

**Collaboration of New Zealand's Expressive  
Civil Society Organisations amidst Neoliberalism**

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A thesis submitted to Auckland University of Technology in fulfilment of the requirements for  
the degree of  
Doctor of Philosophy (PhD)

2017

Faculty of Business, Economics and Law

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## 1. ABSTRACT

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Despite extensive scholarly interest in the topic of collaboration, there remains little academic literature at its intersection with New Zealand 114,000 civil society organisations that deliver non-profitable social services and/or community outlets for human expression. These organisations expend around 5% of the country's gross domestic product and engage around 75% of the nation's population; thus, they add significant value to New Zealand's economy and society. Since the advent of neoliberal policies during the 1980s, it is argued that the introduction of contracting, as the primary way government funds the sector, has undermined these organisations. Furthermore, it is contended that under neoliberalism, rather than collaboration generating beneficial outcomes that create synergy to address society's wicked social problems, competitive contracting may be disadvantageous.

A unique feature of New Zealand's civil society sector is that most of its organisations support individual expression through activities such as culture, recreation and religion. A minority deliver tangible social services including housing or welfare. Due to the distinctive strength of New Zealand's expressive organisations, this thesis aims to understand how value might be created through collaborations of this subsector.

Therefore, through a lens of management theory, three questions guided the research: Why do New Zealand expressive civil society organisations collaborate? What obstacles do they encounter when collaborating? And how do they constructively collaborate?

Adopting a constructionist philosophy, the research strategy utilised Grounded Theory. Rather than testing theoretical assertions produced from literature, participants were interviewed so that mid-range theories could be generated from findings. These theories are expressed through propositions that sought to accurately convey the experiences of the 28 participants, who were either managers of expressive organisations, or representatives of their primary stakeholders.

Of the propositions that emerged through the research, 14 concerned the motivation for collaboration. Here, it was found that civil society organisations principally collaborate to acquire and manage resources. Yet, importantly, they also collaborate to bring about transformation that positively impacts their respective causes through individual/organisational learning, organisational programming, advocacy, and to extend the scale of organisational vision. A further 20 propositions concerned obstacles impeding collaborations. These included resource

scarcity, organisational incapability, and organisational cultures perceived as negative. The overarching theme to emerge was that, for many organisations, collaboration is itself perceived as a wicked social problem. More hopefully, a further 24 propositions were generated to explain how organisations go about collaborating constructively amidst neoliberalism. Insights for civil society stakeholders included the importance of creating a healthy collaborative culture, actively portraying desirable collaborative characteristics, and clearly articulating structures, goals and evaluation of collaborations.

Much current debate concerning New Zealand's civil society sector continues a thirty-year tradition that stalwartly argues for a reversal of neoliberal policies. Taking a divergent approach, this thesis contends neoliberalism is firmly embedded within New Zealand society. Therefore, through empiricism, its contribution is to unearth obstacles besetting collaboration within this environment, and to identify constructive strategies for working with others to create individual and sectoral efficiency and innovations that will assist civil society organisations achieve their aims, including the resolution of wicked social problems.

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### 3. ATTESTATION OF AUTHORSHIP

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I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university of higher learning.



Signed: \_\_\_\_\_

Dated: May 1 2017

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## 6. LIST OF ABBREVIATIONS

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CSO	Civil Society Organisation
CSS	Civil Society Sector
ECSO	Expressive Civil Society Organisation
UK	United Kingdom
US	United States of America

NB: Use of the terms ‘government’ and ‘state’ have been used interchangeably in this thesis.

## 7. ACKNOWLEDGEMENTS

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PhDs consume time away from family and work. For this researcher, preliminary qualifications had first to be earned. For family, this meant a prolonged period without my contributing fairly to everyday living costs. Therefore, I would like first to thank Catherine, Alysha, Natasha and Nick for the sacrifices they have endured. I am indebted to them for their support as I pursued my interests at their expense but also for their encouragement when I wondered if I could make any sense of the myriad of data accumulating from interviews.

Apart from family, this research would not have been possible if it were not the Vice Chancellors' Doctoral Scholarship. This fund paid student fees and granted an annual stipend, which ensured mortgage repayments were met. In 2014, I was very grateful to have been awarded a postgraduate scholarship from the Freemasons. This grant fund represents significant generosity to New Zealanders in that applications are only considered from those who are not Freemasons. I am also very thankful to the New Zealand Work Research Institute who provided a postgraduate scholarship in 2015.

I have been supported by a sensational academic team. The project began by dialogue with Associate Professor Coral Ingley and Dr Irene Ryan. Through their guidance, an initial research proposal was submitted and approved. For two years, Professor Tim Bentley offered encouraging and thoughtful input as second supervisor. Upon his departure from Auckland University of Technology to Massey University, Professor Erling Rasmussen, the management department's head, took up the reigns of critiquing and offering insights, provoking development of my academic thinking and writing.

Furthermore, huge thanks are extended to Auckland University of Technology's University Director of Diversity and New Zealand's first Professor of Diversity, Edwina Pio. She tirelessly acted as first supervisor for the thesis' duration. Edwina's attention to detail, commitment to excellence, constructive critique and constant encouragement has made the journey into academia a pleasure.

Lastly, I want to thank the research participants. They represent a fraction of volunteers and professionals who sense a call to add value to human lives across New Zealand and the world. Often these servants of humanity are invisible and go unnoticed; yet we are immeasurably impacted by their work. *Kia kaha!* (stay strong).

### 1.1 WHY STUDY COLLABORATION OF NEW ZEALAND'S EXPRESSIVE CIVIL SOCIETY ORGANISATIONS?

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At the beginning of the new millennium, the current researcher acted as Chief Executive for a youth organisation operating on deficit budgets. As with most traditional youth organisations in New Zealand at that time, not only were finances of significant concern, retaining and recruiting new membership was equally challenging. The researcher's organisation had experienced 35 years of progressive membership decline and annual losses were peaking at 10%. Within this environment, he struck upon the idea of collaborating with a kindred organisation that shared similar values and objectives to his own. Following agreement from the Board of both organisations, they met to discuss the possibility. The session began with the external facilitator asking attendees to create a human continuum. One end of the room was designated for those strongly in favour of the potential for collaboration and the other for those strongly opposed to the idea. Regardless of organisation, most trustees moved to the 'opposed' sector of the continuum, the current researcher stood alone on the far edge of favouring the proposal. This experience along with similar events that have since occurred, signifies the initial impetus underlying this thesis.

Yet, interest and significance of this research is rooted in more than the simple personal desire to know 'what was that about' and to understand why the researcher stood alone? Preparatory reading for the thesis included scanning the Scopus databases for all scholarly publications on the topic of collaboration. The database returned over 210,000 academic articles, indicating that volumes has been written on the subject of collaboration across many disciplines including strategy, organisational theory, entrepreneurship, marketing, public policy and administration, operations management, and industrial ecology. While this might suggest the subject matter had been saturated and that nothing was left to be discovered, the more reading that was undertaken, the more questions that were unanswered began to emerge. For example, because the term collaboration has been employed excessively, elusively and inconsistently across all sectors of society (Berger, Cunningham, & Drumwright, 2004; Gajda, 2004; Salamon, 2004), there is no agreed definition as to what constitutes collaboration. Indeed, scholars identify a collaborative continuum including informal approaches such as co-ordination at one extreme, to mergers at the other (Murray, 1998; Roberts & O'Connor, 2008).

Importantly, literature contends collaboration can produce innovative synergy, which is good for business. Hence, when systematically reviewing scholarly literature on business–business collaborations, Pittaway, Robertson, Munir, Denyer, and Neely (2004) posited that many scientific and technological breakthroughs were achieved, including increases in product improvement and new product development across high-tech industries (Gemünden, Heydebreck, & Herden, 1992). Equally, many scholars, commentators and practitioners contend that collaboration is essential for resolving the highly complex, social problems of contemporary society (Austin, Hesselbein, & Whitehead, 2000; Austin & Wei-Skillern, 2006; Bryson, Crosby, & Stone, 2006; Cairns & Harris, 2011; Grint, 2005, 2008; Lambell, Ramia, Nyland, & Michelotti, 2008; Linden, 2002; McMorland & Eraković, 2013; Seitanidi, 2008; Selsky & Parker, 2005). Yet, while there is an overabundance of theory asserting that collaboration is needed to address the world's wicked social problems, there remains a lack of empirical evidence in support of these claims. Rather, Atkinson (2007) alluded to scholars who considered collaboration may have destructive, rather than beneficial effects for many organisations seeking to address social problems.

Atouba and Shumate (2014) illustrate the potential for collaborative counter-productivity when examining the relationship between international organisations focussed on combatting infectious diseases. These authors identified that financially powerful organisations dominated and controlled their weaker, emerging world colleagues by demanding one-way reporting. Their findings also exposed gaps in our understanding of collaborations between organisations that may have significantly different geographic bases, or ways of operating. Their research concluded with echoing the calls of others for greater understanding of the benefits and drawbacks of dominant collaborative partners (Arts, 2002; Christoffersen, 2013; Milbourne & Cushman, 2013).

A further gap concerning our knowledge of collaboration was identified through the study of Wassmer et al. (2014) who explored environmental organisations. These authors concluded that much literature in the context of their study was practitioner-oriented, limited to description, offered weak theoretical foundations and failed to offer explanation for why collaboration was beneficial. Significantly, they called for more research on collaboration in the context of environmental organisations that was empirical and grounded in its design.

The context of this thesis is focused exclusively on collaborations by CSOs, otherwise referred to as non-profit organisations. These organisations operate in a unique space bordering the market-

driven commercialism of business and the complexities of the public sector (Sanders, 2012). They include loose associations of likeminded people without assets, to multibillion dollar organisations, including universities and hospitals, which may have thousands of employees (Dicke, 2010; Hall, 2010). Regardless of size, CSOs function to deliver non-profitable social services and/or to provide outlets for human expression that enriches life (Salamon & Sokolowski, 2004). These authors specify that expressive CSOs, which are at the forefront of this research, include seven subsectors: those primarily concerned with advocacy, culture and recreation, environment and animal protection, international aid, philanthropic trusts, professional associations, and religion.

While it has been contended that managerial study into the civil society sector (CSS) was insufficient and lagged well behind research in the public and commercial sectors (Hall & Banting, 2000; Kearns & Scarpino, 1996), Atouba and Shumate (2014) asserted that scholarly interest has thrived in accord with the growth of civil society, which has been globally exponential since the 1990s (Salamon, 1994). The expansion of CSOs has been largely attributed to respective governments' funding of non-profitable organisations to take greater responsibility for delivering core social services that the state had historically delivered (Milbourne & Cushman, 2013). As governments were out-sourcing social service delivery to CSOs, they were also introducing neoliberal economic policies associated with marketisation (Boas & Gans-Morse, 2009; Jessop, 2002). One impact of this new economic direction as it related to the CSS was that rather than governments supporting CSOs through untagged grants-in-aid as was traditional practice, organisations were now required to competitively bid for supplying state social services. This process was commonly referred to as contracting (Buchanan, 2004; Sanders, O'Brien, Tennant, Sokolowski, & Salamon, 2008; Senior, 2011; Stace & Cumming, 2006; Weisbrod, 1997). Many scholars have contended this novel approach radically impacted CSO operations and undermined the sector (Brown, 2000; Datson, 1998).

In New Zealand and elsewhere much has been written by academics, commentators and practitioners condemning neoliberal policies of the state associated with contracting. Here it has been contended that contracting caused immense funding distress (Community and Voluntary Sector Working Party, 2001; Eweje, 2007; New Zealand Council of Christian Social Services, 2016), loss of autonomy (Cairns, Harris, & Young, 2005; Community and Voluntary Sector Working Party, 2001; Rogers, 2007; Sam & Jackson, 2004; Smyth, 1995; Tennant, Sanders, O'Brien, & Castle, 2006), impeded effectiveness (Cribb, 2006; Ernst and Young, 1996; Family and Community Services and the Office for the Community and Voluntary Sector, 2005; New

Zealand Council of Christian Social Services, 1998; Wilson, Hendricks, & Smithies, 2001), impeded advocacy (Grey & Sedgwick, 2013), reduced volunteer and paid staffing (Guo, 2007; Hudson, 1999; Larner & Craig, 2005; Wilson et al., 2001), significantly damaged the CSS–government relationship (Glensor, 2006; Larner & Craig, 2005; O’Brien, Sanders, & Tennant, 2009; Stace & Cumming, 2006) and thus, that it fundamentally changed how CSOs collaborate. It was argued that, historically, informal collaborations were the norm within the CSS. Knowledge sharing, an important reason for CSO collaboration (Rathi, Given, & Forcier, 2014), was freely distributed as it added value by improving overall social service quality. Inversely, in pursuit of financial survival through contracting, strategies of competitive advantage guided what information was passed on and what was withheld (Atkinson, 2007; Bode, 2006; Considine, O’Sullivan, & Nguyen, 2014; Shaw, Zink, & Lynch, 2012).

Accordingly, due to the impact of neoliberalism, save from recent scholarly interest in New Zealand’s CSS collaborations associated with corporate social responsibility (Eweje, 2007; Lee, 2011; Palakshappa, Bulmer, Eweje, & Kitchen, 2010b), much literature on collaboration in this geographic context has concentrated on addressing issues related to CSS–government relationships (Atkinson, 2007), or to what Hill and Lynn (2003) termed rational choice theories for collaboration. These theories contend that CSOs principally collaborate due to their need for acquiring and efficiently using resources - especially funds (Ebaugh, Chafetz, & Pipes, 2007; Guo & Acar, 2005). This emphasis on the CSS–government relationship has left significant gaps to our comprehensive understanding of collaboration in the wider context of New Zealand’s CSS.

While knowledge gaps on the subject of collaboration have included empirical data that dis/proves whether collaboration offers innovative synergy that might assist CSOs to globally resolve the complex social challenges of our age, many authors also contend there is a generalised lack of research evaluating CSS collaborations (Allen, 2005; Foster-Fishman, Salem, & Allen, 2001b). Here questions include how different stakeholders perceive balance is achieved between assessing the ‘hard’ metric agendas of quantifiable outcomes, such as reducing duplications, making gains in administrative efficiency or enhancing service delivery (Christoffersen, 2013; Gray, 2002), against the ‘soft’ measures associated with process, including measurement of trust, forbearance, reciprocity and opportunism (Parkhe, 1993) within collaborative relationships.

Additionally, CSOs collaborate with a wide array of stakeholders beyond governments. These

include working with clients, donors, employees, local communities, members, professional bodies, suppliers, trustees and, of course, volunteers. Yet, the extent of knowledge related to many of these relationships is limited (Bode, 2006; Cnaan & Kang, 2010; Considine et al., 2014; Eweje & Palakshappa, 2008; Lyons, 2001; Rechtman, 2004; Shaw et al., 2012).

Moreover, New Zealand, which is the geographic context for this thesis, presents important opportunities to further our understanding of CSO collaboration. With respect to neoliberalism, Lerner and Craig (2005) asserted that its outworking by government in New Zealand was more determined than anywhere around the globe. So much so, that Datson (1998) contended neoliberalism risked damaging the entire fabric of New Zealand's CSS. However, this thesis does not continue the well-worn critique of neoliberal economic policies by CSO stakeholders and theoreticians who argue for its revocation, rather the thesis accepts the presence of neoliberalism and examines CSO collaborations within the context of New Zealand's 'extreme' example of this economic approach.

A further reason why New Zealand has been selected as the geographic context for this thesis is as around two-thirds of the international CSS comprises organisations that primarily provide tangible social services (Salamon, Sokolowski, & List, 2003; Sanders et al., 2008). The remaining one third are expressive civil society organisations (ECSOs). Despite this important distinction, most literature assumes the sector to be unitary (Guo & Acar, 2005). As the sector is commonly assumed to be uniform, and because most CSOs around the globe primarily deliver social services, it is possible, even likely, that most CSS research focuses on these types of organisations. If so, our understanding of the CSS may be distorted. Yet, New Zealand's CSS is atypical. Its tangible social service subsectors comprise only one-third of the sector (Statistics New Zealand, 2007), while the expressive subsectors that support 'artistic, spiritual, cultural, ethnic, occupational, social and recreational impulses and sentiments' (Salamon & Sokolowski, 2004, p.23) are twice in number. This unique distinctive in the context of New Zealand creates opportunities to learn about collaboration, specifically from the perspective of its 79,000 expressive civil society organisations (ECSOs) (Statistics New Zealand, 2015). One example of the potential for learning through exploring only ECSOs is that they are less reliant on governments for funding than are their social-service counterparts (Boris & Steuerle, 1999; Statistics New Zealand, 2015; Tennant, Sanders, O'Brien, & Castle, 2006). Why is this so, and does it have any impact on why or how ECSOs collaborate?

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## 1.2 RESEARCH SIGNIFICANCE



Outputs associated with this thesis hold personal value and meaning for the current researcher who has been an active participant within the CSS for over 30 years. He has held roles as a volunteer, manager, consultant, trustee and donor to local, national and international CSOs. Yet, the importance of the research extends much further than his own personal professional development.

Datson (1998, p.85) argued that historically little was known of the CSS by the wider New Zealand population; they were commonly thought of as invisible or little more than optional extras, “hobby clubs for do-gooders that should be run on a shoestring budget”. Data released by Grant Thornton (2014) has since indicated this perception invalid. Similarly, latest figures (2013 census) from Statistics New Zealand (2015) indicate the presence of more than 114,000 CSOs serving a small national population of around 4.2 million. Per capita, this represents one of the largest international CSSs of any nation (Sanders et al., 2008). In 2008, New Zealand’s CSS collectively engaged a total of 200,605 equivalent full-time workers, which equated to 9.6% of the economically active population. This percentage compared with an international average of 5.6% (Salamon & Sokolowski). Additionally, government invested NZ\$9.4 billion (Statistics New Zealand, 2015) into the sector in 2013, and CSOs collectively expended just under 5% of the domestic economy thereby making New Zealand’s CSS larger than its construction, transportation and utility sectors combined (Sanders et al., 2008). Furthermore, around 75% of New Zealand’s population aged ten years and over are involved in the sector through volunteering, donating, purchasing products and/or participating in activities. Thus the sector offers significant economic and social value to New Zealand (Hudson, 1999).

Consequently, by understanding more of collaborative obstacles and discovering how they might be overcome not only offers potential to enhance the CSS’s efficiency, but also its effectiveness in resolving the seemingly embedded highly complex, wicked social problems of our age.

### 1.3 RESEARCH AIM, QUESTIONS AND METHODOLOGY

Considering the CSS’s importance to New Zealand society and the current gaps in our knowledge of the sector, the purpose of this thesis is to contribute an understanding of collaboration by New Zealand’s ECSOs amidst neoliberalism. The aim of this research is to enhance value created through CSS collaborations. To achieve this aim, three primary questions guided the research:

- 1) Why do ECSOs collaborate?

- 2) What obstacles do they encounter when collaborating?
- 3) How they collaborate constructively?

The philosophical approach underpinning this research is constructionism. Here, nature and its cultures are dynamic, constantly evolving (Becker, 1982) and based on interpretation (Weber, 1947). The research strategy of constructionists commonly utilises qualitative questions (Walsham, 1993) that inductively investigate the subject of enquiry by asking participants to describe experiences, so that researchers may gain understanding of how and why social processes occur (Charmaz, 2008). The approach does not aim to produce statistical generalisations but rather is intent on generating theory (Ragin, 1991) derived from the words used and the meaning given them by participants, within their context.

In addition to a post-positivist qualitative frame, the research was also guided by Grounded Theory (Glaser & Strauss, 1967), which is said to be of value for identifying social processes (Glaser, 1978; Urquhart, Lehmann, & Myers, 2010), and which may uncover ideas that participants themselves are unaware (Glaser, 1998). Charmaz (2008a) critiques use of Grounded Theory for positivistic research. She contends the methodology should rather be used from a constructionist paradigm. Here it “takes a systematic, inductive, comparative, and interactive approach to inquiry” (p.156), that generates emergent theories from rich findings closely tied to data and which accurately explain it (Charmaz, 2008; Orlikowski, 1993), as opposed to proving, or disproving preconceived hypotheses found in literature. Therefore the approach offers merit in contexts where little is currently known (Easterbrook, Singer, Storey, & Damian, 2008).

The research protocol involved interviewing 28 participants who were either ECSO managers or primary stakeholders with whom the ECSO managers collaborated. In line with Constructionist Grounded Theory, an initial purposeful sample of ECSO managers were selected to include representatives from each of the seven major expressive subsector groupings of organisations. Theoretical sampling was then employed to select the balance of participants, all of whom were ECSO stakeholders. The latter selection process involved an iterative process of data collection and analysis, to progressively select where the next ‘slice of data’ should be gathered (Glaser & Strauss, 1967; Hood, 2007; Richards, 2009). By interviewing both ECSO managers and their primary stakeholders, a form of triangulation was achieved and enhanced the credibility of findings (Lincoln & Guba, 1985; Urquhart et al., 2010).

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## 1.4 THESIS STRUCTURE

The thesis comprises nine chapters. Aside from chapter 1, chapters 2 and 3 preface the research by providing context, or theoretical sensitivity (Giles, King, & de Lacey, 2013; Glaser & Strauss, 1967) to the topics of CSOs and collaboration. This is delivered through a review of extant literature. Yet, in accord with the constructionist approach to Grounded Theory, the objective of the literature review was not to determine research direction, as this must be guided from within the field of enquiry (Glaser, 1978, 2001), rather its primary purpose was to identify data of value for developing appropriate categories during analysis (Glaser & Strauss, 1967; Strauss & Corbin, 1998; Urquhart et al., 2010).

Chapter 4 presents the methodological position, and the research design, including methods of data collection and analysis. It also introduces research participants who stand at the centre of studies employing Grounded Theory (Charmaz, 2006; Lincoln & Guba, 1985).

Chapter 5, 6 and 7 present research findings as they applied to participants in New Zealand amidst neoliberalism. The focus of chapter 5 is to address what, who and why ECSOs collaborate. Chapter 6 concentrates on obstacles to ECSO collaboration, and chapter 7 examines how ECSOs constructively collaborate. A series of propositions or emergent theories (Charmaz, 2008) are developed in each of the three findings chapters. These propositions are then further abstracted in chapter 8 and integrated with literature.

Chapter 9 concludes the thesis by emphasising its contribution through reflecting on the research aim and questions. It also highlights important implications for theorists, policymakers and ECSO stakeholders. Finally, limitations of the research and avenues for future research conclude the thesis. The structure of the thesis is outlined in figure 1.

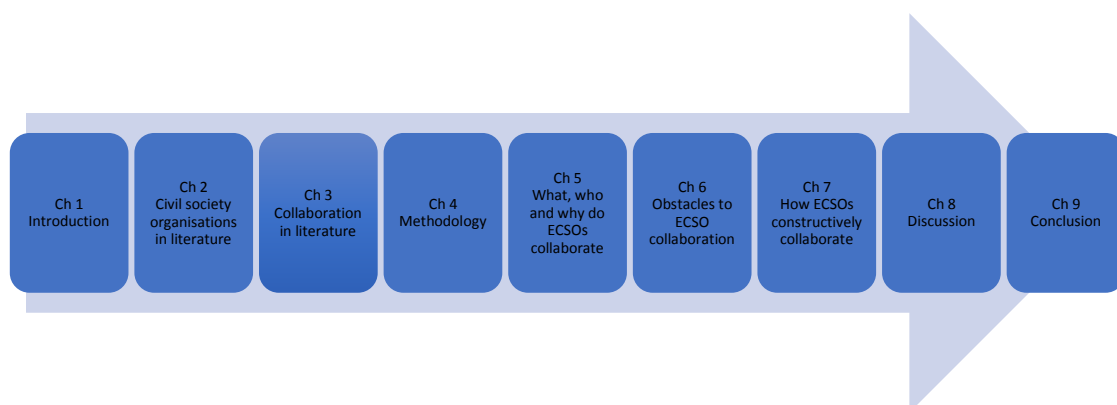


FIGURE 1: Thesis structure

### 2.1 INTRODUCTION

In line with Grounded Theory, the goal of this chapter is not to develop theoretical frames or hypotheses that can be tested (Creswell, 1998; Urquhart et al., 2010), rather its intent is limited to contextualising the thesis within New Zealand's CSS. Discussion begins by centring on defining the sector. This includes consideration of an overarching label for the sector, common characteristics of CSOs, sectoral boundaries, and the importance of these organisations in society. Next, the unique background and characteristics of the New Zealand CSS, which has emerged from a combination of indigenous and colonial culture along with the creation of the welfare state is explored. The chapter concludes by addressing neoliberal economic policies that were introduced by governments in many British Commonwealth jurisdictions, during the 1980s, and which many scholars have argued had significant negative impacts on the sector internationally and particularly for CSOs based within New Zealand.

At the close of the chapter is a series of propositions concerning CSOs that summarise literature pertinent to the thesis. These propositions, along with those contained in chapter three serve to contextualise the research. The purpose of this context is to aid the early stages of data analysis by identifying significant issues which are later discussed in detail throughout chapter eight. The structure of this chapter is depicted in figure 2.

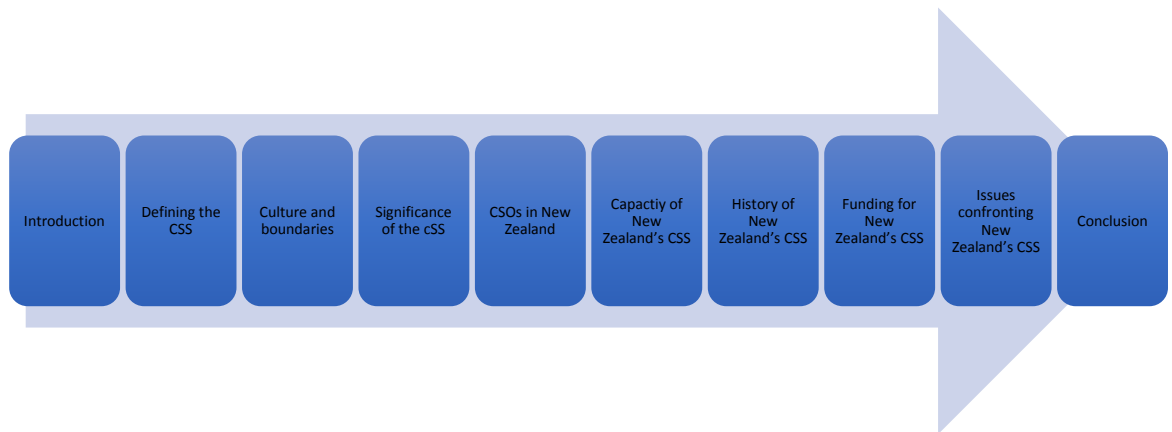
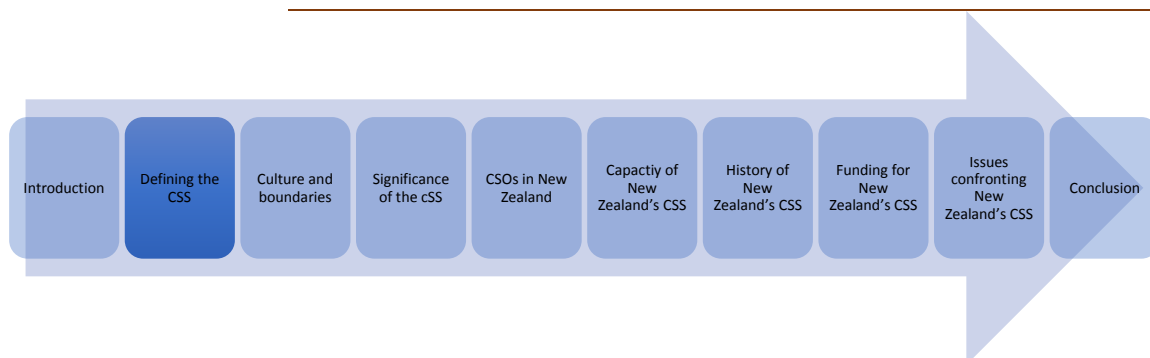


FIGURE 2: Structure of chapter 2

## 2.2 DEFINING THE CSS



In seeking to define CSOs, literature employs a variety of terms. These commonly focus on describing the sector as a whole on the basis of the economic standing, legal status or the cause for which an individual organisation within the sector exists (Salamon & Sokolowski, 2004). This approach has led to use of descriptors such as the voluntary, charitable or third sector (James, 1997). Other phrases employed include community, welfare, non-government, independent, not for profit, non-profit, fourth sector, associations, the social sector, and common good organisations (Collins, 2005; McMorland & Eraković, 2013; Salamon & Sokolowski, 2004; Tennant et al., 2006).

With such multiplicity, Senior (2011) posited no blueprint for defining the sector exists. Similarly, the Community and Voluntary Sector Working Party (2001, p.25) suggested “there is no widely accepted definition or understanding of the community sector in New Zealand”. This is because each term is contestable (Robinson, 1993). For example, definitions centred on financial or legal aspects of an organisation, such as non-profit, are inappropriate, as they fail to encapsulate the core social mission (Quarter & Richmond, 2001) that is vital to personnel working within the sector (Drucker, 2002). Furthermore, many of the definitions based around the cause or purpose of an organisation are subjective, encapsulating the mission of one sub-group within the sector at expense to others. Thus, organisations predominantly employing volunteers are typically non-profit institutions. However, based on international research in 2004 that spanned 35 countries, the sector remunerated 56% of its full-time equivalent staff, leaving only 44% of those working in the sector doing so voluntarily (Salamon & Sokolowski, 2004). Furthermore, Fowler (2002) noted that the sector included professional co-operatives and mutual associations that rely exclusively on paid labour.

An overarching international term increasingly recognised to describe organisations within the sector is ‘civil society organisations’ or, as it is often abbreviated, ‘civil society’. This term is commonly used within social sciences where it is understood to have a breadth of definition.

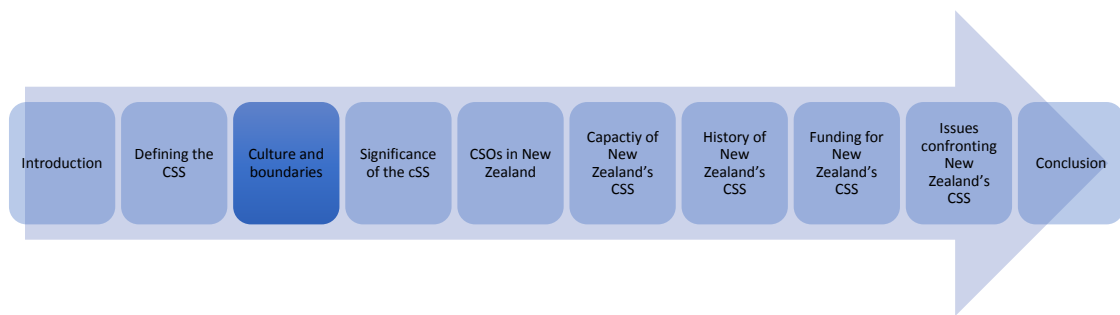
*From its early origins in the Scottish Enlightenment, through its use by Hegel, to its recent incarnations in the work of Antonio Gramsci and in the struggles for independence from Soviet rule and independence from Central Europe, the concept of civil society has been mobilised to refer to everything from private economic activity, to family life, to popular political action outside the control of the state (Salamon & Sokolowski, 2004, p.65).*

Similarly, Fowler (2002) asserted that civil society has continued to emerge at differing stages throughout history. He contended its beginnings dated back to the Roman Empire. For him, civil society explained “an arena of voluntary formal and informal collective citizen engagement distinct from family, state and profit-seeking institutions” (p.288). He posited that this definition excluded the possibility that civil society could be reduced to any one sector of society. Therefore, for him scholars who referred to non-profit organisations as CSOs were in error, as commonly their research made no reference to political discourse, which he perceived as a mandatory component of civil society.

Yet, Fowler’s (2002) view stands in contrast to a growing international trend since the mid-1980s that refers to non-profit organisations as CSOs (Brett, 1993). For example, Salamon and Sokolowski (2004) suggested that all attempts to define civil society share, at their core, the concept of private associational life that operates outside the confines of government or business. “They bring people together for joint activity without the need for official auspices. They thus provide vehicles for individual initiative for the common good” (Salamon & Sokolowski, 2004, p.65). Moreover, the World Health Organisation (2014) asserted “The increasingly accepted understanding of the term civil society organisations (CSOs) is that of non-state, not-for-profit, voluntary organisations, formed by people in that social sphere”. Accordingly, notwithstanding Fowler’s (2002) misgivings, throughout this thesis, the principle term used to define the sector at the core of this study is the CSS. Furthermore, the main term used for organisations within the CSS is CSO.

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### 2.3 CULTURE AND BOUNDARIES OF THE CSS



One reason the term not-for-profit is commonly used when referring to the CSS is that it implies maximisation of shareholder value (Friedman, 1970) is not of primary concern for CSOs. As explained by McFarlan (1999, p.5), “the financial tail must not be allowed to wag the non-profit dog”. For CSOs, the mission, cause or calling takes priority. Thus, a compelling vision may be of greater significance for CSOs than for corporates concerned with extracting growing profit margins, and who may therefore only focus on vision during times of crisis (DiMaggio, 1988; Salamon, 1994). Since CSOs are not driven by typical market disciplines, they require a focused cause (Drucker, 2002). Most CSS organisations share a mission concentrating on maximising social profit (Gilligan & Golden, 2009), or of adding social value (Collins, 2005; Quarter & Richmond, 2001). However, Wood and Leighton (2010) suggest the term ‘social value’ is elusive. These authors contend that, while there is no authoritative definition, the term social value typically “refers to wider non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment ...[which] are difficult to quantify and measure”, as they are value laden.

While CSOs may share a common overarching mission, the objectives of these organisations are typically ambiguous (Peterson & Van Fleet, 2008). This is because of the differing agendas held by the wide variety of stakeholders (Shaw et al., 2012), each of which holds different understandings and interpretations of desirable goals (Drucker, 1990). Stakeholders include all persons or groups interested in the CSO. As such they may include businesses, clients, donors, employees, general public, government, local community, management, members, other CSOs, professional bodies, suppliers, trustees and volunteers (Cnaan & Kang, 2010; Eweje & Palakshappa, 2008; Lyons, 2001; Rechtman, 2004; Shaw et al., 2012). Due to diversity of the stakeholder base, it is common for CSOs to possess multiple bottom-line accountabilities, each of which competes for attention (Anheier, 2000; Osula & Ng, 2014) and makes performance difficult to monitor (Hudson, 1999; Lyons, 2001). Strategic Pay (2013) state the challenge is not only about delivering “dividends to shareholders but about social change, which is very hard to prove in terms of specific target” (p.14), especially in the short-term. Therefore, in accord with

stakeholder theory (Freeman, 1984), CSO managers place emphasis on identifying the power of each stakeholder and on balancing respective interests accordingly (Carroll, 1996).

Literature identifies the CSS as extremely diverse due to its size, coverage, capability, capacity and representativeness (Porter & McLaughlin, 2006). Thus, Kendall and Knapp (1995, p.66) metaphorically described it as a “loose and baggy monster”. Traditionally, CSOs operated in the unique space between business and the public sector (Lambell et al., 2008; Sanders, 2012), acting as ‘transmission belts’ between citizens and government (Cohen & Rogers, 1995). They include informal associations with no assets, such as hobby clubs, but also multibillion-dollar organisations, including universities and hospitals (Dicke, 2010; Hall, 2010). An emerging entry to the sector are organisations commonly known as social-enterprises (Internal Affairs, 2013; Senior, 2011). Holding a dual mission centred on profitability and social action, these entities blur the distinction between private and CSS (Billis, 2010; Defourny & Nyssens, 2006; Doherty, Haugh, & Lyon, 2014).

In their handbook on CSOs, the United Nations (2004) followed the lead of Salmon and Anheier (1997), who defined boundaries as to what constituted organisations in the sector. Adopting an inductive methodology based on the collaborative efforts of numerous researchers, along with the experiences of practitioners across 35 countries, these authors contended that organisations within the sector must contain five core features. Firstly, CSOs are organised, not necessarily formally; yet, they must have some structure and regularity. Secondly, they are private. Whilst often receiving government funds, they remain independent. Thirdly, they are non-profit-distributing. Thus, all surpluses are returned to the organisation, rather than paid as dividends to shareholders. Fourthly, they are self-governing and so take decisions without deference. Fifthly, they are voluntary. Membership is not a legal requirement as, for example, has historically been the case with some unions. It is this bounded definition of a CSO that is used throughout this thesis.

A comprehensive classification of organisations falling within the sector has been established by (Salamon et al., 2003). From their research across 35 countries, and modelled on the International Standard Industrial Classification, they categorised CSOs into twelve primary groups as depicted in table 1. Each grouping is labelled with a code number, which in turn hosts several sub-categories.

TABLE 1: Primary Categorisation of CSOs



1. Culture and recreation
2. Education and research
3. Health care services
4. Social services and emergency relief
5. Environment and animal protection
6. Development and housing
7. Civic advocacy including volunteering associations
8. Philanthropic trusts
9. International aid
10. Religious organisations
11. Business and professional associations
12. Not classified elsewhere

Tennant et al. (2006) contended this classification had been utilised within New Zealand and was appropriate at a generalised level. However, Robinson and Williams (2001) suggested the classification may be too restrictive to fully accommodate the distinctives of civil society amongst the indigenous people of New Zealand (Māori) who constitute 15% of New Zealand's population (Statistics New Zealand, nd). For Māori, separation of nuclear family from extended

family (*whanau*), descendent groupings (*hapū*) and tribes (*iwi*) is not as pronounced as it is within European cultures. Nevertheless, as no classification has been suggested that is inclusive of these concerns, the categorisation offered by Salamon et al., (2003) was adopted for the purposes of this thesis.

Salamon and Sokolowski (2004) later simplified the CSS categorisation by creating a binary distinction between CSOs that primarily provided a tangible service for clients with those organisations whose core function was to support a persons' self-expression. Fowler (2012) advanced a similar division when referring to one set of organisations that are government subsidised, such as those that deliver social services with those organisations that are established to facilitate members' expression, and who may wish to actively avoid the attention of a "predatory state" (p.14). The dualistic distinction of CSOs that provided services, with those that enabled individual expression, was adopted for this research.

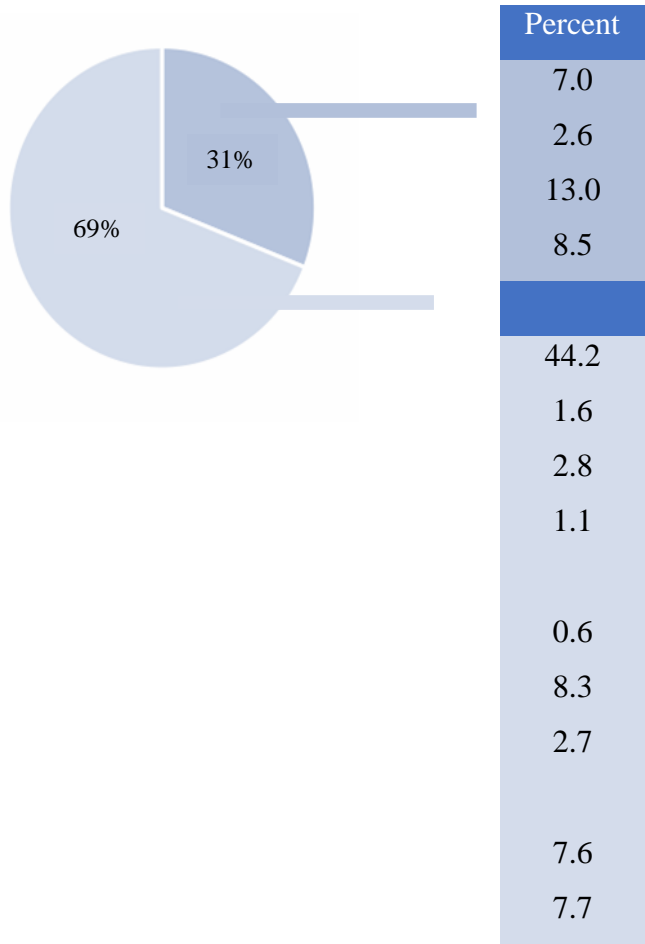
Organisations that principally deliver services include those involved with: 1) education and research; 2) health care; 3) social services; and 4) development and housing (Salamon et al., 2003). Within New Zealand most education is administered through government; however, both private and civil society providers also operate educational institutions, including charter schools, kindergartens, *kōhanga te reo* (early childhood care delivered in Māori language and culture), business schools and technical institutions. Similarly, most health care is provided by government; however, private and civil society hospitals, hospices, nursing homes, and emergency medical services also service community need (Statistics New Zealand, 2015).

Salamon and Sokolowski (2004) defined expressive organisations as those that responded to the "artistic, spiritual, cultural, ethnic, occupational, social and recreational impulses and sentiments" (p.23) that enrich life. Organisations within this subsector comprise: 1) culture and recreation; 2) environment; 3) law, advocacy and politics; 4) philanthropy; 5) international aid; 6) religion; 7) professional associations and unions; and 8) residual organisations.

A significant distinctive between the sector at an international level with the New Zealand environment is that in New Zealand, the expressive subsector considerably outnumbers the service subsector. Whilst internationally around 33% of all CSS labour, whether paid or voluntary, operated in the expressive sector, the figure was twice as high within New Zealand at around 66% (Sanders et al., 2008). Similarly, Statistics New Zealand (2007b) recorded that the number of organisations falling within the expressive subsector outnumbered those that provided

tangible services by a ratio of two to one. A more recent dataset was released in 2016 indicated similar results (Statistics New Zealand, 2015) as depicted in figure 3.

Service Subsector
Education and Research
Health
Social services
Development and Housing
Expressive Subsector
Culture and Recreation
Environment
Law, Advocacy and Politics
Philanthropy and Volunteering
International aid
Religion
Professional Associations and Unions
Residual categories



### FIGURE 3: Numeric strength of New Zealand's CSS

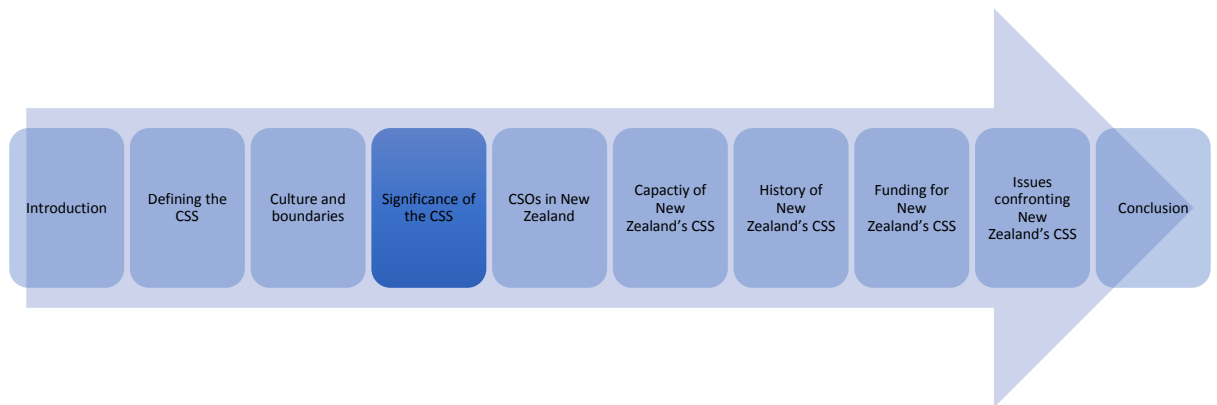
Tennent (2007) suggested the contrast between the international weakness of expressive organisations in relation to their relative strength in New Zealand may be attributable to the strong independent, individualistic attitude of early immigrants who arrived from Europe during the 1800s.

In making the simple distinction between two main types of CSOs, it is acknowledged that many CSOs are engaged in both service and expressive functions. For example, Salamon and Sokolowski (2004) suggest that CSOs have a role in giving voice to differing concerns of individuals or groups. According to their definition, this task is one of advocacy, which falls within the parameters of an ECSO. However, when studying advocacy amongst CSOs within the region of Flanders, Verschuere (2010) observed only 6% of all organisations in that region rated their expressive function as being more important than that of service provision. Therefore, his study was diverted to examining advocacy (an expressive function) amongst service-oriented organisations.

Verschuere's (2010) findings confirm the position of Anheier (2005) that, although many CSOs engage in expressive work, only a small minority have these activities as their primary purpose. Yet, others suggest many organisations hold both the service and expressive functions equally as core objectives (Onyx et al., 2010). This may explain why most research on CSOs amalgamates the sector into one generic category (Guo & Acar, 2005). However, by merging such a large and diverse sector into a singular entity, significant gaps in our knowledge of CSOs are created. Thus, due to the high percentage of New Zealand's ECSOs, this thesis has targeted this subsector of the wider CSS.

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## 2.4 SIGNIFICANCE OF THE CSS



Despite economic fluctuations and variable support for their respective causes, within the United states of America (US) the number of CSOs has steadily grown since 1949 (Lamb, Hair, & McDaniel, 1998). By the mid-1990s, Salamon announced a global revolution of associations was underway (1994b). Sectoral growth of civil society has not only been realised within the US but also in many British Commonwealth jurisdictions, as governments have increasingly invited CSOs to take greater responsibility for delivery of social services that had historically been provided by the state (Milbourne & Cushman, 2013).

Salamon's early research into the CSS formed the launch-pad for a longitudinal, international study labelled the Centre for Civil Society Studies (Johns Hopkins University, 2013). Findings across the 36 countries that participated in the research by the late 1990s reported these countries had collectively expended 1.3 trillion US\$ or around 1.9 trillion NZ\$. This represented 5.4% combined gross domestic product for the countries that participated (Salamon & Sokolowski, 2004). From this finding the authors asserted the sector was a major international economic force. They continued by indicating that 25.3 million full-time equivalent persons, or 2.7% of the population, were in paid CSO employment. Additionally, a further 132 million persons, equating to the equivalent of 20 million full-time staff, served without remuneration. This represented an additional 1.6% of the collective population under study. From these figures, the authors extracted that the equivalent of 4.3% of the economically active international population was engaged in full-time work within the CSS.

The Centre for Civil Society Studies extended its research to include New Zealand in the early 2000s and reported that in 2004, New Zealand CSOs expended direct costs of 6.5 billion NZ\$ per annum, along with the equivalent of a further 3.3 billion NZ\$ in volunteer labour. Collectively, this amounted to 9.8 billion NZ\$ (Statistics New Zealand/Tatauranga Aotearoa, 2007), which represented 4.9% of the domestic economy (Sanders et al., 2008). This figure is similar to other developed countries such as the US (Urban Institute, 2013). By 2013, New

Zealand CSS's economic contribution had further increased to more than 13 billion NZ\$ (Statistics New Zealand, 2015).

Yet, despite the sector's numeric growth, and its contribution to society from both a social and economic perspective, Kearns and Scarpino (1996) argued the level of managerial study into CSOs was insufficient; in that it lagged well behind research in both government and commercial sectors (Hall & Banting, 2000). Following the lead of this assertion, in June 2016, the current researcher scanned the Scopus databases for all articles or conference papers from the 'beginning of time', that had been published, containing the words 'management' AND 'not for profit' OR 'nonprofit' OR "non-profit" OR 'non profit' within their abstract.<sup>1</sup> Prior to 1996, a total of only 357 articles were raised, which confirmed the assertion of Kearns and Scarpino (1996). With the same parameters, the search was then extended to include all articles or conference papers published prior to the year 2000. This raised a total of 511 items, and confirmed the findings of Hall and Banting (2000). A third search was administered for all articles falling within the same parameters up to the present time. This yielded a total of 2,387 publications representing significant growth in studies concerning management of NFPs, particularly since 2004, as depicted in figure 4.

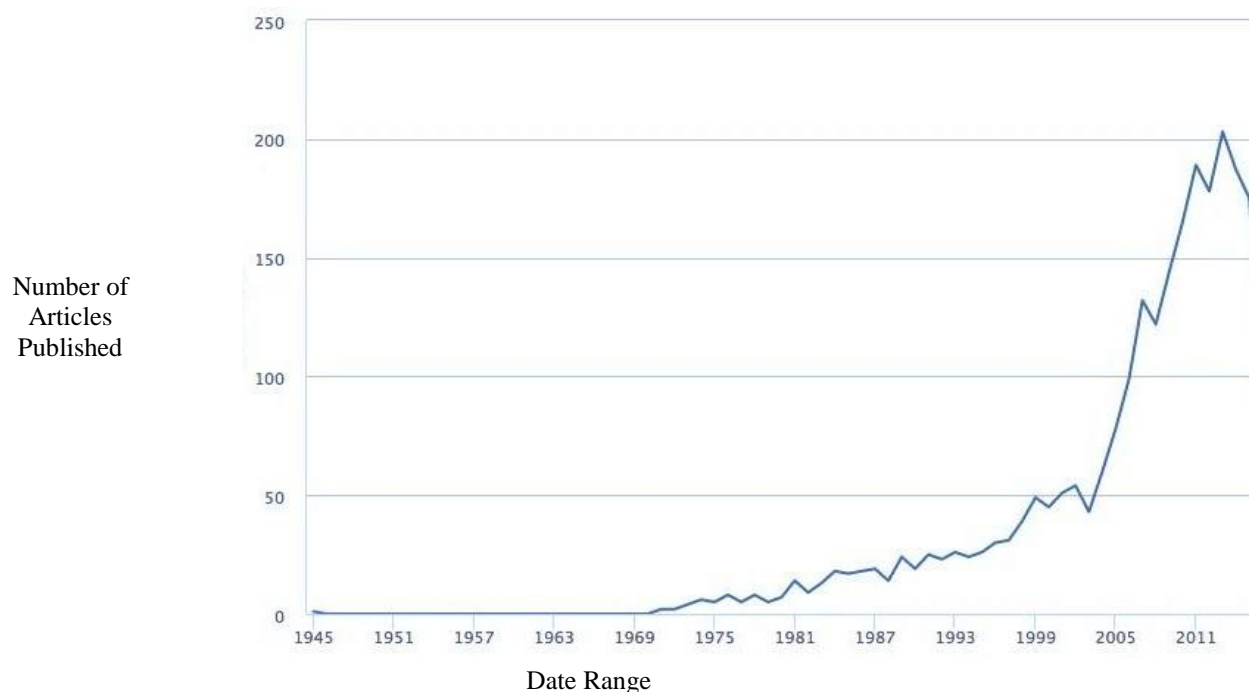


FIGURE 4: Growth of academic articles on non-profit-organisations

<sup>1</sup> The term 'civil society' was not used because it was still a relatively new label within New Zealand and elsewhere.

Based on the search of the current researcher, a list from the Scopus databases comprising significant journal publishers on management in ‘not for profit’ organisations is presented in table 2, where it is seen that the journals 1) Nonprofit and Voluntary Sector Quarterly ;2 ( Voluntas ;3 (Sport Management Review ;4 (Nonprofit Management and Leadership ;and 5( Public Administration Review are the most prolific publishers of CSS research.

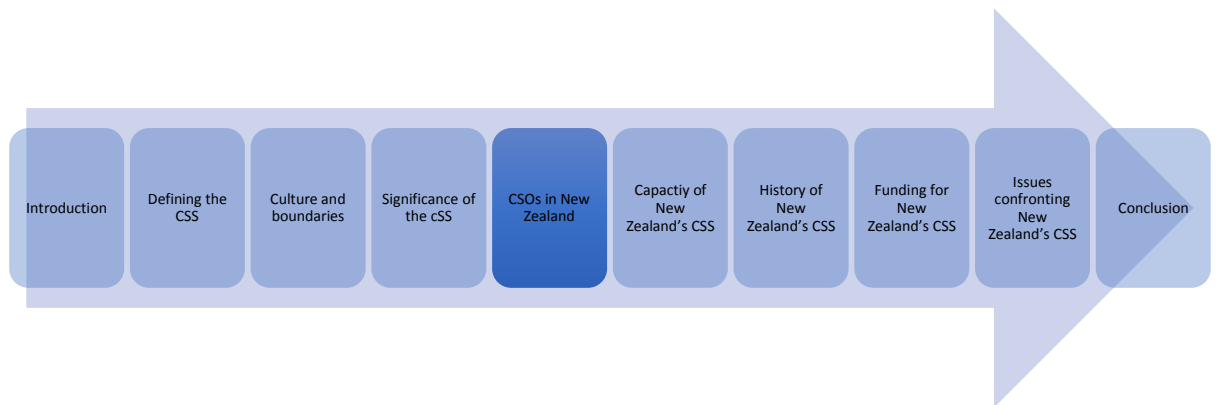
TABLE 2: Primary publishers of articles on non-profit organisations

Publisher	
Nonprofit And Voluntary Sector ...	61
Voluntas	26
Sport Management Review	21
Nonprofit Management And Lea...	19
Public Administration Review	19
Administration In Social Work	17
Health Care Management Review	16
Hospital And Health Services Ad...	12
Ahuri Final Report	11
Journal Of Public Administration...	11

The current researcher then continued his search by scanning the Scopus databases for articles or conference papers containing the words ‘New Zealand’ OR ‘Aotearoa’ to the string described above. This registered a total of only 50 results, dating from the ‘beginning of time’ to the present. Following a spot-check of this list, it was found that numerous articles were included because the abstract had a copyright of ‘Sport Management Association of Australia and New Zealand’ rather than because the article focused on New Zealand. Indeed, only 13 of these articles had New Zealand OR Aotearoa as keywords.

While it is beyond the capability of Scopus to return every article ever published, this search indicates firstly that the volume of scholarly management research into the CSS within New Zealand is considerably less than has been published internationally, and secondly that there is an extreme paucity of scholarly literature on non-profit management in the context of New Zealand.

## 2.5 CSOS IN NEW ZEALAND



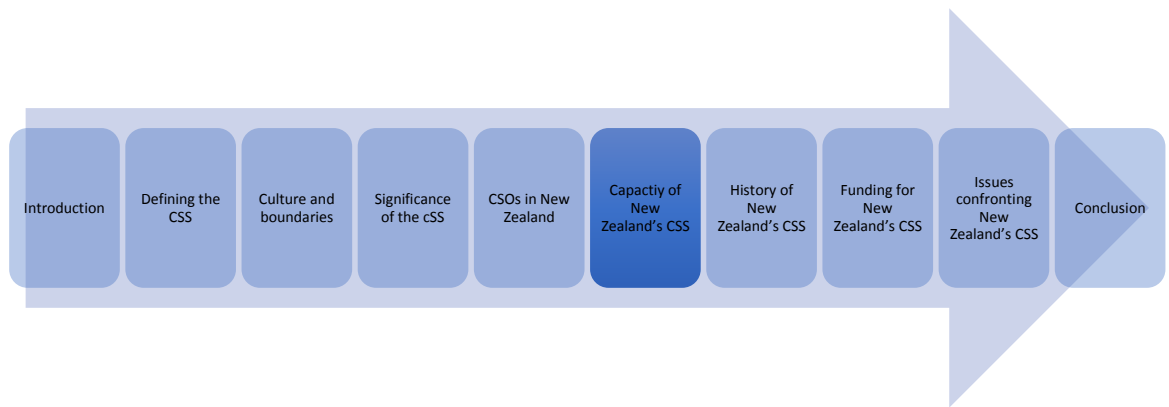
Despite the lack of academic research focusing on New Zealand CSS management, as identified by Scopus, there is nevertheless much grey literature, including papers, reports and reviews along with book chapters, books and other publications not identified by Scopus. Many of these articles are cited throughout this chapter, having been located by snowballing leads found in initial articles, such as outputs from the research associated with the Johns Hopkins CSS studies.

Historically, New Zealand's government has maintained a favourable disposition towards CSOs. Tennant et al. (2006) contend the relaxed attitude is aptly illustrated by the lack of legislation prohibiting formal association of gangs. This author continues by stating one of the few instances of government force being applied to CSOs, was during the World Wars when members of pacifist groups had literature censored or personnel imprisoned. Consequently she asserted there has been a vibrant history in participation, volunteering and/or financially supporting CSOs within New Zealand. There have also been strong expectations of government involvement with the sector (ANGOA, 2001). In 2002, the estimate of the state's contribution exceeded one billion NZ\$ (Brien et al., 2009). By 2004 this figure had increased to 6.9 billion. In 2013, government terminology changed from 'contribution' to 'investment'; however, the figure amounted to 9.4 billion NZ\$ (Statistics New Zealand, 2015). Sanders et al. (2008) argue that this level of government support is what has offered the breadth of diversity in the activities of New Zealand CSOs and the significant strength in their numbers.

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## 2.6 THE CAPACITY OF NEW ZEALAND'S CSS





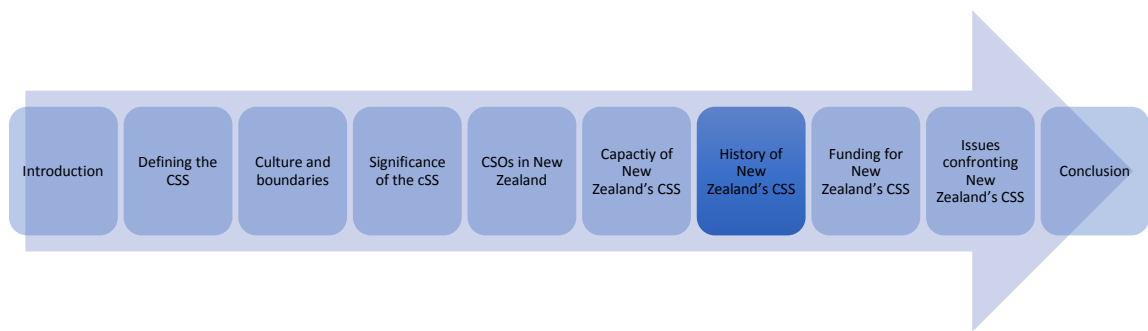
The 2006 census recorded in excess of 97,000 CSOs within New Zealand (Statistics New Zealand, 2007b). By 2013, this figure had inflated to more than 114,000 organisations (Statistics New Zealand, 2015) who served a population of around 4.2 million persons (Statistics New Zealand, nd). Per capita of population, this figure represents one of the largest CSSs in the world (Sanders et al., 2008), leading some commentators to conclude that the sector is overcrowded (Shepherd, 2010), and that there is ‘mass duplication’ (Strategic Pay, 2013). The census also recorded that volunteer staffing for the sector exceeded one million persons, who gave more than 270 million hours of unpaid work, at an average of 5.1 hours per week. This labour was further supported by 105,340 full-time equivalent paid staff (Statistics New Zealand, 2007b). Collectively, this represented a full-time equivalent labour force totalling 200,605 workers, which equated to 9.6% of the economically active population. When compared with the international average of 5.6% in 2008 (Salamon & Sokolowski), New Zealand’s civil society workforce was well above the international average (Sanders et al., 2008). Furthermore, the recently produced New Zealand satellite account on non-profit institutions identified that the number of full-time equivalent paid staff had increased between 2007 and 2013 to just under 136,750 persons.

Around 75% of New Zealand’s population aged ten years and over were engaged in civil society activity in 2008 (The Community and Voluntary Sector). This comprised 1.2 million people who volunteered their time, almost 2.2 million who donated money or goods, and over 800,000 who supported CSOs in other ways, such as purchasing products from the sector.

In sum, the figures above affirm New Zealand’s CSOs are an energetic (Tennant et al., 2006) and valued part of society (Hudson, 1999).

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## 2.7 THE HISTORY OF NEW ZEALAND’S CSS



New Zealand's CSS has a unique heritage, influenced by a combination of Māori culture as the indigenous population of New Zealand, colonisation by Europeans, and the emergence of the welfare state (Tennant, O'Brien, & Sanders, 2008).

European notions of volunteering do not fit easily within Māori concepts of family and community (Robinson & Williams, 2001; Wilson et al., 2001). While Belich (1996, p.83) referred to Māori culture having its own "social engines" and ways of operating, Sanders et al (2006) specified that, for Māori, community service was not so much a charitable activity, rather it was an expected part of everyday *whanau*, *hapū* and *iwi* life. "The extended family grouping met social needs and there was little, if any sense of the individual having a choice about participation in the activities of the group" (Tennant et al., 2008, p.6). Similarly, the concept of volunteering does not easily apply in Pacific communities (Community and Voluntary Sector Working Party, 2001), who represent 7.4% of New Zealand's population (Statistics New Zealand, 2014).

With the settlement of predominantly British immigrants, the Church of England was established as part of New Zealand's colonial culture. Alongside the church, several charitable societies, clubs and lodges were established (Colley, 1992). These included organisations such as the Anglican Mission Society and the Temperance Association (Tennant et al., 2008). The new settlers brought with them legal frameworks, and it is from these that the principles of British common law continue to guide the activity of New Zealand's CSS (Tennant et al., 2008).

By the middle of the 19<sup>th</sup> century friendly or benevolent societies, and craft unions were established along with a variety of religious, political, and cultural associations (Belich, 1996). Ryan (2003) acknowledged the strong interest of many New Zealanders in sporting pursuits, including cricket, during this era. Added to these organisations, church-based social services such as orphanages and women's refuges began to emerge (Tennant et al., 2006).

Due to trends towards urbanisation, along with improved transportation, a growing number of CSOs had developed national structures by the early 1900s (Tennant et al., 2006). Additionally, by 1913, New Zealand was one of the most unionised countries in the world per capita of population (Belich, 2001). Hence, professional associations such as the Employers' Federation soon emerged (Tennant et al., 2008), defending and protecting the rights of employers. Uniformed youth groups, such as the Boys' Brigade, were also popular during this period (Omerod, 2001). Such organisations offered a focus that was multifaceted, including physical, educational, intellectual and spiritual activities for children (Macdonald, 1993).

