2006

A Structural Examination of Collaborative Relations Between Nonprofit Organizations in the Greater Jacksonville Area

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A STRUCTURAL EXAMINATION OF COLLABORATIVE RELATIONS BETWEEN NONPROFIT ORGANIZATIONS IN THE GREATER JACKSONVILLE AREA

By

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A Dissertation submitted to the Rueben O’D. Askew School of Public Administration and Policy in partial fulfillment of the requirements for the degree of Doctor of Philosophy

Degree Awarded:
Fall Semester, 2006
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To my family whose support and love made my success possible.
ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to everyone who has supported and helped me throughout the dissertation process. First, I would like to thank my dissertation advisor, Dr. Ralph S. Brower. The countless hours and careful attention you gave me through the entire doctoral program made my success possible. I can never thank you enough for all the help and advice.

I would also like to thank the members of my dissertation committee Dr. Francis Berry, Dr. Lance DeHaven-Smith, and Dr. Charles Connerly for agreeing to serve on my committee and for all of their thoughtful comments, advice, and help.

I would also like to thank Dr. Mary Ellen Guy for the career advice and counseling she gave me over the last semester. Dr. Guy truly went above and beyond the call of duty in order to help guide me through my academic job search.

I would also like to thank my family of coworkers at the Center for Information, Training and Evaluation Services (CITES) for all the support, encouragement and time off they gave me over the last year to work on my dissertation, attend conferences and visit campuses across the county.

I would also like to thank all those members of the nonprofit community who helped to make my data collection efforts a success. I would especially like to thank Mary Kress-Littlepage, Judy Smith of Volunteer Jacksonville, and Sherry Magill of the Jesse Ball DuPont Fund. These individuals helped open the doors to the many of the nonprofit organizations that participated in this study.

I would also like to thank my friends and family who supported me through this process and my program at FSU. You all helped me keep perspective and brought me back down to earth when I needed it the most. You all believed in me and cheered me on even when I could not believe in myself. Thank you, Mom and Dad, for always being there to lend a helping hand or simply listening as I worked through my problems and frustrations aloud. Finally, I would like to thank my two sisters, Jennifer Healy and Amanda Harris, for the love, support, encouragement and inspiration they gave me through my studies. Especially, Claire Connolly for proof reading my reference list and Danielle Dufforac for keeping me sane and making me take breaks. A very special thanks to Erik Peterson for helping me work through some of methodological issues and proof reading chapters at the very last minute.
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ABSTRACT

This research examines the extent to which nonprofit organization engage in collaboration as a strategic tool using the lenses of network theory, strategic alliances, and interorganizational relations literature. It provides a unique insight into the ways in which nonprofit organizations operate by using the disparate lenses of literature developed to examine both for-profits and governments collaborative behavior and adapting it to the nonprofit sector.

This study contributes several important findings to furthering our understanding of collaboration within the nonprofit sector. The findings of this study suggest that there are two key elements that determine the degree to which nonprofit organizations participated in collaborations: demand for the goods and services they provide and the social structure of everyday relationships that the organizations maintain. These findings suggest that the two main forces that contribute to the extent of collaboration between nonprofit organizations are need to keep up with demands from the community and access to both information and opportunities to partner with others through a network. The findings also suggest the power of an organization within network settings or betweeness centrality reduces the extent to which nonprofits collaborate.

The second area the research contributed new understanding was through the examination of the networks themselves and what these examinations suggested about differences between types of nonprofits and functional networks of nonprofit organizations. Specifically, the network findings point to several emerging types of organizations such as management service organizations and volunteer referral organizations that could have important implications for the health and structure networks of nonprofits in local settings. These organizations seem to be key bridge builders between organizations operating in communities and could prove useful tools for creating stability in exchange of information and communication in local communities. In particular, this suggests that the sector itself is creating stability that Provan and Milward (2000) suggested was important to effectiveness of social service delivery networks. In contrast to their findings, the key organizing actors found in the networks of this study did not have the coercive power of control over funding that was suggested as a key feature of delivery networks they described. However, they were powerful in other respects including the potential to control access to resources such as information and/or volunteers.
CHAPTER 1:
RESEARCH PROBLEM AND OVERVIEW

Introduction

The way in which Americans view government and public services changed substantially in the 1990’s with advent of the “New Public Management” movement brought on by the massive popularity of Osborne and Gaebler’s Reinventing Government (1992) and the federal implementation of the National Performance Review in 1993. The changes brought on by these two events produced a movement within all levels of government to shift from direct delivery to contracting out of public services to businesses and nonprofit organizations. The result for the nonprofit sector has been an increased role in delivery in the production and delivery of public goods and services.

The increased involvement of the nonprofit sector in public services led funding organizations in government and the private sector to expect nonprofits to work together and collaboratively deliver services. A 1998 study assessing the state of the nonprofit sector in Jacksonville, Florida cited the pressure faced by nonprofit organizations to collaborate in delivery of services as one of the key trends affecting the sector (JCCI, 1998). The study cautioned that such pressures were being applied without consideration or knowledge of the implications for organizations or for the nonprofit community in Jacksonville. The study was mainly concerned with the pressure placed upon organizations to work together, but organizations also choose to enter into relationships with others.

Additionally, qualitative research conducted into the collaborative relationships in Jacksonville Nonprofits found that nonprofit directors felt that these relationships had important practical implications for their organizations including: the pressure they felt from outside funders to collaborate in order to compete for resources, the ability these relationships had to create new organizational knowledge, and allowing organizations to offer a wider variety of services to their clients (Word 2004).

An interview with one director emphasized how important collaborations were to competing for and attracting additional funders. This organization formed a collaborative relationship with six other organizations in order to get a new funder involved, who felt that
delivering the services collaboratively was the best method for service delivery. While the
director emphasized that the arrangement was far from ideal, she felt it was the only way the
agency could have been included in the initial project that allowed them to build a relationship
with the funders, which provided additional resources for new programs.

An illustration of the importance of collaboration for learning and gaining new skills was
illustrated by a relationship between two organizations that had dramatically different
fundraising strategies. One organization prior to the collaboration had only accepted cash
donations but saw through the relationship how successful the donation strategy of accepting
cars and other in kind donations could be in expanding its base of available donors. This
organization adapted this strategy to its own needs and soon had a successful car donation
program that provided raw materials for their job-training program for troubled youth as well as
additional money from the sale of the cars to support operations.

The third aspect that nonprofit directors emphasized was the importance of collaboration
in allowing them to guarantee access to additional services for their clients that were outside of
the core mission area of their organization. This was best illustrated in an interview with a
director who explained that their expertise and mission was directed at case management for
troubled and at-risk youth, but this often meant they needed to refer their clients out for
substance abuse treatment. They felt the best way to guarantee access to these services for their
clients was through a stable relationship with another organization that could provide services in
a timely manner. They felt that this was necessary for their organization’s success but also felt
that it was less costly than offering these services in-house since the demand for these services
was somewhat unpredictable and depended on the needs of their client base. This allowed them
to expand their organization’s overall capacity without taking on the risk of permanently
expanding the infrastructure within their organization.

Both coerced and voluntary collaborations have important implications for the ways in
which nonprofit organizations operate, but relatively little empirical research has explored the
ways in which these relationships are formed or how these relationships ultimately affect service
delivery by nonprofits.
Overview of the Literature

The study of relationships between organizations has been well developed in the study of both the public and private sectors. The early studies of collaborative relationships between organizations came about because organizational scholars were interested in understanding the relationship that emerged between social service organizations due to attempts to implement policies that were part of the War on Poverty programs during the 1960’s and 1970’s (Galaskiewicz, 1985a). This literature eventually evolved into the current studies of interorganizational relations and the independently developed study of intergovernmental relations.

A second strand of the literature exploring the relationships between for-profit entities, often referred to as strategic alliances, grew out of an interest by management scholars in understanding the relationships between corporations as strategic choices and how such relations affected their ability to compete within the market. There have been some recent attempts within the study of nonprofit organizations to understand the ways in which nonprofit organizations form relationships with one another. These explorations have tended to draw primarily from either the interorganizational relations literature or the strategic alliances literature. As a subsequent review of the literature will reveal, there has been little attempt to blend these two bodies of literature to create coherent understanding of what makes nonprofit organization distinct from both for-profit and public organizations.

Interorganizational literature. The literature on interorganizational relations (IORs) has predominantly segmented organizations based on narrow functional or mission criteria, often without regard to whether individual organizations are in the for-profit, governmental, or nonprofit sectors. Nonprofit and public entities were often analyzed together as social service agencies since they operated broadly in the same functional arena. Grouping organizations in this way fails to recognize differences that exist between the public and nonprofit sectors and the commonalities that many nonprofits share with for-profit enterprises. Nonprofits, unlike government organizations, face greater levels of uncertainty in funding and competition between both other nonprofits and for-profits. The importance of competition for funding is growing especially in areas where nonprofits contract heavily with governments. As discussed in Chapter
two, the literature also tends to treat organizations to some extent as “black boxes” that are mainly affected by external forces with little attention paid to the way actions taken by an organization and its leaders interact with their environment.

The research done on social service agencies was predominately built upon open systems models and included an exchange perspective that suggests organizations enter partnerships when they perceive critical strategic interdependencies (Levine & White 1961). Strategic interdependence between organizations exists when one organization has resources or capabilities beneficial to the other (Gulati 1995a). The interdependence of one organization upon another can range from need for financial resources to less tangible resources such as specialized skills, or access to different actors or markets. This type of interdependence creates an incentive for organizations to cooperate with one another. It also has the potential to create a situation in which one partner is subordinated to another and basically forced to enter into a relationship or face extinction of the organization. The growth in both size and importance of nonprofit organizations makes it necessary to gain a clearer picture of the relationships between these organizations and the ways in which these relationships both help and hinder nonprofits in achieving their goals.

Management literature. The management literature that explores collaborations or strategic alliances focuses primarily on the ways in which organizations use their relationships with others to gain a competitive advantage over other organizations. This literature looks at the relationships between organizations as strategic tools of businesses and intentional choices made by organizations. This literature draws its primary theoretical arguments from transaction costs theory, which emphasizes profit as the primary motivation for the actions that the organization takes. The management literature incorporates several themes that can be applied to the study of collaborations between nonprofit organizations including: social relationships or ties between organizations, the role of leadership and strategy, market characteristics and competition, and the use of these relationships as means to innovate.

Within this literature interorganizational relationships are examined much more as choices that organizations and their leaders make. This literature tends to incorporate the agency of both organizations as a whole and their leaders as factors in the creation of these relationships. The ability of leaders to shape their organizations’ futures and the importance of the competitive
environment are especially important concepts to the current study of nonprofits, because incorporating these elements helps to present organizational realities within the nonprofit sector. However, the focus on for-profit organizations has resulted in part in the failure of nonprofit scholars to utilize many of the concepts developed in this literature to examine the role of strategic decisions and competition to understand collaborations between nonprofits.

Goals of the Dissertation

The goal of this dissertation is to use the divergent literatures of interorganizational relations and strategic alliances to examine relationships between nonprofit organizations and build a more coherent theory that aids in the understanding of collaborative relations. The research will incorporate both concepts from traditional models of IORs and strategic alliances to explore the relationships among nonprofit organizations.

Problem Statement

Limitations of IOR literature. Auster’s (1994 p.16) review of the literature on interorganizational alliances pointed to several weaknesses in the study of alliances and suggested the following to help correct problems: “(1) clarifying concepts, (2) enlarging the units of analysis, (3) lengthening the time frame of the study, (4) expanding the levels of analysis, and (5) addressing the complementarity of process and structure.” This dissertation contributes to the overall understanding of alliances as a whole by expanding the unit of analysis from the traditional dyad examinations through the use of network research. Auster (1994) explains that the use of networks help to reorient the analysis by forcing consideration of the broader set of relations in which dyadic relations are “embedded.” Incorporating measures of the network broadens theoretical considerations from exchange between two organizations to interactions between such relations and the broader environment and allows for exploration of the issues of power, dependence, exchange, and reciprocity.

This study also addresses the complementary nature of process and structure. The process of alliance formation is not only affected by its environment but also shapes the structure of the environment. This will be accomplished by exploring the ways in which institutions of networks affect the behavior of individuals and organizations in forming alliances with other
organizations (Auster 1994). This will allow us to complement the efficiency-driven arguments often used in transaction cost and strategic explanations of alliance formation and incorporate political and social forces into the analysis that often go unexplored in organizational decision making (Scott 1987; Zucker 1987).

Arguments that focus upon efficiency assume that market forces and goal driven behavior are the primary forces at work within and between organizations. The nonprofit sector, however, is unique in that many of its goals seem to be driven by motives such as altruism or volunteering that cannot be explained using the logic of markets (Lohmann 1989). The incorporation of political and social forces may be even more important to the formation of alliances in nonprofits than for other organizations because it is unclear what role market forces play in shaping interactions between nonprofits. It is likely with the large amount of support that nonprofits receive from both communities and governmental entities that the role of social and political forces upon nonprofits will be just as important if not more important than the effects of the market on the choices they make and the outcomes of those choices.

Limitations of alliance literature. Gulati (1998) identified four principal limitations in the extant research on collaborative interorganizational relations. First, studies to date have tended to adopt a unit of analysis that is either an individual firm or a dyad, which ignores the broader social context of these interactions. Second, the formation of alliances has predominantly been examined in an asocial context, which assumes that the behavior of organizations is atomistic and does not consider the actions taken by other players or the relationships these organizations have with others. Third, prior research has almost exclusively focused upon organization- and industry-level factors that encourage entrance into alliances; this approach ignores the broader context of the market and an organization’s network in influencing the interactions between organizations. Fourth, the research has primarily focused on the existing competencies of organizations that may encourage them to enter into new alliances, but has paid little attention to availability and access to opportunities that may impact the formation of these relations.

The focus on individual organizations or dyads as the units of analysis and description of the environment surrounding these relations in terms of a market assumes that the behavior of organizations is atomistic and does not consider the action of other organizations or the relationships held with other organizations. Grannovetter (1985) argues that even economic
exchanges are influenced by the structure of social relationships in which interactions are embedded. The current representations of the way in which collaborations are undertaken also ignores the ways in which social relations within organizational social structural environments shape the flow of information (Burt, 1982). The influence of social relationships upon economic exchanges creates opportunities and constraints for organizations that affect both their decision-making and the performance of partnerships once they have been made. Addressing the effect of social relations upon exchanges can be in part achieved by incorporating both social and network concepts into the analysis of alliances as well as broadening the unit of analysis from the dyad or individual organization through the inclusion of network variables.

Exclusively focusing on either organizational or industry level factors to explain collaborative relations and performance is also problematic in that it not only ignores the social factors but also the normal interaction of forces within a market. Organizations do not simply interact with other organizations within their industry; they interact with the market as a whole. Market exchanges include not just competition with others in an industry but also interactions with suppliers and buyers in the market place as well as cultural and social trends that affect overall desirability for goods and services. Recent discussions within the economic literature suggest that even interactions within a pure market of buyers and sellers is not fully rational and is affected by social and cultural trends that create positive feedbacks in economic systems (Arthur, 1990). The path dependent feedbacks of history and culture affect the overall success of some actors over others once an advantage has been gained.

The overemphasis on the influence of the competencies of organizations in part stems from the atomistic account that many studies use to explore the reasons for entrance into collaborative agreements. The current focus on firms and dyads as the unit of analysis makes examination of other reasons for collaborative activities more difficult to explore. For example, using a firm or a dyad as a unit of analysis blocks analysis of a wider number of participants or structural characteristics that may enable or constrain actor’s entrance into an agreement with another organization. However, incorporation of other actors within the social environment gives actions a context and allows inclusion of relevant factors such as history and influence within the social network that have the potential to impact overall decisions and preferences of network actors.
Finally, this dissertation seeks to clarify what differences exist between the contingencies Oliver (1990) cites for the formation of IORs and those that uniquely affect nonprofit organizations. At present, the literature fails to explore possible differences between public and nonprofit organizations’ formation of interorganizational relationships. It is unclear if the formation of relationships between these two sectors is identical and has similar mechanisms, or if earlier literature failed to make a distinction between the two because social services delivery was previously dominated by public agencies. This study will test some of the factors outlined by Oliver’s (1990) review of the literature on collaborations and address any key differences found between earlier theoretical assertions. This will allow us to begin to assess how the relationships formed by nonprofit organizations are unique from those formed by the public and private sectors. This will also help to clarify whether sector or function of the organization makes the greatest difference in determining the variables that affect the formation of interorganizational relationships.

Outline of Dissertation

Chapter Two presents a discussion of the literature on (1) alliances, (2) interorganizational relationships, (3) networks, and (4) nonprofit organizations. Chapter Three presents an argument about the application of network theory to understanding alliance formation between nonprofit organizations and presents a theoretical model of alliance formation between nonprofit organizations. Chapter Four outlines methods and procedures that will be employed to carry out the study. Chapter Five present results and findings of the study. Chapter Six presents the study’s conclusions, limitations, and directions for future study.
CHAPTER 2:
REVIEW OF LITERATURE ON ALLIANCES, INTERORGANIZATIONAL RELATIONS, NETWORKS, AND NONPROFITS

Development Literature in Interorganizational Relations and Alliances

The examination of collaborations between nonprofits and other organizations largely emerged in the 1970’s with the research on social service agencies engaged in “war on poverty” programs. These early explorations grew into a vibrant strain of research on interorganizational relations that has affected the study of relations in both the public and private sectors. This early research tended to blend the distinctions between nonprofit organizations and public organizations (Aiken & Hage 1968; Black & Kase 1963; Warren, Rose, & Bergunder 1974; Aldrich & Herker 1977; Hall et al 1977; Ostom 1973) and more recent studies overlook the differences between within-sector and cross-sector collaborations (Anheier & Siedel 1990; Milne, Iyer, & Gooding-Williams 1996). The treatment of sectors together relies mainly upon type of service delivered rather than on type of organization delivering those goods and services. This is due in part to originating studies being conducted at a time when the role of nonprofit organizations was still expanding, the lack of development of scholarship examining nonprofit organizations and a lack of understanding about what makes nonprofit organizations unique from both public and private organizations. The last several decades have brought a large number of changes in both the operations of nonprofit organizations (Alexander 2000; Light 2000) and an increasing maturity in the scholarship aimed at understanding the role of these organizations in society (Stone & Crittenden, 1993; Stone, Crittenden, & Bigelow 1999; Light 2000; Mirabella & Wish 2001, 1998).

Beginning in the 1980’s there was a radical shift in the roles of both public and nonprofit organizations (Alexander 2000; Salamon 1999, 2002). Federal policies began to emerge that attempted to “devolve” delivery of social services to state and local governments and move service delivery out of government and into either the private or nonprofit arena. As the role of government in both the provision and delivery of public services has decreased, the role of the nonprofit sector has grown. Nonprofit organizations have been called upon to deliver and help
support an ever increasing number of services to the communities which they serve while at the same time encountering in many areas a decrease in the amount of funding available from government sources and increasing competition for those funds from both an increasing number of nonprofits and for-profit organizations entering the market to provide social services. These trends have forced nonprofits to become more entrepreneurial as they compete for resources with other nonprofit and for-profit entities (Alexander, 2000; Eikenberry & Kluver, 2004). The shift in the role of nonprofits suggests that the literature examining interorganizational relations needs to be reexamined and that perhaps more entrepreneurial models of nonprofit behavior in forming interorganizational relationships should be applied, drawing upon the current literature of strategic alliances.

Interorganizational research began in the 1960’s with exchange theory (Blau 1964; Evan 1963; Levine & White 1961). Exchange theory explains that due to scarcity of materials required for organizations to operate that organizations will interact with one another in order to reach their respective goals (Levine & White 1961). Exchange theory provided the theoretical basis for the development of resource dependence (Pfeffer & Salancik 1978) and ecological theories (Aldrich, 1979) of organizational relationships that developed in the 1970’s (Auster 1994).

The research on interorganizational linkages slowed down in the 1980’s, receiving only sporadic attention and incorporating themes of strategic management, but was revitalized in the 1990’s with the interest in the strategic alliances formed by multinational corporate linkages in the area of business management (Auster, 1994). The later developments in the literature have focused almost exclusively upon interorganizational relations that are formed between private for-profit enterprises, most often large corporations. These studies examined interorganizational relationships as strategic alliances and incorporated the actions of the organizations as important considerations in determining which organizations partnered and the outcome of those partnerships. However, the most recent stream of research is primarily based upon economic models of transaction costs, and is much different theoretically than earlier literature that was grounded almost exclusively in sociological theory. The present literature draws on all four perspectives -- resources dependence, ecology, strategy, and transaction costs.
Resource Dependence

The literature that examines interorganizational relationships in the resource dependency strain has primarily stemmed from work in sociology and political science. In general, this literature addresses the question, “How does the formation of interorganizational linkages help an organization acquire resources” (Auster 1994, p. 5)? The resource dependence literature bases its theoretical assertions on three general assumptions: 1) the primary goal of organizations is to maximize power, 2) organizations need to obtain resources from their environments, 3) the environment surrounding the organization is uncertain (Auster 1994, p. 5). Organizations attempt to cope with uncertainty and gain power by establishing relationships with other organizations to acquire needed resources (Pfeffer and Salancik 1978, p. 139-152). The resources that organizations require are not limited to physical or monetary resources and include less tangible assets such as information and reputation of prospective partners (Auster 1994; Pfeffer 1981; Stinchcombe 1990; Van de Ven and Walker 1984). In this theoretical orientation it is assumed that due to their drive for power organizations are attempting to minimize their dependence on other organizations for resources while trying to maximize the dependence of other organizations upon them (Oliver 1990).

Population Ecology

The ecological perspective in examining interorganizational linkages is rooted in a unique theoretical combination of sociology and biology (Auster 1994). The ecological theories examining interorganizational linkages tend to attempt to answer questions about how trends and patterns in the emergence of organizational forms and their decline by arguing that they are molded by environmental forces over time. The current study of interorganizational linkages from the network perspective grew in part out of ecological exploration and theory, which also incorporates a perspective where organizations adapt to and are acted upon by the larger environment (Aldrich 1979).

The ecological perspective explains interorganizational linkages as part of a three stage evolutionary process of variation, selection, and retention (Aldrich 1979). During the first stage, innovations in organizational forms occur within organizations through adaptation or between organizations through the creation of the organizational form. The second stage, the selection
stage, occurs when organizations interact with environmental conditions and their survival is determined by how well suited a particular organization is to its environment (Aldrich 1979, p. 40). The final stage in the ecological models explores retention or reproduction of organizational structures. This model equates organizations with organisms in an ecological environment and explains that organizations poorly matched to environmental conditions will either adapt or will die off just as biological organisms either adapt behaviorally to changing environmental conditions or perish.

**Strategic Management**

The strategic perspective in examining interorganizational linkages tends to build on traditional approaches to the study of institutions and organizations which rely on economic assumptions (Eisenhardt & Schoonhooven 1996). The analysis of interorganizational linkages from this perspective tends to examine the competitive benefits to be gained in position and profitability that influence relationship formation, and the associated factors that affect performance (Auster 1994, p.8). These studies have tended to focus upon individual organizations or dyadic pairs in order to understand the competitive benefits of these relationships with little consideration of the ways in which the broader environment acts on these strategic considerations or the impact that these relations have upon shaping the future environment of decisions made by organizations to form partnerships.

**Transaction Cost Theory**

The transaction cost perspective also draws primarily upon economics for the formation and testing of theory. In particular, it bases a great deal of its theoretical assertions upon Williamson’s (1985 p. 32) transaction cost perspective on organizations that asserts that transactions between organizations are organized “so as to economize on bounded rationality while simultaneously safeguarding firms against the hazards of opportunism.” This strain in the research has primarily been interested in examining what organizational characteristics such as asset specificity, opportunism, and small numbers bargaining affect the costs associated with different types of interorganizational linkages (Auster 1994, p. 9). The theory assumes not only those decisions are made rationally, but also that decision makers are opportunistic and
constrained by bounded rationality or the inability for individuals to make fully rational decisions due to costs of gathering and judging the quality of information.

In contrast to the strategic approaches that emphasize the advantages of relationships, the transaction cost perspective emphasizes the costs of different mechanisms, such as integration or free-market exchange, that are considered in examining different strategies that could be pursued in light of characteristics of each organization. The transaction cost perspective primarily views the formation of interorganizational relations as a compromise between the instability of the market and the high costs of integrating needed capabilities into an organization’s hierarchy.

**Integrating Current Literature**

The current literature that explores the relationships that nonprofits form predominantly focuses upon nonprofits’ formation of relations with for-profit and public organizations. This literature draws from resource dependence, microeconomics, or strategic management literatures but the literature fails to create a comprehensive theory of collaborations between nonprofit organizations or explore the ways in which the formation of relationships by nonprofits might be different than formation of relationships by other sectors or the formation of cross sector relations (Guo & Acar 2005). Nonprofits face substantially different market mechanisms, history, culture, and institutional pressures than either for-profit or public organizations (Murray 1998; Bailey & Koney 1996; Galaskiewicz & Bielefeld 1998). At present, the research done by nonprofit scholars tends to document cooperation, collaboration, and alliances among organizations as strategic responses to environmental uncertainty (Connor, Taras-Kadel, & Vinokur-Kaplan 1999; Mulroy & Shay 1997; Provan & Milward 1995; Rapp & Whitfield 1995). Recent studies have attempted to bridge this gap in the existing literature by exploring the reasons nonprofit organizations form collaborations with other nonprofits (Guo & Acar 2005; Foster & Meinhard 2002). Foster and Meinhard’s (2002) examination of collaborations between nonprofit organizations in Canada expanded upon the current literature by incorporating both important organizational characteristics and environmental pressures. Previous research tended to focus only on environmental pressures or internal aspects of organizations and did not examine how these two sets of pressures and activities interacted. They found that both
attitudinal characteristics of the organizations and environmental pressures were important to understanding the collaborative behavior nonprofit organizations.

However, they too fail to adequately address the importance of the specific characteristics of nonprofit organizations and the differences between cross-sector collaborations and collaboration among nonprofits. The unique characteristics of nonprofits may shape the decisions of these organizations to form alliances with other organizations and their decisions about with whom to form these alliances. Nonprofits, unlike the other two sectors, face stresses that are not only related to uncertainty about the demand for services but also uncertainty of the political environment surrounding policy issues. Uncertainty in the policy area or rapid changes in government policy about what is required to receive government contracts can force changes in service delivery technology or the processes by which nonprofits change raw materials into outputs and outcomes of services. For this reason the current study seeks to understand the different aspects of uncertainty that nonprofit organizations in particular face and how they incorporate uncertainty as a factor to understand collaboration strategies.

