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# Perceptions of Collaboration and Service Integration as Strategic Alternatives: An Examination of Social Service Nonprofit Organizations in the Late 1990s

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*Nonprofit organizations (NPOs) have historically dealt with the problem of trying to build organizational capacity while simultaneously dealing with scarce resources. Consequently, practitioners and scholars continue to offer assistance to nonprofits in the development of techniques aimed at addressing these situations. Recent literature shows a push towards innovation, the use of new organizational tax structures, and/or the use of commercial revenue generating activities as plausible strategic alternatives for dealing with declining resources. While these techniques show promise, they typically are reserved for larger nonprofits (as measured by their funding base) and those nonprofits with missions that lend themselves for such activities (e.g., health care, arts and culture). But what about other NPOs that may not be willing to undertake such risk, or who do not have missions that can embrace commercial activity? This article examines two strategies, collaboration and service integration, techniques that are perceived by practitioners to show promise for organizations needing to build capacity, and/or generate new or maintain resources. Based upon data yielded from a national mail survey of social service nonprofit organizations, this article provides an empirical analysis that highlights the extent to which nonprofit social service organizations were engaged in these techniques; and from the perspective of nonprofit upper managers, the impacts their respective nonprofit organizations experienced. Using these data and perspectives, a set of recommendations are derived for today's organizations to consider. Finding mechanisms to building capacity while increasing organizational resources, including income stream, has never been an easy endeavor for many social service nonprofit organizations. As the number of nonprofit organizations continues to rise, the nonprofit sector faces ever-increasing pressure to become more self-sufficient and resilient, while becoming less reliant upon government funding and charity (Arnold & Edwards, 1998). As nonprofit administrators and academicians probe new and*

*innovative ways for assisting nonprofit organizations in the development of new revenue streams and resources (e.g., innovation, the emergence of new organizational tax structures, the use of commercial activity); the call for collaboration and service integration are still being touted as a plausible means for generating and/or saving resources. This article examines these techniques as a means to develop and enhance organizational resources and strengthen capacity from the perspective of nonprofit practitioners.*

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Nonprofit organizations often ignore capacity building especially when faced with declining resources and fiscal stress. In fact, Wagner (2003) states an “important barrier impeding the ability of nonprofits to engage in capacity building is a dysfunctional funding environment” (p. 104). The financial and resource difficulties experienced by social service nonprofit organizations are not new. For example, a survey conducted by The Bridgespan Group, found that in 2009 “93 [percent] of nonprofits were experiencing the effects of the downturn compared with 75 [percent] that had seen declines a year ago, and 80 [percent] said their funding had been cut, compared with 52 [percent] last year” (Tuck & Gregory, 2009). As a result, nonprofit organizations became increasingly concerned with the manner in which they funded operations and delivered services. Reliance on philanthropy and charitable giving to fund service delivery posed a challenge for nonprofit organizations. Even though philanthropy is a great priority for many donors, it can be the first expense cut during a recession-like economy (Kielbasa, Zgut, & Peterson, 2010). For example, charitable giving declined during the recession, with a fall of 2 percent in nominal terms from 2007 to 2008. This reduction was a decline of 5.7 percent adjusted for inflation (Sherlock & Gravell, 2009). Practitioners asserted that the level of fiscal stress undergone by individual nonprofit organizations was dependent on the organization’s current level of funding and its ability to meet costs associated with increases in service. These concerns and their implications can best be understood from the perspective of resource dependency theory.

### **Resource Dependency Theory**

Resource dependency theory conceptualizes the environment in terms of other organizations with which the focal organization engages in exchange relationships (Banaszak-Holl, Zinn & Mor, 1996). Organizations depend on the resources traded in the exchanges and will adapt their behavior and/or structure in order to guarantee the exchange. Rainey (1991) states that “resource-dependence theories analyze how organizational managers try to obtain crucial resources from their environments: material, money, people, needed support services, and technological knowledge” (p. 43). Organizations must adapt management styles and organizational structures in response to changes within the environment. This can be accomplished in a variety of ways. Rainey (1991) writes:

They can try to change the environment by creating demand or seeking government actions that can help them. They can try to manipulate the way the environment is perceived by people in the organization and outside it. In these and other ways, they can pursue essential resources. [Resource dependency] theorists stress the importance of internal and external political processes in the quest for resources (p. 43).

Froelich (1999) examines nonprofit financial management within this framework. She asserts that considering the financial and resource difficulties experienced by nonprofit organizations, the key to their survival will be their ability to shift their dependency from certain funding sources to other resources. Froelich (1999) writes:

The key to organizational survival is the ability to acquire and maintain resources. This task is problematic due to environmental conditions of scarcity and uncertainty; broadly speaking, resources are not adequate, stable, or assured. Ultimately, the resource imperative results in the adaptation of organizations to requirements of important resource providers (p. 247).

