Playing in the Sandpit Together, Alone; Partnerships and Collaboration in the Community Sector

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Abstract

The community services sector is the largest provider of non-profit human services in Australia. This sector has experienced considerable growth as a consequence of public policy and sector reforms introduced by successive governments over the past two decades. These reforms have seen the introduction of private sector managerialist agendas, outsourcing of government services and competitive tendering processes.

As the community sector has grown governments have sought to consolidate program funding mechanisms, simplify contracting out arrangements and encourage collaboration and formal partnerships through national tender processes. In recent years there has been significant evidence of governments actively encouraging formal intrasectoral partnerships and consortia in program tenders. While there is a considerable body of overseas and national literature on partnerships and collaboration, the predominant focus is on intersectoral relationships such as public-private partnerships between government and the business sector or government contracted services to the community sector. This research responds to a call for more local research on partnerships and collaboration in the Australian community service sector. A case study approach was used to examine the key drivers of intrasectoral partnership and collaborative practice in the context of the literature within business, government and community sectors.

The study found prior interactions between organisations significantly influenced whether these drivers were viewed as strong, weak or ambiguous. The findings contribute to the understanding of intrasectoral partnerships and collaboration in the community sector in that prior relationships understood as parallel (i.e. disengaged) or cooperative in nature, can be predictive of potential partnership relationships and outcomes.

Background

The extensive literature on partnerships and collaboration has traditionally focussed on business partnerships and public-private partnerships, although since the 1990s research has emerged on partnerships and collaboration in the community sector. The limited body of partnership research in the community sector reinforces a "need for local studies in developing an understanding of merger and other forms of strategic restructuring, rather than relying on the international and/or private-sector literature" (Baulderstone, Presser et.al 2008: 68).

The literature explores these various partnership contexts using themes such as the distinctions between partnerships, collaboration and coordination; the continuum of partnerships from voluntary to statutory; barriers to, or 'blueprints' for effective partnerships; recognition of the need for partnership to respond effectively to the challenges of

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globalization, technological changes, the recognized impact of social capital and increasingly complex social and economic issues; and the need for new forms of governance and institutional structures.

Collaborative and partnership relationships identified in the literature cover a wide range of purposes and timeframes from short term (specific project-based activities, joint ventures et cetera) to longer term relationships such as mergers, acquisitions and consortia. There is an abundance of such relationships in the corporate sector evident in industries such as airlines (mergers, route sharing, customer rewards schemes involving other commercial enterprises), automotive industry (mergers, cross-badging and supply), alliances between environmental organisations and business and also between governments and the business sectors in public-private partnerships (e.g. construction of public works and delivery of social services).

Organisations in the community sector engage in partnerships or collaborative practices for a variety of reasons and often prompted by a number of different 'drivers' to those in the business sector including organisation's own analysis of risk and opportunity, relationships between key personnel, requirements of funding bodies and the vision or aspiration of network peak bodies or governing bodies.

This paper explores particular issues and themes of partnerships and collaboration in the Australian community sector through a case study research of four community service organisations that entered a formal partnership after an initial merger of two of these organisations was rejected.

The case study examined the circumstances and key drivers in the formation of the partnership, and how these contribute to our understanding of collaborative forming conditions in two alternative forms of inter-organisational relationships, viz. partnership and merger formations.

Partnerships, Collaboration and Play

The title of the research draws on the significance of play described in psychologist Jean Piaget's influential theory of early childhood development. Piaget's four stages of play, viz. solitary, parallel, cooperative, and highly cooperative stages provide useful distinctions in

understanding partnership and collaboration as a continuum with varying levels of engagement.

'Together, alone' refers to an important developmental distinction of parallel from cooperative engagement which this research found relevant to relationships between the case study organisations. Moreover, consideration by community sector organisations of higher levels of intra-sectoral collaboration (partnership or merger) was examined in the context of their history and extent of parallel or cooperative of engagement.

Context for this Research

An increasingly globalised economy has seen the development of alliances in industry become common place, whether as one-off partnerships, joint ventures or full mergers. Organisations, particularly those in the business sector, have recognised the ability to increase competitive edge is a key corporate asset or 'collaborative advantage'. This refers to "a well developed ability to create and sustain fruitful collaborations…" (Kanter 1994: 96).

Research on organisational cooperation has only recently been viewed as important although there has been a long history of literature in psychology and sociology disciplines regarding cooperation between individuals and groups (Smith, Carroll et al. 1995). It is only since the 1990s that research has focussed on partnerships and collaboration specifically to the community sector (Kohm 2000). Much of the early theory and research on organisations focussed on single organisation theory and omitted looking at the interdependencies of the organisations and their dynamics (Gray & Wood 1991).

Internationally the community sector has experienced significant expansion following the contraction of the welfare state and introduction of New Public Management with greater demands for flexibility and efficiency in service delivery and greater outsourcing of government funding (Quiggan 1999; Casey & Dalton 2006). Some have described this as a shift in the service delivery paradigm in which partnership and collaboration is now necessary in order to be competitive and provide better services (Giffords 2003). Emerging ideas of social capital articulated by Putnam in the 1990s and the development of the UK Labour Party's 'third way' policy highlighted a stronger role for the community sector to the extent that it is regarded as a "key partner…[with government] in the reform of public services and the reinvigoration of civic life" (H.M.Treasury 2002: 3-5).

