Baruch COLLEGE
The City University of New York
SCHOOL OF PUBLIC AFFAIRS

EXPLORING PERCEIVED EFFECTIVENESS OF NONPROFIT LEAD-ORGANIZATION NETWORKS FOR SOCIAL SERVICE DELIVERY

Bin Chen, Baruch College, City University of New York
and Elizabeth A. Graddy, University of Southern California
bin_chen@baruch.cuny.edu and graddy@usc.edu
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Executive Summary

This paper explores dyadic service delivery alliances and the role that partnership characteristics play in their effectiveness of lead-organizational networks. Using data on children and family services in Los Angeles County, we consider the impact of both the motivation for forming partnerships (programmatic needs, organizational legitimacy), and the nature of the resulting partnerships (which partners, how the relationship is governed) on perceived outcomes for clients, inter-organizational relationships, and organizational learning. We find that client outcomes and inter-organizational relationships are enhanced when partnerships are formed to meet certain programmatic and organizational goals. Organizational learning, however, is only impacted when partnerships are formed to enhance organizational legitimacy. Partners selected because they share a common vision increase effectiveness, while those selected because there are few alternative partners decrease effectiveness. Finally, when partnerships use an inter-organizational coordination mechanism, client outcomes are improved. The policy implications of these impacts are developed. The results provide considerable support for the role of partnership motivation and partner selection in the effectiveness of strategic service delivery alliances, and specificity about the nature of that role.

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INTRODUCTION

Both the public and private management literatures have focused considerable attention on the formation of inter-organizational partnerships. By any measure, there has been a large increase in such alliances (Osborn and Hagedoom, 1997; O'Leary, Gerard and Bingham, 2006; Kettl, 2006). One increasingly popular model of inter-organizational partnerships is the formation of lead-organization networks in which public funding agencies develop a single contracting relationship with a lead organization, and then encourage or mandate the creation of a community-based network of service providers (Graddy and Chen 2006). Just as it often makes more sense to hire a general contractor to build your home rather than to try to hire and manage a slew of contractors yourself, so too it is often in the best interests of a public agency to hire a lead organization to integrate the network. Among those social service providers, nonprofit organizations long have been the providers of choice for local government. Many of them are thus asked by public funding agencies to lead the creation of community-based service delivery networks. Yet we are only beginning to explore the effectiveness of these lead-organizational network arrangements (Johnston and Romzek, 2008).

Here, we seek to understand the effectiveness of dyadic partnerships created within the lead-organizational networks to deliver publicly-funded services. In particular, we explore the role played by the lead organization's motivation for forming the partnerships and by the characteristics of the resulting partnerships. The formation and management costs of lead-organizational network structures are high. It is thus important to understand the impacts of lead agency's partnerships decisions. What are the factors that contribute to well-functioning lead-organizational networks? The failure rates of strategic alliances have been found to be high (Nilsson, 1997; Devlin & Bleackley, 1988). Understanding the association between partnerships characteristics and their effectiveness should inform the lead agency's decision to form dyadic partnerships within the network and enhance the likelihood of their survival. Therefore, empirical work that seeks to understand this relationship is important to nonprofit management research and practice.

The effectiveness of service delivery alliances can be assessed from several different perspectives –that of the clients, of the organizational partners, of the service "industry", and of the community. Ultimately service delivery collaborations should yield measurable improvements in client outcomes. But, the connection is difficult to demonstrate since clients often depend on services provided by multiple agencies, and client outcomes involve many other antecedent and mediating factors. We focus here on how effective the dyadic partnerships within the network are perceived by its lead organization.

In the next section, we develop the theoretical connection between partnership characteristics and effectiveness. Then, we explore our model with data on the delivery of family preservation services in Los Angeles County. We conclude with a discussion of the implications of our findings.

PARTNERSHIP CHARACTERISTICS AND EFFECTIVENESS

There has been a growing interest in understanding what determines the outcomes of inter-organizational alliance (Smith, Carroll and Ashord, 1995; McGuire, 2006 and Kelman, 2007). Recent efforts to understand the determinants of effectiveness in the broader set of partnerships suggest that partner reputation, prior relationships (a indicator of trust), shared decision-making, and similarity between partners are positively associated with alliance outcomes (Saxton, 1997). A small number of studies looked at the impact of inter-organizational collaborations and networks on improved perceived and actual client outcomes of social service program, such as mental health (Provan and Milward, 1995), early child care and education (Selden, Sowa and Sandfort, 2006), and welfare-to-work program (Ewalt, 2004). The results of this stream of research suggest that network integration, centralization and stability, and the intensity of the collaborative relationship are related to positive outcomes.