During the early decades of the 1900s, churches not only sought to address many of society's social ills, they also provided many social and expressive outlets for New Zealanders through provision of groups focusing on music, sewing, sports, bible studies, and missionary endeavor (Piggin & Lineham, 2016; Tennant et al., 2008). However, the depression of the 1920s exposed the church's inability to address mounting social problems brought about through unemployment and poverty. This was despite provision of numerous social services, such as city missions. The church's lack of capacity and capability to meet community need during this era was similarly experienced by many secular CSOs (Tennant et al., 2008).

The inability of the community sector to meet social need led to calls for greater intervention by the state, and it was this that fuelled the government's creation of a welfare state in 1935 (Tennant et al., 2006). With an objective of financially strengthening social service charities, a new wave of social and economic policies was introduced. Tennent (2004) observed that accessibility to state officials was a relatively easy task in such a small nation. Much of the financial support offered during this period was directed towards social entrepreneurs with longstanding personal relationships with politicians. Thus, she argued that some CSOs were granted financial support, whilst others that were equally deserving did not (Tennant et al., 2008).

An alternative way for CSOs to access government funding was if an organisation was prepared to implement experimental policies on behalf of, but at a distance from government (Tennant, 2004). Belich (2001, p.46) referred to these experimental policies as an enduring legacy of the 1891–1912 Liberal government that took pride in being the “white rat” or “social laboratory” for the world. Typically, these financial arrangements existed between government and social service providers, but excluded the expressive subsector of CSOs. Tennant et al. (2006) argued that the marginalisation of expressive organisations was not due to government's lack of interest

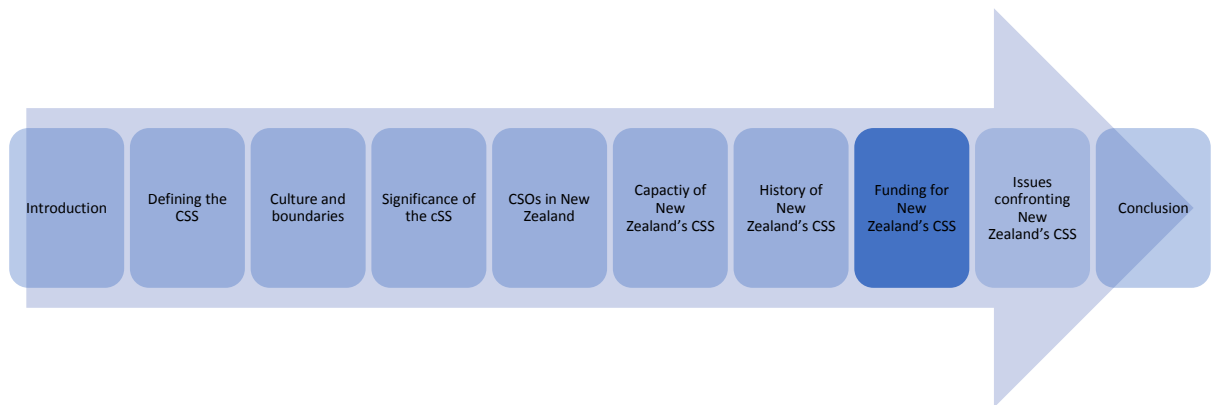
in sport and recreation. Instead, the state desired to engage, but the subsector chose not to collaborate, for fear of interference in its values, purpose and operations; a concern Nyland (1993) referred to as the “little fingers of the state” meddling in the affairs of CSOs.

By the 1960s, optimism and a fresh sense of individualism pervaded New Zealand. The new energy challenged the welfare state’s legitimacy both morally and economically (Belgrave, 2004). It was argued that existing social and economic policies created dependence, and that the costs associated with government social support had spiraled out of control, causing inflation. In response, successive governments decreased social service support; ultimately bringing about the demise of New Zealand’s welfare state as it was known at that time. In parallel with government’s shifting economic policies, gaps in social service provision quickly re-emerged. Demand once again exceeded the collective ability of the CSS (Elworthy, 1986). This paved the way for a fresh political era within New Zealand, that of neoliberalism (Boas & Gans-Morse, 2009), as discussed below.

During the 1970s new CSOs emerged. Focusing on issues such as feminism, Māori sovereignty and apartheid. Many of these new entities were predominantly ECSOs. Since the 1980s, New Zealand’s CSS has experienced considerable further growth and diversification (Salamon, 1994). In part, this was due to the introduction of the Immigration Act (1987), which relaxed rules concerning entry to New Zealand. As a direct result of this policy, many persons, seemingly motivated to seek better lives for themselves and/or their families, chose New Zealand as their place of residence (Pio, 2014). Accordingly, numerous ethnic associations were established, particularly from Asian, Middle Eastern and African countries (Tennant et al., 2008). Other new organisations to emerge during this period included those concerned for freedom of sexual orientation, human rights, the environment, disability, peace, self-help, the arts, sports and the elderly (Tennant et al., 2006). It is suggested that the growth of spiritual organisations during this period was due to the combination of an aging population (King, 2008) and because the material needs of those in the developed world had reduced through escalating standards of living (Fry, 2003).

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## 2.8 FUNDING FOR NEW ZEALAND’S CSS



As with any organisation, CSOs are reliant on an economic base for their operations (Considine et al., 2014; Fowler, 2012). Funding for CSOs is commonly received through a variety of sources (Osula & Ng, 2014); however, revenues have traditionally comprised three major streams: subscriptions, philanthropic gifts and government contributions/investment (Sanders et al., 2008). More latterly, the sector has also started delivering profitable activities in order to balance budgets (Billis, 2010); a practice often referred to as social-enterprise (Internal Affairs, 2013). Furthermore, Statistics New Zealand (2015) includes investments, interest and dividends as significant streams of income for organisations in the sector.

With respect to the historical forms of income for CSOs, subscription fees and sales of goods and services, including those contracted by government, accounted for 61% of revenues in 2004. By 2013, this figure had marginally increased to just under 63% of total revenues, or 8.311 million NZ\$ (Statistics New Zealand, 2015). Notably sales of goods and services, including contracting to government, rose 71% between the years 2004–2013.

A further 24% of the sector's revenue was raised through private philanthropic support from businesses or individuals in 2004. By 2013, this figure had reduced to 20% of their total income and represented 2.663 million NZ\$ (Statistics New Zealand, 2015). Yet, this percentage is higher than that received through income of this kind in many other countries, where the international average is 15% (Sanders et al., 2008). Overall, donations to New Zealand's CSS increased by 54% between 2004–2013. Eweje and Palakshappa (2008) report that half of New Zealand households donate goods or money to CSOs monthly. Similarly, Statistics New Zealand (2007b) reported during the 12 months between July 2007 and June 2008, 60% of the population gave to CSOs. Additionally, Collins, Lawrence, Pavlovich and Ryan (2007) identify that almost 66% of New Zealand businesses make contributions to charity.

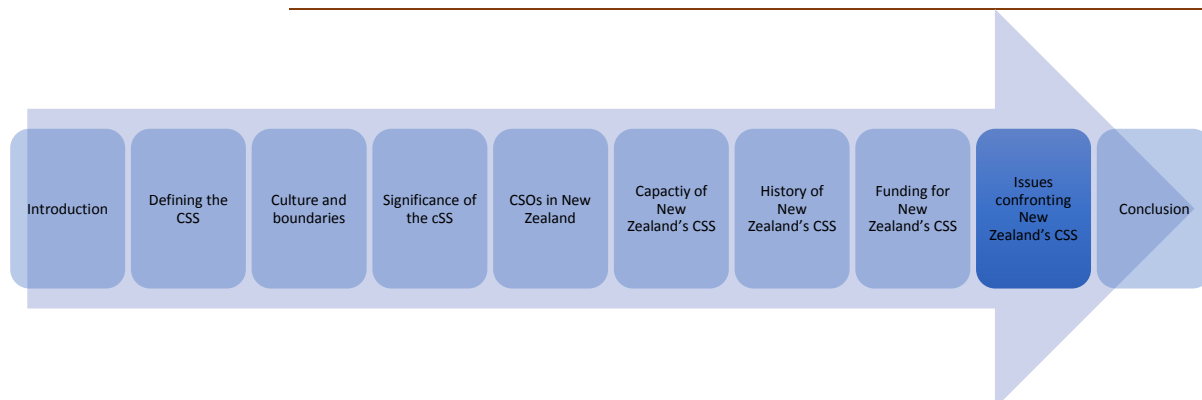
Government grants made up 9.4% of CSO revenue in 2004. This figure was slightly higher in 2013, when it increased to 10.8%, or 1.440 million NZ\$ (Statistics New Zealand, 2015). Despite

the apparent small percentage of CSS revenues that stem from government grants, 69% of those in the sector deem it to be their most significant source of revenue (Grant Thornton, 2014). This may be explained by the additional 2.662 million NZ\$ that is contributed to the sector by government, through service contracts with CSOs and which is recorded as a sale of goods and services, rather than a grant (Statistics New Zealand, 2015).

Statistics New Zealand (2015) record that in 2013, 6.5% or 866 million NZ\$ was sourced within the sector from interest, dividends and insurance claims. This was a similar percentage to that recorded in 2004.

The combined, income for the sector in 2004 amounted to around 8 billion NZ\$. By 2013, this had increased to around 13.3 billion, an increase of 65% (Statistics New Zealand, 2015). According to Sanders et al., (2008) the CSS is larger than the construction, transportation and utility sectors combined (Sanders et al., 2008).

## 2.9 ISSUES CONFRONTING CSOS



### 2.9.1 THE RISE OF NEOLIBERALISM

In parallel with moves by governments in many British Commonwealth countries, including Australia, Canada, New Zealand, the United Kingdom (UK) and the US to rely on CSOs to deliver social services (Milbourne & Cushman, 2013), there have also been significant shifts in the economic policies of these countries with respect to their funding of the CSS (Boas & Gans-Morse, 2009). Many argue that these changes have had a profoundly negative impact on how the CSO operates, as is discussed below.

Within New Zealand, the government's early approaches of financial distribution to CSOs was informal and the amounts transferred were relatively small (O'Brien et al., 2009). In 1967, a total of 3.9 million NZ\$ was contributed across the sector by the state through direct grants to individual organisations (Oram, 1969). Tennant et al (2006) asserted that financial support was supplemented by free transportation, office space, printing, and other resources, including the time and efforts of government administrators. Following World War Two, it was not uncommon for civil servants to be seconded to CSOs free of cost (Tennant, 2004). Yet, as the financial value of state funding progressively increased, processes associated with gaining access to government funding became formalised.

By 1986, it was conservatively estimated that government support for the sector had ballooned to 75.6 million NZ\$ (Tennant et al., 2008). This additional support was part of an entirely new era between government and the sector. The new 1984 Labour – Alliance administration moved with haste to alter social and economic policy. CSOs access to funds was no longer based on the historical networks that existed, or on an organisation's preparedness to experiment with new forms of social policy (Nyland, 1993; Tennant, 2007). Rather, funding was conditional on an organisation embracing a market-driven environment; one modelled on the 'new-right' economics of neoliberalism (Sam & Jackson, 2004), agency theory - which argued that intermediaries when left to their own devices abused the system (Cribb, 2006; Eisenhardt, 1989) - and commercial management principles (Driver & Robinson, 1986; W. Larner & Craig, 2005; Milbourne, 2009; Walker, 2004). These policies had an immediate effect on the sector, and have continued to dominate the way many CSOs operate (Tennant et al., 2008).

The origins of neoliberalism lie in the Freiberg School of Germany, during times of high inflation and economic depression that was experienced between the two world wars. Seeking to save the market from the threat of socialism, neoliberal policies acted as a moderating influence by arguing that laissez-faire state policy stifled competition (Boarman, 1964) and overlooked humanistic values. Therefore, it stressed the importance and need for government involvement if free markets were to function successfully.

Boas and Gans-Morse (2009) argue that when neoliberalism migrated to Chile during Pinochet's military coup, the concept underwent transformation and its meaning became the opposite to that of the Freiberg School. Chilean neoliberalism involved government reducing its engagement with society to an absolute minimum so that individual freedom was maximised. These authors contend this definition has dominated academic literature and become the norm. Therefore, the

term is now synonymous with theories of Friedman and Hayek and includes: elimination of price controls, deregulation of markets, removal of trading sanctions and state subsidies, privatisation of state-owned assets and balancing of budgets (Wilson, 1994). Boas and Gans-Morse (2009) argue that, as currently applied by scholars, neoliberalism has typically acquired political connotations associated with radicalism, free market fundamentalism, and revolutionary changes in the speed, scope and ambition of government agendas (Weyland, 2002). Therefore, as the approach was outworked in New Zealand's CSS it had the result of everything having a price, including informal types of government subsidy to CSOs, such as the secondment of government employees. Thus, the secondments of government administrators came to an end (Butterworth & Butterworth, 2007).

When New Zealand's neoliberal policies were compared with those of Britain's government under Thatcher, or elsewhere across the British Commonwealth cluster of countries, Larner and Craig (2005) contended that the outworking of neoliberalism in New Zealand was the most intensive. Similarly, Jessop described New Zealand's political shift to the 'new-right' as the "least impure form of neoliberalism" (2002, p.457), which through the Public Finance Act, New Zealand of 1989 involved the corporatisation of many state assets, and a separation between funding and the delivery of government responsibilities (Stace & Cumming, 2006).

The impact of the neoliberal policies on New Zealand's CSOs was that a new formalised process for accessing government funding was introduced. Organisations were required to bid and, if successful, contract to supply specified social services required by the state (Clarke, Gerwitz, & McLaughlin, 2000; Suggate, 1995). Under this model, government purchased services from CSOs to achieve its objectives (Buchanan, 2004). The approach, which has been referred to as compulsory competitive tendering in the UK (Ogden & Wilson, 2001) or competitive contractualism in New Zealand (Larner & Craig, 2005) created a mechanism where public entities, businesses and CSOs would bid against each other for contestable funds (Stace & Cumming, 2006). For CSOs, this represented a substantially different funding process from the untagged grants-in-aid they had traditionally received from government that bulk funded much of the administration and delivery of their work (O'Brien et al., 2009).

Due to the significant increase in the level of government contribution/investment in the CSS, the expressed intention of its new policies was to ensure efficient and effective use of public funds by CSOs (Tennant et al., 2008). It was argued that contracting provided simple instruments that delivered greater levels of financial accountability which, if necessary, could be legally



enforced (Buchanan & Pilgrim, 2004) through the introduction of an audit culture (Shaw & Allen, 2006). It was also argued that the process removed barriers which had previously restricted access by new organisations to government support (Nowland Foreman, 1998). Furthermore, by making funding contestable, government reasoned it could more easily finance Māori service providers, smaller CSOs, Pacifica groups, new immigrant associations, other cultural societies and vulnerable sectors of the population (ANGOA, 2001; Community and Voluntary Sector Working Party, 2001; Nowland Foreman, 1999). Thus, in theory, contracting was to mark a significant shift from government support being offered exclusively to those within its 'high culture' networks (Tennant et al., 2008).

By 1990 contracting had become the standard form of government support for all New Zealand CSOs (Stace & Cumming, 2006). In tandem with the new approach, many philanthropic bodies, seeking to ensure their investment had 'high impact' (Saurez, 2010), similarly applied commercial conditions of contracted investment, efficient business practice and performance measurement to their financing agreements (Shaw et al., 2012). Not only did government and philanthropic organisations lift their expectations of professionalism and accountability amongst CSOs, but there was also a growing expectation within society that this behaviour was required (Sanders et al., 2008). Saul (2004) asserted that this convergence of government, philanthropic and societal expectations on CSOs created a profoundly different, and a far more challenging environment for New Zealand's CSS.

Since the transformation in how CSOs are funded, it is argued that the demands of contracting have had a significant negative impact on the sector. For example, whilst Larner and Craig (2005) posited that New Zealand's neoliberal experiment led to increased polarisation within society between those with financial independence and those without. Datson (1998) contended that contracting risked damaging the fabric of the entire CSS. Equally, Brown, Kenny, Turner, and Prince (2000) opined that it radically undermined the way CSOs operated.

Concerns have been raised in seven primary areas including: 1) funding distress; 2) loss of autonomy; 3) impeded effectiveness; 4) impeded ability to advocate; 5) volunteer shortages; 6) senior staffing shortages; and 7) estrangement with government as primary stakeholder to the sector. Each of these concerns is discussed below.

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## 2.9.2 FUNDING DISTRESS

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Financing is perceived as an ongoing critical issue for most CSOs globally (Hall, Barr, Easwaramoorthy, Sokolowski, & Salamon, 2005; Osula & Ng, 2014). In New Zealand, the consultancy firm Grant Thornton (2011) reported 70% of CSO respondents to their annual survey perceived their greatest challenge was being expected to do more with less funds. This result was repeated in 2013 and 2016 (Grant Thornton, 2014; 2016). Strategic Pay (2013) reported similar findings. Such assertions mirror the contentions of service deliverers (Community and Voluntary Sector Working Party, 2001; New Zealand Council of Christian Social Services, 2016), and of academics such as Eweje (2007). The collective assertion is that CSO funding concerns include: 1) an escalation in costs related to administrative overheads; 2) insufficient funding to deliver contracted outcomes; 3) inter-agency competition surrounding contracting; and 4) funding insecurity.

Due to contracting being the primary way to receive government funds, and because its overall contributions/investment to the CSS had significantly increased, the state increasingly required compliance reporting to verify outputs had been achieved. The impact of this was that demand for administrative labour increased, and at significantly higher skill-levels than was conventionally required by many CSOs (Evans, Richmond, & Shields, 2005; Shaw et al., 2012). Traditionally, it was common for CSOs administrative needs to be covered by semi-skilled volunteers. Yet the new era of bidding for, and meeting legal reporting standards, which were regularly amended or overhauled, demanded advanced knowledge and ability. The level of capability required could often only be sourced through paid employees or legal counsel (Stace & Cumming, 2006). This created substantial additional operating costs for CSOs. These additional costs were not provided for in contracted terms (Sanders et al., 2008) but were rather expected to be absorbed by the organisation.

Furthermore, it was claimed that the reporting processes contained within contracts were unduly demanding and bureaucratic in both the UK (Milbourne, 2009) and in New Zealand (Shaw et al., 2012). This left little time for essential managerial tasks such as strategic development or collaboration (M. O'Brien et al., 2009), and meant organisations did not have sufficient resources to build capacity that might future-proof their ongoing viability (Considine et al., 2014). Lerner and Craig (2005, p.409) stated that “community workers found themselves compelled to devote disproportionate time representing their work through reporting frameworks they found objectionable and alien” and that the new systems “were characterised by bruising, and [needless] repetitive negotiations”. Similarly, concern was expressed at the inordinate

amounts of time bidding for contracts required, which came at cost to providing front line services for members or clients (Stace & Cumming, 2006).

The second major concern associated with contracts was that they typically failed to provide sufficient funds that would fully deliver the contracted project, let alone meet the real cost of organisational overheads (Sanders, 2012; Strategic Pay, 2013). O'Brien et al. (2009) contended this was in direct opposition to core principles initially outlined to justify the contracting model. The result was that many organisations were partially funded and expected to deliver programmes below cost, leaving them searching for additional funds to meet shortfalls for contracted projects. This demanded CSO managers develop and maintain complex networks of multiple financial stakeholders (Bridgstock, Lettice, Özbilgin, & Tatli, 2010), each of whom commonly held different objectives (Shaw et al., 2012) and accountabilities that competed for attention (Lumpkin, Moss, Gras, Kato, & Amezcua, 2013; Osula & Ng, 2014). Datson (1998) argued that for many taxpayers, this amounted to government 'double dipping'. He asserted, that when paying taxes, citizens expected government to provide community services. They did not anticipate CSOs would then additionally solicit funds to top-up the state's partial support.

Thirdly, the contestable nature of contracting for funds led to the rise of sectoral competitiveness which resulted in loss of a collaborative culture within the CSS (Ogden & Wilson, 2001). Historically, informal collaborations largely involved information sharing, which was said to improve the overall quality of service delivery (Rathi et al., 2014). Yet, in pursuit of financial survival amidst the new contracting culture, strategies of competitive advantage (Porter, 1998) increasingly guided what information was passed on and what remained undisclosed (Atkinson, 2007; Bode, 2006; Considine et al., 2014; Shaw et al., 2012). Larner and Craig (2005, p.409) claimed this "was devastating. Explicit competition undercut trust". Additionally, it was argued that contracting increased both gaps and duplication of services (Brown, 2000).

Furthermore, contracting blurred boundaries between what was considered commercial enterprise and what constituted CSO endeavour (Defourny & Nyssens, 2006; Doherty et al., 2014). In the quest for winning a contract, CSOs became more commercial while businesses increased their social awareness (Eardley, 2002). This situation further escalated the competitive nature of government's new funding policies for CSOs. Not only was there intra-sector rivalry, there was now also inter-sector competition (Doherty et al., 2014; Osula & Ng, 2014). Wilson et al. (2001) contended that this placed CSOs at disadvantage because typically in seeking to mitigate risk, government opted to award contracts to organisations with profile, reputation and

practices analogous with its own. Hence, smaller CSOs with limited reach were squeezed out of the market, while larger, often commercial organisations were awarded more resources, enabling them to expand (Guo, 2007). This scenario compounded the need for professionalism within the sector to remain competitive. In turn, expenditure increased, which created mounting barriers and pushed those closest to local communities and their needs, out of contention for winning contracts (Considine et al., 2014; Nowland Foreman, 1997). In the UK, efforts have been taken to address this challenge through the government's Investment and Contract Readiness Fund. This fund was established in 2012 to replace the Future Builders Fund, which had the objective of helping CSOs purchase professional services, to assist them in winning 'business' (Third Sector).

With respect to funding, Grant Thornton (2014) identified that a significant number of CSOs lacked ability to plan more than 12 months ahead and that many organisations only had sufficient funds to ensure viability six months in advance. This caused significant uncertainty and stress (Wilson et al., 2001), which was compounded by the vulnerability of shifting government economic policy (Sanders et al., 2008).

In response to challenges associated with funding, many CSOs chose to either curtail activity, or free up capital by selling off assets and/or programmes. This practice enabled them to continue pursuing their own objectives, irrespective of external funding (Tennant et al., 2008), at least in the short term.

A second outcome of funding challenges has been the global growth of social-enterprise (Billis, 2010; Grant Thornton, 2014; Zappalà, Parker, & Green, 2001). Social enterprises comprise CSOs establishing a trading component to their operations. Rather than abandoning their founding mission, the practice is perceived as necessary because scarce resources are required to deliver social mission (Considine et al., 2014; Fowler, 2012).

A third outcome of CSS funding distress is the contention of some who perceive the sector is overpopulated. Some holding to this perspective argue for CSO mergers (Grant Thornton, 2014; Shepherd, 2010).

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### 2.9.3 LOSS OF AUTONOMY

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Government's traditional grants-in-aid approach to supporting CSOs resulted in them receiving untagged funds that could be used at discretion to outwork organisational goals (O'Brien et al., 2009). Yet, with the new neoliberal environment, organisations were required to meet government objectives as defined in contracts. Consequently, many CSOs perceived the vision and central mission of their organisation was lost (Cairns et al., 2005; Community and Voluntary Sector Working Party, 2001; Osula & Ng, 2014; Rogers, 2007; Sam & Jackson, 2004; Smyth, 1995). Either overtly, or covertly, many organisations aligned their strategies to those of their funders in order to retain or gain new revenues (Tennant et al., 2006). The requirement of alignment with government goals created a major point of contention for many CSOs who perceived the diversion away from their core objectives had substantial negative impacts on their effectiveness (Tennant et al., 2006). O'Brien et al. (2009, p.25) stated "concerns about the extent of mission drift for non-profits away from their original purposes and towards government agendas ... were voiced by most of the non-profit personnel interviewed during this project".

Additionally, authors contended that the strategic re-direction of CSOs was not so much a by-product of contracting, but was rather an explicit intention of government. Wilson et al. (2001) argued the state had moved from a traditional practice of investing in CSOs to fulfil their mission through providing untagged grants, to one where it exclusively purchased services that fulfilled its own objectives. Hence, Nowland Foreman (1998) talks of CSOs becoming 'convenient conduits' for the provision of community-based government services.

Creation of The Hillary Commission (Ministry of Justice, 1987) provides an example of mission drift experienced by CSOs. Amongst other responsibilities, this government entity was tasked with providing central funding for sporting and recreational organisations. The Commission began a transitioning process whereby, instead of providing untagged grants to sporting and recreational organisations, funding became increasingly centred around contracts that were written to achieve specific outcomes of mutual interest to the Commission and the CSO. However, Sport and Recreation New Zealand (SPARC) succeeded The Hillary Commission in 2003. Its Statement of Intent explained that greater levels of 'professionalism' than had been achieved under the Hillary Commission would be required of sporting organisations. SPARC declared its focus was to provide funds that would progress its mission, rather than merely maintain a culture of entitlement that presumed an organisation deserved funding (SPARC, 2006).

Sam and Jackson (2004) asserted the shifting policy of SPARC meant sporting groups continued

to oversee and control their respective codes, whilst government through SPARC, increasingly directed national priorities, which were based on corporate principles associated with return on investment. Specifically, it was claimed that the overarching policy of SPARC was to focus attention on high performance elite sport which was at direct cost to low key, weekly community sporting and recreational activity, which many within the subsector and wider community argued was of equal, if not greater importance (Shaw, 2006).

Baxter (2002) reasoned that contracting caused many CSOs to lose key aspects of their identity and independence. Similarly, Datson (1998, p.91) exclaimed “funders have captured control of services ... funders define the full measure of the service to be provided (for whom, how much, when, where, how)”. Overall concerns associated with mission drift raised fundamental concerns over the extent that CSOs had been reduced to operating exclusively as deliverers of governmental goals (New Zealand Council of Christian Social Services, 1998). Therefore, Baxter (2002) observed that the introduction of contracting resulted in a serious fracturing of the CSS–government relationship. O’Brien et al. (2009) viewed this concern to be critical and that both government and CSOs were searching for a balance between accountability for expenditure of public funds and sectoral independence. Therefore, Tennant et al. (2006, p.15) observed:

*The 1980s and 1990s have been characterised as a period of pain and soul searching for the sector as it worked to shape its relationship with the state as a key funder, and to still retain its sense of purpose as distinct from the state.*

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#### 2.9.4 IMPEDED EFFECTIVENESS

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Many CSOs rely heavily on volunteers and are located within local communities. This affords them an ability to understand, support and respond to community need (Senior, 2011) with speed, energy, creativity and cost effectiveness, which many argue is unmatched by government (Atkinson, 2007; Datson, 1998; Dovey, 2003). Whilst contractual agreements created instruments to assist government with measuring service providers’ performance against contracted terms, it was argued that contracted goals were not always relevant to community needs (Ernst and Young, 1996; New Zealand Council of Christian Social Services, 1998; Sam & Jackson, 2004). Hence, a participant in the research of Shaw et al. (2012, p.55) commented “there is a very important difference to be drawn between what’s in a contract for funding and what’s in the best interest of the sector”. Thus, it was contended that social service quality diminished (Cribb, 2006; Wilson et al., 2001). Family and Community Services and the Office for the Community and Voluntary Sector (2005) illustrated this concern when stating that government policies drove funding for the roll out of information technology within the sector.

However, they argued that while this programme may have interested office bound state officials, such provision may have had no relevance to the needs of those doing community work.

Additionally, it was felt that contracts contained precise definitions concerning the service being purchased, and how it should be delivered. This rigidity left no room for flexibility that would enable organisations to adapt their delivery to match the evolving nature of localised need. Thus, literature posits that the ability of organisations to innovate or increase their effectiveness was substantially curtailed (Sam & Jackson, 2004; Wilson et al., 2001). An example of historical CSO innovation was offered by O’Keeffe, Senior, and Monti-Holland (2007) in the UK and involved engaging past offenders as peer counsellors to convicts. However, Senior, Crowther-Dowey, and Long (2007, p.199) contend that while government’s attraction to CSOs is based, in part, on their ability to innovate, contracting may well “sound the death knell to these features”.

Furthermore, the prescriptive nature of government contracts resulted in CSOs no longer having resources to expend on advocacy. It is argued that this resulted in organisations becoming reactive rather than proactive in influencing government policy, which further diminished their effectiveness. O’Brien et al. (2009, p.35) illustrate this point when discussing a research participant who commented on the importance of the sector taking an active role in setting government’s social policy agenda by bringing to the table “local level experience and marginalised voices”. Notwithstanding the importance of local experience and minority voice, Verschuere (2010) cited numerous scholars, who perceived that even if finances were available for advocacy, many CSOs were unlikely to challenge government policy for fear of consequential long-term damage to the security of their revenue streams.

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#### 2.9.5 IMPEDED ADVOCACY

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Advocacy has historically been a core task for many CSOs (Cody, 1993; Hines, 2002). Despite being defined as an expressive function (Salamon & Sokolowski, 2004), service oriented CSOs also engage in advocating for their constituency (Verschuere, 2010). In New Zealand the Charities Act (2005), defines a charity according to common law, based on the four ‘heads of charity’ as identified in the Preamble to the Statute of Elizabeth. This states that a charity must exist for the exclusive purposes of: 1) the relief of poverty; 2) the advancement of education; 3) the advancement of religion; or 4) for other purposes beneficial to the community (Department of Internal Affairs, nd). Therefore, organisations which primarily exist for political or legislative change, including lobbying and advocacy, are not considered charitable. This does not imply that

advocacy cannot be a legitimate second tier objective for charitable organisations. Accordingly, many New Zealand CSOs actively engage in challenging social policy; especially on issues centred on poverty, social justice (O'Brien et al., 2009) and human rights (Tennant et al., 2006).

Strategies associated with advocacy are diverse (Child & Gronbjerg, 2007), but commonly fall into three main categories. These include insider strategies, outsider strategies and strategies related to forming coalitions (Grant, 2000). Insider strategies involve direct engagement with government administrators to improve the wellbeing of an organisation's constituency. This is achieved by influencing public policy (O'Connell, 1994). Outsider strategies include exerting pressure and opinion through channels such as the media, protests or by registering complaints through court proceedings. Coalitions involve collaborating with likeminded stakeholders to gain strength through solidarity. Typically, this involves the establishment of umbrella organisations (Grant, 2000).

Based on research in the region of Flanders, Verschuere (2010) suggested that CSOs primarily rely on insider strategies. Only 5% of his respondents took legal cases against government. Similarly, New Zealand-based CSOs tend to adopt a soft approach to advocacy by employing strategies of relationship-building and conveying relevant information, behind the scenes, to influence government decision makers (O'Brien et al., 2009). Furthermore, New Zealand CSOs commonly seek to engage in advocacy during government's policy development, rather than critiquing its strategy after it has been implemented. Reasoning behind such an approach relates to theories associated with resource dependence. In brief, where CSOs are dependent on government for funding, it is not in their best interests to enter into conflict with their primary benefactor (Eardley, 2002; Nicholson-Crotty, 2009; Oliver, 1991).

In the UK, debate has ensued concerning government legislation that places gagging clauses in contracts with CSOs (The Baring Foundation, 2015; Third Sector, 2104). Similar accusations have been made within New Zealand (Grey & Sedgwick, 2013). Here, it is suggested that government actively punishes organisations that speak out against it, by either excluding the organisation from contention for initial funding, or by not renewing existing contracts.

An alternative means of shielding one's organisation from negative impacts associated with critiquing government is to advocate through umbrella organisations, which cluster organisations together and so protect a CSO from being singled out for criticising state policy (Grant, 2000; Nicholson-Crotty, 2009). The New Zealand Council of Christian Social Services is one such example. This group engages with politicians across party divides with the aim of a



communicating their shared concerns and to advance their collective causes (New Zealand Council of Christian Social Services, 1998, 2016). However, attracting external funding for umbrella organisations is extremely difficult, and so there is a wide variation in their effectiveness (Shaw et al., 2012).

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#### 2.9.6 VOLUNTEER STAFFING SHORTAGES

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Grant Thornton's (2014) survey of the CSS reported that smaller organisations identified volunteering as their second largest concern after funding. Recent data indicates that the total number of volunteer hours contributed to New Zealand CSOs had reduced from 270 million in 2004 to 157 million in 2013, a 10-year loss of 42% (Statistics New Zealand, 2015). It is argued that contracting had a significant negative impact on volunteerism (Smyth, 1995; Suggate, 1995).

Shaw et al. (2012, p.31) referred to "an increasingly complex legislative environment where training, qualifications and accreditation are now seen as requirements to the delivery of outdoor recreation". The administrative requirements associated with bidding for contracts, compliance reporting and increased professionalism by CSOs demanded specific competency sets that many volunteers did not hold or have interest in gaining. Many felt such work conflicted with the 'real' work they had volunteered for (Guo, 2007; Wilson et al., 2001). Furthermore, Morris and Ogden (2011) suggest the accountability demanded through contracting was unequal to the size of many grants. They argue this created a climate of cynicism, which Lerner and Craig (2005, p.409) also captured when observing "community workers found themselves compelled to devote disproportionate time representing their work through reporting frameworks" rather than working within the community.

Despite a lack of interest in administrative tasks by volunteers, along with the increased levels of competency required to perform such tasks in the new professionalised environment, the volume of administrative tasks placed on volunteers rose significantly because contracts failed to provide the full cost of service delivery (O'Brien, 1997). Furthermore, volunteers resented being forced to operate with formalised position descriptions, supervision and performance appraisals (Russell & Scott 1997). The same authors go on to contend that many volunteers simply withdrew their support. Not only was volunteer retention of concern, so too was recruitment of replacements (Davis Smith, 1997).

Scholars and commentators report that shortages of skilled volunteers to service administrative workloads created a need to employ executive staff capable of efficient and effective organisational management (Ernst and Young, 1996; Guo, 2007; Russell & Scott 1997; Smith & Lipsky, 1993). The increased use of professional managers further reduced volunteerism at both operational and governance levels in many CSOs (Community and Voluntary Sector Working Party, 2001; Nowland Foreman, 1998; Wilson et al., 2001).

Equally, Guo (2007) contended that by accepting government money, the base of power within organisations shifted from the volunteer board to paid managers. Other authors observed that the communication styles of these managers was often autocratic (Darcy, 2002), leaving volunteers who thrive in an environment of participative democracy feeling disempowered (Lewis & Seibold, 1998), or marginalised (Russell & Scott 1997).

Tensions between CSO senior staff and their boards have been described as a perennial challenge (Considine et al., 2014; Lyons, 2001). At the centre of the conflict is agency theory, or separation between the tasks of governance and administration (Dey, 2008; Jensen & Meckling, 1976). On the one hand CSO boards have a fiduciary duty to strategically direct, monitor and counsel senior staff, who act as agents, on behalf of the members of an organisation; yet, the member's representatives (the board) may be less experienced, or qualified, than those in their employ as managers (Carver, 2006; Forbes & Milliken, 1999; Monks & Minow, 2011; Petrovic, 2008). Concurring with this, Strategic Pay (2013) found that within New Zealand one of the major challenges encountered by CSO managers related to working with governing boards. Here, 28% of respondents perceived board members within their organisation lacked experience concerning governance responsibilities and understanding the difference between governance and management. These findings were shared by Grant Thornton (2014) who reported that less than half (43%) of the senior CSO managers it surveyed had confidence that all their organisation's trustees understood their responsibility to oversee legal compliance. Correspondingly, the Community and Voluntary Sector Working Party (2001, p.166) asserted "some people have come along just wanting to make a cup of tea and found themselves in the executive and becoming legally liable for contracts. This is just too complicated and worrying for them". These earlier findings validate the assertion of Shaw et al. (2012) that there was a limited pool of qualified board members to draw from within the sector.

Despite challenges associated with access to competent CSO board members, Grant Thornton (2014; 2016) argued that good governance was especially important for CSOs due to

government's ever-changing regulatory and financial reporting regimes. These commentators expressed concern that many CSO trustees, especially from smaller organisations, including ECSOs, lacked understanding and experience regarding risk mitigation, especially in relation to the growing interest in social enterprise. The implication of their assertion was that no longer was it sufficient for boards to comprise passionate, well-intentioned, community minded individuals. Trustees must also possess skills including commercial and governance experience (Smith & Lipsky, 1993). Consequently, some CSOs now utilise formal recruitment processes to source qualified trustees and may pay for the services of board members (Thornton, 2016). This approach stands in sharp contrast to previous practices where volunteers would simply put up their hand to help out, or be shoulder tapped in recognition of long-service (Considine et al., 2014; Guo, 2007).

Guo (2007) argued that, rather than serving the community, senior CSO managers were compelled to serve government, as it was the organisation's primary funder (and therefore owner) of the organisation. Due to this, he perceived the board who represented the community may have opposing objectives to management, and that accepting government funds may conflict with the values, founding mission, strategic direction, and the community connectedness of CSOs (Cooper, 2005). Thus, Smith and Lipsky (1993) asserted that CSO boards must be guided by the community and should not take their lead from government. However, this position assumes financial independence of the CSO, and that the voice of the community is singular (Zappalà et al., 2001) and that it excludes government.

Challenges associated with a CSO's source of strategic direction have caused volunteers, including trustees, to perceive significant shifts have occurred within their organisations. As previously noted, it has been suggested that the founding missions of many organisations appeared lost to bureaucracy, or were abandoned in the "quest for business perfection" (Smyth, 1995, p.1) that might secure funding contracts. Thus Tennant et al. (2008) asserted, there was a substantial contraction in the energy of volunteers who had traditionally provided the labour force for much community, political or religious expression.

The competing agendas of achieving CSO efficiency through contracts, with that of building CSOs capable of mobilising personnel (Nowland Foreman, 2006) who would achieve organisational goals fuelled the assertion of Cnaan and Kang (2010), that CSO professionalisation was incompatible with the traditional volunteer, who was intrinsically motivated and often under-qualified.

Other factors to negatively impact volunteerism are societal changes with respect to financial expectations of individuals, and what constitutes a working week. It is argued that contemporary perspectives on work/life balance have left people time poor, so that the traditional demographic of a volunteer being a middle aged, middle class woman at home, raising children - or a 'lady bountiful' as portrayed by Wilson et al. (2001), is no longer relevant. Such women have little time available for charitable work (Strategic Pay, 2013).

Volunteering demographics suggests that either a younger generation seeking work experience though unpaid internships (Davis Smith, 1997; Pusey, 2000), or older persons with financial independence who desire to give something back to their communities (Strategic Pay, 2013) are likely to comprise typical volunteers. These new cohorts are characterised by professionalism and/or entrepreneurialism. Their interest is primarily in short term, episodic, virtual or task oriented projects with a leaning towards social-enterprise (Culp & Nolan, 2000; Lerner, 2003; O'Brien et al., 2009; Wilson et al., 2001; Zappalà et al., 2001). Furthermore, while offering their time, new volunteers typically have little interest in engaging in the structures, or politics of an organisation (McDonald & Mutch, 2000).

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#### 2.9.7 SENIOR STAFFING SHORTAGES

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Tierney (2006) referred to a paucity of executive staff within the US CSS as a significant "leadership deficit". Within New Zealand similar challenges have been observed in recruiting and retaining highly skilled and creative personnel (Sanders et al., 2008; Shaw et al., 2012). A variety of reasons are advanced to explain the labour shortage. Nowland Foreman (2006) perceived a confusion over the intention and design of senior staff positions. Specifically, he queried whether core competencies of CSO executive staff should be focused on the hard skills of management, as demanded by the neoliberal policies associated with contracting, or on the softer processes of building capacity through motivating volunteers. Lerner and Craig (2005) contended that many CSO staff were confronted with having to gain formal qualifications, despite years of practical experience, or with having to significantly upskill, if they were to retain positions in the new era of contracting. Others argued that state policies constantly changed, requiring variable skillsets of CSO managers (Hudson, 1999). For example, in the early 2000s the New Zealand government talked of 'partnering' with CSOs. It was argued that this new relational approach demanded that CSO managers quickly develop suitable competencies

including learning social and interpersonal skills of building trust, reciprocity, understanding, credibility, consultation, collaboration (Larner & Craig, 2005), networking, promoting change (Salamon, 2002), diplomacy, and negotiation (Rhodes, 2000). Overall, it was argued by the authors above that the speed and constancy of shifts in government policy demanded excessive and ongoing amounts of professional development by CSO managers. The result of this for many was that they elected to leave the sector.

Other reasons advanced to explain senior CSO management shortages included the small size of New Zealand's population, which meant the pool of talent was limited (Sanders et al., 2008). Consequently, Shaw et al. (2012) observed a challenge in finding appropriate staff for the outdoor recreation sector. Equally, Grant Thornton (2011) commented that the 'war for talent' is equally alive amongst CSOs, as it was in other sectors of New Zealand's economy. A further theory to explain the shortage of executive leadership for the sector relates to remuneration. In 2008, the base salary for equivalent positions in the CSS was 20.8% less than was available in the commercial arena (Strategic Pay, 2008). These commentators also reported on comparative salary scales in 2013. Here, they observed that equivalent CSS positions were remunerated 30% less than in the commercial sector, and 10% less than in public service (Strategic Pay, 2013). Probono Australia (2012) contended that such disparity creates significant challenges for CSOs who increasingly find themselves competing with both government and corporates to secure the talent and skillsets required for success.

When discussing why CSO senior managers resign, Santora and Sarros (2001) noted three reasons: serious misconduct, mortality and voluntary retirement/resignation. Despite the cause, their departure and replacement often creates excessive disruption to organisational equilibrium. This is due to the exaggerated levels of authority afforded these staff, who are commonly the most qualified within an organisation (Community and Voluntary Sector Working Party, 2001; McFarlan, 1999). Without a designated manager, an organisation risks becoming leaderless (Chait, Holland, & Taylor, 1996). and may quickly lose direction or momentum. Therefore, urgency prevails and efforts are commonly taken by boards to fill the gap in haste (Santora & Sarros, 2001). This action may lead to a premature appointment, and furthermore may explain the high number of CSO managers who leave their positions within the first year of their tenure (Gilmore, 1995).

Wolfred, Allison, and Masaoka (1999) asserted that a lack of experienced CSO managers in the US could be attributed to only 14% moving to a second managerial role within the sector.

However, according to Strategic Pay (2013), the New Zealand situation seems somewhat different. They reported that 80% of their respondents had longstanding unpaid experience within the sector prior to becoming a CSO manager, and that 81% held either graduate or postgraduate qualifications in some discipline. Furthermore, over half of their respondents had served their current organisation for more than ten years.

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#### 2.9.8 ESTRANGEMENT WITH GOVERNMENT

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Through the history of New Zealand's CSS, it has experienced a variable relationship with government. By the 1990s, rapport between the two entities was described as deteriorating (O'Brien et al., 2009). More emphatically, Tennant et al. (2008, p.4) contended that the 1990s were the "most conflicted period in the relationship between the sectors". Whilst Larner and Craig (2005) talked of the sector being bruised, the general tone and rhetoric contained in much literature suggested the damage to have been significantly greater, at least as far as CSOs were concerned. The resentment held by some within the sector created deep mistrust, and the realisation that a sizeable power imbalance existed between CSOs and government (Glensor, 2006; Stace & Cumming, 2006), whom the CSS perceived as its primary stakeholder.

Towards the end of the 1990s the government's position towards CSOs shifted. Terms such as social inclusion, social investment, relational contracting and partnering were increasingly employed by its administrators (Larner, 2003). Keil (2002) suggested that the strategic intent behind the shift was to 'roll back neoliberalism'. This softening of social policy was not confined to New Zealand, but was similarly experienced in Australia, the UK and Canada (Larner & Craig, 2005).

Suggate (1995) suggested that in New Zealand, the Department of Internal Affairs started the process of re-considering its impaired relationship with the sector by the mid-1990s. By 1997, the Prime Minister initiated a programme to explore the creation of the nation's social capital. Yet, it was not until a new Labour–Alliance coalition government came to power in 1999 that strengthening relationships with the CSS was prioritised. A new position of Minister for the Community and Voluntary Sector was created and, when analysing the prior effectiveness of community–government partnerships in achieving welfare goals, the Ministry of Social Policy (2000a, p.7) spoke explicitly of the need to create "social capital and social cohesion". In line with this new approach, O'Brien et al. (2009) commented on efforts taken by numerous

government departments to improve dialogue with the sector, and to increase funding provision for CSOs.

By 2000, a joint CSS–government working party was established with the intent of resolving the standoff between the sectors (Community and Voluntary Sector Working Party, 2001). In 2001, a statement of government intentions for an improved civil society sector–government relationship was signed by the Prime Minister and Minister for the Community and Voluntary Sector. The statement emphasised a desire by government to change its culture with respect to the sector and to oversee the development of a vibrant and independent community sector; one based on respectful relationships between government, community, voluntary and *iwi* (Māori) organisations. The document stated that these new relationships were to be based on values of honesty, trust and integrity (Buchanan, 2004; Office for the Community and Voluntary Sector, 2001).

In accord with the statement of government intentions, the Office for the Community and Voluntary Sector was established in 2003. This department was mandated with ensuring that a strong and mutually respectful relationship between the sectors was built and maintained. Additionally it was tasked with enabling CSS research to be conducted and to provide practical resources for CSOs (Tennant et al., 2008). Furthermore, in December 2003, Treasury relaxed many policies concerning contracting with CSOs (Stace & Cumming, 2006).

In 2007, a forum brought together over 100 representatives from differing CSOs, 31 representatives of government departments, and 13 government Ministers. The agenda was to discuss challenges facing the sector (O’Brien et al., 2009). A year later, the Association of Non-Government Organisations Aotearoa was funded by government to assess the state’s performance regarding the statement of government intentions. This resulted in a series of recommendations including the need for regular reviews of the performance of government departments in relation to the statement’s intent, and that funding protocols required further simplification (ANGOA, 2009).

Jessop (2002) suggested that this new era of partnership between the sectors was little more than government compensating for the inadequacies of neoliberalism. Other authors contended government portrayed a new and authentic desire to collaborate, rebuild trust (Rhodes, 2000), and to support those seeking to meet community need (Loomis, 2002). Larner and Craig (2005) asserted that policymakers and communities were beginning to come closer together, and that

while cautious, the new relationship was fragile, they anticipated the new sense of government's confidence in CSOs would be enduring.

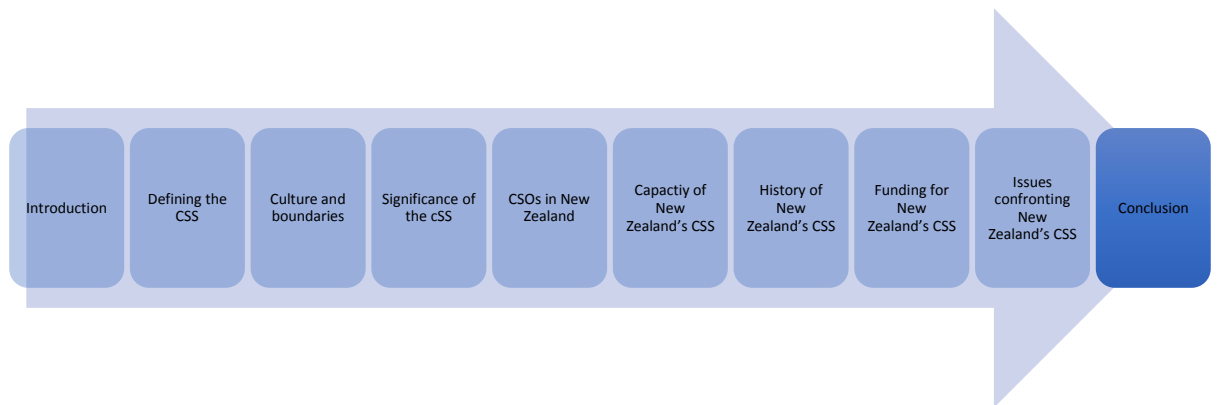
Yet, perceptions of a new conciliatory atmosphere were not universally shared. In 2004, the Office of the Controller and Auditor-General remarked that, while government had abandoned principles of agency theory, there had been “no retreat from contracting itself: quite the opposite” (Buchanan, 2004, p.5). The same office later commented that partnerships between government and CSOs were likely to remain problematic due to major disparities between the power, size, and structures of government in relation to CSOs (Office of the Controller and Auditor-General, 2006). Concurring with this assessment, Stace and Cumming (2006) asserted that in the health and disability subsectors, and amongst voluntary organisations, contracting remained a ‘major’ challenge. Furthermore, O’Brien et al. (2009) observed of participants involved with their research, that no CSO domiciled outside of Wellington had any knowledge of the statement of government intentions. Furthermore, they perceived no change had taken place in their relationship with government during the previous decade. More recently, Shaw et al. (2012, p.15) contended that the behaviour of government had reverted back to hard contracts with little opportunity for negotiation. They concluded “the system is clearly not working well”.

Assessing the history of government–CSS relationships, Stace and Cumming (2006) concluded that in pursuit of accountability, there had been a breakdown of basic human characteristics of relationship development, common sense and trust. Similar sentiments have recently been echoed by Milbourne and Cushman (2013) in the UK, and this may explain the contention of Cribb (2006) who advocated for a redirection of mind-set away from negative theories associated with agency theory, towards the positive concepts of stewardship. She argued that such an approach acknowledged the virtue of altruism in the interests of the common good. Similarly, Wilcocks and Craig (2009) contended that building an environment of trust would assist in transitioning from a culture of blame, to one of learning that supported innovation. However, countering these perspectives, the New Zealand Office of the Auditor-General argued that theories of stewardship in the context of CSOs was simplistic. He continued by citing cases of financial impropriety, such as that of the Pipi Foundation, which was established by a previous member of parliament who was convicted of fraud having stolen 80,000 NZ\$ from the CSO (Buchanan, 2006; Buchanan & Pilgrim, 2004). Internationally, many similar cases could be cited where embezzlement has occurred within CSOs, such as by the head of Oxfam's counter-fraud unit in the UK (Griggs, 2014).

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## 2.10 CONCLUSION





Based on the review of literature concerning CSOs in this chapter, table 3 presents a series of propositions concerning CSOs that contextualise this research.

TABLE 3: Propositions from literature concerning CSOs

Defining the CSS	
	Definitions seeking to define the sector, which is the subject of this thesis, are contestable.
	In accord with the World Health Organisation, the increasingly accepted understanding of the term CSO is that of non-state, not-for-profit, voluntary organisation. Therefore, CSS is the principal label used throughout this thesis when referring to the sector. The term CSO is used when referring to the sector's organisations.
The culture and boundaries of the CSS	
	Organisations within the CSS share a mission concerned with maximising social profit, or of adding social value.
	Objectives are commonly ambiguous due to the need to balance diverse agendas that are held by a wide variety of stakeholders.
	CSS is extremely diverse due to its size, coverage, capability, capacity and representativeness.
	Have been defined as organisations that are organised, private, non-profit distributing, self-governing, and voluntary.
	Can be categorised into two overarching subsectors: service providers and expressive organisations. Organisations predominantly providing tangible social services include those focused on education and research, health care, housing and social services. Organisations predominantly enabling individuals to express themselves include those focused on advocacy, culture and recreation, environment and animal protection, international aid, philanthropic trusts, professional associations and religion.
	Only 66% of international CSOs are primarily service oriented. The balance are primarily expressive; however, in New Zealand these figures are reversed. Thus so 66% of New Zealand's CSOs are expressive.
	Are commonly amalgamated into one generic category, which creates significant gaps in our knowledge and understanding of the sector.

	This is especially pertinent in New Zealand, where 66% of CSOs are primarily expressive.
<b>CSS significance</b>	
	In the 1990s many governments have increasingly looked to CSOs for delivery of the social services that it required.
	New Zealand's CSS represents an important component of the country's domestic economy, expending 4.6% of gross domestic product.
	Due to the significant international interest in academic research concerning CSO management, there is a scarcity of scholarly research in this area within New Zealand.
<b>CSOs in New Zealand</b>	
2.13	Within New Zealand, there is a vibrant history of participation, volunteerism and/or financial giving to CSOs. There has also been a strong expectation of government support.
2.14	In 2002 it was estimated that New Zealand government contributed in excess of 1 billion NZ\$ to the CSS. By 2013, the figure amounted to 9.4 billion.
<b>The capacity of New Zealand's CSS</b>	
2.15	The 2006 New Zealand census recorded in excess of 97,000 CSOs; yet, by 2013, this figure had increased to more than 114,000. Per capita of population, this figure represents one of the largest CSSs in the world.
2.16	The 2006 New Zealand census recorded an equivalent of 9.6% of the economically active population were engaged in providing labour for the CSS in comparison to an international average of 5.6%.
2.17	In 2008 around 75% of New Zealand's population aged ten years and over were engaged in CSS activity.
<b>The history of New Zealand's CSS</b>	
2.18	New Zealand's CSS has been influenced by a combination of Māori culture, colonisation by Europeans, and the emergence of the welfare state.
2.19	For Māori and Pacifica ethnicities who together comprise 22% of the New Zealand population, community service is not considered a charitable activity. Rather, it is an expected part of normal everyday life.
2.20	European settlement in New Zealand during the 1800s included the establishment of churches, charities and legal frames that guided the New Zealand CSS.
2.21	Traditionally government funding of the sector was informal, being largely based on relationships. Commonly support involved untagged grants in aid.
2.22	The social problems that emerged in New Zealand during the 1920s exceeded the capability of the sector. This led to the creation of the welfare state in 1935.
2.23	By the 1960s a new optimism pervaded New Zealand. This challenged the legitimacy of the welfare state. Successive governments reduced CSO support.

2.24	Since the 1970s and 1980s, new CSOs have continued to emerge, many of which focus on the expressive subsector.
<b>Funding for New Zealand CSS</b>	
2.25	In 2013, CSS revenues comprised three major streams: 1) subscriptions, including trading/social enterprise and government contracts (63%); 2) philanthropic gifts (20%); and 3) government grants (10.8%).
2.26	Other minor sources of income were derived from investment interest and dividends (6.5%).
2.27	Total sector income in 2004 amounted to around 8,036 billion NZ\$. By 2013, this had increased to around 13,280 billion NZ\$, or a growth of 65%.
<b>Issues confronting the CSS</b>	
2.28	In parallel with moves by governments in many British Commonwealth countries to rely on CSOs to deliver social services, there was significant growth in the state's financial contribution to the sector.
2.29	In tandem with provision of additional funding, government transitioned from a policy of untagged grants-in aid, to one based on contemporary neoliberal approaches .
2.30	Neoliberal policies produced new formalised processes for accessing government funds through competitive tendering for contracts. This included a strong emphasis on accountability reporting.
2.31	Contracting became the primary way both governments and philanthropic trusts contributed/invested in the sector.
2.32	Neoliberal policies radically impacted the way New Zealand's CSS operated.
2.33	Surveys indicate that CSO managers have repeatedly perceived funding as their greatest challenge.
2.34	Bidding for contracts and compliance reporting significantly escalated CSO overheads.
2.35	Contracts commonly provided insufficient funding to deliver contracted outcomes.
2.36	Contracts led to inter-organisational and inter-sector competition.
2.37	The short duration of many contracts led to generalised funding insecurity for CSOs.
2.38	To meet government objectives as defined through contracts, it was perceived that the central mission, identity and independence of many CSOs were lost.
2.39	Contracts commonly specified with precision the services being funded and it was perceived this constrained CSOs' agility and effectiveness in responding to community need.
2.40	CSOs perceived that publicly critiquing state policy would negatively impact their success in gaining or retaining government contracts.
2.41	Increasing complexity in the government's social and economic policies left many CSS volunteers under-qualified. Additionally, shifting norms concerning work/life balance led to substantial reductions in volunteerism.

2.42	Increasing complexity in the social and economic policies of government left many CSS managers under-qualified. This led to substantial reductions in what was already considered to be a limited talent pool.
2.43	Increasing complexity in government's social and economic policies led to a generalised acceptance of estrangement between the CSS and government.
2.44	The 1999 Labour–Alliance coalition government sought to remedy the estrangement by appointing a Minister for the Community and Voluntary Sector, and by signing agreement to the statement of government intentions to improve rapport and rebuild trust between the sectors.
2.45	While some authors observed improvement in the CSS–government relationship, there is not agreement on this perception.

#### 3.1 INTRODUCTION

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This chapter explores the notion of collaboration and has the purpose of further enhancing the context of the thesis, or of offering theoretical sensitivity (Strauss & Corbin, 1998; Urquhart et al., 2010) to the topics under examination through a review of literature. While the chapter's focus is on the collaboration of CSOs, the discourse is interdisciplinary. Accordingly, it considers collaboration in a variety of contexts.

Initially attention is directed to complexities associated with defining collaboration. Both the labels utilised to describe the term, and scholars' understandings of what constitutes collaborative endeavour vary widely. Thus, this thesis adopts a broad and inclusive understanding of the label spanning co-existence at one end of a spectrum through to integration of organisations at the other.

The second section of the chapter concentrates on collaborative actors. While collaborations may involve working with colleagues who are either internal or external to an organisation, the thesis focuses on external collaborations; specifically, those between the primary stakeholders of CSOs as identified by participants in this thesis. This included other CSOs, government, philanthropic trusts and, to a lesser extent, corporates.

Next the motivation behind CSO collaboration is explored. The rationale behind collaboration within the CSS is threefold: resource dependence, resource management and enhancement of organisational effectiveness.

The chapter concludes by identifying key issues in literature associated with constructive collaborations. These include traits of collaborative actors, the need for shared values and goals, operational concerns, the constituency of the collaborative team, resourcing, and the value of formality through contracts or memorandums-of-understanding that define goals and responsibilities within a collaboration.

As with chapter 2, the chapter concludes by utilising a series of propositions that summarise the literature on collaboration pertinent to this thesis and which will assist in giving meaning to findings as discussed in chapter 8.

The structure of the chapter is depicted in figure 5

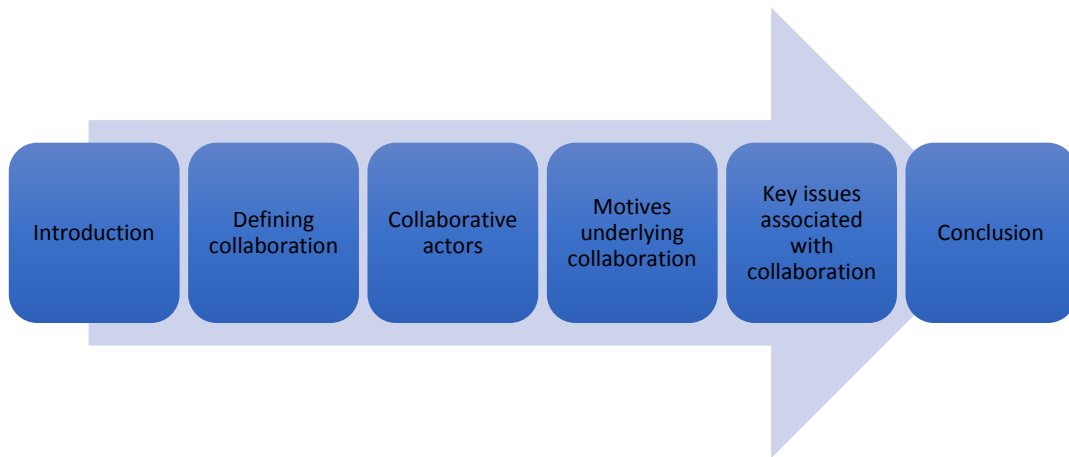
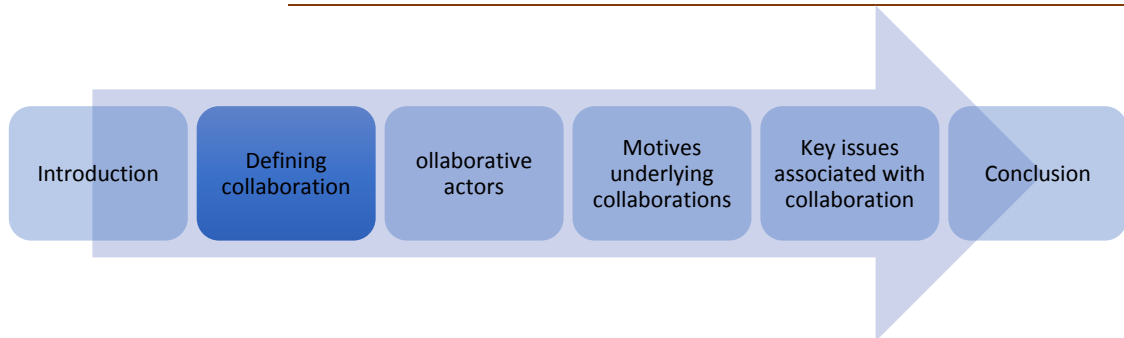


FIGURE 5: Structure of chapter 3

### 3.2 DEFINING COLLABORATION



In mid-2016, the Scopus database returned over 195,000 publications since ‘the beginning of time’ where collaboration was central; hence, the construct has been of considerable academic interest across many disciplines including strategy, organisational theory, entrepreneurship, marketing, public policy and administration, operations management, and industrial ecology (Wassmer et al., 2014). Interest in the subject has developed exponentially since the mid-1990s. Yet agreement in defining collaboration is difficult. This is as the term is employed excessively, elusively and inconsistently across all sectors of society (Berger et al., 2004; Gajda, 2004; Salamon, 2004). Thus, Thomson and Perry (1998, p.409) compared collaboration to cottage cheese, suggesting that for many “it occasionally smells bad and it separates easily”.

Roberts and O’Connor (2008) adopted a simple definition for collaboration when suggesting that the practice occurred whenever individuals or organisations worked together to achieve a common objective. Similarly, Thomson and Perry (2006) contended that collaboration was a process that created rules and structures to govern relationships and behaviours on issues of shared interest. Yet, earlier definitions of the construct focused on the motivation behind collaboration. Here it was suggested that collaboration offered potential for delivering synergistic

gains. For example Gray (1989, p.5) contends collaboration is a “process through which parties who see different aspects of a problem can constructively explore the differences and search for solutions that go beyond their own limited visions of what is possible”. Equally, Sowa (2008) posited that the purpose of collaboration should be new and beyond the existing capabilities of the independent organisations.

