

Open Research Online

The Open University's repository of research publications and other research outputs

A Meeting of Minds

Journal Item

How to cite:

Vangen, Siv (2017). A Meeting of Minds. Charity Finance

For guidance on citations see [FAQs](#).

© [not recorded]

Version: Version of Record

Link(s) to article on publisher's website:

<https://www.civilsociety.co.uk/>

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online's [data policy](#) on reuse of materials please consult the policies page.

oro.open.ac.uk

A MEETING OF MINDS



Siv Vangen is professor of collaborative leadership and director of the Centre for Voluntary Sector Leadership at the Open University

Collaborations with other organisations are inherently challenging and should be avoided unless they offer something your charity couldn't do alone, says Siv Vangen.

WORKING COLLABORATIVELY

with other organisations is not a new phenomenon. At present however, charities are under pressure to collaborate more to cope with an uncertain political landscape, reductions in funding and the need to work more efficiently. But just how effective is collaboration in enabling the sector to do more with fewer resources?

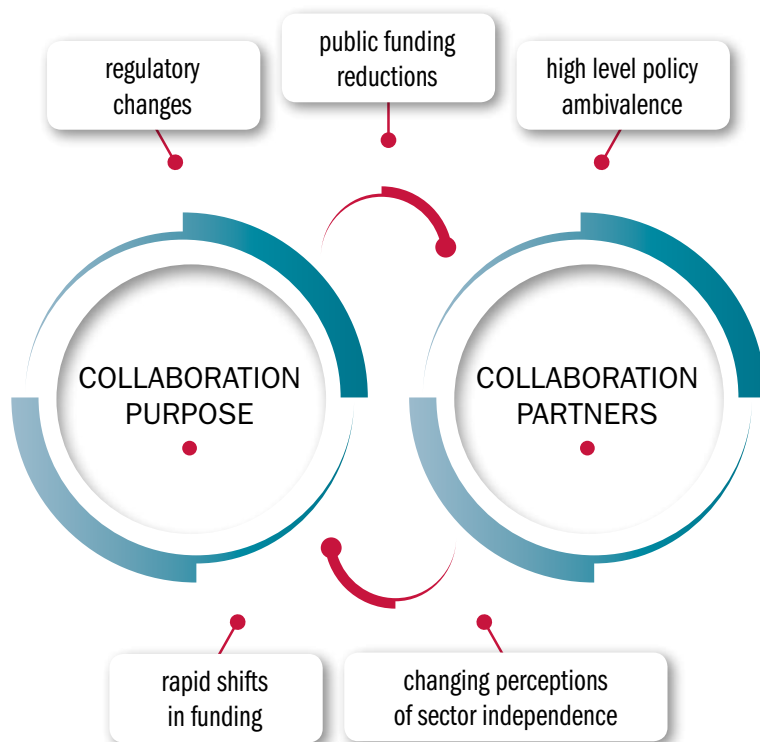
In this article, I will highlight findings from a programme of research on the management of inter-organisational collaboration that has been ongoing for two decades, and which draws on the experiences of individuals who are working collaboratively. Over the years, the insight gained has accumulated into a theory called “collaborative advantage”.

THE GUIDING LIGHT

Collaborative advantage is the idea that synergy can be achieved by integrating the resources, experiences and expertise of different organisations in ways that enable them to jointly achieve something that none of them can achieve on their own. Many small and large charities regularly gain such advantage from the sharing of information, know-how and costs, while others seek more ambitious ways to address complex societal issues. However, achieving collaborative advantage can be difficult in practice. Individuals regularly talk about not only the positive outcomes that they achieve, but the many challenges they have to overcome in order to achieve them. Achieving collaborative advantage entails managing inherently different organisational aims and remits, navigating diverse cultures, compromising on embedded values, and addressing power imbalances and trust issues. There are therefore significant operational challenges which means that in practice, the rate of output can be extremely slow and successful outcomes can come at a significant cost.

The key message here is that collaborations should not be entered into lightly. In fact, to put it more bluntly, organisations shouldn't collaborate unless they have to. If not carefully managed, the cost of collaboration far too easily outweighs the benefits. Collaboration is now increasingly portrayed as



FIGURE 1: INTER-RELATIONSHIP BETWEEN COLLABORATION PARTNERS AND PURPOSE

a necessity in an environment of rapid funding shifts and reductions in public funding under government austerity policies, but unless charities can envisage real collaborative advantage, they should be cautious about succumbing to this pressure.

AMBIGUITIES, COMPLEXITIES AND DYNAMICS

Charities often collaborate on social issues that are themselves complex and multifaceted. Examples include joint working with the NHS to better address mental health in young people, with public agencies to better support vulnerable families and children, and with schools and community groups to tackle racism and hate crime. Typically, many diverse organisations, large and small, are involved at different times and with different levels of investment.

The organisations that come together are generally those that have a stake in the social issue along with the expertise and capacity to join in, but these factors are subject to rapid changes in public policy. For these reasons, loosely formed collaborations between independent organisations are often complex

in structure, idiosyncratic in nature and highly transient. This is certainly the case at present due to high-level policy ambivalence, significant public funding reductions, regulatory changes and rapid shifts in funding.

“ If not carefully managed, the cost of collaboration far too easily outweighs the benefits ”

The key message here is that collaborations need to be understood as ambiguous, complex and dynamic. Organisations will influence and alter the purpose of a collaboration, and that change in purpose will subsequently influence which organisations become involved. Our research suggests that the composition of such collaborations will be in a constant flux.