While managerialist agendas and the introduction of competitive tendering significantly impeded collaboration within the sector, federally funded programs more recently in Australia have actively encouraged formal intra-sectoral partnerships and consortia. This change in policy is reflected in a report commissioned by the Australian government recommending a

> "need to strengthen the...sector through increased contact, consultation and co-operation among funded agencies…Refinement of certain aspects of the process of tendering for... funds could help reduce any negative aspects of inter-agency competition" (Urbis Keys Young 2004: ii).

Definitions of Partnership and Collaboration

A wide range of terms are used in the literature to describe various working relationships and with an equally diverse range of meanings being applied (Ring & Van de Ven 1994).

This is unsurprising since these terms describe both inter-organisational processes (i.e. interactions between parties which presuppose some form of relationship) and forms (i.e. the organisational or operational structure). Collaborative processes refer to interaction or negotiation between parties working together, while terms such as 'cooperation' or 'coordination' are used by many authors to differentiate more informal interactions from other descriptions which are applied to 'higher order' action (Thomson & Perry 2006).

Process definitions of collaboration focus on the nature of the relationships rather than their form. For example, Huxham and Vangen define collaboration as "…the full range of positively oriented inter-organisational relationships including, partnerships, alliances, joint ventures, networks…collaborative forms of contracting and out-sourcing, joint working and so on" (Huxham & Vangen 2005: 3). Other definitions of collaboration include "…the act or process of shared creation or discovery…" (Thomson & Perry 2006: 20) or more simply creating new value together (Kanter 1994: 97).

The term 'merger' is least ambiguous and describes changes to corporate control and/or structure and implies a new legal entity (Baulderstone, Presser et al. 2008; Cairns 2003; Charity Commission 2003; Kohm 2004). Some authors argue merger decisions are now more

likely in the Community Sector and regarded as a "strategic choice" rather than a response to survive a crisis or deal with uncertainty or scarce resources (Cairns 2003: 4).

Regardless of definitions, many authors note that partnerships and collaboration are characterised by uncertainty, complexity and ambiguity (Baulderstone 2008; Boyce, Macintyre et al. 2006; Huxham & Vangen 2005). Partnerships and collaborations can also be viewed as socially contrived and dynamic forms of action shaped by the actions and interpretations of the participants and which determine their creation, evolution, maintenance and dissolution (Ring & Van de Ven 1994).

Cooperation, Collaboration and Partnership

Inter-organisational relationships are depicted in the literature as a variety of continua according to extent of formality, structural arrangements, level of engagement, activity focus or intensity of the relationship.

In a significant study of nearly 200 partnerships in the non-profit sector Kohm (2000) identified an integration continuum comprising 'collaboration' (high level of autonomy and low level of formality); 'strategic alliance' (organisations retain individual identity); and 'corporate integration' (changes to corporate structure and control). In this schema the term 'strategic restructuring' is an overarching term used to describe the alliance and integration forms in the continuum. These partnership forms consist of "formal and long-term integration of operations and corporate structure" such as occur in consortia and joint ventures (strategic alliances) and mergers (corporate integration) (La Piana & Hayes 2003: 55). Strategic restructuring occurs when autonomy is replaced by formal integration between organisations, usually reflected in written agreements and ultimately expressed in merger. This is consistent with business-based definitions of alliances as "…intentionally long-term contractual and equity-based (e.g. joint ventures) cooperative arrangements…" (Bell 2006: 1608) Others suggest a defining feature of 'strategic restructuring' is an overall strategy to increase competitive advantage (Hynes & Mollenkopf 2008).

A different continuum based upon relationships is proposed by Kanter to describe a range of interactions from weak and distant (e.g. "mutual service consortia" in which similar industries pool resources to gain benefit too expensive to acquire alone); mid range (e.g. joint ventures); and strong and close e.g. "value-chain partnerships" involving companies in

different industries with different and complementary skills which link their capabilities to create value (Kanter 1994: 98). In this continuum, the stronger the cooperative arrangements, the higher the commitments of partner organisations to engage in joint activities across a wider range of organisational functions and the more likely the relationship creates substantial change within each organisation.

Literature Review and Key Themes

Partnership Drivers

Partnerships and collaboration in the business sector are undertaken explicitly for economic or financial reasons e.g. to gain competitive advantage or increased market share. In the disciplinary perspectives of economics, commerce and business management literature drivers predominantly cited relate to efficiency, effectiveness, viability or survival.

Managing scarce resources through cost savings and efficiency measures were cited most commonly across research engaged by all disciplines and sectors (Boyce, Macintyre et al. 2006; Charity Commission 2003; Huxham & Vangen 2005; Hynes and Mollenkopf 2008; Kohm, La Piana et.al. 2000; Lober 1997; La Piana & Hayes 2005; Takahashi & Smutny 2002; Thomson & Perry 2006; Walker 2002).

Research in the UK found the most common motivations for charities seeking a merger were to increase efficiency (54%); as a way of rescuing a charity in difficulties (44%); and to prevent duplication or to improve services (42%) (Charity Commission 2003: 2).