When exploring motivations behind CSO collaborations, Bardach (1998) asserted the practice had the intent of increasing public value through the collective activity of organisations. Linden (2002) discussed how CSO collaboration took place when he talked of organisations working together to address problems through mutual effort, resources, decision-making and having a shared ownership of services being delivered. Dovey (2003, p.18) extended this understanding further by referring to “combining and leveraging public and community-based organisational resources and power to address difficult problems in the community”.

In the context of corporate social responsibility it is contended that collaboration entails partners, missions and people acting more collectively and moving towards integration or amalgamation (Berger et al., 2004). However, Lukas (2005) took an alternative stance when positing that objectives of CSO collaborations must be mutually beneficial and should achieve common goals, but that these need not necessarily include merging organisations. This definition implies that collaborative relationships may remain informal. One example of informality within collaborations was identified by Shaw et al. (2012) in their research that mapped New Zealand’s outdoor recreational CSOs. They discuss the Bridge Club, which comprised a small group of loosely connected senior managers from this subsector who had met for over 25 years to share knowledge of mutual interest. Their research asserted the subsector was resistant to the notion of formality within the network, or any singular organisation acting as overall representative for the collective of organisations. Rather its managers preferred only to build better relationships inter-organisationally.

Due to ambiguity in locating an agreed or precise definition that explains collaboration, a variety of progressive continuums have been offered to outline both the formal and informal relationships of stakeholders. Collaborative continuums stand in direct contrast to the view of Chavis (2001) who emphasised that the term ‘coalition’ was preferred in the US when referring to CSOs that worked in unison. Equally, the notion of a collaborative continuum challenges the binary definition of the term as offered by Orosz (2000) who makes a distinction between cooperation and collaboration. For him, cooperation represented stakeholders coming together in

some form, such as to deliver a project for their respective and potentially differing reasons; yet, where there was no shared plan of action. He claimed that collaboration should be reserved to describe instances where there existed a common goal and a shared plan of execution. Therefore, for him, collaboration defined a process that was more formal and complex in its design.

In New Zealand, Nowland-Foreman (2008) suggested that there existed a third, even less formal, arrangement for working with others. He termed this 'cohabitation' and argued that in financing CSOs, there were situations where funders shared a coincidental connection through a project, but that these stakeholders may be unaware of the existence of the other. He contended this was the most common form of collaboration amongst funding organisations.

To highlight different layers of relational intensity which may comprise collaborative relationships, some scholars advance three-layer continuums. These may include levels of cooperation, coordination and collaboration, which was understood as the most intensive kind of inter-organisational association (Peterson, 1991; Walter & Petr, 2000). Winer and Ray (1994) posited that at the advanced collaborative level, there is a shared commitment to goals which have been mutually created and for which all parties are collectively responsible for sharing costs, risks, rewards, and delivery. An alternative three layer continuum is proposed by Austin et al. (2000) who discuss a low commitment relationship involving dialogue, but little strategic alignment, a middle layer comprising transactional relationships, and an advanced level involving integration. In the latter tier, the language of 'us' and 'them' is replaced with the collective pronoun of 'we'.

Yet, other scholars outline four levels to the collaborative continuum. The model of Roberts and O'Connor (2008) begins with dialogue, and transitions through cooperation and collaboration before identifying a final layer of integration. Similarly, Kagan (1991) posited four tiers. His model included co-operation, coordination, collaboration and integration. An alternative option was advanced by Himmelman (1994), who began with networking to exchange information. His second layer involved coordinating, which in addition to networking delivered some activity for mutual benefit. Thirdly, co-operation comprised networking, coordination and documenting agreements concerning resource sharing. Lastly, he spoke of collaboration, which described instances where the action of intentionally enhancing the capacity of the partner/s was added, albeit with the motive of mutual gain. Here the objective was to enable one's partner to be the best at what they did, and to share risks, responsibilities and rewards.



Complexity is further added to the continuum by other researchers who identified five distinct layers of collaboration. Murray (1998) talked of a basic level where information was shared or where services were coordinated. His second layer included joint efforts, where different types of activity such as community planning, advocacy or fundraising took place. Thirdly were relationships involving joint delivery of specific mission-critical program/s. Fourthly, rationalisation of services was considered, and this led to his final stage which comprised full partnership or merger.

Atouba and Shumate (2014) refer to the Yearbook of International Organisations, which similarly included five kinds of networks that existed between CSOs. These were categorised under the following descriptors, which were determined from analysis of information contained in CSO's annual reports. Firstly, the yearbook identifies use of the phrase 'links with'. This defined a relationship that was identified by only one stakeholder. 'Collaborates with' defined instances where both stakeholders identified a formal relationship. 'Partners with' described situations where stakeholders shared at least one programme. The fourth and fifth terms 'hosts' and 'hosted by' defined situations where organisations shared administrative functions.

The New Zealand-based research of Craig and Courtney (2004) equally posits five tiers of relational intensity associated with collaborations. Their model started with co-existence, and worked through networking, cooperation and collaboration, before concluding with partnership. For them, partnership involved the sharing of values, resources, decision-making and establishing systems that would strengthen the partnership.

Given the multiplicity of choice, Nowland-Foreman's (2008) suggested that the simpler the definition given to collaboration, the better. Therefore, for the purposes of this thesis, collaboration is defined inclusively and covers each layer of collaboration identified in figure 6. As such it may involve a wide range of activities and relationships, which may be either informal or formal, as is depicted in figure 6 below.

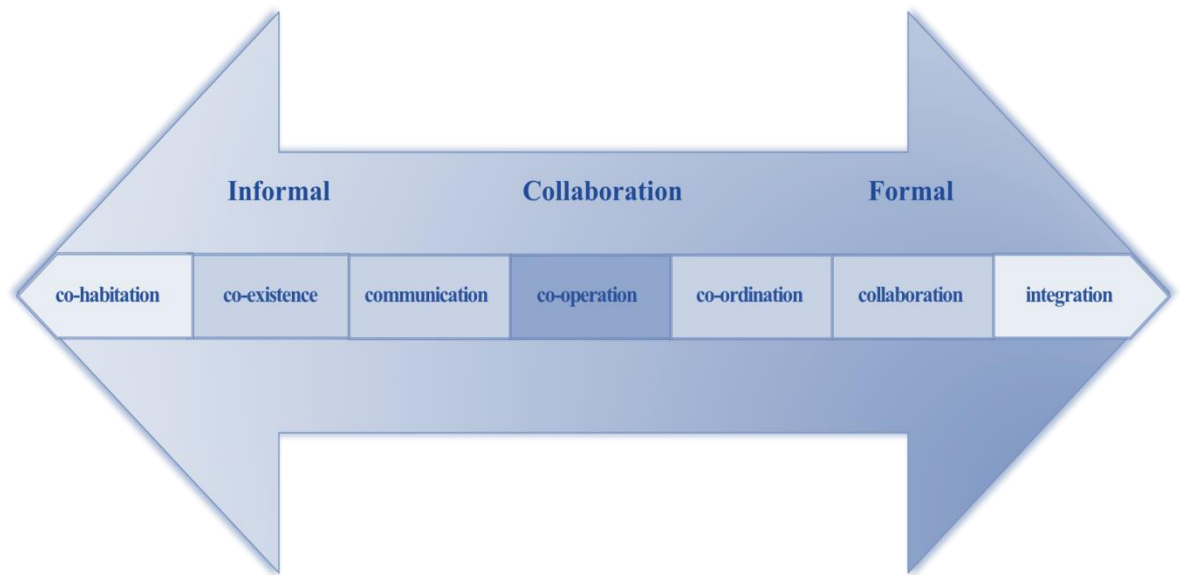
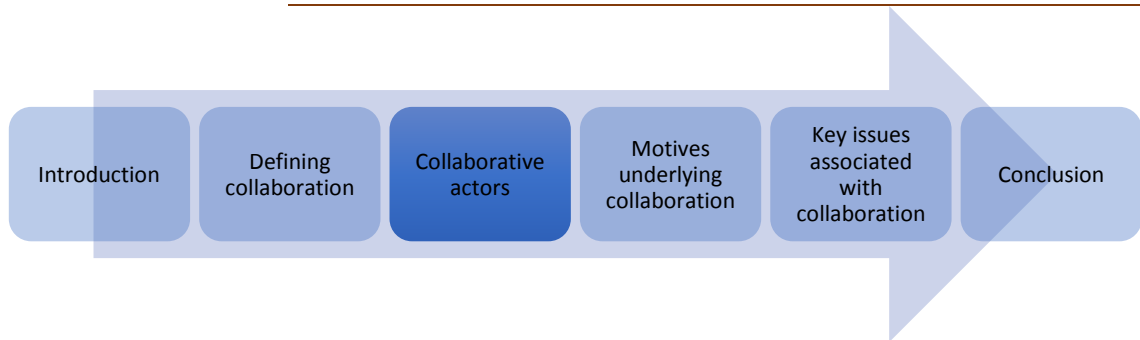


FIGURE 6: The range of collaborative relationships

### 3.3 ACTORS WITHIN CSO COLLABORATIONS



Collaboration within the CSS has been observed to take place across different stakeholder groups. These include internal or intra-organisational associations such as exist between a CSO board with its senior management (Bradshaw, 2002; Shaw et al., 2012) or between an organisation's leadership and its members (Osula & Ng, 2014). As these types of collaboration are not a feature of this research, a review of literature surrounding them is beyond the scope of this thesis.

Inter-organisational collaborations also exist. These external relationships may include working with other CSOs (Shaw, 2012). Here literature includes discussion of collaborations between likeminded organisations, such as umbrella organisations that commonly unite CSOs seeking to influence government policy (Grant, 1978; Nicholson-Crotty, 2009; Nooteboom, 2004; Onyx et al., 2010; Verschuere, 2010). Another example comprises collaborations examined in the recent study of Atouba and Shumate (2014). These authors explored challenges that were encountered by small organisations, responding to infectious disease in the developing world, collaborating

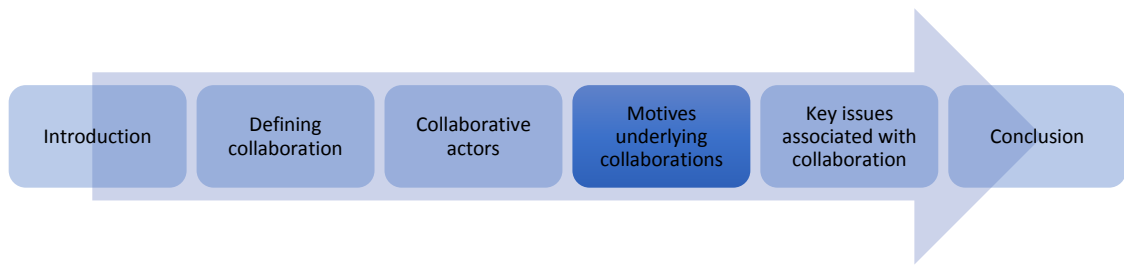
with internationally recognised and robust CSOs concerned with the same cause. Another example of CSO–CSO collaborations involve dissimilar organisations such as the situation where philanthropic trusts fund CSOs (Philanthropy New Zealand, 2007). Inter-organisational collaborations may also involve cross-sector initiatives (Austin & Wei-Skillern, 2006; Cairns & Harris, 2011; Lambell et al., 2008; Seitanidi, 2008). Here, it has been contended that only collaborations involving governments, corporates and the CSS can offer the possibility of resolving the complex social challenges of contemporary global concern, such as poverty, HIV/AIDS or climate change (Gajda, 2004; Seitanidi, 2008).

While dynamics associated with CSO–government collaborations in New Zealand were outlined in chapter 2, a growing form of cross-sector collaboration exists between a CSO and corporates (Austin et al., 2000; Austin & Wei-Skillern, 2006; Berger et al., 2004; Crane & Matton, 2007; Eweje, 2007; B. Gray, 1989; Selsky & Parker, 2005). Bowen (1953) suggested CSO–corporate collaborations emerged in reaction to Friedman’s (1962) contention that the sole responsibility of the corporation was to increase shareholder value. Taking an alternative stance, stakeholder theory argued that organisations are dependent on stakeholders, including shareholders and “any group or individual who can affect or is affected by achievement of the organisation’s objectives” (Freeman, 1984, p.25). While Donaldson and Preston (1995) asserted stakeholder theory related exclusively to corporations, other authors suggest it has relevance in a variety of contexts, including the CSS (Freeman, Harrison, Wicks, Parmar, & De Colle, 2010). Therefore, CSO–corporate collaborations commonly comprise businesses engaging with the CSS through their creation of corporate social responsibility departments (Palakshappa et al., 2010). In economic terms, these kinds of collaboration increase competitive advantage (Berger, Cunningham, & Drumwright, 2006; Wassmer et al., 2014) through collaborative advantage (Huxham, 1996). One such collaboration is examined by Palakshappa et al. (2010) who explore the relationship between DHL carriers and Surf Lifesaving New Zealand.

While CSO–corporate collaborations have been studied in many contexts, authors such as Seitanidi and Crane (2009) contend they remain under-researched.

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### 3.4 MOTIVES UNDERLYING CSO COLLABORATIONS



Literature examining motivations undergirding collaboration is plentiful (Cairns & Harris, 2011). Two overarching theories explain many of the reasons why organisations enter relationship with others. These are resource dependence and transaction cost theory (Ebaugh et al., 2007; Guo & Acar, 2005). Following consideration of these primary justifications for collaboration, a third rationale is discussed: collaboration to enhance organisational effectiveness.

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### 3.4.1 RESOURCE DEPENDENCE

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Resource dependence contends that, amongst other tasks, organisations are concerned with managing resource acquisition (Pfeffer & Salancik, 1978). This theory is related to competitive advantage, which is achieved through organisations gaining external resources that are valuable, unique and which cannot be substituted (Hillman, Withers, & Collins, 2009). Stakeholders collaborate with other organisations to manage these scarce resources (Butterfoss, Goodman, & Wandersman, 1993), and this is especially important for CSOs where, as noted by Guo and Acar (2005), there exists a highly volatile resourcing environment. Therefore, one of the roles of a CSO is to “recognise the limitations to its resource base and build strong networks with other influential stakeholders within its environment” (Shaw et al., 2012, p.24), so as to gain access to funds (Graddy & Chen, 2006), and other resources.

Chapter 2 addressed in some detail the topic of CSOs’ reliance on collaboration with government to access resources. It was contended that the relationship was one that was largely transactional. Similar debates exist concerning the extent to which CSO–corporate collaborations are limited by restricting their mandate to exclusively serve the needs of each other (Austin et al., 2000). Here, it is suggested that both corporates and CSOs are primarily motivated to collaborate with each other due to the potential of receiving a return-on-investment. Lee (2011) contended the primary interest of the corporate was in resource acquisition, through securing access to new client bases. In addition to new markets, Eweje and Palakshappa (2008) identified the potential for accessing skills and human resources associated with the CSO. CSO–corporate collaborations also offer many advantages to the CSO. Not only are there benefits with respect to accessing funds, but corporates also commonly offer CSOs professional skills, including marketing,

computing, accounting and human resource management (Palakshappa et al., 2010; Seitanidi, 2008). Lee (2011) contended that an underlying key driver of CSO–corporate relations was not so much the creation of social value, but rather the pragmatic self-interest of the collaborative actors.

Resourcing requirements of CSOs extend beyond servicing their need for funds; collaborations with corporates enable them to secure other tangible resources such as assets and staff. Intangible resources such as access to a wider range of stakeholders, status and reputation are also of importance (Arya & Lin, 2007); thus, Cairns and Harris (2011) refer to the value of ‘being seen’ to participate. Similarly, Atouba and Shumate (2014) discuss the strategic importance of CSOs with limited scale seeking out collaborations with robust and internationally recognised CSOs working within similar contexts. These authors explain that the rationale behind forming such relationships was to manage and improve the impression of the smaller organisation amongst those who have resources, in anticipation that this will lead to accessing new opportunities for greater resource acquisition (Palakshappa et al., 2010), thereby increasing competitive advantage (Berger et al., 2006).

Literature also indicates that a CSO can gain considerable intangible status, reputation and legitimacy through association with well-managed corporates. Here, it is asserted, there is much to gain when bidding for contracts by being able to demonstrate association with a large commercial enterprise (Arya & Lin, 2007; Cairns & Harris, 2011; Dacin, Dacin, & Matear, 2010; Doherty, 2006; Minkoff, 2002; Yanacopulos, 2005).

For corporates, intangible advantages include ensuring they are perceived as using their wealth and dominance responsibly on the understanding that, if they do not display this desire to do good, stakeholders, including those who purchase goods and services, will take their business elsewhere (Davis, 1973). Accordingly, it is argued that through CSO–corporate collaborations, the image of the corporate is significantly enhanced through its association with human values. This gives legitimacy to the corporate as a good corporate citizen (Davis, 1973; Wassmer et al., 2014).

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### 3.4.2 TRANSACTION COST THEORY

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A second rationale for collaboration is that it increases efficiency and improves the competency of stakeholders (Nooteboom, 2004). Transaction cost theory asserts that economic and

psychological benefits may be maximised by collaborative endeavour through the reduction of transaction costs (Williamson, 1991). This leads to organisations that operate with increased efficiency (Dickson & Weaver, 1997; Eschenfelder, 2011), making them less reliant on external resources.

In the context of funding CSOs, Nowland-Foreman (2008, p.3) placed importance on reducing transaction and compliance costs for both the funder and the CSO. He suggested this was important “to ensure we don’t “trip over” each other — that is, either waste resources, time and effort, or even undermine each other”. Similarly, a participant in the research of Shaw et al. (2012, p.70) exclaimed that more connection within the sector would provide “maximum output for the buck”. Other scholars discuss benefits associated with developing shared knowledge, systems and tools that could be utilised to reduce expenditure and mitigate risks associated with holding full responsibility for decisions and activities (Eweje & Palakshappa, 2008; Nooteboom, 2004).

Commentators Strategic Pay (2013) expressed concern over New Zealand’s CSS when contending the sector contained “mass duplication” (p.7) and “a lack of alignment and collaboration” (p.16). They also stated, “there needs to be more sector coordination” (p.7) and that the “sector needs to work much smarter in terms of sharing costs at the back end and [in] overhead costs” (p.7). Another commentator, Grant Thornton (2014) correspondingly advised that in their view “there is considerable opportunity for consolidation within the Not for Profit sector in New Zealand” (p.22). They argued “that some form of collaboration, ranging from sharing resources to merging and amalgamating, to using cloud technology is a significant opportunity” (p.4). Generalised concerns over CSO inefficiency have also been expressed within Australia (Onyx et al., 2010), and the US, where the sector was claimed as being poorly organised and unimaginative (Alexandra et al., 1997).

Such criticisms motivated donors, including governments, to require that CSOs collaborate inter-organisationally as a condition of being awarded a contract (Cairns & Harris, 2011; Milbourne & Cushman, 2013; Sowa, 2009; Walker, 2004). Yet, because these collaborations were imposed, it was not uncommon for CSOs to treat them with resentment and hostility, especially as the process demanded working with other organisations who were competitors bidding for the same contracts (Atkinson, 2007; Cairns & Harris, 2011; Roberts & O’Connor, 2008). Thus, it was argued that rather than reducing transaction costs, contracts had the opposite effect, causing increased administrative duplication and generalised inefficiency (Brown et al., 2000; Roberts &

O'Connor, 2008). Critics of the contracting culture claimed the process of tendering and meeting contracted compliance requirements was unduly demanding and bureaucratic (Shaw et al., 2012) and that the level of accountability demanded of CSOs amounted to a form of “intrusive and time-consuming surveillance” (Milbourne & Cushman, 2013, p.494). Concern was also expressed that inordinate time was consumed in bidding for contracts at the expense of delivering front-line services to the community (Ernst and Young, 1996; Milbourne & Cushman, 2013; New Zealand Council of Christian Social Services, 1998; Sam & Jackson, 2004; Stace & Cumming, 2006). Thus, it was argued that contracting also resulted in a reduction of service quality (Cribb, 2006; Wilson et al., 2001), as opposed to an increase in efficiency.

Theories associated with collaboration motivated by resource dependence and/or to reduce transaction costs highlight a tension between gaining competitive advantage on one hand, and losing autonomy and independence on the other (Ebaugh et al., 2007).

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### 3.4.3 SOCIALISED CHOICE THEORY

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Resource dependence and transaction cost theory can be used to rationalise much of why New Zealand CSOs have collaborated since the introduction of neoliberal economic policies in the 1980s. Such need was essential for organisations to survive in the highly competitive and volatile contracting environment that existed not only in New Zealand, but also across many British Commonwealth countries (Eardley, 2002; Osula & Ng, 2014; Senior, 2011; Stace & Cumming, 2006). However, due to their economic base, Hill and Lynn (2003) combined these two theories under the single title of ‘rational choice theories’. They then added a third objective that propelled CSOs to collaborate and termed this ‘socialised choice’. Socialised choice theory suggested that CSOs collaborate not only to manage resources, but that organisations work with others to create social value (Bardach, 1998; Huxham, 1996), which they defined as achieving enhanced organisational effectiveness.

Rather than restricting collaborative endeavour to ‘back office’ tasks of managing resources and expenditure, collaboration that enhances organisational effectiveness emphasises the potential of collaboration for increasing an organisation’s capability (Lyer, 2003). The motivation was to equip collaborators to better achieve the cause/s they collectively shared, and thereby improve the services offered to the community.

Collaboration for organisational effectiveness is closely related to definitions of collaboration offered by Gray (1989), Bardach (1998) and Sowa (2008) who emphasised that collaboration involved a creative process with the aim of achieving innovative outcomes. Here, the strengths of different parties were leveraged, to explore challenging problems and to find new solutions through synergy (Nowland-Foreman, 2008; Shaw et al., 2012), and from learning through the experiences of others (Hines, 2002). This rationale for collaboration has parallels with a distinction between management and leadership, as advanced by Bennis and Nanus (1985, p.21), who claimed “managers are people who do things right” while “leaders are people who do the right thing”. Theories justifying collaboration that relate to resource dependence and reducing transaction costs may more closely connect with doing things right, while theories associated with organisational effectiveness may more closely relate with doing the right thing.

Eweje and Palakshappa (2008) discuss increasing CSO effectiveness when examining corporate social responsibility programmes. In this context, they contend that, rather than corporate–CSO collaborations being motivated by rational choice, where the corporate merely sought to exploit the CSO so as to gain access to new markets, or to leverage legitimacy by being associated with doing good in the community, the corporate’s intention was to make a positive difference for humanity. They summarised: “our research demonstrates that social partnership in New Zealand is an integral part of corporate strategy and companies’ social responsibility to society” (p.19). In claiming this, they take an opposing perspective to that previously asserted by Lee (2011), who contended corporate–CSO collaborations were largely self-serving.

Collaboration for increased organisational effectiveness has also been tied to advocacy, which is a key task for many CSOs (Cody, 1993; Hines, 2002). Pfeffer and Salancik (1978) contend that CSOs restrict political activity to when they are in the presence of allies (Nicholson-Crotty, 2005), due to a fear that speaking out in critique of state social policy may jeopardise future government income streams (Grey & Sedgwick, 2013). Therefore, by working in unison with others to lobby for social change, CSOs are able to protect their individual resourcing interests (Verschuere, 2010).

While acknowledging reactive reasons for advocacy through collaboration, O’Brien et al. (2009) contended there were also proactive reasons for establishing advocacy based ‘umbrella organisations’ that clustered CSOs who shared a similar ideology. These authors asserted that umbrella organisations provide a clearing house to disseminate and discuss information and that from this activity strategies of mutual benefit may develop. For example, the Association of



Non-governmental Organisations (ANGOA) has organised pre-election forums where political candidates have been invited to discuss their respective policies on social issues (ANGOA, 2014). Similarly, its successor Hui E has coordinated sector-wide responses to proposed government policy changes, such as the Incorporated Societies Act (Henderson, 2016). Furthermore, Nooteboom (2004) suggested that umbrella organisations draw people together around an issue, so as to gain a ‘critical mass’ that gets widespread attention so that the collective, clear, loud voice of constituents can raise public awareness, shape attitudes and react to, or influence government social policies.

A further rationale for collaboration that increases organisational effectiveness is associated with resolving embedded social problems. In the context of social planning, Rittel and Webber (1973) sought to categorise problems by defining them as being either tame or wicked. Ackoff (1974) similarly referred to problems that were messy and highly complex, in that they comprised sets of interconnected challenges which were difficult to conceptualise, let alone analyse. Building on these assertions, Grint (2005; 2008) contended there were three types of problems, each of which required resolution through different pathways. He argued tame problems were solved through linear, managerial solutions. His second cluster of problems was of a critical nature. These involved an element of emergency and required resolution through hierarchical decision making. The third category of problem he termed wicked. Wicked problems were characterised by uncertainty because they had never been experienced before. More than being complicated, he argued such challenges were highly complex, with the absence of a singular, best or ‘elegant’ solution that might enable them to be remedied through linear managerial or hierarchical approaches. Grint’s interest in seemingly insolvable, wicked problems related to how leadership addressed these challenges. He contended that progressing wicked problems could only be achieved through application of an entirely different methodology — one that demanded collaboration.

The need to employ collaborative strategies for resolving complex challenges echoes the call of numerous scholars, commentators and practitioners. Toward the end of the last millennium, Feeney (1998) predicted the future of leadership would involve partnerships, collaborations, and collective action. In the same year, when talking of leadership configurations within CSOs, Bradshaw, Hayday, Armstrong, Levesque and Rykert (1998) suggested that rather than the normative, hierarchical and transactional structures offered through policy governance, where agency theory separated the tasks of a board from that of management (Carver, 2006), there were alternatives involving power sharing. Later, Bradshaw elaborated by stating that collaboration

was desirable (2002). Similarly, Heenan and Bennis (1999) commented that whilst society was awestruck by celebrity and the need to be No.1, the future of leadership would be ‘truly collaborative’.

In the new millennium, Austin et al. (2000); Austin and Wei-Skillern (2006) and Linden (2002) stated that if the complex, crosscutting problems of society were to be resolved, then importance needed to be placed on collaborating across organisational boundaries. This same assertion was advanced by Selsky and Parker (2005), who called for cross-sector collaboration, specifying it was of value in addressing the complexities of issues related to economic development, education, healthcare, poverty, community capacity building and environmental sustainability. At a similar time, Bryson et al. (2006) asserted collaboration was necessary to address the complex, multidimensional problems that had defied the traditional siloed approach. However, Cartwright, Sankaran, and Kelly (2008) took a slightly different tack when suggesting that even organisational mergers may be needed to deal with increasing complexity of society.

Research undertaken within New Zealand by McMorland and Eraković (2013) identified a number of CSOs that had reached tipping point in handling convolutions associated with the dynamic environment that had emerged since the introduction of competitive contracting as the way government funded the sector. They suggested these policies created wicked problems, which demanded organisations search for radically new solutions, including forming strategic relationships with others, both intra- and inter-organisationally. Specifically, they advocate for strategies of cooperation, collaboration and partnership.

In sum, Osula and Ng (2014) recently advocated that due to the scale and complexity of certain problems, no one stakeholder has the sole, or overall ownership. Thus, they contended collaboration is no longer optional, if resolution is to be attained.

Theoretical assertions that collaboration offers synergy leading to innovation have been validated within the commercial sector. Pittaway et al. (2004) systematically reviewed all scholarly literature on business–business collaborations to identify that many scientific and technological breakthroughs resulted from organisations working together. Within the biotechnology and other high-tech industries, firms that collaborated achieved a 20% increase in product improvement and up to 10% in new product development (Gemünden et al., 1992). These authors concluded, “The vast majority of the evidence analysed is overall extremely positive about the value of business-to-business networks and their impact on the innovation process” (p.158). However, a

noted limitation of this study was that the bulk of their review examined high technology and manufacturing industries. Only 2.9% of their sample comprised service industries.

Notwithstanding evidence of the benefits of collaboration for innovation within the corporate sector, there remains an extreme paucity of empirical evidence to support such a claim within the CSS (Allen, 2005; Foster-Fishman et al., 2001b). Indeed Atkinson (2007) alluded to scholars who considered the opposite may be true, or that collaboration may have a negative overall impact on community outcomes. She refers to research undertaken by Glisson and Hemmelgarn that found no positive relationship between collaboration and the improvement of services being delivered to clients. Similar concerns have been expressed more lately by Atouba and Shumate (2014) who identified counter-productivity in likeminded CSO collaborations. They discuss how financially powerful international organisations can dominate the agendas of weaker actors within the developing world by demanding one-way reporting.

Figure 7 depicts the three distinct motivations as to why CSOs collaborate. These include the traditional, the current and the underexplored.

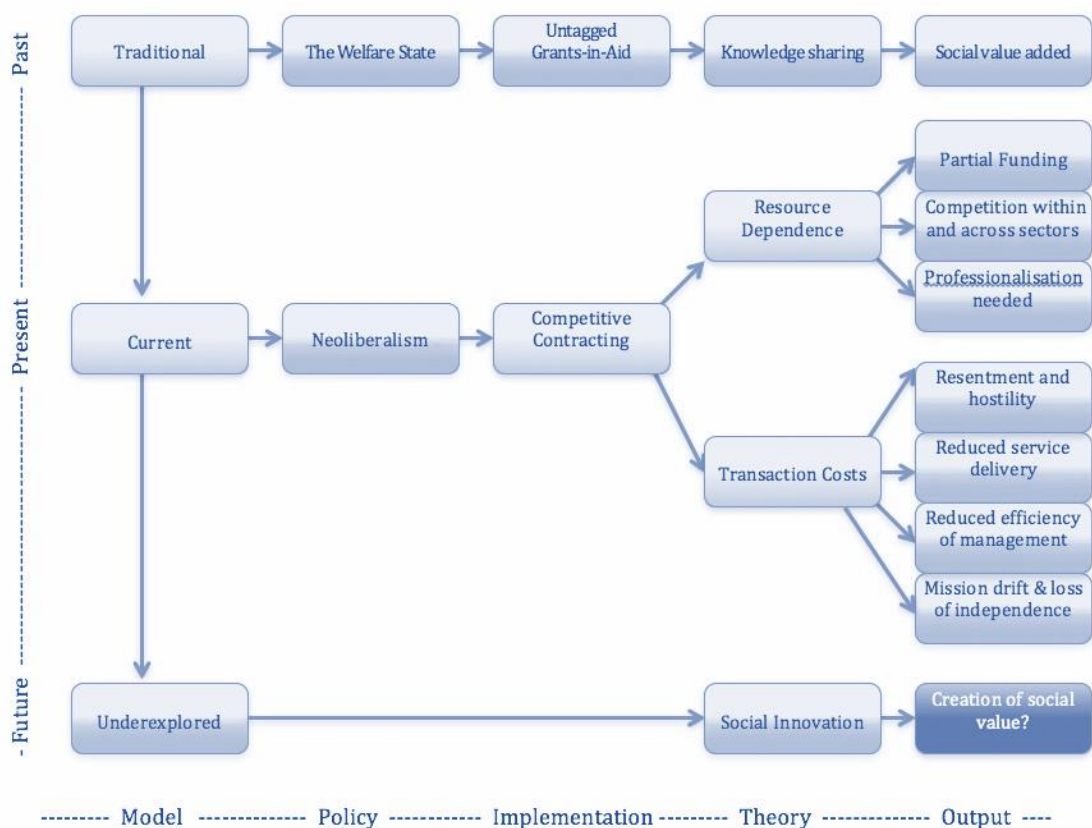
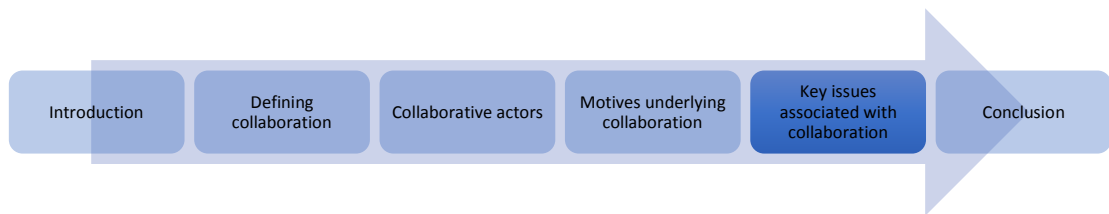


FIGURE 7: Motives for collaboration within civil society

### 3.5 KEY ISSUES OF CSO COLLABORATION



A challenge to evaluating collaborative success lies in how effectiveness is measured (Butterfoss et al., 1993; Dowling, 2004; Roberts & O'Connor, 2008). Gray (2002) advocated the necessity of separating soft from hard outcomes. For him, soft outcomes referred to evaluation of the collaborative process, including consideration of factors including trust, forbearance, reciprocity and opportunism, or the nature of the relationship (Parkhe, 1993). Hard outcomes referred to impact metrics (Christoffersen, 2013) associated with outputs or outcomes of collaborative projects.

Gajda (2004) and Schorr (2003) posit that hard metrics may not be appropriate for what is essentially a soft process, which is fundamentally built on the foundations of relationship and trust. For this reason, Berkowitz (2001) asserted the conventional measures of natural science were inappropriate for the fine-grained outcomes of collaborative endeavour. Yet others, such as a participant in the research of Shaw et al. (2012, p.68), contended that CSO managers have “cosy warm relationships ... [but that] they never get anything done”.

Despite disagreement as to the best approach for evaluating CSO collaborations, numerous authors discuss the need for collaborators to set and monitor some form of agreed performance metrics (Berkowitz, 2001; Gray, 2002; Schorr, 2003), to keep stakeholders mutually accountable. Here it is contended that evaluation must be connected to goals mutually agreed at a project's outset, as opposed to vague aspirations (Austin et al., 2000; Dowling, 2004; Roberts & O'Connor, 2008), or of the collaborative process. Thus, an evaluation should be more than just the ‘gut feel that we are delivering ... above and beyond each other's expectations’ as was expressed by a participant in the research of Das and Teng (1998).

Increasingly, commonality is held amongst authors about components that lead to successful collaborations (Dowling, 2004; Gray, 2002). Therefore, outlined below is an overview of the main elements' literature identifies as supporting collaborative success. Included is consideration of: 1) collaborative actors; 2) shared values and goals; 3) operational skills; 4) the constituency of the team; 5) resource availability and; 6) the need for formality within collaborations.

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### 3.5.1 CHARACTERISTICS OF ACTORS

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In commenting on CSOs, Sarason (2004, p.276) argued that “not everyone has the interpersonal style and personality traits to initiate and sustain an intervention”. Similarly, Mintzberg, Jorgensen, Dougherty, and Westley (1996) asserted that, because collaboration is fundamentally about teamwork, the individualistic determination and ambition that drives persons to ascend through layers within their organisation, may create barriers that impede their ability to engage in successful collaborations. Thus, Dodgson (1992) argued management styles must change. Taking a different tack, Craig (2004) contended many skills required for successful collaborations are not contained within the standard competency sets of many CSO managerial position descriptions. Consequently high importance is placed on collaborative actors having a willingness to develop and improve their team-building and relational skillsets (Butterfoss et al., 1993; MacCormack & Forbath, 2008; McMorland & Eraković, 2013; Shaw et al., 2012).

Specifically, it is asserted that successful collaborations are devoid of competitive spirits, parochial interests, resistance to change (McLaughlin & Covert, 1984), and an unwillingness to learn, help or share (Hansen & Nohria, 2004). It is argued the absence of these traits is especially important to mitigate power disparities between collaborative actors (Bell, 2001; Berger et al., 2004; Gray, 1989).

Furthermore, due to the complexities involved in inter-organisational activity, collaboration in these contexts demands a more advanced skillset than is required for single organisation collaborations (Butterfoss et al., 1993). Collaborative actors in these settings commonly lack necessary skills for facilitating, or participating in what Atkinson (2007, p.32) described as “multi-agency systems-oriented approaches”, due to a lack of training or experience, or because of the speed of change (Foster-Fishman, Berkowitz, Lounsbury, Jacobson, & Allen, 2001; Rhodes, 2000; Salamon, 2002). Thus, Atkinson (2007) and Wolff (2001) placed importance on softer inter-personal skills as they perceived at the centre of collaboration was the human process of bringing people together, to build relationship or, as stated by Ogilvie (2002, p.4), “organisations do not make partnerships, people do”.

Communication forms a major component of relationship building. It should be clear, open and frequent (Aldridge, 2012). Harmer (2006) observed a tendency within some CSO collaborations for stakeholders to avoid conflict. He notes research participants who expressed the view that “conflict festers, [then] comes out in a mighty blow”, with “the gloves coming off” in a way that is “severe and punitive” (p.495). Therefore, it is important to take advantage of both formal and

informal opportunities to communicate, and to proactively work to resolve conflict as it develops (Austin et al., 2000; Foster-Fishman et al., 2001; Mattessich, Murray-Close, Monsey, & Wilder Research Center, 2001; Salmon, 2004).

From a platform of strong relationships, trust, which is an essential component of successful collaborations (Aldridge, 2012; Gazley, 2010), is able to emerge. Thomson and Perry (2006) define trust as including meeting commitments (explicit and implicit), negotiating honestly and not taking advantage of others. Establishing this environment is easier where there are strong pre-existing relationships, or where participants share similar characteristics or attributes (Gazley, 2010; Putnam, 2000), such as being geographically located in the same area, or sharing a cause, institutional culture, or funders (Atouba & Shumate, 2014).

Yet, being “like-minded people from like-minded organisations” (Aldridge, 2012, p.28) does not guarantee that collaborative actors will share goals and values (Shaw et al., 2012), especially if actors perceive the relationship was not entered voluntarily. Where stakeholders are competing for contracts (Considine et al., 2014; Lerner & Craig, 2005), or other resources, the environment may be full of conflict (Osula & Ng, 2014). Therefore, relationship-building may consume considerable time and effort, especially in the initial stages of building rapport, so that values such as respect, understanding, reciprocity and trust can be established (McMorland & Eraković, 2013).

The importance of investing appropriate time into establishing strong, trusting, mature relationships between actors is associated with building a sense of commitment to the collaborative process (Atkinson, Wilkin, Stott, Doherty, & Kinder, 2002). Trust is seen as vital because it increases stakeholders’ preparedness to release valuable resources to the collaboration (Butterfoss, Goodman, & Wandersman, 1996). Hence, Lin (1999) asserted that the more demanding collaborative goals were, the greater the importance of trust.

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### 3.5.2 SHARED VALUES AND GOALS

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Collaborators must hold a variety of competencies (Foster-Fishman et al., 2001b). These include the soft relational skills previously discussed, and those associated with vision, crafting strategy and delivery of activities that achieve collaborative purpose/s.

Stakeholders should not only share organisational values (Atkinson, 2007), there is also need for identifying a common vision early in the process (Craig & Courtney, 2004). This is referred to as having a 'shared commitment' (Palakshappa et al., 2010; Thomson & Perry, 2006; Wolff, 2001), or of having the purpose of the collaboration clarified as quickly as possible (Roberts & O'Connor, 2008). Collaborators must also reach agreement, or at least hold similar understandings of the needs, problems, solutions and methods for intervention (Austin et al., 2000; Lukas, 2005). Agreement on these factors leads to the articulation of a clear mission and guiding purpose (Dowling, 2004) for the collaboration. Osula and Ng (2014) discuss the importance of the intention behind the collaboration and the need for a shared philosophy, vision, focus and goals that might stimulate synergy towards that which cannot be achieved separately. McMorland and Eraković (2013) along with Lukas (2005) asserted that the aims of a collaboration must be concrete and achievable.

However, due to the marked differences in ideological perspectives between different CSOs, achieving clarity and agreement around a shared vision may not be easily achieved. This challenge may be attributed to the passion of respective CSOs in achieving their respective purposes (Linden, 2002), or because differences and conflicts may exist between CSOs, which may be deeply entrenched (Eason, Atkins, & Dyson, 2000). Ebaugh et al. (2007) offer an example of faith-based organisations who may refuse to collaborate because to do so would compromise their beliefs. This might include collaborating with funders such as the Lottery Commission (Krish, 2014) who raise funds through gambling, which may be perceived by faith based organisations negatively.

Based on their varied philosophical perspectives, it is also possible that potential collaborators may also hold strongly differing opinions on how vision is translated to strategy. Thus, it is not uncommon for there to be significant variation amongst CSOs who operate within the same subsector concerning what intervention is required, how it should be administered, by whom, and at what point in time (Strategic Pay, 2013). Shaw et al. (2012) illustrate this point when discussing qualification frameworks amongst CSOs in the outdoor-education subsector. Their study identified that some organisations were predominantly staffed by paid professionals while others were essentially volunteer based. This resulted in challenges concerning the desire or ability to collaborate over qualification frames, because the staff of the CSOs had different quantities of time available for investing in training.

Furthermore, many CSOs are passionately protective of their independence (Ministry of Social Policy, 2000). This leads to a natural suspicion as to the motives of potential collaborative colleagues, especially where a relationship is initiated by those perceived as dominant (Coulson-Thomas, 2005). This scenario explains historical concerns held by organisations in New Zealand's sport and recreation subsector concerning collaborating with government (Tennant et al., 2006). It may also explain why those in the outdoor recreation subsector see no value in one body assuming itself as the peak organisation for the subsector (Shaw et al., 2012).

Shaw (2006) contended that collaboration involves power-sharing; therefore, some of the power and control possessed by individual organisations must be sacrificed for the collaboration to succeed. Yet often there is an inherent fear that an organisation may lose its freedom through the collaboration (Nowland-Foreman, 2008). Thus, while funders may apply pressure on likeminded CSOs to merge, Coulson-Thomas (2005) and Shaw et al., (2012) argue mergers are rarely successful, as organisational identities or property rights are at stake

Concerns to retain organisational identity and autonomy have two further implications that potentially inhibit success in CSO collaborations. Firstly, some organisations may lack the will or skills needed to negotiate (McMorland & Eraković, 2013), preferring a 'take it or leave it' perspective (Fischer, Ury, & Patton, 2011). Alternatively, they may expect others to come under their authority. Secondly, Aldridge (2012, p.11) identified some collaborations involve "free riders" who take whatever they can for benefit to their own organisation, without reciprocating. An example of this attitude was offered by Applegate (2006) in the context of corporate social responsibility. Here attention was drawn to CSOs entering collaborations with businesses to receive funding but failing to consider what benefit they offered the corporate in return.

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### 3.5.3 OPERATIONAL CONSIDERATIONS

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Assuming collaborators share mutual understanding over the collaboration's purpose, literature also draws attention to operational considerations (Sagawa & Segal, 2000). This may involve sharing items such as information systems, data management, financial services and human resource management (Thomson & Perry, 2006). Yet collaborative initiatives can be substantially complicated when actors hold different operating norms (McMorland & Eraković, 2013). For example, whilst collaboration often involves information sharing, organisations may utilise different systems for collecting and storing data. This may create frustrations and even insurmountable challenges should the systems used be incompatible (Lukas, 2005). Additionally,



apart from potential complications associated with confidentiality, certain data may not be shared because collaborators may desire to protect their competitive advantage (Atkinson, 2007). Furthermore, there may be practical problems associated with alignment of timeframes related to scheduling and funding rounds (Bode, 2006; Considine et al., 2014).

With collaborations involving shared activities, there is need for personnel with relevant content knowledge and skills in planning, designing, and evaluating programmes (Harker, Dobel-Ober, Berridge, & Sinclair, 2004; Osula & Ng, 2014). Thus, Nowland-Foreman (2008) emphasised that stakeholders should have shared understanding concerning roles, responsibilities and boundaries of all collaborative actors.

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#### 3.5.4 THE COLLABORATIVE TEAM

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Literature identified in chapter 2 contended that many collaborations across New Zealand's CSS have been imposed by funders, including government, as a condition of a contract being awarded. In such instances CSO managers may have perceived the process interfered with their organisation by imposing either an overt or a covert agenda (Atkinson, 2007; Blagg, 2000; Roberts & O'Connor, 2008). Sensitivities surrounding this issue were escalated in CSO–government collaborations when discussions were said to be dominated by government administrators, through either their numeric strength and/or the imbalance of input they made into dialogue and decisions that were taken. This caused deep anxieties for many within the CSS over collaborative inequalities between themselves and government (Bell, 2001). Of this, Nowland-Foreman (2008, p.3) analogised what he termed the 'Laurel and Hardy syndrome' where "Laurel and Hardy were lying in bed. Laurel rolled over and Hardy was dead". Out of the fears associated with this sentiment calls for further research that explored benefits and drawbacks of having a dominant partner within CSS collaborations were issued (Christoffersen, 2013; Milbourne & Cushman, 2013). Nevertheless, successful collaborations are said to be more achievable when there is a genuine, voluntary willingness by all actors to engage (Atkinson et al., 2002; Gazley, 2010).

Huxham (2003) argued that due to the need for building strong relationships amongst collaborative actors, and because this process must be constantly nurtured, the number of collaborative actors should be kept to a minimum. Small collaborative teams not only assist with managing time consumed in building a trusting environment, they also mitigate challenges associated with communication across larger groups (Nowland-Foreman, 2008). Accordingly,

Bell (2001) observed a positive relationship between increased team size and decreased levels of participation.

McMorland and Eraković (2013) posited that the only the ‘right people’ should be involved in collaborations. Therefore, a ‘bottom-up’ approach was considered most effective by Roberts and O’Connor (2008). These authors asserted benefits from involving those at the grass roots of the community, as they were in the best position to identify needs and solutions. Similarly, theories around participatory action research contend that a bottom up approach stimulates engagement and commitment, which comes from ownership (Cameron, Hayes, & Wren, 2000, Lewin, 1946).

However, a constituency of engaged practitioners does not imply that management can be excluded from the collaborative team. Rather, outcomes are enhanced when managers recognise the importance of the collaborative endeavour, and when they endorse it (Huxham & Vangen, 2000; McMorland & Eraković, 2013; Palakshappa et al., 2010; Roberts & O’Connor, 2008).

It is asserted that all stakeholders should comprise persons with the right to speak for the organisation they represent (Craig & Courtney, 2004) and that they should hold appropriate decision-making powers (Butterfoss, Cashman, Fishman, Kegler & Berkowitz, 2001).

Literature also identifies a high rate of churn amongst collaborative stakeholders. This creates additional challenges to team maintenance, as each new member must be assimilated into the team, and time given for relational values to be established (Darlington, Feeney, & Rixon, 2005; Mattessich et al., 2001; Roberts & O’Connor, 2008; Thomson & Perry, 2006).

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### 3.5.5 RESOURCE AVAILABILITY

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Given that many CSO personnel perceive their organisations are constantly expected to achieve more with less funds (Grant Thornton, 2011), collaboration demands additional resources which may not be readily available (Walker, 2004). Hence, concerns are expressed over the ‘costliness’ of CSO collaborations (Palakshappa et al., 2010), or of the opportunity cost for collaborators (Thomson & Perry, 2006). Literature indicates that consideration must be given to the cost of time (Nowland-Foreman, 2008), effort (Archer & Cameron, 2008; Walker, 2004) and finances (Archer & Cameron, 2008), each of which are discussed below.

Scarcity of time often presents a barrier for many CSOs considering collaboration (Mattessich et al., 2001). Harker et al. (2004) argue this is because organisations are under considerable constraints due to the administrative demands placed on them by contracting and other fund-raising activities. Yet, the seemingly simple initial collaborative task of establishing a trusting relationship is rarely a process that can be achieved with haste. Therefore, Shaw et al. (2012) advise against rushing schedules or of setting over-ambitious goals. Rather, objectives are more easily attained when pursued with patience and persistence (Goodman, Wheeler, & Lee, 1995).

Collaborations also demand energy, effort, commitment and enthusiasm of all actors (Ministry of Social Policy, 2000; Sanders et al., 2008). Yet, as stated previously, it is not uncommon for CSOs to be unwilling actors in collaborations, especially when they perceive the practice was forced upon them (Atkinson, 2007).

A further concern may relate to the low enthusiasm of staff involved at the delivery stages of a collaboration. This may be attributed to operational staff having been excluded from decision-making concerning the collaboration, which in turn leads to a lack of ownership for collaborative goals. Alternatively, a lack of motivation by operational staff may result from conflicting priorities on their time (Craig & Courtney, 2004). Notwithstanding this concern, literature also identifies the existence of staff who contribute exceptionally high levels of personal commitment to achieving collaborative goals, well beyond that for which they are remunerated. (Harker et al., 2004; Lerner & Craig, 2005; O'Brien et al., 2009; Stace & Cumming, 2006).

Apart from time, energy and commitment, collaboration commonly requires an economic base (Atkinson, 2007). Effective collaboration is enhanced where funding is stable (Mattessich et al., 2001). However, as discretionary funding for non-contracted activity is scarce (Roberts & O'Connor, 2008), collaborations are more common amongst larger organisations. This is because they are more likely to have infrastructure, such as paid employees and an ability to self-invest in a project (Darlington, Feeney, & Rixon, 2005; O'Brien et al., 2009; Shaw et al., 2012).

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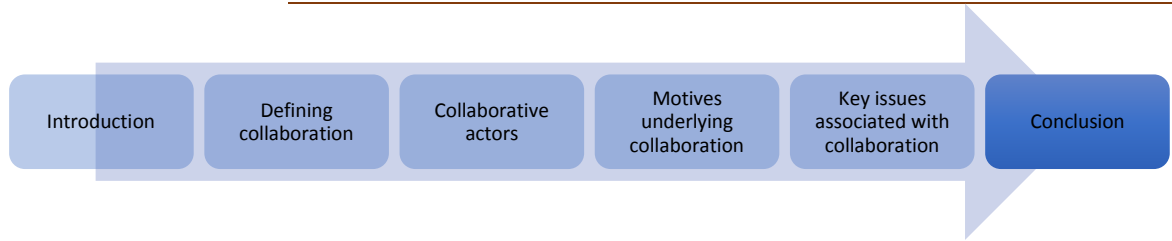
### 3.5.6 STRUCTURES

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Literature identifies value in formalising collaborative projects (Aldridge, 2012). Lukas (2005, p.9) states: “the most common reason for meltdown is disagreements and uncertainty about operating norms. Therefore, it’s important to create a collaboration charter” and to “get it in

writing”. Similarly, other scholars talk of the need to use contracts that document partner commitments (Craig & Courtney, 2004; Guo & Acar, 2005).

### 3.6 CONCLUSION



Based on the review of literature concerning CSOs in this chapter, table 4 presents a series of propositions concerning CSOs that gives context to this thesis.

TABLE 4: Propositions from literature concerning collaboration

Defining Collaboration	
3.1	Literature defines collaboration with a diversity of concepts and terms.
3.2	For this research, collaboration is defined inclusively and covers informal relationships based on co-existence at one end of a spectrum, through to formalised integration of organisations at the other.
Actors within CSO collaborations	
3.3	Collaborative actors may be internal or external to an organisation.
3.4	Primary external CSO collaborations include CSO–CSO, CSO–government and CSO–business relationships.
Motives underlying CSO collaborations	
3.5	CSOs may enter collaborations to gain access to resources, especially funding. These resources may be tangible or intangible.
3.6	Through collaboration, organisations may reduce transaction costs by increasing organisational efficiency, making them less dependent on resources.
3.7	Due to a perception of mass duplication and inefficiency within New Zealand’s CSS, some stakeholders, including funders and scholars, either require or advocate for increased resource sharing or consolidation within the sector. Other stakeholders contend that competitive contracting escalated administrative demands on CSOs and creates inefficiencies.
3.8	CSOs may collaborate to achieve synergy that enhances organisational effectiveness, and adds social value.

3.9	Scholars assert that addressing wicked societal problems may only be achieved through CSO collaboration.
3.10	Scholars assert that addressing wicked social problems may only be achieved through cross-sector collaboration.
3.11	There is a paucity of empirical evidence that collaboration within the CSS enhances organisational effectiveness. Some literature indicates the practice may be counter-productive.
<b>Key issues associated with CSO collaboration</b>	
3.12	Collaborations may benefit from setting agreed performance metrics that can be used to monitor collaborative processes and outcomes.
3.13	Evaluations of collaboration may measure either soft processes, or hard outcomes associated with projects.
3.14	Effective collaborations are typically devoid of competitive spirits, parochial interests, resistance to change and unwillingness to learn, help or share.
3.15	Effective collaborations may result from establishing and maintaining healthy relationships between actors.
3.16	Relationship building involves communication, which should be clear, open and frequent.
3.17	Where conflict is present within collaborations, it should be proactively resolved.
3.18	Relationship building involves virtues of trust, respect, understanding and reciprocity
3.19	Establishing healthy collaborative relationships may demand considerable time.
3.20	Effective collaborations may result from a common vision being identified early in the process.
3.21	Effective collaborations may result from actors sharing values.
3.22	Effective collaborations may result from agreement concerning the needs, problems and kind of intervention required.
3.23	Effective collaborations may result from power sharing, which may demand sacrificing actors' autonomy.
3.24	Sharing operations or programmes may be complicated due to the different processes and systems used by collaborator organisations.
3.25	Effective collaborations may result from a willingness of all actors to engage.
3.26	Effective collaborations involving programmes may result from access to personnel with relevant programme content knowledge, and skills in programme planning, designing and evaluation.
3.27	Effective collaborations may result from collaborative team size being kept to a minimum.
3.28	Effective collaborations may result from support and sponsorship received by senior organisational management.
3.29	Effective collaborations may result from a 'bottom up' process that engages persons at the grass roots of a project.

3.30	Churn amongst actors within a collaboration complicates the process, as each new member must be assimilated into the team.
3.31	Effective collaborations may result from sufficient resources including time, energy, effort, commitment and finances being available.
3.32	Effective collaborations may result from charters, contracts or other documents that specify what actors are committing to.

The next chapter examines the the constructionist methodological design of the thesis and introduces research participants.

### 4.1 INTRODUCTION

Having reviewed literature associated with CSOs and collaboration, the focus of this chapter is to explain the research design underpinning the thesis. The chapter is divided into two sections.

Section one presents the methodological positioning of the thesis. It begins by briefly presenting the rationale behind a constructionist epistemology. From this paradigm, Grounded Theory and its variant streams are introduced. Following this, key concepts related to research associated with constructionist epistemology and Grounded Theory are discussed. These include an outline of theoretical sensitivity, constant comparison of data with analysis, theoretical sampling, coding, theoretical saturation, substantive mid-range theory, memoing and reflexivity. The section concludes with justification for the use of Grounded Theory.

Section two is directed towards data collection where protocols employed for the research are introduced. The research sample is discussed, along with methodological concerns raised through peer review. The chapter concludes by introducing participants and outlining a series of ethical issues associated with this thesis.

The structure of the chapter is depicted in figures 8 and 9.

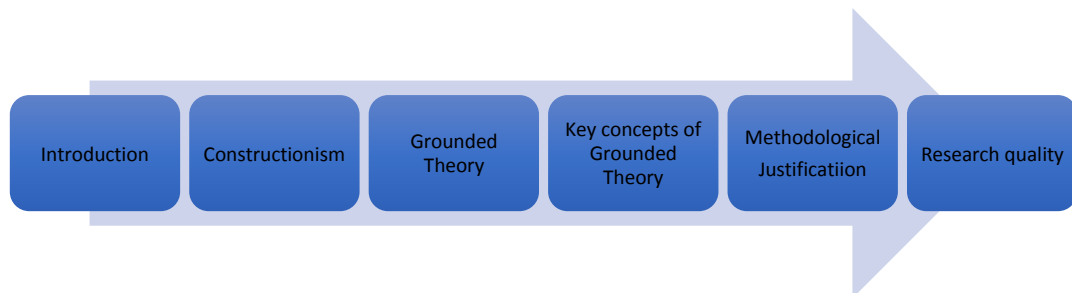


FIGURE 8: Structure of chapter 4 — Section 1: Methodological Positioning

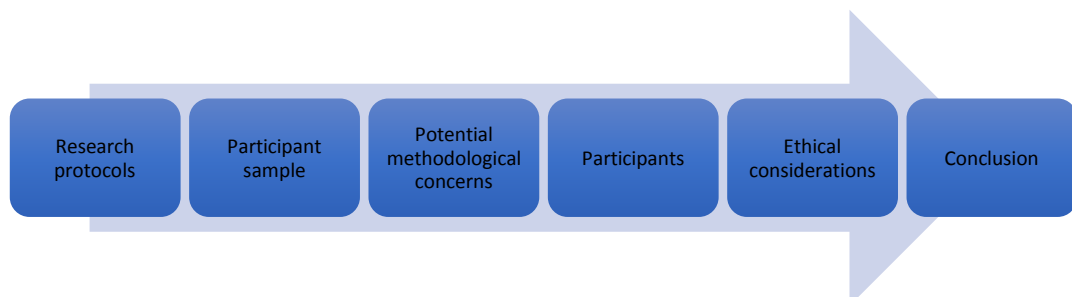
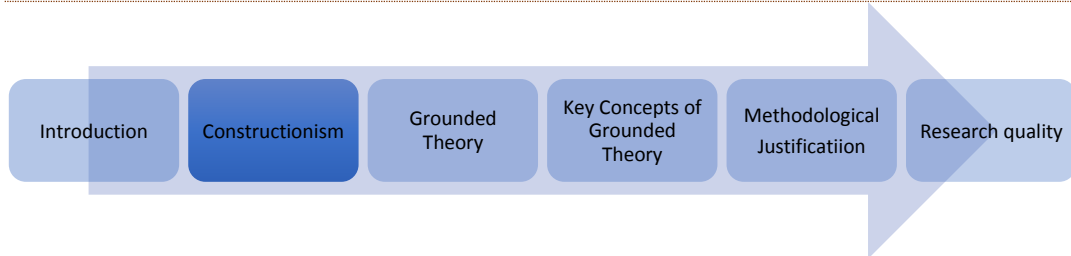


FIGURE 9: Structure of chapter 4 — Section 2: Data Collection

## 4.2 PART ONE: METHODOLOGICAL POSITIONING

### 4.2.1 CONSTRUCTIONISM



Denzin and Lincoln (2000, p.252) declared that academic research was in “an age of emancipation. We have been freed from the confines of a single regime of truth and from the habit of seeing the world in one colour”. Evidence of this new age is seen in the growing number of social scientists who perceive understanding of reality as partial; restricted by time, place, culture and situation (Charmaz, 2006). Accordingly, this research is positioned within a post-positivist, constructionist epistemological paradigm.

Instead of viewing the world from a positivist perspective as an objective, singular reality, which is static and able to be measured, the interpretivist position underpinning this research is aligned with the notion that all understanding is “filtered through perceptions” (Wolcott, 1994, p. 13). For the constructionist, objectivity is a questionable ambition, as the ability to know is limited by one’s individual perspectives, priorities and positions (Charmaz, 2008), or by our pre-existing frames of reference (Klein & Myers, 1999)

The world, nature and cultures are dynamic, constantly evolving (Becker, 1982), multifaceted (Henderson, 2011), and are never able to be fully captured or accurately represented (Lincoln & Guba, 1985). Thus, society is subjective and inter-subjective (Urquhart, 2001). Meaning is constructed as people talk it, write it, argue it, as they interact with the world around them (Potter, 1996). This worldview connects with an ontological perspective that is hermeneutical (Grondin, 1994) and draws from the notion of *verstehen*; an interpretative science that examines causes and effects of social action (Weber, 1947).

As such, constructionism is achieved through inductive investigation that asks qualitative questions (Walsham, 1993). This process offers both descriptive and explanatory strengths (Sandelowsk, 2000). Specifically, it seeks to answer three central questions: 1) what is happening



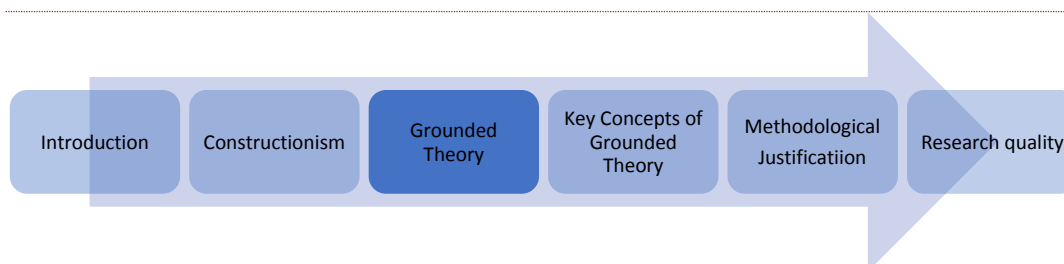
here; 2) how it is happening; and 3) why is it happening (Bowers, 1988; Charmaz, 2006, 2008a; Glaser, 1978). De Vaus (2001) contends that by competently describing what is happening, accepted assumptions concerning the way things are, or appear to be, can be challenged. Once there is understanding of what is taking place through a process of analysing data that offers rich descriptive accounts (Patton, 2001) from the field of enquiry, the how and why questions relating to social processes are then able to be explored (Charmaz, 2008).

Using the constructionist approach meant that this thesis became focused on identifying theories that would assist in producing a plausible account, or multiple accounts (De Vaus, 2001; Ragin, 1991) that explained collaborations in the specific context of expressive CSOs in New Zealand, rather than attaining statistical generalisations, or a universal series of truths associated with collaboration.

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#### 4.2.2 GROUNDED THEORY

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In addition to following a post-positivist, constructionist epistemology, this thesis was also guided by Grounded Theory (Glaser & Strauss, 1967). This approach to research gained credibility across numerous disciplines in the early 1990s (Charmaz, 2008), and has significantly influenced the overall development of qualitative research methods (Charmaz, 2012). Charmaz (2008, p.399) asserted that “Glaser and Strauss made qualitative research defensible — even respectable — at a time when quantitative researchers had controlled the framing definitions of what counted as research: that is, only what these methodologists could count”.

Grounded Theory aims to generate theories concerning human behaviour (Urquhart et al., 2010). As with inductive enquiry, these theories are sourced from rich findings embedded within empirical data (Orlikowski, 1993). Therefore, Grounded Theory adopts a ‘bottom up’ approach, arguing that theoretical constructions must emerge through the data (Glaser & Strauss, 1967). This methodology was developed in reaction to sociological theorisation that was considered by critics as abstract and devoid of association with empirical data (Dey, 1999; Urquhart et al., 2010).