Nonprofit practitioners understand that their resources and funding are largely dependent upon their environment and available resources. Furthermore, the nonprofit organization's mission determines its programs and services. It is for these programs and services that the practitioner makes decisions as to where s/he will seek the necessary resources to cover the operational costs of the program. Consequently, practitioners incorporate financial and resource management techniques that will allow for the management of dependencies or management based upon the availability of income and resources. Starter (2009) writes:

To overcome failure to generate profits from the goods they produce, nonprofit organizations have unique methods to generate and sustain capital flows resulting in distinct exchange relationships. This leads scholars to argue that nonprofit marketing strategies should differ as well (p. 202).

Two strategies available to nonprofit organizations trying to stretch and/or acquire resources are collaboration and service integration. These methods are examined together for two reasons: they may prove instrumental for the nonprofit organization's ability to conserve existing resources or gain new ones by working with other organizations; and both strategies involve the joint effort of numerous stakeholders in the human service system. A secondary benefit of using either method is the realization of a system in which people needing help get help with the least amount of red tape, hassle, or confusion (O'Looney, 1996, p. 13).

### **Defining Collaboration and Service Integration**

According to O'Looney (1996) and Bruner (1991), scholars and practitioners have offered numerous definitions for the terms collaboration and service integration. For the purpose of this research, collaboration is defined as a process of cooperation between two or more organizations to reach goals that cannot be achieved by acting singly (or, at a minimum, cannot be reached as efficiently). As a process, collaboration is a means to an end, not an end in itself. The desired end is a comprehensive and appropriate set of services for clients (Bruner, 1991). As O'Looney (1996) argues:

Collaboration refers to the generic processes by which individuals and groups grow to be more positively interdependent and learn to coordinate their activities in ways that provide for synergistic benefits (p. 17).

Collaboration involves the sharing of responsibilities for the implementation of a program and/or service. Known as a process requiring consensus-building and consuming of time, collaboration requires that organizations know each other's roles and responsibilities

regarding the implementation of programs, the setting of goals, and the process of decision-sharing (O’Looney, 1996; Bruner, 1991).

In contrast, service integration (or services integration) is often viewed as the more formal elements of collaboration. Historically, the concept of service integration was derived from the settlement houses of the late 19th century. Yet, tangible service integration activities can first be seen through programs associated with the War on Poverty and later under the Health, Education, and Welfare (HEW) services integration initiative (Waldfoegel, 1997). There are varying perspectives as to the dimensions of service integration. Waldfoegel (1997) asserts that service integration efforts can be categorized along three dimensions: type (administrative reforms, governance reforms, financing reforms, and casework reforms), level (state, county, or local), and locus of reform (program, worker, or client level). Other theorists characterize service integration on four levels: service delivery or frontline-centered service integration; program-centered service delivery; policy-centered service integration; and organizationally centered service integration (Agranoff & Pattakos, 1979; Kagan 1993; O’Looney 1996).

Service Delivery or Frontline-Centered integration corresponds to the direct service level of collaboration and can take place without substantial alterations in policy. Characteristics of service integration at this level are various forms of case management, joint staffing, and coordinated support provided to clients as a whole. The main value at this level is client empowerment (i.e., the idea that clients are valued consumers who have choices and co-producers of their own and the community’s welfare). Additionally, service integration is the result of both interagency collaboration between direct service providers and collaboration between service providers and clients. Browne, Roberts, Gafni, Bryne, Kertyzia, and Loney (2004) assert “It has been suggested that human service interventions that address single problems or single risk or protective factors in isolation will be less effective in reducing problems and enhancing competencies than comprehensive interventions” (p 1).

Program-centered service integration is designed to alleviate problems in the service system infrastructure, reduce wasteful turf guarding, and provide for greater efficiency and effectiveness. Most, if not all, of the effect may be invisible to clients since it is indirect in nature. As program linkages improve, clients should experience benefits in terms of decreased wait and travel time, easy one-stop access to services, and increase personal services due to savings in the cost of performing bureaucratic processes that provide no added value for clients. Characteristics associated with this type of integration are building shared information systems, co-locating facilities, conducting joint planning and development of programs, cross-training staff and sharing transportation. Collaboration between and among agencies, as well as within agencies that have multiple programs should occur.

Policy-centered service integration involves the engagement of government in multiple activities to increase the efficiency of service delivery. Activities that include capacity building, needs and strengths assessments, priority setting, problem-solving rather than program-by-program orientation, monitoring of the whole service system, and the refinancing of existing services to increase overall service capacity. The concern lies with increasing the degree to which funds can be allocated in a flexible manner, which is highly desirable because it allows a rationalization of service functions. Collaboration exists at the interagency administrative level.

