

INTER-ORGANIZATION COLLABORATION & PARTNERSHIPS: A CRITICAL ANALYSIS

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Introduction

In our work in multiple sectors and systems the authors have observed a particular emphasis on collaboration as a strategy within and among organizations and systems. However, we have also noticed that the term collaboration has very different meanings to different people and systems. The result is often frustration and disappointment rooted in misaligned assumptions about the nature of the working relationship each partner intended to build.

Economic, political and socio-cultural forces in the marketplace are challenging businesses, government organizations and nonprofits to work together in new ways. Organizations may partner to increase services, reduce duplication and overhead or leverage shared resources. Strategies may range from information sharing to joint ventures or mergers.

Unfortunately, inter-organizational partnerships are easier to talk about than implement. Distinct organizational attributes that are the basis for working together often become barriers. As organization development (OD) practitioners become increasingly involved in working with multiple systems they may turn to models and tools rooted in team building, business development, community development, whole system change, complex adaptive systems and other sources.

In this context we have also taken note of the growing body of literature that focuses on collaboration as a specific approach. In reviewing this literature in the context of our experiences in the field we have noticed significant similarities and differences among the models presented. The challenge for practitioners is determining which approaches may be most useful in distinct situations.

In this article the authors present two models used in the workshop to answer two key questions. First, how can we distinguish between degrees of working together in ways that allow people in organizations and systems to understand the significance of the differences and communicate in a common language about their choices? Secondly, what conversations do people entering into partnerships need to engage in to make informed choices among distinct options?

We believe practitioners can use these models to choose among collaboration tools they may choose to use in their work. The workshop will provide participants with a chance to use these tools to review several recognized collaboration models. Participants will be encouraged to share challenges they have faced and provide insights they have gained from their experiences.

A Working Together Continuum

In the same way we can look at individual behavior in group settings on a continuum from wholly self-focused to wholly other-focused, we can look at the behavior of organizations that work together in terms of the relative importance they place on protecting their distinct interests or achieving shared interests. Several years ago Richard Boettcher, Ph.D., (Professor of Social Work at the Ohio State University) shared an unpublished article with Chris Kloth in which he described organizational relationships in a linear continuum and in which he identified five types of organizational relationships. Building on his work, Chris adapted the continuum into a circular image to reflect additional dimensions of inter-organizational relationships in large, complex systems. For purposes of this article and the workshop we will limit our focus to describing the five types of relationships.



Independent: Before organizations begin to work together they may be described as working independently. Each has its own mission, vision, values and priorities, as well as its own distinct boundaries. Even when they are in the same sector or field, which might represent a basis for common interest or action, many organizations remain solely focused on shaping their own position in the sector or field. While they may know about their “competition”, they may not talk with their “competitors” about their read on future trends, new services or products they will offer or

their financial strategies. In fact, they may hard to maintain secrecy about information related to their operations.

Coordination: Sometimes organizations in the same or same sector will find that there is value in coordinating efforts. When government entities consider legislation or regulation on fuel efficiency or driver safety regulations, automakers may decide that they will present a common message on the cost of regulations to the consumer, industry and workforce. In the process of arriving at the common message they will probably not share information about how their engineers are designing fuel efficiency or safety improvements that will profit the company in the future.

By the same token, community-based human service agencies may coordinate how and when they provide families with drug counseling, housing assistance, educational assistance or job training and child care. However, they may not disclose the fact that they are trying to expand the base of services they can offer within their agencies or that they are submitting competing proposals for grants where they are lowering the fee they may charge a particular funder to a rate below what they charge another for comparable services. Whether it is auto- makers or human service organizations, the coordination relationship allows each to work together on common interests while maintaining their boundaries and ability to pursue distinct interests.

Cooperation: There are times when businesses or agencies may work together to meet a need in the marketplace by recognizing their distinct strengths. Rather than manufacture every part of a car within a single company, the auto company contracts with other companies to make the parts and then assembles them. They provide a very specific set of technical specifications to all their partners, but may not share company strategies for marketing the product or information about other products they have in development.