Early research highlighted a crisis within an organisation or the existence of problems or increasing turbulence in the political, social or economic environment requiring multi-stakeholder collaboration to achieve a solution (Gray 1985, 1991; Lober 1997). These ideas emphasized the importance of increased leverage through ‘collaborative advantage’ (Huxham & Vangen 2005) or ‘collaborative alliance’ (Gray & Wood 1991). This became evident in the early 1990s when traditionally adversarial organisations began collaborating, as for example seen in the alliances between environmental groups, government and business to address a range of environmental issues (Lober 1997).

The impetus for formal partnerships and mergers within the community sector in recent years has been observed as an imperative for organisations to conduct their business differently.

Reasons for this include a sudden interruption to the status quo (such as the sudden departure of a key person, a financial crisis or funding opportunity) or alternatively entrepreneurial individuals who shepherd the idea of partnership through opposition (Kohm, La Piana et.al. 2000: 21).

Kohm's study found collaboration was a key factor to mitigate competition within the community sector and enhance legitimacy and competitiveness in bidding for funds (Kohm, La Piana et.al. 2000). In their study of non-profit organisations Kohm found that in circumstances in which organisations integrated their operations they were twice as likely to be motivated by reduction in funding and increased competition for clients (Kohm, La Piana et.al. 2000: 15).

Many studies referred to pooling of resources (Krsevan 2004), developing mutual exchange or synergies (Boyce, Macintyre et al. 2006; Huxham & Vangen 2005) and mutual dependence (Douma et.al. 2000) as a way of dealing with complexity. This can be to gain a benefit or asset too expensive for one partner alone; to improve services to clients (Kanter 1994; Wagner & Spence 2003); or achieve something that could not have been by one organisation alone (Huxham & Vangen 2005). This enables organisations to create or modify service delivery (Walker 2002) through complementary activities of partners which minimise overlap and provide value-added benefits for clients and partners e.g. sharing expertise, problem solving and staff training and development (Cairns 2006).

A defining driver of the non-profit sector as distinct from corporate organisations is expressed in their sentiment of "mission – that is the change that organisations are seeking to effect in the world" (La Piana & Hayes 2005: 11-12).

Achieving common visions is articulated as a driver by researchers (Cairns 2003; Huxham & Vangen 2005; Kohm, La Piana et.al. 2000; Douma et.al. 2000; Walker 2002; La Piana & Hayes 2003). The importance of a shared strategic vision in regard to future developments within an industry or sector (Douma et.al. 2000) underscores the importance of strategy as an explicit aspect of operations in which corporate plans are informed by current and anticipated opportunities and threats.

In the non-profit sector, an organisation's 'mission' reflects a commitment to social and community development (Walker 2002), building social capital and advocacy in social policy (Cairns 2006). This suggests more altruistic drivers for partnership which have as their premise the belief that important issues facing society cannot be tackled alone or simply by sectional interests (Gray 1985; Huxham & Vangen 2005).

Research in technology-based industries characterised by high levels of partnership formation (and failure), highlights the importance of strategy as a central feature of their operations (Hynes & Mollenkopf 2008). Similarly in the community sector, the role of forecasting and planning is emphasized in developing a strategic agenda (Kohm, La Piana et.al. 2000) in order to improve quality, range or efficiency of organisations as well as manage funding risks or threats of closure. Melville for example argues the community services sector needs to engage in "…critical self-reflection so that it can strategically reframe its own partnership agenda and seize political opportunities within the current institutional context" (Melville 2008: 104).

Finally, political factors in the form of policy initiatives, local political relationships and changing funder mandates will influence the development of partnerships (Cairns 2006) and the spatial dimensions which enable or constrain these developments (Takahashi & Smutny 2002). In the context of the community sector this implies participation in policy development (Walker 2002) or agenda-setting through advocacy to policy makers (Lober 1997).

Facilitating Processes of Partnerships

The outcomes of alliances are "…inextricably linked to the initial objectives and motives for forming an alliance…" (Hynes & Mollenkopf 2008: 196). Indeed the initial conditions in which an alliance is formed can result in "stable imprinting" which will either cause inertia or adaptive, generative conditions within the alliance (Doz 1996: 55).

Early contributors recognised the existence of a catalyst as the first stage in determining whether merger or partnership considerations arise. Many authors point to actions of particular individuals, agents or organisations in key positions which act as a catalyst in facilitating partnerships (Boyce 2006; Douma et.al. 2000; Kanter 1994; Lober 1997; Walker 2002; Winer & Ray 1994).

Clear ‘communicating infrastructures’ that enhance information transmission, build trust and support growth are particularly important in the initial negotiations and relationship building phase of partnerships (Boyce 2006: 13). In the early stages of partnership, participant interaction has been likened to a ‘melee of cycles’ in which participants’ identities can be aligned or ambiguous, reflecting consistent (positive or negative) or divergent expectations. This has significant implications for organisation’s sense of ownership in the partnership (Huxham & Vangen 2005: 198).

Douma et.al. (2000) found the success of alliances depended on partners’ alignment or fit (defined as a balanced package of strategy, structure, processes and managerial ideology) and a dynamic process of responding to change in either the external environment or partner organisations.

Kanter identifies key elements in the early stages of partnerships include knowledge of self, markets and experience in evaluation of partners; rapport between CEOs and Executives to ensure goodwill if tensions develop; and compatibility based on common experiences, values, principles, and hopes for the future (Kanter 1994: 101).

