Factors Influencing Successful Collaboration: The Case of dKnet

J. Harman
University of Ballarat
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Abstract
Nonprofit organisations in Australia are facing increasing pressure to collaborate, yet much remains to be learned about the factors facilitating successful collaboration performance. This research explores a successful collaboration between eight disability services organisations in Victoria, centred on a shared Internet based knowledge management system. The research seeks to answer the key question: What are the factors associated with successful collaboration in this case? The research confirms a number of factors previously identified in the collaboration performance literature, but also identifies other factors (such as decision-making authority, institutional legitimacy and trust) which are understudied at the current time. Managers of nonprofit organisations (NPOs) in Australia face increasing pressure to engage in inter-organisational collaborations. Policy makers, funders and practitioners alike are extolling the benefits of collaboration; as a way of building financial sustainability, increasing innovation, even as a means to a more just and equitable society (Austin, 2000; Emerson and Twersky, 1996). For small NPOs in particular, collaboration with other nonprofits around such core functions such as marketing may hold particular promise. However, engaging in collaboration seems difficult in practice and much remains to be learned about the factors that influence its success. Against this backdrop, this paper explores a successful collaboration between eight nonprofit disability services organisations across Victoria. It seeks to answer the question: what are the factors associated with successful collaboration in this case? The paper is organised as follows. Section one provides a brief overview of the literature of collaboration performance and the method used by the researcher in this particular case. Section two provides some background to the collaboration (dKnet). It goes on to detail its outcomes and the factors that have significantly influenced its success. The paper concludes with a discussion of these findings and their implications for practitioners, policy makers and researchers of collaboration, nonprofit management and marketing.

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Factors Influencing Successful Collaboration: The Case of dKnet
Jessie Harman, University of Ballarat

Abstract
Nonprofit organisations in Australia are facing increasing pressure to collaborate, yet much remains to be learned about the factors facilitating successful collaboration performance. This research explores a successful collaboration between eight disability services organisations in Victoria, centred on a shared Internet based knowledge management system. The research seeks to answer the key question: What are the factors associated with successful collaboration in this case? The research confirms a number of factors previously identified in the collaboration performance literature, but also identifies other factors (such as decision-making authority, institutional legitimacy and trust) which are understudied at the current time.

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The paper is organised as follows. Section one provides a brief overview of the literature of collaboration performance and the method used by the researcher in this particular case. Section two provides some background to the collaboration (dKnet). It goes on to detail its outcomes and the factors that have significantly influenced its success. The paper concludes with a discussion of these findings and their implications for practitioners, policy makers and researchers of collaboration, nonprofit management and marketing.

A Brief Review of the Collaboration Literature
Collaboration is the subject of a growing body of research. Within this, there are two distinctive streams: the first, which deals with strategic alliances and joint ventures between business organisations and the second, which examines mainly cross-sectoral collaboration between nonprofit organisations, business and government organisations (Gray, 2000). Much of the literature focuses on the drivers of collaboration and its benefits. For example, cross-sector collaboration involving non-profits improves sustainability and social impact (Austin, 2000) and facilitates more innovative service delivery (Osborne, 2000; Light, 1998). Yet research also identifies that collaboration is problematic. For example, collaboration may be challenging to maintain in the face of disparate and oft times competing interests on the part of stakeholders (Gray, 2000).
A smaller component of collaboration research has sought to understand the factors influencing collaboration performance. Some of these factors are antecedent, that is, they existed prior to the collaboration. For example, partner organisations in successful collaborations have a history of collaboration or co-operation (Campbell et al., 1999) and are legitimate leaders in their communities (Sharfman, Gray and Yan, 1991). They have the necessary resources to devote to the collaborative initiative (Reilly and Peterson, 1997; Mulroy, 1997) and skilled leadership to guide the collaborative group (Takahashi and Smutny, 2001). Partner organisations are compatible; they pursue a common mission and believe they will benefit from collaboration. Yet they also show flexibility in their dealings with each other (Shaw, 2003; Hertzlinger, 1997).