Until 1990 scholars largely adopted a singular approach to Grounded Theory (Charmaz, 2008). The method has since divided in many directions, leading to considerable academic debate. Charmaz (2008b, p.161), elegantly stated that Grounded Theory has evolved into a “constellation of methods rather than an orthodox unitary approach”. Similarly, Clarke (2009) contended that Grounded Theory offered a ‘banquet table’ of methodological options which, rather than straitjacketing the methodology, allowed for its adaptation, to match the requirements of emerging research. Thus Hood (2007) contends researchers who employ Grounded Theory must primarily engage in sampling based on the theory as it emerges through data collection. This approach to sampling by theory distinguishes the method from other research approaches (Urquhart et al., 2010). Yet, despite the assertion that theoretical sampling is essential to Grounded Theory, Charmaz (2012) argues that many claiming use the methodology fail to select their sample based on this method.

Charmaz (2008b) also asserted that Grounded Theory strategies were few and flexible; however, she contended that practitioners must employ four essential components to their work. These include: 1) allowing the inductive process to control the direction of the research by minimising pre-conceived ideas concerning the research problem; 2) constantly comparing new data with analysis of that which already exists; 3) remaining open to multiple explanations of data; and 4) focusing data analysis so that it generates emergent theories which accurately account for the data. She continued by contending the method required core skills including creative problem solving and imaginative interpretation.

Bryman and Bell’s (2007) approach to Grounded Theory was significantly more complex. They advocated the method comprised many stages including: framing a research question in general terms; data collection; coding of data which leads to conceptualisation; development of an emerging hypothesis; further theoretical sampling; collection of new data to test the emerging hypothesis; constant comparison of existing data with new data so that categories could be developed; exploration of relationships between categories; attaining saturation of theoretical development leading to further data collection; and analysis in other settings to formulate formal or generalised theory.

The complex and at times contradictory understanding of how Grounded Theory should be employed is explained by Charmaz (2008) who notes strong disagreement emerged between the co-founders. Their dispute began when one of the founders, Strauss, co-published a book focusing on qualitative research methods (Strauss & Corbin, 1990), including Grounded Theory.

However, Glaser, the other co-founder, disagreed so strongly with the principles of the method outlined in the publication, that he requested it be withdrawn (Urquhart et al., 2010).

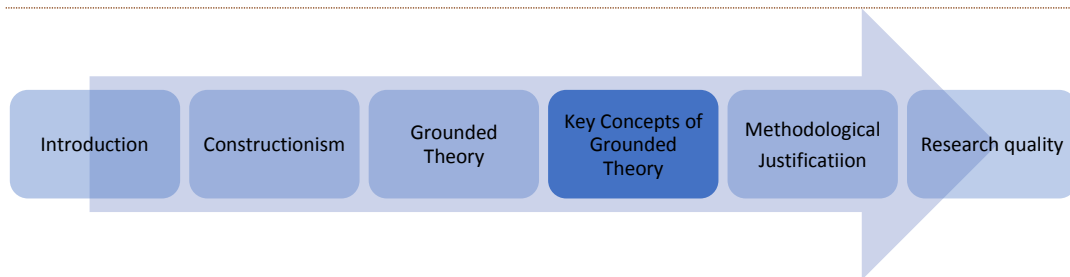
Following Glaser (1978, 1998) Grounded Theory has been utilised from a positivistic standpoint (Bryant & Charmaz, 2007; Lehmann, 2003). Yet others, such as Lincoln and Guba (1985), described it as an interpretive methodology, situated in the naturalistic paradigm where multiple interpretations of reality are assumed (Lincoln & Guba, 1985; Myers, 1997; Urquhart et al., 2010). This perspective is aligned with the constructionist research conducted by Strauss (Charmaz, 2008). As Grounded Theory has evolved, the extent of differences between Glaser and Strauss as to how the method should be viewed has intensified.

This thesis utilises a constructionist version of Grounded Theory that is aligned with the perspective of Strauss. As such it “takes a systematic inductive, comparative, and interactive approach to inquiry” (Charmaz, 2008b, p.156). Its goal is to generate emergent theories through rich findings closely tied to data and which accurately explain the data (Charmaz, 2008; Orlikowski, 1993), as opposed to seeking to prove, or otherwise, a preconceived hypothesis (Urquhart et al., 2010).

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#### 4.2.3 KEY CONCEPTS OF CONSTRUCTIONIST GROUNDED THEORY

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##### 4.2.3.1 THEORETICAL SENSITIVITY

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Some authors assert that inductive researchers are wary of the possibility that prior knowledge of the subject under examination will compromise research findings, through contamination of external subjectivities (Sousa & Hendricks, 2006). Therefore, Glaser (1978; 2001) advised delay of reviewing literature prior to data collection and analysis. However, Kelle (1995) argued that it was virtually impossible to come to a subject without some knowledge or experience. Therefore, Giles et al. (2013) asserted that rather than entering research with an ‘empty head’, it was more appropriate to think in terms of undertaking analysis with an open mind. This approach accepts that a researcher is likely to have prior knowledge in the research area and should intentionally

utilise this knowledge to assist with codification of data. Specifically, prior knowledge, or theoretical sensitisation, should be used to identify important data and to develop appropriate categories during the conceptualisation component of analysis (Glaser and Strauss, 1967; Strauss & Corbin, 1998; Urquhart et al., 2010).

Here again the method's founders articulated divergent views. Strauss and Corbin (1998) stressed value in integration of emergent codification with wider external theoretical constructs, while Glaser (1978) emphasised the inductive nature of the process and the need for codification of data to be exclusively confined to participants' contexts.

This thesis has been undertaken with the researcher having considerable theoretical sensitisation to the subject under study. This knowledge comes from both his longstanding professional experiences within the CSS in New Zealand and elsewhere, along with his having undertaken an extensive literature review prior to data collection. This prior input has "informed the theoretical area" under examination (Parry, 1998, p.93) and assisted in the early construction of categories that emerged through data analysis. Yet, effort was applied to mitigate presuppositions displacing findings contained within the data. As such, many of the early attempts at data analysis were replaced by new categorisations, as existing conceptualisations were compared and contrasted with fresh data during coding.

#### 4.2.3.2 CONSTANT COMPARISON OF DATA WITH ANALYSIS

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As data is progressively collected within Grounded Theory, it is constantly compared with previously coded material. These processes of collection and analysis take place in tandem through an iterative procedure, as separating the tasks may hinder the emergence of vital theoretical developments (Eisenhardt, 1989; Glaser & Strauss, 1967). By constantly comparing data with existing analysis, theoretical construction is guided, so that the level of conceptual abstraction develops (Glaser, 1998; Glaser & Strauss, 1967). This refinement takes place in response to the researcher's contemplation of ideas and questions, which emerge through processing accumulated data (Charmaz, 2008b). As seed concepts, theoretical hunches (Miles & Huberman, 1984; Urquhart et al., 2010), or early hypotheses are developed, the iterative process assists researchers with decisions about where to gather the next 'slice of data' (Glaser & Strauss, 1967). This recursive process between data and analysis continues throughout the study's duration and ultimately enables theory to emerge (Creswell, 1998). Charmaz (2006) contended that constant comparison of data with analysis is at the heart of Grounded Theory.

This is because it ensures theoretical development has undergone rigorous scrutiny by being grounded within the empirical context.

In this thesis analysis began during the first interview, as field notes and memos were documented by the researcher. Additionally, analysis of the words expressed by participants during interviews began shortly after the first transcript was verified by the participant in March 2015.

An example of the value of constant comparison of data with analysis was experienced while interviewing one participant around two-thirds of the way through data collection. The participant spoke of his perception that there was a lack of cross-sector collaboration but that he deemed it to be the singular most effective form of collaboration in his subsector. Up until that point in time, no other interviewee had mentioned cross-sector collaboration or that one of their primary stakeholders was a corporate. This led the researcher to enquire what collaborations of this type the participant was involved with. He then pursued those organisations as potential future participants.

#### 4.2.3.3 THEORETICAL SAMPLING

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Constructionist grounded theorists commonly employ purposeful sampling. This technique is used as the study's 'point of departure' (Charmaz, 2006). This first phase of data collection involves participants being invited to volunteer for the study, subject to meeting basic eligibility criteria. As early data are gathered and analysed, purposeful sampling is replaced by theoretical sampling.

Theoretical sampling has the aim of ensuring the study is 'data driven' (Richards, 2009) and that it remains firmly grounded (Charmaz, 2008b). Based on analysis of existing data, researchers progressively select the next 'slice of data' (Glaser & Strauss, 1967) as part of the iterative process of data collection and analysis (Urquhart et al., 2010). Therefore, by necessity, this process precludes the possibility of pre-determining the whole sample from the project's outset (Charmaz, 2008b; Glaser & Strauss, 1967; Hood, 2007).

Theoretical sampling involves a deductive process whereby the decision as to where to collect the next piece of data is determined by who might strengthen the existing theoretical categories through their verifying, or otherwise, the emerging propositions (Charmaz, 2008b; Glaser &

Strauss, 1967; Urquhart et al., 2010). Therefore, the purpose of theoretical sampling is to take early analysis, or theoretical hunches (Miles & Huberman, 1984; Urquhart et al., 2010), back to the empirical world where the match between conceptualisation and substantive experience is tested (Charmaz, 2006). Glaser and Strauss (1967) contended that theoretical sampling was the most important determinant that a theory was ‘fit’, or that it ‘worked’, by explaining what was ‘going on’. In so doing, theoretical sampling makes theories that have been generated comprehensive (Urquhart et al., 2010).

The interplay of inductive and deductive processes associated with constant comparison of data and theoretical sampling creates a form of triangulation (Webb, Campbell, Schwartz, & Sechrest, 1966), through offering alternative reference points (Denzin, 1970). These reference points allow conceptualisations to develop to the point that comprehensive theory can be articulated through propositions or hypotheses. Charmaz (2012) suggests this process leads to abductive reasoning, or the merging of ideas in novel and innovative ways (Reichert, 2007).

In this thesis, theoretical sampling demanded that the interview protocol be adapted to reflect conceptualisations as they emerged. An example of this was an assertion of a participant that one of the many challenges of collaborating with government was that the state operated on a policy of offering only short-term contracts with CSOs. This comment directly opposed the view of an earlier participant who observed the duration of government contracts had significantly lengthened during the preceding six years. Therefore, when interviewing subsequent participants, the researcher enquired of their perceptions concerning government contract duration. Findings indicated mixed results.

#### 4.2.3.4 CODING

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Practitioners of Grounded Theory code data utilising different methods (Urquhart et al., 2010). Codification in this thesis comprised four stages: open, axial, selective, and theoretical coding. Each is explained below.

Firstly, open coding involves breaking data down line-by-line (Urquhart et al., 2010), examining, comparing, conceptualising and categorising data to form a consistent account of the phenomenon (Strauss & Corbin, 1990). The process involves labelling data, often by use of an *in vivo* gerund drawn verbatim from participants’ comments (Charmaz, 2006).

QSR Nvivo 10 software was employed in this thesis to cluster similar comments together into nodes, which wherever possible, were labelled using an overarching phrase employed by a participant. Alternatively, a similar word that encapsulated what the researcher understood a participant to be communicating was employed. For example, during the 15<sup>th</sup> interview the participant commented “it is pretty hard to ignore the fact that the government holds the purse strings”. Later she stated, “so yeah, the government does hold a lot of the power”. Both references were placed under a node in Nvivo entitled ‘Power Asymmetry’. Urquhart et al. (2010) posited that open coding was largely descriptive. She also asserted that it was vital because it provided a ‘chain of evidence’ based on rich description (Patton, 2001).

The process of coding inevitably became more complex as the volume of data increased. On subsequent readings of transcripts, patterns and duplications of words, phrases or ideas that interviewees had said were identified. These formed the early basis of developing concepts, which were noted as memos.

Urquhart et al. (2010) state that as successive transcripts add to the body of data, seed concepts of the researcher are investigated through comparison of existing data with new. The authors continue by suggesting the process shapes emerging concepts to verify their credibility. Through constant reflection on the accumulated contents of tentative categories, nodes and memos, consistency of concepts begins to emerge.

During open coding of this thesis an excessive number of categories were created and so some groupings were merged. During this task, several concepts were also re-allocated to different categories as theorisation developed. Overall, the process led to clarification and deeper insights of what participants were communicating. This in turn led to further refinement of categories. During this process, the researcher found it important to utilise his own theoretical sensitivity, so as to manage the volume of data collected, and to make initial sense of analysis.

The second coding stage involved axial coding. Here, relationships between categories were identified. These contributed to gaining an overall understanding of what participants were collectively saying (Strauss & Corbin, 1990). As these developed, they were progressively cross-related and integrated to gain a fuller understanding of the phenomena as a whole (Glaser, 2002; Strauss & Corbin, 1990). Dey (1993) draws an analogy between building a wall of theory where categories comprise the bricks, and the relationships between categories represent the cement.

The third stage of coding involved selective coding (Strauss & Corbin, 1998). This process has the goal of refining concepts, which helps with explaining the interaction between the descriptive categories identified in the first two stages of codification (Glaser, 1978). Through selective coding, core concepts or categories emerge (Glaser, 1998), leading to the creation of a core category (Locke, 2001), or categories. Both Glaser (1978) and Strauss (1987) contended that only one or two core categories should be identified. To achieve this level of scaled up substantive theory, they argued high-level categories should be grouped together.

In this thesis, selective coding determined that amidst the multitude of possible categories that had been coded, there was a clear relationship between three of them. These included the motivation behind CSO collaborations, the obstacles to collaboration, and how CSOs and their stakeholders constructively collaborated. These three core categories emerged as the principal building blocks for theorisation associated with this thesis.

The fourth component of coding involved theoretical coding. Here theory concerning how the categories relate to each other is developed (Glaser, 1978). This leads to the generation of theoretical constructs (Creswell, 1998), or of a substantive theory that has significant empirical support, which led to the theorisation (Charmaz, 2012).

Figure 10 portrays the process of codification that generated the theoretical propositions across the three core categories detailed in chapters 5, 6 and 7 of the thesis.

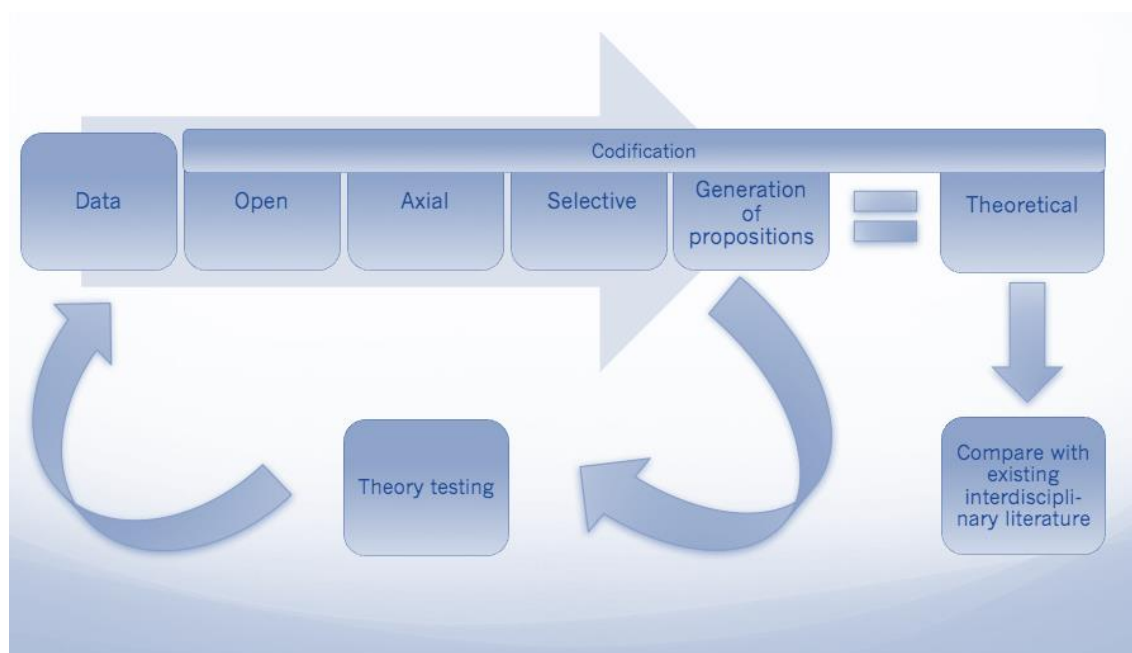


Figure 10: The Constructionist Grounded Theory approach to coding



Nvivo software is sometimes used to support coding of literature reviews and analysis of qualitative research. For the current research, the programme was invaluable for efficiently coding initial concepts into categories or ‘nodes’ as Nvivo refers to them. However, a limitation of the software is that it does not easily allow for moving individual concepts (references) across the categories (nodes), once they have been initially placed. Rather than utilising drag-and-drop functionality across the framework of nodes, it was necessary to go through a laborious process involving sourcing the piece of data in the original document, un-coding the data at source, and then recoding each individual reference that required regrouping. An exception to this process was when an entire node or sub-node (child) could be merged into a new category. Thus, as the recursive process of collecting and analysing data progressed, the programme’s utility decreased. As new data was added, it became increasingly necessary to deconstruct early attempts of categorisations and re-categorise references into other, or newly created nodes.

Furthermore, it was only through writing that the depth of theoretical clarity emerged in the thesis. This was especially pertinent in the middle stages of coding where consideration was given to how categories related to each other, and in the advanced stages of conceptualisation, where greater abstraction was required.

In seeking advice from an academic colleague on this perceived limitation in the researcher’s use of the Nvivo, he was informed that the practice of writing to aid theoretical development was commonplace. Furthermore, it was suggested that many academics experienced limitations in using Nvivo as an analytic tool. This advice is supported by the critique of Alvesson and Skoldberg (2009, p.285) who contended that “simple sorting and categorising of “data” is not exactly encouraged in reflexively ambitious projects ... the problem of achieving and maintaining an overview is in some sense greater in reflexive than in mushroom picking research”.

#### 4.2.3.5 THEORETICAL SATURATION

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As data is progressively collected, compared and refined with existing conceptualisation (Glaser, 1998), a point of saturation is attained (Charmaz, 2008b, 2012; Strauss & Corbin, 1998). Saturation occurs when new data no longer adds value and therefore is redundant (Patton, 2001; Parry, 1998). Yet, whether it is ever possible to achieve comprehensive understanding of everything contained within a concept or category is contestable. Thus, Strauss and Corbin

(1998) maintained that potentially, further dimensions could always be discovered if a researcher looked hard enough. Therefore, Charmaz (2006) asserted that data collection should continue until the point that additional data added no new theoretical insights or properties that were significant to existing theoretical conceptualisations. Dey (1999) goes further in clarifying theoretical saturation when contending it as the point when theory has comprehensive data in support of its claims. When this point is attained, Morse (1995, p.148) suggested data collection should cease because researchers, “have enough data to build a comprehensive and convincing theory”. Similarly, Maykut and Morehouse (1994) contended that it was through attaining theoretical saturation that the true integrity, or credibility, of codification is achieved, because the researcher has gathered compelling data in support of their theoretical assertions. Furthermore, Charmaz (2012) stated it was only when reaching saturation that the generated theoretical insights became substantive, and more than just interesting conjectures. For this research, data collection stopped after the 28<sup>th</sup> interview. At this point the researcher had comprehensive data from which to build theory around the central questions of the thesis.

#### 4.2.3.6 SUBSTANTIVE MID-RANGE THEORY

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The purpose of Grounded Theory is not to verify or falsify pre-formulated hypotheses but rather to generate theory (Creswell, 1998; Urquhart et al., 2010). However, Charmaz (2006) suggests that the term theory is ‘slippery’ in that while it is employed by numerous researchers utilising the methodology, often they fail to define what they meant when stating they have generated theory. She continues by articulating the empirical scientific meaning of the term, as used by Polit and Hungler (1999). These authors suggested that theory is “an abstract generalisation that presents a systematic explanation about the relationships between phenomena” (Polit and Hungler, 1999, p.716). Charmaz (2006, p.132) continues by proposing the purpose of constructionist Grounded Theory is more than explaining or giving a ‘plausible account’ of behaviour within the context of the research; it includes understanding that behaviour.

Urquhart et al. (2010, p.372) referred to such theorisation as “scaled up substantive theory”, while Charmaz (2012) labelled it mid-range theory, due to the theorisation being partial or constrained within a subjective context of time, space and circumstance (Charmaz, 2002). However, Hood (2007) suggested that when substantive theory is further abstracted, it offers the potential for explaining social patterns in diverse contexts. Such an aim leans towards a positivistic ontology and is therefore beyond the goals of this thesis.

Mid-range theory that emerges from Grounded Theory is commonly expressed through propositions or hypotheses (Urquhart et al., 2010). Throughout this thesis propositions are employed to understand collaboration within the substantive context of New Zealand's ECSOs.

#### 4.2.3.7 MEMOS

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Throughout the duration of a study employing Grounded Theory, researchers record memos of their thoughts, ideas and questions. Glaser (1998) urged researchers to write memos frequently, whenever they had an idea. Equally, Urquhart et al. (2010) argued that memos are one of the most powerful tools used by grounded theorists.

The value of memos is between data collection and the research write up (Charmaz, 2012). This author continued by stating they give “you a handle on your material and a place to consider, question, and clarify what you see as happening in your data” (p, 9).

Memos may comprise field notes, which may have a flexible format that suits research developments (Glaser, 2011). They are also employed to capture “meaning and ideas for one’s growing theory at the moment they occur” (Glaser, 1998, p.178). As data is reflected on and categories are clarified, memos are used to identify outstanding gaps (Charmaz, 2002), and to explore relationships between categories (Urquhart et al., 2010). Through theoretical memos, researchers can track developments in their thinking; from label to concept, and from category to theorisation. As analysis progresses, memos transition from being predominantly descriptive, to being analytic (Charmaz 2008b), thereby “play[ing] a key role in the development of the theory” (Montgomery & Bailey, 2007, p.76).

In this thesis, coding analysis began as field notes. Memos were also recorded as reminders from the first interview. These included noteworthy aspects of the interview, including intonations and gestures of participants that emphasised what s/he was conveying. For example, descriptive notes were taken when participants laughed satirically over stakeholders’ actions of which they disapproved, or when the participant thumped the table to emphasise a point. Additionally, key concepts, or words that stood out during an interview were noted.

Memos were also recorded with frequency during the process of theorisation by the researcher. One example read “Perhaps I should restructure findings on why CSOs collaborate to sequentially process it from the perspective of philanthropists, government, corporates and CSOs”. A later insert read “No, CSOs are central to the thesis, the rest is peripheral”. A second

example was, when reflecting on a participant's transcript, the researcher identified an overarching comment regarding strategy as a rationale for collaboration. The memo in the Nvivo node read "The participant put this very nicely. He said, this is the project here and now, and that's all very nice and well but I'm more interested in the table, the four legs that are keeping the table up".

#### 4.2.3.8 REFLEXIVITY

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Post-positivists reject what they perceive as a dated mid-20<sup>th</sup> century approach (Charmaz, 2006), where the researcher must remain distant and objective to the subject of enquiry (Borland, 1990). Rather, constructionists opine that all research is subjective, being a product of time, circumstance and interaction. Therefore, "the inquirer and the object of inquiry interact and are inseparable" (Borland, 1990, p.163).

Rather than existing outside the process under examination, constructionist researchers perceive they are engaged within the research. This approach is congruent with early- Grounded Theory research by the method's founders, both of whom had experienced the death of parents, ahead of their study on that topic (1968). Constructionist researchers acknowledge they hold priorities, positions, privileges and perspectives that affect the context of the research, its design strategies, its questions (Charmaz, 2006; Clarke, 2005; Mills, Bonner, & Francis, 2006), and decisions concerning what findings will be presented (Bogdan & Biklen, 1982; Gough, 2003). They contend that this principle holds true, whether researchers are conscious of their influence or not (Charmaz, 2008b). This understanding makes all researchers active contributors and co-constructors of data (Hall & Callery, 2001).

As opposed to denying researcher subjectivity, Charmaz (1995) advocated that the researcher's voice should become actively present and viewed as an opportunity, rather than a cause for concern (Finlay, 2003). Later, Charmaz (2008a, p.398) stated "the form of social constructionism I advocate includes examining (1) the relativity of the researcher's perspectives, positions, practices, and research situation, [and] (2) the researcher's reflexivity".

Reflexivity can be defined as disciplined self-reflection (Wilkinson, 1988), employed to address subjective influences on the research (Gough, 2003). Its primary aim is to ensure that prior knowledge and experience held by the researcher does not cause assumptions, which may transition into unchallenged hypotheses (Charmaz, 2008b; Clarke, 2005). Rather, theory that

emerges from Grounded Theory must be exclusively rooted and justified from within data (Urquhart et al., 2010) .

Thus, for this thesis it was important that the researcher be aware of his experiences and potential biases, which might lead to emphasising some issues, whilst glossing over others (Clandinin, 2006). Accordingly, it is acknowledged he is actively involved within the expressive CSS. He has been involved with the sector for more than 30 years and has acted as a participant, volunteer, manager, trustee and donor. These roles have involved working within the CSS at local, national and international levels. Currently he acts as a management consultant to ECSOs and is a trustee for an international organisation that straddles between expressive subsectors, including philanthropy, international aid, and religion. Consequently, he holds considerable prior knowledge and experience of the sector, which has shaped the assumptions he brings to the current research.

For example, some of the motivation for this thesis came because of a professional project he undertook to assist a religious denomination in their strategic planning. During the consult, he perceived there was considerable duplication between church ministers in communities that were geographically near each other. Furthermore, he perceived there may have been significant opportunity to share resources between ministers and church congregations. Yet, it appeared that there was strong reluctance by ministers to co-operate with one another. The assumption of the researcher was that, in part, their reticence lay in the ideological differences that existed between the different congregations and their ministers, along with poor self-esteem.

Additionally, prior to undertaking data collection, the researcher had read a considerable amount of scholarly literature on collaboration and CSOs. Therefore, he had become theoretically sensitised to several issues pertinent to the topic. Equally, having held previous positions as a CSO manager, he found it easy to identify with many academic arguments and practitioner reports that described the overwhelming challenges encountered by CSOs, since neoliberalism had been introduced to government economic policies. He also found during interviews he had a high level of empathy for many obstacles identified by CSO managers that impeded their collaborations.

However, having also managed and governed a CSO in the philanthropic subsector, and completed two master's degrees in management, he had developed an understanding of economic pressures,

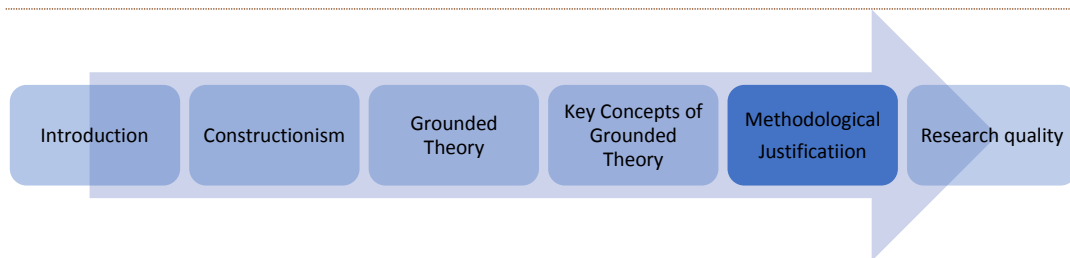
and policies that underpinned some of the motives and ideologies leading to a neoliberal approach.

Furthermore, having had prior experience as the manager of both a CSO that received funding, and of an organisation that issued grants, he assumed that he had gained balance to his perspectives on fundraising. Yet, during data collection he wrestled with feeling like a chameleon changing its colours dependent on who was being interviewed. A memo he noted recorded this sentiment. It stated, “I am concerned my findings are unlikely to please anyone. CSOs will feel they have been betrayed by a colleague and CSO stakeholders will perceive their perspectives were not given due consideration”. Despite this internal challenge, he was aware he had an ability to empathise with both perspectives, and this afforded him the ability to build rapport with participants, so that they sensed a degree of trust, and were therefore free to express their opinions. This raised a concern that he did not abuse the level of trust granted him.

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#### 4.2.4 METHODOLOGICAL JUSTIFICATION

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The methodology underpinning this thesis adopted three key components; 1) it is qualitative; 2) it is constructionist and; 3) it employed grounded theory. The rationale behind this approach is outlined below.

Firstly, the research is qualitative. Due to the wide stakeholder base of ECSOs, these organisations typically hold multiple accountabilities (Anheier, 2000; Osula & Ng, 2014) making them highly complex. Locke (2001) contends qualitative studies are preferred for complex organisations, as the approach captures the complexity because the research is closely linked to practice, and as it gathers rich data from the field, or perceptions of participants.

Secondly, the current research adopts a constructionist approach. While constructionism is the epistemological position of the author, and therefore held attraction to him, Easterbrook et al. (2008) identifies that a constructionism offers strengths for building and initiating theoretical development into the field of inquiry. The significance of this assertion relates to the geographic context of the research, which was within New Zealand. While much has been written on

collaboration amongst CSOs in general, this is not currently the case within New Zealand. While scanning the Scopus databases for all published scholarly articles or conference papers containing the words 'management' AND 'not for profit' OR 'nonprofit' OR "non-profit" OR 'non profit' AND 'New Zealand' OR 'Aotearoa' within their abstract, the current author found only 50 results dating back to the 'beginning of time. Of these, only 13 had New Zealand OR Aotearoa as keywords. Thus, peer reviewed academic literature within the geographic context of the research is extremely limited and so initiation of theoretical development holds importance at the current time.

Thirdly, the thesis utilised Grounded Theory. In part, this is justified as current literature on the topic of collaboration offers a significant contradiction. While many scholars theorise that collaboration is essential, if we are to resolve some of the deeply embedded challenges of our age (Bradshaw, 2002; Austin & Wei-Skillern, 2006; Grint, 2008; McMorland and Eraković, 2013; Osula & Ng, 2014), other academics contend the practice is counterproductive when utilised by CSOs (Atkinson, 2007; Atouba and Shumate, 2014). Indeed, while many theorise collaboration is essential for resolution of highly complex wicked problems, there remains a paucity of empirical evidence to support the hypothesis within the CSS (Allen, 2005; Foster-Fishman et al., 2001b).

Within academic study of environmental organisations, which commonly comprise ECSOs, Wassmer et al. (2014) issue a call for more empirical and grounded research that might respond to what they perceived as overly descriptive extant literature on collaboration that lacked theoretical foundation from within the sub-sector. Thus, by adopting Grounded Theory for the current research, it was hoped through the gathering of rich data from practitioners working within the sector, that the thesis might aid understanding of reasons for current contradictions around why collaboration is said to offer so much hope for humanity; yet, at the same time, is perceived by many civil society stakeholders as counterproductive.

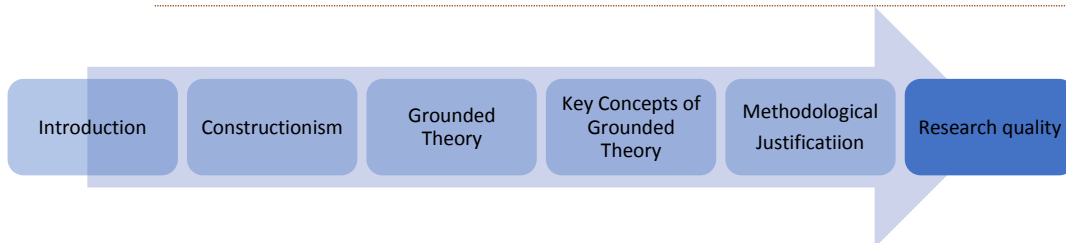
Equally, advocates of Grounded Theory claim the approach contains abilities to uncover ideas participants may not be aware of or have reflected on (Glaser, 1998; Polkinghorne 2007). The approach is said to unearth unidentified social processes (Glaser, 1978; Urquhart et al., 2010) and "organisational realities that would otherwise be missed" (Cassell, Buehring, Symon, Johnson, & Bishop, 2005, p.14). More pointedly, the methodology is also noted for challenging accepted assumptions (De Vaus, 2001). This is due to the strong emphasis within the approach that research must be guided by data gathered from within the field, rather than from within

extant literature. For the current researcher, adopting Grounded Theory presented possibilities not only to understand why inconsistent assertions around CSO collaborations exist, but also why it is that so many of his colleagues within the sector gave theoretical assent to the notion of collaboration; yet were stoically resistant to engaging with the practice.

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#### 4.2.5 RESEARCH QUALITY

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Qualitative researchers contend that due to subjectivity, no single account of reality is feasible (Lincoln & Guba, 1985). Therefore, Mason (1996) argued traditional metrics of validity, reliability and generalisability often sought by quantitative researchers hold little relevance. This is because qualitative research does not seek external replication or generalisability by formalising theory to population (Charmaz, 2006). However, LeCompte and Goetz (1982) asserted that validity and reliability do hold relevance for qualitative research when applied internally. This perspective was shared by Kirk and Miller (1986) who contended that validity related to the appropriateness of interpretation given to data, while reliability required peers confirm interpretations written in research findings, aligned with the collected data.

Sousa and Hendricks (2006) asserted that trustworthiness was important for qualitative research. Following Glaser (1978, 1998), this meant that it fits, is workable, relevant and modifiable. By fit, Glaser expected that the concepts employed in coding were appropriate to participant's experiences. Workability related to the theory's ability to solve the problem and was associated with consistency of outcome. Relevance ensured the research captured what was important for participants rather than merely for academic pursuit, and modifiability related to the ability of the theory to evolve as new data was introduced and compared with old. However, the need for consistency in outcome within generalised settings holds no relevance to the constructionist. This is one of the areas where Glaser and Strauss parted in their understanding of Grounded Theory. While Glaser was concerned with positivistic generalisations, Strauss took a subjective, constructionist approach (Charmaz, 2008).

An alternative stance on measuring research quality is expressed by Whyte (1953), who asserted qualitative research must allow comprehensive meaning to emerge from comparison and analysis



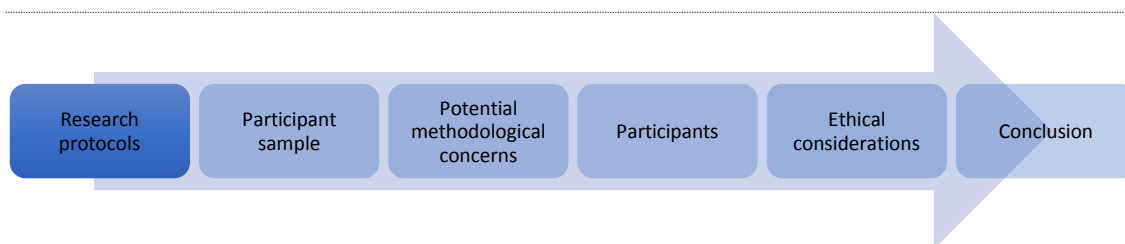
of collective accounts of the experience. Silverman (1993) affirmed this approach as a source of measuring internal validity. Similarly, Mitchell (1983, p.207) referred to the “cogency of theoretical reasoning” as the basis that ensured qualitative research was credible. These perspectives bear similarities with Grounded Theory’s understanding of theoretical saturation (Charmaz, 2014; Strauss & Corbin, 1998), which according to Dey (1999), is attained when there is a comprehensive trail of data leading to the theorisation generated from the research.

Consequently, research designs that utilise constructionist Grounded Theory are commonly evaluated through their contents having attained theoretical saturation, and through the presence of a comprehensive data trail, which clearly guides towards propositions that are formulated. Here integrity, or credibility of the codification process can be measured (Maykut & Morehouse, 1994).

#### 4.3 PART TWO: METHODOLOGICAL PRACTICE

This section begins by outlining research protocols used for the thesis, which involved a total of 28 face-to-face interviews. Next, sample design is discussed along with introducing participants, who stand at the centre of Grounded Theory research. Following this, the ethical considerations guiding participant selection and involvement are explained.

##### 4.3.1 RESEARCH PROTOCOLS



Face-to-face interviewing is commonly employed for data collection amongst grounded theorists (Charmaz, 2008b). All data in this thesis was collected through this protocol. Interview duration ranged from 45–142 minutes, and the average length was just over 60 minutes. In situations where interviews continued for longer than either the time indicated in the Information Sheet (appendix 1), or the time the participant indicated was available for the interview, the participant was asked if they desired to continue. In one session, the interview was terminated as the interviewee had another meeting to attend. However, that participant indicated willingness to continue the discussion at another time. Interviews were conducted in either the office of the participant, a public place such as a café, or the participant’s home, as mutually agreed between participant and researcher.

The research protocol employed in-depth interviews (Rubin & Rubin, 1995). Semi-structured questions had the advantage of allowing sufficient time for participants to respond in detail, whilst also affording the researcher a mechanism to ensure dialogue remained relevant (Rubin & Rubin, 2012). Interviewing in this way also ensured the possibility of high-level cross-case comparability (Whyte, 1953).

An interview protocol was constructed (appendix 2). It began with broad, open-ended exploratory questions designed to introduce the concept (Charmaz, 2006) of collaboration amongst CSOs. Specifically, the opening question invited participants to define their understanding of collaboration. The interview protocol then transitioned to enquiring who they perceived as their organisation's significant stakeholders, why they engaged in collaboration, how they understood and experienced collaboration, what they perceived as barriers to collaboration, their understanding of why these impediments existed, and how they constructively collaborated.

The intention was not that the interview questions be covered exhaustively; instead, they were to ensure deviations did not overrule richness of data collection. In line with theoretical sampling (Creswell, 1998; Glaser & Strauss, 1967; Parry, 1998), as increasing data were collected and coded, early hypothesis were developed and tested through refinement of questions in subsequent interviews (Dey, 1993); thereby, making the utility of the interview protocol generalised (Milkman, 1997). Charmaz (2002; 2006) contended such a process was important so that questions posed to participants could evolve and examine the validity or 'analytic power' of emergent theory.

Due to the researcher's prior involvement within the civil society sector, the tone of interviews was relaxed and conversational (Burgess, 1984). Dialogue involved inviting response to open-ended questions, allowing for relevant digressions, asking direct and indirect questions, allowing for silences or pregnant pauses and soliciting further interpretation of responses (Kvale, 1996).

The researcher also actively utilised the circular process (Mishler, 1986), similar to reflective listening (Rogers, 1951). This approach ensured participants' statements were not assumed but were mutually understood (Charmaz, 2002). Therefore, the researcher employed different words conveying the meaning initially offered by participants.

As the number of interviews increased, the words of reflection became those of the emergent conceptualisations from previous data. For example, during the 20<sup>th</sup> interview, the participant stated

*I'm all supportive of us being as effective as we possibly can be but unless we're looking externally ... at the bigger picture against how our individual organisational outcomes are creating change at a population level and actually impacting positively on young people in New Zealand then all our efforts are lost to strengthen each other's work for the benefit of young people.*

The researcher then mirrored the emergent concept by saying “Am I hearing correctly. You are talking about scaling up and instead of just looking at what the measurable outcomes are in my patch, we need to be thinking broader, and wider and more strategically”.

Qualitative researchers perceive value in interviewing participants on multiple occasions so there is opportunity to provide rich data in a trusting environment and so participants can also engage in conceptualisation and/or verification of analysis (Bryman & Bell, 2007; Charmaz, 2008b; Urquhart et al., 2010). For this thesis, subsequent involvement of participants included feedback received through transcript amendments, and associated follow-up emails or phone conversations.

Reflexivity also played a role in conducting questioning to guide the style of questions asked and the pacing of each interview, to match the participant's personality. Some transcripts were therefore thoughtful and reflective while others expressed spontaneity, where the researcher had to constantly steer the interview forward to ensure its utility.

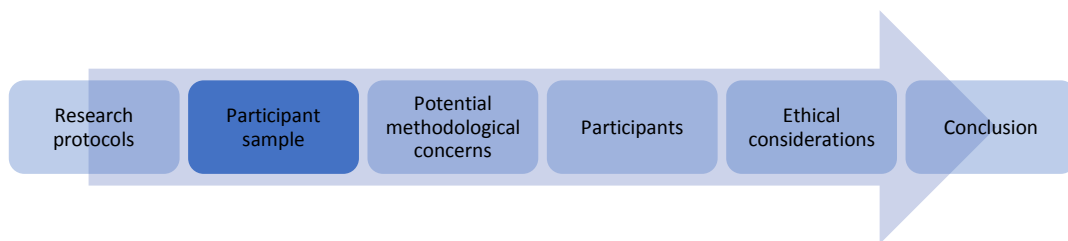
Furthermore, through reflexivity the researcher became acutely aware of the danger associated with forcing responses or of putting words in participant's mouths (Charmaz, 2002; Glaser, 1978). Based on early interviews, he caught himself forming a question as a statement based on how previous participants had responded or based on how the current interviewee had responded to earlier questions during the interview. Once identified, he sought to correct this error.

Each interview was digitally recorded, and accompanying memos were documented. Each recording was then converted to text for verification by participants, before formal analysis began.

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#### 4.3.2 PARTICIPANT SAMPLE

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When translated, the Māori proverb *He aha te mea nui i te ao? Māku e ki atu, He tāngata, he tāngata, he tāngata* enquires “What is the most important thing?” It continues by asserting, “It is people, it is people, it is people”. Similarly, following Lincoln and Guba (1985), who talked of humans as instruments for research, Charmaz (2006) placed high value on participants who provide data from which theory is derived. Therefore, the discussion below outlines how the sample for this thesis was constructed. Following this, participants are introduced.

Purposeful sampling is widely used within qualitative research (Patton, 2001). This approach forms the starting point for data collection. Specific criteria for sample selection in this thesis was based around Salamon and Sokolowski’s (2004) identification of eight primary ECSO sub-groups. This included organisations primarily concerned with: advocacy, culture/recreation, environment/animal protection, international aid, philanthropic trusts, professional associations, religious organisations and those not classified elsewhere. It was decided that this phase of data collection would involve interviewing a senior manager (paid or otherwise) from each of the first seven categories of ECSOs. Those ‘not classified elsewhere’ were discounted, as the term made identification of this group problematic.

The decision to restrict the initial purposeful sample so that it involved only ECSOs was because findings in literature indicated a lack of scholastic attention directed to this collective of organisations. Such a deficit indicated the possibility that new discoveries pertinent to this subsector may emerge through the research. Additionally, it was assumed that the disproportionately high volume of research carried out amongst CSOs who provide tangible social services may have distorted extant knowledge of the wider CSS. If so, then this thesis would be beneficial in providing greater balance to understanding the sector. For example, literature indicates that many organisations within the social service subsector are principally motivated to collaborate to manage organisational viability; yet, because ECSOs are less reliant on government funds (Tennant et al., 2006), they may primarily collaborate for reasons other than for access to resources.

Furthermore, international research conducted by Salamon et al. (2003) suggested that in most of the countries where their data had been collected, ECSOs comprised only 33% of the total civil society sector. Yet, in New Zealand, they represented 67%, making them a distinctive of New Zealand's CSS landscape. Consequently, research concentrating on this subsector may produce valuable insights pertinent to the local geographic context.

Due to the researcher's prior engagement within the sector, he had access to substantial networks; thus, initial choice of organisations from which participants were drawn was from convenience (Marshall, 1984). However, consideration was given to the spread of organisational location, size and income. The researcher personally knew four participants in the purposeful sample, with the remaining three being sourced randomly through introductory emails that were sent to subsector representatives.

Theoretical sampling (Charmaz, 2008b; Glaser & Strauss, 1967) superseded the initial phase of data collection. To achieve this transition, the initial participants were asked to identify their primary stakeholders. After the interview, the researcher enquired if the participant would be comfortable with him interviewing someone from an organisation/s that had been discussed during the interview. If agreeable, which was the case for all participants, they were asked to broker the contact/s by enquiring if the identified potential participant/s had interest in being involved.

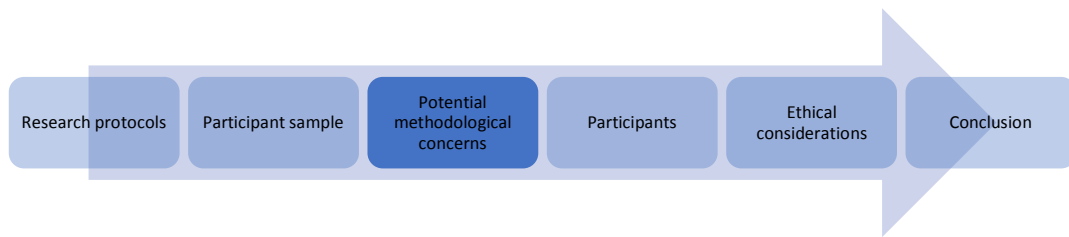
In some situations, it was obvious as to which stakeholders should be selected; nevertheless, the procedure of asking participants to nominate stakeholders of their choice afforded them some control over the process. All potential participants received an introductory email inviting them to participate. If they responded to this invitation positively, they received a copy of the Information Sheet (appendix 1) and a Consent Form (appendix 3), which required their signature.

The decision to restrict the sample during this stage of data collection ensured that only primary stakeholders of those interviewed in the purposeful sample were interviewed. Furthermore, the process enabled data to be triangulated (Urquhart et al., 2010), with an objective of enhancing credibility of research findings (Lincoln & Guba, 1985). Little difficulty was encountered securing persons suitable and willing to participate; however, some government administrators did not respond to the first introductory email. Despite this small setback, most replied positively after a follow-up email.

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#### 4.3.3 POTENTIAL METHODOLOGICAL CONCERNS

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Peer review of the research design involved members of the university business faculty being invited to a presentation overviewing the research proposal. At this event, two concerns were raised. Firstly, two attendees felt the purposeful sample was too wide and that the accumulation of concepts and categories that would emerge would become too broad to offer depth of theorisation within the constraints of a doctorate. The suggestion was that it would be preferable if only one expressive subsector was explored.

This concern led the researcher to reflect on literature that contextualised the research. He recalled the assertion of Hill and Lynn (2003) that all CSOs entered collaborations to better achieve their mission, or to address their resourcing challenges. Additionally, literature suggested there was commonality of a contained group of primary stakeholders for all CSOs. This included other CSOs, donors, the organisation's board and members or volunteers as depicted in figure 11. Therefore, it was concluded that the starting point for data collection was justifiable.



FIGURE 11: The rationale for the purposeful sample stage of data collection

Additionally, as constructionist Grounded Theory adopts an inductive approach concerned with ensuring theorisation emerges from within the field, rather than from literature (Glaser & Strauss, 1967; Urquhart et al., 2010), theoretical sampling, rather than assumptions based on theoretical sensitivity (Strauss & Corbin, 1998), controlled where data was collected. Therefore,

it was felt inappropriate to speculate as to what might emerge through data and pre-determine the complete sample criterion from the research's outset. Hence, if data indicated the scope of the purposeful sample required narrowing, this would be done.

A second concern that emerged through peer review related to potential complexities which may arise because of the breadth of ECSO stakeholders, including those which might exist between different stakeholders as depicted in figure 12.

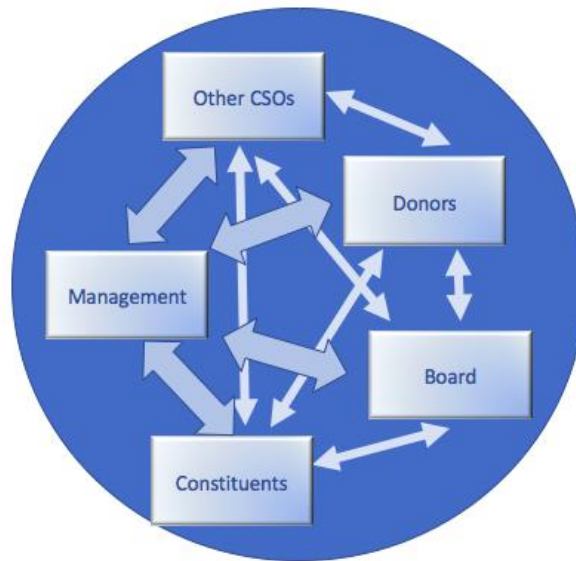


FIGURE 12: Primary networks of ECSOs

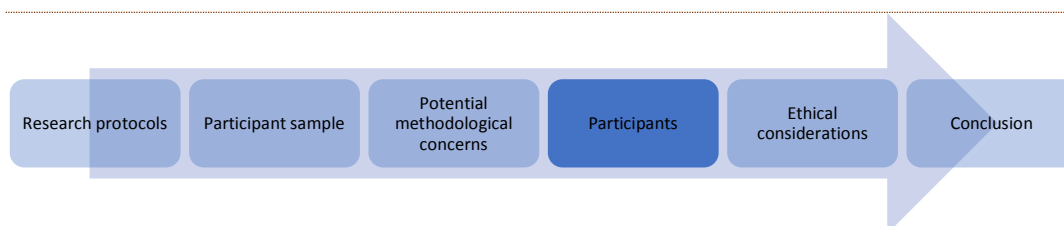
Here again, the suggestion was to narrow the sample scope to ensure depth of theorisation. One suggested pathway for achieving this tapering was to focus the research on either intra-organisational or inter-organisational stakeholders. Another possibility was to restrict the second stage of data collection to examine only one kind of collaborative relationship, such as those between CSOs.

Rather than compromising the grounded nature of the research design by presuming what data might reveal, it was again determined to allow theoretical sampling to dictate the ultimate direction that data collection should take.

Once initial data was gathered from the first phase of collection, it indicated ECSO managers had many different groups and individuals they considered stakeholders. Nevertheless, it emerged that primary stakeholders held in common by these managers comprised other CSOs, donors, government and corporates with social responsibility programmes. Consequently, the focus of this research was directed towards these stakeholders. Accordingly, governing boards and

members/volunteers, who were noted as stakeholders by a minority of those interviewed, and who are also identified in literature as stakeholders, were excluded from the study.

#### 4.3.4 PARTICIPANTS



A total of 28 participants were interviewed. The first interview was conducted on April 9, 2015 and the last took place on December 8, 2015. Fourteen of the participants were located in Auckland with the balance in the capital, Wellington.

Approval by Auckland University of Technology's ethics committee to conduct the current research (appendix 4) included the need to preserve confidentiality of participants. This was deemed important as some ECSO subsectors from where participants were drawn host a small number of organisations. This situation could lead to some participants being identified within New Zealand. Accordingly, individual details concerning each of the organisations, and of the participants that were interviewed has been withheld. Where participants are quoted throughout the thesis, pseudonyms P1 through to P28 has been employed. P1 refers to the first participant interviewed and P28 represents the last.

As participants were chosen through theoretical sampling, it was not a priority to match participant selection with country wide demographics related to factors such as gender or ethnicity. An overview of participant profiles can be seen in table 5 below.

TABLE 5: Participant profiles

Ethnicity				
European	African	Maori	Pacific	Asian
19	4	3	1	1

Gender	
Female	Male
16	12

Age
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Under 30	30 - 45	46 - 60	Over 60
2	8	8	10

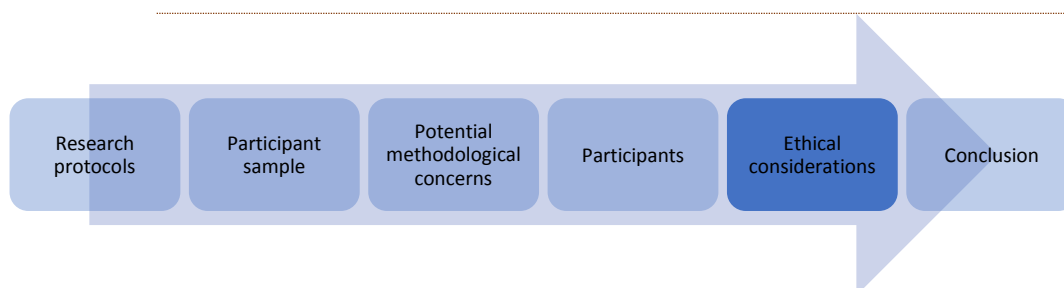
Experience within respective subsector (Years)			
under 2	2 - 5	6 - 10	over 10
0	8	10	10

Organisation				
Regional ECSO	National ECSO	Regional CSO	National CSO	Government Department
9	11	1	1	6

As a subsector of ECSOs, philanthropic trusts are contained within the number of national ECSO organisations.

The manager of the smallest organisation reported no organisational income, whilst the manager of the largest controlled an annual turnover of around NZ\$12,5 million.

#### 4.3.5 ETHICAL CONSIDERATIONS.



Ethical approval was gained to mitigate risk to participants, the researcher and Auckland University of Technology as host university. An application was submitted to Auckland University of Technology's ethics committee (Auckland University of Technology Ethics Committee), which was approved on February 11, 2015, No. 15/01 (appendix 4).

Auckland University of Technology Ethics Committee's policy is that ethical considerations include the three overarching areas of New Zealand's Treaty of Waitangi: partnership, participation and protection (New Zealand Law Commission, nd; Wright-St Clair, 2014), each of which is briefly discussed below.

##### 4.3.5.1 PARTNERSHIP

Both the design and delivery of this thesis sought to encourage mutual respect and learning that denotes partnership. In this regard, it is acknowledged that the researcher is an active participant within the context of the research, as noted earlier in the chapter. This experience gave him some understanding and empathy for some issues raised during interviews.

Vartiainen (2003) discusses the value of dialogue as a research instrument for studies focused on organisational stakeholders. He contends benefits of this approach extend to both researcher and participants. Participants of this study contributed to the project through data collection, yet it was also hoped, but not presumed (Charmaz, 2006), that as they considered questions asked during the interviews their involvement might become collaborative, through the process of reflective learning (Checkland & Howell, 1998, p.12), which is akin to Action Research (Larner & Mason, 2014; Lewin, 1946). Here, in addition to their contribution towards research outputs, there is the possibility that participants receive value through the study for their own application. In this regard, Glaser (1998) and Polkinghorne (2007) refer to interviewers assisting participants by giving meaning to experiences that they have not previously reflected on. In line with this potential, when signing a Consent Form (appendix 3), where participants agreed to contribute to the research, each participant was also asked to indicate if they desired to receive a summary of findings.

#### 4.3.5.2 PARTICIPATION

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Ensuring the research employed a policy of active participation involved making sure each interviewee was fully informed. Initially, this objective was addressed by each participant receiving an introductory email, which had the purpose of briefly backgrounding the research and enquiring of their interest in contributing to the study by being interviewed. Those that responded positively to this request received an Information Sheet (appendix 1) and Consent Form (appendix 3) as approved by Auckland University of Technology Ethics Committee (appendix 4).

Each participant was invited to specify the time and location for the interview, to ensure it was convenient for them (Charmaz, 2002). During the interview, opportunity was given for participants to share their experiences, observations and understandings of collaboration within the subsector or subsectors of civil society they were involved with. A verbatim transcript of each interview was forwarded to the participant who was invited to clarify ambiguities, discuss required amendments, or reflect further on the interview's content. Within Grounded Theory it is

common for participants to engage in the conceptualisation process of analysis (Bryman & Bell, 2007; Charmaz, 2008b; Urquhart et al., 2010). Six participants chose to be involved at this level and provided valuable additional follow-up data.

#### 4.3.5.3 PROTECTION

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The third ethical aspect associated with the Treaty of Waitangi relates to protection. All participants in this thesis were either managers of CSOs, or of their stakeholder groups; therefore, concerns related to imbalances of power between interviewer and interviewee were reduced. However, the researcher was mindful of the dominance he held by holding the role of interviewer. Thus, as noted previously, he applied care to avoid placing participants under pressure to answer any question, or to answer questions in any manner, especially ones that that might have been embarrassing or stressful. When reading through their transcripts, three participants sensed they had divulged more than they were comfortable with and elected to amend parts of their transcript.

Additionally, to protect participants, the Information Sheet (appendix 1) stated that interviewees could terminate a conversation or their involvement in the research at any stage prior to the final thesis write-up. None elected to take this course.

Concerns regarding protection demanded all issues relating to privacy be in accord with the Privacy Act (1993). This meant that contact details of potential participants were obtained, either by the researcher having prior relationship with the person, the researcher gaining email addresses through public domains such as websites, or through an intermediary, who had first sought and was granted permission to forward contact details to the researcher. Each potential participant then received an introductory email, which briefly overviewed the research and enquired of their interest in contributing through being interviewed. The reason an email was sent, as opposed to a direct phone call, was to mitigate the possibility of potential participants feeling coerced into involvement.

Participants who indicated willingness to contribute were forwarded a copy of the Consent Form (appendix 3), which was either signed and reverted via email or, as was more commonly the case, signed immediately prior to interview and after they had opportunity to ask any associated questions. Participants retained a signed copy of the Consent Form. A second copy was retained according to Auckland University of Technology Ethics Committee's policy. This stipulates that Consent

Forms must be kept for up to six years in a locked cupboard on Auckland University of Technology premises, and are only available to the researcher and his supervisory team (Auckland University of Technology, 2014).

Confidentiality was protected in numerous ways. A transcriber was utilised to convert a minority of interviews to text. This person signed a Confidentiality Agreement (appendix 5). Additionally, all transcripts are retained according to Auckland University of Technology Ethics Committee's policy, which stipulates that they must be kept on a password protected computer while being actively used, and are then to be stored in a locked cupboard on Auckland University of Technology university premises, separate from the Consent Forms, for up to six years, and only made available to the researcher and his supervisory team (Auckland University of Technology, 2014).

Rather than using individuals' actual names, or those of their organisation, the pseudonym P# has been employed throughout this thesis. The symbol # refers to the chronological placing of the interview. Additionally, the name of any identifiable stakeholder that was mentioned during an interview has been withheld.

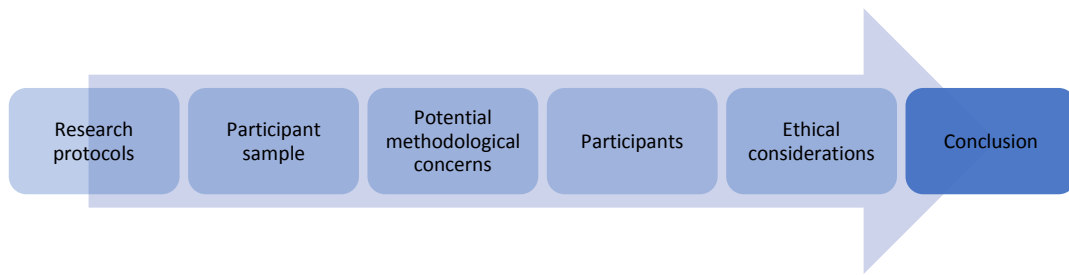
All confidentiality protocols will remain in effect for any report, presentation or publication arising from this research.

Auckland University of Technology Ethics Committee's policies relating to protection include consideration of risk to the researcher. The general approach of this thesis was that interviews would take place in either the offices of the participant, or a public space of the participant's choosing that was mutually acceptable, such as a cafe. Therefore, researcher safety was of low risk. However, one interview was scheduled to be held in the home of a participant and so a researcher safety protocol was created. This involved the researcher contacting his partner by phone immediately prior to the interview to indicate the interview was about to commence and to advise how long he expected the interview to take. He contacted his partner again as soon as the interview was complete.

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#### 4.3.6 CONCLUSION

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In this chapter, the methodology underpinning the thesis has been presented. It began by introducing the interpretivist epistemology of constructionism and then of Grounded Theory. Several key concepts related to constructionist Grounded Theory, including why the methodology was employed for the research, were discussed.

This led to consideration of matters pertaining to data collection, including use of face-to-face interviews, along with purposeful and theoretical sampling. Following this, participants, who comprise an essential component of Grounded Theory, were introduced, before several ethical issues related to the research were explained. The discussion included ethical considerations required by Auckland University of Technology Ethics Committee, including principles of partnership, participation and protection, which are central themes of New Zealand's Treaty of Waitangi.

The next chapter marks a change of direction in that it outlines research findings. These are presented across three chapters. The focus of chapter 5 is to examine what ECSO managers understand collaboration to mean, who they perceive as their primary collaborators, and why they enter this kind of relationship.

## 5 FINDINGS 1: WHAT, WHO AND WHY EXPRESSIVE CIVIL SOCIETY ORGANISATIONS COLLABORATE

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### 5.1 INTRODUCTION

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This chapter is the first of three that outlines research findings. The chapter comprises three sections. The first section begins by detailing spontaneous responses offered by participants to define collaboration. Several types of collaboration ranging from informal through to formalised contractual practices were identified. Participants indicated that collaboration involved working with stakeholders to achieve specific objective/s that could not be easily achieved independently. Next, issues relating to equality in the collaborative relationship are addressed. The section closes by finding collaboration is not always the best solutions to ECSO problems.

The second section of the chapter explores stakeholders involved in ECSO collaborations. Specifically, it identifies a primary tier of stakeholders whom participants identified as strategically important to their organisation. These stakeholders included other CSOs and funders; specifically, government, philanthropic trusts, and to a lesser extent corporates.

Section three addresses why ECSOs elect to collaborate. Early iterations of analysis were based on theoretical constructs the researcher gained through existing literature on the subject. However, this structure failed to account considerable data empirically collected during this study. Four primary categories emerged to explain why ECSOs collaborate. These include: 1) resource acquisition and management; 2) individual support; 3) programme/activity delivery; 4) transformation. A fifth area involving mergers is also briefly discussed.

As is the common practice amongst grounded theorists, findings are summated through propositions which are interspersed at relevant points throughout the chapter. The structure of the chapter is depicted in figure 13.