Lastly, organizationally centered service integration concerns the reorganization of governance structures, personnel systems, creating reward mechanisms, and the allocation of responsibilities within and across agencies. This level is closest to the idea of the creation of a new service system. Potential concerns are related to the constitutional issues of the size, scope, and pattern of organizational authority and responsibility. Representative of a top-down model of change, organizationally centered service integration can be thought of as occurring consequent to collaboration at the interagency administrative level.

### **Disadvantages and Advantages of Collaboration and Service Integration**

The techniques of collaboration and service integration are deemed by practitioners to be tedious processes. Consequently, many nonprofits will not embark upon them due to their associated costs (e.g., time, effort, and resources) and organizational ego-constraints (e.g., organizations will have to actually work together with other organizations and not receive credit for providing a service independently). According to O'Looney (1997),

There is still considerable doubt among agency administrators [concerning] collaboration [and service integration] . . . There are two basic sources of this doubt: first, is the belief that the rewards of collaboration may not exceed the value of the time, effort, and resources expended on maintaining the communication links, organizational structure and administrative overhead of the collaborative; second, is the suspicion that many of the functions performed by [collaborative efforts] may have only tangential effects on the lives of [clients]. That is, [collaboration] often [acts] as additional layers of rulemaking and paperwork... an escape from agency-specific restrictions on programs and narrowly defined professional roles (p. 33).

Given the complexities of the techniques, it is believed that collaboration and service integration occur within the nonprofit sector on a relatively small scale because of their highly complex nature. O'Looney (1994) asserts:

The social service community has identified collaboration as the primary strategy for addressing system delivery problems (with service integration as the goal) . . . Research suggests that building collaboration is a highly complex task that involves the application of wisdom from the disciplines of political theory, organizational theory and behavior, small group theory, leadership, administration, dispute resolution, adult education, program evaluation and technology assessment (p. 63).

Although there are problems associated with collaboration and service integration, there still exist reasons as to why the techniques prove beneficial. O'Looney (1996) writes that the delivery of human services is not only complicated, but it has resulted in numerous problems. These problems, which are especially evident within the nonprofit social service sector, include: (1) inefficient and ineffective fragmentation and overlap of services; (2) difficulty in ascertaining what services are available and the eligibility criteria for clients; (3) high transaction costs (e.g., discovering information about the services, traveling to services, waiting for services and applying for services); (4) complexity, redundancy, and breakdown of communications involved in planning when the number of providers of similar services is high; (5) the lack of service system responsiveness to individual and community needs; (6) the artificial division of persons, problems, and issues into

professional niches; (7) supervision of individuals and the under serving of others; and (8) the lack of standardized information and procedures that would allow for accurate planning, management, evaluation, and cost analysis of programs (O’Looney, 1996). Due to the nature of human service delivery, it is thought that the methods of collaboration and service integration afford nonprofit organizations the opportunity to enjoy more success, because it provides programmatic solutions to the delivery of human services. These techniques can create an opportunity for nonprofit organizations to share and combine their resources, which lead to an improved human service delivery system according to O’Looney (2000, 1994 & 1993).

O’Looney (1993) also found that collaboration and service integration change the current fractured and bureaucratic system of service delivery, and provide a promise for greater effectiveness, efficiency and increased client sensitivity (p. 503). This greater level of effectiveness, efficiency and sensitivity is achieved for numerous reasons including: (1) consumers are able to find everything they want because services are integrated and made available through [one stop] centers; (2) access to services is assured through programs being linked to one another; (3) a more comprehensive set of services is made available because of a more coordinated system of planning; (4) a better fit is made between consumers and community needs and the array of services made available because of more coordinated planning, information sharing, and pooling of agency funds; and (5) direct service staff becomes more knowledgeable of the entire array of services, and is less loyal to their own agency’s need to retain clients, especially when these clients would be better served elsewhere (O’Looney, 1993). For these reasons, collaboration and service integration are two techniques that may not only improve the financial resources of nonprofit organizations, but may also help to improve upon other organizational resources and capacity, including staffing and improved program/service delivery.

### **Understanding Organizational Impacts**

The practice of collaboration and/or service integration can clearly be a difficult strategy that has substantial rewards. Perhaps not every nonprofit organization can pursue these strategies. But, they still represent a powerful response to shifting funding agendas, organizational capacity, and public policies in a changing world.