The enormous challenge that this presents must be clearly understood by the policymakers who promote collaborations. For all but the very simplest of collaborative tasks, achieving collaborative advantage

requires major resource investment, together with significant leadership skills and patience by all involved.

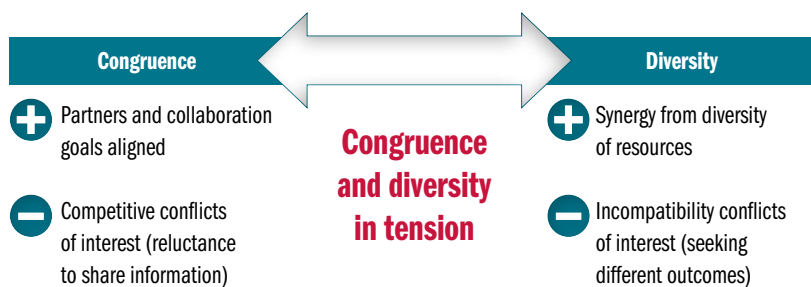
PARADOX AND TENSIONS

The idea of collaborative advantage and a context in constant flux reinforces the need to focus firmly on what it is the collaborating partners are seeking to achieve jointly beyond that which any of them can do effectively on their own. Importantly, this requires a recognition that collaborative advantage is born out of difference. It is precisely the differences between organisations – including their areas of expertise, assets, knowhow, priorities, cultures and values – which constitute unique resources that, when brought together, create the potential for collaborative advantage. Collaborative advantage is achieved through the synthesis of such differences.

When charities collaborate, they continue their operations as independent entities addressing their remits within their own vertical hierarchies, while simultaneously participating in horizontal collaborative relationships that support the delivery of joint goals. The achievement of collaborative advantage requires working arrangements that protect partners' uniquely different resources while

simultaneously integrating them for the furtherance of joint collaborative goals. For these reasons, collaborations are complex webs of overlapping, dynamic hierarchies that comprise competing designs and processes. This means that they will be inherently conflict-ridden, comprising many governance, leadership and management tensions.

A commonly held view is that the success of a collaboration depends on the extent to which organisations have similar goals. However, reaching genuine agreement on goals is often difficult in practice. One of the

FIGURE 2: THE GOALS PARADOX**GOAL CONGRUENCE AND GOAL DIVERSITY INFLUENCE SUCCESS IN COLLABORATIONS****FIGURE 3: THEMES IN COLLABORATION CAUSING ANXIETY AND REWARD**

reasons for this is that the paradoxical nature of collaboration means that similarities and differences in partner organisations' goals influence the success of a collaboration both positively and negatively (see figure 2).

groups and schools are often partners in working on public policy issues such as public health, social wellbeing and area regeneration, yet their value bases and goals would suggest different priorities and approaches.

“ Any attempt to integrate goals should emphasise the inherent tensions rather than seek compromises or trade-offs ”

When partners have similar goals they can generally agree on joint goals quite easily. However, similar goals also suggest that partners have competitive interests that can make them reluctant to cooperate and share information. For example, community groups and charities may be competing for public funding, so they need to convince funders about their ability to produce public and social value, over and above that of potential partners.

Meanwhile, differences in goals facilitate collaboration because they imply greater synergies from diversity of resources. However, this can also lead partners to seek different and sometimes conflicting outcomes. For example, faith-based organisations, community

MANAGING TOWARDS COLLABORATIVE ADVANTAGE

While no two collaborations are the same, it helps to be mindful of the kinds of issues that repeatedly cause anxiety and reward, and how to approach them. Topping the list are differences in goals, culture and values, power imbalances, leadership and trust, followed by other key themes as indicated in figure 3.

Managers need to be mindful that genuine goals for a collaboration exist if at all in an entanglement of other goals that are both real and imagined. That entanglement suggests that any attempts at seeking to integrate congruent and diverse goals should emphasise the importance of the goals

paradox and its inherent tensions rather than seeking resolutions free of compromises or trade-offs. This need to compromise and find “good enough” solutions is something that applies generally to collaboration.

For example, major social issues often span the sphere of organisational, professional and sometimes even national boundaries, effectively bringing together individuals whose perspectives, and ways of being and acting are influenced by diverse cultures. Such cultural diversities can cause conflicts, misunderstandings and points of friction which, common sense would suggest, need addressing. However, when the aim is the creation of collaborative advantage, it is necessary to see that cultural diversity as a source of stimulation, creativity and reward. This shifts management attention away from “ironing out friction” and towards looking at the kind of managerial compromises and tradeoffs that need to take place to move the collaboration towards achieving collaborative advantage.

In a similar vein, trust is seen as a necessary condition for successful collaboration, but the reality is that trust is frequently weak, if not lacking altogether. There is therefore a need to look at how trust can be built and maintained between partners. The understanding of collaborations as complex, ambiguous and dynamic reinforces the sheer time and effort that must be devoted to the management of trust in practice.

COLLABORATIVE INERTIA

Taking all of these themes together, it is clear that without careful intervention and management, collaborations are more likely to reach collaborative inertia than collaborative advantage. While there are examples of successful collaborations, it is often the case that less has been achieved than had been hoped for, that some participants are less pleased than others, and that the pace has been much slower than expected. While the final outcome is often perceived as better than would have been the case without the collaboration, the research warns charities against succumbing to the pressure to collaborate more without careful due consideration. ●