The heterogeneity of service delivery partnerships suggests that any effort to understand their effectiveness requires a multivariate approach. It is plausible that the outcomes of a partnership between two organizations will be impacted by the reasons the partnership was formed. The purpose of the relationship should be suggestive of the areas in which it is likely to be effective. But, partnerships formed for the same general purposes may differ substantially in how well the partners can and do work together. This suggests that nature of the partnership is also likely to impact its ultimate effectiveness.

Here we first develop the relationship between the lead agency's motivation for partnerships and their expected outcomes, and then we consider how the nature of those partnerships can mitigate this relationship.

MOTIVATION

The literature suggests two broad categories of benefits that lead organizations seek from strategic partnerships. They may seek a resource that they need for their activities but do not possess (resource exchange), or they may seek associational advantages from a well-respected or well-connected partner (organizational legitimacy). More specifically, in the public service delivery context, we develop two broad motivations that explain the formation of strategic partnerships between lead agency and their partnering organizations – to obtain resources to meet programmatic needs and to achieve organizational goals.

<u>Programmatic Needs.</u> Complex programmatic needs in social service delivery could drive the formation of partnerships. Individual organizations are constrained by technological, political, and cognitive limits in the face of complex, many-sided problems. A resource exchange view suggests that organizations will establish alliances when one organization has resources or capacities beneficial to, but not possessed by, another organization (Dyer and Singh, 1998). Establishing strategic alliances between organizations may afford an organization access to tacit knowledge and complementary skills, new technologies or markets, and the ability to provide a wider range of products and services beyond the organizational boundaries.

We identify five types of resource acquisitions that are likely to be important in helping lead providers of social services meet their programmatic needs: extra provision capacity for case overload, specific service expertise, geographic coverage, local knowledge and client access, and cultural and linguistic competence. A single social service agency may not have the capacity to handle growing caseloads alone. An individual agency is constrained in the number and types of services they can provide to clients due to agency tradition and specialization. There may be spatial restrictions on a social service provider's ability to serve clients scattered over a large geographic area. An organization may lack local knowledge and access to targeted clients. Its service staff may not be trained to provide services that must be adapted to accommodate language, culture, and racial/ethnic distinctions. Therefore, some partnerships will be strategically formed for their ability to provide such complementary resources.

Organizational Goals. Lead organizations may seek partnerships that enhance their legitimacy. We identify 3 such motivations – to meet funding agency expectations or requirements, to enhance organizational reputation, and to build future relationships. Local funding agencies are increasingly promoting a partnership plan as a condition for receiving service delivery contracts. If public funding is, or appears to be, contingent upon a collaborative plan, then social service agencies, which are dependent on public contracts, will comply. Such dependency on external resources has long been recognized as affecting an organization's strategic decisions (Aldrich, 1976), including its willingness to form partnerships (Oliver, 1990). Having remained at the forefront of social service provision, nonprofit social service agencies are increasingly engaging in networks and partnerships as a response to mandates from various public funders.

Partnerships can convey legitimacy in other ways. Institutional theory suggests that strategic alliances can originate from an organization's motives to improve its reputation, image, prestige, or congruence with prevailing norms in its institutional environment (Aldrich, 1976; DiMaggio & Power, 1983). Nonprofit social service organizations may thus choose to affiliate with a reputable organization to enhance its own reputation. This in turn may make it more competitive for public funding. Organizations may also seek partners because they want to build future relationships with them, either to enhance their ability to gain future contracts or to achieve other organizational goals.

OUTCOMES

It is reasonable to expect that the motivation for forming partnerships will affect their effectiveness. The expected nature of that impact, however, will depend on the dimension of effectiveness explored. We develop here the expected relationship between motivation and effectiveness.