Zimmerman and Dart (1998) explained the effect may be categorized into four categories of outcomes: organizational resources, organizational relationships, organizational reputation, and organizational responsiveness. Organizational resources include human resources (e.g., staff and volunteers) and financial resources (e.g., increased or decreased financial assets). If nonprofit organizations were to engage in any of these strategies, they might experience an increase and/or decrease in organizational resources. For example, the technique of collaboration may lead to savings of resources for the organization. Saved resources can lead to the freeing of other resources, like money, which can be utilized to hire new staff. Conversely, collaboration can also lead to an increase in personnel that may cause the nonprofit organization to experience an overlap in the duties of some staff.

The relevant relationships within a nonprofit social service organization include the organization’s ability to maintain favorable relations with their clients, donors, volunteers, staff, and boards of directors. By engaging in collaboration and/or service integration, nonprofit organizations may find themselves forging new alliances with stakeholders. For

example, collaboration allows nonprofit organizations to forge new partnerships with other organizations to provide services. These partnerships may lead not only to the creation of a new program that expands services, but it may also afford an opportunity to gain new clients. Gaining new clients and expanding services may also strengthen the relationship of the nonprofit to the community, because it shows the extent to which the community needs the services it is offering. On the other hand, engaging in collaboration or service integration can also jeopardize relevant relationships. For example, collaboration is a timely process. It involves practitioners going to meetings and working together in order to develop a new service/program. The time spent engaging in these types of activities may jeopardize already existing relationships because practitioners have to divert energy and time to the new collaboration—this takes their attention away from established relationships.

Reputation involves the reputation of the nonprofit organization within the community and among donors. Responsiveness pertains to levels of effectiveness that nonprofits are able to maintain in the delivery of services and programs upon embarking on strategic alternatives.

Collaboration and/or service integration may be advantageous for the organization. If they are successful, then the organization gains a reputation of being not only successful but also self-sufficient. On the other hand, if they fail, then the opposite can happen. Furthermore, if a nonprofit organization were to gain a reputation for instability (i.e., one of being unstable), then donors and volunteers might be hesitant to give their money and time to an organization that ultimately has the appearance of being weak or failing. In sum, the precise effects of collaboration or service integration -- whether it effects the nonprofit organization's mission, capacity, financial structure, boards of directors, commercial share and/or profit margin, funding providers, and/or clients -- should be further examined.

## **Methodology and Results**

To explore collaboration and service integration further, data from a survey mailed to a nationwide sample of 1500 nonprofit social service organizations in the United States was used. Organizations were selected from the National Center for Charitable Statistics database of organizations. The survey looked at a specific time in the organization's history 1996 – 2000. (This time period is similar to that experienced by nonprofits now with changing public policies, shifts in funding strategies by foundations, declining individual giving, and decreases in government funding). The survey sought information on agency type (that is, agency characteristics such as staff size, information pertaining to the Board of Directors, agency mission, budget size, and programs/services) and the extent and conditions of collaboration and service integration utilization. Additionally, the survey focused on the possible impact that each of these strategic responses may have on the nonprofit social service organization. Surveys were received from 576 organizations or 38.47 percent of the sample.

## **Characteristics of Survey Respondents**

Surveys were received from organizations located within 48 states. The data show that the states with the most returns were California (9.2 percent of all returns), New York (6.4 percent), Texas (5.6 percent), Illinois (4.2 percent), and New Jersey (4.0 percent).



Approximately 89 percent of the organizations report being in existence for 35 or fewer years. Over half (55.6 percent) of the respondents reported offering four or fewer programs/services; a little more than 85 percent of the respondents offered 12 or fewer programs/services. The average (mean) number of clients served yearly (unduplicated count) was 5,651.

Additionally, respondents were asked to characterize the mission of their organization based upon a list of social service functional areas ranging from animal care/shelter to individual and family life. Table 1 provides the breakdown of each functional area, a description of each area, and the percent of survey respondents who reported that their organization's mission fit within the category.

The data show that a wide range of upper level administrators and/or members to the Board completed the survey. Respondents carried various titles including: Administrator, Accountant, Board President, CEO/Executive Director/President, or Secretary/Treasurer. In terms of gender, 48.4 percent were female and 51.6 percent were male. Regarding race and ethnicity, all major racial/ethnic groups were represented among the respondents, with 87.8 percent Caucasians, 5.6 percent African Americans, 1.1 percent Asian Pacific Islanders, 2.1 percent Latinos/Hispanics, 1.9 percent Native Americans, and 1.5 percent reporting other. As for age, respondents ranged in age from 26 to 85 years, with the majority (90 percent) of respondents being 38 years or older.

With respect to experience in their employment position, 75 percent of the respondents were found to have occupied their current position 10 or fewer years. Additionally, the data show that 85 percent of the respondents had 15 or fewer years of experience in their current organization. In terms of years of experience working within the nonprofit sector, 75.7 percent of respondents were found to have 22 or fewer years of experience. Educationally, the majority of respondents had either an undergraduate (41.7 percent) or a masters (30.3 percent) degree.