Project Methodology

This research chose a case study approach to enable examination of two quite different scenarios of inter-organisational cooperative relationships involving four independently incorporated church-based community organisations of the same religious denomination. These first of these scenarios involved two similar sized organisations considering a full formal legal merger and resulted in a decision not to pursue this option. These organisations (“CSO 1” and “CSO 2”) located within the same capital city were of a similar large size with respect to funding, staffing and a history dating back to the early 20th century.

The second scenario examined is a formal non-contractual partnership entered into by the original two organisations with another two organisations (‘CSO 3’ and “CSO 4”) with each maintaining their individual identities. Of the other two organisations that joined the partnership one which was significantly smaller in size and based within the same capital city (CSO 3) while the fourth organisation (CSO 4) was based in an industrial and commercial regional centre servicing a large agricultural hinterland. CSO 3 had substantially the longest

history of all the partnership organisations, having commenced operation in the middle of the 19th century while CSO 4 commenced operation in the early part of the 20th century.

The common church affiliation and longstanding history of the organisations provided additional dimensions to the case study. By using a case study methodology the research was able to explore the range of issues identified by key personnel in leadership positions who were involved in both the merger and partnership negotiations. The participant sample did not include staff as their involvement was confined to limited implementation focus group consultations rather than decision making processes of the merger or partnership considerations.

Primary data was obtained through semi-structured participant interviews to elicit a wide range of perspectives (Dey 1993). Secondary data sources in the form of organisational documentation were reviewed. These sources evidenced the factors which influenced partnership, how these factors aligned with processes undertaken by the organisations and the decision ultimately to enter a formal partnership as opposed to an initial merger proposition.

The case study approach enabled a high level of descriptive detail and depth of enquiry (Berg 1998; Marshall & Rossman 1999). While confined to the particularities of the circumstances and limited in the extent to which data can be generalized, it had the advantage of being able to provide a higher level of descriptive and explanatory detail (Huberman & Miles 1994) than other methodologies.

The Research Sample

A sample of eight participants was selected comprising staff who occupied Executive positions and Board members of CSOs 1, 2 and 3 during the merger and partnership negotiations. Sample selection aimed to achieve a reasonable degree of representation of organisations comprising the partnership while influenced by constraints of practicality and convenience.

Selection of the case study participants was undertaken to ensure the most equitable representation of Board, Chair and Executive members across the three case study organisations as depicted below. It was not possible to obtain representation from CSO 4 due to the study timeframes and inability to contact those who had left the organisation. Although

a comprehensive sample would have enhanced research findings, this was not considered to be essential in establishing the research outcomes of the study nor to compromise the validity of the findings since CSO 4 was not party to the original merger discussions and many impacts of partnership were mitigated by its entirely separate geographic and rural location.

Table 1: Case Study Participant Representation

Participant Role	**Org. 1**	**Org. 2**	**Org. 3**
Executive	✓	✓	✓
CEO	✓	✓	✓
Board Chair	✓	✓	
Board Member	✓	✓	✓

Role of the Researcher

The researcher, being an employee of one of the partnership organisations occupied an observer-as-participant role drawing on Gold (1969) and Jorgensen (1989). This was advantageous to the research as it facilitated a higher degree of immersion in the case study (Marshall & Rossman 1999) resulting in richer primary data.

The Research Instrument

A semi-structured interview was developed by the researcher as the primary research instrument for collection of data. The design of the research instrument sought to elicit participants' views without being predetermined, maximize contextual validity and minimize researcher impact (Patton 1990; Huberman & Miles 1994). The research instrument comprised seventeen open questions which focussed on the impetus and rationale for considering merger or partnership, the anticipated benefits and risks of a merger or partnership and the future of partnerships based on this experience. The instrument design aimed to encourage participant's own descriptions and allow the researcher to explore issues drawing on distinctions or descriptions of other participants.

Limitations

Limitations of this particular research relate to sample size, the passage of time since the event of the merger/partnership negotiations, the researcher's role and data collection/collation. The small sample size in this research is consistent with qualitative approaches which generate detailed descriptive data of complex circumstances that are not well explored in the literature.

The frequency with which factors were cited was used to identify key themes from the primary and secondary data. While this can be considered a limitation in the way the examination of data is grounded (Berg: 1998), these themes have been corroborated by use of excerpts cited by participants to support overall analysis.

The passage of time between the merger/partnership discussions between the case study organisations and the research may have altered participant perceptions or generated 'hindsight' interpretation of events in which dominant issues are highlighted or recalled and 'lesser issues' not otherwise recalled or cited. To address this, the research utilized available documentary evidence from the merger and partnership processes to complement interview data and identify key decisions or actions through the merger/partnership negotiations.

The participant-observer role of the researcher raises issues relating to objectivity and bias (Jorgensen 1989). By contrast, a researcher who is a 'complete outsider' i.e. external to the organisations, is unlikely to have similar access to information or indeed the research project itself (Guest 1962). In the context of this study, the researcher was more in an observer perspective given he had no direct involvement or influence in the merger/partnership negotiations.

Results

Data collected identified 22 primary factors considered relevant to either the initial merger or subsequent partnership option. The majority of these (19) pertain to both merger and partnership options.