When a nonprofit's mission is to build the organizational capacity of state and local organizations focused on urban and community forestry, they may contract with individual organizations to provide OD, technical assistance, training, etc. Together they will create a constituent specific plan for increasing the organizational capacity with measurable benchmarks to help ensure future sustainability and will share information related to their observations on how the constituent is progressing and feedback from training evaluations. However, they may not share information on how the two cooperating organizations are dealing with their own internal capacity building or internal strategic debates on the impact of future trends in nonprofit capacity and infrastructure building on future services provided. As with coordination, each organization is able to maintain distinct boundaries and interests. However, they do work together with a very specific shared outcome that each has an important part in achieving.

Collaboration: Some businesses or agencies find that they have a shared goal that is best achieved by opening their organizational boundaries enough to share what might otherwise be considered proprietary information. One company in a very narrow niche in the military electronics field invited its two competitors to attend a future search conference to support the company's strategic planning. One result was agreement among the three to standardize a particular technical specification throughout the industry. This decision was analogous to the decision in the consumer electronics industry to make VHS an industry standard. In both cases it allowed all three to save costs in a very expensive part of the production process while they continued to compete on price and features.

When U.S. Senator George Voinovich was Governor of Ohio he wanted to develop a statewide program that would address early childhood education and childcare issues for families. He knew that his program would face many challenges and that he would need a broad base of support to pass and sustain it. He partnered with the Ohio Head Start Association to hold a future search conference that included Head Start moms, cabinet level appointees, teachers, child care workers, advocacy groups from diverse constituent groups (including some that actively opposed his election), and others. The result was a set of "minimum critical specifications" which his program would need to achieve if he was going to be able to count on their active support. The plan that was approved and implemented met those specifications and now, two governors and two party changes later, still influence public policy in Ohio.

In the context of this continuum, the key to collaboration is that organizations are willing to open their boundaries to achieve a compelling common purpose. They may have to

share financials, change internal policies and practices to create alignment and synergy. They choose to share control and accountability for their future with others over whom they have no direct influence.

Integration: Finally, some organizations may find that their interests are so similar and their futures so intertwined that they choose integration, which most commonly takes the form of a merger or acquisition. Businesses may determine that the price of competition, access to market share or other interests make integration desirable. Agencies may determine that the cost of overhead and competition for limited grant or donor funds undermines their ability to focus on serving their constituents.

Full Circle: Ironically, and one reason for adapting Boettcher's original image into a circle, is that every merger provides the parties with a chance to revisit the position of being independent in the sector. After banks and hospitals merge they become part of increasingly diverse financial and health care industries. In the seventies alcohol and drug abuse treatment systems in many parts of the United States began to engage in talks about the ways in which the competing systems were serving the same people and how the costs of maintaining two systems diverted funds from direct service. When they did combine the systems they discovered that they were part of a new, independent system of organizations competing in the larger health care marketplace. And finally, after two progressive national advocacy organizations considered merging to better leverage financial resources, knowledge, and name recognition and to increase and better serve their constituent base, they concluded that they were best positioned to leverage their resources and serve their overlapping base by remaining separate organizations.

In presenting this perspective as a continuum it is important to note that none of these approaches is inherently better than any of the others. On the contrary, the key is to choose which approach is likely to be most effective in the context of the work of the partners. Further, organizational partners may find that it is appropriate to engage in different approaches with the same partner, depending on the nature of the shared interests. In this context, the authors' offer six attributes of working relationships that will help potential partners make informed choices about the nature of their relationship.

Six Working Together Conversations

In order to determine which approach to working together is most appropriate for a specific relationship, the potential partners need to engage in very focused conversations about their images of the relationship. What should they talk about? Included in the 1981 University Associates Annual Handbook for Group Facilitators is an article by Udai Pareek entitled "Developing Collaboration in Organizations." (pp.165 – 182) In his article he called attention to the relationship between goals, power and trust in building collaboration.

In our years of experience in public and private sector settings the authors have noticed the extent to which these three issues have been at the core of issues enriching or undermining organizational partnerships. However, we have also found that looking into

these three factors frequently uncovers three related factors. The following model, rooted in Pareek's original image, has been adapted to reflect these additional factors.