The survey also asked about organizational staff resources. More than 75 percent of respondents had 15 or fewer full time paid staff, 11 or fewer part-time staff, and 56 or fewer volunteer personnel. Five hundred seventy-three organizations (99 percent) reported having a Board of Directors. Of this number, 90.2 percent reported having 23 or fewer total board members. When asked the question of whether or not Board members held a fiduciary responsibility, that is, whether members of the Board of Directors assume financial responsibility for the nonprofit organization should it be forced to dissolve with outstanding debt. About 66.2 percent of the respondents stated no in response.

With regard to sources of funding, approximately 57 percent of respondents reported that none of their organizations' budgets relied on foundation grants or government grants. Sixty-eight percent of the respondents reported that no part of their budget relied on government contracts. Only 36.4 percent of the respondents reported that none of their budget came from fees for service; 51.9 percent reported that no part of their budget relied on corporate donations. Approximately 27 percent of the organizations reported that their budget did not draw on donations from individuals; and 61 percent of respondents reported that none of their funding came from funding agencies like the United Way. Overall, the data show that a little over half (56.4 percent) of the organizations reported that their budget relied on three or fewer sources of funding; while 88.0 percent relied on five or fewer sources. On average respondents used 3.5 sources of funding to support their activities.

**Table 1. Survey Respondents and Their Reported Organizational Mission**

<b>Mission Type</b>	<b>Percent of respondents whose mission falls into this category</b>
Animal Care/Shelter: Food, shelter, and/or emergency assistance to animals	0.7
Maintenance/Yard Work: Housing and building repairs, Outdoor yard care	1.9
Environment: Environmental advocacy issues, including Green Peace	4.5
Public Safety: Police/guards; education and advocacy issue regarding safety	5.4
Religion: Churches, religious affiliations.	5.6
Economic Development: Community Development Center and empowerment zones	5.9
Criminal Justice/Legal Services: Legal aid, representation, or education	6.4
Transportation: Vehicle transportation between agencies: pick up & delivery of clients	8.0
Personal: Personal care, home delivery, persona attention	8.0
Consumer Services: Consumer credit services and counseling	8.3
Leadership Development: Leadership skills(s) training and development	10.1
Employment (training): Job replacement, job training, and job education	12.9
Food: Soup kitchens, feed the hungry programs, pantry services	13.4
Medical/Health: Health education, home health care, health care services	17.7
Volunteers: Volunteer agencies (volunteer based services)	18.3
Housing: HUD homes, first time buyer assistance, Habitat for Humanity	24.9
Individual and Family Life: Counseling, referral services	26.6
Education (training): General Education Diploma Training, educational skills	32.2
Youth: Little League youth sports, youth activities	32.9
Other: adoption, advocacy, substance abuse, recreational sports, case management child abuse prevention and education, community action agencies, child care/daycare, domestic violence prevention/education, mental health/mental retardation services, homelessness, emergency assistance, fire/police safety, support organizations, and senior citizen services.	31.8

NOTES: The functional category of other provides a list of what respondents reported in this section.

## **Findings: Collaboration**

*The Extent of Collaboration.* Using statistical frequencies, the extent to which social service nonprofit organizations engage in this approach was evaluated by looking at the proportion of organizations that reported being involved with collaboration during fiscal years 1998 and 1999. Of the nonprofit organizations responding to the survey, the data reveal that 50.3 percent of the respondents (280 organizations) engaged in some form of collaboration during FY 1998 and 1999. A more detailed look at these collaborative experiences show that, among those who collaborate, approximately 30.8 percent reported collaborating three or fewer times during FY 98 and FY 99, and almost two-thirds (64.6 percent) report doing so 10 or fewer times during this same time period. When examining the number of programs and/or services involved with collaboration, approximately half (49.8 percent) reported that three or fewer programs were involved. Additionally, 85.3 percent reported having 11 or fewer programs involved.

Respondents also reported that they collaborate with for-profit, public, and nonprofit organizations. Of those respondents who reported engaging in collaborative efforts, 46.4 percent collaborated with for-profit organizations; 63.5 percent collaborated with public organizations; and 87.1 percent worked with other nonprofit organizations. Examples of the types of collaborative arrangements included nonprofit organizations working together to deliver educational activities to children; working with agencies to collect, sort, store, and distribute food products to other nonprofit organizations; working with other organizations to provide outreach services; and providing forums on domestic violence and sexual assault to the public.