We consider three dimensions of effectiveness – client goal achievement, improved inter-organizational relationships, and organizational learning. These different dimensions reflect the different types of goals that have been sought by lead agency from service delivery partnerships. The first – client goal achievement – refers to the primary purpose of most public-sector efforts to encourage inter-organizational partnerships – to gain resources that will improve public service delivery. The second – improved inter-organizational relationships – captures both potential collective and organizational benefits of partnerships. If partners work well together this may enhance the social capital in the community served. Better working relationships among organizations enhance the opportunity for community problem solving, and pave the way for better future relationships. Organizations themselves may also benefit if these relationships enhance their legitimacy.

The third dimension – organizational learning – most directly benefits the lead organization. If the partnership enhances the organization's learning, this may increase its capacity to effectively compete for future contracts, and may improve its ability to achieve its mission and goals. The mechanism for such learning often comes from working with another organization in developing a shared understanding of the problem and reaching a consensus of how to address it (Gray, 2000).

When partnerships with the network are formed to meet programmatic needs, we expect a strong positive association with client goal achievement. Since the partnership is viewed as providing programmatic components that are necessary for successful service delivery, the expectation is that the resulting service provision will be enhanced. If lead organizations come to rely on the specific expertise and capacity of their partners, this can lead to better collaborative processes and thus better outcomes (Doz and Hamel, 1998). Strong collaborative processes should enhance inter-organizational relationships; therefore, we also expect a positive association with this indicator of effectiveness. However, organizational learning may not be correlated with partnerships formed to meet programmatic needs. Therefore, we do not expect partnerships motivated by programmatic needs to necessarily promote organizational learning.

When partnerships are formed to enhance organizational legitimacy, we expect a positive effect on organizational learning and on improved inter-organizational relationships. Lead organizations seek to build their collaborative relationships with a respected organization not only to enhance their own reputation and gain greater legitimacy, but also to develop a foundation for future collaboration. Given these expectations, this motivation should be positively associated with these measures of effectiveness. However, when a lead organization is seeking a partner to position itself to receive funding, rather than because it views the partner as necessary to meet client goals, the partnership is presumably less likely to yield effective client outcomes. Therefore, we don't expect an impact on client goal achievement.

To summarize, partnerships formed to meet programmatic needs are expected to produce improved client outcomes and improved inter-organizational relationships. Partnerships formed to achieve organizational goals are expected to produce improved organizational learning and improved inter-organizational relationships.

PARTNERSHIP CHARACTERTISTICS

This expected relationship between the goals of partnerships and their effectiveness is likely to be mitigated by the characteristics of the partnership. How well partners work together will impact effectiveness. Given the transaction and coordination costs of inter-organizational collaborations, partnership characteristics that reduce these costs should enhance effectiveness. Key characteristics fall into two categories – specific partner relationships and partnership governance.

Organizations that have prior knowledge of each other, or that have similar missions should be viewed as more trustworthy, and trust lowers the transaction costs of partnerships. Coordination costs should be lower if there are formal agreements that define the nature of the partnerships and if there are inter-organizational groups or mechanisms that facilitate joint decision making. We develop next the expected role of partner and partnership characteristics in more detail.

Partners. Partnerships are inherently risky endeavors. Their integral characteristic is mutual interdependence, and this interdependence implies vulnerability to the behavior of one's partner. This vulnerability can be mitigated by selecting partners the organization views as trustworthy. Such trust can be viewed (Das and Teng, 2001) as incorporating both the intentions of a partner and its competence. Can and will the potential partner behave as expected?

If lead organizations can identify such partners, they can reduce the monitoring costs associated with collaboration, and significantly enhance the chance for effective partnerships. It is difficult to directly measure the informational costs associated with identifying desirable partners and with managing successful partnerships, but we include four proxy indicators of such costs. First, organizations should seek partners that share their organizational vision or mission. Partnerships between organizations with different visions are difficult to initiate and sustain because fundamentally different missions can create inter-organizational conflicts. The expectation of shared mission may be based on knowledge of a specific partner's goals and values, or based on more general expectations of the sector within which the organization operates. For example, nonprofit service delivery organizations often distrust the profit motives of all business organizations.

Second, lead organizations have the best knowledge of partners with whom they have had past collaborative experience. Thus, lead organizations should be more willing to form future partnerships with such organizations, especially if the past experiences were successful, and Gulati (1995) finds evidence to support this. In addition, with prior partnering experience, an organization builds expertise in their effective management. This expertise reduces transactions costs, and thus increases the willingness of an organization to form more partnerships.