The literature has also generally looked at collaboration as an all or nothing proposition with little differentiation between attempts to explain the tendency of nonprofit organizations to collaborate informally and more intensive and ongoing forms of collaboration between organizations (Guo & Acar 2005). While it is fairly common for nonprofit organizations to engage informal collaborations, such as information sharing and client referral other more formal collaborative activities are less frequent (Snavely & Tracy 2000). But as more nonprofits adopt business like models of management and more nonprofit managers are formally educated in management rather than coming from human service backgrounds (Light 1999, 2000), it is likely the entrepreneurial behavior of nonprofits will increase (Alexander 2000). It is likely that an increase in entrepreneurial behavior will result in an increased amount of collaborative behavior between nonprofits as they use relationships to gain competitive advantages against both other nonprofit organizations and for profit organizations (Connolly & York 2002). For this reason, we must look to not only studies of nonprofit organizations but also to research in field of business management to begin consistent and complete theory about the behavior of nonprofit

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1 Formal collaborations were defined by Guo and Acar (2005 p.343) to include those in which organizations “establish an ongoing relationship through shared, transferred, or combined services, resources, or programs” which results in strategic restructuring such as joint programs, parent subsidiary, joint venture and merger. They define informal collaborations as relationships that “do not make an ongoing commitment to the partnership, and decision-making power over key management functions remains with the individual organizations.”
organizations and also examine possible differences between formal and informal collaborative efforts between nonprofits.

**Contingencies that Affect Formation of IORS**

The following section draws heavily from Christine Oliver’s (1990) review of the literature on interorganizational relations because it offers a comprehensive review of the literature that incorporates public social service organizations and for-profit organizations. Oliver’s (1990 p.242) examination of the literature on interorganizational relationships points to six critical contingencies that motivate or prompt organizations to form relationships with others: “necessity, asymmetry, reciprocity, efficiency, stability, and legitimacy.” The conditions under which relationships between organizations occur in general include both factors that are environmental and interorganizational in nature (Oliver 1990). While each of these reasons is sufficient to encourage the formation of a relationship between organizations it does not exclude the possibility that more than one contingency is interacting in their formation. Two assumptions underlie the model: 1) organizations are assumed to make conscious, intentional decisions, and 2) organizations enter into relations based upon reasons that make sense from an organizational perspective. Oliver’s assumptions assert a view of the world that is rational and intentional. The use of a rational perspective somewhat limits the ability of theory to explore other possible explanations that are less rational in nature such as political or social conditions that might ultimately impact an organization’s propensity to form relationships or, non-market or non-efficiency based explanations that might be particularly appropriate to nonprofit organizations.

**Six Critical Contingencies**

According to Oliver (1990) the conditions that increase the probability of relationship formation are both generalizable and relation specific. The generalizable conditions have had fairly broad exploration in the literature and include resource scarcity (Pfeffer & Salancik 1978; Thompson 1967; Ven de Ven 1976; Van de Ven & Walker 1984), asymmetry (Guptal & Lad 1983; Staber & Aldrich 1983), reciprocity (Olson 1965; Smith 1980), efficiency (Williamson 1985), stability (Pfeffer & Salancik 1978; Staber 1987), legitimacy (Gupta & Lad 1983) and
domain consensus, (Aldrich 1971, Gillespie & Perry 1975; Levine and White 1961; Van de Ven 1976). Relationship-specific conditions help to predict what type of relationship will be established, but the literature has yet to fully explore and test the relationship between these contingencies and the type of relationship formed (Oliver 1990) or the relationship specific aspects of formation of interorganizational relationships.

Table 2.1: Critical Contingencies: Examples for Six Types of Relationships (Oliver, p249)

<table>
<thead>
<tr>
<th>Type of Relationship</th>
<th>Critical Contingency</th>
<th>Asymmetry</th>
<th>Reciprocity</th>
<th>Efficiency</th>
<th>Stability</th>
<th>Legitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade associations</td>
<td>Lobby state regulators</td>
<td>Promote collective good (e.g. trade shows)</td>
<td>Obtain economic advantages</td>
<td>Reduce legislative uncertainty (e.g. product standardization)</td>
<td>Enhance members’ image</td>
<td></td>
</tr>
<tr>
<td>Voluntary agency federations</td>
<td>Increase collective power in fundraising</td>
<td>Coordinate network affiliates</td>
<td>Achieve economies in collection and distribution of donations</td>
<td>Stabilize flow of donation to members</td>
<td>Increase members’ community visibility</td>
<td></td>
</tr>
<tr>
<td>Joint ventures</td>
<td>Increase market power and entry barriers</td>
<td>Obtain synergies in technology, information sharing</td>
<td>Increase economies of scale</td>
<td>Share risks in entering new markets</td>
<td>Enhance profile in industry</td>
<td></td>
</tr>
<tr>
<td>Joint programs</td>
<td>Exert control over access to resources</td>
<td>Facilitate exchange of clients or personnel</td>
<td>Reduce costs of social service delivery</td>
<td>Share risks in mounting new programs</td>
<td>Demonstrate norms of cooperation</td>
<td></td>
</tr>
<tr>
<td>Corporate-financial interlocks</td>
<td>Influence sources of capital</td>
<td>Share knowledge and information</td>
<td>Reduce search costs for capital</td>
<td>Co-opt financial constituents</td>
<td>Project appearance of financial viability</td>
<td></td>
</tr>
<tr>
<td>Agency-sponsor linkages</td>
<td>Augment power relative to other agencies</td>
<td>Facilitate information exchange</td>
<td>Rationalize acquisition of funding</td>
<td>Reduce uncertainty in flow of funds</td>
<td>Increase agency’s acceptance and prestige</td>
<td></td>
</tr>
</tbody>
</table>

(Note color added for emphasis, Red denotes – for profit interorganizational relationships, Blue denotes – social service or government interorganizational relationships)

Necessity. The first critical contingency Oliver (1990) cites is the formation of relationships based upon necessity to meet legal or regulatory requirements. This includes mandates from authorities such as government and regulatory agencies, or professional bodies. These relationships are seen as largely forced upon organizations that comply to avoid repercussions of noncompliance (Leblebici & Salancik 1982). While the bulk of the literature explores voluntary relationships rather than mandated relationships, it is likely that the occurrence of mandated relationships will be higher for nonprofit organizations contracting with government to provide services. Studies of mandated interorganizational relationships reveal that
the general framework of exchange is probably inappropriate to examine these relationships because mandates remove organizational choice. It is likely that mandated relationships have both different reasons for formation and different consequences for the organizations involved (Whetten & Leung 1979). However, it remains unclear to what extent organizational dependency upon very few buyers for their goods and services creates coercive pressures upon organizations to comply that in effect become mandates.

Minnesota’s Washington County Welfare-to-Work partnership (Stone 2000), for example, mandated inclusion of representatives from a school district, the county, a public health entity, and a community action agency or Head Start program to be eligible for funding from the State Department of Human Services. This type of forced collaboration is not only mandated legally, but the need for funding forces many nonprofits to accept these terms or be unable to continue operation. This type of collaboration has not been uncommon as a response to federal welfare reform legislation and is not limited to social service nonprofits.

Power asymmetries. The second contingency discussed by Oliver (1990) is the presence of power asymmetries among organizations. Interorganizational relationships formed on the basis of asymmetric contingencies are explained largely in terms of the potential for organizations to exercise power or control over another organization or its resources. The power an organization has over other organizations is said to be a function of “organization size, control over the rules governing exchange, the ability to choose a ‘do without’ strategy, the effectiveness of coercive strategies, and the concentration of inputs” (Oliver 1990, p. 243). The power approach to explaining interorganizational relationships suggests that competition for scarce resources prompts organizations to attempt to exert power and control required resources and interdependencies. This allows organizations to create stability in volatile environments by controlling other organizations.

The presence of power asymmetries has the potential to be even more important for nonprofit organizations because nonprofit organizations are more affected by political forces than for-profit organizations and more affected by market forces than public organizations (DiMaggio & Anheier 1990). Nonprofits can be influenced by political players in ways that both for-profit and public organizations are not because, unlike purely public organizations that have relatively stable funding, nonprofits face the potential threat of losing the revenue needed to continue operations, especially if fully or heavily subsidized by government. Moreover, because
they implement policy nonprofits can be a prime target for changes when shifts in the policy debate and politics occur. Nonprofits are particularly susceptible to shifts in public policy because of their reliance upon public funding to deliver goods and services (Weisbrod 1998). It is possible because of the sometimes-unpredictable nature of policy change that the power asymmetries that exist between nonprofit organizations might be more tenuous than those that exist between other organizations. Nonprofits are even more susceptible because nonprofits’ ability to gain resources and attract funding is so closely tied to their reputation and particular ability to implement particular policies (Galaskiewicz & Burt 1991).

Reciprocity. The third contingency discussed by Oliver (1990) is that of reciprocity between organizations that encourages cooperation between them. In contrast to relationships based upon power asymmetry, some interorganizational relationships are formed on the basis of cooperation, collaboration, and coordination, or reciprocity among organizations. These types of relationships are formed for mutual benefit and explain certain relationships that cannot be explained by power asymmetries. Explanations for reciprocal relationships are rooted in exchange theory (Levine & White 1961) and have been primarily explored in the context of health and social service agencies (Hall et al, 1977; Van de Ven & Walker 1984). Models of interorganizational relationships based upon reciprocity make three general assumptions: 1) resource scarcity may induce cooperation; 2) the process of linkage formation is characterized as balanced with a lack of conflict or coercion (Oliver 1990); and, 3) partners anticipate that benefits of the relationship will far exceed costs, especially those associated with loss of decision making (Provan 1984).

Efficiency. The fourth contingency cited by Oliver (1990) as critical to the formation of interorganizational relationships focuses upon potential efficiency gains that could be accomplished through the relationship. The impetus for the formation of the relationship in this case comes primarily from management and cost concerns internal to the organization or attempts to mediate transaction costs that occur as the result of an organization’s interaction with the market to buy needed goods and services (Oliver 1990).

The initial development of interorganizational literature in non-market settings has primarily left considerations of internal efficiency underdeveloped in the literature and has failed
to consolidate efficiency considerations with more developed theoretical considerations such as
necessity, power, or reciprocity (Oliver 1990; Gupta & Lad 1983; Olson 1965, 1982; Staber
1987; Stuckey 1983; Thorelli 1986). However, the continued emergence of transaction cost
economics in management and social science literature is likely to bring more attention to
efficiency as the study of interorganizational relationships continues. Additional attention is
likely to be brought upon this area especially when examining both public and nonprofit sector
entities’ decisions to form relationships because of the trend to increase formal accountability
standards (Light 1999, 2000). These programs focus on cost savings and efficiency gains that
could be made in the delivery of government and social services.

**Stability.** The fifth reason that Oliver (1990) cited in the creation of interorganizational
relations is the desire to decrease instability brought about by exchange between organizations.
Stable relationships between organizations have the potential to reduce uncertainty by allowing
the organizations to create manageable regularities through more formalized relationships and
increase communication between exchange partners. Environmental uncertainty often occurs as
the result of scarce resources, imperfect knowledge about the changes in the environment, or
uncertainty about exchange partners (Oliver 1990). Stable relationships with other organizations
create regularities that help an organization to manage uncertainty in a turbulent market. These
relationships as they are developed form regularized patterns that develop into structures that in
turn act upon organizations and shape both current and future interactions (Gulati 1995a).

Recent explorations of the environment surrounding nonprofit organizations all seem to
suggest that nonprofit organizations are facing increasing levels of uncertainty because of the
changing relationship between nonprofits and governments. Due to the dual trends of devolution
and the welfare reform movement nonprofits are experiencing greater demand for services and
more competition from other nonprofits and for-profits for funding (Stone 2000). These factors
all point to greater uncertainty for organizations (Galaskiewicz & Bielefeldt 1998). As
government continues to depend upon nonprofits and social problems become more complex it is
likely that uncertainty facing the sector will continue and possibly increase over time and that
management of uncertainty could prove to be an even more important concept in our
understanding of how relationships between nonprofits are formed.
Legitimacy. The final reason cited by Oliver (1990) for the creation of interorganizational relationships is the need to establish organizational legitimacy. Much of an organization’s influence and ability to gain resources come through its interactions with others and the market at large because the prevailing norms of the environment become important. DiMaggio and Powell (1983) suggest that the desire for legitimacy often overrides many other institutional incentives such as efficiency and accounts for the reasons many organizations take on similar and seemingly irrational forms.

Table 2.2: Conditions for Relationship Formation for Each Contingency (Source: Oliver, p.251)

<table>
<thead>
<tr>
<th>Type of Relationship</th>
<th>Asymmetry</th>
<th>Reciprocity</th>
<th>Efficiency</th>
<th>Stability</th>
<th>Legitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade associations</td>
<td>Strong threat of government intervention</td>
<td>Equitable contributions by members</td>
<td>Low cost in the maintenance of relationship</td>
<td>Intermediate domain size</td>
<td>Explicit public criticism of industry</td>
</tr>
<tr>
<td>Voluntary agency federations</td>
<td>Lack of fixed money market for funding</td>
<td>Equitable allocation of funding to affiliates</td>
<td>Moderate degree of standardization among affiliates</td>
<td>Stringent resource environment</td>
<td>Explicit public criticisms of agencies activities</td>
</tr>
<tr>
<td>Joint ventures</td>
<td>Low potential for erosion of competitive position</td>
<td>Balanced bargaining position between participants</td>
<td>Low cost for interorganizational relationships relative to market or hierarchy alternatives</td>
<td>High risk in entering new markets or activities</td>
<td>Requirements for local legitimacy in host country or new market</td>
</tr>
<tr>
<td>Joint programs</td>
<td>High potential for control over funding or authority</td>
<td>Intermediate domain similarity</td>
<td>Low cost in monitoring relationship</td>
<td>Complex and risky delivery of social service</td>
<td>Strong public pressure to integrate social service delivery</td>
</tr>
<tr>
<td>Corporate-financial interlocks</td>
<td>Severe market constraints</td>
<td>Equal or symbiotic contributions by participants</td>
<td>Potential for high quality advice or expertise</td>
<td>High unpredictability in availability or acquisition of capital</td>
<td>External pressure to demonstrate financial viability</td>
</tr>
<tr>
<td>Agency-sponsor linkages</td>
<td>Sponsor centrality in social service network</td>
<td>Low probability of sacrifices to decision-making autonomy</td>
<td>Efficiency-based criteria for sponsorship decisions</td>
<td>High uncertainty in resource environment</td>
<td>Low community awareness of agency or its program</td>
</tr>
</tbody>
</table>

(Note color added for emphasis, Red denotes – for profit interorganizational relationships, Blue denotes – social service or government interorganizational relationships)

One of the ways in which interorganizational relationships can signal legitimacy is through partnering with other organizations, especially established or prominent organizations. Ability to form a relationship with a prominent organization signals a level of acceptance within a community and competency of the organization within the service area because a respected service provider sees them as a valuable partner. Wiewel and Hunter’s (1985) case study
illustrated this dynamic from its finding that new organizations were able to increase their legitimacy as a function of their ability to invoke affiliations with known organizations.

The literature exploring legitimacy or social status emphasizes the importance of nonmaterial aspects of firms that may encourage partnerships that might otherwise seem unlikely. Legitimacy is important to organizations for several reasons including the need to establish a reputation within a community to attract resources and to appear legitimate to both potential buyers and sellers. The pressure for organizations to appear legitimate and to attain social status is especially important to nonprofit organizations that must rely upon reputation to attract resources from funding sources and donors and volunteer support from the community, as well as maintaining their legitimacy as a community organization (Galaskiewicz 1985a, 1985b; Galaskiewicz & Burt 1991).

While organizations may form relationships with other organizations primarily for a single reason, it is unlikely that a single motive can be attributed to the complex actions of organizations. For example, a relatively unknown or new organization in a community may establish a relationship with the local United Way to increase stability in its funding resources and enhance its legitimacy within the community. It is likely that in the formation of any relationship multiple reasons are at work within an organization and its environment and that the reasons for continuation of a relationship may shift and change over time (Schmidt & Kochan 1977). For example, a nonprofit may initially establish a relationship with another nonprofit for reasons of efficiency and stability in delivering services to stakeholders, but may eventually continue the relationships for reasons of reciprocity or social obligations.

**Strategic Alliances**

While the literature on interorganizational relationships attempts to integrate the logic of both the private and public sectors, it fails to take into account the strategic considerations made by organizations when forming relationships with other organizations and largely ignores the role that the agency of leaders within organizations and the impact that the structure of social relationships have upon formation of interorganizational linkages (Gulati, 1998). These are important considerations when examining relationships between for-profit and nonprofit
organizations that must raise funds and resources in order to continue operations. While these two sectors are understandably very different, they face somewhat similar pressures in the need for revenue to continue operation. For this reason, examination of the literature on strategic alliances might help illuminate the development of collaborative relationships between nonprofit organizations.

The literature on alliances at present has been developed to examine the relationships that have formed between for-profit organizations that help those organizations to gain a competitive advantage in the marketplace relative to others providing similar goods and services (Gulati, 1998). This literature examines not only relationships formed with critical buyers and suppliers of goods and services but also relationships formed with potential competitors. For example, studies have been conducted examining the strategic alliances formed between airlines involving code sharing that help to reduce competition between airlines in certain areas while making some airlines more able to compete in the broader marketplace (Gimeno, 2004). The motives for formation and continuation of the alliances are usually regarded as instrumental in nature, with the exception of studies by Gulati (1998) and Eisenhardt and Schoonhoven (1996), who seek to understand both the structural and social aspects of alliance formation. These studies, while mainly adapted to understanding the formation of interorganizational relationships among private sector organizations, may help enhance our understanding of relationships formed between nonprofit organizations.

Gulati (1998) explains that from a strategic standpoint the decision to enter an alliance consists of a sequence of events including: “the decision to enter an alliance, the choice of an appropriate partner, the choice of structure for the alliance, and the dynamic evolution of the alliance as the relationship develops over time” (293-294). The desire to form an alliance alone, however, is not enough and we must also examine the opportunities that an organization has to form relationships. Organizations have both strategic needs and social opportunities afforded to them through preexisting relationships with other organizations or individuals (Eisenhardt & Schoonhoven, 1996). The social ties involved in alliance formation are not only important for facilitating the alliance, but also for allowing prospective partners to gather information about capabilities of other organizations and limit their risks in taking on a partner, thus limiting the potential costs of these relationships (Hennart 1991; Williamson 1991).
Economic Explanations of Alliance Formation. The dominant view in the literature takes a traditional economic approach to explaining why organizations choose to enter into alliances and takes for granted the social relationships’ effect upon the ability of organizations to form alliances. This approach builds upon Axelrod’s (1984) explanation of cooperation between actors as based on rational calculations of the expected payoff for engaging in an activity exceeding the payoff of a solo endeavor. The likelihood of a higher payoff structure through cooperation increases when organizations are in vulnerable strategic positions. The strategic positioning of an organization depends not only upon the characteristics of the organization, but also the environment or market in which the organization is contained (Conner 1994).

Vulnerable strategic positions of organizations occur when market conditions are highly competitive or the capabilities of the firm do not match the current demands within the market (Eisenhardt & Schoonhoven 1996). Vulnerable market positions push firms to find others to cooperate to increase the amount of resources available to the firm or organization. The resources that firms gain access to through membership in alliances include concrete resources such as capital and specific skills (Hamel et al. 1989; Pisano & Teece 1989). But firms also gain access to more abstract resources such as legitimacy and market power (Weiwel & Hunter 1985; Baum & Oliver 1991).

The economic view of cooperation put forth to explain alliance formation is based upon a model of human behavior that is largely self-interested rather than one that emphasizes more socially-oriented or altruistic behaviors. For example, cooperation in this context is almost exclusively framed within some strategic or monetary gain that is to be obtained for the organization, and it does not even explore the possibility that partnerships may sometimes be formed for the overall good of the community (Lohmann 1989).

Transaction costs explain relationships between organizations as a median solution between the costs of uncertainty found within the market and the costs of bureaucracy or merger that result from full integration of activities within the organization (Williamson 1985). Kogut (1988) highlights three traditional reasons that organizations seek to enter alliances: transaction costs resulting from small numbers bargaining, strategic behavior that leads firms to try to enhance their competitive positioning or market power, or a need for knowledge or learning. These all examine alliance formation as a potential gain seeking behavior for the organization.
that is undertaken in exchange for loss or sharing of control over some of the organization’s resources that are employed in shared responsibilities between organizations.

The transaction cost economics approach to understanding strategic alliances emphasizes cost efficiency as the motivation for cooperation (Eisenhardt & Schoonhoven 1996). This approach seems to be the most successful in predicting the behavior of more established private enterprises or to predict vertical integration alliances (Hennart 1991; Osborn & Baughn 1990). While this framework has proved useful in predicting alliance formations in certain industries it ignores the importance of both strategic advantages and social factors in the formation of alliance structures. This approach also largely ignores other environmental factors such as competition from others within the sector or uncertainty caused by volatile markets (Oliver 1990). Explanations based purely on transaction cost explanations and cost minimization ignore a host of possible explanations for alliance formation including learning, legitimacy, market entry, or even need to gain access to other actors within the market. These explanations are based upon less market driven motivations for alliance formation and rely more heavily upon the organization’s social environment and capabilities to understand formation of alliances.

Resource Dependency and Alliances. The theories about alliance formation that have grown out of resource dependency theory focus on the need for firms to reduce transaction costs in either producing goods and services or gaining access to new markets or information while minimizing risks to the firm. As Aldrich (1979, p. 119) observed:

The resource dependence perspective posits that organizations attempt to avoid becoming dependent on others and seek to make others dependent upon them and that the behavior of leaders and administrators is strongly influenced by the attention they pay to interorganizational dependence.

The need to form interorganizational alliances in this perspective comes from the inability of organizations to produce everything that is required to run an organization. In order to acquire resources essential to their survival organizations are forced to interact with others (Knoke, 1990a). Organizations in this model attempt to gain control over needed resources by forming relationships with other organizations that ensure access and independence from other organizations.
Resource dependence theories have found support for the notion that an important reason for ties between organizations was their perceived strategic interdependence (Pfeffer & Nowak 1976). However, not all strategic interdependencies result in the formation of stable relationships between organizations. Relying solely upon the idea of strategic interdependence and the uncertainty created by the environment does not explain the way in which organizations learn about opportunities for alliances or overcome the problems associated with alliance formation, such as incomplete information or control over partners (Gulati 1995).

Problems associated with unit of analysis. Another potential problem with most studies of alliances is the choice of unit of analysis of the firm or the dyadic alliance. This has led researchers to try to identify the attributes of firms that influence their likelihood to enter alliance or other characteristics that influence their choice of partner. The concentration upon the individual characteristics of firms has led to an under-socialized or atomistic account of the factors that influence the decision making of firms (Wrong 1961; Granovetter 1985). Under-socialized accounts tend to underemphasize contextual factors that affect organizational choices such as norms, values and the organization’s environment. The external environment in these studies is characterized in competitive terms and does not take into account the actions of others or the relationships within which the actions taken are embedded (Gulati 1998).

Another implication of firm or alliance as the unit of analysis is that it portrays the decision to enter an alliance as static while often the decision to enter into a partnership with another firm or organization is done to reduce uncertainty in a dynamic or unstable environment (Pfeffer & Nowak 1976). The decision to enter an alliance involves not only an evaluation of the strengths and weaknesses of a potential partner as is suggested in many studies conducted at the firm or dyadic level of analysis (i.e. Andrews 1971) but also the relationships surrounding both firms and their environment.

Extensions to Traditional Alliance Literature. While traditional accounts drawing on either resource dependence or economic explanations of alliances formations have dominated the literature, more recent accounts have attempted to incorporate other considerations. This includes work that has proposed a resource-based account of alliance formation that emphasizes both economic and strategic interests of the organization (Eisenhardt & Schoonhooven 1996) and
work that has attempted to integrate characteristics of social structure into the analysis of alliances (Gulati 1995a; 1995b; 1998; Gulati & Gargiulo 1999; Gulati & Westphal 1999).

One example is the work of Eisenhardt and Schoonhoven (1996) that has extended the traditional transaction cost approaches by including resource-based views of organizational participation in alliances, including the social positions of leadership and strategy as factors in alliance formation. Their study uses a resource-based view of organizations that characterizes organizations as bundles of resources. The types of resources that an organization possesses include both tangible (e.g. financing and technology) and intangible assets (e.g. reputation and skills of actors). Organizations in this view enter strategic alliances to enhance vulnerable market positions or attempt to capitalize on strong social positions or status of their organization.

The resource-based view defines alliances as:

   cooperative relationships driven by a logic of strategic resource needs and social resource opportunities. . . .this perspective emphasizes (1) strategic and social factors, not transaction costs, (2) characteristics of the firm (e.g. strategy of top management), not the transaction, and a theoretical logic of needs and opportunities, not efficiency (Eisenhardt & Schoonhoven 1996, p.137).

This means that in order to examine alliances one must not only examine the conditions of the market, but also the qualities of the firm, that are underemphasized in approaches that focus predominantly on transaction costs as the explanatory variable in alliance formation. Eisenhardt and Schoonhoven (1996) found empirical support for the relationship between market competition and alliance formation, with the strongest positive relationship between emerging markets and formation of alliances. The authors relate these finding to forces of competition forcing firms to share resources and risks associated with the development of new products. In contradiction to the hypothesized linear relationship, the authors found that a greater number of alliances were formed in mature rather than growth stage or emerging markets. This suggests that the formation of alliances is much more driven by need to manage uncertainly and to compete for resources, and that alliance formation will be most likely in stable or mature markets when there are fewer resources for organizations (Ohmae 1989).

Eisenhardt and Schoonhoven (1996) also found that management strategies made a difference in the rate of alliance formation in their sample. They found that firms, which identified themselves as technically innovative, based on a series of questions asked of top
managers, were more likely to form alliances. This suggests the rate of alliance formation is not only related to market conditions but also to the risks taken by the manager and managers will be more likely to form an alliance with another organization if they are inclined to be innovative. Partnerships in this situation allow managers to gain access to additional resources including technical knowledge that is important to innovation (Maidique & Patch 1982; Eisenhardt & Schoonhoven 1990). The examination of nonprofits and the role of managers or leaders will be much more complex because of the involvement of boards of directors and external stakeholders in goal setting and decision-making. Nonprofits need to consider strategies, multiple stakeholders in resource development, the potential for collaboration, and the mixed influence of market forces (Brown & Iverson 2004).

The importance of intangible resources to alliance formation is highlighted when examining the literature about the patterns of philanthropic giving to nonprofits. Network examinations of nonprofit giving (Galaskiewicz 1985a, 1985b; Galaskiewicz & Burt 1991) have found that the evaluations of nonprofits and ultimately the amount of money they receive from corporate donors were strongly influenced by the social networks of corporate philanthropic officers. In particular, Galaskiewicz and Burt (1991) found that the evaluations of nonprofits followed a pattern of network contagion by structural equivalence. Contagion by structural equivalence arises among people who occupy similar occupational roles in similar positions in the network. The more similar the individual studied (ego) and those they associate with (alters) relationships within the community, the more likely that ego will adopt beliefs or evaluations that they feel will make their positions more attractive or professional. Thus the contagion or spreading of similar ideas, views, and impressions occurs quite easily among people who are similarly situated among the professional “classes.”

The choice of a partner with whom to form a relationship has often been overlooked in the exploration of relationships that form between organizations (Gulati 1995; Stinchcombe 1990; Paulson 1976). The bulk of the literature on alliance and interorganizational relationships has chosen to explore why organizations enter into these relationships while ignoring the intentional choices that organizations make in terms of which organizations to form partnerships with. Paulson (1976, p.312) points out that “the forces which bring an organization to interact are not the same as those which determine with whom the organizations will interact.” Ignoring the importance of choice of a partner overlooks the concept that a partnership with any organization
at all requires that there be an attractive or at least viable organization with whom to form a relationship. If an organization does not have a viable partner, it is likely that it will fail to establish any linkages and will instead choose to integrate operations that it might otherwise seek through partnerships with others. The problem that many organizations face is gaining sufficient information about the competencies, needs and reliability of potential partners to determine their viability (Van de Ven 1976; Stinchcombe 1990).