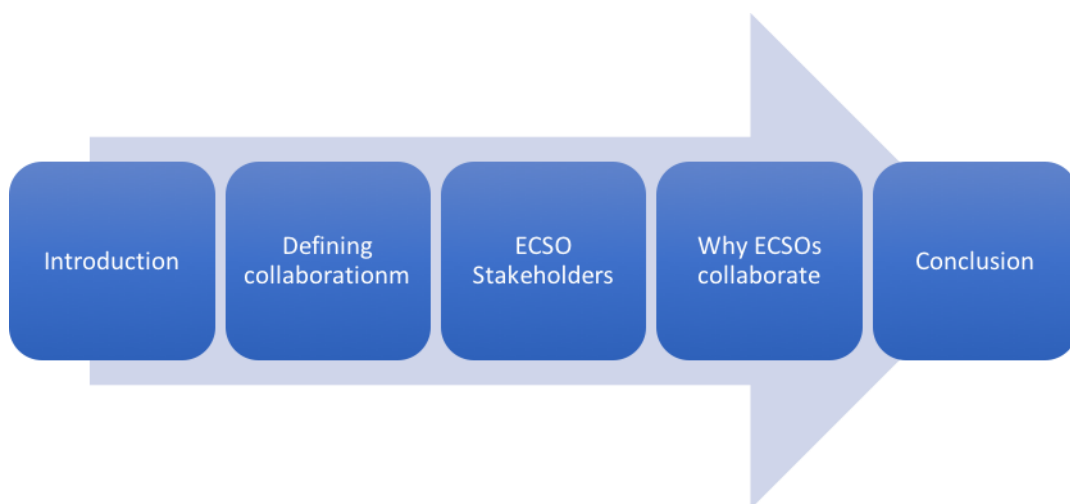


FIGURE 13: Structure of chapter 5

## 5.2 DEFINING COLLABORATION



Each participant in this thesis was initially invited to define what they understood collaboration to mean. Answers varied and, in some cases, were contradictory. Moreover, some participants offered a clear definition of what they understood by collaboration, while some explained the mechanics of how they perceived collaboration was best practised. For other participants, the question provided a platform to express what was of most importance to them concerning their perceptions of working with others.

Eight participants began the interview by clarifying their personal commitment to collaboration. For example, an ECSO manager in the environmental subsector asserted “whether it be a dirty word or otherwise, it is now the name of the game”. Other managers explained that many funders were only prepared to invest in projects if they included working with other organisations. A manager of an ethnic organisation referred to The Working Together More Fund, which was specifically established to fund collaborative initiatives. Here, she stated that it was a very welcome addition to the New Zealand civil society sector, because the fund supported a practice she strongly favoured. She asserted that the trust deed of her organisation contained the word collaboration six times. Another ECSO manager commented that his organisation was “a serial and precocious collaborator” and that they loved collaboration.

Data indicated that participants held different understandings of what collaboration involved and that different programmes required different kinds of collaborative objectives, and different stakeholders. Hence, the manager of a private philanthropic trust stated a variety of “schemas” representing various models of collaboration that he perceived to exist. He continued by suggesting that “shaking hands” or having a simple conversation might define collaboration at one end of the spectrum, while mergers where stakeholders “jumped into bed” also existed. Similarly, other participants talked of collaboration having multiple “layers”, some informal and some demanding greater levels of relational intensity, and formality.

Examples of informal types of collaboration included networking and knowledge sharing or talking about ideas of mutual interest with other ECSO managers within a subsector. Similarly, a government department administrator discussed consultation with CSOs. Instances of formalised collaborations that were offered included resource sharing; such as sharing office space, sharing specialised skillsets of staff across organisations, sharing programmes and cooperating with others to develop strategic direction for either an individual organisation, or a cluster of organisations sharing similar interests.

When asked to define collaboration, a private philanthropic trust administrator stated his understanding was that the origins of the word were Latin and that it meant “working together”. This definition was most commonly offered by participants. Other definitions included “different people in different agencies sharing strengths and minimising weaknesses” so there was a “win–win” for all collaborators. A manager from the international aid subsector asserted that collaboration excluded organisations seeing themselves as competitors.

However, some participants felt that collaboration involved more than stakeholders merely working together. For them collaborators worked with intentionality to achieve specific purpose/s that had been mutually agreed, preferably at the project’s outset. Thus, an environmental manager was adamant that there had to be a shared “clear goal and a clear objective”. Other participants added that the aim of a collaboration must deliver more than individual stakeholders could achieve independently. Thus, value was seen in sharing resources and achieving economies of scale, so that goals were more easily attainable.

The benefits of synergistic gains to be made through collaboration were stressed by a senior ECSO manager involved in international aid who contended that “no one of us has the answer



but put together, the best of all that we have and there is transformation”. Similarly, the manager of a youth organisation evangelised the benefits of collaboration when expressing that its purpose was to:

*Strengthen each other's work for the benefit of young people of New Zealand. If it doesn't have young people in the centre when we're finding the [common] ground to stand on, then actually we lose sight of the big picture that we're all working towards. ... [But] if we can support each other to stand firmly on the ground we share, the benefits of that for the sector are huge (P20).*

A minority of participants saw the term “partnership” as a substitute for collaboration. Consequently, when one participant was first invited to define collaboration, she exclaimed “partnership is at the heart of what we do”. Another participant launched into the interview by talking of successful collaborations being marked by actors having a desire to partner with others. Equally, an environmental manager advanced the notion that partnership was the traditional term used, prior to collaboration becoming fashionable.

However, the perception that the words partnership and collaboration were interchangeable was contested by other participants. Several ECSO managers understood partnership as exclusively referring to collaborations where the relationship entailed an equality of power. Thus, a minister of religion spoke of partnership as “a meeting in the middle, it has no hard sell on either side. It's really pick up and take what you want and contribute as an equal”, and the manager of an ethnic organisation stated that “I don't need to see that [my organisation] is down and [theirs] is up, or the other way around, we need to be equal in every aspect of whatever we do. Why? Both organisations need to benefit”. Yet relational equality within collaborations was perceived as elusive. A government department administrator asserted “often with hierarchies of organisations and in different types of organisations you have to make a safe space for that to happen and actually almost construct it”. From this viewpoint, she talked of partners as co-designers, and suggested that co-design was “a step beyond collaboration”.

Another government department administrator, who shared an understanding that partnership involved equality and co-construction, was adamant that collaborations between her department and CSOs could never be called a partnership because, although stakeholders often shared goals, there were nevertheless “little organisations that I know don't get the same look in around the table”. She stated of her department's relationship with CSOs, “we call the shots when we give the money”. This reasoning led her to compare partnership with marriage, where she asserted that “you wouldn't say you collaborate with your husband or wife”. Similarly, another government department administrator drew an analogy with war, and suggested that opposing

countries might collaborate by agreeing to a ceasefire during a significant event, such as the Olympics, but that this event hardly constituted them becoming partners.

Participants also suggested that collaboration necessitated that all stakeholders enter the process voluntarily. It was argued that forced relationships did not represent collaboration. Here, some participants expressed angst towards funders they perceived were increasingly expecting or demanding CSOs to collaborate with other organisations, as a condition of having grant applications approved. However, a senior manager of a social enterprise countered the notion that collaboration necessitated willingness by actors to engage. He argued:

*Sometimes it may be born out of necessity and necessity is potentially a forced environment. You know, like when, it's around funding, a contractual situation, or simply a lack of capacity, or when a problem is collective. It involves multiple stakeholders which, it is necessary that everyone has some degree of buy-in and voice in a process because the project can't move without them being present. So, I actually think that collaboration is more forced and more out of necessity, rather than out of a genuine sense of being voluntary (P24).*

While ECSO managers perceived funders were increasingly expecting CSOs to collaborate and would only fund organisations whose applications contained evidence of working with others, private philanthropic trust administrators argued otherwise. When defining collaboration, these participants stated they did not see collaboration as a magical solution for all challenges confronting the CSS. For example, a private philanthropic trust administrator, who enthused that his organisation was a serial and precocious collaborator, nevertheless stated:

*I tend to see collaboration is the C word as you hear a lot about it, especially at conferences with the gurus or luminaries who write about philanthropy. My feeling is that collaboration is a means to an end and only where appropriate — it is not an end in itself. If you hold it up as the golden standard it can become an end in itself and the only way to work or the thing to aim for. I don't see it like that at all (P6).*

He explained that many funding applications his organisation received did not require collaboration because the venture was “transactional”, where a single organisation delivering the programme was the most appropriate and efficient way for it to be managed. This led to him discussing the volume of work involved in collaboration, where he contended, it added another layer of effort and activity to a project so much so that the cost of working with others may be unjustifiable.

Therefore, rather than seeing collaboration as the “default for everything”, several participants felt organisations were sometimes naïve in that they overlooked the resource-intensive demands of collaboration, especially the time, costs, and effort involved to reach mutual understanding

and an agreed set of outcomes. Thus, a manager of a private philanthropic trust asserted “So I don't use the words collective impact, I use the words common sense”.

Propositions associated with defining collaboration are presented in table 6

Table 6: Propositions concerning defining collaboration

5.1	Collaboration of ECSOs takes many forms across a continuum ranging from informal networking to formalised partnerships or mergers.
5.2	The constituency and kinds of collaboration that ECSOs enter may be dependent on the collaboration's objectives.
5.3	Collaboration may involve ECSOs sharing resources and strengths, to deliver specific goal/s desired by the actors and which represent more than can be achieved independently.
5.4	Collaboration and partnership are sometimes considered as substitutable terms. Yet, some participants reserved the notion of partnership to describe collaborations where the relationship involved a perceived equality of power.
5.6	While some contend CSS collaborations should be entered voluntarily, others argue external circumstances commonly forced collaborators to engage.
5.7	The process of collaboration may be resource intensive, consuming significant time and energy so that mutual understanding and agreement could be reached amongst actors.
5.8	Many CSS projects are transactional; therefore, costs associated with collaboration may be unjustifiable.

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### 5.3 ECSO STAKEHOLDERS



ECSO managers indicated they collaborated with a diversity of stakeholders. A manager of a social enterprise captured the collective experience of participants when stating he had intentionally developed a large “ecosystem of partnerships”, each of which served a different function.

A first tier that represented the most significant stakeholders for ECSO managers included other CSOs, government departments, private philanthropic trusts, and corporates. A second tier included a variety of internal and external stakeholders.

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### 5.3.1 PRIMARY ECSO STAKEHOLDERS

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ECSO managers identified a diverse list of stakeholders. While it was common for likeminded ECSOs to work together, instances were also offered where ECSOs collaborated with dissimilar organisations, such as those that primarily delivered social services. An example of such an arrangement involved an ECSO that advocated for migrants and refugees collaborating with a social service delivery organisation in the same locality.

With respect to working with government, a manager of an umbrella organisation observed that one of the labels given the sector was that it was the non-government sector. For him this implied that, by design, a relationship existed between government and CSOs. He continued by asserting government played an important role in New Zealanders' lives, and that this gave it considerable power so that: "our assumption is if something needs to be done, the government will do it".

Adding to this, he said:

*I find it hard to think of almost anything you can do where you don't end up saying quite quickly, we need to get government engagement in this through money, prestige, permission or support in some sort or other... or an active partnership. Or we might even say this is for the government to do, it's not our responsibility. For us, as a sector, strong and trusting relations with the government are critically important (P3).*

While several participants viewed government departments exclusively as a funding source, many also perceived value in working with government to influence policy, or advocate for change. In this regard, the manager of an advocacy organisation stated, "they are the ones that set the rules and apply the rules". Similarly, a social-enterprise manager exclaimed "the short version of why we collaborate with government — government has capacity to make decisions".

Specific types of government departments with whom ECSOs collaborated included an array of national and local council departments, including the Department of Conservation, Department of Internal Affairs, Ministry of Social Development, Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, and the Ministry of Youth Development. Within local communities, organisations such as Community Mental Health Services, District Health Boards, Housing New Zealand, the Police, and Work and Income were commonly identified as stakeholders.

Another major stakeholder identified as important for ECSO managers were private philanthropic trusts. Interest in these organisations was exclusively related to funding.

While ECSO managers overlooked community trusts such as the banking, electricity or gaming trusts, administrators from private philanthropic trusts did discuss this subsector. Their perception was that public trusts were controlled by investment advisers or revolving trustees who were risk adverse and reluctant to expend public money. It was explained that many of these trusts invested capital offshore and that funds were negatively impacted by the global financial crisis. This meant that during the recession some public trusts stopped making grants; preferring to concentrate on rebuilding the trust's financial value. One participant highlighted that he perceived this action as ironic because amidst the global recession, community social need was at its most critical. Furthermore, private philanthropic trusts perceived that the risk aversion of public trust trustees limited the type of project they distributed grants to. P6 suggested this situation was highly regrettable because New Zealand's electricity trusts singularly controlled between 3.5—5 billion NZ\$ of capital, much of which was never released into the community. Furthermore, he expressed concern regarding how some public trusts earned their money:

*Our trustees are particularly uncomfortable about gaming trusts and about gambling being used [to address social need]. They are especially uncomfortable about this group being included in the definition of the national body of philanthropy. They receive their money from something our trustees regard as being the cause of so many of the social needs within New Zealand that we are trying to deal with (P6).*

Another stakeholder significant to ECSOs, which did not emerge until the 22<sup>nd</sup> interview, was the corporate sector. A government department administrator indicated business was important in his department's work, which also funded ECSOs. Since working with the corporate sector had not been previously mentioned during interviews, the researcher enquired as to whether CSO—corporate, or cross-sector collaborations were common. The perception of this participant was that there was an insufficient number of them. In a later interview, an ECSO manager offered a possible explanation for this lack of inter-sectoral rapport when discussing her organisation's collaborations with the corporate sector. She asserted:

*Some people would describe what we are doing as sleeping with the enemy. Many people believe that we should not be working in partnership with corporates. For too long NGOs have valued the corporate sector only for its money. We value it for its people, for their expertise, for their knowledge (P28).*

This manager of an international aid organisation continued to discuss why, for her, working with corporates was vital. She explained:

*Say I do work in the area of sexual reproduction and you are an engineering company, what have we possibly got in common. If they are working on building a bridge, the risk of HIV infection for example is very high, so let's integrate health services with infrastructure development. ... You build a dam, make sure there are health services for people but also for the community because that community will change dramatically because you are building it here. In a simpler way, what is a sexual reproduction program got in common with an infrastructure organisation? At ends of the continuum nothing, but what about ensuring the young girls can access sanitation facilities in the schools that are built so they don't have to drop out of school so that they can be healthy. Let's focus on common ground and accept the fact that we may differ on other points (P28).*

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### 5.3.2 SECONDARY ECSO STAKEHOLDERS

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Other groups considered as stakeholders by ECSO managers included organisation members, volunteers, clients and/or adherents of an organisation. An overarching label offered to identify this cluster of stakeholders was “constituents”. Other internal stakeholders comprised the board/committee of an organisation and its staff, including primary contractors who delivered programmes on behalf of the ECSO.

One participant specified that if a collaboration was only intra-organisational, then she perceived it merely represented “teambuilding” rather than collaboration. Other participants implicitly agreed with this perspective when they exclusively talked of collaboration in terms of inter-organisational relationships. Taking an alternative stance, one minister of religion indicated that within his church intra-organisational collaborations were important. He stated, “we collaborate internally with our volunteers to achieve our goals”. Later in the interview he again asserted “when we think of the goals of what we are about, it only happens because there is a collaboration of people internally”. Similarly, numerous government department administrators made mention of collaborations with other government departments throughout their interview.

As open coding of data progressed, the list of ECSO stakeholders increased to include many external organisations or individuals such as small businesses that supplied goods and services, umbrella organisations who provided a collective forum, or voice for likeminded organisations, private donors, *Iwi* (Māori tribal groups), individuals, and groups within the surrounding geographic community, schools and research institutes.

A minority of participants discussed cross-sector collaborations between government, corporates and CSOs. Of this one government department administrator enthused “our real absolute best projects are where there is a combination of the private sector, and NGO and [our client]. When

you get all that coming together you can get real power ... Everyone wins. It's brilliant". Similarly, a manager of an international aid organisation contended that for many years it was argued CSOs needed to work with like-minded organisations, but she felt what was required was to work with the “*unlike-minded*”. She asserted:

*The old stereotype of the private sector being greedy ... is as out of date as is the picture of us being tree hugging lefties. They are busy setting up foundations, we are busy setting up social enterprises, so there is a blurred space, there is the government, the private sector and us, and I believe without that new kind of partnership whether at the global or at the local level ... we can't hope to meet the challenges of the future. ... We have got to find ways of doing it better (P28).*

ECSO stakeholders are depicted in figure 14

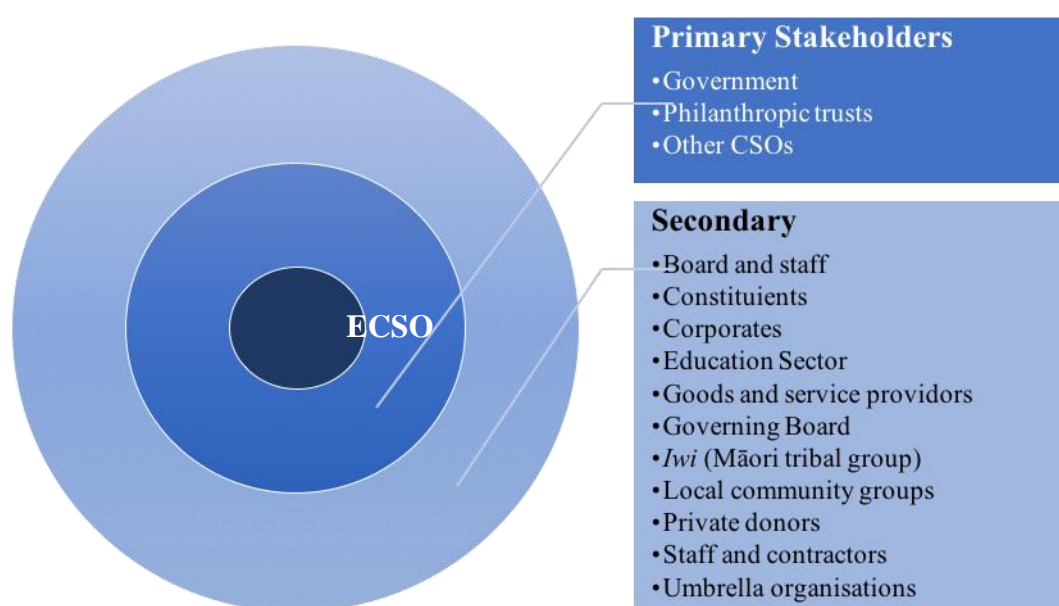


Figure 14: THE TWO TIERS OF ECSO STAKEHOLDERS

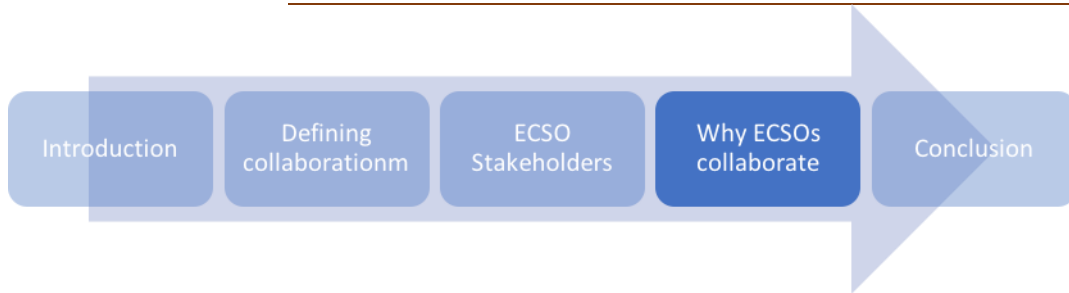
Propositions associated with ECSO stakeholders are presented in table 7.

Table 7: Propositions concerning ECSO stakeholders

5.9	ECSO stakeholders include organisations/individuals that are either internal or external to the organisation.
5.10	The primary stakeholders with whom ECSOs collaborate may include other CSOs, government departments, family-based philanthropic trusts and corporates.
5.11	Second tier ECSO stakeholders may include actors internal to an organisation. Examples include the organisations constituents, its board and staff, along with an array of external actors, such as suppliers and private donors.
5.12	Cross-sector collaborations may represent a significant unexploited opportunity for addressing social challenges.

## 5.4 WHY ECSOS COLLABORATE

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Three primary categories emerged to explain why ECSO managers collaborate. These are clustered as resourcing, transformation and mergers. Motivations associated with each of these areas are discussed below.

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### 5.4.1 RESOURCE ACQUISITION AND MANAGEMENT

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At the beginning of an interview with a minister of religion he contended that collaboration involved working with others to share resources, thereby making goals easier to attain. Most participants concurred with this definition and perceived the primary benefit associated with collaboration was that it assisted with resource acquisition and management. A social-enterprise manager defined resources to extend beyond gaining access to funds. He said of corporates, “They have incredible capability. They’ve got really highly capable individuals, they usually have a whole heap of other assets, specialisations and networks, beyond the corporate social responsibility budget.

Accordingly, benefits associated with either acquiring or managing resources fell into one of three broad categories: funding, access to personnel, and operational efficiency.

#### 5.4.1.1 FUNDING

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Access to funds emerged as the single most significant concern for ECSO managers. For example, a manager of a youth organisation exclaimed:

*I often worry about that, that would be a terrible thing if for some reason there was no longer funding coming through to enable these projects to happen. I am passionate about it and I want it to continue. But I don't have any control over that. I would love to have enough money to be able to employ a fundraiser to work for me fulltime (P7).*



This constant need for funds resulted in ECSO managers primarily collaborating with private philanthropic trusts, government departments, other CSOs and the corporate sector. Each is briefly discussed below.

ECSO managers entered collaborations with private philanthropic trusts exclusively for access to funds or because “we want their money”. private philanthropic trust administrators concurred by commenting that their trust’s resources were limited and that the volume and size of funding requests were far larger than had traditionally been the case. This meant that applications were prioritised. One administrator indicated his trust received around 250 applications per annum, but that often only 20 projects were approved.

Funding was also the sole objective for most CSO–government department collaborations. As with philanthropic trusts, some government department administrators similarly perceived funding provision was their primary motive in collaborating with CSOs. Thus, a senior government department administrator stated unequivocally “we don’t actually deliver anything; we are a funding agency”. However, other government department administrators, suggested a nuance to this perspective when talking of government buying services from CSOs. Thus, a senior government department administrator queried value in CSO–government collaborations merely transferring funds. Rather, she contended the rationale behind government collaborations with CSOs related to social activity. She argued, “the focus is on doing more of the good rather than just securing funds, do you see what I mean, it might be a fine distinction but...”.

As with philanthropic trusts, government department administrators equally stressed their department’s access to funds was limited; therefore, they must look for projects that represented the best value for money.

The need to access funds also led to some ECSO–CSO collaborations. Two reasons emerged that explained this type of collaboration. Firstly, one organisation may have access to alternative funding sources unavailable in the network of the other. This was the case for two organisations that collaborated with churches to access funds, buildings land and/or volunteer labour. A second reason for collaborating with other ECSOs related to requirements imposed by some government departments or philanthropic trusts to access funds. One example involved an agreement whereby the government department would match funds raised by the ECSO up to a predetermined figure. As the organisation had no membership itself, it collaborated with a church denomination who raised funds through members. A second example involved

organisations changing their constitution from a confederated model of autonomous regional organisations, into a single national entity. It was stated this structural change was required by some government departments as new policy determined all funding applications would only be accepted from national organisations.

Findings also indicated instances where a cluster of likeminded ECSOs collaborated to develop a collective bid for funding. Examples included funding requests for combined cross-organisational training of volunteers, or the purchase of software, such as a customer relations management database that could be used across a cluster of organisations. It was suggested that these collaborations were motivated by the establishment of the Working Together More Fund, which was created by a group of private philanthropic trusts who saw value in CSS collaboration as a response to the global financial crisis.

A minority of participants discussed collaborating with corporates to access funds. Findings indicated that the process was both challenging and rewarding. The principal challenge was the need for the project to have strategic fit with the current direction of the corporate. Of this, a social-enterprise manager concluded: “they are good when you get them, but they are pretty fickle. They can blow with wherever the corporate boardroom breeze is going”. However, both he and another manager from this subsector argued that, globally, social impact investment was experiencing incredible growth. They suggested JP Morgan had projected by 2020 around 1 trillion US\$ of private capital would be invested in tackling wicked social problems, while returning profits to shareholders.

#### 5.4.1.2 NETWORKS

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Participants spoke of value in collaboration that built networks. By strengthening their contact base, these managers perceived they could secure access to many resources including recognition, finances, knowledge, expertise, personnel and new opportunities. This assertion was particularly observed by managers of new organisations or those perceiving limitations to their reach. Consequently, a social-enterprise manager talked of a new initiative he had supported and stated his organisation gained legitimacy and profile from publicity the media gave to the newly launched enterprise.

Some government department and private philanthropic trust administrators contended, that in addition to the financial support, they intentionally sought to connect their service

providers/grantees with other potential funding sources within their networks. For example, one ECSO manager talked of a private philanthropic trust administrator who offered to sit with her to map her organisation's current income streams and to explore new possibilities. The particular government department administrator (who was also interviewed) explained, that for her this task of "brokerage" was important because her department was relatively small and so had limited funding available. Therefore, rather than saying:

*Sorry we don't have any funding available, all the best, we say, we don't have any funding available, not right now, here is a fund that we know is opening shortly, and here is the funding information service website which may also be able to assist you (P14).*

However, when asked if connecting clients with other potential sources of funding was departmental policy, the response was that each staff member had a different approach to their work with clients.

In addition to accessing funds, some government department administrators engaged their networks to assist their service providers with accessing expertise. Thus, one such administrator said that part of her department's role was to provide an advisory service to "link[ed] people up" and involved "building the capacity of the organisation" She continued by talking of sourcing mentors for CSOs, who could assist with development of organisations' analytical, financial, business or leadership skills. Similarly, private philanthropic trust administrators talked of working with grantees to source specialist consultants or evaluators who would support management and governance processes of grantee organisations.

Government department administrators also discussed how CSO networks provided many benefits for their work. These included gaining access to hard to reach communities, so that the needs of those living in these communities could be identified and met. Additionally, they stated interest in gaining access to personnel. One administrator said the motivation was because this offered "free labour", however another talked of his appreciation for gaining access to "people who have a passion and a commitment and are willing to give up their time". Others government department administrators acknowledged that amongst CSOs and their networks was expertise in community development, or in addressing social concerns. They perceived it would be counterproductive to try to replicate these skills through government. This led one administrator to talk of buying relationships that offered either innovative skillsets, or the ability to influence others within the community.

Social enterprise managers expressed interest in linking CSOs with corporates. P24 suggested that, beyond the potential of access to finance, "businesses have huge resources to offer"

including access to “pro-bono or low-bono” expertise, networks and markets. A colleague in the same sector detailed this line of reasoning when talking of utilising corporate networks to access mentors and speakers at a workshop, which his organisation hosted. He discussed how he used his commercial networks to enable a social enterprise manager he supported to attend the Global Entrepreneurship Summit where the young social activist met with some of the world’s best businesspeople, including Google’s founder. His perception was that opportunities like these provided “pathways to support young New Zealanders to stand on the shoulders of giants”. Furthermore, he talked of instances where his networks with corporates opened some international opportunities for the social enterprises, he supported to showcase their products.

#### 5.4.1.3 OPERATONAL EFFICIENCY

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A third reason ECSOs collaborate that is associated with resourcing is to progress organisational efficiency. For participants, this process involved reducing costs by sharing assets such as a colour photocopier, combining office space, or by a cluster of organisations bulk purchasing from suppliers to gain discounted products.

A minister of religion spoke at length of his collaboration with a church significantly larger than his own. Part of the relationship involved his church gaining access to the administrative processes and financial systems used by the larger organisation. He commented these provided structures and procedures which were invaluable in assisting the smaller congregation gain operational efficiency. One example offered involved the treasurer of his church seeking advice from the larger church, regarding salary bands for a potential second employee within the smaller church. There had also been discussion concerning sharing one treasurer between the two organisations.

A private philanthropic trust administrator described how he had been seconded to another private philanthropic trust in an advisory capacity for three months. At the end of the assignment, a report was drafted for the board of both organisations that compared the policies and procedures practised by each trust. He reported that for both organisations, the outcomes were deemed of considerable value.

Despite many ECSO managers stating they perceived many funders placed considerable pressure on CSOs to become operationally efficient through collaborative initiatives, this view was not shared by administrators of the private philanthropic trusts. For example, one such administrator

opined that the public pressure to rationalise, reduce overheads and duplications across the CSS was not equally demanded of other sectors of the economy, such as amongst small businesses and trades. Therefore, he queried why society was so obsessed with demanding absolute efficiency from the CSS, and why different rules should apply in that context. Indeed, private philanthropic trust administrators highlighted the distinctive niche they perceived they offered civil society when they reasoned that, because they represented private trusts, they had a responsibility to take risks where those who were responsible for granting public funds were cautious. This meant that part of their strategy included targeting organisations that didn't "necessarily have a great infrastructure or a track record", or who may have been "hopeless at office work with reporting and accounting"; yet, who nevertheless may have had a grant request approved, due to the project's merits. In such situations, part of the agreement reached with the organisation may have included provision of funding for advisors or consultants to strengthen the management and/or governance structures of the grantee organisation.

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#### 5.4.1.4 INDIVIDUAL SUPPORT

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A further reason for ECSO collaborations that relates to resourcing involved gaining individual encouragement or support. A manager of a start-up umbrella organisation stated that one of its objectives included the Māori word *Āwhina*, which he translated to mean providing support for the sector. Concurring with this objective's benefits, other ECSO managers spoke of collaboration providing personal encouragement, support and motivation.

Individual support was particularly desired by ECSO managers of small organisations. One participant spoke of feeling lonely sitting in an office by himself all day and so found collaborating with other likeminded ECSO managers "brilliant". Another participant commented on a collaboration he was associated with by saying, "It is very supportive of me because when I connect with these guys, they are always checking out. how you are going". Equally a social enterprise manager discussed the personal inspiration he received from corporate colleagues. He recalled how he felt when he visited their office and stated that there was an expectation that:

*As an employee of this organisation you bring your best self to work. You are always going to try and go above and beyond the line to do the best for the customer. In some cases, with some of the corporates that we work with and have relationships with, some of them bring that attitude to us which is quite awesome and refreshing (P25).*

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#### 5.4.2 TRANSFORMATION

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Beyond resourcing, participants identified a second overarching rationale for collaboration involved their desire for transformation at personal, organisational and systemic levels. These motivations included individual and organisational learning, organisational programming, advocacy, and strategy development for their subsector. The underlying rationale for collaboration in each of these areas is discussed below.

#### 5.4.2.1 INDIVIDUAL AND ORGANISATIONAL LEARNING

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Data indicated that motivation to collaborate for learning involved less qualified ECSO managers gaining information from managers of likeminded organisations, who had more experience and/or expertise. A minister of religion explained “we are so much better in our self-sufficiency because of all the insights we have learnt from [P4’s organisation] and because of their sharing information with us. Then we go and implement it in our own local context”.

A senior ECSO manager talked of, “that wonderful little expression once we were in a groove and then we were in a rut”. He then expressed value in receiving input, ideas and discovering how others operated rather than “feeling that we’ve nailed it”. Similarly, a manager of an environmental organisation with over a decade’s experience enthused over learning how others managed and governed their organisations to become more efficient and effective. He said:

*I have learnt a lot about their organisation. It is nice to look at other people’s leadership styles. It is interesting to see how their systems work. There are things that they are doing which we could do as an organisation ... I am dead keen if you can show me processes and ways of resourcing this work on the ground that are going to generate the results that we get cheaper, quicker, more efficient. Then I’m all ears (P11).*

Another form of learning involved government–CSO collaborations involving consultation. While government department administrators acknowledged the process was largely one sided because government controlled information flow and decisions that resulted from the knowledge received, they nevertheless perceived it was possible to consult in “an engaging way”, leading to “in-depth detailed dialogue”.

Yet learning through collaboration was not all one sided. Some participants spoke of mutual learning. One example involved collaborators who had different skillsets. Thus, one CSO manager indicated while his organisation offered his colleague skills in how to work operationally with community groups, he had learnt managerial competencies of fundraising and lobbying from the other organisation. Another kind of mutual learning involved likeminded organisations who “looked at the world though a similar lens”, or “wrestled with the same dilemmas” by bouncing ideas off each another. In this context, a minister of religion explained

how a group of colleagues from different churches gathered each fortnight to share ideas and challenge one another. He explained that through the process the thinking became “richer and deeper”. Similarly, other participants talked of sharing “brainpower” that “sharpened” their understanding and forced them to think “bigger and broader”.

As indicated by the minister of religion above, for some participants, mutual learning involved accountability, or being “frank with one another”. It was suggested that a weakness of ECSO managers was that they may avoid entering conflict or challenging each other to do better but that “a clash of the titans” could be a good thing. Of this a manager of an ethnic organisation stated:

*We give feedback to [our stakeholders]. It is not a challenge; it is a good thing to enable them to provide good services. Whether the feedback is good or whether it is bad we will tell them how our people found their services.*

#### 5.4.2.2 ORGANISATIONAL PROGRAMMING

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A second motivator for ECSO collaboration involved aiding organisations in transforming programme delivery. Various approaches to collaboration for programming emerged through findings, including working with likeminded organisations, working with dissimilar organisations, and outsourcing to other organisations or individuals.

One model of collaboration involved likeminded organisations coming together to organise and deliver programmes. For example, a private philanthropic trust administrator discussed a fund his subsector had collectively established. He stated that occasionally senior administrators from a group of private philanthropic trusts met to discuss matters of common interest. At one such meeting, they discussed the likely impact of the global financial crisis for New Zealand’s civil society sector. Recalling this meeting P6 exclaimed “we said bloody hell, we can’t do nothing, this is serious, so we came up with the idea of seeing if we could get organisations to make better use of their cash”. The group then seized upon the idea of cooperating to establish a fund that would provide an incentive to CSOs who were considering collaboration. Each organisation contributed into the fund, which was set up exclusively to support organisations exploring, facilitating or brokering CSOs working together.

Equally, church ministers explained a collaboration that delivered a five-year spiritual formation curriculum that was utilised across their churches for Sunday services, small study groups and individual learning. Of this P10 enthused “there’s a great synergy”, because the collaboration assisted with releasing creativity of ideas for the development of teaching outlines, that were

used by the ministers involved in the project. He continued by explaining that the concept was not like a franchise; consequently, on any Sunday “[if] I decided to do a totally different sermon, it would be fine but why would I do that, I mean that would be madness, I don't have the time or the energy for that”.

A second type of collaboration to assist with ECSO programming involved working with likeminded stakeholders that had complimentary objectives or skillsets. The goal behind this type of collaboration was to fill gaps identified in the programming of an organisation but which it did not have the capability to address. Therefore, rather than seeking to create and staff new programmes within the organisation, managers identified other individuals or organisations with the requisite skills and engaged them. One manager explained “we don’t want to duplicate what other people are doing”.

Some of these collaborations were informal such as a cluster of organisations in a local community providing an informal wrap around service for their shared constituency. Others were more intentional. A manager of an ethnic organisation discussed a memorandum of understanding between his and another organisation. This document outlined strengths contained within each organisation, and from this it detailed how the collaborative programme would operate. Similarly, a manager from the international aid subsector discussed her collaboration with a corporate. An agreement had been formally signed whereby the corporate provided young professionals on a pro-bono basis to deliver needed short-term expertise that delivered programmes for the ECSO. While the arrangement provided quality staffing for the ECSO, the corporate gained short-term international opportunities of upskilling and professional development for talent it wanted to retain but may not have had a project-in-waiting for its personnel to immediately transition into, following completion of a previous assignment.

A third approach to transformational collaborative programming was where organisations and/or personnel contracted services so that one stakeholder delivered a programme on behalf of the other. Typically, although not exclusively, this was the approach of government departments who said that rather than making untagged grants-in-aid to CSOs, they “procured” or “bought” required services. They explained the process involved the CSO contracting to the state to deliver a service outlined through a contract. Therefore, funding was only made available to CSOs if there was alignment between the need of the government department, with the application for funds submitted by the CSO. A variation of this approach was outlined by two managers of ECSOs who had contracts with the same government department. Here, the



strategic objectives of the government department were broad and had been designed to be interpreted by the CSO to “foster creativity and innovation”.

Government department administrators stated they outsourced social service provision rather than delivering services internally, because “community organisations are closer to people, they are more innovative, they know what is going on. They are more efficient because they run on a shoestring half of the time”. Or more candidly “it offers lots of volunteers”.

Furthermore, both government department administrators and ECSO managers stated government contracting processes were contestable. Therefore, for a funding application from a CSO to be approved, it had to represent the best value for money. Of this, one government department administrator, explained she had recently been involved with two CSOs that had failed to have contracts renewed because, external evaluators indicated the service level being delivered by the ECSO was considerably less than was achieved by others holding similar contracts.

Examples were also offered where ECSOs purchased services from other CSOs. An ECSO manager talked enthusiastically of a collaboration between his organisation, which predominantly worked with middle class European youth, and another organisation that largely worked with disadvantaged Māori young people. He stated that not only did the collaboration extend the reach of his organisation to a new sector of New Zealand youth, but it also offered his organisation expertise in areas that were traditional weaknesses for them. This collaboration ensured programmes were culturally relevant to Māori. When later interviewing the manager of the Māori organisation, she stated the programme of the other organisation was “something awesome” for Māori youth and that it was easily adapted for Māori culture. She perceived that as the focus of the programme was on the outdoors, it was “naturally suited to our young people”. Furthermore, she remarked on the ease with which she could integrate *Tikanga Māori* (Māori culture) into the curriculum and said:

*Te taiao, which means the natural environment — for us as Māori there is the connection to te ngarungaru the ocean and ngahengahe the God of the forest and our ancestral connections to the mountains and rivers and the stories that are hundreds of years old ... We are making the connection between us and the land. And our stories make sense to these young people and give them a sense of belonging ... and so I completely believe in and I think it's a fantastic program (P7).*

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#### 5.4.2.3 ADVOCACY

Several ECSO managers collaborated with others to advocate for change. Data indicated this practice occurred at two levels. Firstly, ECSO managers talked of advocating to their constituents to promote issues of importance to their organisation. Secondly advocacy involved seeking to influence, or lobby on behalf of their constituency.

Two participants from the religious subsector discussed how they sought to promote issues of personal importance amongst their constituency. P16 talked of having strong convictions concerning the alleviation of poverty, which he believed was fundamental to the Christian faith. Therefore, as part of his job, he would talk about this issue and the role that Christians can play in eradicating poverty whenever he spoke in churches with whom he collaborated. Similarly, P19 expressed concern to ensure those associated with her umbrella organisation understood diversity, and the spiritual devotion of New Zealand's growing population of migrants. She stated:

*I feel that if people don't understand the [different] rituals and the practices of people, then suspicion and fear and bullying comes into play ... We are way beyond thinking that everyone should become a Christian, we just can't go on like that. It is a matter of building a more humane, a more caring, more accepting society (P19).*

Equally, a participant from a minority ethnic group described his desire to encourage migrants and refugee constituents to integrate more fully into New Zealand society. He wanted to ensure people from his community were not sitting at home receiving a social benefit but were active in the workforce. He asserted "we need to push these people to learn the language and to perform something for New Zealand society". Another participant from the same subsector was concerned to redress a perception held by some of his constituents that the New Zealand government was about control and oppression because "maybe they had come from a dictatorial background".

A second form of advocacy involved an organisation representing those in their constituency. This form of advocacy may have involved informing others of the existence of their organisation's constituents. One example involved a social enterprise manager who defined the purpose of his organisation as "sharing stories about young people that are making a difference".

A manager within the ethnic subsector explained that it was necessary for him to do more than build profile for his constituents within the wider community. His role included advising local government agencies about the needs of those he represented. He recited discussions held with government agency managers by saying "you are dealing with a lot of people who are not used

to your system”. He then explained the difficulty many in his community experienced trying to understand how and why decisions impacting them were made. Therefore, he encouraged government department staff to visit his community groups and explain laws, policies and regulations concerning immigration. Additionally, he explained that many in his organisation came from situations where education was limited or where English was foreign. This meant that his constituents needed assistance with translation in filling out government forms. Later in the interview he mentioned other conversations held with local government department managers where he advised them that their customer service officers required training in areas related to the backgrounds and culture of immigrants, and refugees who were their clients. This was because he was receiving reports that those whom he represented, perceived they were being treated without due respect.

Alternatively, advocating for constituents may have involved direct lobbying to influence and effect changes of government practice or policy on an issue of concern to those within their organisation. Of this a social enterprise manager bemoaned constantly having to work on advocating with government to “get them to understand how social business, social enterprise can actually help them” achieve their goals. Equally, he contended that by following the lead of other countries, New Zealand’s government departments could, at zero cost, elect to favour purchasing goods and services from companies that intentionally operated to deliver positive social or environmental outcomes. Specific examples offered included contracting catering services to companies that employed youth and/or persons with disability.

Several participants discussed the importance of actively lobbying government for policy change because, as argued by an umbrella organisation manager, it “has capacity to make decisions and to release resources to create better outcomes for the people”. Accordingly, a manager of an ethnic organisation expressed in detail his appreciation for the new life and opportunities afforded his people through their move to New Zealand, especially as many of those he worked with were refugees. However, he also talked of raising concerns with government department administrators over housing made available for refugees and stated that some were “sitting in a little bit dodgy area”. He explained that some locations where his people were placed had neighbours taking drugs, or where there were serious mental health issues, or high levels of domestic violence, which made the people he represented not feel safe. During the interview, he also talked of how some of his constituency were not able to get work, even though they were well educated, and how it was the role of his organisation, and others with whom he collaborated, to work with government to resolve these concerns.

Several participants indicated value in umbrella organisations that represented a cluster of likeminded organisations. They perceived strength could be found “by uniting together, talking in one language and with one voice” rather than as individuals. Here, an international aid manager asserted “having the cooperative of organisations is where you get a bit more leverage to have a bit more influence on [government] policies”. He continued by explaining how his subsector’s umbrella consulted with government departments and lobbied individual Members of Parliament.

An umbrella organisation manager enthused that one of the core values of his organisation included the Māori terms *kōrero* and *hui*, which he explained:

*... doesn’t just mean to speak but to frame a conversation so it uses our intelligence to draw on data of our understanding of what’s happening to try and frame some of the issues that need to be talked through that the sector is confronting. The second word is Hui which is to bring people together around ideas to test to confirm ... to build on those ideas and as well as just being a voice for the sector (P3).*

While it was asserted by some CSO managers that attracting funding for umbrella organisations was problematic, and that hosting such gatherings nationally was expensive, other participants suggested traditional barriers of time and cost for such meetings were largely eliminated due to developments such as Skype conferencing.

A variation to advocating on behalf of constituents was identified by some government department administrators who stated that some CSO service providers were not always in touch with their constituency’s needs. Thus, one such participant stated, “I soon realised that the people who we funded generally didn’t have an intimate knowledge of what was happening on the ground”. Therefore, these administrators perceived part of their role was to advocate to CSOs on behalf of the individuals that the CSOs professed to serve.

#### 5.4.2.4 STRATEGIC DEVELOPMENT

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One of the concerns held by CSO stakeholder participants, was the sector’s lack of creativity and “big picture thinking”. A senior government department administrator regretted that he could only identify three organisations that had spoken to him in the previous year about potential projects of the scope, that he preferred to support. He contended that most applications his department received were of a small scale; therefore, the sector was criticised for its tendency to focus at an operational capacity rather than one that was strategic.

Reasons offered by other participants that justified the limitation of operational thinking included a lack of funding, organisational insecurity, an aversion to taking risks, over analysis of the past and organisational independence. Notwithstanding these challenges, it was argued there was a vital need for the sector as a whole, to become much more future-oriented concerning its strategic direction. An advocacy organisation manager best captured this sentiment when commenting:

*It's like [name of programme] is this piece of paper on the table, my question is, who is looking at the table? Is the table the right shape? Are the four legs that the table was built on 50 years ago going to be robust enough for the sophistication of today? What needs to change? I'm interested in making sure the playing field is solid enough so that (name of programme) can operate (P9).*

Similarly, a private philanthropic trust administrator contended that “a bigger vision captures people’s imagination more than the individual project does”.

Furthermore, it was suggested that developing the sector’s strategic vision required collaboration. This was because the extent of seemingly unresolvable, complex, social problems within society demanded working with others, as “no one stakeholder can do this all on their own”. A manager of a community project highlighted the imperative of collaboration for resolving wicked social problems when reflecting on domestic violence in New Zealand which, she said, had the worst statistics in the OECD, even though “millions of millions of dollars have been poured into this problem over a generation”.

Participants suggested that umbrella organisations were key to developing strategies of scale that offered the potential of creating positive systemic change within New Zealand. A manager of one such organisation that focused on youth argued that:

*Instead of just looking at what the measurable outcomes are of my particular patch, we need to be thinking broader, and farther and wider and far more strategically and ultimately saying what is the overall impact on [our constituents] and so there is a need to strategically think bigger and farther ... is awesome, and I'm all supportive of us being as effective as we possibly can be but unless we're looking ... at the bigger picture against how our individual organisational outcomes are creating change at a population level and actually impacting positively on young people in New Zealand then all our efforts are lost (P20).*

The value of collaboration to build scaled-up vision within civil society and to make progress with resolving wicked social problems was realised not only by ECSO managers, but also by government department and private philanthropic trust administrators. For example, a longstanding government administrator asserted that “answers to the tricky problems facing society do not all reside with the heads of people sitting behind computers in government offices.

There is wisdom in many other places as well and we need to draw on those resources”. Similarly, private philanthropic trust administrators saw that they had an important role to play in nurturing future vision and growth within the sector. Participants from these organisations indicated that, as they were privately owned, one of their core roles in the wider philanthropic sector involved taking risks and supporting new projects. Of this, one manager stated that “it’s just in our DNA. It becomes obvious when you work in these places that that is your best role. You can and you are the only one that can, so you see this as your best opportunity”. He continued by explaining how his organisation went out of its way to “do the early stuff. We like to get things prepared, so that others who don’t have those luxuries can then come in when it’s [the new organisation/project] got structure” (P6).

Additionally, he explained that his trust continued to disburse different types of grants, including altruistic giving that had the simple objective offering a hand up, but that increasingly the trend within philanthropy was to assist organisations focused on systemic change, through lobbying governments on social issues and venture giving, that invested capital in large scale projects such as housing and social enterprise. In articulating the strategic nature of this approach within philanthropy, he argued that timing was critical. This meant that when government policy on issues softened, such as he perceived was currently the case with housing and social enterprise investment, this was the time to pursue those opportunities.

Furthermore, rather than acting as a passive grantor of funds, private philanthropic trust administrators identified that they were progressively taking on an architectural role by funding clusters of CSOs focused on a mutual cause, to work collaboratively so that maximum synergistic impact could be made. An example was offered of a collaboration that brought together over 300 groups focused on environmental issues within one region of New Zealand. Of this initiative, the private philanthropic trust administrator exclaimed “it just makes everything more strategic around outcomes. It makes all of the effort and engagement more strategic, rather than the lottery of some get funded some don’t, which is primarily around marketing”. Because of this approach, philanthropic organisations actively scouted for and initiated contact with CSOs aligned with their strategic priorities.

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#### 5.4.3 MERGERS

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A minority of participants discussed mergers. While none had first-hand experience of this kind of collaboration, they identified the concept, or knew of a merger between CSOs.

One longstanding ECSO manager suggested there was merit in new organisations within her subsector merging with larger, more established CSOs. However, she observed that the personnel associated with new initiatives in her subsector seemed reluctant to consider such an approach. In accord with this perception, a staff member from one of these new organisations expressed a fear, that more established organisations within his subsector might commandeer his fledgling association. For him, mergers represented a threat to his organisation's existence.

Another participant, who was from the religious subsector and who expressed high levels of enthusiasm for a collaboration with which he was involved, was asked if he would consider the possibility of the collaboration transitioning into a merger. He responded by suggesting such an action was unlikely as he was not seeking "to create a franchise approach" where everything was the same. Rather, he stressed importance of his organisation retaining its voice and expression in a localised geographic context, as opposed to it being "dictated to" by another. He continued by citing numerous examples of similar member-based organisations that had experimented with mergers only to discover that they did not work. He said of such initiatives that they "just haven't been palatable at all, consistently we've heard bad reports".

Propositions associated with the rationale for why ECSOs collaborate are presented in table 8.

Table 8: Propositions concerning why ECSOs collaborate

5.13	ECSOs may primarily collaborate to access funds. External stakeholders engaged in this form of collaboration include philanthropic trusts, government departments, other CSOs, the corporate sector, and private philanthropists.
5.14	ECSOs may also collaborate to strengthen their networks to gain recognition, finances, knowledge, expertise, personnel and new opportunities.
5.15	Government departments may primarily collaborate with CSOs to gain expertise in community development and access to voluntary labour.
5.16	ECSOs may collaborate to enhance operational efficiency, through sharing assets, staff, knowledge and expertise.
5.17	ECSO managers may collaborate to access individual support and encouragement.
5.18	ECSOs may collaborate with similar or dissimilar organisations/individuals in order to aid programme development where capability is lacking.
5.19	ECSO collaborations may involve programme delivery being outsourced. Here services are commonly purchased through contracts.

5.20	ECSOs may collaborate to achieve organisational/individual transformation through consultation, learning and challenge or accountability.
5.21	ECSOs may collaborate to advocate for change amongst those within their constituency, and/or to influence others on behalf of their constituency.
5.22	Advocacy may involve the use of umbrella organisations that gain leverage, through a united voice.
5.23	Government departments may advocate to influence CSOs for change on behalf of the CSOs constituency.
5.24	Collaboration may involve development of scaled-up strategies, which offer potential to create positive systemic change and resolution of wicked social problems.
5.25	Private philanthropic trusts and CSO umbrella organisations may be provide an architectural role in developing scaled-up strategies within the CSS.
5.26	Mergers may be uncommon amongst New Zealand's ECSOs, who may desire to retain organisational autonomy.

## 5.5 CONCLUSION



This chapter began by offering definitions of collaboration as understood by participants associated with this thesis. It also identified stakeholders that ESCOs collaborate with. Thirdly, discussion centred on the motivation behind ECSOs entering collaborations with their primary



stakeholders. Three major rationales for ECSO collaborations along with their sub-themes were identified and are summarised in figure 15.

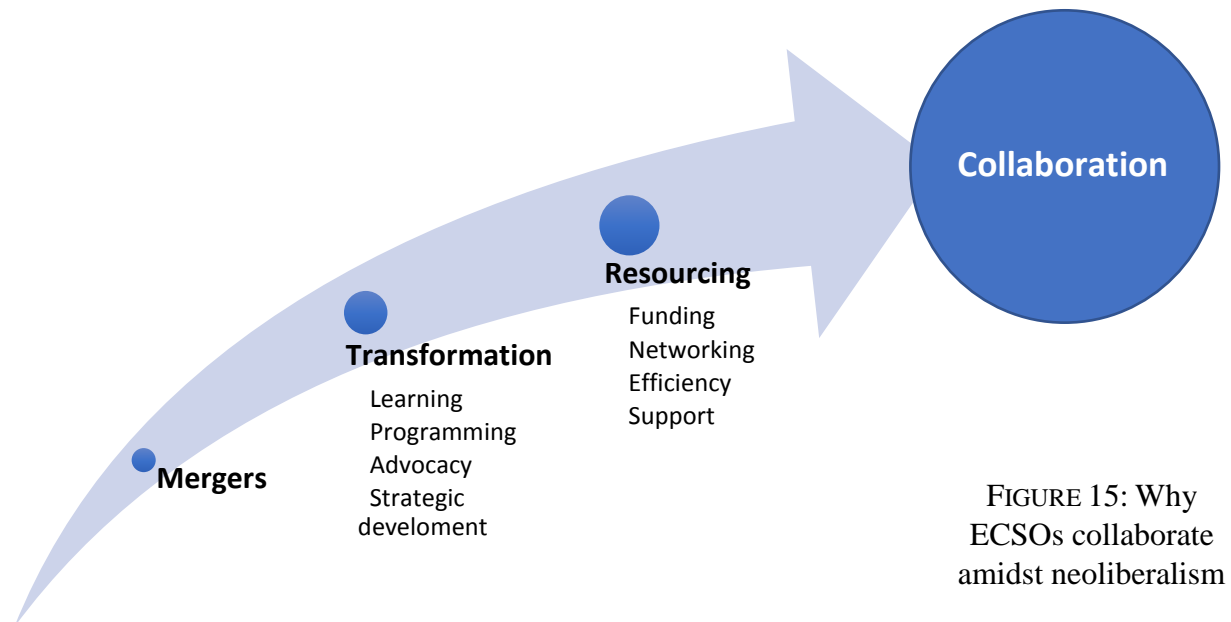


FIGURE 15: Why ECSOs collaborate amidst neoliberalism

A summary detailing key findings associated with each of these areas was portrayed through propositions that were tabled within the chapter.

The next chapter of findings examines obstacles associated with ECSO collaboration.

## 6 FINDINGS 2: OBSTACLES IMPEDING EXPRESSIVE CIVIL SOCIETY COLLABORATION

### 6.1 INTRODUCTION

Chapter 5 considered understanding of how participants defined collaboration, who ECSO managers perceived as their primary stakeholders, and why they entered collaborations. Attention is now directed to obstacles associated with ECSO collaborations.

It is significant that all participants of the current study had a favourable disposition towards collaboration; however, only a small minority considered their working relationships with others to be achieved with ease. Furthermore, none perceived the process was free of challenge. Instead, most transcripts produced detailed accounts outlining various difficulties encountered during the process. Therefore, this chapter studies challenges associated with collaboration. Specifically, it explores obstacles inhibiting ECSOs from working effectively with collaborators. These challenges are grouped under three major headings: scarcity of resource; organisational capability; and organisational culture. The overarching theme that emerges is that for many ECSOs collaboration with stakeholders is of itself a wicked social problem.

As with chapter 5, summaries of findings are presented at the end of relevant sections within the chapter. The structure of the chapter is depicted in figure 16.

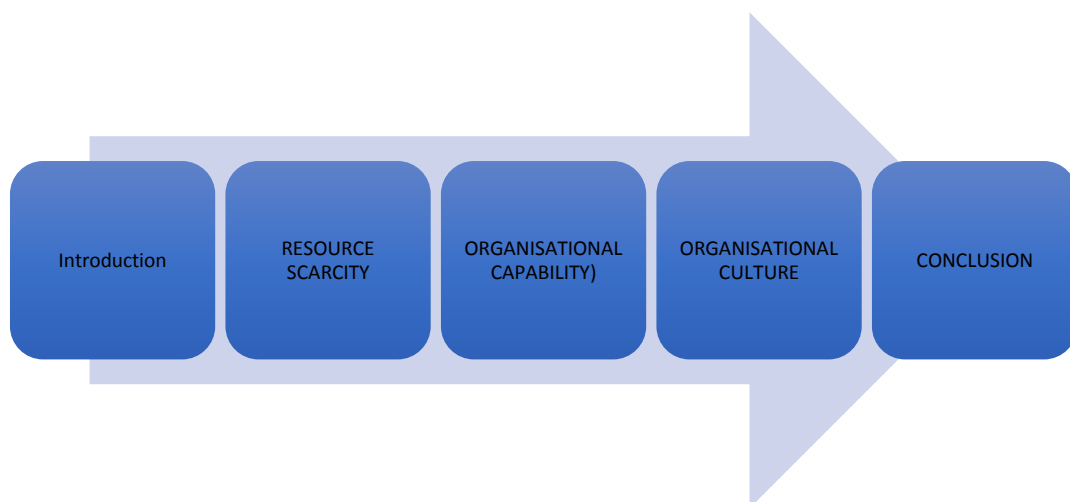
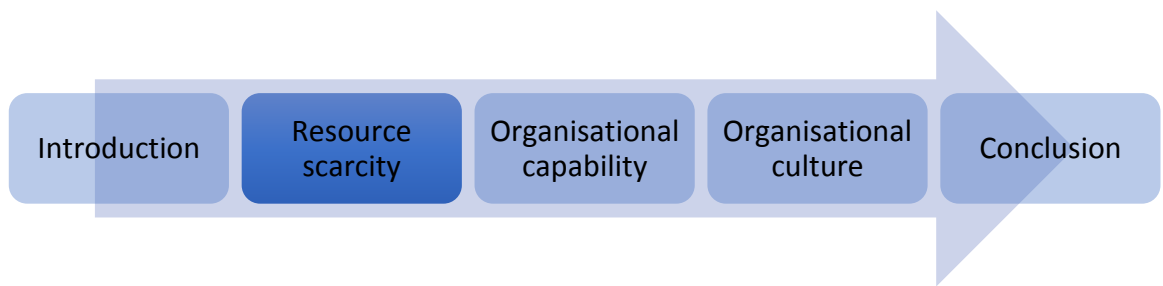


FIGURE 16: Structure of chapter 6

### 6.2 RESOURCE SCARCITY



Several participants spoke of a widespread perception that collaboration was deemed a panacea for resolving many contemporary complex social challenges. They perceived this assessment was fundamentally flawed, because the cost of collaboration may be more than the reward. While the tendency amongst participants was to focus on potential gains of collaboration, a minority felt that people often overlooked the sacrifice involved to achieve collaborative goals. Hence, a manager of social enterprise, argued that collaboration took “a hell of a lot of work and resources” if it was to be done properly. Similarly, as previously mentioned, a private philanthropic trust administrator who stated he was strongly in favour of collaboration, argued that the practice was not the only way to work and should only be employed when appropriate.

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#### 6.2.1 SCARCITY OF FUNDS

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Research insights indicated the overarching resource most needed within the CSS was access to funds. Most ECSO managers spoke at length of their organisations’ funding crises. They argued that not only did funding scarcity have wide implications for their ability to achieve organisational goals, but also that a lack of access to sufficient capital negatively impacted their ability to collaborate.

Numerous postulations were advanced to explain reasons for the sector’s scarcity of funds. A community development manager suggested the shortage was due to the current economic climate, which resulted in declining interest rates received by philanthropic trusts on their investments. She explained low returns meant trusts had less money available for distribution. While concurring with this sentiment, a private philanthropic trust administrator added, that as there was so much expectation and aspiration within the community, demand for money far exceeded its availability.

Criticism for the sector’s lack of funding was also levelled against government for its fiscal prioritisation. One senior ECSO manager who had a background in the health sector observed, while state funding had continued to increase for hospitals every year over the last decade, resourcing for the CSS had remained static. Likewise, another ECSO manager who had recently

left the educational sector commented that schools enjoyed a ‘massive sense of permanence’ related to funding; yet, the sector in which she was now employed suffered from a “lingering precariousness”. In her view, the cause of fiscal uncertainty was created by the short time frames associated with government contracts.

Regardless of reason, scarcity of financial resource within the sector emerged as the primary theme that impeded both progress of ECSOs, and their collaborative initiatives. Within this overarching obstacle, several sub-themes complicating the collaborative efforts of ECSOs emerged. These included staffing shortages, competitiveness, power imbalance and risk aversion. Each is discussed below.

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### 6.2.2 STAFFING

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Participants reported one implication of their organisation having insufficient resources was a lack of staff to drive collaborations. One government department administrator talked of organising training events designed to assist ECSO managers navigate her department’s funding application process. She stated the events were poorly attended and that feedback indicated the low turnout was due to her clients having a shortage of time available to attend, because most were volunteers. Similarly, another government department administrator acknowledged time constraints as a challenge for many CSO personnel. She reflected on the rollout of a recently introduced contracting policy with CSOs and stated that its intention was to link accountability reporting across all government departments so that organisations receiving funding from multiple departments filed only one compliance report, which was distributed across relevant departments.

Similarly, a minister of religion who was involved in a collaboration centred on programming, discussed the possibility of formally merging with other church congregations. He indicated that such a progression was highly unlikely, as it would require too much energy for his staff and congregation. Instances were also recorded where it was claimed that some collaborative actors were forced to withdraw from the process, as they were unable to sustain involvement alongside routine responsibilities. Thus, a community development manager expressed frustration that in some of her cross-sectoral work, actors had signed up enthusiastically to a collaborative project, but had failed to follow through when it came time to supply personnel. The explanation given by the defaulting actors was that they were overworked with other priorities. She countered that real support for a collaborative project involved putting “skin in the game”. Challenges associated

with a lack of personnel or time to invest in collaborations were particularly prominent in smaller ECSOs, or amongst those that relied heavily on volunteer labour.

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### 6.2.3 COMPETITIVENESS

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The second impact of funding shortages to emerge through data was that they created a constant need for organisations to source and bid for new funds. Some ECSO managers perceived the contracting process led to intense competition within the sector, which undermined their desire and ability to work together. An umbrella organisation manager observed that competitiveness was a by-product of government's contracting policies, which "attacked the *wairua* (spirit) of her [subsector's] centre". Rather than working in solidarity for progress, she perceived members of her organisation were put in a position of being forced to 'elbow each other' in search of "standing room to retain the ground they stood on". She exclaimed, "our ... people's wellbeing is compromised significantly by the economic restrictions that we have in place". Similarly, a senior ECSO manager commented that "all donors talk about collaboration, so they talk collaboration, but they fund competition".

A manager of an ECSO with a modest budget talked of the highly competitive nature of New Zealand's CSS funding environment, where everyone was constantly chasing money. He spoke of a standoff between his organisation and a few larger actors in his subsector. While he saw benefits in, and desired to collaborate, his sense was that larger organisations did not, due to fear that building rapport might strengthen his smaller organisation, which in turn might compromise their security of funds.

When reflecting on competitiveness within the sector, other participants observed that, with ECSO collaborations, there was a tendency to bring your second best to the table. The rationale was that by withholding your best talent and ideas, organisations could retain a competitive advantage, albeit at the acknowledged cost to overall progress of those their subsector existed to serve.

Some participants perceived funding shortages could be attributed to the ever-increasing number of new organisations that emerged and wanted funds. They felt many of these novel organisations merely created unnecessary service duplication and were administered by personnel lacking sectoral experience. A community development

manager explained that due to start-up organisations, five regional branches in her longstanding organisation had been forced to close because of funding shortages. She commented that in her office alone, funding had decreased by 25%, forcing the expanding workload to be delivered voluntarily.