The study results found that taken together, the key drivers and inhibitors for the initial merger option determined the conditions for subsequent partnership negotiations. All participants noted the decision for CSO 1 and CSO 2 not to merge gave rise to the proposition of a broader partnership of four organisations. This decision was variously described in terms of 'merger failure'; a 'logical next step'; an 'attractive alternative' to doing nothing after the decision not to merge; and an opportunity to build on the organisations' strengths.

Partnership Drivers and Inhibitors

Analysis of the primary factors identified in the case study enabled these to be refined into 8 discrete and inter-related drivers for partnership or merger. There was high support for a majority of drivers based on participant response rates as summarised in table 2 below.

However a number of drivers highlighted differing impacts or benefits of partnership and some partnership drivers were seen as a means to mitigate potentially negative ramifications. For example, CSO 1 was in a unique position in that it had significant financial reserves. While openly acknowledged by all participants as an asset for a merger of CSO 1 and 2, this also gave rise to questions as to motivations, management and culture/philosophy of the merged organisation. In regard to the partnership proposition, a participant from CSO 3 noted, "what makes sense is not necessarily what you prefer" in that agreeing to enter the partnership was viewed as delivering some benefits (e.g. support from the larger partner organisations) but also could increase their vulnerability alongside the larger organisation economies of scale.

Mapping of the 8 case study drivers against the 12 drivers identified in the Literature Review shows a high degree of alignment and strong interdependencies. For example case study drivers relating to a recognised brand, value-adding and competitive advantage provide leverage to each other in partnership activities. Similarly, the drivers identified in the literature suggest interdependencies in strategic agenda or approach which both impacts on, and is impacted by, organisational or industry/sector learning, achieving joint visions, managing crisis and instability and increasing visibility and prestige.

Participants identified 9 inhibitors or contraindications to the initial merger. These fell into equal groupings related to operational issues (4) e.g. lack of compelling financial reasons; different management structures; and loss of identity and jobs and 'process issues' (4) e.g. consultant influence; the appointment process for the CEO; and Board meeting and Constitutional arrangements. Differences of culture and philosophy were the most frequently cited contraindication (7 participants) and the only one also cited against the partnership proposition.

Table 2 Partnership Drivers and Inhibitors

Refined Drivers (I,II..)	**Responses by Participant**								**Total**
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	
(I) Opportunity or crisis									**7**
CEO vacancy in one organisation	✓	✓	✓	✓	✓	✓		✓	7
(II) Value Adding Benefits									**8**
Complementary Services "Strength in coherence"		✓	✓		✓				3
infrastructure efficiencies, synergies, "shared buying power" e.g. HR/Payroll/Fundraising	✓	✓	✓		✓	✓		✓	6
Combined/shared staff talent, peer support, build on each others strengths		✓	✓	✓	✓	✓	✓		6
Provide a "bigger picture collaboration" of in SA				✓					1
(III) Brand Development									**7**
Brand – single name and logo, increased community recognition, "unified fellowship of care"		✓	✓	✓	✓	✓	✓		6
'Mission' confusing & problematic								✓	1
Publicity/Promotion		✓	✓						2
Advocacy enhanced				✓	✓		✓		3
(IV) Competitive Advantage									**7**
National focus and tenders				✓			✓	✓	3
Awareness of competitive environment & "presence " of rivals			✓	✓	✓				3
Access to reserves of one organisation(merger only)				✓				✓	2
Sponsorship		✓			✓	✓	✓		4
Donations & fundraising			✓		✓	✓			3
(V) Compatible Organisations									**8**
Shared history and Board members	✓	✓	✓		✓	✓	✓		6
Common values		✓			✓				2
Enhanced opportunities to network, build on existing relationships		✓	✓	✓	✓	✓		✓	6
Similarities / common issues		✓		✓				✓	3
(VI) Organisation Size									**4**
one organisation needs to either to be bigger or restructured / both organisations similar size for merger	✓				✓		✓	✓	4
(VII) Creative Problem Solving									**5**
Merger "failure" / alternative decision (partnership only)	✓					✓	✓	✓	4
Concern not to be left out (partnership only)					✓		✓		2
(VIII) Enhanced Services									**4**
Improved outcomes for clients		✓		✓		✓		✓	4

The Case Study Merger Proposition

The unexpected departure of the CEO from one of the case study organisations, described by a number of participants as a 'crisis', provided a clear catalyst for the merger proposition. For a number of participants, that this proposition arose at all was evidence of an existing cooperative relationship and therefore a driver for merger.

The perception of a crisis is recognised as one of four preconditions necessary for collaboration (Gray 1985). Other preconditions identified by Gray include the existence of complex problems requiring multiple stakeholder intervention, the failure of adversarial approaches in solving the problems and organisations seeking stability and minimising uncertainty to mitigate increasing turbulence in the social, political and economic environment. None of the case study drivers indicated the organisations faced complex problems requiring multi-stakeholder intervention; neither could the partnership be described as 'multi-stakeholder' as the organisations provided substantially similar services.

The merger proposition is consistent with Lober's concept of collaborative windows and the conjunction of four process streams (Lober 1997). In the case study these streams are represented by the crisis in one organisation (problem stream), introduction of New Public Management principles and governments emphasis on competitive tendering (the policy stream); a history in the case study organisations of supporting one another (the organisational stream); and an increasing reliance on government funding of services delivered by the community sector (social/political/economic stream).