None of these factors will be a surprise to any experienced OD practitioner. While there are many additional layers of work that can emerge from this model, for this article and this workshop we have chosen to limit our focus to presenting the six factors as the basis for key conversations partners need to engage in to build and sustain any form of working together. We also believe they will help organizations to make informed decisions about which approaches to working together are most appropriate for their relationship.



Shared Goals: The first conversation is about shared goals. While most potential partners have begun their work together with this conversation, often they have limited their focus to the most obvious and superficial of their shared goals. They may have talked about a desire to reduce costs and better serve their constituents, but they may not have come to terms on which costs they intend to reduce, how much reduction is expected or which aspects of serving their constituent they intend to improve and to what extent. They usually have not had a

conversation about the fact that, as distinct organizations, they have aspects of their mission, vision, values, policies, procedures, employment contracts, etc. that are non-negotiable or beyond the scope of the working relationship.

The key to this conversation is to get as clear and comprehensive as possible in defining the shared goals in concrete terms, relevant metrics or other appropriate indicators of success and what areas of the relationship are non-negotiable or simply out-of-bounds because they are irrelevant to the relationship.

Shared Power: The second key conversation is about shared power. This notion of power begins with the idea that power is defined as the constellation of knowledge, skills, perspectives and other resources that are required to achieve the shared goals. In this context it is inherently neutral, like the engine in a car – if there is no engine the car goes nowhere. Partnerships are formed for the purpose of making it easier to achieve shared goals by leveraging the common and distinct resources each partner brings to the table.

The key to this conversation is to be clear and thorough in identifying all of what is needed to achieve the shared goals and to engage in a candid assessment of the quantity and quality of resources each partner will be expected to bring to the table.

A Shared View of Legitimate Interdependence: After engaging in the first two conversations it is essential that the parties affirm their belief that they are legitimately interdependent with respect to their shared goals. This is a reality check. If one or more of the parties is not sure another is really committed to the goals or believes they can

achieve the goals on their own or that one of the parties is really not going to be able to “pull its weight,” then the parties should seriously question pursuing the relationship. They may choose to invest in helping to develop the capacity of one party in the interest of a larger purpose or they may walk away at this point.

Mutual Respect & Trust: At the core of interdependence is vulnerability. The closer the parties move from coordination to collaboration, the greater the potential vulnerability and the greater the need for trust and respect as a core element of the relationship. The challenge is that mutual respect and trust are rooted in experience. They take a long time to build and a short time to undermine or destroy. Most potential partners have some history with one another, which means they probably have some basis for both trust and mistrust.

The challenge of this conversation is putting it in the proper context. It may be easy to say we need to operate from a base of trust and respect. It is often harder to be honest and open about what each needs as evidence of trustworthiness. Often we are not sure. We may not be aware that we are carrying fears rooted in past experiences with the other organization, some of its people or an organization that we sense is similar to the other organization. If the parties are aware of these issues it is helpful at this point to name them and establish a basis for moving on. Unfortunately, parties are often unable or unwilling to engage in this conversation right away. Therefore, the next two conversations are essential to building and sustaining trust and mutual respect.

Shared Control: The link between shared power and mutual respect is shared control. If we need each other to share knowledge, skills, perspectives and other resources to achieve our shared goals, then we need to have confidence that we will get what we need in sufficient quantity, of sufficient quality and on time to do our part of the work.

The key to this conversation is being clear and comprehensive in identifying what it takes to use our shared power effectively and efficiently. We need to talk about what will be needed, when it will be needed, what quality will be required and what systems will be needed to assure that each party can do its part. Also, transparent, mutually respectful systems need to be put in place to allow the parties to provide and gain timely feedback on how the processes are working and how to make adjustments if they are needed.

Shared Accountability: The link between shared goals and trust is shared accountability. The purpose of the relationship is results. If the conversation about shared goals was thorough then this conversation is about setting up systems that are capable of noticing the extent to which the agreed upon metrics and other indicators are being achieved. In addition, it is essential to establish early in the relationship how and when the information gathered will be used.

The key to this conversation is making clear that the purpose of the relationship is results, performance improvement and continuous learning – not judgment. Feedback is to be collected and delivered in a mutually respectful manner that enhances both the quality of the work and the quality of the working relationship.