The work of Gulati (1995) explores the importance of choice of partner in the formation of alliances and examines which social and organizational characteristics influence an organization’s choice of partner. In particular, Gulati used social network analysis in order to examine the role of prior social relations and partnerships to examine the influence of the structure of firm relations upon an organization’s choice of partner. Gulati found empirical support for the importance of both strategic interdependence between organizations and the structure of social relations in explaining the formation of alliances between organizations. In particular, his study found that the cumulative prior alliances resulting from both direct and indirect ties affected the formation of ties between firms. The positive relationship between prior direct and indirect relationships and the formation of future alliances is attributed to information that past relationships afford organizations about the capabilities and reliability of others, thus making partnerships less risky. Gulati (1995) found that presence of previous relationships is positively related to future development of alliances only up to a point, and then eventually the informational benefit of shared endeavors begins to decline.

The Use of Networks to Examine Interorganizational Relations

Organizations do not exist in a vacuum. Rather, they are part of a complex network of relationships with other organizations (Laumann, Galaskiewicz & Marsden 1978; Powell 1990). As organizations are founded and become part of the community the natural interaction of the organization and the individuals within it link to others in the community in identifiable patterns. Over time these patterns become networks that take on structural characteristics that, in turn, act on the organization as well as individuals and other organizations. The process described is one of “structuration,” which is defined by Giddens (1979, p. 66) as the “conditions governing the continuity or transformation of structures and therefore the reproduction of systems.”
The theory of structuration suggests that the structural properties of social systems are both the result and the means of the practices that constitute network systems. Giddens (1979, p.69) refers to this as the “duality of structure”: that is, the rules and resources that constitute the properties of social systems and the actions of individuals or organizations that constitute structure are interdependent. The duality of structure has serious implications for social science research and highlights the recursive nature of all social life. It is for this reason that to truly understand the nature of social relations and the effects that the structures created by social interaction create we must incorporate methodologies that take into account the structural forces at work in social phenomena. The recursive nature of these relations also highlights the instability of social systems, however, and the analyses we conduct will only represent a snapshot of the structure at the time of the analysis.

DiMaggio (1982) has suggested that structuration within interorganizational networks has four stages: (1) an increase in interaction between and among organizations; (2) the emergence of defined patterns of coalition and domination; (3) an increase in the need for information by organizations; and (4) awareness among organizations that they are connected. It is likely that the formation of more solid relationships between organizations will not occur until after organizations are aware of the relationships that connect them. This is supported by the work of Gulati (1998) that found empirical support for alliance formation being most prevalent among those who had previously collaborated or with those who had previously collaborated with their partners.

Gulati (1998) suggests that the introduction of the network perspective to the study of organizations in alliances will be helpful because it allows examination of both: a) propensities or inducements that lead firms to join alliances, and, b) the opportunities and constraints that can influence their behavior. His work examining the networks that surround private organizations’ entrance into alliances suggests that firms’ social connections guide their interest in new alliances and provide firms with opportunities to form alliances.

The network of social relationships that Gulati (1993) observed not only provided access for firms to alliance partners but also seemed to determine whom firms would approach first with opportunities for partnerships. This suggests that the partnerships were not only strategic in nature but also based upon pre-existing social relationships between firms. These relationships enabled their behavior but constrained their ability to form partnerships with new actors.
independent of these previous social ties. The social networks in which firms were embedded also seemed likely to influence decisions such as the frequency of a firm’s entrance into alliances, their choice of partner, the type of contracts used, development and evolution of the relationship, and the success of partnerships.

Organizations just like individuals have many different types of relationships in which they are involved. The work of Krackhardt (1990) examined the role of friendship and advice networks and found that these two types of networks had different effects on the power of individuals in network settings. This suggests that different types of networks maintained by different organizations will have different effects upon their behavior. For this reason, our study will examine advice, political, and referral networks in order to clarify which networks have the greatest impact on collaborations between nonprofit organizations.2

It is likely the study of relationships between nonprofit organizations will also be greatly enhanced if we examine the network of social relationships that surround the formation of enduring relations between organizations (Guo & Acar 2005). However, it is possible that the nature of such relationships between nonprofits may be even more complex than between private organizations because of the unique and complex relationships that nonprofits have with communities, since nonprofits are both formed by them and dependent upon them (DiMaggio & Anheier 1990). It is also likely that nonprofit organizations will see much more interference in the decision making that leads them to form relationships with other organizations from stakeholders such as board members, funders both public and private, and even the needs of those they serve because of their dependence upon these stakeholders for scant resources. It is also likely that nonprofit organizations, being driven by motives other than profit (Lohmann 1989), will also have different types of strategic reasons that lead them to choose their partners than do private enterprises (Brown & Iverson 2004; Stone, Crittenden & Bigelow 1999; Stone & Crittenden 1993). The unique qualities of nonprofit organizations that might ultimately affect their management and decisions in these situations are explored more fully below.

Problems with Application of Current Models to Nonprofits. The behavior of nonprofits in forming alliances might differ from the model presented in Oliver’s (1990) review of private

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2 Advice networks are simply the channels or connections through which individuals (or organizations) seek advice, political networks are those through which information is sought about policy issues that affect the organization’s activities, and referral networks are those through which referrals are made for clients to receive complementary services.
and social service or governmental organizations due to the unique characteristics that unite nonprofit organizations. Nonprofit organizations are uniquely placed between public and private organizations (Grønbjerg 2001; Hansmann 1987; Rose-Ackerman 1986; Weisbrod 1988). Nonprofits are subject both to market forces, typically associated with business ventures, and non-market forces, typically associated with public goods or governments (DiMaggio & Anheier 1990). Nonprofits are subject to market forces because they do not have the monopoly or enforcement power vested in governments. Their continued existence is subject to demand for the services that they provide to governments and individuals, as well as their ability to garner support in the form of volunteers and donations from individuals and corporations. However, the government support of nonprofits and the services they provide makes them less subject to market forces than for-profit enterprises because they do not fully depend on user fees or sales of goods and services to continue operation.

Table 2.1 (above) illustrates Oliver’s exploration of the contingencies and range of relationships available to each sector. The range of possible relationships for nonprofits is potentially broader than both the private and public agencies since they do not belong exclusively in either sector, but instead blend many of the qualities of the other two sectors. For example, nonprofit organizations often form professional associations whose sole purpose is to lobby governmental bodies on behalf of nonprofits and their stakeholders in the form of not for profit organizations. These are referred to as 501(c)(6) or 501(c)(4) organizations under the tax code (Hoyt, 2001). These organizations collect dues from both individuals working for nonprofits and other concerned parties in order to lobby governments for more favorable policy and additional funding while remaining tax-exempt (Boris, 1999). Unlike for-profit organizations, nonprofits are unable to spend more than 20 percent of their tax-exempt revenues to lobby the government, which leads many to organize political activities into separate organizations because of strict regulatory guidelines imposed by the Internal Revenue Service, Office of Management and Budget, legislative restrictions such as the Administrative Procedure Act (1946), the Lobbying Disclosure Act (1995), and the Federal Election Committee (FEC) (Reid, 1999).

It is also possible for nonprofit organizations to form joint ventures with other organizations in the private sector or with other nonprofit organizations. The purpose of a joint venture for a nonprofit would likely be to help it compete for valuable resources from
government or private sector funding sources. The formation of a joint program with another nonprofit organization or public agency could be done for similar reasons that a public agency would form an interorganizational relationship such as reduction of costs in service delivery or sharing of risks in mounting new programs. Another possible reason nonprofit organizations would form joint programs would be to increase capacity to fulfill mission or mandated goals.

Another key difference that might exist between nonprofits and both for-profit and governmental entities is their ability to set goals with a longer time horizon (Hansmann 1980; Frumpkin & Andre-Clark 2000). The goals of for-profit enterprises in many instances are somewhat shortsighted because they are often focused on producing quarterly and annual results in the form of dividends for their shareholders. However, examinations that resulted in the balanced score card approach to examining the success of businesses suggest that often these short-term financial indicators do little to reflect the future performance of the organization (Poister 2002). Government entities are similarly pushed toward short time horizons that are tied primarily to election cycles that force politicians to show demonstrable results from public programs in order to gain support for their re-elections. Nonprofit organizations, however, are somewhat more distanced from the pressures of reporting that often drive the other two sectors to work for short-term results, and this allows them to pursue community goals that are less driven by efficiency concerns that might otherwise be neglected. As the relationships between the sectors become ever more tangled, however, the ability for nonprofits to pursue these goals may be compromised (Saidel 1991).

The bulk of literature on alliance formation explains that their formation helps to reduce transaction costs and uncertainty and ultimately make the firms more competitive. The importance of competition to this model suggests that this type of model will be less applicable to nonprofits than to private enterprises. While some nonprofits do compete, it is unlikely that competition for contracts or even prestige will provide sufficient motivation to serve as the only driving force for the creation of alliances with other organizations. No matter how successful a nonprofit is dividends are not awarded directly to the founders or operators under federal tax law.

**Nonprofit Organizations**

**Nonprofits in Society**
The role of nonprofits has been growing in the United States largely since the end of World War II (Hodgkinson & Weitzman 1986). Their role in the implementation and delivery of public services has expanded in the last few decades since policy makers have shown a preference for the contracting out of services (Lipsky & Smith 1990). Since 1970’s the role of nonprofit organizations has become increasingly important in delivery of public sector goods and services (Ott 2001), but there is still relatively little comprehensive theory about their role in society because of their status as semi-private entities.

In the United States when we are speaking of nonprofit entities, we are usually referring to a class of organizations that are defined by the internal revenue service as “501(c)(3)”s (Hoyt 2001). The perception that the nonprofit sector contains primarily charitable social service organizations is not entirely accurate since the U.S. tax law contains 26 separate sections under which organizations can claim exemption from federal income taxes as non-profit organizations (Salamon 2002). These organizations usually serve some collective purpose within a community and range from large hospitals to small traditional charities such as soup kitchens run by local churches (DiMaggio & Anheier 1990).

The expanding role of nonprofits in the United States, especially in the delivery of social services, has had a profound impact on nonprofit organizations themselves and the development of the sector. Steven Rathgeb Smith (2002) identified five major changes to the nonprofit sector and society over the last twenty years. The first major change is that a shift in societal expectations for services has expanded in scope and diversity due to social movements. Social movements originate from every area of society; for example, the breakout of AIDS sparked many treatment facilities. The murder of Nicole Brown Simpson, allegedly at the hands of her abusive husband, and the continued advocacy of the women’s movement drew attention to the problem of domestic violence and increased public support for government funding of shelters.

This increased demand for services, policy, and funding to address social needs has brought about the second major change, an increased role of government in the operation of nonprofit organizations. The expanded scope of government involvement has been true at every level of government, but to the greatest extent the change has been at the federal level (Smith 2002). This may be due in part to the increase of national media attention to social issues and the need to bring federal resources to bear on social problems. Changing expectations also brought about, the third major change, blurred distinctions between traditional social services and other
services. This has meant that many observers no longer make a distinction between traditional social services such as food stamps and more recent additions such as childcare.

The fourth major shift in the nonprofit sector has come mainly from a shift in policy and management attitudes in recent years. The emphasis on more efficient and effective government brought on by the “reinventing government” movement (Osborne & Gaebler 1992), the National Performance Review, and emphasis on “new public management” in public management and policy studies led many local governments to look to nonprofits to deliver services traditionally provided directly by government. These movements called upon governments at every level to engage in more steering than rowing and prescribed contracting out of services to achieve additional efficiencies in delivery of public services. The shift in federal programs from Aid to Families with Dependent Children (AFDC) to Temporary Aid to Needy Families (TANF) also led many in need of social services to become more dependent upon social services provided by nonprofit organizations as they lost cash assistance and attempted to find work (Smith, 2002). The policy shift also led many state and local governments to move away from cash assistance to more social services at the local level using TANF block grant funds (Tweedie 2000).

The expansion of contracting out traditional governmental functions has accompanied many other changes in the external and internal management of nonprofits (Smith 2002). The rise in the overall number of nonprofits from 1960 to the present saw a shift from near monopolies by agencies in a geographic area to a situation in which increased competition arose from both other nonprofits and private enterprises. Most social services are still delivered by nonprofit agencies, with the exception of childcare and home health care. The main competition from nonprofit organizations still comes from other nonprofit organizations. Competition has pushed nonprofits to shift to more entrepreneurial management strategies and broaden their base of support (Smith 2002; Alexander 2000).

The changes in the nonprofit sector have increased the total amount of money available to the nonprofit sector and the number of nonprofit agencies, but also increased the expectations for the services they provide. This has led to increased competition between agencies for contracts and talented staff (Smith 2002). The increasing complexity of service provided through nonprofits and the increased expectation for management, accountability and professional staffing have also driven the price of providing services up and made it much harder for smaller community-based nonprofits to compete with larger traditional agencies (Salamon 2002).
competition for funding has led many nonprofits to spend much more effort on resource development that includes: private fundraising, user fees, earned income from client and staff enterprises, and public contracts.

Overall, the shift in the environment surrounding nonprofit organizations points to important and substantial changes in both the character and management of the sector itself (Light 1999, 2000). Competition has pushed managers within nonprofits to think much more strategically about how they will compete with others for funds and clients (Alexander 2000), and this pushes nonprofits in turn to partner with other organizations to help them expand both their prominence and capability to make themselves more attractive to potential donors. It is for this reason that it is important for scholars to seek to understand the ways in which such relationships are formed and their effects upon organizations’ abilities to deliver services and compete with other organizations for resources.

Theories About the Emergence of Nonprofits

At present the examination of interorganizational relations fails to take into account the importance of differences between the public, for-profit and nonprofit sectors. The following discussion highlights theories about the emergence of the nonprofit sector that might prove significant to the building and examination of theories about these organizations. All of the following theories suggest that there are significant differences in the origins and operations of nonprofit organizations.

The explanations for the emergence of nonprofits can be categorized into several different groups, including: the failure of institutions, lack of a welfare state, grassroots organization or support, organizational approaches, cultural differences, institutional legitimacy, religious motivation, and ideological motivation (Onder 2004). While each of these explanations offers somewhat different accounts for both the function and emergence of nonprofit organizations in the United States it is unclear which model contributes most concretely to understanding the sector, or whether each theory only explains some subsection of the nonprofit sector’s emergence.

Most theories about the emergence of nonprofits are based upon the failure of institutions. These theories can be divided into demand- and supply-side market-based
explanations. Demand side explanations of the emergence of nonprofits explain that nonprofits serve specialized economic functions that compensate for the failure of market economies to provide needed goods and services (Grønbjerg 2001; Hansmann 1987; Rose-Ackerman 1986, Weisbrod 1988). Demand side explanations include market failure, government failure, and contract failure. Market failure has been used to explain both the emergence of nonprofits and government organizations. Nonprofits in this model serve to complement or substitute for the services offered by both government and private organizations. Supply side explanations of the emergence of nonprofits focus upon the evolutions of both society and institutions to explain the role of nonprofit organizations.

Demand-Side Explanations. Market failure occurs when there are desired services or collective “goods” that do not have sufficient potential for profit to attract for-profit providers (Boris & Steuerle 1999). The failure of the market to produce sufficient demand for a good or service means the private sector will be unwilling or unable to supply needed services. Governments often supply needed goods and services in the face of market failure, but due to the heterogeneity of society’s needs government cannot provide the universe of services needed directly (James 1987). Nonprofit organizations have access to resources that governments and private organizations do not including private donations and volunteer services that allow them to raise donations to support operating costs despite low demand (Grønbjerg 2001). The role of nonprofits is becoming increasingly important especially in the area of social services where it is estimated that 58 percent of service providers are now nonprofit organizations (Boris 1999).

Contract failure theories attempt to explain the function and existence of the nonprofit sector as a particular aspect of market failure (Young 2001a). Contract failure arises mainly out of the “bounded rationality” of actors or the limited ability of actors to take in and process information. Bounded rationality limits the ability of actors to make frictionless exchanges in the market place (Simon 1957). The problem of bounded rationality is particularly prevalent in the area of purchasing services because services are often complex and the quality of those services is often difficult to judge. The consumer may not be competent to evaluate the services received, and the services provided are often purchased by someone other than the individuals who consume them (Young 2001b). Nonprofits are specially suited to fulfill the demand for this type of services for three reasons. First, there is less incentive for those in nonprofits to exploit their
customers because employees and managers cannot profit financially from surpluses (Hansmann 1980). Second, many of the individuals that choose to work in nonprofits are not as motivated by personal gain (Hansmann 1980; Young 1983). Third, most of the resources in a nonprofit are devoted to the costs of producing its services (Easley and O’Hara 1983).

Government failure explains the emergence and function of the nonprofit sector in relation to the inherent limitations of a democratic government to provide goods and services to meet social needs (Salamon 2002). Government is constrained by five sources: the need to provide goods and services both uniformly and universally, the need to reach majority consensus in a diverse population with diverse preferences and needs, the short tenures of elected officials that force focus on short term issues, the inability of bureaucracies to develop and maintain the variety of specialists needed to serve all social needs, and the inability of government to reach certain populations due to lack of trust (Douglas 1987). These limitations of government create niches for nonprofit organizations to supplement the actions of government and provide services that might not otherwise be provided through government or the private sector because of either failure of market or government to create opportunities to fill these needs (Young 2001a). Nonprofits do this through either subsidy provided by government or by way of private charities through voluntary contributions.

Hansmann (1987) suggests that different types of nonprofits exist and arise to meet different needs of the market. A typology of nonprofit can be determined by examining their source of income and the way in which they are controlled. The typology separates “donative” nonprofits or nonprofits who receive a substantial portion of their income from donations, from “commercial” nonprofits or nonprofits that derive their income primarily from sales of goods or services. Nonprofits are also distinguished in this model by their mode of control. Nonprofits that are controlled by patrons through the election of the board of directors are classified as mutual nonprofits. Nonprofits in which the board of directors is self-perpetuating are classified as “entrepreneurial” nonprofits. In this model there are four types of nonprofits: donative mutual, donative entrepreneurial, commercial mutual, and commercial entrepreneurial (See figure 2.1 below).

<table>
<thead>
<tr>
<th>Mutual</th>
<th>Entrepreneurial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Cause</td>
<td>CARE</td>
</tr>
</tbody>
</table>
### Figure 2.1: A Four-Way Categorization of Nonprofit Firms (Hansmann, 1987, p.28)

<table>
<thead>
<tr>
<th>Donative</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Audubon Society</td>
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</tr>
<tr>
<td>Political Clubs</td>
<td></td>
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<tr>
<td>March of Dimes</td>
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<tr>
<td>Art Museums</td>
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<tr>
<td>American Automobile Association (AAA)</td>
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<tr>
<td>Consumers Union</td>
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<tr>
<td>Country Clubs</td>
<td></td>
</tr>
<tr>
<td>National Geographic Society</td>
<td></td>
</tr>
<tr>
<td>Educational Testing Service</td>
<td></td>
</tr>
<tr>
<td>Hospitals</td>
<td></td>
</tr>
<tr>
<td>Nursing Homes</td>
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</tr>
</tbody>
</table>

The four categories are by no means inclusive, since many organizations obviously will fall between categories. Services provided by commercial nonprofits in this model are often not public goods that Weisbrod’s (1975) theory of public goods suggests are produced by nonprofits, but private goods. Predominantly commercial nonprofits arise to supply private goods when the quality or quantity of the service needed is difficult to judge due to contract failure in competition with private firms. This suggests that there are important theoretical considerations in examining the nonprofit sector and different nonprofit organizations may face different constraints in forming relationships with other organizations.

**Supply side explanations.** Supply side explanations do not depend upon market demand to account for institutions and instead attribute institutions to such factors as religion (Printz 1997), social capital (Smith and Lipsky 2001), or availability of resources (Aldrich & Pfeffer 1976; Pfeffer & Salancik 1978). Supply side explanations of nonprofits explain the emergence of these institutions as a product of culture, norms, values and history. These forces operate outside of the context of the market and do not depend upon demand by outside forces or desire to reap profit. Figuratively speaking, we say that this dynamic reflects the willingness of individuals and institutions to give of themselves and their resources, that is, to “supply” deeds and resources charitably.

The religious background of the United States has been also been used to explain the development of the nonprofit sector of the United States. This helps to explain the seeming lack of market motivation of many nonprofits that attend to charitable, altruistic, and social justice concerns within society. Many smaller and unincorporated nonprofits, such as soup kitchens and clothes closets serving the poor and homeless, operate out of churches.

Social capital has also been offered as an explanation for the presence of nonprofit organizations within a community. Most notably Robert Putnam’s (2000) *Bowling Alone* cites
the decline of civic organizations such as bowling leagues as leading to the decline of American society and social capital. He argues that civic participation creates a connection in the community and encourages individuals to become involved in civic endeavors. Smith and Lipsky (2001) argue that community is important for the creation of nonprofits for three reasons: communities create a self-identified source of support, communities are fueled by voluntary action, and communities create formal and informal norms and values and express them through the formal and informal organizations they create. The creation of nonprofit organizations is therefore an expression and artifact of community and values. Social capital both creates and is created by nonprofit organizations within a community.

The availability of resources has also been applied to explain the existence and prevalence of nonprofit organizations in communities. A resource based view used to explain the existence of nonprofits draws upon resource dependency theory (Aldrich & Pfeffer 1976; Pfeffer & Salanick 1978) to explain that resources are important to organizations because they are not capable of internally generating all the resources they need to survive and must obtain these resources from the environment. The resources most often cited for the development of nonprofit organizations are the availability of financial and human resources (Ben-Ner & Van Hoomissen, 1991). Empirical support has been found for the assertion that wealthier communities, because of the availability of both financial and volunteer resources, tend to have more nonprofit organizations (Galaskiewicz, Molina, Mayorova & Inouye 2005).

Failure of market based theories to fully account for nonprofits. There are inherent problems with theories that attempt to integrate nonprofit organizations into the logic of market-based exchanges or purely economic rationality to understand the nature or activities of nonprofit organizations. In large part this has led to definitions of the nonprofit sector that are largely negations or negative comparisons of voluntary sector actions with for-profit and public enterprises (Lohmann 1989). That is, in these models nonprofits are defined in terms of what they are not. Theories developed by economists have attempted to explain the existence of nonprofits, when the market is often argued to be the most efficient provider of goods and services, through a series of “failure theories” (Ott 2001). By implication other social origins that might explain nonprofits are presumed to be less important than economic motivations.
The failure theories are built on the logic and assumptions of a market model of action and assume that nonprofit organizations are some kind of deviant commercial enterprise (Lohmann 1989). A reliance upon the logic of the market to explain the existence and functioning of the nonprofit sector tells us much more about what is absent in the nonprofit sector than what is present and limits its usefulness as a concept to the study of nonprofit organization and thus to the building of theory.

Economic theories also assume that nonprofit organizations, because they lack high-powered profit incentives, are automatically less efficient than private enterprises. They assume that nonprofits attempt to maximize other objectives such as enrollment maximization, medical-demand maximization, budget maximization, service maximization, quality/quantity maximization, or expense-preference maximization (Steinburg 1987, p.126). However, it is often argued that these models are flawed for two reasons: nonprofits compete with government and for-profit entities and it is unclear that for-profit firms competing with nonprofit organizations are actually attempting to maximize their profits. If nonprofits operated under the terms of maximization described by economists, competition from other nonprofits, government or for-profit entities that were more efficient would drive them out of business. Nonprofit entities are not necessarily any more or less efficient than either business or government enterprises (Young 2001).

The other problem with these models is that they assume that for-profit entities always attempt to maximize their profits despite extensive documentation of situations where organizations do not seek to maximize profits (Hansmann 1987). The problem with these theories in general arises from their dependence upon legal and tax code distinctions to place organizations into particular sectors rather than examining their motives or the actions that they take. Theory built on the assumption that the motives of all involved in nonprofit enterprises are altruistic or that the motives of all involved in business are solely self-interested will necessarily be problematic. Attribution of motives to actors is at the heart of the difficulties encountered in economic modeling, especially as those models are applied to areas outside of economic exchange such as political or social situations.

The application of economic theory to the study of other types of behavior assumes that there is a single rationality for all types of human behavior, one of maximizing self-interested individuals. But, the activities of volunteers have always presented a problem to economic
theory and this type of civic participation and volunteering are important to the nonprofit sector and its development. While some nonprofit entities do act similarly to their for-profit counterparts and are run primarily by paid staff, others bear little resemblance to market organizations.

Lohmann (1989) argues that in particular donative mutual associations and other collectivities are different from market-based or for-profit entities. Nonprofit entities, Lohmann asserts, are part of the commons in which the goal is not economic gain but the creation of common goods. Common goods are distinct from both market commodities and public goods. Common goods unlike public goods are different because they are excludable, but unlike commodities the benefits accrue to pluralities without division. Common goods are also distinct in that the services provided in the commons are primarily social acts and involve communication within a particular context, not creation of a tangible or identified outcome. The theory of a commons and common goods suggests that the market-based approaches to understanding exchanges made are ill equipped to describe the motivations and goals of the sector. The commons theory also suggests that market based valuations and ideas about efficiency and competition might indeed be out of place to fully take in the range and special nature of activity in the nonprofit sector. This suggests that theories such as those that examine the formation of alliance structure from the standpoint of competition and profit might be ill suited to understand the relationships that form between nonprofit organizations, but this does not exclude consideration of strategic or social factors.

**Summary of Problems with Application of Current Theories to Nonprofits**

Theory and observation suggest nonprofit organizations are unique from both purely public and purely private entities. Their unique role and the preceding review of the literature suggest that applying the current theories about alliance formation are problematic for the following reasons:

1) The current literature tends to blend the analysis of alliance formation within governmental entities and nonprofit organizations with little consideration of the theoretical implications.

2) The role of nonprofit organizations in the United States has changed substantially over the last 20 years and suggests that a great deal of change has occurred in the
way in which nonprofits operate and are managed. This suggests that our current understandings and theory must be examined and adjusted to represent present realities.

3) Demand side theories about the emergence of nonprofit organization explain their existence in terms of failure of either government or the market, which suggests that nonprofit organizations operate under different incentive logics. Supply side theories about the emergence of nonprofits suggest they exist independent of market considerations. For this reason, the logic of markets, which has dominated theory building about alliances, might be inappropriate to understand the formation of alliances between nonprofits.

4) The unique placement of nonprofit organizations between for-profit and government entities suggests that their reasons for alliance formation might be more complex than either of the other two sectors.
CHAPTER 3:
NETWORKS AND ALLIANCES

Embeddedness of Social Relations

The social sciences have long struggled to understand the complexities of human behavior. The struggle to understand has sometimes led to large rifts between the different explanations offered by groups of scholars exploring the same phenomena. Some scholars in the social sciences, mainly those studying economics or rational choice in the field of political science, have attempted to use economic models to simplify human behavior and reach universal explanations for social phenomena based upon individual decision-making. Other scholars, mainly in the fields of sociology or anthropology, have sought to understand the effects of social forces and constructs on the actions of individuals.