Social and political factors in the external environment are also important. Successful collaborations typically require support from political leaders, opinion-makers and others who control valuable resources and thus give legitimacy to the collaborative initiative (Mayfield and Lucas, 2000). Other factors that influence successful performance relate to the collaborative process. For example, members develop clear roles and policy guidelines and provide a structure for the collaborative process (Tapper, Kleinman and Nakashian, 1997; Gray, 1996). They share ownership of that process (Reilly and Peterson, 1997) and ensure an appropriate pace of development (Rubin, 1998). Within each partner organisation, there are multiple layers of participation in the collaboration (Rubin, 1998; Gray, 1996) and open communication between partners (Austin, 2000). Members share power equally (Shaw, 2003).

Yet, despite this research, gaps in our knowledge remain. Most of the research has focused on cross-sectoral collaborations, yet much collaboration occurs between NPOs. Are the success factors similar for collaborations exclusively in this domain? Likewise, much of the research to date has focused on collaborations to deliver new and/or improved services to members and clients. Do these same factors apply for collaborations designed to achieve administrative (back office) efficiencies? In addition, in the face of limited local research, do the factors elsewhere identified apply in an Australian setting? These questions provide the impetus for this research.

**Methodology**

This study provides an analysis of a particular case of collaboration between eight nonprofit disability services organisations in Victoria, Australia. Given the complexity of the phenomena, a case study approach is most useful (Yin, 2003).

The author used a mix of methods to conduct the research. The primary source of data was in-depth interviews with Chief Executive Officers (CEOs) of participating network members, conducted from March 2006 to June 2007. These interviews were semi-structured, organised around the key research questions. The author took detailed notes of interviews and sorted data to identify common themes both within and across organisations. She reported these findings back to CEOs for validation. In addition to interviews, the author consulted dKnet project records, principally for the purposes of data triangulation and validation (Yin, 2003).
Background to the Case: dKnet

Members established dKnet in July 2005 to purchase an Internet-based knowledge management system (known as eKey™), to share the contract costs associated with that system and to develop and share organisational knowledge between network members. Membership of dKnet has remained relatively constant since its inception. Six of the seven original member organisations continue to be part of the network and two other organisations joined during 2006. dKnet member organisations vary considerably in scale and scope. The smallest employs 14 full-time equivalent (FTE) staff and has an annual turnover of $1.35m, while the largest employs in excess of 100 FTEs and has an annual turnover of almost $8m. Whilst all deliver services to people with disabilities, their range of services varies, and several organisations have diversified to deliver services outside the sector. All organisations have sites in multiple locations; however, each organisation has its head office in a separate Victorian local government area.

dKnet Outcomes

The collaboration has operated successfully to date. The eKey™ system is operational in all member organisations and log-in rates (not reported in this paper) are increasing as more content is loaded on the system. Presently, collaborating members share quality, compliance and continuous improvement documentation and develop organisational specific documentation (particularly policies, procedures, forms and handbooks).

The collaboration has delivered important outcomes for partners, and for the network as a whole. The eKey™ system has enhanced organisational knowledge, providing members with the opportunity to audit, develop, codify and improve policies and procedures. At the same time, it has provided staff with improved access to organisational knowledge stored within the system. The collaboration has also improved knowledge sharing between partnering organisations, enabling members to benchmark organisational materials and processes and identify other business development opportunities. By necessity, it has improved IT infrastructure in several member organisations and improved the IT literacy of some employees. Participation in dKnet has also provided support for CEOs on both personal and professional levels. Participation in dKnet has also generated efficiencies in some key areas, and small cost savings in several organisations. Finally, as evidence of its success, dKnet continues to exist beyond the initial agreement period and a new legal agreement has replaced the existing Memorandum of Understanding between the organisations.

The Factors Influencing Success

A number of factors have contributed significantly to the success of dKnet. They are identified in this section and italicised for ease of reading.

The collaboration has developed around a very clear and concrete purpose, namely purchasing and implementing the eKey™ knowledge management system at an
affordable price. As challenges have arisen during the life of the project, members have maintained a sharp focus on this key outcome. *Members see collaboration as in their self-interest.* From the outset, they have been able to identify the organisational benefits of having eKey™ and these benefits have been progressively reinforced. Members also value their participation in dKnet in other ways: in terms of collegial support, opportunities for business development and perceived improvements to their reputation as ‘leading edge’ disability service providers.

*There is a high level of mutual respect, understanding and trust between all members of the group.* Participating CEOs share a deep understanding and respect for each other, and for the organisational values they represent. Clearly, trust has built over time; however members consider that careful recruitment (of ‘like-minded’ organisations) and the structure of the dKnet meetings (which provides time for socialising) have been important facilitating factors.