Finally, there are search costs associated with finding partners. Social network theory introduces an organization's relationships with other organizations as facilitating or constraining an organization's internal and external capacity to join an alliance. Gulati (1995, 1998) argues that an organization's external capacity to join an alliance is constrained by that organization's social network. So lead organizations face supply side constraints on their ability to form alliances. In their study of network formation, Graddy and Chen (2006) found that even if lead organizations were willing to comply with a funding requirement to form a provider network, they were constrained by the availability of potential partners. In some cases, an organization may select a particular partner simply because they are not aware of alternative service providers.

When a lead organization seeks to reduce partnership costs by identifying trustworthy partners, we should observe lower monitoring costs, easier communication, and more joint decision-making. All of these should enhance partnership performance and thus improve client goal achievement and inter-organizational relationships. Such well-performing partnerships are also likely to provide spillover benefits to organizational learning. Thus, all dimensions of effectiveness should improve.

If, however, the lead organization has high search costs either due to capacity limitations in the community or due to its own lack of a social network, then all measures of effectiveness should suffer. If lead organizations select partners based solely on their availability, the resulting partnership is unlikely to be associated with improved client outcomes, stronger inter-organizational ties, or enhanced organizational learning.

Governance. Even with the most compatible partners, there are coordination costs associated with effective partnerships. Working together to meet programmatic needs requires some investment in mechanisms for coordination, the management of information, and accountability. We expect such processes to be facilitated by a written agreement defining the nature of the partnership. Written contracts or memoranda of understanding (MOUs) reduce ambiguity around roles and expectations. Moreover the process of writing those agreements can help develop an effective working relationship among the partners. Therefore, we expect formal partnerships, evidenced by a written contract or MOU, to be more effective in meeting client goals and to have better inter-organizational relationships and organizational learning.

The effective on-going management of partnerships requires some relationship-specific governance structure. There is evidence that partnerships with central mechanisms of control are more effective in meeting service delivery goals (Provan and Milward, 1995). Therefore, we expect partnerships that rely on Interorganizational committees to coordinate activities across the partners will be more effective in achieving client goals. Moreover, as these relation-specific assets develop, partners establish trust, learn (Cohen & Levinthal, 1990) and thus improve their working relationship. Therefore, we also expect a positive impact on improving inter-organizational relationships. We do not expect an effect on organizational outcomes.

Our model is summarized in Figure 1.