After many years of debate, the models presented by both camps have failed to fully explain the complex nature of human behavior in society. It is for this reason that many now seek a third way, a blended approach, of explaining human behavior. Borgatti and Foster (2003, p 991) argue that, “The boom in network research is part of a general shift, beginning in the second half of the 20th century, away from individualist, essentialist and atomistic explanations toward more relational, contextual and systematic understandings.” This has taken place not only in the social science and social science methodologies but also in fields as diverse as economics, literary criticism, and physics. Research communities have moved away from static and singular meanings to more complex embedded interactions of meanings and systems by employing social networks.

The most recent interest in networks and socially complex contexts in part stems from Granovetter’s (1985) article “Economic action and social structure: the problem of embeddedness,” which first offers a critique of both the economic and sociological accounts of human action and then proposes a theory of human behavior which blends the two. The two traditional accounts, presented by economic and sociological approaches, fail to take into account the constantly evolving interplay of social settings with all aspects of human society.
Economic accounts of human action. Granovetter explains that economic approaches to understanding human behavior suffer from the problem of under socialized explanation or attempts to understand the actions of individuals without regard to their social context. Granovetter’s article was largely a reply to Williamson’s transaction cost theory (1975, 1981) which proposes a model of human behavior based upon individual rationality in which each actor is motivated to maximize self-interest while trying to minimize the costs of information. This model assumes that individual actors are rational and that their preferences are fixed and knowable. Actors with fixed and knowable preferences are unaffected by social interactions and are presumed to act solely in pursuit of fulfilling their own ends and will do so by any allowable means. Scholars studying human interactions from the economic perspective look toward behaviors that can be measured quantitatively with little concern for the context in which the behaviors are found (Ghoshal & Moran 1996). They do so in an attempt to reach universal truths that can be applied to all settings by overcoming localized explanations of phenomena (Hirsch 1997).

Granovetter criticizes these models because they ignore the restraining and mediating impacts that society has upon actors and essentially take actors out of context. Other scholars have criticized this model because it fails to take into account forms of motivation that are not based on competition or strict individual rationality (Moran & Ghoshal 1996; Barney & Hesterly 1996). According to economic theory, human interactions can be reduced from the complex interplay of the individual and the social setting to simply unique arrangements of individual interests intended to solve transaction cost problems or achieve some end.

Sociological accounts of human action. Granovetter (1985) goes on to criticize over-socialized accounts of human behavior, such as the work of Talcott Parsons, which attempt to create grand theories of human behavior based upon social structures. This account leaves actors with no personal will and characterizes the actions of individuals as purely the product of social forces, pressures and cross-pressures of the individual groups to which they belong. Sociological models take accounts of human behavior to the opposite extreme with actors left as nothing but a shell to be filled by society. Since it is clear that actors are neither empty will-less shells to be filled with the goals of society nor only individual wills with no societal context a third way must be sought to understand human behavior.
Embeddedness. It is clear that both the over- and under-socialized models of behavior fail to fully explain the rich variety of human action and the combinations of intrinsic and extrinsic motivations that create such action. It is because of this that Granovetter (1985) proposes a model of human behavior that represents a compromise between these two divergent points of view based upon the embedded nature of economic action. Embeddedness, as explained by Marsden (1981), refers to

The fact that exchanges and discussions within a group typically have a history, and that this history results in the routinization and stabilization of linkages among members. As elements of ongoing social structures, actors do not respond solely to individually determined interests...a structure of relations affect the actions taken by the individual actors composing it. It does so by constraining the set of actions available to the individual actors and by changing the dispositions of those actors, toward the actions they may take. (1210)

Embeddedness seeks an explanation of human behavior that takes into account both a context that defines relationships and economic self-interest of actors within that context. Social structure does not remove human will, and self-interest is only one of many influences, contexts or conditions that shape the interactions of actors. The conditions surrounding actors are always changing because the actions of actors are not only shaped by structure, but also shaped by their own actions and the actions of others. Structures then are not fixed as implied in earlier sociological studies, nor are the combinations intrinsic and extrinsic motivations or goals of individual actors within the structure.

The relatively fluid nature of social structures and the shifting forces that act upon individuals and organizations as they interact make the modeling of human behavior a very complex proposition. However, recent advances in the use of network based models and the combination of both traditional economic models with new methods may offer increased accuracy in both understanding and predictive capabilities of the social sciences. This study seeks to employ a network-based understanding of context blended with more traditional regression techniques to attempt to better understand the social, structural, and market-based explanations for the formation and perpetuation of alliances.
Potential of Network Research

Network research has the potential to overcome some of the problems with traditional research methodologies employed by both sociologists and economists because of its use of relational data. Relational data help to balance under and over-socialized accounts of human behavior by taking into account both individual attributes and attributes of the social structure through the incorporation of quantitative, qualitative and graphical data (Kilduff & Tsai, 2003). The network approach is uniquely appropriate for studying the formation and existence of relationships between organizations because the focus of the method is the relationships and how the structure of relationships affects interactions.

Contextual representation. Traditional quantitative methods focus on the attributes of individual actors and use those attributes to predict their behavior in various social situations. Models constructed in this way assume that the actors’ behaviors are unaffected by the behaviors of other actors and that the changing context of the actor has no effect on the actions that individuals take. Network research allows the researcher to tie actors to the attributes of their environment by using measures related to the structure of social relations to gain insight into the context in which actors make decisions.

At the same time, traditional quantitative models also ignore the differences between individuals and treat such differences as noise by basing the conclusions on the average case in a given sample or by focusing on mean differences between groups that share certain qualities. Network research in contrast allows one to look at the effects of network ties on the individual actors, paired actors or dyads, and the effects that ties between actors have upon the social structure as a whole. This is accomplished through the examination of both actor-and network-level measures.

Network research also requires that the researcher develop more concrete representations of the data. Often in quantitative analysis we know little more about our subjects than their age, race, sex, income level, and how they performed on an outcome of interest; in contrast, to draw an accurate picture of the network a researcher at minimum needs to know with what other actors in the network the focal actor shares information or other types of relationships. These
relationships allow a more realistic picture of the environment in which the actions of individuals and organizations take place.

**Use of direct measures.** The other advantage of network research is that it allows for the inclusion of less abstracted information than is typically present in quantitative analysis. Typically quantitative measures require researchers to find an appropriate proxy measure to stand in for the measure of interest for their study. For example, Putnam (2000) attempts to approximate social capital by using the proxy measure of group membership because it is a measure that is easily quantified. However, his and other similar studies have been deeply criticized because the use of this measure to approximate social capital tends to distort measures of social capital and over measure the social capital of some groups while underestimating the social capital resources of other groups such as blacks and Hispanics (Hero 2003). Putnam’s measures are actually aggregated measures for individual level variables that he then takes as measured of community social capital. Many of these measures collected are also membership in traditional groups such as bowling leagues or parent-teachers associations that do not do a very good job of capturing minority or non-traditional group memberships that might also signal forms of social capital. In contrast, Burt’s study of social capital in executives that looked at the network or ties between actors involved much less abstracted measures and more solidly matched the concept as a series of relationships between individuals which can be called upon to obtain information, advice or action for certain activities.

Another way in which network research allows researchers to use less abstracted information is that those surveyed need not be familiar with the terminology for the researcher to collect information of interest. The information used to construct network variables typically is based upon directly observable and easily understood behavior such as who talks to whom about a given issue or “concrete social relations among specific social actors” (Wellman & Berkowitz 1988, p.5). In contrast many variables used to create measures of interest in the social sciences rely upon survey data that often ask questions based upon constructs such as trust or approval. These questions can be highly subjective and their interpretation can vary greatly from one individual to another and can reflect the bias of the researcher in how the question is asked (Davis-Blake & Pfeffer 1983).
The use of structural characteristics in examining the formation of alliances between nonprofits is essential to fully understand the contextual characteristics and gain a more systematic understanding of their effects upon the behavior and effectiveness of nonprofits. The purpose of my research is to test the importance of such structural characteristics against more traditional organizational and socio-economic variables that are measured at the individual unit of analysis, but are used to explain social and political behavior. In particular, my research seeks to understand the political and strategic behavior of nonprofits as they seek to organize with other nonprofits to achieve political and instrumental goals within the context of instrumental, social, and political rationality.

**Limitations of Network Research**

Network research is still a developing tool with which to study human action and is not without its flaws and difficulties. Network researchers must be especially mindful of several difficulties inherent in this approach to studying social phenomena, such as: lack of clarity about the effects of structural variables, the large amount of data required, theoretical issues about choice of boundaries, concerns over accuracy of informant reports about their networks, and the limitations of network research techniques and software to deal with incomplete network information.

**Effects of Structural Variables.** Part of the problem inherent in the examination of network theory as it has developed to date is that often theories propose opposing effects for similar forces without stipulating the conditions under which such effects can be expected to occur. The challenge for current network research is to try to refine and clarify the effects of many of the structural elements on social phenomena. For example, it is still unclear what effect networks have on the creation of social capital and what effect social capital ultimately has upon those that possess it. There are two dominant theories on the effects of network structure and the creation of social capital; network closure theory (Coleman 1988) and structural hole theory (Burt 1992). These two seemingly similar theories lead to opposing predictions about how the structure of the environment may affect the ability of actors to adapt to significant occurrences within the network (Gargiulo & Benassi 2000). Social capital refers to the assets or liabilities
that grow out of the social networks of actors. Social capital has been largely examined in terms of the positive effects that it can have upon individuals, organizations, and communities, and their ability to reach both collective and selective goals.

Network closure theory examines the role of cohesive or strong ties in fostering a normative environment and encouraging cooperation between actors (Coleman 1988). Network closure theory suggests that such ties can have very strong positive effects for the actors within the networks such as the promotion of trust and cooperation (Coleman 1988; Putnam 2001). Granovetter (1985) and other sociologists, however, have also suggested that such ties can actually have negative effects such as a lack of flexibility or possible limitations upon the ability of closely knit groups to receive or learn new information that is often transmitted through dissimilar groups or weak ties. The research of Gargiulo and Benassi (2000) has contributed to this view that strong ties can have negative effects for actors and organizations. Their study found that managers with more cohesive communication networks were less likely to adapt their networks to meet coordination needs required by new assignments.

Network boundaries. Another problem that is inherent to network research methods is the difficulty in determining appropriate boundaries for the network and the theoretical implications that these decisions entail. Theoretically it is possible to examine the whole of human interactions as part of one large network, however, practical research considerations require that the scope of study be limited in order to reduce the complexity of analysis and ensure that study is focused upon organizations of interest and that data collection can take place in a timely and cost-effective manner. There have been two broad approaches to defining and limiting the size of the network in research: a nominalist approach and a realist approach. The nominalist approach uses theoretical distinctions to limit the size of the network and defines the actors within the network of interest prior to sampling or interviewing. The problem with this approach is that it may truncate and exclude important actors within the network that were not identified through theoretical considerations. This type of approach also has the liability of being more static and formalized, which reduces the ability of the research to identify new actors or identify interactions between those internal to the defined network and outsiders that could influence structural characteristics.
A more realistic account of events can be achieved using the “realist” approach for studying and setting network boundaries as defined by Laumann, Marsden, and Prensky (1983). This method asks the actors themselves to identify other actors within the network rather than setting boundaries according to the theoretical concerns of the researcher. The use of the realist approach helps the researcher to overcome selection bias in the type and number of individuals or organizations considered. The realist approach can be problematic in that the lack of clarity about the boundaries of the network has the potential to increase complexity without necessarily adding value to the analysis. But, artificially delineating network boundaries can lead to omission of pertinent elements that have the potential to create misleading or artifactual results (Barnes 1979). The realist approach also has the potential to increase greatly the cost of data collection and extend the time required to collect data.

Data requirements. Social network analysis requires a high level of specific data about the relationships between organizations and individuals. The relative newness of network techniques makes these data fairly hard to come by, and, therefore, network research usually requires original primary data collection. This makes it nearly impossible to study phenomena that happened in the past employing a network research design and limits the applicability of the method to recent or on-going events. That is, the data typically gathered for these analyses imply a static characterization of network relations.

The use of network methods also requires more complete data than most other social science research methodologies because the responses elicited are used to construct the structural information used in the analysis. Incomplete information for this reason poses a particular dilemma for network researchers and, because of this; researchers must attempt to gain the most complete information possible about network members.

Accuracy of informant reports. Some concerns have been raised about the accuracy or reliability of self-reports made by survey respondents’ social ties. Research on accuracy of these reports found low levels of correspondence between surveys responses and more direct methods of collection on social ties (Bernard et al. 1981). Despite low correspondence and descriptive accuracy, the reliability of the data is still relatively high for social science data (Kilworth & Bernard 1976).
Additional research has suggested that informant errors will be biased toward the routine, typical structure. The research of Freeman and his associates, for example (Freeman & Romney 1987; Freeman et al. 1987), compared respondent reports of persons present at specific events to actual attendance records and found that reports tended to include those who generally do attend but were not present at the specific event. The implication is that while informant accuracy about time-specific events may be low, these individuals were able to recall typical social relations. This suggests that accuracy problems might be less problematic than originally suggested in terms of the ability of reported data to accurately represent structural influences.

Incomplete Network Information. One of the largest difficulties encountered in network research is the uncertainty that is created by non-respondents. Unlike other social science research techniques that are built upon statistical sampling procedures and have formulated methods to account for non-response biases, social network analysis has yet to develop techniques to deal with non-response bias. The problems related to non-response bias must then be addressed at the data collection stage of the research and all attempts must be made to correct for non-responses through follow-up surveying of non-respondents to ensure accuracy of the network data.

However recent work by Borgatti, Carley, and Krackhardt (2006) suggests that centrality measures are fairly robust and accurate even when up to 50% of the data are missing. This suggests that incomplete data, while less than ideal, can be used to explore many aspects of social structure, and the assertions made will retain a fairly high reliability despite missing data.

Social Structure and Alliances

Previous studies of collaborative agreements between organizations fail to take into account the importance of social structure or relational embeddedness of organizations. Existing literature focuses almost exclusively on the role of strategic interdependencies as determining collaborations (Figure 3.1, Gulati 1995).
Figure 3.1: Strategic interdependence theory of alliance formation (Gulati, 1995, p. 624)

This model depicts information as costless and available equally to all organizations. Organizations in this model need only to make a rational cost benefit calculation of the relative benefits and costs of partnering with different organizations considering both present and future capabilities of their potential partners. This model, like earlier theories of the pure market, discounts the importance of social factors that impact the behavior of individuals within markets and shapes the nature and desirability of exchanges.

Recent examinations of the formation of relationships between organizations recognize the importance of social structures and have attempted to incorporate their role (e.g. Eisenhardt & Schoonhooven 1996; Gulati 1995a, 1995b, 1999; Gulati & Westphal 1999; Zajac & Olsen 1993). Social structures surround all organizations and influence the way in which organizations interact with other organizations. As social structures are formed they create regularized patterns of exchange and advantage certain organizations over other organizations. Gulati (1995a, 1995b, 1999) proposes a role for social structure in the creation of alliance formation that attempts to take into account the embedded nature of such interactions into a larger social context by employing network measures to examine alliance formation between for-profit firms (Figure 3.2, Gulati 1995, p. 624).
The network perspective builds upon Granovetter’s (1985) argument that economic actions are influenced or embedded in a social context and that actions can be constrained or influenced by an actor’s or organization’s position in a social network (Marsden 1981). Attention to social context or embeddedness of economic exchanges calls attention to not only the current relationships but also the history of exchanges and relationships within a group that result in routinization and stability of linkages among actors. Actors are not merely individuals acting in their own interest, instead they are contextualized by a structure of relations within a network. The actors are affected by the network of constraints imposed by the structures and stability of relationships between actors that affect the disposition of others within the structure toward the actions they may take (Marsden 1981).

Embeddedness might ultimately have important implications for the maintenance of alliances even after such alliances are no longer efficient. While it is likely that alliances may initially be formed for instrumental reasons, the relationships that are created ultimately have a value and force of their own that is not only instrumental, but also social. Social relationships unlike economic exchanges tend to have a more enduring quality to them and are not as easy to terminate, as they are to create initially. It is for this reason that purely economic models based upon instrumental reasoning fail to adequately capture social phenomena including economic exchanges.
While Gulati’s (1995a) model (Figure 3.2) offers an advanced attempt to recognize the role of embedded relations and the importance of network variables, it still has significant problems because it fails to recognize the role that social structure plays in determining the strategic interdependencies between organizations, shaping the interests of organizations or firms, or the connections that exist between factors internal to the organization, the larger environment of organizations and structural considerations. For these reasons, this research proposes a revised model of alliance formation presented in Figure 3.3.

Gulati’s (1995a) model implies that strategic interdependencies and social structures create organizational interests. This overlooks the fact that firms have interests that are created independently of strategic interests and social structures. Organizations’ goals, missions, and leaders also shape their interests and actions. Organizations are not merely black boxes that produce the same outputs if given the same inputs. For this reason, the model presented in this dissertation includes a broader consideration of variables related to the internal qualities of the organizations and the individuals and structures contained within it.

![Figure 3.3: Social structure theory of collaboration between nonprofit organizations](image)

Gulati’s (1995a) model also implies that social structures only influence the interests of organizations and external opportunities. Since strategic interdependencies are in part determined by an organization’s ability to access and procure resources, it is likely that social structure is also in part a product of the organization’s internal features and structures, the network in which the organization is embedded, and the organization’s environment. The internal features and structures of an organization will affect the needs and goals of an
organization and influence its strategic interdependencies. The network is also important for determining the flow of resources into an organization and therefore also shapes the qualities that make an organization interdependent with other organizations. Finally, an organization’s environment also has an effect upon the flow and availability of resources. In part, the flow of resources is determined by its fit with environment rather than static organizational features that determine an organization’s success. For these reasons, the model (see Figure 3.3), represents strategic interdependencies as resulting from the other factors and structuring the choices organizations make about entering alliances with other organizations.

**Summary of Benefits of Proposed Model**

In summary, the proposed model offers several benefits over previous models including:

1) The model builds on existing theories that address public and for-profit entities to build a theory of collaboration specifically tailored to nonprofit organizations.

2) Inclusion of network measures allows for consideration of embedded explanations of alliance formation that take into account both economic and social features of the organizations and environment.

3) The model incorporates not just information about formal relationships (including past and previous alliances) but also the informal social relations that also affect network structure.

4) The model considers factors both internal and external to the organization that shape organizations’ desire and ability to enter into alliances.

**Using Structural Characteristics to Understand Alliance Formation**

The embeddedness of actors within social contexts helps ultimately to reduce uncertainty that comes from the high costs of information. The embedded nature of social relationships helps to explain why organizations would decide to cooperate with one another when it seems that there is little reason to do so. These relationships help to create both monitoring and enforcement mechanisms for relationships once they are formed and information about the organizations capabilities and needs through both direct interactions and indirect interactions within the network.
The use of network analysis also allows us more adequately to capture arrangements between organizations that are ad hoc or temporary, which may reflect weak ties or bridging ties. These arrangements will be identified by actual participants in the network. Bridging ties, according to Granovetter (1978), are more important to building the types of networks that may create the problem solving mechanisms that are created by communication between more closely knit social groups. The use of network research allows us to study not only the alliance ties that are lasting or permanent between organizations that may be based more upon strong ties within the network, but also weak ties that might otherwise be overlooked as a form of alliance.

According to Burt et al (1994) there are four broad foci of prior research on the influence of social networks that may apply to the study of alliances: inequality, embedding, contagion, and contingency. Research on inequality within network situations suggests that network connections available to individuals, groups, or organizations can in part be used to explain differences in resources available to these actors. Research on embedding describes how institutions and identities are shaped and formed from networks and how they enable exchanges to take place, including such complex exchanges as learning and cultural change. Research on contagion has helped to demonstrate how networks can promote behavioral conformity through communication of technological and social information that can influence the extent to which actors adopt new innovations. The research dealing with contingency suggests how social networks can moderate organizational processes.

**Structural Characteristics**

Structural characteristics encompasses the overall pattern of relationships in which an organization is embedded or its structural environment. The structural environment in part helps to determine the ways in which organizations interact with one another, how information is transmitted, and the overall competitive ability of organizations relative to others in the network.

The effects of the environment and competition are not experienced similarly by individual organizations within a network. Network location, the number of network ties, and differences in network structures surrounding organizations and dyads create different social and structural environments for organizations that may advantage or constrain them relative to others in different network positions.
**Centrality.** Additionally, the individual centrality scores of an organization within the network will also likely affect the probability that the organization will form an alliance with another organization. The three most common measures of centrality are degree, betweenness, and closeness centrality. Degree centrality is simply a count of the number of ties that a node possesses (Freeman 1979). However, this measure has proved to be somewhat problematic because those organizations with a large number of ties not only have access to informational advantages but also high costs in maintaining ties and a high level of constraint imposed by the interactions. For example, if we were examining a nonprofit with a large number of ties in terms of their advice network it is likely that their executive would spend a great deal of time maintaining those ties and sorting through the advice they receive. This makes degree centrality a less useful concept for analysis of power in a social network structure. The literature has found support for the notion that other measures of an organization’s centrality are more related to its power, because the organization has greater access to and potential control over relevant resources (Freeman 1979; Krackhardt & Brass 1994).

In particular, centrality measures of closeness (representing access) and betweenness (representing control) have been related to increased control of organizations over resources and have also been strongly related to reputational measures of power (Brass 1984, 1992). Betweenness allows an actor more control over information flow from one sector of the network to another (Freeman 1979). For example, a nonprofit organization that has unique direct access to a funding source such as a foundation has an informational advantage over others in the network because their direct access to this organization’s resources affords them the opportunity to play a gatekeeper role. In contrast, closeness centrality is related to how far an actor must travel through the network structure in order to gain access to other individuals. For example, a nonprofit organization with high closeness centrality that is attempting to gain access to information in order to solve a problem will have to go through fewer individuals to find the information or resource it needs.

Both closeness and betweenness centrality can be illustrated using a “kite structure. In the figure below, nodes F and G have the highest closeness centrality in the network because they have the lowest average path distance between them and all other actors in the network; stated differently, it takes the fewest number of steps for them to reach all the other nodes in the network (Krackhardt 1990, p. 351). However, point H has the highest betweenness centrality.
because this node has access to parts of the network, I and J, that are not accessible through any other actor in the network (Krackhardt 1990, p. 351-352).

![Network diagram](image)

**Figure 3.4: Network exhibiting a kite structure (Krackhardt 1990, p. 351)**

*Closeness centrality.* An organization with high levels of access to other organizations will have more opportunities to form alliances within a network because they will already have social ties to those organizations or ties to others who will have access to them.

*Hypothesis 1:* An organization with a high closeness centrality will be more likely to form alliances.

*Betweeness centrality.* If an organization has a high level of control over surrounding organizations than the need to form alliances with other organizations to reduce uncertainty and gain access to resources will decline.

*Hypothesis 2:* An organization with a high betweeness centrality will be less likely to form alliances.

**Organizational Variables**

Organizations are not merely structures that take in resources and produce outputs. The characteristics of organizations and the people within them, their needs and the strategies they use to pursue those needs may vary greatly. Just as the characteristics that organizations have affect their functions and their needs it is expected that these characteristics will impact the preference that organizations have for forming alliances and may prove important factors in determining both their desire and ability to form such partnerships.
Leadership/Innovativeness. Managers in organizations make decisions and take actions in an attempt to improve the performance of their organizations. These decisions involve interpreting and framing the environment, developing and implementing programs and services, and creating processes and structures to monitor and control resources. Organizations that make systematic strategic decisions have been shown to enhance performance (Ketchen et al, 1997; Miles et al, 1997). For this reason, we must take into account the strategic actions of organizational leaders in order to understand if the characteristics of the individuals make a difference in the propensity of an organization to engage in strategic alliances. An extensive review of empirical studies addressing strategy in nonprofit organizations recommended focusing on the Miles and Snow typology to assess strategy because the theory showed consistency across studies (Doty, Glick & Huber 1993).

The work of Miles and Snow (1978) outlines four ideal types of strategic orientation for leadership or management in organizations: defender, prospectors, analyzer, and reactor. This typology breaks down the process of understanding strategy into the process of how organizations interpret and respond to three problems: entrepreneurial, engineering, and administrative (Brown & Iverson 2004). These typologies were described by Brown and Iverson as:

Defenders are organizations that have a set service area (i.e. niche), do not look for new opportunities, and seldom make major changes in customers. Prospectors “are organizations which almost continually search for market opportunities and the regularly experiment with potential responses to emerging environmental trends” (Miles & Snow, 1978, p.29). Analyzer organizations are defenders during more stable environments but in turbulent environments analyze their competitors and then rapidly adopt the most hopeful of the new ideas (similar to being a temporary prospector). Reactors “lack a consistent strategy-structure relationship” (Miles & Snow, 1978, p. 29. Instead these organizations make adjustments because they feel constrained by environmental pressures. (380)

The four ideal types presented by Miles and Snow (1978) can be thought of as a combination of both strategy and orientation of leadership toward their environments. For example, prospectors are known for constantly scanning their environments and taking strategies
which take environmental consideration into account while defenders are more focused at maintaining their service area and achieving cost effectiveness and efficiency in what they do (Figure 3.5).

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<th>Proactive Adaptation</th>
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<td>Prospector</td>
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<td>Reactive Adaptation</td>
<td>Reactor</td>
<td>Defender</td>
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Figure 3.5: Orientation and Strategy in the Miles and Snow Typology (1978)

The Miles and Snow (1978) typology suggests that organizations that identify most closely with the prospector strategy will be more likely to look for opportunities to work with external stakeholders and take on the risks necessary to do so successfully.

_Hypothesis 3: Organizations with leaders (executive directors or CEO’s) that more closely identify with the prospector strategy will be more likely to enter into alliances._

**Environmental Variables**

Organizations, like biological organisms, exist in particular settings which affect the ways in which they behave and the ability of those organizations to survive and succeed. In contrast to biological organisms, however, the environment of organizations is also heavily influenced by cultural patterns and norms that shape organizational preferences and operations. The environment of organizations is not only affected by physical characteristics and resources but also social patterns and norms. Cultural patterns external to the organization can influence both the external and internal workings of organizations. Institutional theorists have argued that organizations must consider not only their physical environment but also their "institutional" environment: regulative, normative, and cultural-cognitive features that define "social fitness" (Meyer & Rowan 1977; DiMaggio & Powell 1983; Meyer & Scott 1983).
Organizations respond to stimuli in their environment, such as changing market conditions. For nonprofits these include interests and requirements for funding and demands for goods and services from clients. Environmental conditions can broadly impact organizations (i.e., changes in the overall economic health of a community) or may only apply to specific organizations, such as when the organization faces a mandate to change the way in which goods or services are delivered under the law.

Service demand. The studies of for-profit organizations found that the extent of competition, the development of the market, demand for goods and services and competitive uncertainty made organizations more likely to create alliances (Harrigan 1988; Shan 1990; Burgers, Hill, & Kim 1993; Eisenhardt & Schoonhoven 1996). In particular, Eisenhardt and Schoonhoven (1996) found that for-profit organizations were more likely to partner with one another when markets had matured. Nonprofit organizations, just like for-profit organizations, are to some extent subject to market demand, and it is expected that demand for the service being provided could prove an important element in motivating an organization to form a relationship with others in order to meet market demand and compete with other organizations.

