Interorganizational collaborative effectiveness: Toward the development of a measurement instrument and a research agenda

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General background

The popularity of interorganizational collaboration in addressing contemporary national and global challenges is well illustrated by the increasing number of articles, books, workshops, and policies addressing that topic (Foster-Fishman, Berkowitz, Lounsbury, Jacobson & Allen, 2001; Lewis, 2006). For instance, in the United States, Policy makers, administrators, and funding agencies have been vigorously promoting interorganizational collaboration, especially among nonprofit organizations (Longoria, 2005). This vigorous promotion of interorganizational collaboration may have roots in its value as a symbol of efficiency, legitimacy, rationality, and social responsibility (Longoria, 2005; Morrison, 1996; Reitan, 1998; Weiss, 1981). Additionally, this promotion of interorganizational collaboration recent decades, reflects a public concern that nonprofit organizations are not effectively collaborating (Austin, 2000; Longoria, 2005). However, it is not really clear what effective interorganizational collaboration means or what criteria can be measured to assess the effectiveness of interorganizational collaborative arrangements (Keyton, Ford, & Smith, 2008; Longoria, 2005).

While interorganizational collaborative arrangements appear to be a promising trend, enthusiasm about them currently exceeds knowledge about how they emerge (Longoria, 2005), how to make them work well (Eibinder, Robertson, Garcia, Vuckovic, & Patti, 2000; Weber, Lovrich, & Gaffney, 2007), and how to determine how well they work (Lewis, Scott, D’Urso, & Davis, 2008). A common assumption in the collaboration literature is that if the collaborative process is effective, the outcome will also be good or positive (Keyton, et al., 2008; Longoria, 2005). While this assumption fails to acknowledge other factors that influence quality outcomes, its most important drawback
is that there is little empirical evidence supporting it (Keyton, et al., 2008; Longoria, 2005). Neither academics nor practitioners agree as to what constitute appropriate criteria for assessing the effectiveness of collaboration. In fact, scholars have largely remained silent concerning this matter, whereas practitioners have proposed criteria that are idiosyncratic to collaboration in particular settings (Keyton, et al., 2008). When considering the current institutional environment that leads nonprofit organizations to collaborate, it is time for the academic silence on interorganizational collaborative effectiveness, its antecedents, and its outcomes to end.

Thus, the goal of this position paper is to examine the concept of and approaches to interorganizational collaborative effectiveness (ICE), and to identify dimensions that could be helpful in developing an instrument to measure ICE. A long term goal of this effort is to investigate the predictors and outcomes of interorganizational collaborative effectiveness so as to be able to assist nonprofit organizations with valid empirical evidence for the antecedents and the outcomes of effective interorganizational collaboration. However, before exploring the concept of ICE, it is important to first clarify the meaning of interorganizational collaboration.

What does interorganizational collaboration mean?

According to Walter and Petr (2000), collaboration is commonly understood as “working together” (p. 5). However, a review of various academic literatures shows that there is not a unified understanding of the concept. After reviewing 133 articles from various literatures, Mattessich and Monsey (1992) defined interorganizational collaboration as
a mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals. The relationship includes a commitment to: a definition of mutual relationships and goals; a jointly developed structure and shared responsibility; mutual authority and accountability for success; and sharing of resources and rewards (p. 7).

Synthesizing a multidisciplinary literature, Graham and Barter (1999) define collaboration as a “relational system in which two or more stakeholders pool together resources in order to meet objectives that neither could meet individually” (p. 7).

The definitions offered by Graham and Barter (1999) and Mattessich and Monsey (1992) share four broad themes. For example, each definitions stresses that (1) the fundamental nature of collaboration is that of a joint activity in the form of a relational system between two or more organizations; (2) an intentional planning and design process results in mutually defined and shared organizational goals and objectives; (3) structural properties emerge from the relationship between organizations; and (4) emergent “synergistic” qualities characterize the process of collaboration. While both sets of authors maintain that a favorable outcome will occur as a result of inter-organizational collaboration, this paper supports the view, articulated by Longoria (2005), that the specific outcomes of collaboration should not be incorporated into the definition a priori, but left open to empirical analyses. The essence of this view is not to question whether the process of collaboration will result in a consequence, but rather the specification of a particular consequence as an element of the definition.