In contrast to the assertion that newer actors merely created duplications and lacked experience, managers from start-up organisations perceived the larger, longer standing and more stable organisations were likely to win funding contracts, through their status as historical service providers. They argued this created major barriers to new entrants gaining access to the sector. Some government department administrators confirmed this concern when expressing nervousness over supporting new organisations. It was explained departmental policy was to work with larger, stable clients, so as to mitigate risk associated with new entrants, whom they had no relationship, and of whose credibility they had no knowledge. However, a senior government department administrator questioned this approach when she suggested that in dealing with CSOs, government was required to bring commercial approaches, including fairness, to its procurement arrangements. She outlined that this meant departments were required to be transparent, and award contracts to the best provider for services they required.

Start-up ECSO managers also levelled criticism against some of the mature organisations. They argued, not only did these organisations deliver services inefficiently, but also that they were reluctant to change their operations to be more effective in meeting community/social need. They contended this deficit should result in funding being redirected to new innovative initiatives.

Intergenerational disputes aside, for many managers of ECSOs with budgets less than 250,000 NZ\$, the expressed fear was that they might be undermined or taken over by larger more dominant actors within their subsector, or, as phrased by a manager of an ethnic organisation, “they might flip us”.

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#### 6.2.4 POWER IMBALANCE

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The third implication of funding constraints was that they emphasised inequalities within collaborative relationships. This perspective was described by one participant who used an analogy that some collaborators were “dominant big bull terriers” and others were “seen as the underling”.

A small minority of participants asserted equality was essential to successful collaborations; however, most participants contended that collaborators should approach the process aware of inequalities between actors. One senior ECSO manager argued “collaboration with a donor is never an equal partnership. One has the money and the power and the other is the supplicant”. This understanding led participants to contend it was impossible to talk of collaboration without also talking of power, and that it was naïve to enter a relationship without first understanding and mitigating imbalances that existed, or, at least, being clear about what was being sacrificed and what was being gained.

Five challenges stemming from power dynamics within collaborative initiatives emerged through data analysis. These were circumstances where organisations perceived: 1) collaboration was forced; 2) authoritarianism by dominant actors; 3) consultation was overlooked; 4) strategic alignment with a dominant partner was required; and 5) strategic alignment caused mission creep for the weaker actor. Each is detailed below.

#### 6.2.4.1 FORCED COLLABORATION

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ECSO participants talked of growing requirements imposed by government and private philanthropic trusts compelling them to enter collaborations as a condition of receiving funding. It was explained this precondition may have come in the form of a directive that an organisation restructure itself nationally, rather than operate through regional entities, thereby reducing the volume of applications received by the funder. While this directive created substantial organisational or constitutional complications, participants also expressed misgivings over inconsistency of the policy across government departments. Some worked exclusively through national structures, while others funded only regional initiatives. Within local government administrations, some ECSOs reported they were required to submit multiple funding applications to each separate geographical ward within a council.

Another variation of forced collaboration was where an organisation was required to give evidence of working alongside others. In some instances, a funder even pre-determined the constituency of a collaborative project.

One ECSO manager resolved that part of the rationale behind enforced collaborations was because funders were faced with so many requests, that they needed organisations to merge or at least work together to achieve gains of efficiency for both funder and ECSO. Despite this

assertion, most ECSO participants viewed forced collaborations as unwelcome. It was suggested such arrangements were not perceived as being reasonable or logical in achieving positive social outcomes and were in fact “hugely problematic”. So much so, that a private philanthropic trust administrator argued 85% of New Zealand companies were small to medium enterprises, yet no directive was given that they should merge merely because of a proliferation of them.

Furthermore, an ECSO manager asserted for collaborations to be successful, it was vital they be organic by design. She suggested it was necessary that actors be responsive to the needs of the different people within the collaboration and that, through dialogue, collaborators could together, discover a shared agenda for the project. For her, this represented where “magic was able to happen” but that enforced collaborations inhibited this vital creative process.

Some participants suggested that, rather than imposing forced collaborations, a more constructive approach was to create incentives for those choosing to work together. They suggested this approach had the benefit of being less prescriptive, and that it encouraged organisations to find partners with whom they felt a natural accord.

#### 6.2.4.2 AUTHORITARIANISM

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Without exception, both government department and private philanthropic trust administrators were conscious of the asymmetrical nature of their ECSOs collaborations. On this point a private philanthropic trust administrator spoke of attending an international aid conference where the keynote speaker challenged whether it was ever possible for funders to be real partners with “grantees”. He said the presenter claimed this was impossible because “you need the money and we’ve got it. We can pull the plug on you and you can’t do a blimmin thing about it”. The participant continued by emphasising that his trust placed priority on identifying ways to mitigate this imbalance.

Similarly, government’s dominance was acknowledged by government department administrators who conceded they “held a lot of the power” within ECSO collaborations. One administrator was adamant collaborations must not be defined as partnerships because “It’s not equal. We call the shots when we give the money”. She continued by emphasising her advice to client CSOs was that it was imperative they kept up with government direction, and that a mistake many organisations made was to push against government direction, which was detrimental to their cause. For her, the nature of government–CSO collaborations involved “give government what they ask for, and government will give you what you want”. A senior ECSO manager identified this attitude within government and contended there had been decisive



changes in the state's approach to the CSS since the 1980s when a "culture of servitude" crept in. He argued that since contracting was introduced as the primary way CSOs received government funds, the government–CSO relational landscape had been seriously damaged. He perceived government department administrators increasingly "micromanaged" CSOs, by telling them how to operate and "punishing them" should they fail to comply. Concurring with this assertion, a community development manager observed "many civil servants transitioned in their thinking during their career from serving the public, to serving the departmental minister" and "they forget who it is they are working for".

In relation to collaborating with an authoritarian government, one government department administrator referenced a report that suggested the CSS was increasingly anxious over speaking in contradiction to government policy for fear of retribution. She stated the report indicated that CSOs feared government department contracts were implicitly gagging CSOs from what they perceived to be the vital task of advocacy in that, if they voiced disapproval of state policy, funding may cease. Similarly, an ECSO manager talked of an attitude she perceived within government whereby it "nails all CSOs down as hard as it could, fully intending that some would sink while others survived". Some participants cited the recent demise of one of New Zealand's more prominent CSOs was a direct consequence of it being cut adrift from government for not towing the state's line.

Other domineering behaviours of collaborative actors were identified and included the sophisticated nature of some government department administrators. ECSO managers objected to having to use very specific terminology they perceived as in-house jargon in their funding bids. Concern was also levelled over the need to ensure all the right meetings were attended, and that relationships were developed with all the right people, to ensure correct phraseology was learnt, and that all expectations required of ECSOs were fully addressed in funding applications.

Not only was government criticised for its controlling approach to working with ECSOs, the same accusation was also directed towards the corporate sector. One social enterprise manager suggested that corporate social responsibility programme managers tended to be "all sweetness and light when things are going fine, but that they turned into psychopaths when things go wrong". He felt in such situations all dialogue and talk of partnership was immediately abandoned and that the corporate, as dominant partner, demanded it get its own way.

However, concern over inequalities within CSO–CSO collaborations was minimal. In the rare instance where power dynamics were raised in this context, the fear was that smaller organisations might be taken over by the dominant partner. However, a manager from a large ECSO commented on the collaborations her organisation had with smaller organisations and stated she was very aware of the power her organisation held in the relationship, and so was cautious to ensure it was not abused.

*We are the ones that have the more education, we are the ones that have the money, we are the ones that have the decision as to whether we [engage] so it is just about not abusing that power and being aware of that power ... The reason why we are partnering with them is because they need the help (P28).*

She continued by discussing tensions that collaborating with developing organisations caused, and how it often represented “risky business”, because the organisation may not deliver what was agreed. Regardless, her organisation intentionally chose to enter such collaborations.

#### 6.2.4.3 WEAK CONSULTATION

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A third concern in relation to the power imbalance conveyed by ECSO managers, was a lack of government consultation with stakeholders, including CSOs. It was felt there was a disregard for the input of those delivering programmes. A senior ECSO manager expressed frustration over what he identified as countless examples where government acted before consulting the sector. He exclaimed, “it’s a bit like marriage counselling, I mean if one partner says there isn’t a problem, then you’re stuffed”. The manager of an international aid organisation indicated that policy shifts in government had not been “socialised” and had disadvantaged his organisation, leading to the closure of one of its most successful projects.

However, numerous government department administrators contended collaboration with CSOs was vital because they understood local community culture, geographic needs, and as they could respond with speed in a way that evaded government. They stated that, pragmatically, often they had to decide which parties to consult and which were to be omitted from strategic dialogue. They argued such decisions were based on the department’s assessment of its needs. They also indicated that, while stakeholder consultation and negotiation took place regularly, it was nevertheless impossible to capture the views of all interested groups. Furthermore, they emphasised that dialogue was only possible at the higher, strategic levels. Responsibility for detailing strategy and how it was implemented remained the responsibility of government departments. Here, one administrator highlighted her view that, if the relationship was a partnership, there would be need of far greater levels of discussion.

Other government department administrators perceived challenges associated with consultation were not so much the result of government departments being overly domineering, or of the volume of its stakeholder networks, but rather that some staff lacked basic relationship-building skills necessary for community collaboration. It was suggested that anywhere in society, including government, there was considerable diversity as to how staff approached their jobs and relationships. Consequently, a longstanding government administrator reasoned some officials were more extroverted, and therefore were likely build relationships and show interest in clients and community activity, while those more introverted tended to be shy, and worked on computers to detail policy. However, she continued by indicating government staff engagement surveys revealed high levels of disillusionment amongst personnel and reasoned that some staff hated their jobs and were just miserable.

Furthermore, she suggested that if government's external relationships were to improve, internal modelling was required by senior management. Several participants felt that within and across many government departments, and between local and central government, people typically worked in silos, didn't collaborate and often found it difficult working together. To combat this predicament, it was explained that open government partnership policies had been introduced and that there was a growing emphasis to ensure all government staff were competent at relationship building. One administrator asserted senior managers were "falling over themselves trying to change the approach" and were actively looking to employ people with skills in external engagement. Contrastingly, another senior government department administrator was defensive of government staff. She felt that good contract management teams understood that retaining good providers required having "collaborative relationships".

#### 6.2.4.4 STRATEGIC ALIGNMENT

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A fourth concern of ECSO managers relating to funding scarcity was the need for ECSOs to align themselves with funders' specific objectives. Several ECSO managers outlined changes in how government funded civil society. They explained how historically there was an equitable spread of state funding that evenly supported CSOs; however, more latterly government departments had introduced their own detailed strategic plans. This meant that only CSOs capable of delivering objectives contained within departmental strategy were supported, while others were abandoned. In defence, government department administrators indicated they received an ever-growing number of funding requests from a diverse range of initiatives; yet

many organisations failed to grasp that justification for funding was based necessarily, on whether the request fitted the department/organisation's strategic focus. Thus, one senior government department administrator stated, "you might not get in the door because, although you have a really good offer, we just can't make it work with what we are doing".

Problems associated with the need for alignment to state strategy were significantly compounded for ECSOs when there was a change of government. It was asserted that due to ideological differences between political parties, new governments were likely to have different policies which created anxiety for many CSOs concerning funding stability. An international aid worker highlighted this concern when explaining how, when New Zealand's National Party came to power in 2008, it quickly established an economic focus that came at cost to the previous Labour government's prioritisation on community development. For his organisation, this meant funding was substantially reduced as the organisation no longer "ticked all the boxes". Similarly, another participant lamented how previously the City Council had supported her organisation in its peace building work, but that this had now "dropped away" with new local government administrators. ECSO managers explained that such changes were extremely traumatic for both staff, and those their organisations served.

It was explained that funders other than government had also introduced strategic plans that ECSOs were required to align with. When discussing corporate social responsibility programmes, a social enterprise manager commented that:

*Previously they had been fairly ad hoc, where perhaps they would say let's sponsor something over here because one of the directors has an association. It hasn't been a very strategic approach but I'm noticing that it is beginning to get a little more strategic. They actually have a strategy around why they will support and engage in particular things. (P25)*

The same approach was also identified to have been adopted by private philanthropic trusts, where some ECSO managers said they were told their applications had been declined, as the organisation failed to meet the trust's criteria. Private philanthropic trust administrators confirmed it was important all applications clearly aligned with their trusts' objectives. Additionally, they expressed disappointment that some CSOs merely "parroted back" what they thought the trust wanted to hear but had little understanding, or capability to deliver programmes for which the funding was sought.

When discussing strategic alignment one private philanthropic trust administrator talked of a difference between supply and demand. He contended there would always be huge social need

within society but that need was subjective and so “it [funding requests] just keeps coming. Demand is if you want to be paid for it, what someone will give you. That’s different”. He asserted his role was to achieve the best result that aligned with the vision of those who funded his organisation. This meant that only organisations delivering his trust’s objectives were considered for funding.

The need to align with funder’s strategies created tensions for some ECSO managers with respect to mission creep. The concern was that their need for funding should not be allowed to drive their organisation’s goals. They felt strongly that their motivation for action should emerge exclusively from face-to-face contact with the community. A social enterprise manager stated that:

*I would like us to get to a place as an organisation where we have a level of financial resilience ourselves so that we can choose as to whether we actually want to take on funding. There may be a point at which the nature of taking on that funding is going to change the essence of what we do or compromise the way that we thought was best to deliver the outcome is that we want (P25).*

This participant continued by asserting that on occasion, his board had chosen to decline a funding offer as it perceived this would cause too much deviation from the organisation’s purpose. Another social enterprise manager spoke of the importance of measuring costs against collaborative benefits, and of being prepared to walk from projects if the partnership was not advantageous to the organisation. He advocated crafting a clear exit strategy from the outset of a project, in case the relationship started demanding too much of the organisation.

Additionally, it was argued that by allowing funders’ objectives to determine ECSO prioritisation, there was a danger that an organisation would be forced into thinking of only short-term outputs that delivered “shiny programmes”, rather than reflecting on longer term outcomes.

An alternative perspective on the need for strategic alignment with a funder was expressed by a senior ECSO manager who reacted to the term ‘mission creep’ by reasoning that in her collaboration with a government department, there was no fear of what she termed ‘donor capture’, as the government’s parameters were extremely broad. She explained:

*What we do is make a proposal that sits within those parameters, but it is very much about us. From our point of view, it is demand driven. This is what [our members] want, we have a broad framework that we are funded in ... they are broad categories and the rest is up to us (P28).*

A private philanthropic trust administrator also expressed concerns over mission creep for his organisation in collaborating with CSOs. Having determined a priority area and promoted funding availability, the trust was inundated with funding applications for a plethora of complimentary issues. He explained how he had to advise many applicants they were wasting their time. Despite this action, he had “struggled and struggled and struggled to keep it in the one paddock [but] in the end we have had to primarily agree that ... we will also look for collateral benefits” at the margins of the project.

Overall, participants perceived funding relationships were asymmetrical. This was particularly felt in government–ECSO collaborations. Some ECSO managers felt strongly that, because of this power imbalance, contracts with some government departments were not freely negotiated; they starved organisations and forced ECSOs into competition with each other. Contrastingly, government department administrators highlighted that their ministers had been given a mandate from the electorate to govern the country. This meant their responsibility as civil servants was to carry out the wishes of government ministers. In fulfilling this task, they argued they were obliged to collaborate with, and to engage only the most effective and efficient ECSOs who could achieve state priorities.

To mitigate power imbalances within collaborations, a social enterprise manager argued that, during early stages of the relationship, importance needed to be placed on ensuring less powerful organisations identified ways to manage the disparity of control so that they were protected. He contended this was achieved by having clarity over what the dominant actor needed from weaker collaborators they desired to engage. He suggested this knowledge should then be leveraged to balance power. A government department administrator agreed with this concept when suggesting that while it looked as if there were many providers for community services that government could choose from, few could deliver at the required level. For her, this scenario represented a vulnerability over security of supply for government, which brought balance to contractual negotiations. She suggested the quadrant depicted in figure 17 was often applied to procurement policies and determined the nature of a relationship between an organisation and its providers. She argued most social services government funded represented either high client vulnerability or high importance to the “business”, therefore they sat in the squares on the right of the quadrant and required close working relationships. She outlined that the higher the value of the procurement, the more the relationship moves towards partnership, co-dependency or co-governance “where you need to be talking to each other about the long-term goals of each organisation and how you see yourselves working together”.



Figure 17: Agency purchasing procedures (Office of the Auditor-General, 2008)

When asked whether such an approach was policy across all government departments, she responded that while procurement teams would be familiar with the principles, there were no regulations enforcing the practice. Rather, it was assumed that contract management teams implicitly understood “that to retain and maintain good providers requires that they have that collaborative relationship”.

In summarising the challenge of strategic alignment, the manager of an umbrella posited, when it came to collaboration, everyone had an agenda. Therefore, success could only be attained when there was alignment between the goals of all who collaborated.

#### 6.2.5 RISK AVERSION

Findings suggested that funding scarcity explained the lack of collaboration, which could lead to CSS innovation. A social enterprise manager contended government’s approach to funding CSOs lacked sophistication, or the commitment it afforded the business sector which enabled progress in that sector. He perceived there was an embedded fear associated with investing in research and development to address social issues, but that such investment was critical to foster innovation and to strengthen ECSO capability. He explained “There isn’t a risk capital market for social change”. A colleague from the same subsector outlined how the progression of any innovative start-up involved an iterative process of hypothesis, leading to testing and then improving. In contrast, he argued that most government contracts with ECSOs were entrenched, procuring services from organisations of substantial capacity to deliver programmes which were predominantly measured by short term, tangible outputs that incrementally improved services. He suggested that while government’s rhetoric was to criticise civil society for its lack of

innovation, in practice the state was extraordinarily risk adverse and lacked motivation or leadership to drive policy change that would enable CSS progress. He countered “well if you did [endorse social enterprise] then you would start to pull the conditions which would enable it to happen. That’s a huge personal frustration ... if we really wanted to do it, we would”.

Apart from challenges associated with access to government funding for social innovation, participants also experienced significant difficulties when seeking funding for innovation from corporates. While ECSO managers who engaged with business found the sector to be more progressive than government, concern was expressed that funding “can blow with wherever the corporate boardroom breeze is going”, which caused considerable volatility and funding insecurity. Consequently, it was argued that New Zealand corporates were akin to government as they were risk averse, and this placed significant limitations on gaining access to funds for creating innovative solutions to social problems.

A social enterprise manager explained there was a funding “vacuum ... [and] a very real need for some early stage seed capital” to start a social enterprise. In justifying this assertion, he outlined that social enterprises begin with an idea of a possible product. To create a product, research and development was required. This was followed by manufacturing and establishing supply chains, so that merchandise got to market where it could be sold to generate revenue. Having assisted many individuals with funding proposals to gain seed capital, he had concluded that, while being associated with social enterprise was now perceived as a “nice or good thing to do for many New Zealand corporates”, there was still strong resistance to investing in social enterprise start-ups. For him, this meant New Zealand’s social innovation space was “starved of capital”.

Concern over a lack of funding available for social innovation was also expressed by participants from private philanthropic trusts who identified the problem existed because, like government, many trusts in New Zealand were publicly owned and were accountable to multiple stakeholders, making them hamstrung in their ability to take risk. He argued this meant most CSOs started operations living “hand to mouth” and that most were unable to ever move beyond survival, being left to function “with clapped-out computers, photocopiers, underpaid and overworked staff or relying totally on volunteerism”. His solution to this predicament was that a transition was required to start measuring outcomes within civil society through long-term social results, rather than annual financial balance sheets.

Propositions associated with resource scarcity are presented in table 9.



Table 9: Propositions concerning resource scarcity

6.1	The principal challenge to ECSOs and their collaborations is resource scarcity - principally funding.
6.2	Funding scarcity may cultivate staff shortages, which impede ECSO collaborations, due to a lack of accessible time for engaging in the collaborative process.
6.3	Funding scarcity may cultivate survival competitiveness. Competition impedes ECSO collaboration, due to the need for protecting intellectual capital which will gain advantage, and win the contest for funds.
6.4	Funding scarcity may cultivate inequality within collaborations, including a perception that collaborations may have been enforced. ECSO managers may construe forced collaborations as unreasonable and/or illogical in achieving positive social outcomes.
6.5	Funding scarcity may cultivate power dynamics, including authoritarian behaviour by a dominant actor. This may be resented by weaker collaborators.
6.6	Funding scarcity may cultivate power dynamics in ECSO–government relations, including a lack of consultation, which alienates ECSOs from decision making.
6.7	Funding scarcity may cultivate power dynamics in ECSO-funder relations, including the need for ECSOs to strategically align with funders' objectives. The need for strategic alignment with funders impedes collaboration if organisational objectives are not shared, or if the cost of alignment requires sacrificing core ECSO objectives.
6.8	Funding scarcity may cultivate power dynamics, which may be managed through having a clear understanding of all collaborators' needs, and by crafting exit strategies before entering collaborations.
6.9	Social innovation may be cultivated through collaboration but can be impeded, due to a lack of resources required to engage in the collaborative process.
6.10	Funding scarcity may cultivate risk aversion amongst funders, which impedes social innovation. This is because funders' preparedness to invest in research, development or building collaborative environments is limited.

### 6.3 ORGANISATIONAL CAPABILITY

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ECSO stakeholders levelled criticism towards some organisations regarding their lack of capability to manage themselves efficiently or effectively. Data indicated four primary concerns including misgivings over the low capacity of ECSOs, their weakness in strategic planning, organisational entrenchment and operational inefficiency.

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### 6.3.1 LOW CAPACITY

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Participants identified that an organisation's size determined the desire of potential stakeholders to collaborate. A manager of an ECSO with a modest annual budget observed that when his organisation took a lead on an issue of relevance to his subsector, little support was garnered from larger likeminded actors. He perceived the reason for the lack of support was because the larger organisations saw no value in engaging, as his organisation was “not well placed to drive the conversation”.

For private philanthropic trusts and government departments, the concern of working with new or smaller organisations was that they lacked resource to deliver programmes of scale. It was suggested there were too many ‘pop-up’ organisations, and that far too much time was invested by these entities in gathering funds, managing volunteers and surviving, that they lacked capability to increase productivity, let alone consider how they might be more effective or innovative. A private philanthropic trust administrator took a different tack on this issue when contending that the CSS lacked a “healthy creative destruction mechanism” that enabled it to cope with change. He perceived the global financial crisis had little if any impact on reducing the number of CSOs within New Zealand and this resulted in “ossified” organisations. Therefore, he challenged:

*I reckon we've got an imperfect market. The for-profit sector has a direct and intimate relationship with its customers. If you go to a café and buy coffee, if it is crap you won't go back. Immediately there is a signal sent that there is something wrong here and they respond. What we have got is people who have money and they want to buy outcomes for people over here who have needs. In between there is this intermediary group. They are the ones we fund to get the outcomes we want for those in need. For that intermediary group to survive in the market, it is more important for it to build relationships with the funder rather than with the client. There is a lovely phrase coming out of international*

*aid now it's an acronym called DONGOS. They are donor oriented non-government organisations (P6).*

Commonly, funders preferred supporting larger organisations because “sprinkling a little bit of money across 50 different NGOs is unlikely to yield great results”.

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### 6.3.2 WEAK VISION

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ECSO stakeholders expressed misgivings concerning organisations they perceived lacked vision. A government department administrator observed that it was not uncommon for traditional funding requests to involve an attitude of “give us money and leave us to do what we are doing”. However, she and other government department participants were emphatic that such an approach was no longer (if ever) appropriate. What she required were applications that outlined how the ECSO was going to deliver her department’s strategy.

Many funders maintained that applications they received often lacked creativity, strategy and scale of operation. One government department administrator outlined that a very small percentage of his department’s funding was available through a contestable process. Ninety-four percent of the budget was invested in large scale project work; yet, very few ECSOs sought to work with his ministry on this basis. He stated:

*NGOs need to, or could do better to see, think through how they engage with that 94% ... I am entirely neutral as to who our delivery agency is and we will work with anyone who it makes sense to work with, either as a supplier or a partner (P22).*

He continued by expressing the view that the very best projects his ministry engaged with, were where cross-sector collaborations between government, corporates and ECSOs existed. Yet, he felt very few ECSOs were interested in this form of collaboration. He recounted only three ECSOs working with his department in this way and highlighted that a strong majority of his department’s funds were only accessible through this approach.

Several participants directed criticism over a lack of CSS vision towards trustees. It was suggested that ECSO governors lacked leadership that articulated clear strategies, which would set their organisation apart in adding value. It was argued that many boards only duplicated what was offered by numerous other organisations. Additionally, it was perceived that some ECSO boards were extraordinarily conservative and highly risk adverse, being only concerned with holding on to what they had, rather than expanding their reach. A social enterprise manager described how on multiple occasions he had witnessed ECSO managers develop creative

answers to problems, only to have their boards obstruct what seemed quite credible solutions. He observed that some ECSO trustees acted in ways totally inconsistent to how they operated professionally in their paid jobs, and that it seemed as if they “checked out their brain” at the door of the ECSO boardroom.

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### 6.3.3 ENTRENCHMENT

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A third concern relating to capability challenges impeding ECSO collaboration was a perception that some organisations, and personnel within the sector lacked agility and were entrenched. A government department administrator involved with civil society over a prolonged period recalled, that a lot of the same actors had dominated sectoral leadership for more than 20 years. She contended that many current issues raised by the sector were the same as those debated many years previously, and that this displayed an inability to adapt to the new environment. In contrast an ECSO manager recalled at length the history of challenges he perceived existed in CSO-government relations. Rather than feeling he was merely reiterating past grievances; he perceived the rift between the two sectors of society had deepened and contended there was urgent need for government to acknowledge the sector’s value, and to treat it with far more respect. He asserted this was to be achieved through engaging in dialogue and by genuinely talking with community workers. Yet this view was not shared by all ECSO managers. For example, a social enterprise manager expressed the view that some within the CSS were inflexible, so much so that he suggested the sector was typified by aging “behemoth organisations”.

Government department administrators commonly intimated that it appeared as if some ECSO managers felt their programmes, and ways of operating had historically served them well; thus, there was no need for change. They challenged that such organisations refused to think “outside the square” or to alter how they delivered services by reasoning “we’ve done it this way for x number of years, and we know it works”. One administrator speculated the reason for a reluctance to adapt was because ECSO staff were typically extremely passionate over their cause, and this obscured their ability to see things differently, thereby making them “black and white”. Equally, another stated she would be happy to work with entrenched organisations at a strategic level but feared that they would resist the messages given.

Research insights indicated that, for organisations perceived as entrenched, funding would be withdrawn on the basis that “they are just selling the same thing”. It was an awareness of this

reality that drove one ECSO manager to exclaim “No, we can’t be complacent, we can’t have a sense of entitlement”.

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#### 6.3.4 INEFFICIENCY

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A further area of concern over ECSO the capability related to a perception that the outputs of some organisations were substandard. Accusations included that some ECSOs were poor at event management, communicated poorly with their constituency, were disorganised and delivered inferior activities. One government department administrator recalled an occasion when an ECSO experienced a transition of senior manager. As no handover process took place between the old and new Chief Executives, the recruit had no knowledge of the contract held between his organisation and her government department. This created significant challenges when compliance reporting was due.

In other instances, narrative centred around ECSOs who seemingly elected to overlook specific contractual conditions and delivered activities in an entirely different manner than was agreed. One government department administrator explained how the results of an external evaluation with one of her client organisations revealed that the CSO was not delivering a service nationally, as contracted, but had concentrated its efforts in Auckland. When confronted, the organisation’s manager retorted that they preferred to focus on Auckland as this enabled face-to-face contact and avoided relying on remote communication such as using telephones. In exasperation, the administrator responded, “but that’s not what we are funding them to do!”

A further challenge relating to CSO inefficiency was when it was discovered that organisations that had been granted funding, lacked capability to deliver what was contracted due to a lack of expertise.

Both private philanthropic trust and government administrators were clear that the ultimate result of failing to deliver contracted programmes was that funding would cease. A private philanthropic trust administrator stated, while he appreciated that so many within the sector were prepared to work for little money, he nevertheless queried “if you’re doing badly, are you really helping people, or are you just satisfying your need to care?” This led him to consider the opportunity cost of the money his trust administered. He mused that if his board wanted him to buy a car, they did not anticipate he would purchase a clapped-out Morris Minor in preference to a reliable late-model vehicle that could be bought for the same price. For him this scenario

represented “the elephant in the room” and led him to state that his role was “absolutely unequivocal. I’m there to give the best possible outcomes for the expression of generosity of the [trust]. That’s my job, that’s my mandate”. The impact of this reasoning was clear: organisations would only receive funding if they delivered outcomes perceived to be of importance to his trustees.

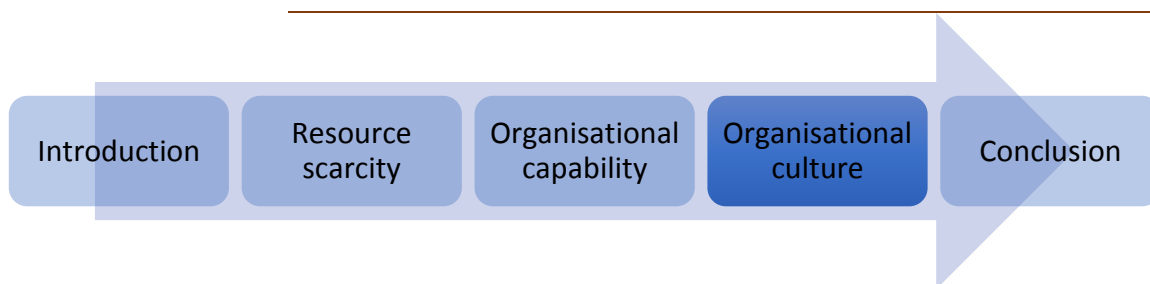
Other administrators stated, that following failure of interventions to rectify poor CSO performance, non-compliance in delivering contracted terms led to one of three outcomes. Either the financial value of a contract would be reduced, it would not be renewed, or foreclosure would take place. One administrator described a situation where a CSO lost a large contract and stated, “they couldn’t lift their game, so they lost the game”.

Due to issues related to poor performance, a senior government department administrator advised that future policy involved consolidation of CSO funding contracts; in other words, more funding would be given to fewer organisations. Specifically, funds would be directed to organisations with the capability to deliver programmes government deemed important. This approach was confirmed by an ECSO manager who talked of receiving a call from a government department administrator informing her that the departmental minister had determined her organisation was best placed to deliver a particular project. Accordingly, rather than having the contract tendered out, he overruled principles of fairness and transparency and gave the money to her organisation.

Propositions associated with organisational capability are presented in table 10.

Table 10: Propositions concerning organisational capability

6.11	Perceptions of low ECSO capacity may cultivate survival anxiety, along with a disproportionate focus on fundraising. This may impede collaboration due to stakeholders’ apprehensions concerning organisational effectiveness.
6.12	Perceptions of poor vision and strategy within ECSOs may impede collaboration, due to stakeholders’ apprehensions concerning organisational effectiveness.
6.13	Perceptions of change and aversion to risk within ECSOs may impede collaboration, due to stakeholders’ apprehensions concerning organisational effectiveness.
6.14	Perceptions of ECSO inefficiency may impede collaboration, due to stakeholders’ apprehensions concerning organisational effectiveness.



The third major obstacle to collaboration of ECSOs relates to poor organisational culture. Participants explained that, apart from concerns over access to money and organisational capability, differences between the character of an ECSO and that of its stakeholders created significant barriers to their collaborations. One participant observed that “any level of collaboration will have different challenges, simply because we are set up differently”. Data indicated five areas associated with organisational culture that impede collaborations. These include perceived unprofessionalism, self-centredness, isolationism, and ideological and operational differences.

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### 6.4.1 PERCEIVED UNPROFESSIONALISM

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Several participants expressed concern that the level of professionalism exhibited by some ECSOs was below expectation. A senior ECSO manager suggested that poor performance could be attributed to a perception by some of his contemporaries, that their cause was of supreme importance, which afforded them a sense of entitlement. He contended that such persons tended to overlook essential relational skills leading to bullying, low morale, poor management and numerous other negative outcomes that inhibited an organisation’s ability, to mobilise people to foster social change. He continued by suggesting that some organisations merely sought a “cash cow” to continue routine operations, but that they lacked hunger for creating, taking risk, investing and paying market value to access competent talent.

This perspective was shared by several government department administrators who recorded instances where they experienced what they viewed as bad ECSO practice. When asked if unprofessionalism may merely represent cultural differences between the operational processes of government departments and ECSOs, government department administrators acknowledged the CSS often functioned differently to a large bureaucracy; yet, they sensed ECSO ineptitude was not uncommon.

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### 6.4.2 PERCEIVED SELF-CENTREDNESS

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ECSO stakeholders identified one of the sector's strengths was that its staff typically had a caring disposition. However, some felt there was a fine line between caring and rescuing. It was explained that rescuers 'needed' to care, and this resulted in a potential compromise of organisational effectiveness. A private philanthropic trust administrator suggested one of the risks associated with a rescuing personality was that when an organisation's lifecycle was naturally ending, rescuers were inclined resuscitate, thereby artificially prolonging an organisation's lifespan. He argued: "maybe it's better that it goes, so that something can replace it. Maybe it's out of sync with how things have changed, but we can't let it go because we want to save it". For him, the problem was that, within the CSS their remained a "tyranny of niceness", which resulted in underperforming organisations surviving because staff needed them for their own sense of worth, and no one was prepared to intervene.

Criticism was voiced by both managers of ECSOs and their stakeholders over what they perceived to be a confusion by some organisations as to their primary purpose. One government department administrator felt that, for many organisations she worked with, it was "very much about their cause, not that of their clients". She recalled a CSO manager who was directed to reduce paid staffing responsibilities to make cost savings; however, the manager complained she missed having opportunity to share morning tea with clients. In response, the government department administrator argued having morning tea with clients should have never been in the job description. That was a "warm fuzzy" for volunteers. She exclaimed "'so that makes you ask, who is getting the buzz?'"

Similarly, disapproval was expressed in instances where administrators assessed the primary motivator for funding was associated with maintaining staff positions, rather than delivering community services. One government department administrator argued her department theoretically funded social programmes but, in fact, some money was used to retain people, or pay rent. Another talked of an ECSO manager's reaction upon learning that funding had not been renewed. She explained the manager was very upset, not because the community her organisation served would no longer have access to the programme, but because it caused her personal problems in meeting mortgage repayments. The administrator exclaimed: "it's like, it's not your funding, it's funding to come up with outcomes". Overall, government department administrators stressed that any funding given to an organisation, was to enable it to undertake community activity or that "the focus is on doing more of the good rather than just securing funds".



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### 6.4.3 PERCEIVED ISOLATIONISM

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The third area of concern associated with organisational culture was that some ECSOs were accused of independent mindedness and that, in these organisations, there was an inbuilt reluctance to collaborate. One ECSO manager explained some organisations were like “planetary masses in their own gravitational field”. Another was adamant that some organisations were just “out there doing their own thing”, or that they were being “too territorial”. The manager of an advocacy organisation suggested it was possible to scan 30 pages deep on an internet search engine, and still find new organisations within his small subsector. He challenged that, while some of these groups did “amazing work”, the majority worked in isolation, which meant that the overall impact of positive social change in his subsector was weakened.

A manager of a national ethnic organisation said his regional branches were very independent, and that its historical approach was bottom-up, where power was decentralised or divested to regions. This resulted in regions not working together. Likewise, a minister of religion expressed concern that some churches suffered from an “independent spirit”, that significantly limited the ability of many small churches to positively impact their local communities.

Some participants suggested isolationism originated from longstanding institutional norms. Others identified specific reasons to explain why their organisation stood alone. A manager of an ethnic organisation recalled a conversation held with a migrant organisation’s leader. When enquiring how the organisation started and why it chose to incorporate, rather than work alongside an existing group, the response was that government required incorporation. She explained the expectation seemed to be that the way to achieve status was to register as an Incorporated Society. This understanding was confirmed during an interview with a government department administrator who noted that her department did not work with individuals, but only with legal entities.

Another participant from an ethnic community explained that some of the independence within his subsector was related to the history of migrants’ homelands. He presented the case of Myanmar and said two sets of New Zealanders originated from this country - those who settled as refugees, and those arriving as migrants. His understanding was that refugees predominantly comprised oppressed Christians in Myanmar. Due to persecution, they avoided those who migrated from their birth country for fear that word might return home, resulting in their families

being victimised. Hence, he felt it inappropriate for anyone to demand they work together. Despite these challenges, he asserted one of his roles was to identify ways such divisions might be addressed so that people might “walk together” over the longer term.

Contrastingly, a minister of religion suggested that autonomy and independence were positive characteristics of civil society. He contended that self-determination endorsed individuals’ ability to express themselves, and to celebrate their individuality. Rather than being dictated to by central office like franchises or clones, not permitted to think or act for themselves, he placed importance in the local church community having freedom to act in response to needs within its locality. He argued that without expression “people become frustrated”. He cited examples of start-up churches that had failed, due to a perception that the sponsoring church was overbearing, desiring to superimpose its personality on the local entity.

Yet for funders, support of individual CSOs created complications. Numerous participants expressed concern as to whom stakeholders should consult on matters impacting a civil society subsector. Additionally, reluctance was expressed at providing financial assistance to a disjointed subsector, because of concerns over duplications and inefficiencies. One ECSO manager spoke of a Scottish colleague who observed that it was not until his subsector in that country became organised and established, that a cohesive point of contact whom government could talk with, that any real progress was made. He explained that to achieve connectedness of this kind, required overcoming barriers preventing organisations from cooperating. He continued by explaining, in Scotland such thinking led to the development of a non-dictatorial umbrella organisation that took an “architectural role” within the subsector.

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#### 6.4.4 IDEOLOGICAL DIFFERENCES

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ECSO managers sensed it was easier to collaborate with likeminded organisations. The corollary to this was that they tended to avoid associating with those who held strongly opposing philosophies, as working with these groups often proved extremely challenging. Accordingly, examples were given where ECSO managers choose not to engage with dissimilar organisations, regardless of cost to achieving outcomes for their constituency.

The manager from an ethnic organisation who spoke of challenges in bringing some New Zealand immigrant and refugee communities together explained, that many within his organisation had experienced substantial personal challenges that reduced their capacity to

empathise with the needs and viewpoints of others. To compound the problem, sometimes his constituency held strongly differing cultural practices and religious beliefs. He said, these made it very difficult to make progress. An example was offered of a highly controversial subject within the ethnic community - domestic violence. He stated that after many attempts to address the issue over a decade, it was only recently that small movement was had been realised. He stated this was only possible because of direct government intervention. Another example of concern to some ECSOs was gaming trusts, as a source of revenue. Their concern was that profits from gambling were used for charitable purposes. A private philanthropic trust administrator stated, “I’m not particularly excited about the way they earn their money ... so I’ve got my own block about that”. Another contended that the problem was that gaming trusts “receive their money from something our trustees regard as being the cause of so many of the social needs within New Zealand that we are trying to deal with”. For him this money was “toxic”. Organisations that felt strongly on this issue had decided that, regardless of the short-term cost associated with not working with gaming trusts, they refused to collaborate with them, due to the longer-term consequences for those they sought to help.

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#### 6.4.5 OPERATIONAL DIFFERENCES

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Ideological differences aside, participants also voiced reservations concerning contrary operational practices of their collaborative colleagues. A manager of a peacebuilding organisation expressed reluctance to work with a religious denomination as they were “very conservative” and had “a very different way of seeing the world” to the perspectives of her organisation.

Similarly, one ECSO manager outlined significant operational challenges he had experienced though an intensive collaboration with a large iconic organisation who shared a commitment to the goals of his trust. He regretted:

*This is about a clash of cultures we are a bottom-up, a young and free culture where our staff are given a fairly free degree of latitude. They are straitjacketed, have been straitjacketed internationally for many years. [They are] bureaucratic with hierarchical structures (P11).*

Whilst both the “young” and the “straitjacketed” ECSOs shared ideological outlooks and agreed on collaborative goals, how this was to be delivered had caused many frustrations. The culture of one organisation was concerned with outcomes, whereas the collaborative colleague was fixated with process. This led to a tendency for micromanagement of the weaker organisation by the dominant collaborator. A further complication was the lack of clarity over responsibility

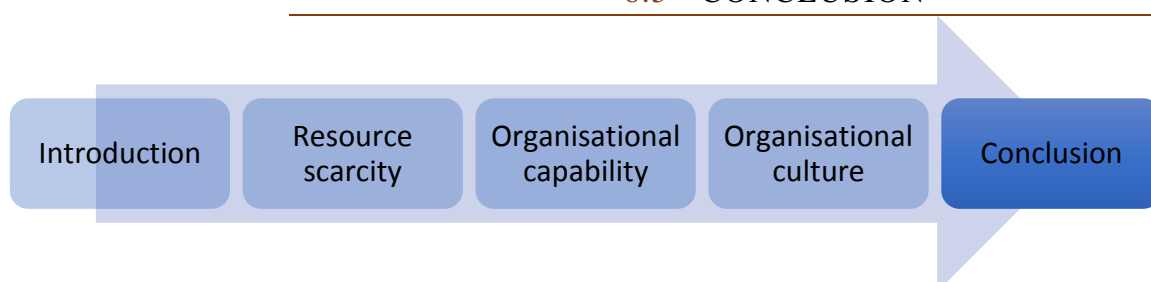
boundaries. This resulted in his organisation perceiving it was constantly getting dragged into strategic tasks, when their strength and commitment to the project involved only programme delivery. These obstacles had unsettled his staff, some of whom had expressed to him that they were considering alternative employment. Due to this predicament, the participant was contemplating whether exiting his organisation from the collaboration was the best way to resolve the substantial tensions that had emerged. Similarly, another participant acknowledged occasions when during his collaborations with other CSOs it became apparent that despite numerous efforts to resolve difficulties, there was a time to say, “sorry we cannot keep going ... we just can’t do this anymore”.

Propositions associated with organisational culture are presented in table 11.

Table 11: Propositions concerning organisational culture

6.15	Perceptions of a lack of professionalism within ECSOs may impede collaboration, due to stakeholders’ apprehensions concerning organisational effectiveness.
6.16	Perceptions of a self-centred culture within an ECSO may impede collaboration. because stakeholders sense staff confuse organisational objectives of community service, with meeting organisational or personal need.
6.17	While organisational independence allows for individual expression, disjointed subsectors may impede collaboration due to challenges associated with identifying representative spokespersons, and/or perceptions of organisational duplication.
6.18	Conflicting ideologies between ECSOs may impede collaboration, due to competing organisational objectives.
6.19	Conflicting operating norms may impede ECSO collaboration, due to an inability to align organisational practices.
6.20	Obstacles associated with ECSO collaboration create a cyclical impasse or a wicked social problem.

## 6.5 CONCLUSION



This chapter identified three major obstacles to ECSO collaborations, including resource scarcity, a perception of poor organisational capability and clashes between organisational

cultures. These themes were summarised through propositions that were outlined in tables throughout the chapter. These impediments along with their sub-themes negatively impacted the desire of stakeholders to enter collaborations with ECSOs. This resulted in an intensification of perceptions of ECSO inefficiency and ineffectiveness in creating value. Furthermore, the scenario created a cyclical impasse, because ECSOs perceived as inefficient or ineffective, are unlikely to attract funders. This adds to resourcing distress, leading to a new iteration of the cycle as depicted in figure 18.

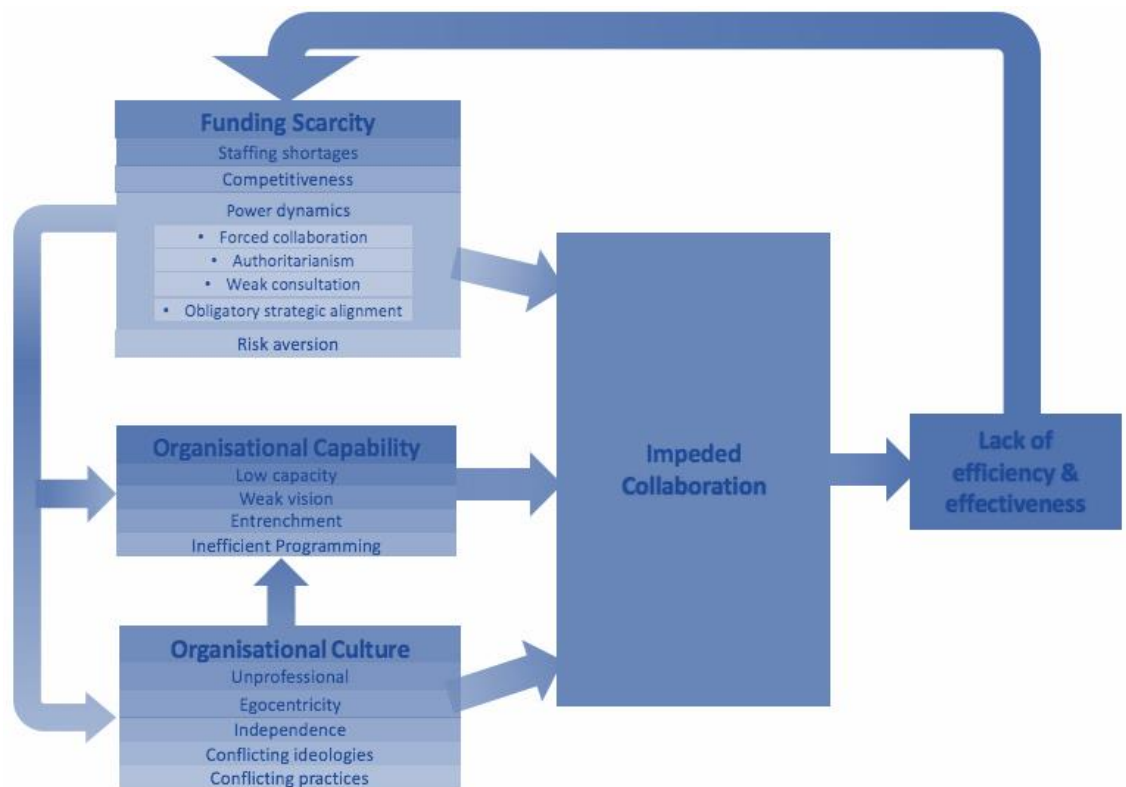


Figure 18: Obstacles to ECSO collaboration amidst neoliberalism.

The third and final chapter on research findings examines how ECSOs might constructively navigate collaboration for benefit to their organisations, and those they seek to serve.

### 7.1 INTRODUCTION

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Having examined why ECSOs collaborate amidst neoliberalism in chapter 5, and the obstacles challenging collaborative initiatives of ECSOs in chapter 6, the focus of this chapter is to explore participants' understandings of how to constructively collaborate within New Zealand's current environment. The importance of learning to successfully collaborate was highlighted by a senior ECSO manager who contended that:

*Without a new kind of partnership, we can't hope to meet the challenges of the future ... We have got to find ways of doing it better. No one of us has the answer, I don't think, but put together, the best of all that we have and there is transformation (P28).*

Therefore, this chapter seeks to constructively address, and overcome many of the challenges identified as obstacles to collaboration.

The chapter begins by discussing the collaborative culture or the environment underpinning constructive collaborations. Participants identified three core areas: building positive relationships, portraying organisational and individual credibility, and sourcing stakeholders who share similar values and goals. Discussion then centres on collaborative actors. Attention is drawn towards desirable attributes of collaborators, along with issues relating to collaborative leadership. Following consideration of the human dimension to collaboration, structures housing these working relationships are examined. Here it is found that, pending the nature of a collaboration, either a formal or an informal approach may be more appropriate. Next collaborative goals are detailed. Participants identified several agendas, including dialogue, and a combination of information sharing/gathering, goal setting (if a project is to be delivered) and, where appropriate, allocation of tasks. The chapter concludes with discussion concerning evaluation of collaborations.

As with chapters 5 and 6, findings are expressed through propositions contained within the chapter. The structure of the chapter is depicted in figure 19.

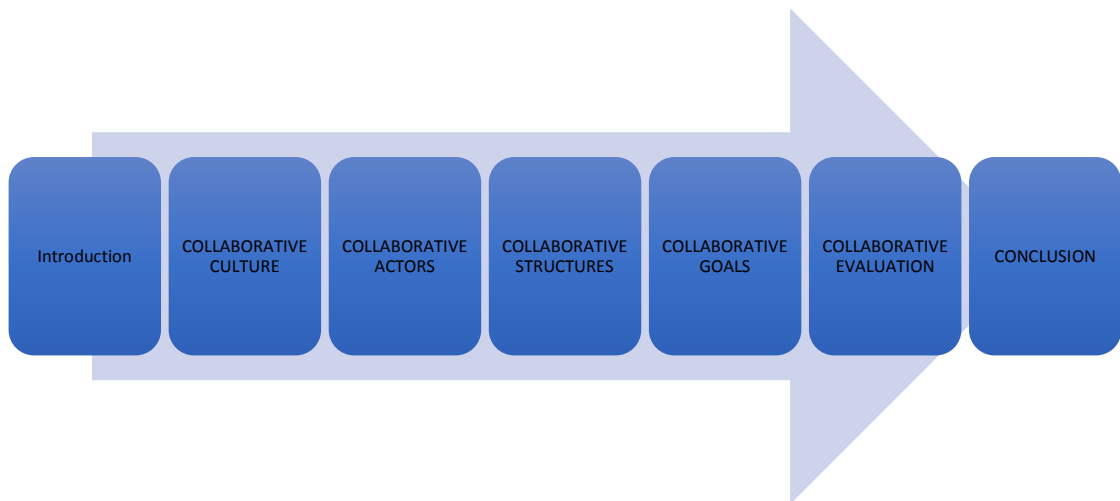
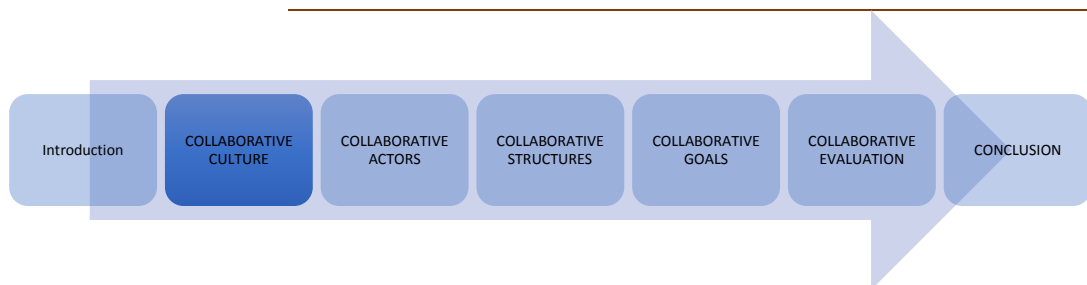


FIGURE 19: Structure of chapter 7

## 7.2 COLLABORATIVE CULTURE



When describing a collaboration that was potentially amidst failure, an ECSO manager indicated that, at its core, the challenges of the working relationship related to a “clash of cultures”. Other participants also asserted that creating a positive collaborative culture was an essential foundational step. Findings identified three specific components comprising positive collaborative cultures. These included: relationship building, personal and organisational credibility, and shared values and goals. Each is discussed below.

### 7.2.1 RELATIONSHIPS

Participants sensed that collaboration was essentially about relationship. Research insights indicated that relationship building began by creating an environment where collaborators could talk. From this starting point, rapport could unfold. Thus, a private philanthropic trust administrator stated, in many cases, prior to his trust considering funding agreements, there was some history with the ECSO. He continued by saying: “we have pretty good relationships with most of our providers”. While acknowledging the cost of collaboration in terms of time and energy, he perceived this was low for his organisation, due to the strong relationships between his trust and its grantees. While thinking it unrealistic to expect the trust could be a true equal partner with grantees, he contended it was imperative “we behave as if we were one”.

Similarly, a government department administrator said the CSOs she preferred working with were those who valued the relationship they had with her department. This meant if they had complaints, she expected people to talk directly with her, rather than “bad mouthing” the department publicly. For her transparent communication portrayed relationships built on good faith. She continued by detailing numerous instances where her CSO clients failed to behave in this way. A manager of an advocacy organisation also spoke of this concern when talking of being interviewed by media. He suggested one of the worst things you could do was “have a go at the government”, and publicly criticise them. He felt this undermined the relationship. Other senior ECSO managers perceived building strong relationships with government was a prerequisite to “getting in the door”. A senior Chief Executive of an umbrella organisation contended that New Zealand was “an amazingly innate society” and that was how we did business. He stated he personally knew half of parliament’s cabinet ministers, that this was relatively unique to New Zealand society and that relationship with them was imperative to his effectiveness.

Participants placed critical importance on establishing a sense of trust early in the collaboration. Thus, a manager in an ethnic organisation asserted “at the moment what is most important is that it is a unique partnership, I have trust in my organisation, and I have a trust in theirs”. It was suggested that part of creating a trusting environment involved actors’ being respectful and that this required goodwill, which could only be achieved if the actors entered the relationship voluntarily and in good faith. In this context, several participants expressed initial nervousness over the motivations of collaborative colleagues; specifically, that collaborators may have an agenda of usurping others. In this context, a minister of religion stated “I think we just needed to prove to ourselves, that there was a trust, that this wasn’t a ... power takeover, something like that. Initially we just wanted to gain some trust”. A manager of an ethnic organisation similarly expressed: “I tell you I want to achieve something, but I might not be being honest with you”.

It was explained that overcoming apprehensions took considerable time and that relationships needed to be developed “over a long journey” so that confidence in others could be established before actors felt at liberty to commit to a collaboration. Thus, an ECSO manager explained:

*The partnership was formalised after around six years of relationship building. It took time to build the necessary trust between the leaders of [P8’s organisation] and ourselves .... I guess on their part they were scanning the environment saying who we can trust out there amongst the NGOs (P5).*



These actors met weekly, because they felt the collaboration would fail if the relationship between the Chief Executives collapsed. Another ECSO manager explained how the levels of trust in her collaboration developed over nine or ten years. She thought it naïve to think that you could automatically assume trust from a collaboration's outset. While the length of time required to create trust is onerous, participants perceived it as essential. Thus, one private philanthropic trust administrator affirmed "what I love about it is that there are such high levels of trust now".

Many collaborative relationships began through networking. For some participants, the process was intentional. A manager from an advocacy organisation talked of strategically identifying individuals within government, and building rapport with them to garner support for his cause. He said:

*I want John Key [former prime minister] to make some statements, and the way I'm going to get that is through Stephen Joyce and Bill English [former ministers], not by talking to John Key. Eventually I might influence them enough that John Key says I've got to talk to this guy. My power play into this sphere is through Sam Lotu-Iiga, he is a new minister, but he has some influence ... His wife is doing some work for us and he has made a personal commitment ... It's about building those relationships, those power influencers so that you end up talking to the right people (P9).*

Similarly, private philanthropic trust administrators talked of intentionally using their networks to connect grantees with other sources of potential income. For example, P2 discussed one organisation who he said would be discarded as it was an extremely high risk for most donors. He proceeded to indicate that sometimes his trust might broker relationships with other funders for them. Private philanthropic trust administrators also talked of financially supporting start-up projects, to make them credible and attractive, before seeking the contribution of other financial partners.

Yet, participants also discussed serendipitous occasions when networks developed into collaborations. One example involved a discussion held in an elevator after an umbrella organisation gathering. In some cases, many years passed before a contact made through networking, developed into a collaboration. An ethnic manager explained one such instance:

*I guess it's just one of those interactions. Many times, we were bumping into each other at things ... or meetings that government had called us to — whatever. So, lots and lots of 'bumping into' experiences ... It was that bumping into each other, which was the way in which the relationships were formed (P5).*

She explained that over time a sense of mutual regard for each other's skills was identified and as shared goals were realised, the collaboration naturally formed.

The second major component associated with creating a positive collaborative culture concerned an ECSO's credibility. One senior ECSO manager explained how she had to learn that credibility was something that had to be earned, and that it was not automatically credited to an organisation. Yet, some ECSOs appeared to display a sense of entitlement because they perceived their cause was of obvious importance, and so they assumed their organisation was perceived as credible. For example, a senior ECSO manager stated that over the last 20 years, there had been a dramatic decrease in the CSS-government relationship. He argued that in the 1990s, it was commonly felt by CSO managers that a "culture of contempt" was held by government towards CSOs. This led him to outline a letter recently circulated amongst government ministers where he asserted "you have a competent and capable NGO sector, which wants a good robust and respectable relationship with central government but that the relationship is in a very poor state of repair". The letter went on to articulate the CSS was worthy of meeting with the prime minister, along with three or four senior ministers twice a year.

While some within the CSS perceived they had been poorly treated by government, private philanthropic trust administrators contended that there were two sides to expectation, one held by those wanting resource, and another by its stewards. For funders, a CSO's credibility could not be assumed. Here, P2 talked of a conversation held with a major international philanthropist who argued the first thing to remember was to 'be careful who you got into bed with'. This concern over collaborative risk was shared by a senior government department administrator, who when asked "so are you saying you are very careful as to whom you partner with?", he abruptly responded "correct". Another suggested that, while it may appear as if there was an overabundance of CSOs from which government could choose, she perceived there were few organisations with the level of credibility expected by the state. Thus, funders indicated significant caution when choosing CSO collaborators.

In addition to organisational credibility, the standing of individual actors within a collaboration was of importance. In this context, reference was made by an ESCO manager to a collaborative colleague who was a *Kaumātua* (leader), and who "has quite a bit of respect up there". Another manager talked of the need for individual credibility when suggesting because of New Zealand's small size, a person's reputation preceded them. This meant that if you got:

*... a bad odour, you're stuffed because you know, oh I don't like him. It's got nothing to do with whether you are good, bad or indifferent, I don't like them, end of story ... People might say he's a nice guy we don't mind giving him a bit of money or they might say he's*

*an asshole, he's always been a bit of a shit and we've no reason to think it be any different now, I'm not interested (P3).*

From this perspective, the participant talked of the need to win the respect of potential collaborators by demonstrating understanding and appreciation for what they were doing, and by offering to help them achieve their *Kaupapa* (principles).

Participants offered a variety of ways to earn credibility that might convince potential, but wary collaborators. One solution involved ensuring the organisation had a positive reputation. A recreational manager stated that government saw his ECSO as iconic “tried, true, tested, good structure, and delivers results”. Concurring with this sentiment, a collaborative colleague who worked with Māori disclosed that her motivation for the relationship was because the other organisation was known world over, and its programme had “an amazing ability to be delivered in many different styles and cultures ... it is something awesome”. Social enterprise managers also placed importance on building reputation. One explained how he started by cold calling for support; yet, within five years he had won several awards. He said:

*Now people are knocking on our doors. It is profile and street cred that has brought about that change. People are realising that we've got something that is interesting and of value and so they would like to be a part of the story (P25).*

Another social enterprise manager discussed the importance of CSOs' having vision, creativity and innovation to build reputation, and win funders' confidence. Similarly, private philanthropic trust administrators expected organisations to not only have creative vision, but also have clear outlines and strategic plans of what they wanted to deliver, why they believed it was important, and evidence they had consulted with others within the community. This perspective explains why a manager of a start-up advocacy organisation invested 25,000 NZ\$ in outsourcing academic research. He stated the study's objectives were to justify his organisation by identifying a societal need, and to leverage government for support.

Findings also indicated that managerial capability within ECSOs was important for earning credibility. Stakeholders required assurance that organisations could deliver what they promised. Thus, an international aid worker talked of needing not only to demonstrate that his organisation knew what it was talking about but that it had the “technical know-how” to meet the need. He emphasised this point by displaying an elaborate Gantt chart, which was constructed as part of a government funding bid. He also referred to a spreadsheet comprising over 30 columns and 300 rows detailing projected quarterly expenditure for the each of the ensuing five years. When the researcher later interviewed the government department administrator who was to receive this

application, he emphasised the need for detail in funding proposals and stated, “we test for that and we are quite demanding”.

A manager of an ethnic organisation explained that by profession he was a mechanical engineer but that he had enrolled in a not-for-profit management course to upskill himself so as to present his organisation professionally. He also explained how he had received funding, which allowed his organisation to transition from exclusive reliance on volunteers, to remunerating staff. This enabled the organisation to be more efficient and to guarantee its presence, though having an office staffed full time.

Alongside the need for competent management, participants also placed importance on ensuring their organisations had robust governance structures, that would ensure internal accountability for project delivery. To these participants, good governance involved ensuring the board was staffed with both community representatives and those with necessary skills of governance.

Concluding this section, participants indicated that organisational credibility was associated with ensuring CSOs were reliable in delivering agreed outcomes. Several ECSO managers cited a variety of specific projects their organisation had delivered, and stated their perception was that these examples afforded their organisation legitimacy. One exclaimed, “we’ve worked hard, we’ve worked really hard performing and getting good ratings from our stakeholders, [so] we are seen to be a safe bet”. Government department administrators affirmed this approach when stating they worked closely over the long term with CSOs who continued to deliver contracted outcomes.

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### 7.2.3 SHARED GOALS AND VALUES

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The third essential component of establishing a collaborative culture involved actors sharing core values and goals. Of this, a private philanthropic trust administrator remarked “yes it’s all about alignment of values that’s exactly it ... shared values are very important at that early stage of developing a relationship with an organisation”. Similarly, a social enterprise manager talked of the need for “fit of interests”. While importance was placed on the need for all collaborators to have alignment of values and goals, strategic fit was discussed three times more often in the context of CSO-funder collaborations than those between ECSOs. Here, government department administrators reacted against expectations held by some CSOs to “hand the money over” and let us decide how to use it. Rather, they contended when government contracted with CSOs, it was

making an “investment decision”, which they said was conceptually different to providing non-tagged grants. In other words, funding is conditional on CSOs’ aligning with government strategy. Consequently, government department administrators commonly explained in detail, the criteria of projects supported by their department. While some conditions were strategic, others related to service operations.