Hypothesis 4: Organizations will be more likely to form alliances with other organization when there is a rapid increase in demand for their goods or services.

Environmental turbulence. Organizations in part form relationships with one another to manage uncertainties. The uncertainties they are concerned with are not just limited to uncertainties of resources but also uncertainty in the communities in which they operate. Large changes in the number of people they need to serve, the types of services that will be demanded or even the transience of their client base all have impacts on nonprofits’ operations. Galaskiewicz and Shatin (1981) found that organizations were more likely to form ties with other organizations when faced with a turbulent environment. It can be argued the same pressures affect nonprofit organizations.

Hypothesis 5: Organizations will be more likely to form alliances with other organizations when there is a high degree of environmental turbulence.

Political uncertainty. In contrast to Galaskiewicz and Shatin (1981), this study will include other measures that are indicators of an organization’s environment, such as amount and
source of funding and indicators of political/policy stability in the area that the nonprofit is providing service. The amount and source of funding will be important to try to understand the interplay between interorganizational alliances and the resources that organizations have or to which they are attempting to gain access through relationships. The level of political stability is an important consideration in the current environment of extensive contracting of government with nonprofit organizations for goods and services.

It is likely that additional political uncertainty in the arena in which nonprofits operate will factor into their assessments of strategy and their need to form relationships with others to decrease uncertainty. It is likely that one of the key areas in which organizations will seek to limit uncertainty is in the amount of policy change that affects their organization and the way in which services must be delivered. For example, when public policy substantially changes the practices that are acceptable or payable, nonprofits may go into a scramble to partner with others that are better established in the new practices. In addition, they may attempt to anticipate of buffer against substantial changes by seeking out opportune alliances with those who possess other practices.

**Hypothesis 6: Organizations will be more likely to form alliances with other organizations when there is a high degree of political uncertainty or instability.**

**Strategic Interdependencies**

Organizational ecology has lent a great deal of understanding to intra-industry competition. These explanations however focus on competition across entire industries and populations. This approach fails to recognize the differences within populations or the competition between different populations for the same resources (Hannan & Freeman 1977). Differences between organizations within a population sometimes create conditions in which organizations that provide the same service but are funded differently or are of different sizes do not compete with one another (Galaskiewicz & Bielefeld 1998).

**Differentiation of Resources.** Organizations that experience little overlap in external sources for resources are not directly competing with one another or are in different niches. Competition for resources from one source is likely not important unless an organization shows significant overlap in the number of funding sources for which they are competing or have few
sources of income. In general, organizations with a variety of funding sources are more capable of operating independently of other nonprofits.

*Hypothesis 7: Organizations that have a greater variety in external funding sources will be less likely to form relationships with other organizations.*

Table 3.1: Summary of Hypotheses

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<td><strong>Social Structures</strong></td>
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<td>Hypothesis 1: An organization with a high closeness centrality will be more likely to form alliances.</td>
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<td>Hypothesis 2: An organization with a high betweenness centrality will be less likely to form alliances.</td>
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<tr>
<td><strong>Organizational Factors</strong></td>
</tr>
<tr>
<td>Hypothesis 3: Organizations with leaders (executive directors or CEO’s) that more closely identify with the prospector strategy will be more likely to enter into alliances.</td>
</tr>
<tr>
<td><strong>Environmental Factors</strong></td>
</tr>
<tr>
<td>Hypothesis 4: Organizations will be more likely to form alliances with other organization when there is a rapid increase in demand for their goods or services.</td>
</tr>
<tr>
<td>Hypothesis 5: Organizations will be more likely to form a relationship with other organizations if there is an increased amount of uncertainty in the organizational environment</td>
</tr>
<tr>
<td>Hypothesis 6: Organizations will be more likely to form alliances with other organizations when there is a high degree of political uncertainty or instability.</td>
</tr>
<tr>
<td><strong>Strategic Interdependencies</strong></td>
</tr>
<tr>
<td>Hypothesis 7: Organizations that have a greater variety in external funding sources will be less likely to form relationships with other organizations.</td>
</tr>
</tbody>
</table>
CHAPTER 4:
METHODS

The data for this project were collected using an original survey (see Appendix B) sent to nonprofits in the greater Jacksonville area (Baker, Clay, Duval, Nassau, and St. Johns counties) in Florida. Nonprofit organizations included in the initial population were recognized as 501(c) 3 organizations by the Internal Revenue Service (IRS), and identified in the National Center for Charitable Statistics (NCCS) 2003 Business Master File with a human service as their primary mission area. In addition to the survey data additional archival data were collected on the organizations in the study such as year of founding of the nonprofit, services provided, physical location (metro, suburban, or rural), and other historical data such as whether or not the organization was identified as a United Way service provider. Most of the archival data collected came from a combination of the IRS information on 501(c)3 organizations (available from the National Center for Charitable Statistics) and organizations’ websites.

The survey was sent to the highest ranking officer or administrator in each organization, e. g., the chief executive officer, president, program director, executive director, etc., on the assumption that the chief executives will have the most accurate information about the organization and the relationship of the organization with other organizations. The creation of the network relied upon the survey instrument sent to known participants in the network to identify partners and others who may be involved in the network. A follow up survey was then sent to organizations that initial respondents identified as participants in the network that were not included in the original sample; this continued until no new reciprocal relationships were identified. A network tie was included if either actor indicated that there was a relationship between the two organizations.

Network Boundary Specification

While this study initially used a limited and identified sample of nonprofits as its original target population the network sampling employed a “realist” network approach (Knoke 1990), thus expanding the network sample to nonprofits identified by initial survey participants. As
described above, the realist sample was circumscribed by approaching only social service nonprofits, not the total range of nonprofit organizations within the communities of interest.

This methodology was originally employed by Erickson (1978) and uses the actual social relations to delimit boundaries of the network. This approach employs a snowball sampling procedure. This technique is a realist approach in that it relies upon the subjective perceptions of actors to determine who will be included in the final network rather than arbitrary standards set by the researcher before the advent of data collection (Laumann et al, 1983).

**Sampling Frame**

Anticipating that survey research with nonprofits traditionally suffers from low response rate and the need to identify as complete a network structure as possible made it necessary to attempt to maximize the number of respondents to the survey (Hager, Wilson, Pollack, & Moody, 2003). This was accomplished through several strategies. (1) The researcher met with officials from the Nonprofit Center of Northeast Florida to elicit suggestions on wording of questions and adding others that would be of interest to Jacksonville area nonprofit leaders. (2) The survey instrument was piloted with a select number of respondents from arts and culture nonprofits in the greater Jacksonville area and then refined to improve questions that were not eliciting usable responses or were deemed unclear through follow-up interview sessions. (3) A cover letter signed by the researcher and her major professor was prepared to explain the purpose of the project and the possible uses that nonprofits may have for the information that will be produced. (4) An additional letter which encouraged the participation of the nonprofits in the survey was drafted and signed by the President of the Jessie Ball DuPont Fund, a major Jacksonville-based foundation, and included in the first mailing of the survey packet. (5) Then reminder post cards with contact information for the researcher and the web address for the online version of the survey instrument were mailed out two weeks after the initial mailing of the survey packets. (6) Initial non-respondents were sent a revised follow-up letter which included the web address for the online survey and a second copy of the survey. (7) A third wave of the survey was also sent out via email through Volunteer Jacksonville. (8) Finally phone calls were
made and follow-up emails were sent to non-respondents to make sure they had received a copy of the survey and request that they return a response.

It is estimated by the North East Florida Nonprofit Center (2005) that the greater Jacksonville area is home to approximately 3,500 public charities. Data about many of these nonprofits is very difficult to acquire, especially for those that have not kept the IRS advised of their status and relevant information. This happens for two primary reasons. First, many of these organizations are below the annual revenue threshold of $25,000, negating their need to file annual returns. Secondly, other organizations have been founded more recently than data was made accessible to researchers. The approximate number of nonprofit organizations in the greater Jacksonville area that do register is 762 nonprofit organizations. The NCCS database contains 11 categories of nonprofit organizations: 1) Arts and Culture, 2) General Education (excluding higher education), 3) Higher Education (any post-high school education) 4) General Health (all health organizations, excluding hospitals) 5) Hospitals, 6) Human Services/Adult (serving no children), 7) Human Services/Child (serving children as all or part of their mission), 8) Public Benefit and Support, 9) Religion, 10) Environment and Animal Protection, and 11) Other.

The sample for this study is comprised of Human Services organizations serving both children and adults in the greater Jacksonville area. The original sample size for the study was estimated to include approximately 267 nonprofit organizations that provide human services to children and adults. However, the National Center for Charitable Statistics recommends that researchers using the Business Master File Data as a starting point for research do an initial check using the internet and local telephone books to verify that organizations contained in the data set still exist. The prescribed check on the data was performed and 102 or 38.2% of organizations were found to have no current listing on either the internet or in local phone listings. This list of organizations was then checked against Guide Star’s database of organizations filing Form 990 tax returns; the researcher found that none of these organizations had filed 990s in the last six years. In order to ensure that this was not due to oversights or

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3 A similar check of data accuracy for nonprofits in all subsectors by the IRS in 1994 found a rate of 21% of all organization had either terminated or could not be found (Internal Revenue Service, 1994). The slightly higher rate of organizations for which no current information could be found in this analysis may be due to two factors: 1) the most recent data available from the NCCS database was almost 2 years old at the time this study was conducted; 2) organizations in the human service subsector may have higher mortality rates than for other mission areas.
mistakes made by the researcher the list of organizations for which no current information could be found was then shared with several local nonprofit leaders. They were only able to offer updated information on three of the organizations on the initial list. The researcher took the additional step of sending out the survey instrument to all of the organizations on this list at least twice unless the initial mailing resulted in a returned address without forwarding information. An additional ten organizations were removed from the list because they were listed among organizations that had lost their IRS tax status as public charities. This resulted in the final population estimate being adjusted downward to 155 organizations to account for organizations that are probably not operating. The survey elicited a total of 81 responses with a total of 59 of them being valid and complete.

The survey was initially distributed only in printed form but encountered a fairly low initial response rate. In an effort to increase the response rate for the survey an online version was created and distributed to nonprofit managers, first through a reminder postcard, then through a revised cover letter included with the second mailing of the printed version, and then through a mass emailing to Jacksonville area nonprofits through Volunteer Jacksonville. Additionally, the researcher made several site visits to Jacksonville to follow up with non-responders and distinguish organizations that were no longer in service from those that simply did not return the survey. Follow-ups by the researcher included telephone calls, in person visit to administrative offices to deliver new printed copies of the survey instrument, and follow-up emails to send them a link to the web address of the survey instrument.

The final response rate for the survey was 38.1% for the general model. The survey response rates for nonprofit organizations in articles published in a leading nonprofit journal, Nonprofit and Voluntary Sector Quarterly, ranged from 10% to 100%, with the higher response rates usually associated with smaller studies or studies in which organizations belonged to an identifiable group such as grantees of the organization sponsoring the research (Hager, Wilson, Pollack, & Moody, 2003). The current study’s response rate of approximately 38% is consistent with other similar studies.

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4 The mailing out of surveys to this population of organizations resulted in a total of 53 of the surveys being returned without forwarding information, which is another indication that these organizations were no longer operating.
5 The IRS periodically puts out press releases about organizations that have lost their nonprofit tax status. These press releases can be found online at www.irs.gov under “Tax Status of Certain Organizations.”
6 An additional 22 organizations responded, but the information they provided was incomplete or unusable and their responses had to be excluded from the analysis.
The response rate for the network measures was calculated based upon the criteria of a realist network. Responses of those within the network vary somewhat across the advice, political, and referral networks for the nonprofits. The population in a realist network is considered to contain only those organizations or individuals (called nodes) that are identified by the respondents and that fit into the defined network limits. In this case the network was limited to human service nonprofits in the greater Jacksonville area. There were 119 local independent and affiliated nonprofit organizations active in the advice network. A total of 59 responded, which resulted in a response rate for this network of 49.6%. There were 73 local independent and affiliated nonprofit organizations active in the political network. A total of 59 responded which resulted in an 80.8% response rate for this network. The referral network contained a total of 110 local independent and affiliated nonprofit organizations active in the referral network. A total of 59 responded resulting in a 53.6% response rates. These response rates are within an acceptable range to produce reliable centrality measures of the type used in this analysis (Borgatti, Carley, & Krackhardt, 2006).

This study provides a unique sample through its use of human service nonprofits in the greater Jacksonville area. Jacksonville is politically unique in that it has a consolidated city and county government. The city-county area contains both a fairly large urban core as well as very rural areas. The greater Jacksonville area includes fairly large suburban areas, several smaller cities, and very rural areas. This allowed the study to gain a more accurate picture of the range of behavior displayed by nonprofit organizations that operate in both urban and rural areas and the relationships that form between rural nonprofit organizations and larger nonprofits in the nearest major metropolitan area. Most previous studies focus exclusively on the collaborative behavior of nonprofit organizations in urban environments (Gua & Acar 2005; Abrahamson & Rosenthal 1995; Alter & Hage 1993; Austin 2000a, 2000b; Connor, Taras-Kadel, & Vinokur-Kaplan 1999; Milne, Iyer, & Gooding-Williams 1996; O’Reagan & Oster 2000; Saidel & Harlan 1998).

The researcher used survey responses to create a graphical representation of the network, which subsequently was analyzed using UCINET VI Version 6.125 (Borgatti, Everett, & Freeman 2002) to obtain network level measures such as centralization and density for the networks constructed. The graphical representations of the networks displayed and analyses of the network structures in Chapter 5 were produced using ORA Network Visualizer Version 1.6.9
(Carley, 2006). While UCINET contains an integrated program for visualizing networks, ORA’s network visualization software allowed the researcher to overlay information about the subgroups that the nodes belonged to, which is helpful in terms of conducting analysis and recognizing patterns within the network. In addition, ORA’s visualization software allowed the researcher to create graphical representations of the metanodes in the network that can aid in interpretation of network patterns.

**Model Used in the Regression Analysis**

The researcher constructed the following regression model\(^7\) based upon a review of the existing literature of both interorganizational relations and alliances as well as considerations of the specific characteristics of the nonprofit sector (Figure 4.1). The model was estimated for all three networks (advice, political, and referral) to try to ascertain which network provides the best fit for examining the impact of social structure on the extent to engage in collaborations.

\[
\text{Extent of Collaborativeness Between Nonprofits} = f( a_1 \text{Organizational Environment} + a_2 \text{Political Environment} + a_3 \text{Service Demand} + a_4 \text{Closeness Centrality} + a_5 \text{Betweenness Centrality} + a_6 \text{Differentiation of Funding Sources} + a_7 \text{Leadership})
\]

*Figure 4.1: Hypothetical Model of Extent of Collaborativeness of a Nonprofit with other Nonprofits*

The constant was not included for both theoretical and practical reasons in the estimation of the regression parameters. Removing the constant from the regression equation essentially forces the equation to estimate the regression line with an intercept of zero (Faraway, 2005). Theoretically, this makes sense in terms of our model since an intercept of zero is more meaningful than an intercept above or below zero, because it represents a case in which the nonprofit organization was not engaged in any collaboration with other nonprofits. Moreover,

\(^7\) The researcher considered employing a structural equation model to test the interactions between the variables, but due to constraints imposed by sample size a regression analysis proved to be a better tool for this analysis.
when the model was estimated with the constant included it was not found to be statistically significant and its exclusion helped strengthen overall fit of the model.\textsuperscript{8}

### Measures

The survey questions were directed at obtaining information in terms of both the specific attributes of individual nonprofits, the environmental conditions affecting the nonprofit, their dyadic relationships with other nonprofits and their overall placement in the network of nonprofit actors. The units of analysis for the study are the individual nonprofit organizations. The focus of the dependent variable is on the collaborations that each organization has formed with other nonprofits. The maximum number of possible collaborations an organization can have is \( n-1 \). The dependent variable, therefore, is operationalized as the proportion of actual to possible collaborations, or the actual number of collaborations each organization has formed divided by \( n-1 \). The information collected on collaborations asked respondents to include any partnerships that have been formed between their organization and other organizations within the last five years (2000-2005). Specifically, organizations were asked to list any organizations with which they are engaged in an “an ongoing relationship through shared, transferred, or combined services, resources or programs.”

### Social Structure

The structural characteristics of the network were computed using UCINET IV \textit{Version 6.120} (Borgatti, Everett, & Freeman, 2002). Measures were constructed based upon a series of questions asked about the organizations that the nonprofit regularly interacts with to carry out activities including exchanging political information, referrals, and advice. At least one article has raised the question about the ability of individuals to recall their day-to-day interactions with others (Bernard et al, 1981). Freeman, Romney, and Freeman (1987), however, have shown that in general people are good at recalling the enduring patterns or typical interactions they have with others.

\textsuperscript{8} This step was undertaken with the advice of Matthew Dutton at Florida State’s Statistical Consulting Center (personal communication 6-22-06). The removal of the constant also helped reduce the overall variance inflation factor (VIF) of the model and reduce concerns of multicollinearity associated with the initial model.
Closeness centrality. Closeness centrality is a global measure that defines an actor’s ability to independently access all other members of the network (Freeman, 1979). “The simplest notion of closeness is, perhaps, that calculated from the ‘sum distance’, the sum of geodesic\(^9\) distances to all other points in the graph” (Sabidussi, 1966 as quoted in Scott, 1991, p. 86).

Betweeness centrality. Betweeness centrality is based upon the frequency with which a point falls between pairs of other points on the shortest paths connecting them (Freeman, 1979). The betweeness for a single organization is “calculated as half the sum of all pair dependency scores for the points” within a graph (Scott 1991, p. 87).

Organizational Factors

The purposes that nonprofits serve, their character, and size are often very dissimilar; often two organizations may share little in similarity other than their tax status (DiMaggio and Anheier, 1990). It is for this reason that we have chosen to examine only those nonprofit entities that deliver social services in order to limit some of the variation in the type of organization examined, at least in terms of mission. The study focused on one key internal element of the organizations under study: strategic leadership approaches undertaken by leaders to deal with the external environment.

Leadership/Strategy. The measure employed to determine leadership style of managers was based upon the Miles and Snow (1978) typology for leadership. This typology defines individual leaders as one of four types: defender, prospector, analyzer, and reactor. The survey questions ask individuals to rate how similar their response would be to a set of scenarios using a 7-point Likert scale.

Brown and Iverson (2004) found that scores on the prospector strategy have a strong negative correlation with those for the Defender strategy. This comparison between the leader’s prospector and defender scores confirms that respondents’ strategy scores were consistent with prior research. This diagnostic was run between the profiles of defender and prospector, and a

\(^9\) Geodesic is defined as “the shortest path between any particular pair of points in a graph (Scott 1991, p. 86).”
similar pattern was found with a statistically significant negative correlation.\textsuperscript{10} The other two strategic profiles, analyzer and reactor, are really blended versions of the defender and prospector ideal types and therefore are excluded from the analysis. The operationalized leadership measure used for this study was the respondent’s score for level of agreement with the prospector strategy.

**Environmental Factors**

**Market Service demand.** Service demand is constructed as an ordinal level variable but will be coded according to the responses given by participants. For example, if a respondent indicated that there was a rapid increase in demand for goods and services defined as greater than 25\% then a score of 25 was assigned. The remaining categories were coded as follows: a moderate increase obtained a score of 10; no increase or decrease obtained a score of 0; moderate decline obtained a score of \(-10\); and, a large decrease obtained a score of \(-25\). The numerical scores were assigned following the definition of Eisenhardt and Schoonhoven (1996) that defined the stages of market development. In their research, they defined: growth stage markets as markets with growth of 25\% or more annually, mature stage markets as markets with growth of 10-25\% annually. We extended their definition to include declining markets as those with a decrease of greater than 25\% annually, moderate decline as a decrease of 10-25\% annually, and flat markets as having neither growth nor decline\textsuperscript{11}.

**Organizational Environment.** The organizational environment of nonprofits varies considerably from organization to organization depending, for example, on the specific geographic location of the organization. Recall that nonprofits in the study include organizations from both urban Jacksonville and more rural surrounding counties. The measure for this variable was constructed based upon survey responses to four questions asking about perceptions of change in the organizational environment. These responses were then used to conduct an exploratory factor analysis to produce the resulting factor score that is used in the model (for additional details see Appendix C).

\textsuperscript{10} The bi-variate correlation between the two concepts was \(-0.265\) and was statistically significant at the .05 level.
\textsuperscript{11} The detailed reasons for the transformation of this variable is explained more fully in Chapter 5.
Political Environment. The political environment of organizations is likely to vary by the functional mission area within which the individual nonprofit operates. For that reason political uncertainty is measured using five Likert scale items that asked respondents about the level of change in different policy areas affecting their organization. An exploratory factor analysis (EFA) was conducted on the resulting responses and produced a single factor related to these variables (for additional details see Appendix C).

Strategic Interdependencies

Differentiation of resources. Differentiation of resources was measured as a count of the total number of different categories from which an organization received greater than 10% of its funding. The funding categories included: individual or private donors, membership dues, federal funding, state funding, funding from local governments, client fees, foundations, corporate contributions or other sources.
CHAPTER 5:
RESULTS AND DISCUSSION

This chapter is divided into three sections: a) findings related to data not included in the regression model, such as descriptive statistics relating collaborations undertaken by nonprofits in the study; b) discussion of general findings and results from the network analysis; and, c) discussion of findings and results related to the regression model presented in the previous chapter (Figure 4.1) for each of the three networks observed.

Descriptive Statistics

Descriptive statistics related to the collaborations formed. The organizations that participated in the study provided many details about both the formal and informal collaboration that their organizations are undertaking. The survey results found that out of 59 responding organizations 69.5% of them were involved in some sort of collaboration either with government or nonprofit partners. Of these, 20.3% were only involved in formal collaborations; 10.2% were only involved in informal collaborations; and, 39.0% were involved in both formal and informal collaborations. This suggests that, at least in the Greater Jacksonville area, collaborations are a fairly common practice for nonprofit organizations to undertake. This compares to the finding of a national survey of nonprofit organizations in 12 major metropolitan areas that found that 52.6% of nonprofits engaged in some form of collaboration (Word, 2005). The lower number of collaborations reported by Jacksonville nonprofits could have resulted either from differences in local conditions or the methodology of the national survey, which surveyed only nonprofits in major metropolitan areas and included in the NCCS database. The findings of this research also suggest that it is fairly common for nonprofit organizations to use a mixture of formal and informal collaborations to achieve their missions.
The study collected information on 171 collaborative relationships engaged in by nonprofit organizations either with government or with other nonprofit partners. Of those relationships 130 or 76.0% of them involved collaborations between two nonprofit organizations. The collaborations between nonprofit organizations were formalized 65.45% of the time (Table 5.2). In contrast, collaborations between nonprofits and government were formalized 79.5% of the time (Table 5.3). This finding is not surprising since much collaboration between nonprofits and government is in the form of agreements, contracts or grants between the two entities.

### Table 5.1: Frequency of Collaborations in Nonprofit Organizations

<table>
<thead>
<tr>
<th>Type of Collaboration</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involved in 1&lt; more formal collaborations</td>
<td>12</td>
<td>20.3</td>
<td>20.3</td>
</tr>
<tr>
<td>Involved in 1&lt; informal collaborations</td>
<td>6</td>
<td>10.2</td>
<td>30.5</td>
</tr>
<tr>
<td>Involved in both formal and informal collaborations</td>
<td>23</td>
<td>39.0</td>
<td>69.5</td>
</tr>
<tr>
<td>Not involved in any collaborations</td>
<td>18</td>
<td>30.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>59</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

### Table 5.2: Formality of Collaborations between Nonprofits

<table>
<thead>
<tr>
<th>Formality</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal Collaboration</td>
<td>85</td>
<td>65.4</td>
</tr>
<tr>
<td>Informal Network</td>
<td>45</td>
<td>34.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>130</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Table 5.3: Formality of Collaborations of Nonprofits and Governments

<table>
<thead>
<tr>
<th>Formality</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal Collaboration</td>
<td>35</td>
<td>79.5</td>
</tr>
<tr>
<td>Informal Network</td>
<td>9</td>
<td>20.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The purposes for collaborations between the nonprofit organizations included: fundraising, education, political advocacy, service delivery, and coordinating. Nonprofit

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12 The respondents did report engaging in two partnerships with for-profit businesses, but since this is a fairly small number we will exclude these activities from our overall analysis.
organizations most often cited the purpose of service delivery (64.6%). The least often cited reasons for collaboration were: political advocacy (5.4%), fundraising (6.9%), and coordinating (8.5%).

Table 5.4: Purpose of Collaborations Between Nonprofits

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>9</td>
<td>6.9</td>
</tr>
<tr>
<td>Education</td>
<td>19</td>
<td>14.6</td>
</tr>
<tr>
<td>Political Advocacy</td>
<td>7</td>
<td>5.4</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>84</td>
<td>64.6</td>
</tr>
<tr>
<td>Coordinating</td>
<td>11</td>
<td>8.5</td>
</tr>
<tr>
<td>Total</td>
<td>130</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Nonprofit organizations were also asked about the importance of expected funding increases for choosing to collaborate with other nonprofits (Table 5.5). Surprisingly, despite local sources that cite pressures to collaborate in order to gain funding (JCCI 2003), nonprofit organizations in the present study were evenly split (44.2%) between the lower importance categories (Not Important and Somewhat Important) and the two higher categories (Important and Very Important).

Table 5.5: Importance of Expected Funding Increases for Choosing to Collaborate between Nonprofits

<table>
<thead>
<tr>
<th>Importance of Funding</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Important</td>
<td>31</td>
<td>24.0</td>
<td>24.0</td>
</tr>
<tr>
<td>Somewhat Important</td>
<td>26</td>
<td>20.2</td>
<td>44.2</td>
</tr>
<tr>
<td>Important</td>
<td>18</td>
<td>14.0</td>
<td>58.1</td>
</tr>
<tr>
<td>Very Important</td>
<td>39</td>
<td>30.2</td>
<td>88.4</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>15</td>
<td>11.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 5.6: Inquiry of Funding Organization about Collaboration Between Nonprofits

<table>
<thead>
<tr>
<th>Inquiry Description</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>43</td>
<td>33.6</td>
<td>33.6</td>
</tr>
<tr>
<td>They Asked Informally</td>
<td>8</td>
<td>6.3</td>
<td>39.8</td>
</tr>
<tr>
<td>They Did Not Ask</td>
<td>77</td>
<td>60.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>128</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
In order to try to understand the influence of funding organizations regarding pressures to collaborate, respondents were asked if funders asked them about collaborations (Table 5.6). The survey found that only 33.1% of nonprofits reported being asked formally about collaboration and a total of 39.8% were asked in any way by funders about their intentions to collaborate. This is surprising since nonprofit organizations have previously cited pressure to collaborate as an important concern (JCCI, 2003).

In slightly over half of all the collaborations reported between nonprofits according to the survey resulted in additional funding for the organization involved (Table 5.7).