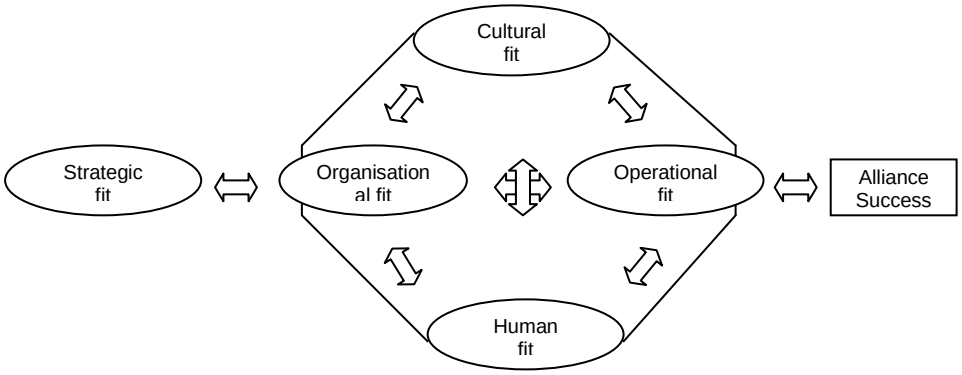
Half the participants and secondary data indicated no compelling reasons for the merger, suggesting there was no catalyst for a different way of organisations to conduct their business (Kohm, La Piana et.al. 2000: 21).

Significantly, Kohm found most organisations considered partnerships as a result of "…forecasting and planning rather than…any immediate threats…" (Kohm, La Piana et.al. 2000: 21). Organisations were more likely to engage external and independent ("outside") consultants and undertake more rigorous research and planning given the complexity and risk associated with mergers (Kohm, La Piana et.al. 2000). By contrast planning in the case study was only in response to the unplanned CEO vacancy which raised the proposition, not vice

versa. The merger planning processes in the case study organisations was informal or 'in-house' in that the consultant engaged by each organisation were contacted via the state administration of the church and one had been a longstanding past Chief Executive and subsequent Board Chair of one organisation. This raised questions regarding actual or perceived conflicts of interest as well as questions regarding motivations which clearly affected the decision not to merge.

These issues suggest important notions of 'fit' articulated in a generic framework by Douma et.al. (2000). The framework recognises the dynamic process of partnership building and the need for organisations to have a good fit (or alignment) in five areas in order to succeed, whereas insufficient fit in any one area can result in alliance failure (figure 1).

Figure 1. The Generic Fit Framework



(Douma et.al. 2000: 582)

The inhibitors of merger discussed above are consistent with concerns of Cultural fit; differing management, pay and fee structures (Operational fit); questions regarding the constitutional arrangements and organisational structure of the merged entity (Organisational fit); and mistrust of individuals motives (Human fit).

Questions of Human fit can have a 'knock-on' effect becoming central leadership problems as a result of leaders having difficulty sharing control, making joint decisions or thinking of the partnership 'common good' (Kohm, La Piana et.al. 2000: 17). Three participants in the case study cited personality issues as having contributed to concerns as to how the merged organisation might form, particularly in relation to the Constitution, organisational structure

and recruitment of the CEO. The effect of these concerns was to reinforce perceptions that the terms of a merger may be unequal or would have potentially negative ramifications for the independence of the remaining two community organisations.

That the two case study organisations which considered the earlier merger proposition were of similar size and history might suggest good Organisational fit. However the converse was found to occur as these commonalities served to amplify issues of fit, presenting instead paradoxes of partnership. Findings from the case study indicate assumptions about a closer working relationship or merger were offset by countervailing and often implicit concerns. This confirms that ambivalent interactions significantly influence "…whether that experience inspires the kind of trust necessary for a workable partnership" (La Piana & Hayes 2003:58).

As noted earlier, the literature points to the actions of particular individuals, agents or organisations in key positions which act as a catalyst in facilitating the formation or achievement of partnerships. The foregoing discussion on trust highlights how questions of fit need to be managed well by organisations at the earliest stage and mistrust can readily deter or prevent partnerships from forming or working effectively.

Finally, of ten inhibitors or contraindications of partnership identified in the case study, many contrast markedly to the drivers for partnership or merger, suggesting some important findings. Compatibility of the organisations was identified as a key driver for merger by all 8 participants on the basis of their shared history, values and services. Significantly organisational culture and philosophy, which might be expected to be included as a feature of compatibility, was in fact the most strongly cited contraindication for the proposed merger (cited by 7 participants). Participant comments highlighted a number of inhibitors to culture and philosophy such as different pay, management and administrative cost structures (CSO 2 being lean and flat, CSO 1 having greater costs and delegations) and also operating cultures (i.e. CSO 1 as "business run" and "bureaucratic" compared with the "church-based" and "relationship" focus of CSO 2). These tensions were understood in the context of the histories of the two organisations, significantly different leadership styles and personalities of past leaders, and reflected in different approaches to 'mission' and business models giving rise to perceptions of an intrinsically competitive relationship.

Similarly value-adding benefits and competitive advantage drivers had corresponding contraindications of loss of identity and an absence of compelling strategic or financial reasons to merge.

Such ambivalent or contradictory findings suggest underlying tension or conflict which inevitably manifests at the proposition of more highly engaged relationships such as a partnership or merger.