Based upon the data, it is evident that nonprofit social service organizations engaged in collaboration. Although there are a variety of examples of collaborative efforts, the preferred organizational partners were public and nonprofit organizations. The literature suggests that collaboration is a complex task that may occur on a small scale, but it is obvious that nonprofit social organizations chose this method of service delivery. An overwhelming 91.5 percent of respondents who engaged in collaboration believed that the strategy was successful. Additionally, 93 percent of respondents believe that it should be encouraged.

*Perceptions of Impact.* To ascertain the type of impact that collaboration had on differing aspects of the organization, respondents were asked a series of perception questions and asked to answer by using a Likert scale ranging from strongly disagree (1) to strongly agree (5). Next, responses were recoded into new variables that summarized the perceptions of impact. The new variables were constructed by collapsing responses associated with strongly disagree and disagree into one category and agree and strongly agree into another. The third category of answers was represented by the response neither agree nor disagree. The results are for those respondents who indicated that their organization engaged in some type of collaboration only. Table 2 presents these findings.

**Table 2.** *Collaboration: Perceptions of Impact*

Questions	Percent who Disagree	Percent Neutral	Percent who Agree
Collaboration has allowed my organization to increase the number of services/programs it offers.	8.1	15.0	76.9
Collaboration has had a positive effect on our clients.	2.9	9.6	87.5
Collaboration has decreased our reliance on individual donations/funding.	59.2	28.8	12.0
Collaboration has decreased our reliance on government funding.	56.0	38.3	5.6
Collaboration has decreased our reliance on corporate funding	59.8	33.7	6.4
Collaboration has decreased our reliance on foundation money	57.2	37.9	4.8
Collaboration has decreased our reliance on funding agencies, like the United Way.	55.0	39.3	5.7

Table 2 shows a majority of respondents (76.9 percent) had a positive perception of collaboration in terms of helping the organization to increase the number of services/programs offered. Additionally, a majority of respondents (87.5 percent) believed that collaboration had a positive effect on clients too. Regarding the impact on traditional sources of funding, respondents held mixed perceptions. In all cases, approximately half of the respondents felt that collaboration did not decrease their reliance on any of their current funding sources, but about one-third of the respondents held no opinion. These results indicate that although collaboration has been useful in helping nonprofit social service organizations to increase their service delivery outputs, organizational leaders still relied on their traditional sources of funding.

Respondents were also asked the impact of collaboration on organizational resources. Specifically, they were asked if collaboration led to an increased availability of resources for the organization regarding staff, facility space, volunteers, new clients, technology, budget, and other resources. Overall, 81.1 percent of respondents reported that collaboration increased the organization's resources in some fashion, but interestingly, the data show that less than one-third of the respondents experienced increases in most of the categories of resources listed. For example, only 28.2 percent of respondents experienced increased staff; 29.3 percent increased volunteers, and 24.3 percent had technological increases. Respondents (42.9 percent) reported their highest increase in the area of increased clients and budget (37.1 percent of respondents). Therefore, the use of collaboration does afford an opportunity for organizations to experience increases in their organizational resources as evidenced by the data. These findings support Ginsler and Associates, Inc. (1998) assertion that by working together in a collaborative fashion, nonprofit organizations can experience an increase in their resources. Table 3 presents these results.

**Table 3. Collaboration: Perceptions of Impact on Organizational Resources**

Question	Yes (%)	No (%)
Has collaboration led to an increase in staff?	28.2	71.8
Has collaboration led to an increase in facility space?	31.8	68.2
Has collaboration led to an increase in volunteers?	29.3	70.7
Has collaboration led to an increase in new clients?	42.9	57.1
Has collaboration led to an increase in technology?	24.3	75.7
Has collaboration led to an increase in budget?	37.1	62.9
Has collaboration led to an increase in other kinds of resources?	12.5	87.5

**Findings: Service Integration**

*The Extent of Service Integration.* Again, the extent to which nonprofit organizations engaged in service integration was measured using statistical frequencies. The data reveal that 30 percent of the respondents (173 organizations) engaged in some form of service integration during fiscal years 1998 and 1999. A majority of these respondents reported that their organization engaged in service integration five or fewer times during those fiscal years. Respondents involved with service integration also reported that they worked with for-profit (13.2 percent), public (39.3 percent), and nonprofit (67.6 percent) organizations. Additionally, the data show that integration occurred with external (other) organizations (71.6 percent) and within their own organization (65.3 percent). Examples of the types of service integration arrangements included educational programs with schools, after school programs and/or day care centers; employment support services; intake, case management, record keeping, and/or client assessment activities; and the sharing of office space, staff, and/or training activities.

Based upon the data, it is evident that service integration also occurred. Although there are a variety of examples of service integration arrangements, the preferred organizational partners are other nonprofit organizations. While more nonprofit social service organizations engaged in collaboration, the data indicate that there are a small percentage of organizations that have chosen service integration as an alternative means for service delivery. Many of the respondents (91.9 percent) found service integration to be a success. When asked if it should be encouraged, 89.6 percent of respondents reported yes.