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>66</td>
<td>51.2</td>
<td>51.2</td>
</tr>
<tr>
<td>No</td>
<td>63</td>
<td>48.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>129</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The nonprofit organizations that engaged in collaboration with other nonprofits also reported that efficiency was an important consideration in choosing to collaborate with other nonprofit organizations (Table 5.8). Seventy percent of all organizations reported that these concerns were either important or very important to their decision to collaborate. This lends some support to the idea that nonprofits, like their for-profit counterparts, are very concerned with efficiency even though they do not face all the pressures of the market.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Important</td>
<td>6</td>
<td>4.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Somewhat Important</td>
<td>18</td>
<td>14.2</td>
<td>18.9</td>
</tr>
<tr>
<td>Important</td>
<td>36</td>
<td>28.3</td>
<td>47.2</td>
</tr>
<tr>
<td>Very Important</td>
<td>53</td>
<td>41.7</td>
<td>89.0</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>14</td>
<td>11.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>127</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

While the descriptive statistics cannot be taken as conclusive in terms of testing propositions they do point to some interesting findings that might ultimately have implications for future research into collaborations between nonprofits. They also suggest some avenues for future research, which will be discussed in Chapter 6.
Network Findings

The researcher collected information on the advice, referral, and political networks among nonprofits in the greater Jacksonville area. These data produced interesting findings about the different types of networks maintained by nonprofit organizations and allowed comparisons to be made between the three types of networks observed. The organizations in the networks observed were categorized into ten different groups in order to create metanodes\(^\text{13}\) to ease visual analysis of organizations and create pseudonyms for organizations included in the network: local nonprofits; local affiliates of national- or state-level nonprofit organizations; state-level nonprofit organizations; health care organizations, both private and nonprofit; national nonprofits; city government\(^\text{14}\); county government; state government; federal government; and educational institutions such as local community colleges or universities.

**Advice Network.** The advice network had a total of 193 nodes and a total of 399 ties between organizational nodes (Figure 5.1). The actors in the network include 96 local nonprofit organizations, 35 local affiliates of either national or statewide nonprofits, seven statewide nonprofits, 16 national nonprofits, seven health-related service providers including both public and nonprofit providers, seven units of city government, nine units of county government, nine agencies within state government, four federal agencies, and three universities. The structure of ties between the groups is displayed in figures 5.2 and 5.3. The density\(^\text{15}\) of the overall structure was calculated to be 0.010767. The network also identified a total of three isolated organizations in the network. The isolated organizations reported that their organization did not receive or give advice from any other organizations within the network.

\(^{13}\) A metanode is simply a grouping of individual nodes in the graphical representation of the network.

\(^{14}\) Since the city of Jacksonville is incorporated all of the organizations with which nonprofits reported interacting are in the city group for these governmental organizations unless specifically designated as Duval County, such as the Duval County Health Department.

\(^{15}\) Density is an indicator for the general level of connectedness for a graph. If every node is directly connected to every other node we have a “complete” graph. Density is defined as “the number of links divided by the number of vertices (ties) in a complete graph for the same number of nodes.” (Otte & Rousseau 2002, p. 442)
Table 5.9: Mean Centrality Measures for the Advice Network

<table>
<thead>
<tr>
<th></th>
<th>Degree</th>
<th>Closeness</th>
<th>Betweenness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>1.722</td>
<td>3.844</td>
<td>0.875</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>3.471</td>
<td>1.077</td>
<td>4.080</td>
</tr>
<tr>
<td>Variance</td>
<td>12.047</td>
<td>1.160</td>
<td>16.646</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.0000</td>
<td>0.521</td>
<td>0.521</td>
</tr>
<tr>
<td>Maximum</td>
<td>41.146</td>
<td>4.420</td>
<td>4.420</td>
</tr>
</tbody>
</table>

The network’s overall shape (Figure 5.1) indicates a fairly centralized structure in which several players could be described as very important to the overall structure of the network. One of these organizations, local 81, essentially exists to facilitate and create networks. This organization depends upon the other organizations for financial support, and they depend upon this focal organization for the flow of referrals of volunteers (Figure 5.2). The second organization, affiliate #26, also controls an important resource of funding and provides technical advice to others nonprofits in the community (Figure 5.2). These organizations appear to be very important to the structure of the overall network and have the potential to have a great deal of impact on the flow of information and some resources through the network.

The mapping of the network also revealed some isolated clusters that are disconnected from the overall network structure (Figure 5.1). This suggests breaks between groups operating in specific service areas and the rest of the network. For example, two of the isolated clusters are made up of homes for the aging, state agencies dealing with this issue, and associated state level nonprofit organizations. Other disconnected clusters appeared to result from the break between rural nonprofits and nonprofit organizations in the urban core of Jacksonville. This suggests that there might be important disconnects between nonprofits in rural areas and nonprofit organizations in urban settings in terms of network structure.

An examination of the metanodes revealed that of the 399 ties contained in the graph that 161 (40.35%) were between local actors, that is, nonprofits with local headquarters as opposed to those that are local affiliates of larger state or national nonprofits. In contrast only 12 (3.00%) of the links were between the local affiliates and other local affiliates. Examination of the graphical ties between the metanodes (Figure 5.3) shows that affiliates often look to their national organizations for advice on services and rarely look to either state-level government agencies or statewide nonprofit organizations for advice about how to solve problems in their organizations. The fact that local affiliates look to their national parent organization is not a surprising finding since local affiliates are dependent upon their respective national organizations for resources, and
Figure 5.1: Advice Network of Nonprofit Organizations in the Greater Jacksonville Area
Figure 5.2: Advice Network of Nonprofit Organizations with Metanodes for All Non-local Actors
Figure 5.3: Metanode Matrix for Advice Network of Nonprofit Organizations
many of these local offices are somewhat like franchises. It is surprising, however, that they rarely look to state government agencies for advice since state level agencies might have more precise knowledge about the communities in which these organizations operate and other resources that national offices would not have the opportunity to know about.

In contrast, local nonprofits tended to look much more toward state level nonprofit organizations and state agencies for advice as well as local health care providers. The networks of these organizations appear to be much more localized and focused upon local and regional networks. Many of them also cited ties to national organizations. One key difference in the national nonprofit organizations that these two groups look toward for advice is that local nonprofits tended to look toward national professional associations such as the Association of Fundraising Professionals while local affiliates almost exclusively looked toward national offices with which they are affiliated.

Political Network. The political advice network has a total of 123 nodes and a total of 121 ties between organizational nodes (Figure 5.4). The actors in the network include 59 local nonprofit organizations, 14 local affiliates of either national or statewide nonprofits, 17 statewide nonprofits, 20 national nonprofits, four units of city government, one unit of county government, six agencies within state government and two federal agencies. The structure of ties between the groups is displayed in figures 5.5 and 5.6. A much larger portion of the nodes in this graph belonged to both state (13.8%) and national (16.3%) level nonprofit organizations. This suggests that in this political network the state and national nonprofits are very important to local actors.

Table 5.10: Mean Centrality Measures for the Political Network

<table>
<thead>
<tr>
<th></th>
<th>Degree</th>
<th>Closeness</th>
<th>Betweenness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>1.426</td>
<td>1.787</td>
<td>0.800</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>2.471</td>
<td>0.511</td>
<td>3.390</td>
</tr>
<tr>
<td>Variance</td>
<td>6.105</td>
<td>0.261</td>
<td>11.494</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.0000</td>
<td>0.820</td>
<td>0.000</td>
</tr>
<tr>
<td>Maximum</td>
<td>24.590</td>
<td>2.104</td>
<td>34.555</td>
</tr>
</tbody>
</table>

The density of the overall structure was calculated to be 0.008063. The political network is by far the smallest and the least dense network structure reported by the nonprofit organizations in this study. In addition, the mean centrality measures for organizations were also lower than for the advice or referral networks (Tables 5.8, 5.9, & 5.10). This network has a total of twenty-four isolated organizations that reported no ties. The isolated organizations reported
that their organization did not receive or give political advice or information to other
organizations within the network. This political network analysis produced a great many more
isolates than the other networks examined. Invited to respond to an open-ended question in this
regard, many nonprofit organizations gave somewhat defensive answers, such as “we do not
concern ourselves with political matters,” which may suggest there is some fear of involvement
in politics by nonprofit organizations, some misunderstanding of the limits placed upon nonprofit
organizations by state and federal regulations, or a general reluctance to report truthfully that
they actually do engage in political behavior. The nonprofits that were politically active tended
to be larger and more established within the community.

Similar to the advice network, the political network had seven isolated clusters of
organizations (Figure 5.4). Two of the larger isolated clusters involved rural actors that seemed
to be disconnected from the network of nonprofit entities in the more urban areas of Jacksonville.
Four of the remaining clusters were made up of dyads of local affiliates and their national
headquarters which again reflects something of a disconnect between some “franchise”
nonprofits and their local communities. The observed difference for affiliates could also stem
from a difference in the way in which these nonprofits conceptualize political behavior and may
reflect a focus more upon national policy rather than on local political issues or concerns. The
final isolated cluster was made up of a local nonprofit organization that was only connected to
three state level nonprofit actors politically.

An examination of the metanodes revealed that of the 121 ties contained in the graph
only 33 (27.3%) of them were between local organizations. In contrast only four (3.30%) of the
links were between local affiliates (Figure 5.5). In comparison to the advice and referral
networks there were a lot fewer ties between local nonprofit organizations. This suggests that in
general most nonprofit organizations do not look to other local organizations for political advice.
Instead, most nonprofits look almost exclusively to either national organizations or state wide
associations that relate either to the specific service niche in which the nonprofit operates or
toward a national level organization that in part funds and advises them. There seemed to be
little cross communication between nonprofits even within the same service area about political
issues that were affecting them.

One major important player, local #42, that was identified in analysis of the political
network of nonprofits was a local center that can best be described as a Management Service
Figure 5.4: Political Advice Network of Nonprofit Organizations in the Greater Jacksonville Area
Figure 5.5: Political Advice Network of Nonprofit Organizations with MetaNodes for All Nonlocal Actors
Figure 5.6: Metanode Matrix for Political Network of Local Nonprofit
Organization (MSO) (Figures 5.4 and 5.5). These organizations are “local nonprofits that provide support to other nonprofits through training and consulting on such issues as leadership, planning, fundraising, marketing, and human resource development” (Connor, Kadel-Taras, & Vinokur-Kaplan, 1999). This organization has 30 ties to other local organizations (including 7 with affiliates and 23 with local nonprofit organizations comprising a total of 69.7% of all local links among local organizations. This suggests these organizations, aside from providing technical support, also may help nonprofit organizations to better understand their local political environment and may be an important player in local political networks between nonprofits and governments. This organization is a different organization than the organization that was found to be most central in both the advice and referral networks.

An examination of the metanode matrix (Figure 5.6) reveals similar properties to the pattern found in the metanode matrix of the advice network (Figure 5.3) in that local affiliates of state or national level nonprofits tended to have a narrower range of interactions than did local nonprofits. One key difference is that here both affiliates and local nonprofits interacted with state level nonprofit organizations in order to receive political advice, but affiliates were no longer interacting with units of county governments.

Referral Network. The referral network had a total of 191 nodes and a total of 411 ties between organizational nodes. The actors in the network include 87 local nonprofit organizations, 23 local affiliates of either national or statewide nonprofits, five statewide nonprofits, five national nonprofits, 32 health related service providers including both public and nonprofit providers, nine units of city government, 11 units of county government, 13 agencies within state government, two federal agencies, and four universities. The structure of ties between the groups is displayed in figures 5.8 and 5.9.

The density of the overall structure was calculated to be 0.011325. The network also identified a total of seven isolated organizations in the network (five local nonprofits and two local affiliates). The isolated organizations reported that they did not give or receive referrals to any other organizations within the network. Unlike the political and advice networks this network did not produce any isolated clusters that were completely disconnected from the rest of the graph. This suggests that even though some groups may be isolated in terms of advice or political interactions due to geographic or mission differences the network of human service organizations is more inclusive in terms of referrals across these boundaries.
Figure 5.7 – Referral Network of Nonprofits in the Greater Jacksonville Area
Figure 5.8 – Referral Network of Nonprofits with Metanodes for All Non-local Actors
Figure 5.9: Metanode Matrix for the Referral Network of Local Nonprofits
Table 5.11: Mean Centrality Measures for the Referral Network

<table>
<thead>
<tr>
<th></th>
<th>Degree</th>
<th>Closeness</th>
<th>Betweenness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>1.956</td>
<td>9.732</td>
<td>1.175</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>2.985</td>
<td>0.522</td>
<td>3.790</td>
</tr>
<tr>
<td>Variance</td>
<td>8.912</td>
<td>0.273</td>
<td>14.365</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.0000</td>
<td>8.190</td>
<td>0.000</td>
</tr>
<tr>
<td>Maximum</td>
<td>26.316</td>
<td>11.105</td>
<td>42.243</td>
</tr>
</tbody>
</table>

The network’s overall shape indicates a fairly centralized structure (Figure 5.7 and Figure 5.8) in which several key players are very important to the overall structure of the network and creating connections between different parts of the network. Overall this graph had a greater number of organizations that were important to the structure than did the advice or political network graphs. Similar to the advice and political networks, one actor, local #84, was one of the most important to the network structure with the highest degree centrality and betweenness centrality. This organization essentially exists to facilitate and create networks between individuals and organizations within the network, providing referrals for resources such as volunteer support. Several other nodes that were important to the structure of the graph, including local #11, local #35, local #58, local #82, and local #87, included organizations that provide a wide variety of services and therefore both gave and received a great many referrals to others in the community.

Another important node identified in the referral network analysis was local #19; this node, unlike many of the others in the network, does not provide direct service provision, only financial support for services, referrals and information. Its role as primarily a referral agency helped increase its centrality in the network, especially in the specific service area in which it operates. Two other similarly situated organizations, local #1 and local #44, which primarily provide referral services but little direct service provision, seemed to fill somewhat different roles in the network because they provided connections either to individuals or organizations who, due to language barriers or geographic distance, might otherwise be more isolated.

The final node important to this particular network structure was state agency #5. This organization, while important somewhat in the advice network, took on a much more important role as indicated by its degree and betweenness centrality measures in this network. This actor’s

\[16\] Local #84 is the same organization discussed above in the Advice Network at local#81.

\[17\] Degree centrality can be defined as “the number of ties this node has (in graph theoretical terminology, the number of edges adjacent to this node.)” (Otte & Rousseau 2002, p. 443).
role is central to the implementation of human services and its placement in the network illustrates the complex ties between government agencies and nonprofits in the human services arena.

An examination of the metanodes revealed that of the 411 ties contained in the graph 131 (27.3%) of them were between local organizations. In contrast only four (3.30%) of the links were between local affiliates. Examination of the graphical ties between the metanodes (Figure 5.9) reveals that local organizations have a greater range in referrals given to and received from other organizations. In contrast to the political and advice metanode graphs (Figures 5.3 and 5.6), local affiliates did not interact with national nonprofit organizations in giving and receiving referrals, unlike locally based nonprofit organizations. The omission of ties between local affiliates and state or national nonprofits may have occurred because local affiliates may perceive exchanges with their national or state level organizations as internal or hierarchical exchanges, rather than as exchanges with other organizations.

**Results of the Regression Analyses**

Following the hypotheses presented in Chapter Three, collaborativeness between nonprofit organizations was modeled with seven independent variables: organizational environment, political environment, service demand, closeness centrality, betweenness centrality, differentiation in funding sources, and organizational leadership. The results reported below were based upon a 38.1% response rate for the survey. A comparison of the responding organizations to the non-responders found a slight bias toward larger and older organizations in the resulting sample. The model presented did indicate some moderate problems with multicollinearity due to inclusion of two different network measures that proved to be correlated with each other.\(^\text{18}\) Despite these difficulties the models presented were statistically significant

\(^\text{18}\) The researcher originally examined the possibility of including additional measures of centrality such as Eigenvector and degree centrality, but these indicators were highly correlated with other network measures and caused significant inflation in variance. The remaining centrality measures of betweenness and closeness were both the most theoretically interesting and caused the fewest problems in terms of variance inflation in the model. The common decision rule for excluding a variable due to variance inflation is to exclude variables with VIF > 4 (Fox, 1991). However, when dealing with small sample sizes a more lenient cut-off is often adopted of only excluding variables with VIF > 10. None of the variables included in the final model had VIF’s greater than 8.
and appeared to be fairly stable.\textsuperscript{19} The variance inflation factors for the variables that remain in the model are presented in Tables 5.13, 5.16, and 5.19.

Regression analysis utilizing the advice network. The coefficient of determination ($R^2$) for the model when the advice network was used to estimate network measures of centrality was 0.433 and statistically significant at the .0001 level (Table 5.11). The adjusted $R^2$ that compensates for the positive bias in $R^2$ was 0.357, indicating that about a third of the variation in collaborativeness between nonprofits was explained by the proposed model. This decrease in explanatory power between $R^2$ and adjusted $R^2$ is largely explained by the relatively small sample size (Tate, 1998). The standard error of the estimate was 0.05413.

<table>
<thead>
<tr>
<th>Table 5.12: Model Summary for Regression Analysis Utilizing Advice Network Centrality Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

The effects of the individual independent variables on collaborativeness are summarized in Table 5.12. Both market demand (.041) and closeness centrality (.044) proved to be statistically significant at the .05 level. Market demand\textsuperscript{20} was found to have a strong positive association with collaborativeness between nonprofit organizations suggesting that market conditions do have an effect upon collaboration. This lends support to our hypothesis that rapid increase in demands for goods and services from nonprofit organizations would have a positive impact on the level of collaboration between nonprofit organizations.

Within the Advice Network closeness centrality was also found to have a strong positive correlation with the level of collaboration between nonprofit organizations. This lends support to our hypothesis that closeness centrality will be positively associated with nonprofit organizations’ propensity to collaborate because those nonprofit with high closeness will have

\textsuperscript{19} To ensure that the variables included in the model with VIF > 4 were not causing additional problems in the model, the analyses were run excluding these variables as prescribed by Fox (1991), but exclusion of these variables did not significantly change estimates of other included independent variables and worsened the goodness of fit statistics.

\textsuperscript{20} The model initially tested included a squared term in order to determine if the actual relationship between collaborativeness and market demand was curvilinear as was found in the research conducted on for profit organizations by Eisenhardt and Schoonhoven (1996). The relationship between the dependent variable and the squared term was not found to be statistically significant and removing it improved the overall model fit and decreased the amount of multicollinearity, as indicated by the Variance Inflation Factor (VIF) of the model. However, testing this relationship in the initial model allows us to rule out the possibility of a curvilinear relationship between market demand and the dependent variable of collaborativeness.
greater access to potential partners and a greater variety of potential partners from which to choose (Freeman 1979; Krackhardt & Brass 1994). Another likely reason that closeness matters to collaborations between nonprofits is that closeness also gives the ability for potential network partners to gain more complete knowledge about their partners needs and also establish trust through repeated interactions.

Table 5.13: Results Summary for Regression Analysis Utilizing Advice Network Centrality Measures

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>T</th>
<th>Significance Level</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environment</td>
<td>-.004</td>
<td>-.525</td>
<td>.602</td>
<td>1.174</td>
</tr>
<tr>
<td>Political Environment</td>
<td>.001</td>
<td>.126</td>
<td>.900</td>
<td>1.177</td>
</tr>
<tr>
<td>Service Demand**</td>
<td>.001</td>
<td>2.095</td>
<td>.041</td>
<td>1.962</td>
</tr>
<tr>
<td>Advice Closeness Centrality**</td>
<td>.011</td>
<td>2.069</td>
<td>.044</td>
<td>6.349</td>
</tr>
<tr>
<td>Advice Betweeness Centrality</td>
<td>-.001</td>
<td>-1.313</td>
<td>.195</td>
<td>1.310</td>
</tr>
<tr>
<td>Differentiation in Funding</td>
<td>.003</td>
<td>.412</td>
<td>.682</td>
<td>6.207</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>-.004</td>
<td>-.624</td>
<td>.535</td>
<td>7.423</td>
</tr>
</tbody>
</table>

*** = significant at .01, **= significant at .05 *=significant at .10

The remaining variables in the model did not prove to be statistically significant, but it is likely at least one of these variables might have achieved statistical significance if not for limitations imposed upon the explanatory power of the model due to the limited sample size and difficulties with multicollinearity within the model. Betweenness centrality was the closest to obtaining statistical significance with a reported significance of .195 despite a fairly high correlation with advice closeness centrality. Despite the lack of statistical significance in this limited sample, betweenness centrality does lend some support to our hypothesis that betweenness will be negatively associated with collaborativeness of nonprofits. A slightly larger sample might realistically have offered the precision required to ascertain the predicted relationship between the propensity to collaborate and betweenness centrality. Such results would be consistent with earlier studies that found betweenness to be correlated with ability of organizations and individuals to exert control over their environment and other actors within their network (Brass 1984, 1992; Freeman, 1979).

Table 5.14: Comparison of Hypothesized Relationships of Variables to Observed Relationships for Regression Analysis Utilizing Advice Centrality Measures

<table>
<thead>
<tr>
<th>Variables</th>
<th>Predicted Relationship</th>
<th>Observed Relationship</th>
</tr>
</thead>
</table>

96
The remaining variables in the model did not come close to achieving statistical significance and, therefore, the null hypotheses associated with the proposed relationships cannot be rejected. Table 5.13 presents a summary of the hypothesized direction of the variables included in the model compared to the findings of the analysis.

Regression analysis utilizing the political network. The coefficient of determination, $R^2$, for the model when the political network was used to estimate network measures of centrality, was 0.409 and statistically significant at the .0001 level (Table 5.14). The adjusted $R^2$ that compensates for the positive bias in $R^2$ was 0.329, indicating that about a third of the variation in collaborativeness between nonprofits was explained by the proposed model. The standard error of the estimate was 0.05527.

Table 5.15: Model Summary for Regression Analysis Utilizing Political Network Centrality Measures

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R^2$ Square(a)</th>
<th>Adjusted $R^2$ Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>.639(b)</td>
<td>.409</td>
<td>.329</td>
<td>.05527</td>
</tr>
</tbody>
</table>

The effects of the individual independent variables on the propensity to collaborate are summarized in Table 5.15. The only variable that achieved statistical significance in this model was demand for goods and services, significant at the .05 level. Market demand was found to have a strong positive association with collaborativeness between nonprofit organizations. This result is consistent with the previous model -- that market conditions do have a strong positive effect upon the level of collaboration. This lends support to our hypothesis that a rapid increase in demands for goods and services from nonprofit organizations would have a positive impact on the level of collaboration between nonprofit organizations.
Table 5.16: Results Summary for Regression Analysis Utilizing Political Network Centrality Measures

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>T</th>
<th>Significance Level</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environment</td>
<td>.005</td>
<td>.560</td>
<td>.578</td>
<td>1.241</td>
</tr>
<tr>
<td>Political Environment</td>
<td>.003</td>
<td>.412</td>
<td>.682</td>
<td>1.129</td>
</tr>
<tr>
<td>Service Demand**</td>
<td>.001</td>
<td>2.138</td>
<td>.037</td>
<td>1.943</td>
</tr>
<tr>
<td>Political Closeness Centrality</td>
<td>-.010</td>
<td>-1.112</td>
<td>.271</td>
<td>3.594</td>
</tr>
<tr>
<td>Political Betweeness Centrality</td>
<td>-.002</td>
<td>-.973</td>
<td>.335</td>
<td>1.271</td>
</tr>
<tr>
<td>Differentiation in Funding</td>
<td>.007</td>
<td>1.043</td>
<td>.302</td>
<td>5.326</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>.007</td>
<td>1.242</td>
<td>.220</td>
<td>6.357</td>
</tr>
</tbody>
</table>

*** = significant at .01, **= significant at .05 *=significant at .10

Neither political closeness nor betweeness centrality proved to be statistically significant in this model; this suggests that the structural properties of political networks are not as important to creating collaborations between nonprofit organizations as the same properties in advice and referral networks.

The remaining variables in the model did not come close to obtaining statistical significance and, therefore, the null hypotheses related to these proposed relationships cannot be rejected. Table 5.16 presents a summary of the hypothesized direction of the variables included in the model compared to the findings of the analysis.

Table 5.17: Comparison of Hypothesized Relationships of Variables to Observed Relationships for Regression Analysis Utilizing Political Centrality Measures

<table>
<thead>
<tr>
<th>Variables</th>
<th>Predicted Relationship</th>
<th>Observed Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environment</td>
<td>Positive</td>
<td>Weak Positive</td>
</tr>
<tr>
<td>Political Environment</td>
<td>Positive</td>
<td>Weak Positive</td>
</tr>
<tr>
<td>Service Demand**</td>
<td>Positive</td>
<td>Strong Positive</td>
</tr>
<tr>
<td>Advice Closeness Centrality</td>
<td>Positive</td>
<td>Moderate Negative</td>
</tr>
<tr>
<td>Advice Betweeness Centrality</td>
<td>Negative</td>
<td>Moderate Negative</td>
</tr>
<tr>
<td>Differentiation in Funding</td>
<td>Negative</td>
<td>Moderate Negative</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>Positive</td>
<td>Moderate Positive</td>
</tr>
</tbody>
</table>

*** = significant at .01, **= significant at .05 *=significant at .10

Regression analysis utilizing the referral network. The coefficient of determination, \( R^2 \), for the model when structural features of the political network were used to estimate network measures of centrality was 0.451 and statistically significant at the .0001 level (Table 5.14). The
adjusted $R^2$ that compensates for the positive bias in $R^2$ was 0.377, indicating that over a third of the variation in collaborativeness between nonprofits was explained by the proposed model. The standard error of the estimate was 0.05325.

The model using referral networks to construct the centrality measures showed a slightly higher $R^2$ than did the model using the advice (.433) or the political (.409) networks to construct centrality measures. This suggests that this network provides a better fit for the data than do the other two networks, especially in the case of the political network model, in which neither of the network measures proved to be statistically significant.

Table 5.18: Model Summary for Regression Analysis Utilizing Referral Network Centrality Measures

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R^2$ (a)</th>
<th>Adjusted $R^2$</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>.672(b)</td>
<td>.451</td>
<td>.377</td>
<td>.05325</td>
</tr>
</tbody>
</table>

The effects of the individual independent variables on collaborativeness are summarized in Table 5.18. In this model for the referral network closeness centrality was the only variable that proved to be statistically significant at the .05 level. If we lower our threshold for significance slightly to the .10 level, however, then both service demand and betweenness centralities are statistically significant. It is likely that these two variables did not achieve statistical significance due to the restrictions on precision of the model because of the relatively small sample size that was available for the analysis.

In the referral network closeness centrality was found to have a strong positive association with collaborativeness between nonprofit organizations. This finding, consistent with the advice network model, suggests that an organization’s access to others within the network makes them more likely to collaborate. This lends support to our hypothesis that access to other actors within the network and social structure positively affects a nonprofit’s collaborativeness with other nonprofit organizations.

Within the referral network betweenness centrality demonstrated a fairly strong negative relationship to the extent of collaboration between nonprofit organizations. This finding lends support to our hypothesis that betweenness centrality, which is associated with power within a network, would be negatively correlated with collaboration. This suggests that those who exercise power due to their placement in the network will have less need to collaborate with
others because they will be able to create enough stability in their environment through their network that collaboration will be a less important tool for them in gaining access to information and resources.