The Partnership proposition

The catalyst for the partnership proposition lay in the decision by two of the case study organisations not to proceed with a merger. This was described by two participants as a "failure" to merge, reflecting their view that the decision was due to particular difficulties rather than an assessment of insufficient fit (Douma et.al. 2000) or drivers. This reinforces a view that "unless potential for real collaborative advantage is clear, it is generally best, if there is a choice, to avoid collaboration" (Huxham & Vangen 2005: 80).

While the drivers identified in the literature closely align with those identified by the primary data, there were significant variations in meaning attached by participants to the case study drivers. These differences highlighted current and pre-existing relationship tensions and ambivalence regarding the partnership process. For example the driver cited as a concern not to be left out was articulated by one participant (CSO 2) in terms of "enormous advantages" for the other two organisations while another participant (CSO 3) observed there was "no real defining reason not to be in [the partnership]". For this latter participant, partnership represented the lesser of two evils and a hope it would be a strategic step to prevent loss of identity or possible future takeover by the partners.

An important distinction between formal 'strategic restructuring' (i.e. partnerships and mergers) and informal collaboration focuses on the "…formation of more substantial bonds…[and] ongoing commitment to the partnership, and decision-making power over key management and program functions" (Kohm, La Piana et.al. 2000: 3). Despite obvious substantial bonds between the case study organisations by virtue of their common history, many of these were markedly ambivalent. This is evident in an 'ongoing commitment' reflected in the Partnership Agreement in which any reference to decision making power over key management and program functions was notably absent. The partnership therefore

offered little different to that which existed previously between the organisations and is therefore consistent with informal collaboration, lacking the substantial bonds of strategic restructuring.

Discussion

Overall the results indicate a high degree of alignment between drivers identified by case study participants and those within the literature for both the merger and partnership propositions. Many of the case study drivers for merger and partnership align strongly with findings in the literature, although a number of examples are evident where this alignment is weak or partial, reflecting a 'multi-dimensional and dynamic entanglement of aims' (Huxham & Vangen 2005).

Many drivers for partnership identified in the literature are similar for community organisations to those for business and industry sectors. The distinction between them lies in the latter sectors' explicitly fiscal orientation, reflecting a primary focus on profitability and accountability to shareholders as compared with community sector commitment to 'mission' (La Piana & Hayes 2005). This refers to the changes community organisations seek that promote strong community engagement, social justice and inclusion. Consequently while many of the partnership and merger considerations in the community sector also aim to achieve fiscal efficiencies this is for the purpose of a social dividend.

The context of longstanding relationships between the partner organisations in the case study has produced a qualitatively different aspect to the body of literature. That these drivers had ambiguous meanings attributed by participants has important implications for both the type of cooperative relationship organisations choose and the level of engagement (parallel or cooperative). Such ambiguity confirms the significance of pre-existing relationships in informing drivers of future cooperative relationships between organisations.

Paradoxes of Partnership

The contraindications for merger and relationship ambivalence highlight a resonance in the case study findings of the paradoxical nature of many drivers. One such paradox is illustrated in the organisational fit of the two merger organisations in which factors such as shared history that contributed to their alignment also amplified differences and tensions. Similarly a view of 'enormous advantages' of partnership identified by some participants were viewed by

others in terms of there being no reason not to partner, or needing to salvage something from the failed merger.

While partnership was widely seen as an opportunity for mutual support, this raised another paradox that this could be to the exclusion of more valuable support from organisations outside the partnership with more specialised service delivery portfolios.

A third paradox was expressed regarding the value-adding driver and what might be termed an 'equity dynamic'. While partnerships could enable the larger partners to support smaller organisations with less favourable scale economies, this also raised concerns regarding these partners having disproportionate advantage in a range of areas including funding, profile and intellectual property.

Parallel and Cooperative Interactions

It is apparent that tensions or ambivalence between the case study organisations resulted in merger and partnership drivers which were ambiguous or diffuse. For example shared history was a factor cited in the compatibility driver and included the natural network of support between the organisations which was understood as cooperative interactions. However some participants cited negative aspects of this shared history including competitive relationships, personality issues and questions of motives. These negative aspects describe parallel interactions by the organisations and are consistent with spatial dimensions identified by Takahashi & Smutny which act to constrain and define the choice of collaboration or partnership. These dimensions include the capacity of parties to engage in partnership; availability or presence of stakeholders, coalitions, networks; and enabling factors (Takahashi & Smutny 2002: 168). Case study findings suggest a 'melee of cycles' (Huxham & Vangen 2005: 198) which occurs in the early stages of partnerships is in fact evident in the relationships prior to partnership. This is most obvious in perceptions of power imbalance and consequent concerns about access to the collaborative agenda.

These parallel versus cooperative interactions indicate the level of engagement between organisations prior to consideration of partnership. Such pre-conditions are significant when one considers "…the peculiar circumstances that facilitate collaborative formation among social service providers may lead inevitably to partnerships' short-term demise" (Takahashi & Smutny 2002: 180).

The initial conditions in which a partnership is formed has been argued can lead to 'stable imprinting' of the either fixed processes (which cause high inertia) or generative processes which enable partnerships to be highly adaptive (Doz 1996). The decision to form a partnership is a critical point which others suggest requires an assessment of the likely stability of the partnership, judged by a balance of rigid capabilities (necessary to avoid premature dissolution) and adaptive capabilities (which enable strategic flexibility to adapt to environmental changes) (Jiang, Li et al. 2008: 179).