*Perceptions of Impact.* Again, the perception of managers as to the positive and negative impacts nonprofit organizations experienced when using service integration was examined. Table 4 presents these results. Like the collaboration findings, Table 4 shows a majority of respondents (75.0 percent) had a positive perception of service integration in terms of helping the organization to increase its service delivery outputs, specifically the number of

services/programs offered. A majority of respondents (87.4 percent) also believed that service integration had a positive effect on their clients. In terms of impact on traditional sources of funding, respondents held similar views to those shared by respondents who used collaboration. In all cases, approximately half of the respondents felt service integration had not decreased the organization's reliance on any of their current traditional sources of funding; approximately one-third of the respondents held no opinion, and relatively small proportions agreed that reliance on these funding sources had declined.

**Table 4.** *Service Integration: Perceptions of Impact*

<b>Statement</b>	<b>Percent who Disagree</b>	<b>Percent Neutral</b>	<b>Percent who Agree</b>
Service Integration has allowed my organization to increase the number of services/programs it offers.	8.1	16.9	75.0
Service Integration has had a positive effect on our clients.	4.2	8.4	87.4
Service Integration has decreased our reliance on individual donations/funding.	58.2	30.9	10.9
Service Integration has decreased our reliance on government funding.	62.3	30.2	7.4
Service Integration has decreased our reliance on corporate funding	59.8	34.1	6.1
Service Integration has decreased our reliance on foundation money	62.8	32.9	4.3
Service Integration has decreased our reliance on funding agencies, like the United Way.	55.1	36.5	8.3

Like collaboration, service integration can be seen as a helpful technique when increasing service delivery outputs. Organizational leaders still relied on traditional sources of funding however to maintain operations. Respondents were also asked the impact of service integration on organizational resources: staff, facility space, volunteers, new clients, technology, budget, and other resources. As was the case with collaboration, the data show that most respondents (78.7 percent) found that service integration contributed to an increase in organizational resources, however only approximately one-third of the respondents found some increase in an indicated resource. Table 5 displays these findings.

**Table 5.** *Service Integration: Perceptions of Impact on Organizational Resources*

Question	Yes (%)	No (%)
Has Service Integration led to an increase in staff?	31.2	68.8
Has Service Integration led to an increase in facility space?	29.5	70.5
Has Service Integration led to an increase in volunteers?	26.6	73.4
Has Service Integration led to an increase in new clients?	39.5	60.5
Has Service Integration led to an increase in technology?	26.0	74.0
Has Service Integration led to an increase in budget?	31.8	68.2
Has Service Integration led to an increase in other kinds of resources?	4.0	96.0

## Discussion

Overall, the data show that collaboration and service integration were used by nonprofit social service organizations as a means of resource acquisition and achieving efficient and effective delivery of services. The data also suggest that collaboration is used more frequently than service integration. Many respondents agree that the idea to engage in collaboration and/or service integration has mainly been one of the Chief Executive Officer (60.4 percent). However, it was common to find that respondents also felt equally as strong that the staff and/or Board members advocated the idea as well.

Through a series of Likert scale questions, which provided possible rationales for engaging in collaboration and/or service integration, respondents were asked their perceptions. Findings are presented in Table 6.

Approximately half of the respondents engaging in collaboration and/or service integration indicated that they were using the technique for two primary reasons: to save money and to deliver services more efficiently and effectively. A little over half of the respondents disagreed that their organization engaged in collaboration because of increased competition from nonprofit and for-profit organizations. They also disagreed that they engaged in collaboration because other nonprofit organizations were collaborating. Similar findings were found among respondents engaging in service integration. Based on the data, respondents did not, in general, perceive the need to engage in collaboration because of a heightened sense of competition or because other nonprofit organizations are doing so.

These findings help shape practical advice for today's practitioner to consider. First, collaboration and service integration allowed more than a majority of respondents to increase program and service offerings. These were perceived to have a positive effect on their clients, much like O'Looney et al. asserted would be a result. These findings show that these techniques do offer promise for helping organizations meet their missions and helping with organizational efficiencies.

However, the findings do not speak to the relative strengths and/or weaknesses that nonprofits bring to the table when engaging in collaboration and/or service integration. They do show that funding dependencies are not decreased and new resources may not be gained. Therefore, it is important nonprofits inventory their resources prior to the start of any collaborative activity. The continual need for assessing current dependencies is important as not to increase them which may occur as programs/services grow. Practitioners need to keep their eye, consistently, on ways to innovate if they are to reduce dependencies even in the midst of collaborative activity. They must also be more intentional on how to best align their respective resources in order to reach the goal of growing capacity. The formation of strategic collaborations is the key to sustainability, but it must be recognized that they may not work for all organizations in all situations.