Table 5.19: Results Summary for Regression Analysis Utilizing Referral Network Centrality Measures

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>T</th>
<th>Significance Level</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environment</td>
<td>.003</td>
<td>.421</td>
<td>.676</td>
<td>1.160</td>
</tr>
<tr>
<td>Political Environment</td>
<td>-.005</td>
<td>-.712</td>
<td>.480</td>
<td>1.211</td>
</tr>
<tr>
<td>Service Demand*</td>
<td>.001</td>
<td>1.939</td>
<td>.058</td>
<td>2.011</td>
</tr>
<tr>
<td>Referral Closeness Centrality**</td>
<td>.005</td>
<td>2.371</td>
<td>.022</td>
<td>7.586</td>
</tr>
<tr>
<td>Referral Betweeness Centrality*</td>
<td>-.002</td>
<td>-1.755</td>
<td>.085</td>
<td>1.429</td>
</tr>
<tr>
<td>Differentiation in Funding</td>
<td>.002</td>
<td>.350</td>
<td>.728</td>
<td>6.012</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>-.005</td>
<td>-.799</td>
<td>.428</td>
<td>7.686</td>
</tr>
</tbody>
</table>

*** = significant at .01, ** = significant at .05 *=significant at .10

Similar to the finding of the previous two models there was a fairly strong positive association between service demand and extent of collaboration between nonprofits. This lends support to our hypothesis that the market for an organization’s goods and services positively influences their decision to collaborate with other nonprofits.

Table 5.20: Comparison of Hypothesized Relationships of Variables to Observed Relationships for Regression Analysis Utilizing Referral Centrality Measures

<table>
<thead>
<tr>
<th>Variables</th>
<th>Predicted Relationship</th>
<th>Observed Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Environment</td>
<td>Positive</td>
<td>Weak Positive</td>
</tr>
<tr>
<td>Political Environment</td>
<td>Positive</td>
<td>Weak Negative</td>
</tr>
<tr>
<td>Service Demand*</td>
<td>Positive</td>
<td>Strong Positive</td>
</tr>
<tr>
<td>Advice Closeness Centrality**</td>
<td>Positive</td>
<td>Strong Positive</td>
</tr>
<tr>
<td>Advice Betweeness Centrality*</td>
<td>Negative</td>
<td>Strong Negative</td>
</tr>
<tr>
<td>Differentiation in Funding</td>
<td>Negative</td>
<td>Weak Positive</td>
</tr>
<tr>
<td>Organizational Leadership</td>
<td>Positive</td>
<td>Weak Negative</td>
</tr>
</tbody>
</table>

*** = significant at .01, ** = significant at .05 *=significant at .10

The remaining variables in the model did not come close to obtaining statistical significance and, therefore, the null hypotheses related to these proposed relationships cannot be
rejected. Table 5.19 presents a summary of the hypothesized direction of the variables included in the model compared to the findings of the analysis.
CHAPTER 6:
CONCLUSIONS, LIMITATIONS, AND DIRECTIONS FOR FURTHER RESEARCH

This study contributes several important findings to furthering our understanding of collaboration within the nonprofit sector. The findings of this study suggest that there are two key elements that determine the degree to which nonprofit organizations participated in collaborations: demand for the goods and services they provide and the social structure of everyday relationships that the organizations maintain. These findings suggest that the two dominant forces at work in the creation of collaborations between nonprofit organizations are the need to keep up with demands from the community in order to fulfill the organization’s mission and access to both information and opportunities to partner with others through a network. The findings also suggest power of organizations within a network setting or betweenness centrality reduces the extent to which nonprofit organizations collaborate.

The second area in which this research contributed new understanding was through the examination of the networks themselves and what these examinations suggested about differences between types of nonprofits and functional networks of nonprofit organizations. Specifically, the network findings point to several emerging types of organizations such as management service organizations and volunteer referral organizations that could have important implications for the health and structure networks of nonprofits in local settings. These organizations seem to be key bridge builders between organizations operating in communities and could prove useful tools for creating stability in exchange of information and communication in local communities. In particular, this suggests that the sector itself is creating stability that Provan and Milward (2000) suggested was important to effectiveness of social service delivery networks. In contrast to their findings, the key organizing actors found in the networks described in Chapter 5 of this study did not have the coercive power of control over funding that was suggested as a key feature of delivery networks they described. However, they were powerful in other respects including the potential to control access to resources such as information and/or volunteers.
Conclusions Related to the Regression Analysis

The first contribution this research makes is to lend support to the idea that social structure does influence the actions of nonprofit organizations in regard to the extent that they collaborate with other nonprofits. While earlier studies (Guo & Acar 2005; Word 2005) employed proxy measures for network relationships such as board interlock or membership in a coalition of nonprofits, this study gives unique insight into how the structure of social relations shapes the collaborative behavior of nonprofit organizations embedded within specific networks. This was achieved by using actual measures of network structural relations to estimate betweenness and closeness centrality measures rather than relying on proxy measures or leaders’ self-reported perceptions of their organizations’ network relations. This allows us to understand exchanges not only between individual actors but also how those exchanges are embedded in the network of relationships surrounding actors.

The inclusion of multiple measures to indicate network relations allowed the researcher to not only test the assertion that social structure is important to shaping relationships between nonprofit organizations, but also to understand in greater detail how structure matters in creating opportunities and constraints upon a nonprofit organization’s propensity to collaborate with partner organizations. The most striking finding is that in all but one of the models tested, closeness centrality was statistically significant and positively related to the extent to which nonprofit organizations collaborate. This suggests that access to others within a network is key to forming collaborative relationships with other nonprofits. This finding is significant not only for future theory building but also for funders and nonprofits that wish to increase the level of collaboration in the sector. It is likely that community leaders can increase collaboration between nonprofit actors by simply building opportunities for them to interact with one another that will make them aware and able to capitalize on opportunities to work with others.

The research also clarifies which networks appear to contribute the most when collaborations are formed between organizations. By examining advice, political and referral networks in separate models it is clear that it does not merely matter that a tie exists between two organizations; it also matters what type of tie exists. This allows us to not only consider merely structure but to hypothesize about how the differences in content between these three network structures might help us understand the differences in their ability to explain collaboration between nonprofits more effectively.
The best overall model in terms of explained variation resulted from using the referral network to model social structure between the nonprofits (Table 5.17). That is, this study suggests that the content of network relations, not just their structural properties, influence the propensity or reluctance of nonprofits to enter into formal collaborations. One could argue that referral networks are conceptually more closely tied to the delivery of services for nonprofits and more closely tied to achieving the organization’s mission than are advice or political networks. That is, nonprofit organizations refer clients to other organizations that provide complimentary services rather than those that provide similar services. The finding that this network is the most important to explaining collaboration between nonprofits is not surprising since it in many ways confirms the idea that strategic interdependencies between organizations really matter.

Through employing these three networks and examining their fit this research attempted to address both the structure and content of the network and address some of the concerns highlighted by Nadel’s Paradox (Berry et al. 2004; Nadel 1957). Nadel’s paradox explains that there is an inherent danger in examining structural relationships without being mindful of the content of the relationships that create the structure. To a certain extent when we are examining structure, we are also looking at an artifact created by the history of relationships between different organizations and take for granted that it is the structure rather than the content that is most important. More careful analysis of why these networks matter and how they have taken shape suggests otherwise.

For example, our findings related to the political network between Jacksonville human services nonprofit organizations suggested that a particular MSO was particularly important to the structure of this network. In part, this finding was surprising since this organization is fairly small and recently founded. However, the findings make more sense in the context of the history of the organization and the details gained by talking to individuals within these organizations. This particular organization hired as its first executive director an individual who took on the role of political advocate for nonprofit organizations in this area as part of this organization’s mission (personal communication, Ralph S. Brower 7-10-2006). Without detailed information about the context, it is likely that the researcher would have inaccurately attributed the reason for this organization’s importance as due to either a function of their influence with funders or

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21 The referral network constructed for this research asked respondents only to provide information about the client referrals they made for individuals to receive “complementary services” and did not collect information about referrals for similar services.
policy makers outside the network structure rather than the initiative or knowledge base of their leadership. This type of rich understanding and analysis of the network data would not be possible without detailed information about the context of these relationships and their history (Krackhardt 1995).

The second best fit was produced using the network measures from the advice network. This also makes sense theoretically in terms of both network literature and previous findings related to formation of interorganizational relationships. The literature on networks suggests that ties promote trust among individuals and allow for the flow of information across a network of actors (Granovetter 1983; Provan & Milward 2000). The literature on collaboration by for-profit actors also suggested that one of the key reasons that actors form collaboration across network ties is because of the familiarity created through repeated interactions in turn creates trust between the actors (Gulati 1995a, 1995b). Individuals primarily ask for advice from individuals whose expertise they trust; moreover, those same individuals might prove to be the best partners especially in gaining access to both tangible and intangible assets, such as better knowledge or access to additional monetary assets through unique skills possessed by these actors. (Eisenhardt & Schoonhoven 1996). Through network linkages and collaborations organizations access the bundles of resources contained within other organizations including knowledge that they can apply to their own operations.

Another reason that having high closeness centrality in the advice network might contribute to the extent to which a nonprofit organization collaborates is that centrality in this network might represent a form of legitimacy which Oliver (1990) cites as an important contingency in the formation of collaborative relationships. Organizations that are more central to the advice network have gained legitimacy in the network structure because of their access to useful information resources or in-house expertise. This idea is supported by the research of Stuart (2000) that found that for-profit organizations were more likely to form strategic alliances with organizations with higher status.

It was surprising that political networks provided the worst fit for explaining collaboration between nonprofit organizations. This suggests the formation of collaborations is driven more by a logic of need for the organizations and its stakeholders than by political aims. If political motives were driving the actions of organizations in formation of collaborative
relationships, we would expect the political network measures to provide a better model fit than the other networks examined.

The research also confirms to some extent that uncertainty plays a role in nonprofits’ propensity to collaborate because of the consistent negative relationship between betweenness centrality and extent of collaboration across the model. Past research into betweenness centrality found a strong positive relationship between this property and the concept of power for individuals and organizations (Brass 1984, 1992; Freeman 1979). Organizations that have more power due to their structural position in the network have a greater ability to influence their environment and exert control over other actors. These actors have less need to collaborate because they are able to create stability for themselves that other actors are unable to obtain, are more likely to feel secure in acting alone, and are better able to obtain access to resources than others.

While additional research is necessary to provide conclusive evidence, the research also suggests that there might be strategic advantages to collaborating with other nonprofit organizations. Over half of the collaborations (51.8%) resulted in additional funding. Additionally, in terms of the network, engaging in collaborations could potentially result in new ties between previously unconnected portions of the network. This, may ultimately increase the betweenness centrality of these organizations and make them more powerful than others in the network, especially if those ties are unique (Krackhardt 1990).

The second key finding of the research related to the interplay of demand for goods and services and the creation of collaborations between nonprofit organizations. The research found that nonprofits, similar to for-profit businesses, were influenced by market forces in their creation of collaborative relationships (Eisenhardt & Schoonhoven 1996). However, in contrast to for-profits that tend to form relationships once markets reach maturity, nonprofit organizations were more affected by growth stage markets when demand is at its highest. Eisenhardt and Schoonhoven (1996) suggested the reason that for-profits were more likely to undertake collaboration during mature markets (markets with moderate to low growth rates) was because during high demand or emergent markets resources were abundantly available to for-profit organizations that they have little need for additional resources available through collaboration with other organizations. Unlike their for-profit counterparts and despite market demand, nonprofits will rarely have abundant resources, and this may explain why emergent or high
demand markets are more closely associated with additional collaboration. For nonprofit organizations, demand and resources are not as closely aligned as they are in more market based exchanges, and often the reverse may be the case -- that when demand is high, resources for these organizations may be at their most scarce.

The apparent difference is that the relationship of demand to collaboration highlights why even though there are similarities between for-profits and nonprofits key differences also exist. The theory of market failure explains the emergence of the nonprofit sector and highlights the differences between for-profit and nonprofit organizations. Market failure occurs when there are desired services or collective “goods” that do not have sufficient potential for profit to attract for-profit providers (Boris & Steuerle 1999). The failure of the market to produce sufficient demand for a good or service means the private sector will be unwilling or unable to supply needed services. Governments often step in to provide the goods or services that the market cannot, but governments also fail due to constraints placed on them in democratic regimes especially in the face of high levels of heterogeneity in societies (Salamon 2002). Governments unlike markets often respond slowly to rapid changes in the market place, such as recessions, or are unable to respond because the needs are not universal enough. Nonprofits in these instances are often left to fill this gap in which high local demand is coupled with situations in which neither the government nor the market can address the demand.

While the findings from the research are far from conclusive they do suggest that many of the traditional models we have been using to understand collaborative behavior might need to be adjusted to more fully take into account the current realities that nonprofit organizations are facing. The model failed to find any statistically significant relationship between extent of collaboration and traditional explanations suggested in the literature such as organizational environment or strategic interdependencies between organizations. Additional research is warranted to try to uncover what role these factors play in collaboration and how current models should incorporate these factors.

**Conclusions Related to Network Structures**

Three key findings emerged from structural examination of the networks of nonprofit organizations examined in this research: the apparent differences between local affiliated nonprofits and locally founded nonprofit organizations, the apparent reasons for disconnects in
two of the network structures, and the differences in structure between the advice, political and referral networks of nonprofit organizations.

The first finding related to analysis of network structure is how different the pattern of relationships appears to be for local affiliates of national organizations and locally founded nonprofits. Local affiliates because of their hierarchical ties to national level nonprofit organizations seemed to be somewhat less connected to their local communities, especially in terms of technical advice and political interactions. These nonprofits seemed to mainly rely upon their national offices to advise them and to keep them informed about developments in their policy areas. This tendency could be potentially helpful and harmful to the organizations and the communities in which they are embedded. National offices likely have very helpful information about the specific policy concerns and programs that many of these affiliated offices are concerned about. However, this reliance upon primarily national offices probably somewhat limits their knowledge about the local setting in which they are operating and the ability to solve problems with local partners either in the nonprofit or policy arenas. It also likely limits their ability to engage in local policy debates about issues that directly impact their organizations that are too localized for national offices to know about.

In contrast, locally-based nonprofits used a variety of sources for information, including: resources at all levels of government and nonprofit organizations at the local, state and national level to gain both advice and political information. This approach is likely more time consuming for these organizations and might provide less specific advice about the programs that they are concerned with, but also provides more options for possible solutions for these actors, especially those that are well connected.

Another interesting finding related to the mapping of the networks appeared in the analyses of both the political and advice networks. These networks both produced certain clusters of isolated actors that, while connected to the referral networks, were not connected to these other two networks. The clusters seemed to be isolated for two main reasons: geographic setting or specialization in service area. The first group of isolated clusters tended to be located in rural areas. Even though these organizations provided similar services to those in the urban core, they did not seem to have access to the same sources for advice or political information. This is less surprising in terms of political advice since some of these organizations are located in different governmental jurisdictions than are those in the urban core of Duval County. The
disconnect in the advice network suggests that there is some isolation of rural providers and that information does not flow as freely to these organizations as it does to nonprofits that are located within the urban geographic core.

The second group of isolated clusters seemed to be due to specific service areas, in particular, providers of nursing homes or extended care to the elderly. It is likely that these organizations belong more to the network of health care organizations, both for-profit and nonprofit, than they do to the network of human service nonprofits, especially in the area of advice on operations and policy changes that may affect their operations. Despite their seeming similarity in operational characteristics and required expertise nursing home and extended care service providers are classified as human service nonprofits by the IRS and were thus included in the analysis. The differences between these organizations and others within the network might ultimately suggest that, if research is conducted into the networks or collaborative activities of health care nonprofit organizations, it might make more sense for future researchers to include these organizations in their analysis since they might ultimately be important actors within the health care arena.

The final finding related to the mapping of the networks is based on examining the differences between the three types of networks. The memberships of these three networks appear to be very different. The most apparent differences are: a) how little policy information is exchanged at the local level; and, b) how centralized around a single organization the exchange of this information about policy is. This suggests that little specific information about specialized service areas is exchanged across nonprofits locally and that the local political networks of these organizations is fairly sparse, with many of them relying heavily on national professional associations and national and state wide nonprofit organizations for political information. The evidence that these nonprofits look more toward state and national bodies for political advice is clearest when examining the network structure as presented in Figure 5.5, which displays to what extent both local affiliates and locally founded nonprofit organizations were linked to state and national level nonprofit organizations for political advice. Again, this finding is far from conclusive and may in part be somewhat an artifact of both the defensiveness and fear that respondents seemed to have about political activities.

The advice network was split somewhat evenly between ties between local organizations and ties, which looked more outside the local setting toward state and national level bodies for
advice. This suggests that nonprofit organizations gather technical advice from a variety of different sources in order to improve their service delivery. The most localized network, not surprisingly, was the referral network. This network was also the most inclusive, with no isolated clusters of actors. This suggests that nonprofits do attempt to work together across geographic and specific service areas to deliver the needed services to their clients and that, while there is competition between organizations for resources, they do not generally compete for clients.

Limitations

As explained in Chapter Three, conducting network research requires that decisions be made about appropriate boundaries for the network, and this usually limits the ability of the researcher to take samples from multiple geographic settings as is done in many other quantitative techniques. This somewhat limits the generalizability of the research findings to the specific geographic setting. However, this makes it possible not only to gain additional insight into the structural characteristics of a particular area but also to gain greater insight into the reasons that certain networks have taken on the structural properties uncovered in the research. For example, if this research were conducted at a location in which the researcher had less detailed knowledge about the area, it would not have been possible to know with certainty which organizations were located in suburban versus rural settings. This additional knowledge lent clarity to the analysis of the network structure and also helped the researcher know whom to ask for further clarification about the network and its participants when necessary.

There are inherent limitations in reliance upon the NCCS database, which only contains organizations that file Form 990 returns with the IRS, to identify the initial sample for research about nonprofit organizations. This database only contains organizations which have more than $25000 in revenue annually and because of that it has likely biased the sample in favor of medium to large nonprofit organizations. While some attempt is made to correct for this by following up with organizations identified as collaborative partners or actors within other organizations’ networks, this may under-sample smaller organizations and might not allow for an accurate reflection of the forces that lead small nonprofit organizations to collaborate with others.
One additional problem with using the NCCS data comes from inaccuracies in the data themselves as documented by the IRS itself in a 1994 study. This study (as noted in Chapter 4) pointed to problems with many organizations being included in the database that are no longer in operation or at the very least cannot be located. Other problems with these data’s accuracy were identified by numerous scholars studying the nonprofit sector (Lapkin & Boris 2002; Bowen Nygren, Turner, & Duffy 1994; Grönbjerg 1989; Salamon 1987). However, since this study mainly draws upon the database as a starting point for this research sample, the shortcomings in terms of accuracy of some measures should have limited impact on our study.

**Directions for Future Research**

The findings of this research suggest several directions for future research about collaborations between nonprofit organizations and the effect that the structure of social relations have upon individual nonprofits and communities. The directions for future research include: examining the effect of social structures in different settings upon the formation of collaborative relations, more closely examining the differences between the sectors, effectiveness or impact of collaboration on outcomes or effectiveness of networks, cognitive accuracy, and effect of network position on organizational mortality.

The first area in which research needs to be advanced is into what particular factors shape the relationships between nonprofit organizations. This will require that network data be gathered from a wider audience of human service nonprofits in different communities so that we can more fully understand the role that networks have in different settings and more fully isolate the forces that are structural in nature from those that are the product of the content of the networks themselves.

Careful attention also needs to be paid to the similarities and differences between the nonprofit, for-profit, and public sectors. Some research has suggested that the differences between these three sectors are eroding (Weisbrod, 1997). However, key differences exist between these sectors and the factors that seem to affect their organizations. For example, the findings of this research suggest key differences between nonprofits and business in several key areas such as the role of leadership and the market growth in influencing the number of collaborations organizations undertaken. Prior research by Eisenhardt and Schoonhoven (1996)
suggested that leadership made an important difference in the level of collaboration undertaken by for-profit organizations, especially when managers identified themselves as having an innovative strategy consistent with the prospector strategy. In contrast, this study was unable to demonstrate any statistically significant relationship between leadership characteristics and the extent to which an organization engaged in collaboration.

This might be due to two factors. The first is a possible difference in the level of involvement of boards of directors in decision-making in nonprofits versus for-profits. The second might be key differences in the leadership styles of the individuals in the two sectors which might make the application of the Miles and Snow (1978) typology to nonprofits less appropriate. This was suggested somewhat by the qualitative finding of Brown and Iverson (2004) who found most of the nonprofit leaders in follow-up interviews took exception to parts of all of the different descriptions of the four personality types. Additional investigation may help clear up why the differences between public and nonprofit organizations reveals differing results in terms of which forces affect influence collaboration between the two sectors.

Further research also has the potential to change the way that funding organizations such as government agencies, private donors and foundations approach the issue of creation of collaborative relationships between nonprofit organizations. Funding organizations have pushed such relationships in the hope that through cooperation, services provided could be improved with little regard for the potential costs of these collaborations to nonprofits and the community as a whole. It will not be possible to fully assess the true costs and benefits of these relationships until we gain a better understanding of their formation and the ways in which organizations and social and environmental factors affect their development and ultimately the capacity of nonprofit organizations to deliver services. While the findings of earlier studies of the greater Jacksonville area suggested that nonprofits were often being pushed to collaborate (JCCI, 2004) the descriptive statistics collected by this study suggested that this did not necessarily seem to be the case. Only a third of the total collaborations involved organizations being asked formally about collaboration by funders and less than half (39.8%) were asked in any form, and respondents being evenly split in their indication about the importance of expected funding increases in choosing to collaborate.

Additional research is needed to access the actual impact of collaboration on both the nonprofit sector as a whole and the capacity of individual nonprofit organizations. This might be
achieved by once again looking toward the similarities that exist between nonprofit organizations and for-profit businesses. A great deal of research into the for-profit sector’s use of strategic alliances or collaborations might help us to build better theory about the ways in which collaborations between nonprofit organizations might ultimately help both the capacity of the sector and the success of individual organizations (e.g. Bordieu & Wacquant 1992; Coleman 1990; Burt 1992).

In addition, research also needs to be conducted on the choice of formal versus informal collaborative relations between nonprofits. While the research of Guo and Acar (2005) and Foster and Meinhard (2002) has begun to examine the determinants of why organizations choose different types of collaborative arrangements, these studies do not fully investigate the role that social structure has in determining the formalization of collaborative agreements. Guo and Acar (2005) found that board interlocks between organizations were associated with more formalized collaborative relationships between organizations.

Additional avenues for research can also be pursued concerning the importance of network position for nonprofits for areas that have already been investigated in for-profit organizations, such as control and distribution of resources (Brass 1992; Krackhardt 1990), innovation of processes (Aiken et al 1980; Ibarra 1993), organizational survival and the creation of successful outcomes (Bordieu & Wacquant; Burt 1992). The ties between the structural characteristics of networks and these concepts will likely be slightly different for nonprofit organizations but research into how nonprofits differ in these areas will also help to shed light into the ways in which nonprofit organizations operate within a social structure and also the ways in which nonprofit organizations are truly unique.

Another possible extension for the research would be to explore the importance of formal authority on network structure by examining the role that designated authority plays in the network of relationships. The state of Florida through its Community Access Network has recently designated certain organizations to be “liaisons” to serve as a single point of contact of individuals and grants them certain powers over other human service subcontractors. It is likely that these new relationships might be reshaping the networks surrounding social service nonprofits in communities across Florida. However, further research is necessary to understand what role these organizations have in shaping the network of collaborations and other exchanges between nonprofit organizations.
Another possible avenue for future research is to examine the role that cognitive accuracy and formation of collaborative agreements has in the outcome of those agreements for nonprofit organizations. The work of Krackhardt (1990) suggests that it is not only the position of an individual or organization in the network which makes them more powerful or successful but also their ability to access the network landscape and understand the role of others in that network. This suggests that organizations which are able to access the network structure with higher accuracy and select partners based upon their knowledge of the network might experience better organizational outcomes as a product of the new relationships formed.
APPENDIX A:
HUMAN SUBJECTS APPROVAL

Dr. John Doe
Florida State University
Office of the Vice President for Research
Human Subjects Committee
Tallahassee, Florida 32306-2763
(850) 644-8673 • FAX (850) 644-4392

APPROVAL MEMORANDUM

Date: 10/27/2005

To: Jessica Word
1117 Rosewood Drive
Tallahassee, FL 32301

Dept.: PUBLIC ADMINISTRATION AND POLICY

From: Thomas L. Jacobson, Chair

Re: Use of Human Subjects in Research
An Empirical Examination of the Effect of Social Networks Upon the Formation of Relationships Between Arts and Cultural Nonprofit Organizations in the Greater Jacksonville Area

The forms that you submitted to this office in regard to the use of human subjects in the proposal referenced above have been reviewed by the Secretary, the Chair, and two members of the Human Subjects Committee. Your project is determined to be Exempt per 45 CFR § 46.101(b) 2 and has been approved by an accelerated review process.

The Human Subjects Committee has not evaluated your proposal for scientific merit, except to weigh the risk to the human participants and the aspects of the proposal related to potential risk and benefit. This approval does not replace any departmental or other approvals, which may be required.

If the project has not been completed by 10/28/2006 you must request renewed approval for continuation of the project.

You are advised that any change in protocol in this project must be approved by resubmission of the project to the Committee for approval. Also, the principal investigator must promptly report, in writing, any unexpected problems causing risks to research subjects or others.

By copy of this memorandum, the chairman of your department and/or your major professor is reminded that he/she is responsible for being informed concerning research projects involving human subjects in the department, and should review protocols of such investigations as often as needed to insure that the project is being conducted in compliance with our institution and with DHHS regulations.

This institution has an Assurance on file with the Office for Protection from Research Risks. The Assurance Number is IRB00000446.

Cc: Ralph Brower
HSC No. 2005.638
APPENDIX B:
SURVEY INSTRUMENT
Survey of the Greater Jacksonville Area Nonprofit Organizations

Thank you for your participation in this survey. Your thoroughness and your comments are very important if we are to develop sound data about the state of nonprofit organizations in the Greater Jacksonville area. The survey has portions that almost all nonprofit organizations will be able to skip which should limit the total time needed to complete the survey to 20 minutes.

Section 1: This section asks some basic information about your organization
1. Approximately how many individuals does your organization currently serve? 
   __________

2. What are the primary geographic areas that your organization serves (i.e. Argyle, Orange Park, etc.)? 
   _______________________________________________________________________
   _______________________________________________________________________

3. How have the demands for your organization’s services or programs changed over the last three years?
   1 Decreased significantly (by more than 25 percent)
   2 Decreased moderately (by 10-25 percent)
   3 Stayed more or less the same
   4 Increased moderately (by 10-25 percent)
   5 Increased significantly (by more than 25 percent)

4. How is the organization funded? Rough estimates of each percentage are fine. (Total should equal 100%.)
   ____% Individual/Private Donors   ____% Membership Dues
   ____% Local Government   ____% Federal Government
   ____% State Government   ____% Client Fees
   ____% Foundations   ____% Corporate Contributions
   ____% Other

Section 2: This section asks about your organization’s capacity
5. How many full-time equivalent personnel does your organization have in each category?
   (Full-time equivalent personnel is the number of full-time employees that could have been employed if the reported number of hours worked by part-time employees had been worked by full-time employees.)
   ________ Professionals   ________ Administrative   ________ Volunteers

6. To what extent does your organization face competition from

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<thead>
<tr>
<th></th>
<th>None</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Other nonprofits in your area</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>b. For-profit providers of service</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>c. Public agencies</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>
Each of the following statements describes different aspects of an organization’s capacity and development. Please select the statement that best describes your organization.