*Organisational representatives have decision-making authority,* ensuring that decisions made at steering committee level have the necessary organisational backing. At the same time, *members have equal ‘buy-in’ and equal decision-making power* despite considerable differences in organisational size. *Members have also demonstrated the capacity to adapt to change* and this has been instrumental in enabling the group to overcome several challenges during the life of the collaboration.

*Members have devoted significant resources, especially time, to the project and to the collaborative process.* Financial costs for members have been substantial, particularly for those that have had to upgrade information technology to support the eKey™ system. Non-financial investments and opportunity costs have also been high. Despite this, members consider that the benefits of participation have outweighed these costs. *A favourable policy environment was also critical to the start-up of the collaboration.* dKnet was established with the support of a small ‘one-off’ grant from the Victorian Government’s Community Sector Investment Fund. Members are unanimous that they would not have established the collaboration without this particular assistance.

*Skilled leadership has been an important component of successful performance.* Members perceive two distinct leadership roles, that of ‘chair’ of the collaborative group and ‘project champion’. They believe the individuals in these roles have carried out their roles with fairness and ability, and accordingly, the group has given them legitimacy.

*Members have ownership of the collaborative process as well as its outcomes, and have developed and formalised a clear structure and roles in relation to that process.* This process and structure has proved effective, and has contributed to the productivity of meetings and the project as a whole. *There is an appropriate pace of development* and the activities of the collaborative group have adjusted over time to meet the needs and resources of member organisations. Finally, *there is open and frequent communication between collaborating members,* which occurs both within and outside the regular steering committee meetings. Collaborative group members interact often; they update one another and discuss issues openly. Group members have also established information relationships and communication links beyond the
core product and business of the collaborative initiative. This has served to strengthen
the group and make members more informed.

Discussion and Implications

This exploratory analysis provides confirming evidence for many factors identified in
the literature as critical to successful collaboration performance. Yet there are other
factors, previously identified, which are not apparent in this case and additional
factors which seem worthy of further investigation.

The case confirms that partners’ capacity to contribute resources and the compatibility
of collaborating organisations are important antecedent factors. It reinforces the
importance of value and the presence of skilled leadership. However, in the case of
dKnet, it is interesting that skilled leadership is evident in several different roles and is
not simply the province of one particular individual (as the literature often seems to
suggest). However, the case does not provide particular support for the necessity for
multiple layers of participation, and it points to the relevance of additional factors,
such as the importance of member representatives having decision-making authority.
This factor has not received particular attention in the collaboration literature to date,
and may be worthy of additional investigation.

The case also provides supporting evidence for several environmental factors. Clearly,
the policy environment provided impetus for establishing the collaboration, yet has
had little impact in shaping the collaboration on an ongoing basis. Noteworthy, in this
case is members’ desire for legitimacy. dKnet has succeeded, certainly in part,
because member organisations wanted to be successful in the eyes of the principal
funder. This raises interesting questions around the importance of institutional
legitimacy (Suchman, 1995) in the collaboration’s development and success.

The research provides strong support for the importance of factors associated with
managing the collaborative process. There is evidence of clear structure, explicit
agreement around roles and responsibilities, ownership of process and appropriate
pace of development. Trust also seems to be important, both in terms of the extent of
trust (considerable, in this case) and the nature of that trust. The research also raises
other interesting questions. For example, are the factors associated with the success
of dKnet influenced by the particular motivations of the CEOs (in this case to achieve
operational efficiencies in a thinly resourced environment)? If so, then the lessons
from dKnet are likely relevant for other networks across the nonprofit sector. Also, is
network size important? dKnet is relatively small, and its size may be a facilitating
factor. Are different factors instrumental to success of larger networks?

Despite its exploratory nature, this research is significant for nonprofit practitioners,
and researchers in both strategic management and marketing disciplines. Whilst the
core focus dKnet is not marketing, it seems reasonable to speculate its key success
factors may also apply to collaborative initiatives which do focus on managing the
marketing function or engaging in a social marketing campaign. The research also
contributes to our empirical knowledge of collaboration, an activity that can improve
the financial sustainability and mission impact of NPOs, and suggests new
considerations for collaboration performance (decision-making authority, institutional legitimacy, trust etc) which are understudied at the present time. On a broader level, this research focuses on a critical process in the context of organisations that play an important economic, social and political role in our local communities.

References