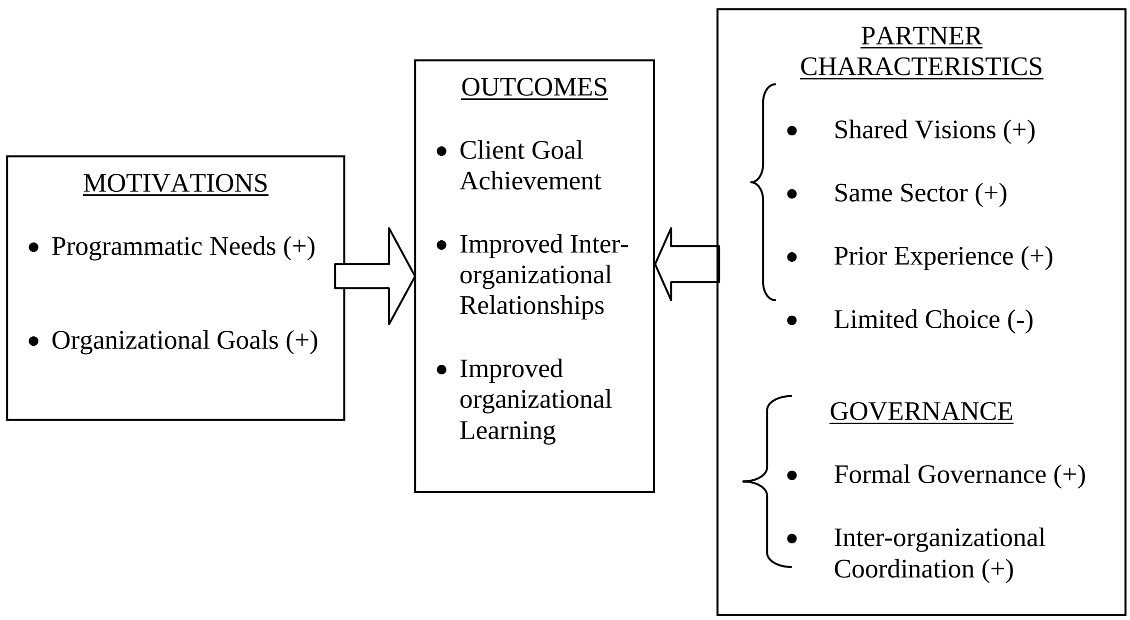
EMPIRICAL SPECIFICATION

We empirically explore the relationship between partnership characteristics and their effectiveness in the context of social service delivery in Los Angeles County. Here, we discuss our data and variable measurement. In the next section we present our analysis and the results.

Study Population

The population for this study is the social service agencies in the Family Preservation Program (FP) administered by the Los Angeles County Department of Children and Family Services (DCFS). In the context of rising foster care caseloads and increasing foster care costs, both federal and state governments became interested in time-limited, intensive home-based services to families in crisis. The aim of the interventions is to improve family functioning when children are at imminent risk of placement in foster care and to prevent this placement. The FP program in Los Angeles County is the largest of its kind in the United States.

Figure 1: Determinants of Perceived Partnership Effectiveness



Los Angeles County has a population of 10 million people living in about 90 incorporated cities and numerous additional neighborhoods, many of which are multiethnic communities. Children and family-related social services are both substantial and diverse. DCFS created 38 Community Family Preservation Networks (CFPN) in defined geographic areas throughout the county. For each area, DCFS contracts family preservation services to a lead agency through a Request for Proposal (RFP) process. The lead agency receiving the contract, which can be either a public or a nonprofit organization,[1] is asked to partner with one or more additional service providers to deliver a broad range of services to children and families. We study here the dyadic relationship formed when lead agencies form these partnerships.

Data Collection

We collected the data for this study. The Los Angeles County Department of Children and Family Services provided us with access to relevant official documents on the Family Preservation Program, identified key informants in the Department and in each Community Family Preservation Network, and endorsed our study. Based on information obtained in our review of program documents and interviews with DCFS staff, and the executive directors and Family Preservation program directors from 3

[1] Only public entities or nonprofit social service organizations that are tax exempt under 501(c)(3) of the Internal Revenue Code are qualified to bid on the RFPs.

lead agencies, we developed a survey instrument to collect data on CFPN lead agencies and their partners. The full 15-page survey included sections on the lead agency, the network structure, the partner organizations, and on network management. Here, we use data collected on partner organizations. The survey data were supplemented as necessary with contract information provided by DCFS.

As many as 34 lead agencies were slated for study. The survey was mailed[2] to the executive director or the family preservation program manager in each of the lead agencies/networks. The response rate was 76% -- with 26 of the 34 lead agencies completing the survey. One lead agency is not involved in any partnership and was dropped from the study. All the lead agencies are nonprofit social service providers.

The unit of analysis for this study is the dyadic relationship between a lead agency and each of its network partners. The 25 nonprofit lead agencies formed 132 partnerships to deliver up to eleven different family preservation services.

Variable Measurement

The variables are measured from lead agency responses to our survey questions.

Our dependent variables – the 3 measures of partnership effectiveness – were measured with the following 3 questions:

Client goal achievement	Overall, how effective is this collaboration in achieving the expected goals of serving Family Preservation Program clients?
Improved Inter-organizational Relationship	Overall, how would you rate the quality of working relationships that have developed between your organization and this partner organization as a result of this collaboration?
Improved Organizational Learning	Overall, to what extent has your organization's view on how to better serve Family Preservation Program clients been broadened as a result of listening to this partner organization's views?

Respondents were asked to select the number from a 7-point Likert scale (with 1 representing "Not At All" and 7 representing "Very Effective") that best indicates their assessment for each partner on each outcome. Table 1 presents the descriptive statistics of their responses. On average, the partnerships were viewed as effective in achieving these outcomes. Client goal achievement has the highest overall mean (and the lowest variance in responses) indicating this was the most successful outcome on average. Our measure of organizational development, broadened views, was on average the least successful outcome (with the largest variance), but even this outcome was rated highly.

