFPs already have established relationships and share information and resources informally. More complex collaboration will require more time and orchestration to build levels of trust among participants such that the collaboration can generate positive outcomes.

3. **Motivation**

Motivation for collaboration exists as an antecedent but also is inherent in the sustainability of the collaboration. As an antecedent, motivation to collaborate includes access to resources and expertise, potential improvement in service quality and community access to

service, and increased relationships, often increasing legitimacy (Ragan, 2003; Brudney & Gazley, 2007). However, for the collaboration to survive, motivation based on identity and inclusion through sense making and bonding is critical (Turner, 1987). Parties have to continuously ‘want’ the relationship (Gray, 1985).

Other Factors

These factors are inferred in the collaborative process framework used here. However, their importance is evident directly or indirectly in literature reviewed and as such requires further elaboration.

1. Leadership

An effective leadership team and management with the appropriate skills and abilities are critical to ‘good’ collaborative process (Shortell, 2002) and longevity of this team affects the stability of the collaboration. Effective leadership where government sponsors are involved means governments contribute with equal voice to the problem agreement, direction-setting, and negotiation stage. Once a governance structure is in place, then government sponsors step back allowing the expertise and ability of NFPs to carry the service delivery commitments autonomously and interdependently.

Capabilities important for collaboration to work include the ability to:

- Demonstrate political and instrumental capabilities
- Manage size and diversity of stakeholders
- Maintain focus
- Manage and channel conflict
- Adapt to changing environment
- Share leadership
- Empower others at all levels and of particular importance to NFPs, effectively delegate authority and resources to levels of front-line staff
- Develop staff

2. Communications

Effectiveness of communications among parties and the resulting sensemaking that occurs will govern the congruency of purpose, values, and ongoing expectations and subsequent reinforcement or change as changing circumstances require (Hultberg, 2003).

3. Trust

Trust is a principle of successful collaborative relationships (Ragan, 2003; Townsend, 2004; Brown & Keast, 2006; Bryson et al., 2006). Trust builds slowly and as such initial interactions need to be small. Initially where trust has not been established through interaction and experience, definition of roles agreed to by participants defines relationships and sets expectations. As trust builds through ongoing interaction and the continual assessment of equity and efficiency, it promotes further interaction and expansion of formal or informal contracts, with an emphasis on informal (Isett & Provan, 2005). This building of trust can be inferred from network analysis reflecting increased embeddedness and involvement of participants (Provan et al., 2002; McGuire, 2006) and may result in innovation (Lawrence et al., 2002). Additionally, as the number of successful interactions increase over time attachment to the relationship increases. The depth of relationship or amount of social capital will determine the impact of momentary breaches in commitment (Provan et al., 2002; McGuire, 2006). This depth of relationship also supports the longevity of the relationship (Milward & Provan, 2003; Provan, 2007). Concurrent with building of trust is reduction in effort or transaction cost associated with interaction and an increase in managerial or participant action flexibility beyond the original contract.

4. Contingencies or constraints

The following are conditions affecting the strength or longevity of the collaboration:

- a. Stability of the collaboration regarding funding and stakeholders; recognition of the longer-term need (Ferguson, 2004; Keast et al., 2006; Milward & Provan, 2003; Scott, 2003; Townsend, 2004);
- b. Recognition by funding bodies of the amount of time and resources required to ensure successful collaboration process (without as yet much evidence of its effect on client outcomes) (Leutz, 1999; Gazley & Brudney, 2007; Walsh et al., 2006; Clarke & Glendinning, 2002; Hultberg, 2005); Polivka et al., 2001);
- c. Capacity of NFPs (Poole, 1997; Brudney & Gazley, 2007) to engage in collaboration including capability, time, and resources;
- d. Negative attitudes on collaboration from either funders or other NFPs based on prior experience or concerns such as loss of independence (Brudney & Gazley, 2007);
- e. Readiness for detecting and addressing environmental and organization changes; changes may trigger a strategic planning process iteration and potentially renegotiation, commitment, and execution...no different from for-profit (Stone, 2000). Pilot approaches to refine and expand strategy are useful for learning and readjusting before implementation (Berry, 2008).
- f. Legitimacy within the community—if the community is not involved in the upfront problem recognition and direction-setting, the collaboration may not work (Ferguson,

- 2004). However, the type of service delivery considered and the nature of the client relationship affects the receptivity of the client to the collaboration's services.
- g. Many contingent factors affecting the unfolding and shape of the collaboration. Although common themes and practices are evident across service delivery collaboration, much variation exists within specific studies with multiple locations and across studies in seemingly the same service delivery area. These differences reflect the different contextual factors influencing the initiatives, from policy at different levels of government through to population variations affecting client diversity and need. These differences justify collaborative solutions.

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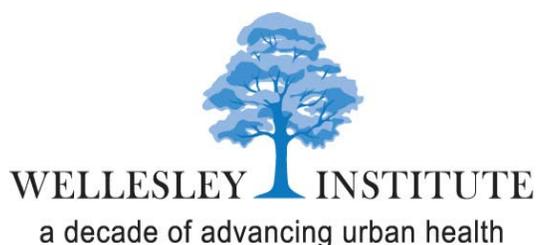
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