Proxy Drivers

It is evident from case study participants that a number of particularly sensitive matters were expressed euphemistically through 'proxy drivers'. These proxy drivers have significant implications for the type of cooperative relationships considered and their level of engagement.

Proxy drivers represent both facilitative and inhibitive factors of cooperative relationships in ways that preserve existing relationships between parties or their agents. The use of proxy drivers occurred when participants expressed key issues or events in terms of another driver (the proxy). For example "viability issues" regarding CSO 3 were cited by four participants in CSO 2, two of whom referred to a long-held implicit agenda for the operations of this organisation to be absorbed into other organisation(s) in the partnership. While viability was not identified as a driver for partnership or merger, it was cited by one participant (CSO 2) as an aspect in the organisation size driver (the proxy) and a negative factor by the CSO 3 participant (history of internal competition, unequal status) of the compatibility driver (corresponding proxy). Significant in this context is that the two participants were from organisations of different sizes with a history of internal competition and one participant sat on the other's Board. This highlights the importance of proxy drivers needs to be understood as a means of responding to implicit power while maintaining equilibrium in the relationship dynamic.

Proxy drivers were also evident in the decision for the merger not to proceed. This use of proxy drivers enabled equilibrium to be preserved in relationships between the organisations after the 'merger failure'. As one participant noted, doing nothing after the merger failure was

a difficult option and partnership was an attractive ‘middle way’ to achieve some merger outcomes.

Strategic Agenda

Strategy is often a centrepiece in the operations of the business or industry sectors and with a focus on expansion plans. While this level of competition seldom applies in the community sector, a number of authors have suggested there is a need for community sector organisations to be more strategically focussed in the form of having a deliberate growth and risk-taking orientation or simply being able to respond quickly to political opportunities (Boyce: 2006, Huxham & Vangen: 2005, Moatti: 2009, Melville: 2008, Roberts: 2009). It was noted earlier there is an issue in the community sector in relation to the extent to which organisations are ‘strategic’ or have a corporate strategy vis-à-vis the sector.

The case study evidence highlighted planning in response to the merger proposition was reactive in nature, conducted ‘in house’ and did not form part of a corporate strategy for future engagement in the sector. The implications of a more planned approach to developing a strategic agenda is the ability of organisations to have greater flexibility and responsiveness to accurately assess and respond to collaboration and partnership opportunities (including merger options) based on a sound analysis of sector dynamics and capacity, and their internal capability and performance. This suggests a clear area for future consideration of partnerships within the community sector.

Conclusion

A vibrant civil society needs a dynamic and robust community sector which can promote social inclusion and community engagement and manage the tensions of innovation, partnership and competition. This study has highlighted a number of dimensions of intrasectoral relationships which influence effective partnerships and collaboration.

The initial conditions and drivers for inter-organisational cooperation have highlighted ‘paradoxes of partnership’ which raise important challenges to the form and process of cooperative relationships. The most significant paradox in the case study is that shared history of organisations, if not well understood, can be a significant inhibitor to partnership. A consequence of this paradox in the case study organisations was the partnership was actually consistent with informal collaboration with unclear goals or outcomes. Secondly,

evidence from the case study indicates anticipated competitive advantage could in fact be disadvantageous in that partnerships can exclude the development of extra-partner relationships. Thirdly, while differences in relative size of organisations considering partnership is assumed to provide resource benefits to smaller partner organisations, the resulting partnership dynamic may in fact be disadvantageous. Smaller scale or 'niche' organisations may in fact be better positioned than their larger counterparts.

The metaphor of parallel or cooperative interactions of organisations provides a useful framework for understanding inter-organisational relationships. These interactions are determined by a complex array of drivers underscored by key issues relating to shared history, motivation/trust and the different meanings attributed to drivers by key participants. These parallel and cooperative interactions can be likened to relationship continua cited in the literature including Kanter's weak and distant (i.e. parallel) or strong and close (cooperative); Jiang, Li, et al.'s rigid capabilities (parallel) and adaptive capabilities (cooperative); and Doz' high inertia (parallel) compared with highly adaptive relationships (cooperative).

An important finding of this research is that pre-existing relationships between the organisations are important determinants of drivers for cooperative interactions (i.e. collaborations, partnerships or mergers). That is, the history of engagement between organisations (of either parallel or cooperative interaction) constitutes a form of 'stable imprinting' (Doz 1996) in which partnerships are facilitated by their history of either generative relationships (characterised by learning and adaptation) or otherwise constrained by static relationships marked by competition, caution or suspicion.

While proxy drivers reflect ambiguity and contradiction, they function to preserve relationships or maintain equilibrium between organisations. This is understood in the context of a sector characterised by long-standing inter-organisational relationships and histories in which maintaining positive relationships is important for driving effective coordination or integration within service systems.

The effects over the past 20 years of managerialist agendas, contracting out and competitive tendering, have seen in more recent years recognition of the importance of partnerships and collaboration between government and community organisations in the delivery of public services. In this context there is a now a clear opportunity for community organisations to

strengthen their strategic agenda in order to most effectively summon collective resources through engaged partnerships and collaboration which can further advocate and promote a civil society which is socially inclusive and just.

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