**Table 6. Rationales for Engaging in Collaboration and Service Integration**

<b>My organization engaged in collaboration to:</b>	<b>Percent who Disagree</b>	<b>Percent Neutral</b>	<b>Percent who Agree</b>
...to save money.	30.3	22.3	47.4
...because of increased competition from other nonprofit organizations.	52.0	24.2	23.8
...because of increased competition from for-profit businesses	61.0	25.0	14.0
...because other nonprofit organizations were doing so.	53.9	33.2	12.9
...to deliver services more efficiently and effectively.	2.5	2.5	94.3
<b>My organization engaged in service integration:</b>	62.8	32.9	4.3
.... to save money.	23.3	22.1	54.6
...because of increased competition from other nonprofit organizations.	44.0	32.1	23.9
...because of increased competition from for-profit businesses	51.9	34.8	13.3
...because other nonprofit organizations were doing so.	42.9	34.8	22.4

## Conclusion

The topics of organizational sustainability and capacity building remain at the forefront of nonprofit practice. Practitioners continue to tout the successes that techniques, such as collaboration and/or service integration, have (especially on a case by case basis). This may set up an unrealistic expectation that these techniques can provide a viable option for most nonprofits seeking solutions. An examination of these practices during a time of recession shows that this may not in fact be the case on a more macro level. This initial research shows that more is needed to document the types and effect of internal



organizational strategies that can be implemented by collaborating organizations that have actually had success in reducing dependencies. Until then, nonprofit practitioners should, perhaps, take a step back and examine their options weighing both the costs and the benefits prior to proceeding.

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#### **End Notes**

1. The literature pertaining to Resource Dependency Theory largely examines for-profit business firms. This theory has been adapted for the purposes of examining nonprofit social service organizations.
2. The literature provides a full discussion of collaboration and service integration within the context of government agencies. For the purpose of this research, the discussion pertaining to collaboration and service integration will focus within the context of nonprofit social service organizations.
3. Bruner (1991) notes that collaboration can occur on four levels: Level 1 interagency collaboration - administration (i.e., Collaboration occurs when administrators at the state and/or local levels manage agencies to facilitate collaboration through protocols, interagency agreements, staff organization, staff incentives, and job evaluation systems.); Level 2 interagency collaboration-service (i.e., Collaboration happens when staff at the service-delivery level in various agencies is given incentives and support for joint efforts with staff in other agencies.); Level 3 intra-agency collaboration (i.e., Collaboration occurs when staff at the service delivery level is given discretion in serving clients, provide support for decision-making, and are involved in agency planning.); and Level 4 Worker-Family collaboration (i.e., Collaboration happens when service-delivery staff and clients work together in order to determine needs and goals and work toward greater client autonomy and functioning) (p. 10).

4. The term collaboration was defined on the survey as follows: The term collaboration@ refers to your organization working with and/or sharing resources (i.e., staff, space etc.) with other organizations. When collaborating, your organization keeps its organizational autonomy while participating in program sharing, partnerships, and the coordination of services with other existing organizations. An example would be collaboration between two nonprofit organizations to provide a new program of service for the community.
5. When coding for this variable it was found that respondents had a hard time measuring the exact number of times they engaged in collaboration for many viewed it as an on-going/continuous/daily activity.
6. Approximately one-third of respondents reported that they neither disagreed nor agreed with the idea that collaboration has decreased the organization's reliance on the various funding sources (i.e., individual donations/funding, government funding, corporate funding, foundation money, and/or funding agencies). This finding may be attributable to the fact that funding sources are in constant fluctuation. During one period of time practitioners may find that they increased, while during other times they may be decreasing. With this kind of uncertainty, practitioners may have no opinion as to whether a particular funding is increasing or decreasing given that it may difficult to ascertain a trend with this kind of constant fluctuation.
7. On the survey, the term service integration was defined as follows: The term service integration refers to your organization's ability to serve its clients by combining facilities, intake processes, filing systems, and personnel with other organizations and/or between services or programs within your organization. When providing integrated services, your organization may provide the services as a single organization or with other organizations.
8. When coding for this variable it was found that respondents had a hard time measuring the exact number of times they engaged in service integration for many viewed it as an on-going/continuous/daily activity.
9. As before, respondents were asked a series of perception questions and recorded their responses using a Likert scale ranging from strongly disagree (1) to strongly agree (5). These responses were recoded into new variables by collapsing responses associated with strongly disagree and disagree into one category and agree and strongly agree into another. The third category of answers was neither agree nor disagree. Responses were used from only those respondents who indicated that their organization engaged in some type of service integration.

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