Private philanthropic trust administrators also required strategic alignment. They talked of strategic priorities that funding applications were measured against, and which explained how it was commonplace for trusts to actively source CSOs capable of delivering programmes in accord with their priorities. Indeed, often, private philanthropic trusts acted as catalysts bringing CSOs together, so that an issue important to the trust could be addressed. Having initiated the process, and found appropriate organisations to deliver the project, the trust reverted to its core business of funding the project.

P2 explained the funding criteria of his organisation when stating:

*That’s very much about values and the way in which they work. Do we see where they are aiming and where we are aiming as lined up ... Before we used to challenge people and say what are your outcomes. Most people didn’t know. When they did tell us, generally they were talking about outputs instead of outcomes. They would come in as a dog’s breakfast. We would then say how does it fit, and we had this matching process that tried to fit with ours. What we are now trying to say is that these are our goals, how can you contribute to them. And in the applications, we look at which ones fit best (P2)?*

Shifts in government strategy interested one private philanthropic trust administrator who commented that when policy was hard there was nothing that could be done to change it. However, he perceived skill in knowing when state direction was softening as this indicated it was “the time you go for it”. He continued by identifying two areas where he perceived current social policy was softening: housing and social investment. This meant his trust was looking for CSO collaborators to pursue those opportunities. A similar strategy was articulated by an ethnic subsector manager who said the community had been advocating a particular intervention for many years, but the initiative was only launched when government realised its importance and initiated resolution.

Social enterprise managers equally talked of the need for strategic alignment, but their target was corporates. P25 offered, “it depends on the particular nature of that business as to what extracurricular activities it might engage in ... Every organisation has their own unique corporate social responsibility vision or mandate”.

In justification of the move away from granting non-tagged funds, towards CSOs' needing to be strategically aligned with funders, both private philanthropic trust and government department administrators explained that resources were limited, and the size of their contribution had grown significantly. Therefore, rather than scattering available funds across the breadth of applications, grants were far smaller in number, and were approved when the application realistically aimed to deliver goals in accord with funders' priorities.

A senior government department administrator argued that choice of the state's priorities, over those of individual CSOs, was determined through democratic processes. He argued his department's policy was set by government. This meant if a right-wing government was formed, that would be reflected in the direction his department adopted. He contended that a public servant's role was to interpret government policy and then develop strategies, including how to allocate New Zealand taxpayer funding. As resources were scarce, decisions had to be taken to use available funds effectively. He was adamant that, through the electoral system, New Zealanders had given government a mandate to determine priorities and where money should be spent. Furthermore, he contended government departments had a responsibility to determine priorities, as opposed to spreading resources across all CSOs. His perception was that naivety existed amongst some CSOs concerning funding scarcity, the need for rationing, and who should make funding decisions. This led him to challenge "don't come to me and say ... but I want the public purse, and I have a right to the public purse because I'm Joe citizen". Rather he asserted government, like CSOs, operated from a "value laden framework" so, in the same way CSOs determined their own agendas, so too did government. If shared values brought the sectors together, so be it. In concluding this reasoning, he contended the "big NGOs that we deal with understand that, and are comfortable with that, and do shift their investments" to align with the direction of the government department.

In a subsequent interview, the researcher enquired of the manager from a 'big NGO' whether she perceived it necessary to sacrifice her organisation's mission and values to win government funding. She responded by stating, "I don't think any of us would be here if we believed that that was the case". She felt her organisation had many non-negotiables; therefore, if a funder imposed demands in those areas, she would withdraw from the collaboration. This led her to outline reasons why a recent shift in government direction (that had negatively impacted her organisation) made good sense. Of the loss to her organisation, she mused that they would look elsewhere for funding for the project, while also developing new programmes where new

government priorities existed. When asked of the potential for consequential mission drift in her organisation. She countered:

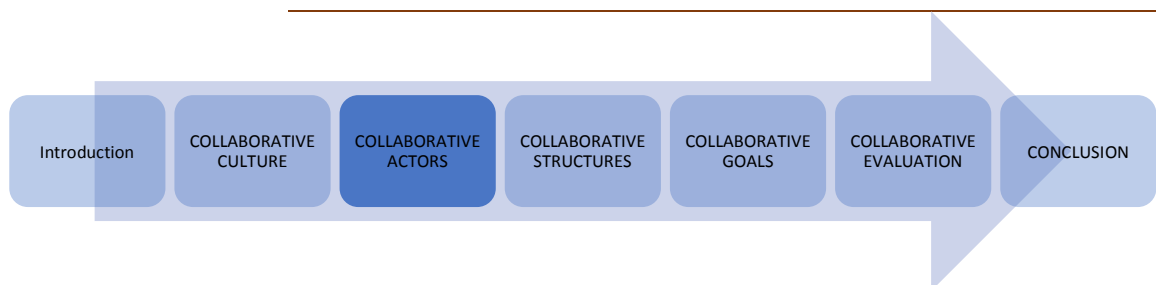
*I don't think I would talk about donor capture. I don't, I don't agree that that is what it is. Because I think the parameters [of the government department] are very broad. What we do is make a proposal that sits within those parameters, but it is very much about us. From our point of view, it is demand driven ... We have a broad framework that we are funded in ... They are broad categories and the rest is up to us and so we can balance between the two (P28).*

Propositions associated with building a collaborative culture are presented in table 12.

Table 12: Propositions concerning with building a collaborative culture

7.1	Actors establishing and maintaining healthy relationships may result in constructive collaborations.
7.2	Creating trust is necessary for establishing and maintaining healthy relationships.
7.3	Trust may be achieved by actors displaying goodwill and respect, but this may take considerable time to be earned.
7.4	Collaborative relationships may result from either serendipitous, or deliberate networking.
7.5	Earning personal or organisational credibility may result in constructive collaborations.
7.6	Reputation, vision, managerial capability, governance and reliability are associated with gaining organisational credibility of potential collaborators.
7.7	Alignment of values and goals between actors may result in constructive collaborations.

### 7.3 COLLABORATIVE ACTORS



The second major component of constructive CSO collaborations concerned collaborative personnel. Participants identified two aspects related to collaborative actors; the attributes of individuals and group leadership.

#### 7.3.1 ATTRIBUTES OF COLLABORATORS

Findings identified an indicator of success in inter-organisational collaborations related to the personnel involved. A social enterprise manager contended that above strategic fit, personal connections between individuals within organisations represented the “glue” that would bring a social enterprise and corporate together. He argued the more senior a connection “the better the chance it’s going to fly”. Four areas related to collaborative actors are discussed below. These include: the need for emotional maturity, active engagement in the collaboration, competence, and continuity of the collaborative team.

Participants emphasised the personality of actors had a significant impact on collaborations. A government department administrator spoke of one CSO, contending that some of its leaders were holding on to positions, and that they had done so for many years. She perceived the only way the organisation could make headway with government was for those persons to step aside, and allow for a younger mind-set. In this regard, a social enterprise manager talked of the emotional maturity of individuals, and insisted that collaborators must not bring their personal agendas into an environment holding a collective goal.

Secondly, participants indicated that collaborations were likely to be more constructive if actors were engaged, had personal interest and desired to work with others. An advocacy subsector manager indicated that it wasn’t necessarily important which CSO or government department sat at the table, his concern was who within the organisation was involved, and the energy they had for the process and project. Similarly, a minister of religion discussed a proposed collaboration that did not eventuate, because his superior at the time was not supportive and perceived the initiative as a threat. However, he felt that, under the new senior minister’s guidance, the project would have been more favourably considered.

An example of collaborative engagement was clearly visible in actions taken by a private philanthropic trust administrator who talked enthusiastically of an environmental project his trust had invested in. During the interview, he expressed personal longstanding concern for the environment and active involvement in addressing environmental concerns in the location where the project was based. He also discussed the personal interest of the trust’s board in having a positive environmental impact. Equally, a government department administrator stated:

*You know, there is no point in just sitting back and thinking, can I be bothered sending that to my providers? It’s a case of, I know my providers will be interested in this information. So, it is about being proactive (P14).*



Several participants also portrayed ECSO personnel actively engaged in collaborations. For example, in a collaboration between two youth organisations, one participant stated of his colleague “these guys go over and above. As I say we have 100% trust in the way that they deliver”. The participant cited numerous examples of the dedication and sacrifices made by his colleagues and asserted that they were not motivated by money, but rather with service delivery. The researcher later fed this information back to the other actor who responded:

*Oh, that's nice ... Yes, that's right we provide food that isn't included as part of the project. There is a lot that we don't get paid for. If my staff are going up North to deliver the programme, it's an extra four days that we don't get paid for. And then we provide food for them, but that is not included in the contract. That's just our way of operating. If finances were your main reason for doing it, this wouldn't make sense. For us, it's about reaching out to those young people and providing them with an opportunity that they might not otherwise necessarily get. I could do it all in Auckland, but I choose not to because I know those young people in the Far North need it (P7).*

The case above highlights appreciation expressed by participants who talked of collaborators giving themselves generously to a project, rather than doing “as little as you can get away with”.

A third area of importance relating to attributes of collaborative actors' concerned their need for competence. An ECSO manager who previously worked in government commented that Treasury administrators perceived many collaborative initiatives failed, “because people didn't put their skin in the game”. She asserted the collaboration she was currently leading expected CSOs and government departments to put their “best and brightest” staff onto the project. This sentiment was echoed by other ECSO managers who regretted that often organisations put their second best on inter-organisational teams, because they wanted to protect intellectual property, due to competitiveness associated with contracting.

A strong example of a competent ECSO collaborator was P14 who, at the time of interview, was a government department administrator managing community-based CSO clients. Before joining government, she was a voluntary youth worker working with justice, mental health and social welfare systems. Following her youth work, she proceeded to provide community education, working in the areas of prevention rather than intervention before being appointed as a policy advisor for government. She stated:

*The reason that I moved or thought about moving from the community into government was because I was involved in quite a lot of community organisations and I was often the person filling out the application forms for funding and I guess I thought I could be of assistance to people on the other side of the fence to see if you can help community organisations get through the bureaucracy and get through the challenges of trying to tell a story about what you do (P14).*

Concern was also expressed over continuity within the collaborative team. Because of a perception that collaborative energy was commonly associated with actors, rather than a project, the loss of an individual within the team jeopardised the whole project. Here one private philanthropic trust administrator observed the threat of losing a “champion for the cause”. Another explained how he was currently experiencing the same threat in a key collaboration with a collective of funders. A major corporate had recently received the resignation of its corporate social responsibility manager and he thought the likely impact was that they would lose their relationship with the company.

Within some CSO-CSO collaborations, several participants indicated that, if any actors were to leave, the likely result was that the collaboration would fail. The rationale was that, because the personality of the substitute would be different to the incumbent, the dynamics would not work.

To navigate the threat of collaborative failure due to a loss of team continuity, a private philanthropic trust administrator intentionally built relationships across collaborating organisations and “embed[ded] them, so that if any one person leaves there are others around that can continue it, and continue being the champions for it”. A related strategy was suggested by a manager from the environmental subsector who discussed leaving a “legacy of knowledge and learnings” so that his successor would stay with the ethos, and goals of the collaboration.

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### 7.3.2 COLLABORATIVE LEADERSHIP

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Participants’ second area of interest concerning collaborative personnel related to leadership. A minority felt that collaborations were built on equality, and in some cases, the absence of leadership. Two ethnic subsector managers talked of the equality within their relationship. While contractually one organisation received funds from government for the project they shared, in practice the Chief Executives’ operated in unison. This meant funding applications were submitted on behalf of both organisations. Furthermore, both organisations received reports from the project employee. Thus, one manager stated “when it comes to organisation and participation, I see that we are both equal. We have an equal right, but when it comes to the technical terms of the funders, P5 has taken the lead”. He asserted “I don’t need to see that [my organisation] is down and P5’s is up, or the other way around, we need to be equal in every aspect of whatever we do”. Power-sharing had not always been the norm within the collaboration, rather it resulted from a confrontation over a perception that the status quo

favoured one organisation. Equally, a manager involved in a cross-sector collaboration advanced the view that for her collaboration:

*is the ability for people to come together on an equal footing and often with hierarchies of organisations and different types of organisations you actually have to make a safe space for that to happen and actually almost construct it (P17).*

A minister of religion enthused over his ability to contribute equally in collaborative conversations and stated, it was “a wonderful working relationship”. However, he also felt that one colleague put in 90% of the work, and indicated that pursuit of equality did not necessitate a leaderless structure. It was also suggested that different models of collaboration existed and that, in urgent situations, conventional power structures may be relevant. This point was illustrated during two interviews by talking of war. Here, one participant stated:

*Quite often, one national army will end up serving under a General from a different force, so there is that sense of we do not have time to negotiate every point of this, so we are just going to put that aside and follow the Commander-in-Control ... I think it would be refreshing to say, you know what, we don't have time for this one, we're going to put that to the lead agency, we're all going to say we're going to get behind them and we're just going to trust the leadership (P24).*

Yet, in other situations he contended such an approach was flawed. If the purpose of the collaboration was to address a difficult, complex problem then “sitting around, shooting the breeze for a while” was likely to be more effective. In response to the suggestion that some participants had perceived collaboration equated to equality, he retorted “I think that is just nonsense”.

#### 7.3.2.1 COLLABORATIVE LEADERSHIP THAT INITIATES

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The notion that collaboration did not imply equality was echoed by most participants. Some felt a project's instigation required one organisation or individual take the lead. Comments from participants included “you will invariably have one which is more dominant than the other”, “the linchpin was one organisation decided to invest and take the lead”, “one or two people pulled them together” and “it was spearheaded by [P4]”.

A participant establishing a cross-sector collaboration referred to the collective impact model of collaboration and said one of its key features was the necessity for leadership through a ‘backbone organisation’. She understood her role in leading as the ‘backbone’, involved bringing people together to achieve a variety of goals including: identifying a shared vision, defining activities to achieve the vision, determining how evaluation would be measured, and to start communicating.

Several participants offered names of persons or organisations that took initiative to start a collaboration. A manager talked of a colleague in the outdoor recreation subsector who led the process of applying to Sport New Zealand for funding of cross-organisation safety training. The collective then worked together on developing the proposal. Similarly, an environmental subsector manager spoke of a private philanthropic trust who hosted a series of initial meetings concerning an environmental project. He explained how the trust facilitated bringing a team together.

The leader of the cross-sector collaboration indicated its formative meetings were not publicly advertised. When queried by the researcher, she defended “it’s about conservation of time and realising that there is constraint on resource ... Somewhere there had to be some criteria that was set up ... we came up with the preliminary hypothesis”. She continued by explaining how she later undertook consultation with the wider community to test early hypotheses and then brought a group of interested stakeholders together to envision and execute the project. A similar process was outlined by a private philanthropic trust administrator who was in the process of facilitating the early stages of a new collaboration. He explained the project had a lifespan of 20 years and that, while much discussion with others had ensued, to date “we haven’t yet pulled the trigger on saying let’s collaborate”. He continued:

*[We are] trying to decide what is the best way to approach this topic, what is the best methodology ... Do we make decisions before we invite others around the table and say this is what we are going to do, are you up for that, or do we open up that level of decision-making before funding? It might take longer to get a decision, as they might have different approaches. So, there is a bit of a trade-off, at what point do you open it up (P6).*

This challenge for leaders of finding balance between time constraints and achieving shared ownership for the vision, and direction of a project was noted by other participants who had initiated collaborations.

#### 7.3.2.2 COLLABORATIVE LEADERSHIP THAT IMPLEMENTS

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Other participants perceived leadership was required not only for establishing a collaboration but also for a project’s duration. Of this a religious subsector manager exclaimed: “an animal with two heads is a monster. You need someone to drive it.” Concurring with this perspective, an umbrella organisation manager stated her collaboration was:

*not a partnership of equals because it sits with us and we will take responsibility for the project and [the] working group and all that sort of stuff but we want to do it in*

*partnership with those other organisations who will also bring gifts to the table. We want to have it really clear from the outset of who is doing what, and what the partnership means at an operational and symbolic level. This is critical I think (P20).*

She explained how the foundational values of her organisation included two Māori words *kaiārahi* (leader) and *taituarā* (supporter), both of which operated in tandem. For her, leadership involved strengthening members within her organisation, rather than speaking for them.

Therefore, active leadership over a collaboration required “mutually agreed and mutually *mana* (status) enhancing” outcomes for all collaborative members. Several other participants affirmed this approach when asserting the value of collaborative leadership was contingent on how the responsibility was exercised. It was suggested that lead organisations required the pre-existing trust of their subsector before earning the role of “peak organisation”.

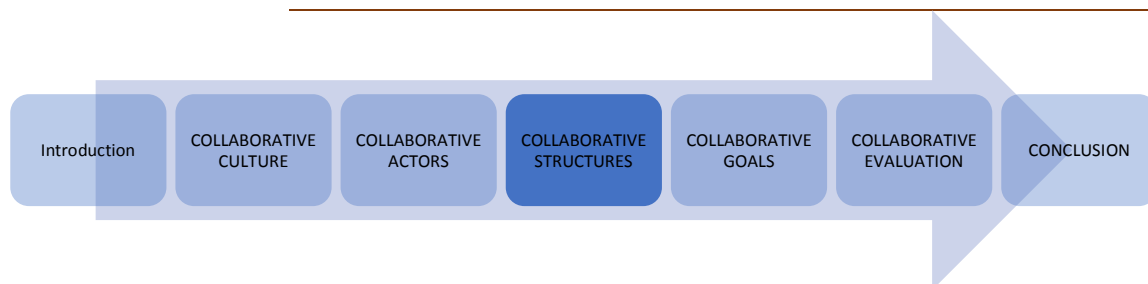
In concluding this section, data indicated that, when one collaborative colleague was paid while others volunteered, it was common practice to look to the remunerated person as the leader because their “capacity is hugely different”.

Propositions associated with collaborative actors are presented in table 13.

Table 13: Propositions concerning collaborative actors

7.8	Actors displaying emotional maturity, a willingness to engage, and competence may result in constructive collaborations.
7.9	Continuity of actors may result in constructive collaborations.
7.10	A sense of equality amongst actors, even though they may hold different roles may result in constructive collaborations.
7.11	Credible leadership that takes initiative to create a project may result in constructive collaborations.
7.12	Credible leadership that facilitates project implementation may result in constructive collaborations.

## 7.4 COLLABORATIVE STRUCTURES



The third overarching theme of constructive collaborations involved their structure. Participants spoke of instances where either formal or informal structures were appropriate. Choice was dependent on the nature of a collaboration.

When considering power imbalances, which many perceived existed in all collaborations, several ECSO managers talked of the importance of “dotting I’s and crossing T’s”, not only in mind but also on paper. A social enterprise manager stressed importance for the weaker partner in having signed contracts that stipulated responsibilities of each actor. While discussing the importance of contracts when working with corporates he stated, the “revenue model comes from the very clean contractual relationship with a commercial partner”.

A senior government department administrator indicated that after 30 years, CSO contracts continued to be contentious around “participatory processes and engagement methods”; however, she explained that, following trials, government procurement policies were changing. In part this was because government had accepted many concerns surrounding contracts relating to bidding processes, contract details and compliance reporting. She argued the new approaches were fairer and more balanced. However, while most ECSO managers accepted contracting as the new norm, some resentment was outstanding. This was because often an ECSO would create a project and put in a bid for funding, but once accepted, they felt the government department treated the project as its own, and controlled measuring outcomes.

Private philanthropic trust administrators preferred the term “funding agreements” over contracts. The rationale behind this term was that contracts are more about “we are funding you to do something for us”. Our *kaupapa* (principle) is more “we are giving funding to you to do something that you want to do”. However, this justification seems to contradict their requirement that CSOs strategically align with trust priorities.

Several ECSOs referred to having written agreements specifying the nature of their collaboration with other CSOs. Two collaborators in the recreation subsector used the word ‘contractor’ to define the legal nature of their relationship. The contract contained a variety of rules, such as safety protocols, along with measurable outputs that had to be attained. Other organisations talked of having a Memorandum of Understanding. It was suggested that that such a document was of value for articulating shared values, and what was expected of collaborators. One participant specified that formal agreements were especially important when collaborations reached the stage of entering contracts with third parties.

Beyond contracts, two ECSO managers discussed value in establishing an advisory board that oversaw operations within the collaboration. Representatives from both organisations sat on the

board, which met monthly, was convened by an independent chair and reported back to the respective boards.

While contracts were standard for all funding collaborations, this was not always the case with CSO–CSO collaborations. One manager explained that rather than lots of documentation, there was a desire to “keep it organic”, “as loose as possible”, “flexible and not too top-down.” He had hoped that by structuring his large-scale collaboration in this way, it would allow for creativity, innovation and the possibility that stakeholders could have more ownership and engagement in the project. Yet, as the possibility emerged that the collaboration might fail, he concluded a lack of documentation led to an absence of definition concerning the project’s objectives. Furthermore, he felt there was a lack of clarity as to how staff within both organisations were to report. He summarised his negative experience by asserting “all that kind of stuff needs to be nailed upfront”. Yet, others spoke more favourably of informal collaborations. An advocacy subsector manager contended his collaboration wasn’t an entity with brand and logo, but that it was simply a group of organisations coming together with a shared objective. He argued collaboration “doesn’t have to be forever, it can be very project-orientated around a particular issue” and that it “does not have to be institutionalised”. For him, agility was important to enable fast response to current needs. He sensed that structured collaborations resulted in bureaucratisation, which ultimately usurped initial objectives.

Informality also explained how younger social enterprise managers commonly operated. One observed that they hang out at pubs and “so the crowd, the community, the social group and the narrative of work and change, and enterprise are bound up quite closely together”. This view was shared by a government department administrator who appraised that social enterprises tended to be “incredibly flexible, or adaptable and agile”. She continued by asserting younger people had different modes of operation and that this potentially represented a generational change. As where once the sector was characterised around organisations, “nowadays they appear to be far more loose, far more organic and that makes a huge change in how collaborations are perceived to happen”. She contended young people were not interested in formal collaboration through structures and meetings, but that they collaborated online, often through social media or email. Here she referred to an online platform called ‘Meetup’ and explained:

*You will get emails inviting you to events. So, for example: Social-Enterprise Wellington has a meeting for people with new social enterprise ideas coming up. We’re going to meet at wherever and some side room of a pub. And you can stand up and talk about your social ideas (P15).*

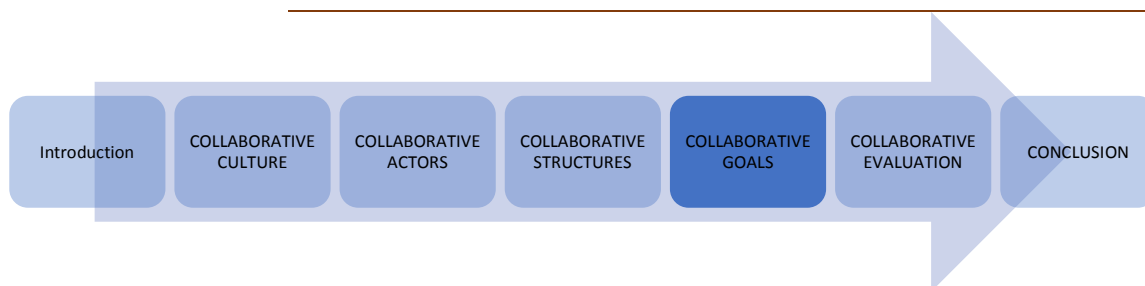
However, she continued by stating the social enterprise movement was not cohesive, and that it struggled to form any sort of national umbrella. This led her to question longer term implications for the movement, and the need for it to develop some structure and/or integration with the wider CSS.

Propositions associated with building collaborative structures are presented in table 14.

Table 14: Propositions concerning collaborative structures

7.13	Formalised documents specifying collaborative goals and responsibilities may result in constructive collaborations.
7.14	Informality may be more suited to collaborations centred on dialogue, information sharing and/or where agility is required.

## 7.5 COLLABORATIVE GOALS



The fourth major component of constructive collaborations concerned their objectives. Data indicated constructive collaborations may involve one or more of four goals. These included; dialogue, information sharing/gathering, goal setting and task allocation. Each is discussed below.

### 7.5.1.1 DIALOGUE

At the lowest level of relational intensity, collaboration may be limited to dialogue. For some participants, collaboration involved building rapport and understanding of those they were considering, or were already engaged in collaboration with. They perceived trust could only be established by listening and by conversation. A manager of a private philanthropic trust talked of team formation and specified the process involved “forming, storming and norming” while a government administrator described how actors in her cross-sector collaboration were “still firing bullets at each other, rather than listening to and understanding each other”. She asserted importance of transitioning from storming, to gaining deep understanding of other actors’ needs, before progress could be made.



A community development manager involved in a decentralised federation explained that, to attract funding, her ECSO was in the process of transitioning to a single nationalised structure. She detailed a conversation held with the newly appointed national Chief Executive where she outlined the need to initiate a meeting with her local committee so that “you [the Chief Executive] get to talk to them and they get to talk to you, and I think that will be an important part of the process”.

Four participants identified value in dialogue that created a supportive environment for participants personally. This activity may have been as simple as asking “hi, how are you going?”, or “do you want to catch up for a coffee?” A government department administrator said she felt it was important for her CSO clients “to feel and know that you actually do care about them”. Similarly, part of the weekly collaboration of religious ministers comprised a time where actors discussed their challenges, so that problems could be shared. A related kind of support concerned accountability. When speaking of a collaboration between managers of the ethnic subsector, one participant asserted ‘if I’m not doing what I am told, I will be told that by [colleague] and if [my colleague] is not doing what she is to do. I will tell her that’.

#### 7.5.1.2 INFORMATION SHARING/GATHERING

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Beyond dialogue, participants sensed value in collaboration for information sharing. Here an ECSO manager talked of an upcoming meeting where the host organisation called its stakeholders together, with the purpose of keeping people “informed and for networking”. Similarly, a start-up umbrella organisation manager talked of his vision to host quarterly gatherings where people would discuss matters held in common. Another emphasised the importance of knowing her members well enough:

*... to know who is expert or fluent in the area that we are speaking about. To get on the phone to the right person and say ‘hey we’re framing up a response to this, have you got, would you like to have some input. We think your perspective would be very valuable’ (P20).*

Private philanthropic trust administrators also talked of the value in information sharing. P6 explained how on a regular basis he and administrators from other private philanthropic trusts met to “have a cup of tea together”. Of this he stated, “we are just mates, in the same business really”.

Several participants, notably government department administrators, talked of collaboration as a form of information gathering through consultation. One such interviewee spoke of an

organisation with whom her department had a sizeable contract. She stated, for years it had tried to sell its knowledge to government, but that this was not the way it worked. Rather than selling information “you give government what they ask for, and government will give you what you want”. Another talked of an advisory group established as a community engagement process and suggested it “would be an example of a collaborative process”. A third talked of getting information from stakeholders using regional advisors whose role was one of “intelligence gathering”. She explained these people were in the field, and explored trends and opportunities that existed.

Related to consultation, some ECSO managers spoke of occasionally receiving phone calls from government department administrators, seeking perspectives on different issues. For example, the Chief Executive of a national youth organisation recalled periodically receiving calls enquiring: “such and such a question is coming up in the house [of parliament]. Can you add any insight to ... can you give me a response, because question time is coming up on Tuesday?” He also said occasionally he read government statements in the media, and so contacted his client manager seeking clarification.

#### 7.5.1.3 GOAL SETTING

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While motivation to collaborate for some participants related to dialogue or information sharing others talked of having “higher mountains” and a desire to achieve “something more meaningful” through working with others. Here, some ECSO managers spoke of collaborations that were “focused”, “targeted” or “concentrated”. They explained how these involved a “meeting of the minds”. The process started with dialogue to genuinely hear each other. It was suggested that the “magic happens when we sit down and figure out what our shared agenda is”. Once core objectives were established, it was possible to measure outcomes against goals. It was contended that to achieve such clarity demanded higher levels of commitment from collaborators, which “can take an awful lot of time in itself before you even start progressing forward”.

Prior to entering targeted collaborations, participants felt it necessary for the independent actors to have fully explored the collaboration’s benefits for their organisation, and to weigh these against its costs. A cross-sector collaboration manager argued it was vital to be clear on what incentivised an organisation to collaborate, because the underlying motivation impacted how the collaboration was perceived by that organisation. Another ECSO manager explained it took time for him to understand exactly what the collaboration required of his organisation, and how it

would benefit his community. Similarly, amidst a collaboration experiencing significant challenges, an ECSO manager expressed the ongoing reservations of his board concerning the project's benefits. Some felt the collaboration was not part of his organisation's core business, and that it distracted from their overall work.

ECSO managers cited many case-specific goals achieved through their collaborations. For example, the manager of an advocacy organisation was adamant he entered a research-based collaboration exclusively because "a lot of people have said we don't have any quantifiable research" in the subsector. By gaining robust data, he perceived government interest would follow. Equally, P7 told of her work with Māori and disadvantaged youth stating she collaborated with another youth organisation as it offered a programme she believed contained "all the different components to create change in a young person's life". When mutually developing the collaboration's strategy, she reported the partners decided to target the township of Kwarau because suicide in that area was so high.

Most ECSOs perceived government was clear on what benefits it needed to extract from a collaboration. Many perceived this as government behaving in a dominant manner. Thus, an international aid subsector manager stated, "the goals you want to achieve have to be within their parameters and match what they want, what their overall goals are". This sentiment was confirmed by government department administrators who specified funding applications had to deliver goals their department sought to achieve. They contended a department's objectives emerged not only from ministerial directives, but also from ongoing rigorous consultation with community stakeholders.

*The whole purpose of all those discussions is to get the huge variety of perspectives and needs and areas of focus. That then assists us to then have a conversation ... as to where we should be putting our money (P22).*

It was also argued that sometimes these consultations resulted in findings that contradicted assertions made by CSOs seeking funding.

However, not only did government departments enter collaborative discussions with a clear agenda of what they needed to achieve, so too did managers of large ECSOs. When speaking of collaborations with less powerful organisations, one senior ECSO Chief Executive explained that, while her organisation existed to strengthen and support these organisations, weaker colleagues had first to ascribe to values deemed important by her organisation. These values were generally shared across the subsector internationally, and served as non-negotiables.

Thus, shared project collaborations normally required agreement on core values and goals. A senior government department administrator suggested:

*I think it is probably a situation of mutual need. Coming back to those common goals. Government can't do everything ... We don't build everything; we outsource a lot of social services through providers, which means that there is a lot of situations of mutual need ... there is a quadrant which is often used in procurement practice to evaluate the type of relationship that you have with your provider. On one side, it's got the risk of the service, the business risk, the client vulnerability, the service risk. On the other axis is dollars for value. With most of the services that we are providing, they have either high client vulnerability or high importance to the overall objective of the business ... That means they are in the top two squares of the quadrant and so that means that you need that closer working relationship. The higher the value goes the more you get towards the partnership and co-dependency approach, where you need to be talking to each other about the long-term goals of each organisation and how you see yourselves working together (P27).*

Some participants asserted the process of negotiating shared goals often involved robust debate, which might include conflict, because actors had different expectations. Therefore, it was suggested collaboration may be painful; however, so long as the motive for all was to reach a mutually acceptable stance, then it was justifiable. A social enterprise manager asserted facilitators may be required to achieve this endpoint. He argued facilitators were:

*... worth their weight in gold. You know not the ones who do stupid icebreakers for fun - serious facilitators that will keep the conflict in the room, and manage it, and make sure things are brought up and worked through as quickly as possible (P25).*

#### 7.5.1.4 TASK ALLOCATION

Having established a shared goal/s, the next aspect of some collaborations involved project delivery. Participants explained the process often utilised a strength-based approach. Thus, an ECSO manager explained her collaborations were “around the strengths that we have, the reason for our existence, the capabilities that we have”. Equally, when discussing the role of advocacy, an umbrella organisation manager stated they actively sought members with experience, knowledge and wisdom in the area being addressed, as this gave a project synergy. His organisation specialised in field operations while his colleague's strengths were in the areas of advocacy, lobbying, education and fundraising. He surmised: “so that collaboration is real simple, two parties with quite clearly defined roles”. One organisation managed the project and the other delivered programmes. He contended that, without this division of labour, it would have been difficult to establish how the organisations would interact.

Aside from money, funders spoke of contributing strengths to grantees,. This may have involved offering administrative support for CSO programmes or providing an evaluator, HR person or

other managerial support that would strengthen the long-term competency of the grantee organisation. A private philanthropic trust administrator discussed weaknesses in the management systems of some CSOs they supported. He stated: “there’s an expression loose as a goose and I won’t use it but ...” He explained, that often grantees are “infrastructurally light ... great at doing [community] work but hopeless at office work with reporting and accounting, that kind of stuff”.

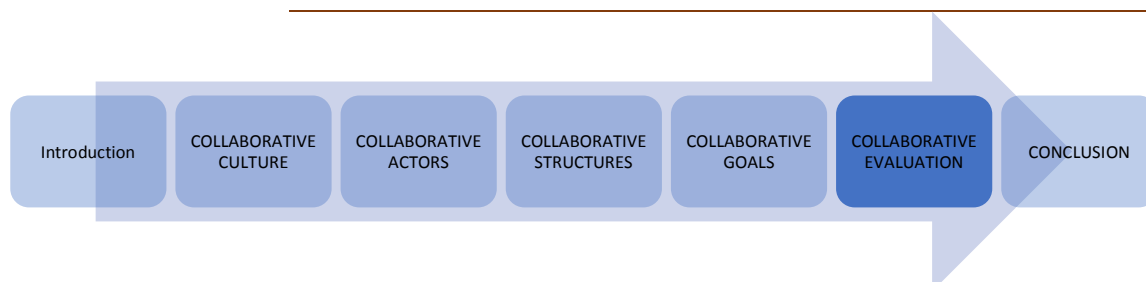
Overall, it was contended if shared goals were not agreed early in the process, or if things went awry during the project, actors should be prepared to withdraw from negotiations, or from the project, even if it meant declining a funding offer. In this context, a social enterprise manager asserted it wasn’t “possible to anticipate all the challenges or road bumps” that may emerge once a project gets underway. Therefore, due to the constant threat that a collaboration may not deliver what was envisioned, he was emphatic that before signing contracts, actors should be clear about their exit strategy. For him this represented how collaborative risk was managed.

Propositions associated with building collaborative goals are presented in table 15.

Table 15: Propositions concerning collaborative goals

7.1 5	Building rapport, understanding, support and/or accountability between actors may result in constructive collaborations.
7.1 6	Information sharing/gathering may result in constructive collaborations.
7.1 7	Identifying and agreeing to specific goals, beneficial to all actors, may represent constructive collaborations.
7.1 8	Allocating tasks based on actors’ strengths may result in constructive collaborations.
7.1 9	The processes of agreeing to specific goals and allocating tasks may involve considerable negotiation, conflict and time.
7.2 0	Reaching agreement on a collaborative agenda or achieving the desired project may not be possible; therefore, before entering collaborations, actors may benefit by having clear exit strategies.

## 7.6 COLLABORATIVE EVALUATION



Participants expressed several perspectives concerning evaluation of collaborations. Only one participant explicitly discussed measuring the quality of the collaborative process, when reflecting on issues of transparency, trust, participation levels, and engagement. However, he also indicated, while evaluation of a collaborative process may be constructive, of itself this was not enough. Due to the time and resource involved, he felt there had to be tangible outcomes indicating “value has been created”.

Most participants perceived a direct relationship between evaluating the collaboration and measuring project outcomes. A private philanthropic trust administrator talked of reading of ‘the tyranny of niceness’, which the author saw as a culture present in some CSOs. He contended such an ethos masked the sector’s performance, and that project evaluation was philanthropy’s proverbial elephant in the room. Both he and government department administrators placed importance on adding value for end-line clients. Here success was measured by change in the lives of those the CSOs served. It was argued that funders exclusively purchased services to buy outcomes for people in need; yet, unlike the commercial sector, where there was a direct relationship with clients, the CSS was structured with a middleman - the CSO. It was further argued that for the intermediary to survive, it was more important that it build rapport with funders, rather than clients, leading to the development of “DONGOS (donor-oriented non-government-organisations)”.

When asked whether a central objective of contracting was to enhance CSO accountability, a senior government department administrator responded by saying, debates on measuring CSO effectiveness were common in the Victorian era and that they continued in waves. He sensed the current climate employed explicit language, and business terms, such as accountability and investment, but that the principles had always existed.

Some participants evaluated collaborations through what they termed a soft assessment because they perceived outcomes associated with their work were intangible and hard to measure. For example, a government department administrator indicated the work of her office involved negotiation, diplomacy and advocacy, which were difficult tasks to evaluate. Equally an ethnic subsector manager exclaimed “evaluating, monitoring and reporting - that’s a challenge”. He explained how, during a conversation with a government department administrator the previous day, he had realised his organisation’s contribution was considered ‘soft support’, as it was hard to measure. He explained an event his organisation had recently hosted and said, while it was relatively easy to tick boxes reporting on the occasion and numbers in attendance, it was far

harder to measure long-run impact on individuals/communities involved. “It’s something we don’t know how to do, but we need to do it for the organisation to advance”.

For most participants, collaborative evaluation involved some form of tangible measurement. Many perceived it critical that consideration of the desired outcome be documented early in the process. Here, an ECSO umbrella organisation manager asked “what is it that your change is seeking to address, and how are you going to measure that? I guess that’s a part of the *ōrokoīmatanga* (start point) of the partnership”. Similarly, a senior government department administrator indicated that goal setting and accountability should be clearly expressed in the contract before the CSO starts delivery. The ensuing step involved his department monitoring “to ensure that you do what you said you would do”.

The process of documenting how goals were to be measured, and then of monitoring against those measures was described by several ECSO managers. Some key indicators related to quantitative measurements such as the physical number of people participating in a project, including names and the time individuals spent in the programme. However, qualitative assessments that “narrated the stories of change” were also commonly employed. These included participants feeding back what they enjoyed, how they benefitted, and whether they would participate in the project again. An international aid subsector manager explained: “It is about giving them the evidence in both figures and qualitative ways of what the outputs and the outcomes are”.

Concern was expressed that much assessment by government departments of CSO projects related to outputs rather than outcomes. Thus, an ECSO start-up manager regretted how reporting measurements contained in many contracts were little more than being able to say you succeeded in having “50 kids from the school swabbed”. She asked “so how many kids did that save from developing rheumatic fever? Well that doesn’t really matter, it’s just that I’ve done my 50 swabs”. She argued this government approach limited many CSOs into having only a short-run focus. This view was shared by other ECSO managers who perceived much government money paid only for activity delivery, but that there was little interest in research and development, or in organisational capacity building. In frustration, a social enterprise manager exclaimed the emphasis was all on what had been achieved, but that in his subsector, talking of impact was generally unrealistic for at least the first five years of operation. For him, government’s approach to funding represented “a real lack of sophistication”.

When talking of the government's evaluation policies concerning CSO contracts, a senior government department administrator contended some departments had employed a methodology called 'results-based accountability' for a long time, and that this approach was currently being rolled out across all government departments. She explained the process asked three questions: the quantity of programme delivered, how well it was delivered, and was anybody better off. She perceived one of the approach's strengths was that it tracked changes at a population level, while also measuring change in individual clients. She perceived the methodology enabled government to measure outcomes across different providers in a similar context, leading to identification of the most effective models, which could then be replicated. She asserted:

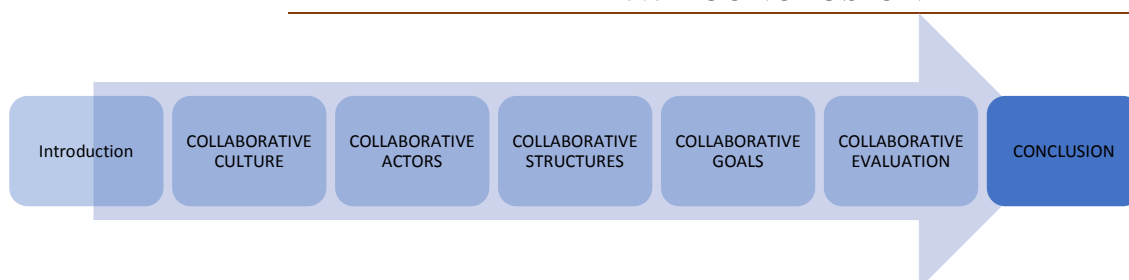
*I think government is increasingly focused on evidence that things work, that they are driving towards outcomes. That is not to say that they are only doing things that they know work because I do think there is a willingness to change and to try things but what they are looking for is that adaptive approach so that when something doesn't work you will be willing to try something else. Whether it is something you come up with or whether it be something we know from other localities with a similar population or whatever, works. Yes, that kind of willingness to adapt and to change through evidence I think is increasingly a requirement (P27).*

Propositions associated with collaborative evaluations are presented in table 16.

Table 16: Propositions concerning collaborative evaluations

7.2 1	Clearly defining and documenting an evaluation plan early in the collaborative process may result in constructive collaborations.
7.2 2	Soft evaluation of collaborative processes may enhance collaborations.
7.2 3	Hard evaluation of collaborative project/s through quantitative and qualitative performance indicators may enhance collaborations.
7.2 4	While results-based evaluations that measure impact may be beneficial, this approach may preclude investment in research and development thereby restricting innovation.

## 7.7 CONCLUSION



This chapter explored five themes associated with strategies employed by ECSOs seeking to constructively collaborate. These core categories as they are often termed by grounded theorists included the culture, people, structures, agenda and evaluation of collaboration. As with other



chapters focused on findings, these themes were summarised through propositions. A model of constructive approaches to ECSO collaboration that emerged from findings is displayed in Figure 20.

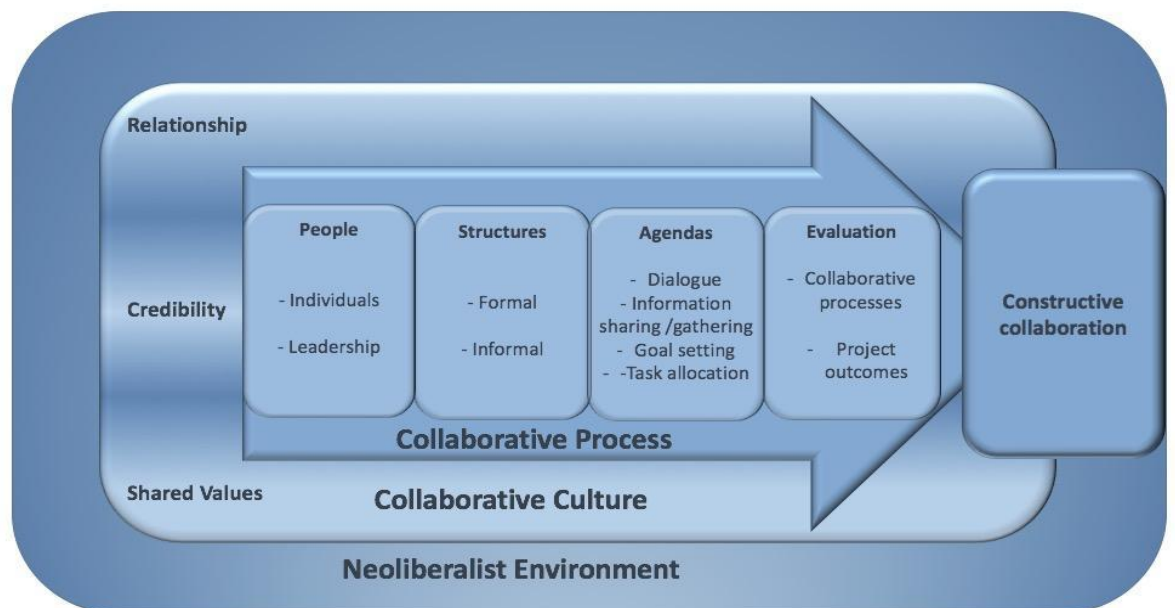


Figure 20: Constructive approaches to ESCO collaboration amidst neoliberalism

The next chapter moves from outlining findings from the thesis to discussing and integrating them with literature.

### 8.1 INTRODUCTION

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This chapter discusses theoretical insights from research findings. The structure of the chapter is based around four central categories that emerged through data analysis relating to collaboration of New Zealand's primary ECSO stakeholders amidst neoliberalist economic policies, including competitive contractualism.

The central themes include:

- 1) when stakeholder strategies might exclude collaboration
- 2) importance of collaborative relationships
- 3) perceptions of ECSO inefficiency
- 4) opportunities for increasing ECSO effectiveness through collaboration

Grounded theory places supreme importance on rich empirical data that has been sourced from within the field of enquiry (Charmaz, 2008; Dey, 1999; Orlikowski, 1993; Patton, 2001). Thus, by utilising findings contained in the propositions that responded to each of the three major questions of the thesis, as outlined in chapters 5–7, the emergent theories that resulted are now integrated with extant literature. Key assertions related to each of these four central themes of are represented in dialogue boxes dispersed throughout the chapter.

The structure of the chapter 8 is depicted in figure 21.

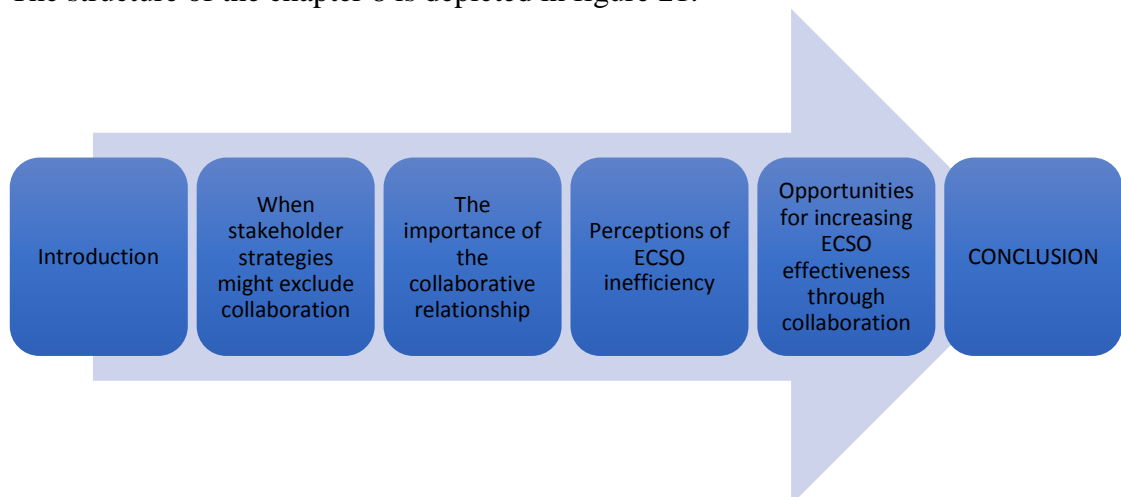
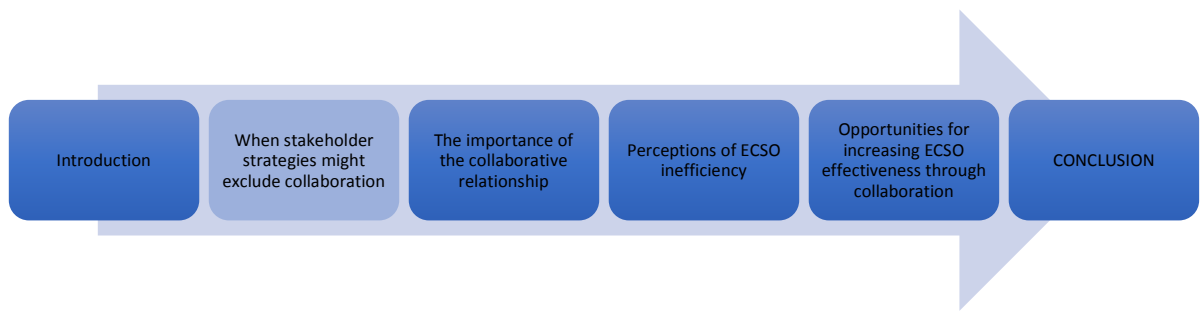


FIGURE 21: Structure of Chapter 8

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### 8.2 WHEN STAKEHOLDER STRATEGIES MIGHT EXCLUDE COLLABORATION

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This section asserts that collaboration is not always the best strategy for delivering the respective missions of New Zealand's ECSO stakeholders. Based on current data and integrated with extant literature, six specific instances are discussed when stakeholders may elect not to engage in collaborative praxis. They include occasions when: 1) the project is transactional; 2) freedom of expression or core ideological values are compromised; 3) stakeholder perception that excessive resource is invested in organisational maintenance or survival; 4) costs outweigh the rewards for respective stakeholders; 5) there exists a lack of alignment between the goals of collaborators; and 6) stakeholders lose confidence in collaborative partners.

### **The project is transactional**

Through reading literature on the topic of collaboration, one can be left with a strong impression that the practice offers all sectors of society, including civil society a guaranteed remedy for success. Many academics argue that not only does collaboration add value, but that it is an essential resource if resolution of wicked problems, including the immense social dilemmas of our age, is to be achieved (Austin et al., 2000; Austin and Wei-Skillern, 2006; Grint, 2008; Linden, 2002; McMorland and Eraković, 2013; Selsky and Parker (2005)). Thus, it was not surprising that findings, from the current research indicated ECSO managers not only perceived, but also cited documents indicating that most funders expected, or required evidence of collaboration as a condition of funding.

However, scholars maintain contradicting views regarding the effectiveness of collaboration. Some indicate that within civil society, the practice commonly delivers negative outcomes (Atkinson, 2007; Atouba & Shumate, 2014). Accordingly, current findings also indicated incidences when collaboration was not perceived as constructive. Given the very common perception that funders expect evidence of collaboration as a condition of granting funding, it was interesting to hear a private philanthropic trust administrator argue that collaboration was only "*a means to an end*" and that it should only be used where appropriate. He clarified that

much of the work his organisation funded CSOs to deliver was transactional; therefore, the effort and cost required to collaborate represented significant organisational inefficiency.

Indeed, several participants noted the intensity of time, energy and money required throughout a collaborative process, if agreed and successful outcomes were to be delivered. Thus, it was argued by participants that the rationale behind “collective impact” demanded that common sense be applied. Simple straight forward projects did not benefit from collaboration.

The transactional nature of much work undertaken by CSOs is not best served through collaboration

### **Freedom of expression or core ideological values are compromised**

Current findings indicated that ECSOs commonly place significant value on their independence. Stakeholders may interpret this trait as a reluctance to work alongside others and there can be little doubt that isolationist organisations make it difficult for the likes of government, media or donors to identify who represents a subsector, and is therefore best placed to speak on its behalf. This concern validates benefits associated with umbrella organisations for the purposes of advocacy (Grant, 2000). Equally, funders in the current research expressed apprehension of providing funding to disjointed subsectors, due to suspected duplications and inefficiency. Such a concern is mirrored in literature (Milbourne & Cushman, 2013; Shephard, 2010; Sowa, 2009; Strategic Pay, 2013; Walker, 2004).

However, it is significant to note that some ECSO managers in the current study, indicated important benefits associated with their organisation remaining independent. For example, managers within refugee communities discussed war in their homelands, indicating that independent groups within New Zealand’s ethnic subsector held fears over security and safety of family members “back home”. Additionally, those from religious organisations felt that autonomy enabled expression and celebration of individuality and freedom to think and act for themselves, rather than being controlled by others.

It was also noted that registering with government as a charity by incorporating or establishing a charitable trust was required, before a group is legally recognised (Companies Office, 2014; Inland Revenue Department, 2014). Once registered, the independence was rewarded by access to grants, and an identity that gives voice to the needs of an organisation. This indicates a level of inconsistency within government policy. CSO registration rewards independence; yet, collaboration is often required by government departments as a condition of funding.

Linden (2002) argued that passion often drives CSOs. Due to the presence of this characteristic across the sector, strongly opposing ideological differences are common (Eason et al., 2000). Such differences explain why some organisations refuse to collaborate. To do so would compromise delivery of their central cause (Ebaugh et al., 2007). This concern highlights contestability in defining and measuring social value (Wood & Leighton, 2010). What for one organisation adds value, to another it is thought to be counterproductive. Ideological differences surfaced regularly through interviews with participants as an obstacle to collaboration. For example, private philanthropic trust administrators expressed strong misgivings over revenue streams of philanthropic gaming trusts. The stated concern was that the income of these trusts was derived from the same societal problems the private philanthropic trusts were seeking to resolve.

Collaboration may not be in the best interests of an ECSO if it undermines freedom of expression or core ideological values

**Stakeholder perception that excessive resource is invested in organisational maintenance or survival**

Authors define collaboration as shared ownership of a service being delivered (Bardach 1998; Berger et al., 2004; Linden, 2002). It is also asserted that collaboration should achieve synergy, beyond the capabilities of an independent organisation (Gray, 1989; Sowa, 2008). In line with this reasoning, it emerged in the current research, that prior to entering a collaboration, actors should hold attraction for each other. Findings identified several obstacles impeding ECSO attractiveness to funders, including the small capacity of an organisation.

An organisation's small size may deter potential collaborators due to concerns over the ECSO's ability to deliver programmes of scale. It was perceived by some funders that too much resource was invested by small organisations to raise funds, manage volunteers and day to day survival. So much so, that the perception was that there was little time, energy or money left for considering productivity gains, or for innovation. Hence, funders expressed preference to collaborate with larger organisations.

ECSO stakeholders may refrain from collaborating with ECSOs as they perceive too much resource is invested in organisational maintenance/or survival, leaving little for productivity or innovation

**Costs outweigh the rewards for respective stakeholders**

Literature contends that funding scarcity creates power imbalances between collaborators (Bell, 2001; Christoffersen, 2013; Glensor, 2006; Milbourne & Cushman, 2013b; Stace & Cumming, 2006). As contracting became the norm during the 1980s, New Zealand's CSO managers increasingly sensed a power asymmetry in favour of government. As contracting was progressively introduced, conflict between the CSS and government intensified, leading to the Prime Minister signing of the 2001 Statement of Government Intentions (Buchanan, 2004; Office for the Community and Voluntary Sector, 2001). While some saw the statement as the dawn of a new, more positive era in CSS–government relationship (Larner & Craig, 2005; Loomis, 2002; Rhodes, 2000), others perceived no change (O'Brien et al.; Office of the Controller and Auditor General, 2006; Stace & Cumming, 2006), or that the reforms articulated in the statement would not endure (Shaw et al., 2012).

The issue of inequality within collaborative relationships has been identified as present not only in CSO–government collaborations, but also in those between CSOs and private philanthropic trusts (Saurez, 2010), or even between CSOs themselves (Osula & Ng, 2014). Therefore, unsurprisingly participants in the current study similarly perceived their lack of funding created inequalities within their collaborative relationships. They contended power asymmetry led to forced collaborations. Such an experience is discussed in literature, where in the interests of driving efficiency for themselves and the CSS, funders increasingly required that CSOs collaborate. Emotions connected with feeling forced to collaborate included hostility and resentment (Atkinson, 2007; Cairns & Harris, 2011; Roberts & O'Connor, 2008). Many academics, commentators and practitioners talked of a loss of trust and estrangement that developed between the CSS with government (Glensor, 2006; Larner & Craig, 2005; O'Brien et al., 2009; Stace & Cumming, 2006).

The current research confirmed that both government and private philanthropic trusts commonly continue expecting CSOs to collaborate, as a way of ensuring efficiency in both the grant-making process, and with service delivery. Despite inconsistency in government policy, where some departments exclusively funded national organisations, while others only considered applications from within a region, there was a perception amongst ECSOs that evidence of working with others remained a condition of funding being approved.

However, interestingly findings also revealed little emphasis that ECSO managers perceived collaborations were forced upon them. Therefore, it is possible that growing numbers of these organisations have increasingly acknowledged that as their organisations are autonomous and

voluntary (Salamon & Anheier, 1997), they are at liberty to elect whether to enter a collaboration or not.

Analysis of current data indicated participants collaborated for a variety of reasons. While some simply desired dialogue, others sought shared activity. An umbrella organisation manager suggested sharing activity was where “magic happens, when we sit down and figure out what our shared agenda is”. Scholars assert the need to identify shared vision (Craig and Courtney, 2004; Palakshappa et al., 2010; Thomson & Perry, 2006; Walter & Petr, 2000; Wolff, 2001), and to hold a mutual understanding concerning needs, problems, solutions and methods of intervention (Austin et al., 2000; Lukas, 2005). At the same time, literature also indicates that philosophical differences may complicate the process (Eason et al., 2000; Linden, 2002; Strategic Pay, 2013).

Equally, barriers are created when organisations lack the will or skills to negotiate (McMorland & Eraković, 2013). Consequently, participants in this research explained achieving shared goals took a considerable time, even years, and that it might involve having to constructively work through conflict, with aid from professional external facilitators.

Furthermore, it was contended by participants that before the partnership got underway, organisations should be clear as to why they wanted to collaborate, what it was that they needed from the collaboration, and that they should have evaluated the cost of the collaboration - or more candidly, what they would have to sacrifice. Many ECSOs in this research cited examples of collaborative experiences they perceived as effective in meeting these criteria. Such an approach has previously been construed as self-serving (Lee, 2011), or that it led to coercion (Atkinson, 2007; Atouba & Shumate, 2014b; Cairns & Harris, 2011; Milbourne & Cushman, 2013; Sowa, 2009; Walker, 2004). However, this research found it to be essential that a shared project was perceived as being of benefit to each respective organisation before entering the collaboration. This is as each collaborator should be independently convinced that collaborative benefits outweigh costs. On this point, a senior ECSO manager of international aid contended “I think it is probably a situation of mutual need”. Similarly, a social enterprise manager asserted “I think often, too often, particularly cash poor, needy smaller groups, give away their value too much”.

Collaborations should only be entered if all actors have independently clarified need for the relationship and assured themselves that its gains outweigh the cost

**There exists a lack of alignment between the goals of collaborators**

A major component of establishing a positive collaborative culture that emerged from the current research, involved the need for collaborators to share core values and goals. When discussing collaboration in an array of differing contexts, various authors discuss benefits in identifying a shared set of values (Atkinson, 2007), and a shared purpose early in the process (Craig, 2004; Palakshappa et al., 2010; Roberts & O'Connor, 2008; Walter & Petr, 2000). In order to reach agreed objectives, it is suggested actors should hold a similar understanding of the needs, problems, solutions and methods for intervention (Austin et al., 2000; Lukas, 2005; Strategic Pay, 2013). However, as noted above, significant philosophical differences may exist between collaborators (Eason et al., 2000; Linden, 2002). Furthermore, many CSOs are strongly protective of their autonomy (Coulson-Thomas, 2005; Ministry of Social Policy, 2000b), and so collaboration may be challenged by organisations sensing that the cost of the collaboration is that they must sacrifice their independence or autonomy (Shaw, 2006). Accordingly, many CSOs have historically resented the contracting culture, as they perceived it led to mission drift (Baxter, 2002; Cairns et al., 2005; Community and Voluntary Sector Working Party, 2001; Osula & Ng, 2014; Rogers, 2007; Sam & Jackson, 2004; Smyth, 1995; Tennant et al., 2006), or forced compliance with state objectives, at cost to their own goals (New Zealand Council of Christian Social Services, 1998; Nowland Foreman, 1997).

Nvivo analysis of the current data indicated that issues related to shared values and vision were discussed three times more often in the context of ECSO–funder collaborations, than in those between ECSOs. In collaborations of ECSOs with government departments, private philanthropic trusts and corporates, it was asserted there was a non-negotiable need for the ECSO to align with funders strategies. Thus, a private philanthropic trust administrator routinely enquired of potential grantees “these are our goals, how can you contribute to them?”

Funders were united in their view that CSOs were not the subject of their work. Rather, they viewed them as intermediaries who provided services purchased by the funder on behalf of those in need. Hence one private philanthropic trust administrator talked sceptically of DONGOs (donor oriented non-government organisations), who invested too much energy into building rapport with donors, at cost to community service delivery.

In justification of government’s insistence in determining how and to whom state funds were administered, most government department administrators perceived they had a mandate through the political process to prioritise what and who was funded. One senior administrator contended that government, like all organisations, including CSOs, worked to their respective priorities, and



that they collaborated only when it was to their advantage. This perspective suggests that all collaborations result from a need held by the collaborator, and that rather than being forced into working with others, each organisation freely choose to collaborate because it perceives that ultimately the gains outweigh its costs. This assertion questions earlier notions associated with forced collaboration or mission drift, so much so that when asked if she felt the victim of donor capture one senior ECSO manager replied, “I don’t think any of us would be here if we believed that that was the case”.

### **Stakeholders lose confidence in collaborative partners.**

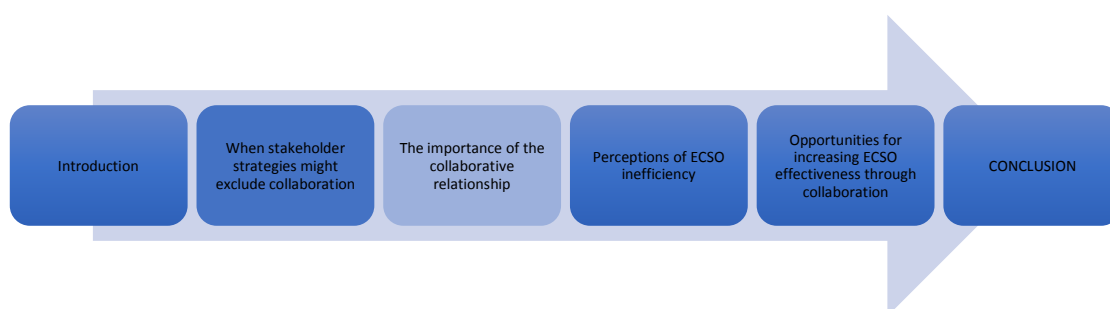
As discussed later in the chapter, both literature and current research findings contend the CSS has historically contained excessive inefficiency, and that it continues to do so. While

Stakeholders including funders are unlikely to collaborate or make grants when the ECSOs goals do not align with their own.

government department and private philanthropic trust administrators stated the result of low ECSO credibility and capability was that funding would be withdrawn, these same participants expressed significant ongoing frustrations in their dealings with organisations they perceived as inefficient. This indicates that funders should either reduce unrealistic expectations, tighten consequences for those delivering below their required standard by withholding funding agreements, or find other ways of achieving their goals, such as delivering community services inhouse.