For this paper, the definition of interorganizational collaboration provided by Lawrence, Hardy, and Phillips (2002) shall be used. According to them,
Interorganizational collaborative effectiveness refers to “a cooperative, interorganizational relationship that is negotiated in an ongoing communicative process and that relies on neither market nor hierarchical mechanisms of control” (Lawrence et al., 2002, p. 282). This definition of interorganizational collaboration is inclusive enough to encompass a wide range of collaborative arrangements (for instance, consortia, alliances, joint ventures) and yet provides a set of important characteristics that distinguish interorganizational collaboration from other forms of interorganizational activity (Lawrence et al., 2002). Most importantly, this definition distinguishes interorganizational collaboration from those interorganizational relationships that are cooperative, but in which cooperation is either purchased (as in a buyer-supplier relationship) or based on some form of legitimate authority (as in a relationship between a state regulatory agency and a firm operating within its jurisdiction).

Exploring interorganizational collaborative effectiveness (ICE)

One thing that scholars of interorganizational collaboration seem to agree on is that interorganizational collaboration is difficult (Fyall & Garrod, 2005; Huxham, 1996). Indeed, several studies have shown that the majority of interorganizational collaborative arrangements are ineffective (Eibinder et al., 2000; Fyall & Garrod, 2005). However, one of the problems in interpreting the high failure rates that are often reported for interorganizational collaboration is how best to measure interorganizational collaborative effectiveness (Donaldson & O’Toole, 2002; Gulati, 1998). Effectiveness is the prime dependent variable in many organizational contexts and its multidimensionality is the cause of conceptual ambiguities and measurement difficulties (Shilbury & Moore, 2006). There appears to be no universal agreement on precisely what effectiveness means, as it
Interorganizational collaborative effectiveness means different things to different people. Although there is no definitive meaning of interorganizational collaborative effectiveness, the majority of authors agree that it requires measuring multiple criteria and the evaluation of different organizational functions using different characteristics, and it should also consider both means (processes) and ends (outcomes) (Shilbury & Moore, 2006).

Several previous studies using a system resource approach (Yuchtman & Seashore, 1967) have equated effectiveness with longevity or survival (Shilbury & Moore, 2006). The assumption made by those studies is that an effective collaboration would not be terminated by the organizations involved. As such attracting necessary resources and maintaining a harmonious relationship with the environment is central to the application of the systems resource model (Shilbury & Moore, 2006). One problem with this view is that it fails to account for the fact that some collaborative arrangements are intended to be only temporary, while others may continue to exist for a variety of reasons, even though they are no longer effective (Fyall & Garrod, 2005; Longoria, 2005). Indeed, organizations may engage in interorganizational collaboration for purely symbolic reasons (Longoria, 2005). Moreover, the survival approach to interorganizational collaborative effectiveness (ICE) does not really make any allowance for the possibility of partial success and partial failure; the collaboration is either effective if it survives or ineffective if it is terminated. It is the belief here that ICE is much more variable than that. Indeed, it is quite possible that a collaborative arrangement may be successful in certain respects and not in others; or that it is considered effective by some of its members and not by others. These issues have to be taken into account when determining how effective a collaborative arrangement is.
A second approach that can be used to measure ICE is the internal process approach (Steers, 1977). This approach suggests that the dynamic between organizations in a network is an important criterion for ICE. According to this approach factors such as trust, integrated systems, and smooth functioning are viewed as more accurate indicators of ICE compared to, for example, the resource/survival approach.