[2] We used a mail survey because of the large amount of detailed information requested. This format allowed respondents to consult with other staff or colleagues for assistance in answering questions when necessary.

Table 1: Descriptive Statistics (n=132)

	Mean	Std. Dev.	Min	Max
OUTCOMES				
Client goal achievement	6.45	0.75	4	7
Improved inter-organizational relationships	6.36	1.03	3	7
Improved organizational learning	5.63	1.56	1	7
MOTIVATION				
Programmatic Needs				
Extra caseload capacity	2.27	2.07	1	7
Specific service expertise	5.28	2.44	1	7
Geographic coverage	4.08	2.65	1	7
Local knowledge & client access	3.93	2.51	1	7
Cultural & linguistic needs	3.83	2.75	1	7
Organizational Goals				
Funding agency preferences	3.30	2.47	1	7
Reputation enhancement	5.02	2.13	1	7
Building future relationships	4.87	2.34	1	7
CHARACTERISTICS				
Partners				
Shared vision	4.98	2.37	1	7
Same sector	0.80	0.40	0	1
Successful past collaboration	3.92	2.61	1	7
Few available partners	2.97	2.36	1	7
Governance				
Formal Governance	0.77	0.43	0	1
Interorganizational Coordination	0.17	0.19	0	1

Motivation and some partnership characteristic variables were formed by lead agency responses to questions about the importance of programmatic needs, organizational goals, and partner characteristics in their decision to form specific dyadic partnerships. More precisely, we asked the lead agency to select from a 7-point Likert scale (with 1 representing “not at all” and 7 representing “very important”) the number that best captured the importance of each factor for forming a specific partnership.

Among programmatic reasons to choose a particular partner, specific service expertise was the most important. For those seeking organizational goals, reputation enhancement was the most important motivation. Gaining capacity to cope with case overload was the least compelling rationale for forming a partnership.

The governance and sector variables were formed based on direct questions about the nature of the partnership. *Formal Governance* is a dummy variable that assumes a value of 1 in there is a written contract or MOU governing the relationship between the partners. *Same Sector* is a dummy variable that assumes a value of 1 if the lead agency and the partner are in the same sector (public, secular nonprofit, faith-based organization, business). *Interorganizational Coordination* is the percentage of time Interorganizational committees are used to coordinate activities between the lead agency and its partner. The summary statistics indicates that the majority of dyadic partnerships are governing by formal governance (77%), 80% of partners are in the same sector with the lead agency, and on average 17% of time inter-organizational committee are applied as a coordinating mechanism. We turn now to the estimation and analysis of our model.

ESTIMATION and ANALYSIS

The two-level structure of our data makes it inappropriate to apply a traditional linear regression analysis. Recall that the 132 dyadic relationships in our study are clustered within 25 networks. Relationships in the same network are presumably more similar than those in different networks. Thus, it is not reasonable to assume independence across pairs within a network. Dyadic partnerships operating in the same network are likely to share values on several variables. Some of these variables will not be observed, and their presence in the error term would violate estimation assumptions in the classical multivariate regression model. Put in terms of variance component models, the error terms have a group (in our case, a network) component and an individual (dyadic partnership) component. Group components are assumed to be independent across networks, but correlated within networks. Some groups might be more homogeneous than others, which means that the variances of the group components can differ (Bryk and Raudenbush, 1992).

Both fixed and random effects models can be used to estimate data where observations are clustered into groups. Fixed effects models, in the context of our research question, assume that all dyadic relationships associated with the same lead agency share a unique intercept in the linear model and this intercept is “fixed”. Random effects models, or Hierarchical Linear Models (HLM) with a random intercept, assume that all dyadic relationships in the same network share a common random error in addition to the traditional random error that is homoskedastic and independent at the individual level. Because of the common error at the network level, pairs in the same network are correlated, but pairs from different networks are assumed to be independent (Bryk and Raudenbush, 1992; Singer, 1998).

Each model has advantages and disadvantages. Fixed effects models use many degrees of freedom, rendering less precise estimates. Random effects models impose more restrictive assumptions on the variance-covariance structure of the error terms, namely that the individual observations in the different clusters are independent. In our study population, some organizations are partnering with multiple network lead agencies, thus the assumption of independence between the networks might be violated.