7A. The programs offered by my organization for the most part
☐ are still being formed
☐ are simple and do not yet fully address core concerns
☐ are well defined and tailored to client needs
☐ are results oriented with specific measurement standards
☐ have been in place for some time with little adaptation
☐ are undergoing the process of being reassessed to align with market and needs
☐ are struggling to maintain funding

7B. The management of my organization for the most part
☐ is made up of the founder
☐ is made up of the founder and a core staff of generalists
☐ is focused on development and keeping up with demand for services
☐ is well-respected by peers and staff is experienced
☐ is focused on continuing programs and organization as it is
☐ has recently changed in an attempt to realign the organization
☐ has recently been reduced due to lower revenues

7C. The board governing my organization can best be described as
☐ informal, just consisting of a core of supporters
☐ led by the organization’s founder and board
☐ a professional board with firm structure and rising expectations
☐ mainly a policy-setting body that allows the executive to manage daily operations
☐ generally unaware of problems and disconnected from community needs
☐ reduced to a committed core that is motivated to change the organization
☐ not actively involved and serving in name only

7D. The resources used to run the organization can best be described as
☐ primarily supported through volunteers or an individual backer
☐ limited budget, based primarily on a single source
☐ diversified with an emphasis on asset building
☐ diversified with sufficient resources to be entrepreneurial
☐ declining along with client base, despite steady expenses
☐ short due to fiscal problems
☐ almost completely depleted with debts accumulating
7E. The administrative systems used to operate the organization can best be described as
☐ still undeveloped
☐ still weak and/or outsourced
☐ meeting demands of program expansions and expectations
☐ allowing for competent management and decision making
☐ out of date and physical plant is deteriorating
☐ being reassessed and/or have been scaled down
☐ abandoned with most decisions are ad hoc

8. The following statements describe different organizational/leadership strategies. To what extent do each of the four descriptions characterize the strategy of your organization? Please read all four before responding.

8A. This organization does not attempt to maintain a specific service niche or be a leader in service innovation. When other organizations provide similar services in the same area, we prefer to conserve resources and eliminate offerings rather than attempt to defend our service area. Although the organization tries to avoid the risks associated with new programs or services, it occasionally develops new offerings to keep up with other providers and funders. Generally, the organization responds to environmental pressures rather than elaborating and implementing a single strategic thrust.

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<tr>
<th>High Degree</th>
<th>Low Degree</th>
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<td>5 4 3 2 1</td>
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</tbody>
</table>

8B. The organization attempts to locate and maintain a secure niche in a relatively stable service area. The organization tends to offer a more limited range of products or services, but those it does offer are unique in quality and type. The organization is not at the forefront in market expansion; it tends to ignore changes that have no direct influence on current operation but concentrates instead on doing the best job possible in its service area.

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<th>Low Degree</th>
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<td>5 4 3 2 1</td>
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</table>

8C. The organization typically operates within a broad service area to meet the needs of a variety of customers. In addition, our service areas undergo periodic redefinition. The organization values innovation and regularly experiments with new service strategies. The organization responds rapidly to early signs concerning new opportunities for funding and program development. Given its innovative orientation, this organization does not try to maintain superiority in all the areas it serves.

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</table>
8D. This organization attempts to maintain a stable, limited set of services while at the same time moving quickly to follow a carefully selected set of promising developments in our service area. The organization is seldom an innovator of services or strategies but regularly adopts new services or strategies from others and modifies those strategies to meet customer needs.

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<tr>
<td>4</td>
<td>2</td>
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<tr>
<td>3</td>
<td>3</td>
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</table>

Section 3: The following section asks about the Human Resources employed by your organization.

9. Does your organization currently have paid employees? (Circle best response)
   Yes (Please complete the rest of this question)
   No (Please skip to Question 10)

9A. Does your organization currently have a paid executive director or similar person with executive responsibilities?
   Yes
   Yes, but the position of paid executive is currently vacant
   No

9B. What is the annual salary of your executive director? ___________________

9C. What is the annual value of any additional non-cash benefits received by your executive director? ____________________________

9D. If your organization has paid employees, how many people were employed full-time or part-time at the beginning of this fiscal year?
   Employed full-time ______
   Employed part-time_______

9E. How many of your full-time staff have
   PhD/MD ______
   Masters/Graduate degrees ______
   Professional Certification/Licenses____
   Undergrad degrees ______
   High School ______
   Less than High School______

9F. What percentage of your staff can be classified as ethnic or racial minorities? ______
10. During the most recently completed fiscal year, did your organization use any volunteers other than those that serve on the board of directors? (Check the best response.)

Yes, we used volunteers (other than board members).
(Please complete the rest of this question.)

No, we did not use volunteers (other than board members).
(Please skip to Question 11.)

10A. If your organization used volunteers, approximately how many people did volunteer work for your organization during the most recently completed fiscal year (not including board members)?

Number of volunteers ________#

10B. If your organization used volunteers, how important are volunteers, other than board members, to the work of your organization?

Not at all important; we could carry out our mission without using volunteers
Not very important; we depend on volunteers for only non-essential tasks
Important; we depend on volunteers for several key tasks
Very important; we depend on volunteers for a wide range of tasks
Essential; we depend entirely on volunteers to carry out our mission

11. Does your organization have its own board of directors? (Check the best response.)

Yes, we have our own board of directors. (Please answer the rest of this question.)

No, we are governed by another organization. (Please skip to Question 12.)

No, we have some other governance structure (Please specify:________________ and skip to Question 12).

11A. If your organization has a board of directors, how many board members did your organization have at the end of the most recent fiscal year, and how many other board positions were vacant?

Number of board members ________#
Number of vacant board positions ________#

11B. If your organization has a board of directors, does the board use a committee structure in carrying out its activities? (Check the best response.)

☐ Yes, our board uses on-going committees to carry out some or all of its work
☐ Yes, our board uses committees or task forces, but only for short-term tasks
☐ No, our board of directors does not use committees or task forces
Section 4: This section asks for information about the community in which your organization operates.

12. Over the last three years has the geographic area in which your organization carries out most of your activities experienced increases or decreases in any of the following types of community conditions? (Circle best response.) Also, have any of these changes impacted your organization? (Check all that apply in last column.)

<table>
<thead>
<tr>
<th>Community Condition</th>
<th>Has Decreased</th>
<th>Has not Changed</th>
<th>Has Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment and/or business opportunities</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Family/household income</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Ethnic/racial diversity</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Tension or conflict among community groups</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Population size</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Other Community changes (Please specify below):</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

13. Over the last three years, have any of the following types of government policies become either more relaxed or more strict for nonprofit organizations like yours? (Circle best response in first three columns.) Also, have any of these policies impacted your organization (Check all that apply in last column.)

<table>
<thead>
<tr>
<th>Public policy area</th>
<th>More Relaxed</th>
<th>Has not Changed</th>
<th>More Strict</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government contract procurement policies</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Client eligibility for government programs</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Professional licensing requirements</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Health and safety regulations (e.g. OSHA)</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Personnel/legal regulations (e.g. family leave)</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Specifications of which/what type of services governments will purchase</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Other public policy changes (Please specify below):</td>
<td></td>
<td></td>
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</tbody>
</table>
Section 5: This section asks about your organization’s relationships with other organizations.

14. In regard to your program generally in the past 12 months, which separate organizations has your organization sought information from that has been used to help correct problems with or improve the your organizations programs/services? (Please list the organizations below.)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

15. Which organizations have regularly sought your organization or staff’s advice to correct problems with or improve their programs/services? (Please list the organizations below.)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

16. From which organizations does your organization regularly seek information about political issues? (Please list the organizations below.)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

17. Which organizations regularly seek information from your organization about political issues? (Please list the organizations below.)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

18. Please list the complementary services you regularly refer clients to receive, and the organizations (if any) to which you refer them to receive those services. (Complementary services are services that your organization does not provide but their provision helps to enhance the service outcomes of your programs.)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
19. Please list the organizations from which your organization regularly receives client referrals and indicate for each referring organization which services you provide to the clients referred.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

20. Please list the organizations with which your organization has had formal collaborations (legal, fiscal, administrative, or programmatic exchanges) or in informal networks (cooperating, coordinating or working together in other ways) within the past five years?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

21. Please list the meetings you regularly attend or send staff to attend in order to gather information or meet individuals that might be useful to your organization.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

22. What professional associations has your organization or staff affiliated with over the last year?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

23. Please list the organizations with which you share either executive(s) or board member(s).

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
24. When approaching decision makers about issues that are important to your organization, are you more likely to contact:

- Democratic officials
- Republican officials
- Nonpartisan or unaffiliated officials
- None of the above/Not applicable

25. Please list the nonprofit organizations you feel are most prominent in the greater Jacksonville area. _________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________
____________________________________________________________________

26. Is your organization currently involved in formal collaborations (legal, fiscal, administrative, or programmatic exchanges) or in informal networks (cooperating, coordinating or working together in other ways)? (Check the best response.)

- Yes, involved in one or more formal collaborations (legal, fiscal, administrative, or programmatic exchanges) with other organizations. (Please answer Q27-30.)
- Yes, involved in one or more informal networks (cooperation, coordination working together with other organizations). (Please answer Q27-30.)
- Yes, involved in both formal collaborations and informal networks. (Please answer Q 27-30.)
- No, we are not involved in any collaborations or informal networks. (Please skip the remainder of the survey.)
27. In the first column please list the organizations with which you currently participate in either formal collaboration or informal networks. A formal collaboration is a relationship in which organizations establish an ongoing relationship through shared, transferred, or combined services, resources, or programs. Please answer each question in the row for every collaborative partner by circling the choices that best describe each relationship. If your organization collaborates with more than 10 partners please list the partnerships most important to your organization.

<table>
<thead>
<tr>
<th>Please list the organizations with which you are currently involved.</th>
<th>Is this a formal collaboration or informal network?</th>
<th>For each collaboration please indicate the purpose of the collaboration</th>
<th>Indicate how important expected funding increases were in choosing to collaborate for each partner</th>
<th>Did this partnership help you to gain additional funding?</th>
<th>If yes, did the funding organization ask who you were partnering with on a formal grant proposal/request for proposal?</th>
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<th>To what extent could you rely on existing knowledge to implement the shared tasks?</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Formal Collaboration</td>
<td>Fundraising</td>
<td>Not Important</td>
<td>Yes</td>
<td>Yes</td>
<td>Not Important</td>
<td>Not at all</td>
<td>Not at all</td>
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<tr>
<td>Informal Network</td>
<td>Education</td>
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<td>No</td>
<td>No, they asked informally</td>
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<td>Political Advocacy</td>
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27. (Continued from above.)

<table>
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<tr>
<th>Please list the organizations with which you are currently involved.</th>
<th>Is this a formal collaboration or informal network?</th>
<th>For each collaboration please indicate the purpose of the collaboration.</th>
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<td>Informal Network</td>
<td>Fundraising Education Political Advocacy Service Delivery Coordinating</td>
<td>Not Important Somewhat Important Important Very Important Not applicable</td>
<td>Yes No</td>
<td>Yes No, they asked informally No, they did not ask</td>
<td>Not Important Somewhat Important Important Very Important Not applicable</td>
<td>Not at all Somewhat To a great extent Completely Not applicable</td>
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<td>Not Important Somewhat Important Important Very Important Not applicable</td>
<td>Not at all Somewhat To a great extent Completely Not applicable</td>
<td>Not at all Somewhat To a great extent Completely Not applicable</td>
</tr>
<tr>
<td>Formal Collaboration</td>
<td>Informal Network</td>
<td>Fundraising Education Political Advocacy Service Delivery Coordinating</td>
<td>Not Important Somewhat Important Important Very Important Not applicable</td>
<td>Yes No</td>
<td>Yes No, they asked informally No, they did not ask</td>
<td>Not Important Somewhat Important Important Very Important Not applicable</td>
<td>Not at all Somewhat To a great extent Completely Not applicable</td>
<td>Not at all Somewhat To a great extent Completely Not applicable</td>
</tr>
</tbody>
</table>
28. What were the primary difficulties you encountered through engaging in partnerships with other nonprofit organizations?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

29. What were the primary benefits to your organization of partnering with other nonprofit organizations?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

Thank you for your participation in the study.
APPENDIX C:
CONSTRUCTION OF POLITICAL AND ORGANIZATIONAL ENVIRONMENT VARIABLES

There were no problems identified in the preliminary analyses of the variables used to construct the factor scores for the organizational and political environment indexes through the process of exploratory factor analysis. Specifically, there were no missing subjects or missing data and an inspection of the bivariate scatterplots did not indicate any outliers. While the data was somewhat skewed because the variables used to in the analysis were measured at the ordinal rather than continuous level, a study conducted by Barkus, Ferguson, and Jöreskog (1987) suggests that even under conditions of skewness the resulting solution is correctly specified in 96% of the analyses performed. The correlations among the variable defined in Table C.1 are shown in Table C.2. All the correlations are in the expected directions, ranging from -.11 to .60.

Table C.1: Variables Used to Conduct Exploratory Factor Analysis

<table>
<thead>
<tr>
<th>Variables Related to Political and Organizational Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Environment</strong></td>
</tr>
<tr>
<td>Employment and/or business opportunities</td>
</tr>
<tr>
<td>Changes in Family/household income</td>
</tr>
<tr>
<td>Changes in Ethnic/racial diversity</td>
</tr>
<tr>
<td>Changes in Population size</td>
</tr>
<tr>
<td><strong>Political Environment</strong></td>
</tr>
<tr>
<td>Changes in Government contract procurement policies</td>
</tr>
<tr>
<td>Changes in Client eligibility for government programs</td>
</tr>
<tr>
<td>Changes in Professional licensing requirements</td>
</tr>
<tr>
<td>Changes in Personnel/legal regulations (e.g. family leave)</td>
</tr>
<tr>
<td>Changes in Specifications of which/what type of services governments will purchase</td>
</tr>
</tbody>
</table>

The initial factor parameters were estimated with a principle component analysis. A two-factor model was selected based on Kaiser’s rule (the number of eigenvalues greater than one), the scree plot (Figure C.1) of the eigenvalues, and the trade-off between model parsimony and adequacy of model fit shown in Table C.3. The two factor model explained 57.04% of the variable variance, with the communalities for the ten variables ranging from 0.409 to 0.704. The reproduced correlations (i.e. the correlations logically implied by the two-factor model) were all approximately equal to the observed correlations, with no differences larger than 0.05.
Table C.2: Estimated Correlations for Variables Related to the Environment

<table>
<thead>
<tr>
<th>Correlation</th>
<th>EMP_OPP</th>
<th>HSCLDINC</th>
<th>DIVERSIT</th>
<th>POPSIZE</th>
<th>GVTCONTR</th>
<th>ELIGIBIL</th>
<th>PROF_LIC</th>
<th>PER_REQ</th>
<th>SPEC_PUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMP_OPP</td>
<td>1.000</td>
<td>.347</td>
<td>.330</td>
<td>.419</td>
<td>.047</td>
<td>-.030</td>
<td>.095</td>
<td>.277</td>
<td>-.057</td>
</tr>
<tr>
<td>HSCLDINC</td>
<td>.347</td>
<td>1.000</td>
<td>.395</td>
<td>.167</td>
<td>.016</td>
<td>-.189</td>
<td>.116</td>
<td>.041</td>
<td>-.023</td>
</tr>
<tr>
<td>DIVERSIT</td>
<td>.330</td>
<td>.395</td>
<td>1.000</td>
<td>.517</td>
<td>.309</td>
<td>.161</td>
<td>.028</td>
<td>.267</td>
<td>-.027</td>
</tr>
<tr>
<td>POPSIZE</td>
<td>.419</td>
<td>.167</td>
<td>.517</td>
<td>1.000</td>
<td>.245</td>
<td>.204</td>
<td>.134</td>
<td>.288</td>
<td>-.042</td>
</tr>
<tr>
<td>GVTCONTR</td>
<td>.047</td>
<td>.016</td>
<td>.309</td>
<td>.245</td>
<td>1.000</td>
<td>.616</td>
<td>.605</td>
<td>.520</td>
<td>.355</td>
</tr>
<tr>
<td>ELIGIBIL</td>
<td>-.030</td>
<td>-.189</td>
<td>.161</td>
<td>.204</td>
<td>.616</td>
<td>1.000</td>
<td>.450</td>
<td>.313</td>
<td>.566</td>
</tr>
<tr>
<td>PROF_LIC</td>
<td>.095</td>
<td>.116</td>
<td>.028</td>
<td>.134</td>
<td>.605</td>
<td>.450</td>
<td>1.000</td>
<td>.507</td>
<td>.401</td>
</tr>
<tr>
<td>PER_REQ</td>
<td>.277</td>
<td>.041</td>
<td>.267</td>
<td>.288</td>
<td>.520</td>
<td>.313</td>
<td>.507</td>
<td>1.000</td>
<td>.327</td>
</tr>
<tr>
<td>SPEC_PUR</td>
<td>-.057</td>
<td>-.023</td>
<td>-.027</td>
<td>-.042</td>
<td>.355</td>
<td>.566</td>
<td>.401</td>
<td>.327</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Figure C.1: Scree Plot Showing Principal Component Analysis Eigen Values Plotted Against Principle Component Numbers

Table C.3: Explained Variances for the Principle Component Analysis and the Initial Exploratory Factor Analysis

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvaues</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>1</td>
<td>3.120</td>
<td>34.664</td>
</tr>
<tr>
<td>2</td>
<td>2.014</td>
<td>22.380</td>
</tr>
<tr>
<td>3</td>
<td>.947</td>
<td>10.527</td>
</tr>
<tr>
<td>4</td>
<td>.795</td>
<td>8.836</td>
</tr>
<tr>
<td>5</td>
<td>.686</td>
<td>7.622</td>
</tr>
<tr>
<td>6</td>
<td>.530</td>
<td>5.884</td>
</tr>
<tr>
<td>7</td>
<td>.429</td>
<td>4.768</td>
</tr>
<tr>
<td>8</td>
<td>.252</td>
<td>2.805</td>
</tr>
<tr>
<td>9</td>
<td>.226</td>
<td>2.516</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Table C.4: Communalities for Variables Related to the Environment

<table>
<thead>
<tr>
<th></th>
<th>Initial</th>
<th>Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMP_OPP</td>
<td>1.000</td>
<td>.534</td>
</tr>
<tr>
<td>HSHLDINC</td>
<td>1.000</td>
<td>.409</td>
</tr>
<tr>
<td>DIVERSIT</td>
<td>1.000</td>
<td>.610</td>
</tr>
<tr>
<td>POPSIZE</td>
<td>1.000</td>
<td>.547</td>
</tr>
<tr>
<td>GVTCONTR</td>
<td>1.000</td>
<td>.704</td>
</tr>
<tr>
<td>ELIGIBIL</td>
<td>1.000</td>
<td>.672</td>
</tr>
<tr>
<td>PROF_LIC</td>
<td>1.000</td>
<td>.587</td>
</tr>
<tr>
<td>PER_REQ</td>
<td>1.000</td>
<td>.538</td>
</tr>
<tr>
<td>SPEC_PUR</td>
<td>1.000</td>
<td>.533</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Table C.5: Pattern Coefficient Matrix for Variables Related to the Environment

<table>
<thead>
<tr>
<th></th>
<th>Component 1</th>
<th>Component 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMP_OPP</td>
<td>.318</td>
<td>.658</td>
</tr>
<tr>
<td>HSHLDINC</td>
<td>.169</td>
<td>.617</td>
</tr>
<tr>
<td>DIVERSIT</td>
<td>.468</td>
<td>.626</td>
</tr>
<tr>
<td>POPSIZE</td>
<td>.487</td>
<td>.557</td>
</tr>
<tr>
<td>GVTCONTR</td>
<td>.817</td>
<td>-.191</td>
</tr>
<tr>
<td>ELIGIBIL</td>
<td>.709</td>
<td>-.411</td>
</tr>
<tr>
<td>PROF_LIC</td>
<td>.723</td>
<td>-.252</td>
</tr>
<tr>
<td>PER_REQ</td>
<td>.733</td>
<td>.023</td>
</tr>
<tr>
<td>SPEC_PUR</td>
<td>.550</td>
<td>-.479</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

In the initial factor solution (Table C.5), all loading for the first factor were positive and relatively large, suggesting a general factor for “organizational environment.” The second factor loadings were also positive and relatively large, suggesting a general factor for “political environment.” A rotated solution was considered to improve the overall fit of the factor solution. The resulting pattern coefficient matrix, shown in Table C.6, exhibited simple structure. The proposed labels for the two factors, noting the associated variables are:

*Organizational Environment*: changes in employment and/or business opportunities, changes in family/household income, changes in ethnic/racial diversity, and changes in population size.

*Political Environment*: changes in government contract procurement policies, changes in client eligibility for government programs, changes in professional licensure requirements, changes in personnel/legal regulations (e.g. family leave) and
changes in specifications of which/what type of services governments will purchase.

Table C.6: Pattern Coefficient Matrix after Varimax Rotation with Kiaser Normalization

<table>
<thead>
<tr>
<th></th>
<th>Component 1</th>
<th>Component 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMP_OPP</td>
<td>-.052</td>
<td>.338</td>
</tr>
<tr>
<td>HSHLDINC</td>
<td>-.086</td>
<td>.299</td>
</tr>
<tr>
<td>DIVERSIT</td>
<td>-.002</td>
<td>.345</td>
</tr>
<tr>
<td>POPSIZE</td>
<td>.019</td>
<td>.317</td>
</tr>
<tr>
<td>GVTCNONTR</td>
<td>.277</td>
<td>.030</td>
</tr>
<tr>
<td>ELIGIBIL</td>
<td>.294</td>
<td>-.084</td>
</tr>
<tr>
<td>PROF_LIC</td>
<td>.263</td>
<td>-.011</td>
</tr>
<tr>
<td>PER_REQ</td>
<td>.206</td>
<td>.113</td>
</tr>
<tr>
<td>SPEC_PUR</td>
<td>.263</td>
<td>-.136</td>
</tr>
</tbody>
</table>


Figure C.2: Variables Plotted in Factor Space After the Varimax Rotation
REFERENCES


BIOGRAPHICAL SKETCH

Jessica K. A. Word
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Education

Ph.D. Candidate in Public Administration and Policy, August 2002-August 2006
The Askew School of Public Administration and Policy
Florida State University, Tallahassee, Florida

Masters in Public Administration, December 2002
The Askew School of Public Administration and Policy
Florida State University, Tallahassee, Florida

Bachelor of Arts, Graduated Magna cum Laude, December 1998
Political Science and Studio Art Majors,
Queens College, Charlotte, North Carolina

Other Training:

Center for Computational Analysis of Social and Organizational Systems, Summer Institute on Network Research, June 25-30, 2005

Responsible Conduct of Research for Social and Behavior Sciences, Florida State University, Spring 2005.

Academic Experience

December 2005-April 2006
Research Assistant, Volunteer Florida Evaluation Project, Askew School of Public Administration and Policy,
Florida State University, Tallahassee, Florida
- Created both print and online survey instruments for stakeholder groups
- Conducted field visits and interviews of key participants including: executive directors of nonprofit volunteer centers, emergency managers, partnering organizations, and volunteers
- Designed evaluation of statewide emergency management volunteer project
- Developed academic manuscripts related to the project findings
June 2005–August 2005

**Teaching Assistant, Askew School of Public Administration and Policy,**
Florida State University, Tallahassee, Florida
- Instructed graduate level course in Nonprofit Management (PAD 5935)
- Implemented interactive learning activities for students to observe and participate in local nonprofit organizations
- Planned and developed course assignments and curriculum

May 2002–December 2002

**Teaching Assistant, Askew School of Public Administration and Policy,**
Florida State University, Tallahassee, Florida
- Advised students about careers and future study in public administration
- Instructed undergraduate course Public Administration and Society (PAD 3003)
- Developed tests and course assignments
- Planned curriculum
- Prepared and delivered lectures
- Worked with university faculty to determine sources of additional help for students

March 2001–August 2006

**Research Assistant, Assessment and Evaluation, Center for Information, Training and Evaluation Services, Institute of Science and Public Affairs**
Florida State University, Tallahassee, Florida
- Aided in development of standardized tests for private and state agencies
- Assisted in programming and statistical analysis of assessment projects
- Conducted research on laws and policies affecting program evaluation
- Conducted Test Administrations for Profession Certification Exams
- Developed survey instruments for research projects
- Designed course materials and test items for use in online certification
- Performed quality control checks using SPSS and SAS statistical packages for the Florida Comprehensive Assessment Test (FCAT)
- Prepared project proposals and budgets
- Synthesized information from literature reviews for project use

Professional Experience

August 1996–December 1996

**Intern, Office of Congresswoman Carrie P. Meek,**
United States House of Representatives, Washington, DC
- Analyzed vote counts
- Created an organization system for legislative files
- Filled constituent requests
- Prepared floor statements and speeches
- Prepared issue briefs
- Replied to office correspondence
Professional Affiliations

- Academy of Management (AOM), Public and Nonprofit (PNP) and Organizational Development and Change (ODC) Divisions
- American Society of Public Administration (ASPA)
- Association for the Research on Nonprofit Organizations and Voluntary Associations (ARNOVA)

Academic Publications

Refereed Articles:


Works in Progress:


- Word, J. The Ethical Dilemma Inherent in the Politics and Administration Dichotomy.


Refereed Presentations:


Invited Presentations and Lectures:


• Word, J. & Brower, R. S. (May 7, 2005). Outreach Planning and Strategies. Presented to the Neighborhood Leadership Workshop hosted by the city of Tallahassee, FL.

Professional Publications:


**Professional Service**

- Membership Committee of the Public and Nonprofit Division, Academy of Management
- Best MPA Paper Review Committee for Askew School Annual Awards Ceremony, January 2006
- Organizer/Facilitator of Public and Nonprofit Division Doctoral Consortium, Academy of Management Conference, Honolulu, Hawaii, August 2005
- Organizer/Facilitator of Public and Nonprofit Division Doctoral Consortium, Academy of Management Conference, New Orleans, Louisiana, August 2004
- Best MPA Paper Review Committee for Askew School Annual Awards Ceremony, February 2004
- Discussant, Paper Session on Civil Society in International Perspectives and Settings, Academy of Management Conference, Seattle, Washington, August 5, 2003

**Awards**

- Florida State University Dissertation Grant, Spring 2005
- Conference Scholarship Recipient, Association for the Research on Nonprofit Organizations and Voluntary Associations Conference, 2004
- Presidential Management Internship Finalist, 2004
- Member of Pi Alpha Alpha, Public Administration Honor Society
- Member of Mortar Board, Senior Honor Society
- Dean's List, Fall 1995–Fall 1998, Queens College

**Activities/Community Service**

- Special Events Leader, Big Bend Girl Scout Council, Summer 2005
- Service Center Volunteer, American Red Cross, Summer 2005
- Team in Training Leukemia and Lymphoma Society, Fall 2005
- Legislative Volunteer, Florida Coalition Against Domestic Violence
- Vice President, Public Administration Graduate Association, 2001-2002
- Participant, Women as Leaders Conference, Summer 1997, Washington, DC