Another approach to ICE, the goal attainment approach, has equated it to the achievement of the goal(s) for which the collaborative arrangement was established (Fyall & Garrod, 2005; Longoria, 2005). The assumption here is that if a collaborative arrangement is effective, it will necessarily lead to the achievement of the goals for which it was established. While such a way of determining the effectiveness of a collaborative arrangement may intuitively make sense, it is not without problems. Indeed, an outcome-based measure does not really measure the quality of the process of collaborating. Indeed, collaboration as defined in this study is not inherently related to a specific outcome. The achievement of several outcomes is in part dependent on a multitude of factors (resources, capacities, environment, etc.) that are not necessarily related to how effective the collaboration is (Keyton et al., 2008).

Determinants of collaborative effectiveness

Despite the difficulties in defining what ICE might actually be, several scholars have attempted to summarize the key determinants of ICE. Waddock and Bannister (1991) performed an extensive review of the literature to come up with a list of determinants of ICE. According to them, in order for an interorganizational collaborative arrangement to be considered effective, participants need to trust each other. Secondly, the interests of all participants need to be taken into account. Thirdly, participants need to
have positive expectations and feelings about the collaborative arrangement. Fourthly, participants need to recognize their interdependence. Fifthly, participants need to feel that they add value to the collaborative arrangement. Sixthly, collaborative objectives should be clear and well defined. Seventhly, participants need to feel that power is balanced within the collaborative arrangement. Finally, there need to be strong leadership. Ultimately, Waddock and Bannister (1991) argue, ICE is maximized when all those conditions are met.

According to Fyall (2003), effective interorganizational collaboration entails: (1) involvement of key stakeholders, (2) good interpersonal relationships, (3) trust among participants, (4) inclusive organizational culture and management style, (5) domain similarity and goal compatibility, (6) effective contractual conditions, (7) decisive leadership, (8) sound administrative support, (9) balance of management resources and power, (10) tight focus and identification, and (11) transparency.

Based on the literature outlined above, there are several key determinants of the effectiveness of interorganizational collaborative arrangements. These are: clarity of goals, inclusiveness, identification and commitment of participants, trust, reciprocity, positive expectations, balance of power, adequate communication, good relationships, and leadership. These characteristics could constitute the facets of ICE.

Directions for future research

As previously mentioned, interorganizational collaborative arrangements have become very popular in recent years and institutionalized in several organizational fields (Longoria, 2005). However, the increasing popularity of these organizational forms has raised questions about their effectiveness in addressing contemporary global challenges.
The development of a measure of (ICE) can greatly contribute to future research on interorganizational collaboration and its effectiveness in addressing contemporary global challenges. For instance, one intriguing question that practitioners and scholars alike have always been concerned with is how ICE affects the performance or the outcomes of interorganizational collaborative arrangements and their ability to achieve goals that organizations cannot achieve by working individually. In other words, is interorganizational collaboration really worth the investment of time, resources, and effort that it requires from participating organizations? Currently, the concept of interorganizational collaboration has powerful symbolic qualities, which contribute to the overwhelming popularity of interorganizational collaborative arrangements despite the lack of clear empirical evidence that interorganizational collaboration results in positive outcomes for the participating organizations or the populations that they serve (Longoria, 2005).

Another interesting area for future research on interorganizational collaboration is investigating the antecedents or predictors of ICE. For instance, an important area for future research would be to investigate the relationship between collaborative capacity and ICE. While one would expect collaborative capacity to be positively related to ICE, it is not clear what the magnitude of that relationship is. The capacity to collaborate or collaborative capacity is facilitated by the existence of a variety of different mechanisms (Einbinder et al., 2000). The development of an ICE scale would provide an opportunity to empirically investigate the importance of all these factors to ICE.

Additionally, Lewis (2006) also identifies in her Model of Collaborative Interaction that several “inputs” to collaborative interaction influence the process. Those
inputs include membership, skills, motivation, and scope. An ICE scale could be used in investigating the relationship between these inputs and ICE. This would actually provide a good test for Lewis’s model of collaborative interaction.
References