Since neither model is clearly preferred, we estimated both fixed-effects and random-effects models. The results of the two models are almost identical in terms of the estimated direction of the relationships and the statistical significance of the coefficients. This suggests that our estimates are robust across specifications, and provides us some confidence in our ability to make inferences. We present the results from the fixed-effects models in the next section.

Results

Table 2 presents the fixed-effects regression estimates of the impact of partnership motivation and characteristics on their effectiveness. We assess statistical significance based on a two-tailed test. The results reveal that the model is a good fit for the data for all 3 outcomes, thus providing support for the importance

Table 2: Fixed-Effects Regression of Partnership Motivation and Characteristics on Outcomes

	OUTCOMES		
	Client goal achievement	Improved inter-organizational relationships	Improved organizational learning
MOTIVATION			
Programmatic Needs			
Extra caseload capacity	0.103**	0.058	0.022
Specific service expertise	0.040	0.073**	0.030
Geographic coverage	0.127***	0.10**	0.097
Local knowledge & client access	0.020	0.060	-0.025
Cultural & linguistic needs	-0.020	-0.044	0.050
Organizational Goals			
Funding agency preferences	0.025	0.11**	0.196***
Reputation enhancement	0.12**	0.067	0.029
Building future relationships	-0.074*	0.015	0.003
CHARACTERISTICS			
Partners			
Shared vision	-0.007	0.083*	0.22***
Same sector	-.167	-.119	0.120
Successful past collaboration	-0.025	-0.067**	-0.019
Few available partners	-0.049	-0.09*	-0.213***
Governance			
Formal Governance	0.033	0.309	0.55*
Interorganizational Coordination	0.60*	0.49	0.248
Number of Observations	132	132	132
Prob > F (38, 93)	0.00	0.00	0.00
R-squared	0.74	0.74	0.82

* p < 0.1; ** p <0.05; *** p < 0.01

of partnership characteristics in perceived effectiveness. The variables have different impacts across the different outcomes, and we now consider them in some detail.

Programmatic needs. Forming partnerships to meet programmatic needs is positively associated with two indicators of effectiveness. As expected, partnerships formed to meet service delivery needs are positively associated with improved client outcomes and with better inter-organizational relationships. Partnerships formed to increase caseload capacity, and to obtain desired geographic coverage yield better client outcomes. Forming partnerships to improve geographic coverage and to obtain specific service expertise also improved inter-organizational relations. Obtaining specific service expertise from a partner requires interaction and learning, and this may promote communication and coordination across organizations. Communication and some joint decision making is normally needed to coordinate geographic coverage and this may explain the positive impact of these partnerships on inter-organizational relationships and on organizational learning.

Organizational goals. Partnerships formed to enhance organizational goals impacted all three indicators of effectiveness. As expected, forming partnerships to meet the expectations of the funding agency was positively associated with improving inter-organizational relationships and with organizational learning. The other two organizational motivations, however, did not affect these two perceived outcomes. Therefore, the impact of this motivation was less than expected. We did not expect partnerships formed to enhance organizational goals to improve client outcomes, but the results suggest they do. Partnerships formed to enhance the reputation of the organization are positively associated with client outcomes. Perhaps lead agencies formed these partnerships at least in part based on the expertise of the partners and there were associated spill-over benefits to service provision. Partnerships formed to lay the foundation for future relationships are negatively associated with achieving client goals. There is no reason to expect this motivation to have a positive effect, and the negative impact may simply reflect the presence of multiple goals by the organization that may undermine its focus on service delivery.

Partner characteristics. Partner characteristics affected two outcomes. Partners selected because of a shared vision have the expected positive impact on inter-organizational relationships and on organizational learning. Such partners appear to reduce transaction costs and thus improve the operation of the partnerships as expected. The impact of successful past collaborations, however, was not as expected. These partners had a negative impact on inter-organizational relationships. Perhaps multiple collaborations with the same partner raise concerns about dependency. This relationship may be a non-linear one – reducing transaction costs up to a point, and then raising other concerns that undermine the effectiveness of the relationship. Both Gulati (1995) and Saxton (1997) found such a pattern. Finally, partners selected because the lead agency believed there were few available partners had the expected negative impact on both inter-organizational relationships and on organizational learning. Not surprisingly, partners selected largely because they are the only alternative do not produce effective relationships. None of these variables impacted client outcomes.

Governance characteristics. Finally, the formal partnership governance affected the improved organizational learning. *Inter-organizational Coordination* only affected the outcome of goal achievement in our sample. Partnerships that rely more heavily on inter-organizational committees to coordinate partnership activities are more effective in achieving client goals. There effect was as expected and presumably reflects the benefits to clients of joint decision-making mechanisms that can coordinate service delivery.

CONCLUSION

The use of lead-organizational networks among nonprofit organizations to deliver publicly funded services is a growing reality (Goldsmith & Eggers, 2004). However, little scholarly attention has been devoted to understanding the factors that promote well-functioning lead-organizational networks. In an era when working together is often required, it is not clear how to do so effectively. Both public and private organizations would benefit from more systematic empirical investigations of the factors that impact partnership performance in practice. Here, we considered the role of partnership motivation and characteristics on their effectiveness.

Organizations form partnerships for a variety of reasons. In this study, we considered two broad categories of motivations – programmatic needs, and organizational goals. Both motivations were found to affect outcomes, but their impacts differed. The differences have policy implications for funding agencies seeking to promote the lead-organizational networks, and for the lead organizations.

The public sector is usually interested in the ability of partnerships to improve client outcomes or to aid the development of the social network of communities to enhance their problem-solving capacity. Our results suggest that both are impacted by efforts to meet programmatic needs, and thus are likely to be impacted by contract requirements. The results suggest that RFPs covering larger contracts and broader geographic areas may encourage partnerships that ultimately benefit clients, presumably through more integrated service delivery and richer service choices. Similarly RFPs requiring multiple services and broader geographic coverage should help communities, if the improved inter-organizational relationships produced by these partnerships create denser social networks that can be tapped for community problem solving.

It will also be encouraging to funding agencies, that partnerships formed largely to meet the requirements or preferences of the funding agency enhance both inter-organizational relationships and the lead organization's own learning. Thus, this policy instrument seems to support the social network goals of service delivery partnerships. Unfortunately, it seems insufficient to produce improved direct client outcomes.

For organizations seeking to enhance their own learning via such partnerships, our results suggest that seeking specific partners with a shared vision is very important. For both the organization and the funding agencies, efforts to increase knowledge about available partners are likely to yield important dividends, as partners "of convenience" do not produce successful partnerships.

Finally, the results provide only limited support for the impact of governance arrangements on effectiveness. Partnerships making more decisions via integrated mechanisms were viewed as more effective in client outcomes, but this was the only impact. More nuanced structure variables may be needed fur further exploration of this relationship.

Although our results are very interesting, additional work is needed to understand the determinants of lead-organizational network effectiveness. First, it is difficult to discern causality from cross-sectional data. The use of time-series data would allow the observation of changes in assessments of outcomes over time and thus inform the causality question. Another concern is the self-reported nature of the data used to construct the dependent variable. Self-reported data do not reflect objective outcomes, and it is important to learn the impact of service delivery partnerships on objective indicators of client outcomes. Nevertheless, it is also important to understand the determinants of perceived effectiveness, as organizational perceptions will determine their willingness to enter and invest in such relationships. There is also a potential "social desirability bias" in these self-reported data as there might be a tendency for organizations to over value their collaborative outcomes. Finally, our analysis is focused on a single type of services, family preservation services, and a single location, Los Angeles County. There are 11 different social services included in our study, but the effectiveness of service delivery alliances may vary for services with characteristics that are substantially different from these social services. Los Angeles County houses a complex and diverse set of communities. This complexity may make partnerships more necessary and viewed as more valuable than might be the case in more homogeneous settings.

Nevertheless, our results provide considerable support for the importance of partnership motivation and characteristics in collaborative outcomes, and specificity about the nature of that role. This work offers policy design guidance for public agencies interested in using lead-organizational networks to achieve client and community goals. Finally, it contributes to our understanding of the factors that determine effective alliances, and should provide guidance for both public and private organizations as they consider how to structure successful partnerships.

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