Should funders consistently lack confidence in the ability of an ECSO to deliver contracted outcomes, it is inappropriate to continue the collaboration

## **8.3 IMPORTANCE OF COLLABORATIVE RELATIONSHIP**



Literature contends at the centre of collaboration is the process of bringing people together to build relationship (Atkinson, 2007; Ogilvie, 2002; Wolff, 2001). Relationship relies on trust

(Aldridge, 2012; Gazley, 2010), which Thomson and Perry (2006) defined as meeting commitments, negotiating honestly and not taking advantage of others. Establishing trust is said to be easier where there is pre-existing relationship, or where participants share similar characteristics (Atouba & Shumate, 2014b; Gazley, 2010; Putnam, 2000). Yet, because collaborative actors may have different philosophical outlooks (Eason et al., 2000; Linden, 2002), or because they may be competing for contracts (Considine et al., 2014; Larner & Craig, 2005), building constructive relationships may require considerable time and effort so that respect, understanding, reciprocity and trust can be established (McMorland & Eraković, 2013).

In this study relationship was identified as not only the glue that enabled a collaboration to form, but also what bonded actors throughout a project's duration. The process of building relationship consumed time; therefore, relationships were established "over a long journey", sometimes taking over five or six years before the required trust was earned. Those who invested heavily in establishing strong relationships reported it was both essential and worthwhile.

Thus, this section examines relevant aspects of collaborative relationships amongst ECSO stakeholders of New Zealand in an environment of neoliberal economic policies centred around competitive contractualism. It examines seven pertinent dynamics associated with the collaborative relationship within this context. These include the importance of: 1) establishing pre-existing relationships with potential collaborators, including funders; 2) collaboration for care, encouragement and accountability; 3) mutual benefit, along with alignment of goals and values amongst all collaborators; 4) acceptance that policies associated with contracting are non-negotiable; 5) generosity amongst all collaborators; 6) displaying human compassion and welfare; and 7) maintaining respect, goodwill and good faith by refraining from publicly critiquing collaborative partners.

### **Establishing pre-existing Relationships with potential collaborators, including funders**

When justifying the introduction of competitive contractualism, government stated that the process would overcome a historical bias of awarding funding to traditional 'high culture' social allies (Tennant et al., 2008), with whom it had a pre-existing relationship. Instead, the new culture was to be objective. Therefore, it was said to represent opportunity, in that it would open barriers to new organisations including; Māori service providers, smaller CSOs, Pacifica groups, new immigrant associations, other cultural societies, and vulnerable sectors of the population (ANGO, 2001; Community and Voluntary Sector Working Party, 2001; Nowland Foreman, 1999).

However, the current research indicated that prior personal rapport with funders continues to serve as an important precursor to collaborations with both government departments and private philanthropic trusts. So much so, that several ECSO managers placed importance on personally being known to government officials. One participant indicated that his relationship with half of parliament's cabinet was of significant benefit to his organisation. Another articulated a clear strategy of how he would gain access to ministers within government which he saw as being of significant benefit to his start-up advocacy organisation. Not only was prior relationship

Despite stated government intentions associated with contracting, pre-existing relationship continues as a strong prerequisite to funding contracts being approved

important for collaborations with government departments, private philanthropic trust administrators similarly indicated that having early rapport with CSOs was common practice, long before applications were considered.

### **Collaboration for care, encouragement and accountability**

Access to intangible resources, such as reputation and legitimacy, have been associated with motivations behind collaboration (Arya & Lin, 2007; Cairns & Harris, 2011), especially by smaller organisations (Atouba and Shumate (2014) seeking to improve their public profile so they might access new resourcing opportunities (Palakshappa et al., 2010). Equally, this study found ECSOs collaborate to build networks that afforded them recognition, which opened new opportunities for accessing finances, knowledge, expertise and personnel.

Yet, a further intangible resource pertinent to ECSO managers identified in this study, involved access to the intangible resources of personal support. Literature identifies that relationship building is linked with establishing trust through understanding each other's needs (Aldridge, 2012; Gazley, 2010; Thomson & Perry, 2006). Specifically, current findings suggested there was value in dialogue for individuals' sense of personal support and encouragement. Within New Zealand, many ECSOs are self-managed, which was explained by a participant to mean a "lonely existence". Therefore, he exclaimed that meeting regularly with likeminded ECSO managers was "brilliant" because "they are always checking out how you are going". Notably, this intangible resource was also discussed by one government department administrator who emphasised the importance of enabling her client ECSO managers "to feel and know that you actually do care about them", or that the contracting culture was not just concerned with accountability.

Furthermore, some ECSO managers perceived informal dialogue with other ECSO managers

extended beyond merely providing encouragement and support but that it also presented opportunity for mutual accountability, which they welcomed. Thus, a minister of religion talked of his collaborative colleagues giving liberty to be “frank with one another”. Equally a manager of an ethnic organisation discussed how he gave “feedback” to his collaborative partner, “whether it be good or bad”.

A collaborative agenda of dialogue may include not only building trust, but also providing supportive care, encouragement and/or accountability that motivates actors towards greater efficiency and effectiveness

**Mutual benefit, along with alignment of goals and values amongst all collaborators**

Findings of the current research indicated that ECSOs collaborate to transform their programmes. Commonly, this involved an ECSO partnering with others to fill capability gaps. The result may have been shared ownership of programmes, with actors contributing in accord with their respective strengths and skillsets. One example included an international aid organisation collaborating with a corporate who provided pro-bono services of young professionals. While this collaboration provided quality staffing for the ECSO, the corporate gained opportunities for upskilling staff in challenging international environments. Examples were also offered where government departments and private philanthropic trusts co-hosted programmes, such as training, with an CSO service provider. While research associated with this thesis found many instances of collaborative programming involving shared project ownership, equally common were examples where a project was controlled by one organisation, who outsourced aspects of delivery to external individuals or organisations. Examples were offered where outsourcing was practised between ECSOs. Here one collaborator held considerably higher levels of control over a project. Equally government department administrators talked of outsourcing to CSOs yet who maintained control through conditions specified in contracts.

Literature places importance on collaborative actors sharing a common vision (Craig, 2004; Palakshappa et al., 2010; Thomson & Perry, 2006; Wolff, 2001), core values (Atkinson, 2007), and approaches to intervention (Austin et al., 2000; Lukas, 2005; Strategic Pay, 2013). It also contends these factors offer collaborations clear guiding purposes (Dowling, 2004) that stimulate synergy (McMorland & Eraković, 2013). Yet, because of ideological differences between stakeholders or due to CSOs’ strong desire for autonomy, achieving shared clarity of purpose may be elusive (Eason et al., 2000; Ebaugh et al., 2007; Linden, 2002). Shaw et al. (2012) assert this is because actors must be prepared to sacrifice some independence, which may be difficult, especially when a dominant stakeholder initiates the relationship (Coulson-Thomas, 2005), or

when actors lack either the will or skills to negotiate (Fischer et al., 2011; McMorland & Eraković, 2013).

Furthermore, literature also contends that a lack of consultation in decision making disempowers stakeholders, leaving them feeling alienated and estranged from collective goals (Drucker, 1990; Lewis & Seibold, 1998). Both extant literature (Bell, 2001; Lerner & Craig, 2005; Shaw et al., 2012) and ECSO managers in this research critiqued government and, to a lesser extent, private philanthropic trusts for failing to adequately consult over future policy direction, including strategic prioritisation. O'Brien et al. (2009) suggested government took steps to rectify this concern as part of their 'statement of government intentions'. Concurring with this assertion, government department administrators in the current study described undertaking extensive consultation at a strategic level. Yet, they also highlighted that pragmatically they must take responsibility for decisions. Of equal importance was their assertion that government dealt with many stakeholders from different community groups. This meant it was unrealistic to think they could hear every voice on every occasion. Furthermore, they contended the input they received was not uniform; therefore, gaining universal agreement with every decision from all sectors of the community was virtually impossible.

Yet, when funders primarily supported CSOs through untagged grants-in-aid, the value of shared vision was of low importance. Funding was provided to assist an organisation in achieving its own goals (Wilson et al., 2001). However, with governments introduction of neoliberalist policies, CSOs perceived the position was reversed. Contracts coerced organisations to align their strategies with those of donors (Tennant et al., 2006). CSOs argued the change undermined the direction and value of their work (Cairns et al., 2005; Community and Voluntary Sector Working Party, 2001; O'Brien et al., 2009; Osula & Ng, 2014; Rogers, 2007; Sam & Jackson, 2004; Smyth, 1995; Tennant et al., 2006a; Wilson et al., 2001). CSOs expressed the concern that they had become no more than "convenient conduits" who delivered government objectives within the community (New Zealand Council of Christian Social Services, 1998).

Such a stance appears to overlook growth of government support for the sector, where in 2002 it contributed around one billion NZ\$ (Brien et al., 2009) compared with 9.4 billion NZ\$ in 2013 (Statistics New Zealand, 2015). Significantly, much of this additional revenue was always specifically provided for contracted out core social services of government to CSOs, which government had itself historically delivered (Milbourne & Cushman, 2013).

The current research identified ongoing tensions caused through contracting. Without exception, government department administrators were conscious of the asymmetrical nature of their collaborations with ECSOs, and of the perception they may come across as controlling. Indeed, they stated categorically that programmes funded by government were owned and controlled by it. One participant contended that, through the democratic process, the electorate gave government a mandate to prioritise use of the limited funds raised through taxes. He argued the process empowered government to choose which social services it required, and who was best placed to deliver those services. Thus, he and others employed terminology of funding the CSS through “investment decisions”, “buying the services and relationships” of CSOs and/or of “procuring” services government required. For these participants, CSO–government collaborations were unequivocally about ownership by government buying services it required from whoever it perceived was most efficient and effective in delivery. They argued that to act any other way was against procurement principles of transparency and fairness.

Similarly, private philanthropic trust administrators also talked of asymmetry in their relationship with CSOs. One sympathetically explained the situation by stating the reality “you need the money and we’ve got it. We can pull the plug on you and you can’t do a blimmin thing about it”. While this participant talked of an intention to mitigate this imbalance, most funders followed the approach of government department administrators, one of which argued “we call the shots when we give the money”. Another philanthropic trust administrator talked of “buying” the best services that would achieve his trustee’s objectives. He asserted “what we have got is people who have money and they want to buy outcomes for people over here who have needs. In between there is this intermediary group [the CSO]”. This participant continued by argued that in granting funds to CSOs, the sole interest of the trust was to deliver services to people in need, but that sadly often the CSO perceived itself as the subject.

Thus, it is important that ECSO managers understand the objectives of government and private philanthropic trusts. For them collaboration with a CSO is not about sharing ownership, or to balance power indifferences, it is exclusively to provide services to those the funder perceives to be in need. In other words, where contract funding is involved, the measure of value is determined exclusively by the funder and funds will only be offered where there is alignment between the aims of the CSO with that of the funder.

This finding stands in opposition with much CSO literature in New Zealand and elsewhere that presumes the need for shared project ownership between collaborators. For example, Nowland-

Foreman (2008) drew an analogy between the CSS and government with Laurel and Hardy to assert that a more powerful actor could easily suffocate their weaker colleague. Indeed, much of the historical angst between CSOs and government is rooted in a presumption that there is an equal distribution of power across collaborators (Cairns et al., 2005; Community and Voluntary Sector Working Party, 2001; Osula & Ng, 2014; Rogers, 2007; Sam & Jackson, 2004; Smyth, 1995; Tennant et al., 2006). So strongly was the anger of New Zealand CSOs towards neoliberalist government economic policies that O'Brien et al. (2009) stated, "concerns about the extent of mission drift for non-profits away from their original purposes and towards government agendas ... were voiced by most of the non-profit personnel interviewed". The tension created sustained estrangement between CSOs and government (Glensor, 2006; Stace & Cumming, 2006), so much so that after three decades of neoliberalism Nowland-Foreman (2016) theorised nothing had changed in the standoff between government and CSOs; therefore, he contended the CSS must stoically remain resilient and stand strong in its demand for change.

Taking an alternative perspective, this research contends that if CSOs seek collaborative equality with funders, whether government or private philanthropic trusts, the relationship will likely be fraught with frustration and ultimately failure. Accordingly, the call to remain resistant and demand equality from more powerful collaborative actors stands in opposition to the principle that all collaborators must ensure respective benefit by collaborating, and through alignment between the goals and values of all actors.

However, it should be noted that, a government department administrator acknowledged procurement theory advanced the notion that the more important a supplier was to the purchaser, the more intense the relationship became, moving it closer towards partnership or even co-governance. She continued by asserting that too few CSOs delivered this level of capability. Herein lies a dilemma as to whether CSOs are incompetent or if government expectation is unrealistic. Current findings indicated that both positions hold some relevance.

Equally important is that extant literature contends benefit in collaboration motivated by resource dependence, including intangible resources such as access to professional skills of personnel, such as marketing, computing, accounting and human resource management, and entry to new markets/ (Eweje & Palakshappa, 2008; Lee, 2011; Seitanidi, 2008). Related to this, an additional finding from the current research was that government department administrators stated they collaborate with CSOs to access voluntary labour and experts in community development. It may be that such a benefit to government represents a significant mechanism that is currently

underutilised by CSOs to leverage collaborative power imbalances when working with the state.

Alternatively, it may be that, due to the high number of organisations within the sector and the intensity of competition, government has the luxury of dictating all contracted terms, knowing that ultimately it will source a collaborator willing to work according to its conditions.

Seeking collaborative equality with funders is likely to be fraught with frustration and failure as it overlooks the need for mutual benefit and alignment of goals and values amongst collaborators

#### **Acceptance that policies associated with contracting are non-negotiable**

Furthermore, from the perspective of funders, the procurement culture is fully embedded within their policies, and is now non-negotiable. As stated by one senior government department administrator “Giving handouts to CSOs is a thing of the past”. While a minority of ECSO

For funders policies associated with contracting are embedded and non-negotiable

managers in this study continued to display a sense of entitlement, analysis suggested a growing acceptance of the need to meet funders “criteria”. However, participants expressed ongoing concern regarding the danger of mission creep, specifically if meeting funders’ goals resulted only in short-term outputs or “shiny programmes” that “ticked boxes” as opposed to long term positive social change. For some, this concern translated into declining offers of money from funders if they did not align with the CSOs strategies, or if the cost of collaboration outweighed its benefits.

#### **Generosity amongst all collaborators**

Participants in this research indicated emotional maturity should be displayed by all collaborative actors, to ensure that personal interests did not undermine collaborative goals. Such an approach is in line with Mintzberg et al. (1996) who asserted individualistic determination and ambition may create barriers impeding collaborations. McLaughlin and Covert (1984) added that competitive spirits, parochial interests and resistance to change also created significant hurdles.

In addition to emotional maturity, participants in the current research sensed collaborations were significantly enhanced when actors held personal interest in working with others, and when they perceived value in the project being undertaken. Rather than “freeriding”, it was suggested that collaborators should give of themselves to the process and the project. Literature also identifies that actors’ willingness to engage (Atkinson et al., 2002; Gazley, 2010) in collaboration is beneficial. Roberts and O’Connor (2008) advocate this is best achieved through a “bottom-up”



approach that engages those at the grass roots of a community, as these individuals are likely to take ownership of a project (Cameron et al., 2000).

Illustrations of active engagement were offered by several participants of ECSO–ECSO collaborations. One example involved a recreation subsector manager who said that his colleague went “over and above” and that they gave 100%. Another talked of the importance of collaborators being generous. However, it was disappointing to hear that some government department administrators stated engagement surveys revealed high levels of disillusionment within their sector. One administrator stated candidly some staff “hated their jobs and were miserable”. It was evident throughout interviews that some ECSO managers felt the negative effects of this reality.

Of equal disappointment was the discovery that multiple participants indicated it was not uncommon for organisations to place their “second best” on inter-organisational collaborations, a practice one government administrator called “not putting their skin in the game”. The rationale behind placing less competent actors within collaborations was associated with protectionism. Thus, a senior ECSO manager contended that, while funders wanted CSOs to collaborate, they promoted competitiveness through contracting policies. This assertion concurs with what Ogden and Wilson (2001) termed compulsory competitive tendering, where organisations bidding for funds were effectively forced into withholding information historically shared amongst likeminded organisations in order to gain competitive advantage and financial survival

Generosity of time and energy benefit constructive collaborations; yet, there was evidence of a lack of this conduct in the behaviour of some collaborative actors

(Atkinson, 2007; Bode, 2006; Considine et al., 2014; Rathi et al., 2014; Shaw et al., 2012).

### **Displaying human compassion and welfare**

Some stakeholders of this study expressed concern that some CSO staff were self-centred. While it was acknowledged that CSOs typically comprise compassionate personnel; there was a perception that some CSO staff were driven by an unhealthy “need to care”. It was suggested the primary motivation of some individuals was to “rescue” people and organisations because it gave some individuals a personal sense of meaning. The contention was that this expression of self-interest compromised organisational performance through a “tyranny of niceness”, which excused or rescued underperforming individuals and organisations. One private philanthropic trust participant sensed this challenge as “the elephant in the room”.

Disappointingly, a minority of funders who perceived CSO staff as self-centred took their views to an extreme and displayed a level of disrespect for the welfare of CSO staff who were their

Funder's perceptions of CSS self-centeredness may lack basic human compassion and welfare for CSO staff

clients.  
One

government department administrator recalled how upon informing a client that a contract had not been renewed, then proceeded to indicate she felt it totally inappropriate, that the ECSO manager was concerned she would become unemployed. The administrator felt the chief concern should have been for those in the community that would no longer benefit from the service. Concerns that the manager may have been unable to meet mortgage/rental payments or feed and clothe her family appeared irrelevant, and overlooked basic welfare for those working within the sector, and who typically offer their services well below market value (Strategic Pay, 2013).

### **Maintaining respect, goodwill and good faith by refraining from publicly critiquing collaborative partners**

A foundation underlying constructive collaboration includes building relationships based on trust, and good faith (Aldridge, 2012; Atkinson, 2007; Gazley, 2010). Not only did participants in the current research identify value in these behaviours, they added values of showing respect and goodwill. However, these kinds of values were not always displayed by ECSO managers in their dealings with government departments. Government department administrators recalled incidents where client ECSOs were publicly “bad mouthing” government departments, rather than talking directly with them. Of this behaviour, a manager within the advocacy subsector acknowledged that “having a go at government” through the media undermined the relationship. Literature, such as the report of SPARC (2006) along with current findings, indicate that an obstacle to collaboration involves holding a sense of entitlement, and this behaviour may explain the root of such conduct.

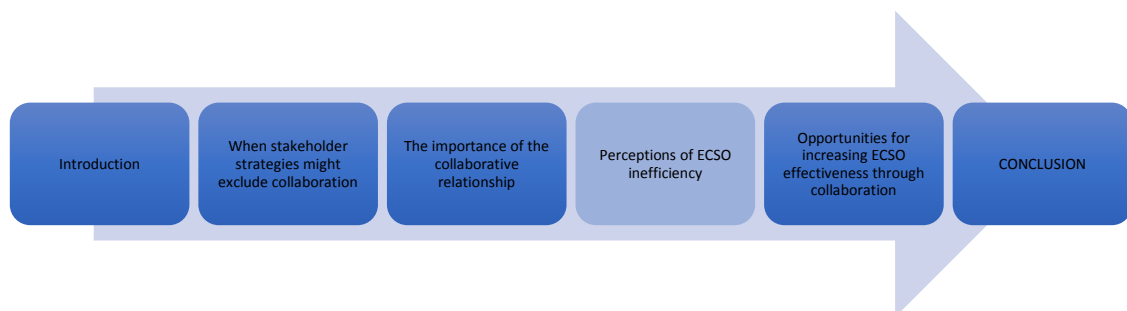
The need for establishing mutual trust, respect, goodwill and good faith within constructive collaborations stands as a challenge against accusations made by CSOs directed towards governments in the UK (Morris, 2015; The Baring Foundation, 2015; Third Sector, 2104), and within New Zealand (Grey & Sedgwick, 2013), that they had inappropriately gagged CSOs from speaking against State social policies. Indeed, participants of the current research asserted that prior to entering a collaboration, all actors should measure the anticipated gains against its costs to determine if the collaboration benefitted the organisation and ultimately determine whether engagement should proceed. Accordingly, a cost to maintaining collaborative relationships built on trust, respect, goodwill and good faith may be that an organisation loses its ability to publicly

“badmouth” collaborative colleagues, including government. Accordingly, should an organisation elect to critique state policy, it should also be prepared to look elsewhere for funding.

That said, recent events in New Zealand suggest there may be need within ECSO stakeholder groups to show more respect and to display greater levels of good faith with one another. For example, as part of the current election campaign, the Minister responsible for the CSS threatened to withdraw funding from a CSO headed by a candidate from an opposition party because he criticised current government policy (Scoop Independent News, 2017)

A cost to relationships built on mutual trust, respect, goodwill and good faith may be that collaborators lose their ability to publicly critique collaborative colleagues, including government policy

#### 8.4 PERCEPTIONS OF ECSO INEFFICIENCY



This section explores perceptions of stakeholders concerning ECSO inefficiency at an individual and/or sectoral level. Both government department and private philanthropic trust administrators in the current study expressed disquiet over inefficiency, or what they perceived to be a generalised incompetence in the managerial capabilities of ECSOs to deliver programmes that responded to societal changes. One private philanthropic trust administrator exclaimed “if you’re doing badly, are you really helping people, or are you just satisfying your need to care?”

Such criticism concurs with enduring literature that contends high levels of inefficiency are present within the CSS (Alexandra et al., 1997; Grant Thornton, 2014; Onyx et al., 2010; Strategic Pay, 2013). In part, perceptions of CSO inefficiency explain the rationale behind detailed compliance reporting regimes introduced through conditions of contracting policies that sought to verify service agreement outputs had been achieved (Buchanan & Pilgrim, 2004; Evans, Richmond, & Shields, 2005; Sanders et al., 2008; Shaw et al., 2012); Tennant et al.,

2008). Indeed, it was argued that reporting requirements demanded a level of accountability unmatched by the financial value of the contract. (Milbourne, 2009; Morris & Ogden, 2011).

Below, three assertions concerning ECSO inefficiency are advanced. That: 1) the CSS requires significant managerial upskilling; 2) the credibility of ECSOs cannot be assumed; 3) mergers may be stimulated by funders significantly reducing their client base and an increase of trust amongst CSOs.

### **The CSS requires significant managerial upskilling;**

One example of a criticism levelled at ECSOs was that within the sector some lacked professionalism. This concern seemed to be attributed to a perception that because an organisation's cause was so important, its staff felt they were entitled to receive financial support, irrespective of delivered outcomes. Not only did this sentiment explain some organisational ineptitude on behalf of the CSO, but it may also explain why a sense of entitlement hedged these organisations from criticisms that they lacked innovation, risk-taking, investing and paying market value to access competent talent.

Accordingly, numerous government department or private philanthropic trust administrators in the current study perceived the sector required significant management upskilling

Funders perceive the CSS requires significant managerial upskilling

### **The credibility of ECSOs cannot be assumed**

Current findings indicate a constructive collaborative culture includes the need for actors to display credibility. However, a senior government department administrator talked of working particularly closely with "higher trust" service providers because she perceived there were too few CSOs who had the level of credibility expected by the state. This same sentiment was echoed by philanthropic trust administrators. Literature contends that neoliberal policies, including contracting, imposed professionalisation on CSOs at significant cost to organisations. Regardless of experience or remuneration, staff were expected to gain formal qualifications (Larner & Craig, 2005). Additionally, following the statement of government intentions, which sought to significantly enhance the estranged CSO–government relationship, it was contended that new skills associated with partnership were required of CSO managers. These included not only building trust, reciprocity, understanding, credibility, consultation, and collaboration

(Larner & Craig, 2005), but also networking, promoting change (Salamon, 2002), diplomacy and negotiation (Rhodes, 2000).

Funders in the current research contended that assumptions of CSOs as to their own credibility could not be assumed by them. A private philanthropic trust administrator argued if his board directed him to purchase a car, they expected him to buy the best car possible for the money available, rather than to purchase a “clapped-out Morris Minor”. Therefore, amid the hundreds of applications his organisation received each year, he engaged out only those that provided evidence of being the most credible. Similarly, government department administrators talked of the need to be fair and transparent in their contracting. This policy meant that rather than awarding contracts based on historical relationship, only the most efficient and effective organisations that applied for funding received contracts.

In sum, funders were inherently cautious about which CSOs they would collaborate with. Current data indicated growing acceptance of this kind of competitiveness by ECSO managers. Thus, one senior manager of an international aid organisation explained how she had to learn that credibility was something earned, and that it was not automatically credited to a CSO. Findings suggested that, from the perspective of potential collaborators, ECSO credibility contained four important aspects: reputation, staffing, governance and reliability.

Firstly, an organisation and its personnel needed to have a robust reputation. Here it was claimed that the small size of New Zealand meant that if you have “a bad odour, you’re stuffed” because your reputation preceded you. Equally, when awarding contracts, ECSO managers perceived funders typically chose those which were iconic, with reliable track records. Thus, despite the goal of contracting making funding access easier for start-up organisations, emerging social enterprise managers perceived it was very difficult to win the confidence of potential funders. Therefore, rather than offering historical achievements, they sought to earn reputation by having vision, creativity, and clear strategies of what they wanted to achieve and how it would be delivered.

Secondly, it was felt that credibility was earned through the capability of ECSO staff. This required that managers upskill, that organisations transition from utilising volunteers to employing staff, and ensuring funding applications gave evidence that an organisation had the technical know-how and ability to deliver.

Thirdly, ECSOs perceived a need to have robust governance structures, including a mixture of community representatives, and those with governance skills, who could ensure funds were efficiently and appropriately administered.

Fourthly, credibility was associated with ensuring an organisation delivered agreed outcomes contained in contracts, as this elevated their status and confirmed their reputation as a “higher trust” partner with government departments.

The credibility of an ECSO cannot be assumed. Potential collaborators measure credibility across four areas: reputation, staffing, governance and reliability

**Mergers may be stimulated by funders significantly reducing their client base and an increase of trust amongst CSOs**

One reason associated with why ECSOs collaborate is identified as integration (Austin et al., 2000; Berger et al., 2004; Kagan, 1991; Roberts & O’Connor, 2008). Indeed, Cartwright et al. (2008) contended that CSO mergers may be required to deal with the growing complexity of society.

In particular, New Zealand commentators claim the CSS is overcrowded (Shepherd, 2010), that mass duplication exists (Strategic Pay, 2013), necessitating consolidation, mergers or amalgamations to deal with perceived sectoral inefficiency (Grant Thornton, 2014). Consequently, in jurisdictions such as the UK, mergers have become common practice amongst some tangible social service providers (Charity Commission, 2009), notably those concerned with housing (Davies, Lupton, & McRoberts, 2006; Mullins & Craig, 2005).

Four participants in this research talked of mergers as a kind of collaboration. None expressed first-hand experience of inter-organisational mergers, but only of restructuring regionalised confederations to national entities. Thus, there appears to be a lack of ECSO mergers within New Zealand. This is despite a perception that New Zealand funders had taken considerable steps to encourage this form of collaboration. Furthermore, it was explained by government departments and private philanthropic trusts that while once upon a time they spread funding broadly across organisations, the current trend was towards giving larger grant support to far fewer organisations. The theoretical outworking of this approach is that funding opportunities will reduce for smaller CSOs. Such a strategy mirrors policy elsewhere, such as in the UK, where one of the perceived outcomes of ‘Big Society’ initiatives was that smaller organisations were forced to merge with larger entities (Milbourne & Cushman, 2013; Senior, 2011; The Baring

Foundation, 2015). It may also explain why 82% of Grant Thornton's (2016) respondents stated that they had to constantly seek out new funding and why 76% of them experienced rising difficulty in meeting financial targets.

However, a challenge associated with mergers for the CSS is that organisations are not primarily motivated by money or efficiency. As stated by McFarlan (1999, p.5), "the financial tail must not be allowed to wag the non-profit dog," rather it is the mission or the cause that is paramount (Collins, 2005; DiMaggio, 1988; Drucker, 2002; Gilligan & Golden, 2009; Quarter & Richmond, 2001; Salamon, 1994). This leads to fear that the more intense the collaborative relationship becomes, greater is the threat of mission creep, or of loss of autonomy (Ebaugh et al., 2007), which might inhibit an ECSO's ability to achieve its core mission. Thus, it is contended that CSO mergers are rarely successful, as organisational identities or property rights are at stake (Coulson-Thomas, 2005; Shaw et al., 2012). The presence of this fear was recognised by most ECSO participants in the current study to the extent that mergers were often overlooked as desirable.

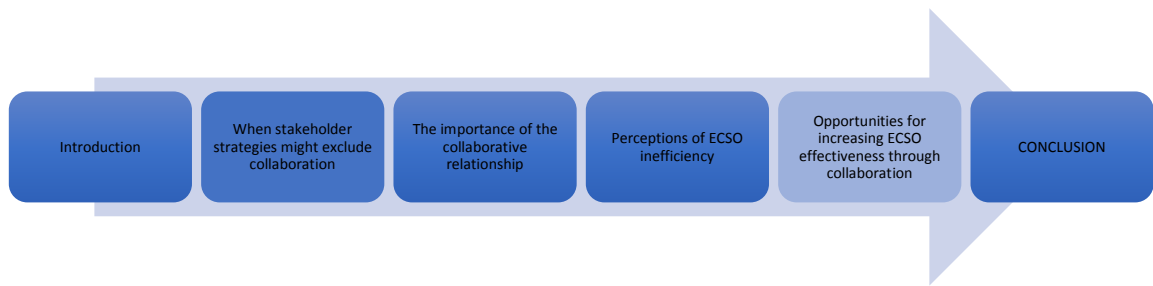
While fear of annexation may explain why ECSOs do not enter mergers; importantly, the lack of integration may also indicate that funders policies associated with consolidating the sector have not been so debilitating on organisations, that they have been leveraged to merge as a viable solution.

Alternatively, it is possible that even if organisational survival was to be threatened, organisations may choose to refrain from integration, rather than sacrifice what they perceive to be a non-negotiable mission. Regardless, if funding pressure was combined with an environment amongst ECSOs where greater levels of trust was developed, and where there was strong potential for attaining shared goals more efficiently, the appetite for mergers may escalate.

A combination of funders reducing the number of organisations with whom they contract, along with an increased sense of trust between collaborators may stimulate ECSO mergers that provide greater levels of organisational efficiency and effectiveness

## 8.5 OPPORTUNITIES FOR INCREASING ECSO EFFECTIVENESS THROUGH COLLABORATION

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The fourth and final section in this chapter identifies 5 areas where ECSOs and/or their stakeholders can enhance effectiveness in delivering their mission, at an individual and/or societal level through the praxis of collaboration. These include creating space for: 1) collaborative leadership; 2) collaborations focussed on vision and developing strategies of scale; 3) learning through collaboration; 4) balancing formality with agility in collaboration; and 5) evaluating collaborations.

### **Collaborative Leadership**

Much of the literature on collaboration within the context of CSOs places importance of equality in collaborative relationships (Bell, 2001; Christoffersen, 2013; Milbourne & Cushman, 2013). Contrstingly, only a small minority of participants in the current research sought such an approach. Where equality was desired, it was generally in the context of collaborations between ECSOs. Rather, most participants emphasised the importance of leadership within collaborative relationships. The notion of leadership within a collaboration echoes current momentum within the CSS for a model termed ‘collective impact’ (Kania & Kramer, 2011). This approach includes the need for a ‘backbone’ or a lead organisation to spearhead collaborative endeavour.

Examples of collaborative leadership identified in this research included not only ESCO managers taking initiative to establish collaborations; equally, government department or private philanthropic trust administrators also specifically discussed starting a process that engaged CSOs, or other funders, in order to advance their own strategic priorities. Commonly, the lead person/organisation not only called a select group together, they may have also taken on responsibility for overseeing operations during the collaborative endeavour. Specific examples of initiating leadership included one ECSO applying for funds from a government department, or private philanthropic trust, on behalf of a consortium of ECSOs. Another included government departments’, or private philanthropic trusts, bringing together a group of organisations with a view to scoping project possibilities, or to gather information. A third involved lead organisations bringing a select group of community stakeholders together to develop a “preliminary hypothesis”. While lead actors stated they wrestled over when to open dialogue,



they also talked of how the initial thinking of the lead group was later tested, when the project was widened to include other interested stakeholders.

Participants talked of leadership that not only initiated collaborations, but which also continued to lead collaborative projects through their duration. An umbrella organisation manager explained how her role in this process involved two Māori principles *kaiārahi* (leader) and *taituarā* (supporter), which operated in tandem. For her, this process strengthened members, rather than disempowered them, as it sought to ensure outcomes were mutually agreed and were for mutual benefit. Therefore, her leadership style centred on facilitation. Similarly, Atkinson (2007) discussed the need for facilitation skills amongst collaborators, and Rhodes (2000) suggested this included competency in diplomacy and negotiation.

Literature that contextualised this thesis highlighted that collaboration within New Zealand's CSS has tended to strongly focus on CSO–government relationships. Here, it is asserted that CSO–government relationships were driven overtly and covertly by government department administrators and that this caused much resentment and hostility for the civil society sector at large (Atkinson, 2007; Bell, 2001; Cairns & Harris, 2011). Similar sentiments have been expressed in geographic jurisdictions outside of New Zealand, where it has led to scholars calling for research that explored benefits and drawbacks over the presence of dominant partners within CSS collaborations (Christoffersen, 2013; Milbourne & Cushman, 2013).

Importantly, this research contends the presence of leadership, and dominant actors within collaborations is often advantageous. Furthermore, rather than questioning the validity of asymmetrical collaborative relationships, a social enterprise manager suggested that weaker ECSOs needed to consider how best to manage the imbalance. He indicated this could be addressed by understanding what the dominant actor needed, or what motivated them to collaborate and then use this knowledge for leverage. Accordingly, future research may extract value by specifically examining why dominant actors such as government departments elect to collaborate with weaker counterparts.

Rather than equality, ECSO collaborations often require leadership to initiate and sustain constructive collaborations. Such leadership may come from an ECSO, or other stakeholders, including government departments, or private philanthropic trusts

### **Collaborations focussed on vision and developing strategies of scale**

Literature places value on collaborations focused on developing strategies that address wicked, complex social concerns such as education, healthcare, poverty, community capacity building

and environmental sustainability (Austin and Wei-Skillern, 2006; Linden; Selsky & Parker, 2005; Seitanidi, 2008). These authors assert that these types of challenges can only be tackled across organisations and sectors. Specifically, Osula and Ng (2014) argue, due to the size and complexity of challenges facing society today, collaboration is no longer an option but a necessity. Yet, beyond theorisation, there remains a lack of empirical studies confirming strategies of scale are attainable through CSO collaborations (Allen, 2005; Atkinson, 2007; Atouba & Shumate, 2014b; Foster-Fishman et al., 2001b).

Surprisingly, only a minority of participants in the current study asserted collaboration motivated by strategic development was of critical importance. Those who discussed strategic collaborations were concerned to develop ambitious goals, which offered potential to create positive systemic change, that reached beyond short-run outputs and/or outcomes. Specifically, they talked of a desire to resolve contemporary complex social problems. Of particular interest to these individuals were cross-sector collaborations, which have previously been identified as important.

Beyond mere theorisation, participants from the current research offered tangible concrete examples where cross-sector collaborations delivered positive outcomes. Thus, a senior government department administrator claimed cross-sector collaborations represented “our real, absolute, best projects”.

However, regrettably, this research found the volume of collaborations motivated to develop vision and strategies of scale, including cross sector collaborations, was limited. Stakeholders criticised New Zealand’s CSS for its lack of creativity, innovation and “big picture thinking”. They perceived that typically CSOs tended to focus pragmatically or operationally, rather than strategically. Reasons given to justify short-sightedness within the sector included funding constraint, organisational insecurity, an aversion to risk, over analysis of the past, and organisational independence.

Furthermore, it was asserted by a minority of participants that responsibility for finding solutions to complex wicked problems did not rest exclusively with an individual CSO, or with government alone. Indeed, private philanthropic trust administrators claimed that because they were not constrained by having to mollify public opinion on how they expended funds, they were uniquely positioned to take risks and support innovative projects. Thus, findings from this research suggested that private philanthropic trusts are strategically placed to provide

architectural leadership within the CSS that brings organisations together to explore large scale visions of impact. Furthermore, it was identified that umbrella organisations also represent an underexploited opportunity to orchestrate “scaled up” strategies that might resolve social problems. Of this, one manager enthused “instead of just looking at what the measurable outcomes are of my particular patch, we need to be thinking broader, and farther and wider and far more strategically and ultimately saying what is the overall impact”.

### **Learning through collaboration**

Hines (2002) contended there was benefit in collaboration that had the objective of learning from others. Empirical data from the current study identified that ECSOs collaborate to learn for both personal and organisational development.

Participants indicated that through dialogue or consultation, they gained valuable knowledge

CSS stakeholders should place greater emphasis on building collaborations that develop vision and strategies of scale that offer potential for social transformation and for addressing wicked social problems. These collaborations are most successful when they span sectors.

concerning their environment and constituency. Additionally, they gained insights regarding how other organisations operate, including aspects of management and/or governance. A third form of learning involved actors challenging each other’s paradigms so that new thinking and behaviour could emerge. These benefits were best summarised by a minister of religion who enthused how much better his organisation was in its self-sufficiency, because of insights learned from collaborative colleagues sharing information.

While learning through collaboration held more relevance for likeminded ECSOs, there were also instances where learning occurred between “unlike” organisations. Examples included collaborations between ECSOs and private philanthropic trusts. Additionally, private philanthropic trusts and government departments consulted with CSOs to gather information, or they may have offered CSOs technical advice and support through a specialist intermediary or consultant. Furthermore, examples were also offered where collaboration for learning spanned sectors, such as a collaboration between an ECSO and a corporate.

Learning through collaboration, and particularly through dissimilar organisations or across sectors, represents not only significant underexploited transformational opportunities for ECSOs,

it also represents an underutilised resource owned by ECSOs which affords them vital leverage in collaborative negotiations.

### **Balancing formality with agility in collaboration**

Greater emphasis should be placed on collaborations focused on individual and organisation wide learning with similar and dissimilar ECSOs along with cross-sector stakeholders

The  
current

research found benefits associated with both formal and informal types of collaborations, as has been previously identified (Austin et al., 2000; Fowler, 2002; Rathi et al., 2014). Formalised contracts, which were introduced in the early 1980s (Clarke et al., 2000; Suggate, 1995), continue as the favoured method of government departments when collaborating with CSOs. In 2013, 1.440 million NZ\$ was contributed to the sector through grants (most of which were administered through contracts). A further 2.662 million NZ\$ was invested in the sector through direct purchase of services, which is the state's formal approach to contracting (Statistics New Zealand, 2015). A senior government department administrator explained that the contracting process was amidst transition to smooth-track bidding processes, simplify details contained within contracts, and to streamline compliance reporting. Rather than contracting being abandoned, she concurred with earlier statements of government officials, such as that of the Auditor-General who contended there had been "no retreat from contracting itself: quite the opposite" (Buchanan, 2004, p.5).

Following earlier findings (Aldridge, 2012; Craig & Courtney, 2004; Guo & Acar, 2005), contracts were also commonly used by current research participants engaged in ECSO–ECSO collaborations, and between ECSOs and corporates. A stated rationale for this approach aligned with the assertion of Lukas (2005), that the most common reason for collaborative failure related to disagreements over operating norms. Hence, when discussing a collaboration likely to fail, a participant in this research stated his desire was to "keep it organic" with an objective of fostering creativity, innovation and shared ownership; yet, the approach resulted in ambiguity concerning project aims and operational norms, particularly relating to roles, responsibilities and reporting of staff. These represent challenges previously identified by Nowland-Foreman (2008). ECSO managers also commonly employed contracts when outsourcing project responsibilities as opposed to sharing project responsibilities internally.

Rather than employing the term 'contracts' some participants talked of wanting a softer or less legal sounding phrase. They preferred "memorandums-of-understanding". Yet, whether contract

or memorandum-of-understanding, the purposes of these documents were to clarify shared values and what was expected of collaborators. Beyond documentation, this research also found some ECSOs benefitted from establishing independent advisory boards that comprised members of both organisations and had the purpose of overseeing shared projects.

Interestingly, private philanthropic trust administrators preferred the term funding agreements rather than contracts. One participant from this subsector suggested the rationale behind this terminology was that contracts implied “we are funding you to do something for us, rather than we are giving funding to you to do something that you want to do”. This approach contradicted other assertions made by private philanthropic trust administrators that CSOs must have strategic fit with the direction of their trust, if they were to be considered for funding. Therefore, the rationale behind use of this term may be misleading.

Several participants also spoke of benefits associated with informal collaborations. A manager of an advocacy start-up expressed concern that as collaborations became more formalised, they often became institutionalised, which potentially usurped original goal/s. Therefore, he argued informality enabled agility that could respond to need with haste. For him, collaboration involved actors coming together to achieve a specific objective. Following its completion, he contended that the collaboration should be disbanded, and that this may, or may not lead to a re-formation of the same or similar actors to address a different goal, potentially with different leadership.

While formalised collaborations utilising contracts or memorandums-of-understanding offer clarity in identifying project goals and responsibilities, informal agreements may offer greater agility to adapt and respond to need

### **Evaluating collaborations**

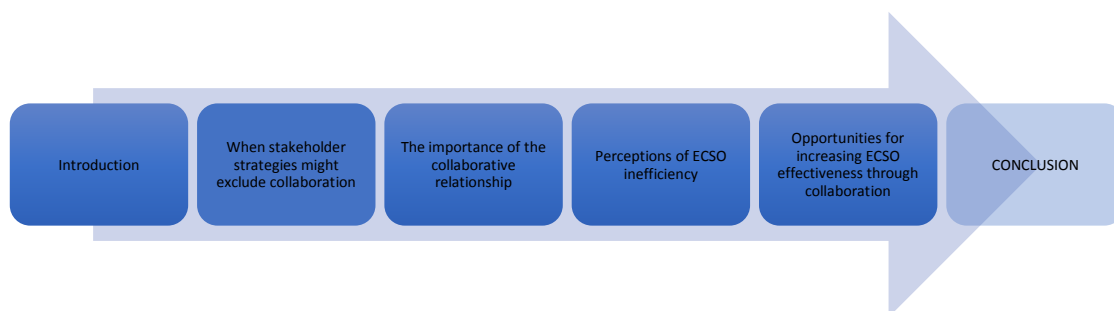
Evaluation of collaboration can be complicated due to different outlooks on what is to be appraised and how (Butterfoss et al., 1993; Dowling, 2004; Roberts & O'Connor, 2008). The focus of authors such as Schorr (2003), Gajda (2004) and Gray (2002) was on the collaborative process, sometimes referred to as soft evaluation. Here emphasis is placed on the nature of actors' relationships, including the presence of trust, forbearance, reciprocity and opportunism. Surprisingly, only one participant in this research (a social enterprise manager) spoke of evaluating the collaborative process, when he suggested positive indicators that a relationship was working included consideration of transparency, trust, participation and engagement.

However, even this participant quickly digressed to discuss evaluation of hard performance measures, which was the primary assessment concern of most participants. Data indicated that importance for use of tangible metrics was due to the time and resource invested in collaboration; thus, as stated by one participant, “something has to happen ... value has to be created”. Similarly, authors such as Christoffersen (2013) discuss the need for measuring hard collaborative project outcomes. In this context, numerous authors discuss the need for collaborators to set and monitor agreed performance indicators from the outset of a project (Austin et al., 2000; Berkowitz, 2001; Dowling, 2004; Gray, 2002; Roberts & O’Connor, 2008; Schorr, 2003), that would keep actors mutually accountable.

It is beyond the scope of this thesis to explore the minefield of preferred performance assessments available to CSOs, each of which is passionately contested. However, participants of the current research argued that regardless of which metric was employed, collaborators should reach agreement at the outset of the project of what is to be measured and how.

Regardless of which performance metric is used for evaluation, collaborators should agree at the outset of a project what is to be measured and how measurement will take place

## 8.6 CONCLUSION



This chapter discussed and integrated research findings with existing literature on the topic of collaboration within civil society. By taking the propositions contained in chapters 5, 6 and 7, it extracted four core themes, centred around: 1) when stakeholder strategies might exclude collaboration; 2) importance of collaborative relationships; 3) perceptions of ECSO inefficiency; and 4) opportunities for increasing ECSO effectiveness through collaboration

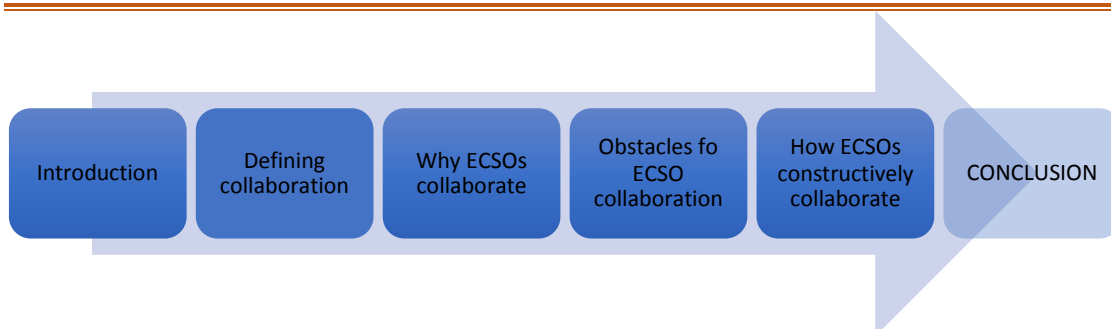
Many assertions concerning collaboration that have been derived in other geographic and societal contexts were discussed and confirmed. The chapter also sought to contribute to the

body of knowledge by providing empirical data to validate previously stated theoretical claims. However, the specific focus of the research and therefore this chapter was directed towards the distinctive context of New Zealand, with its forceful version of neoliberalism, the numeric strength of its ESCOs, and the strong levels of participation in civil society activities by its residents. Thus, the chapter aimed to deliver a series of unique insights and discoveries which have implications for theory, for future research and for social policymakers within New Zealand. Most importantly the chapter endeavoured to aid practitioners, ECSOs managers and stakeholders of these vital organisations to create successful and satisfying collaborations.

The next chapter concludes the thesis by highlighting some the most pertinent issues for those concerned with New Zealand's CSS.

## 9 CONCLUSION

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### 9.1 INTRODUCTION

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This chapter draws the thesis to a close and comprises three sections. It begins by reviewing the content of the thesis. This includes emphasis on its aims, questions, methodology and the core themes that emerged through findings. The second section highlights pertinent implications of the study for theory, policy and for the practice of New Zealand's ECSO managers. Identification of avenues for future research are also embedded within this section. Before concluding, research limitations are acknowledged.

### 9.2 THESIS OVERVIEW

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Chapter 1 of the thesis sought to explain why the research was undertaken and what its objectives were. It was suggested that while collaboration had been discussed at length across many disciplines, there remained many gaps in understanding the practice. Specifically, it was identified there was a paucity of scholarly literature that empirically examined how collaboration was applied in the context of New Zealand's CSS, and that this represented a significant omission. This assertion was defended because CSOs deliver considerable social and economic value to New Zealand, in that around 75% of the population participate in CSS activity, and because the sector represents around 5% of the country's gross domestic product.

The chapter also highlighted environmental distinctives of New Zealand's CSS, where, in addition to significant additional funding being contributed to the sector, implementation of neoliberal economic policies was intense, and had substantial consequences for CSOs.

Furthermore, it was explained that the composition of New Zealand's CSS was the opposite of international trends, in that two-thirds of the New Zealand's CSOs exist primarily to encourage collective outlets for human expression, while only one-third focus on delivering tangible social services. Accordingly, because the sector is often assumed to be unitary, and is internationally dominated by service providing organisations, it was argued that benefit could be derived from



exclusive examination of New Zealand's ECSOs.

Therefore, the stated aim of the research was to contribute to growth in our understanding of collaboration by New Zealand's ECSOs amidst neoliberalism, with the objective of enhancing the value created through CSS collaborations. To achieve this aim, three primary questions guided the research: Why do ECSOs collaborate? What obstacles do they encounter when collaborating? And how do they collaborate constructively?

Chapters 2 and 3 reviewed literature to bring theoretical sensitivity to the topics of the CSS and collaboration. In chapter 2, the sector was defined through consideration of its labels, boundaries and importance in the life of New Zealanders. This led to an examination of the history and characteristics of New Zealand's CSS, from its beginnings within an indigenous and colonial culture, through its various stages of growth, to the introduction of neoliberal economic policies, including competitive contracting, in the 1980s. The chapter concluded with an appraisal of negative consequences associated with contracting for the CSS, including funding distress, loss of autonomy, impeded effectiveness, impeded advocacy, loss of volunteers and managerial staff, and estrangement with government.

Chapter 3 began by outlining complexities associated with defining collaboration because the term is used inconsistently across many disciplines. It was stated that, because collaboration often includes informal working relationships at one end of the spectrum, and formalised partnerships, including mergers at the other, the thesis had adopted a broad and inclusive definition of the term. A distinction was made between collaborations internal to an organisation, with those that were inter-organisational, or comprised stakeholders external to a CSO. Consideration was also given to motivations underlying CSS collaborations. Here discussion centred around resource acquisition (resource dependence); resource management (transaction cost); and enhancement of organisational effectiveness (socialised choice). The chapter closed by identifying key components commonly associated with successful collaborations. Both chapters 2 and 3 concluded with a series of propositions summarising literature pertinent to the thesis.

Chapter 4 was divided into two sections. Firstly it addressed research design, which was built upon Constructionist Grounded Theory (Charmaz, 2006, 2008a, 2008b, 2014; Glaser & Strauss, 1967; Urquhart et al., 2010). It argued qualitative studies were preferred for exploration of organisations due to their ability to capture complexity and because they facilitated theorisation (Locke, 2001). Furthermore, Grounded Theory offered the potential of extracting "organisational

realities that would otherwise be missed” (Cassell et al., 2005, p.14), and was valuable for contexts such as this research, where theory building was required due to a paucity of extant literature. The chapter outlined several core concepts associated with Constructionist Grounded Theory including theoretical sensitivity, constant comparison of data with analysis, theoretical sampling, coding, theoretical saturation, mid-range theorisation, memoing, and reflexivity. Of significance is that coding and theorisation involved an iterative process of data collection and analysis from which categories and core themes of findings emerged.

The second section of the chapter concentrated on methodological practices employed for the study. Research protocol followed common practice of grounded theorists to interview participants face-to-face (Charmaz, 2008). An explanation of the sampling process was outlined to include initial purposeful sampling (Patton, 2001), followed by theoretical sampling, which is an essential component of Grounded Theory (Charmaz, 2008b; Glaser & Strauss, 1967; Hood, 2007; Richards, 2009). Here analysis of existing data progressively determines where the next ‘slice of data’ is to be gathered (Glaser & Strauss, 1967; Hood, 2007; Richards, 2009). The chapter concluded by introducing participants and explaining ethical protocols associated with the research.

Chapters 5, 6 and 7 outlined research findings that responded to the aim and questions posed at the outset of the research. Chapter 5 was directed towards what, who and why ECSOs collaborate, chapter 6 focused on obstacles associated with ECSO collaboration, and chapter 7 on how ECSOs constructively collaborate. In Constructionist Grounded Theory, mid-range theories which are derived from findings constrained within the subjective context of time, space and circumstance (Charmaz, 2002), are often communicated through propositions (Charmaz, 2012). In total, 70 propositions were generated from the thesis, 26 were associated with chapter 5, 20 with chapter 6, and 24 with chapter 7.

Chapter 5 began by highlighting that, despite rhetoric asserting collaboration was the only way the CSS could survive let alone succeed, participants in this research perceived the practice was commonly inappropriate, particularly for ECSO challenges involving simple transactional interventions. It was also found that collaboration involved working with stakeholders to achieve specific objective/s that were more easily achieved cooperatively, rather than independently. Additionally, the chapter identified primary stakeholders of New Zealand’s ECSO collaborations. These were seen to include other CSOs, government departments, private philanthropic trusts and, to a lesser extent, corporates.

Motivations behind ECSO collaborations included resource acquisition and management. Yet it was also found that ECSOs collaborate for individual/organisational transformation. Specifically, findings indicated that transformation may include individual and/or organisational learning, enhanced programme delivery, enhanced advocacy and/or enhanced strategic development. Surprisingly, while mergers were identified as a form of collaboration, no participant in the current research had first-hand experience of collaborating inter-organisationally for this purpose.

Chapter 6 explored obstacles or barriers to ECSO collaboration. Challenges were grouped under three major headings: resource scarcity, organisational capability, and organisational culture. A lack of resource was identified as the primary concern for ECSOs. Specifically, it was perceived that funding scarcity impacted many aspects of their work, including their collaborative initiatives. Participants stated funding distress resulted in insufficient staff to engage in collaboration, competitiveness that caused collaborators to protect their intellectual capital and, a power asymmetry that compromised many working relationships due to weaker actors feeling dominated by strong collaborators who were coercive.

The second challenge was associated with how potential collaborators perceived the capability of an ECSO. Specifically, stakeholders were wary of small organisations, as they feared small ECSOs might invest excessive volumes of energy simply in survival, meaning that they lacked capability to increase their effectiveness. Additionally, stakeholders expressed misgivings over ECSOs that lacked vision, had entrenched attitudes, or were inefficiently managed.

Stakeholders were also cautious of entering collaborations with organisations perceived to have a different organisational culture to their own. Here, concerns included collaborating with ECSOs that were perceived as unprofessional, egocentric, independent, or that had a different ideological outlook or operational practices from their own. The overarching theme to emerge through analysis was that, for many ECSOs, the obstacles to collaboration created a cyclical, wicked social problem.

Considering the complexity of findings contained in chapter 5 and 6, the aim of chapter 7 was to examine participants' understandings of how to constructively collaborate, within New Zealand's current neoliberal environment. Thus, the aim of the chapter was to identify ways of assisting collaborators to manage collaborations so that value was added to New Zealand's CSS.

As such, the chapter outlined three elements comprising a culture that undergirds constructive collaborations. These were building positive relationships, portraying organisational/individual credibility, and identifying stakeholders with similar values and goals. Discussion also focused on the required attributes of collaborative actors, and the role leadership plays within collaborations. Additionally, the structures of ECSO collaborations were considered where it was found that contingent of context, either formal or informal collaborations may be beneficial. Next, the chapter identified several goals or collaborative agendas including dialogue, information sharing/gathering, goal setting (if a project was to be delivered) and, if needed, task allocation. The chapter concluded by discussing evaluation of collaborations.

Chapter 8 presented four central categories, that were extracted from the propositions of chapters 5, 6 and 7, and which related to collaboration of New Zealand's primary ECSO stakeholders amidst competitive contractualism. These included: 1) when stakeholder strategies might exclude collaboration; 2) importance of collaborative relationships; 3) perceptions of ECSO inefficiency; and 4) opportunities for increasing ECSO effectiveness through collaboration. These themes along with their subthemes were integrated with extant literature outlined in chapters 2 and 3.

Having overviewed the thesis, attention is now drawn to its significance and to the research's limitations. While highlighting the significant contributions of the research, areas for future study are also identified.

### 9.3 RESEARCH SIGNIFICANCE AND FUTURE RESEARCH

In part, the contribution of this thesis is detailed through the 69 emerging propositions interspersed throughout chapters 5, 6, and 7, which detail findings. Chapter 5 included a total of 25 propositions. Eight of these related to defining collaboration, four were concerned with who New Zealand's ECSOs collaborate with, and 14 with why ECSOs collaborate. Chapter 6 contained a total of 20 propositions, which detailed obstacles associated with collaboration. Of these, ten related to issues concerning resource scarcity, four with organisational capability, and six with organisational culture. Chapter 7 included 24 propositions that explained how ECSOs constructively collaborate. Some of the propositions from chapter 7 related directly to those that emerged as obstacles in chapter 6. Consequently, seven propositions considered the collaborative culture, five the collaborative actors, two the collaborative structures, seven the collaborative goals, and a further four considered evaluation of collaborations.

Chapter 8 integrated findings with literature around four core themes. Here, an additional 21 ‘scaled up’ propositions were presented. Six of these focussed on identifying occasions when stakeholder strategies might exclude collaboration, seven on the importance of collaborative relationships, three on perceptions of ECSO inefficiency, and 5 on opportunities for increasing ECSO effectiveness through collaboration.

The thesis also contributes four frameworks on collaboration within the CSS amidst neoliberalism. The first (figure 15) explains why New Zealand’s ECSOs collaborate. The second (figure 18) explains the obstacles to ECSO collaboration. The third (figure 20) explains constructive approaches to ESCO collaboration, and the fourth (figure 22) explains the collaborative journey of New Zealand’s ECSOs. Implications associated with the most significant propositions are highlighted below.

Both the propositions and the frameworks contain dynamic implications for managers of ECSOs, for government department/private philanthropic trust administrators, and for other ECSO stakeholders. Several of the propositions also have implications for policymakers.

Despite a plethora of implicit and explicit assertions to the contrary, the thesis contends collaboration is not a panacea or solution for all challenges confronting the sector. Participants argued many CSS projects were transactional and did not justify the complications often associated with working with others. Collaboration comes at a cost of time, effort and money, which should be intentionally balanced against the potential gains to be made. Many ECSOs perceive collaboration is required of them by funders and so will seek to act accordingly. This can create sectoral inefficiencies which may be rectified through private philanthropic trusts and government clarifying what kinds of projects they perceive collaboration is beneficial and therefore necessary.

Findings indicated the primary stakeholders of New Zealand’s ECSO collaborations included CSOs, government departments, private philanthropic trusts and, to a lesser extent, corporates. As these relationships principally relate to funding, this implies ECSOs share a primary concern with their service delivering counterparts over funding distress, and so look to external stakeholders for financial support. This perspective contrasts with earlier literature suggesting the ECSO subsector was wary of accepting government funds for fear of losing autonomy. Thus, an attitudinal shift has occurred by ECSOs that creates an interesting avenue for future researchers to understand why such a change.

Reasons explaining the motivation behind ECSO collaborations included resource acquisition and management, along with individual/organisational transformation. Due to funding distress being perceived as the primary concern for New Zealand CSOs, resource acquisition and efficient management explain the primary drivers of collaboration amongst New Zealand's ECSOs. Importantly, this thesis questions the assertion of Lee (2011), who argued such a rationale was self-serving. Rather, resource acquisition and efficient management are essential requirements for extending the scale of an organisation's mission in creating value.

Furthermore, findings also challenged the assertion that CSOs' primary concern relates to funding distress, or that they are expected to do more with less funds (Eweje, 2007; Grant Thornton, 2011; Grant Thornton, 2016; New Zealand Council of Christian Social Services, 2016). Revenues for the sector increased by 65% between the years 2004 and 2013 (Statistics New Zealand, 2015). Thus, rather than less funding being available for the sector, the challenge may more appropriately be attributed to the escalation of community aspirations and/or CSOs desire to meet more social need. While the expansion of community ambition and identification of social need is laudable, ECSO managers may need to urgently consider funding sources to meet this growth. Looking to external sources for support of an ever-increasing number of causes is unsustainable. Accordingly, there is critical need for more emphasis by ECSO managers, donors (including government) and researchers on identifying new income streams for the CSS. It may be that considerable investment of both money and research is needed for exploration and experimentation with social enterprise.

Resource acquisition and management aside, the thesis identified that ECSOs collaborate for transformation in the areas of individual/organisational learning, enhancing programme delivery, advocacy for social change and for strategic effectiveness. These findings refute earlier claims that collaboration may be counterproductive. Furthermore, they offer much needed grounded and empirical evidence that there is significant potential for delivering benefits to CSOs within a neoliberal environment through the praxis of collaboration.

While literature identifies mergers as one kind of collaboration that has become increasingly commonplace amongst organisations providing tangible social services in the UK, it was surprising that no participant in this research had first-hand experience of collaborating inter-organisationally for this purpose. While organisations may choose to resist mergers due to stoic independence, it may be that 'mass duplication' and organisational inefficiencies within the

sector can be resolved by enforcing or tightening policies associated with CSO funding contracts. Accordingly, important further research is required to understand why ECSO mergers are uncommon in New Zealand. Additionally, future research is required to explore the possibilities of eliminating sectoral inefficiencies through further funding constrictions. Alternatively, and more proactively, ECSO managers are advised to include merging as a strategic option for extending their reach and/or for garnering future funding support from government and private philanthropic trusts.

The significance of propositions contained in chapters 6 and 7 are closely interrelated. This is because many of the stated obstacles for potential collaborators associated with organisational capability and culture (chapter 6), can be addressed by ECSO managers through implementation of the propositions that explain how to constructively collaborate (chapter 7).

Both extant literature and participants in this thesis contend resource scarcity is the primary concern for the CSS. In addition to the issues associated with funding that confronted the sector through the introduction of neoliberalist policies, as identified in chapter 2, findings from the current research indicated funding distress resulted in insufficient staff to engage in collaboration, competitiveness that caused collaborators to protect their intellectual capital, and a power asymmetry that compromised many working relationships. Yet, these concerns are not unique to the CSS; business and government must manage similar challenges. Furthermore, it is significant that many CSOs, some of whom participated in this research, have thrived within the competitive neoliberal environment. Accordingly, the thesis offers a sense of confidence that current obstacles confronting ECSO collaborations can be and have been navigated.

Relationship building is a vital component of ECSO collaborations. Participants stressed that trust, respect, goodwill and good faith should be retained throughout a collaboration's duration. Surprisingly, these principles were not consistently observed in relationships across ECSO stakeholders. Disappointingly, some ECSO managers employed strong language of disapproval towards government during their interviews. Equally, it was discouraging to find that staff surveys indicated high numbers of government department administrators "hated their jobs" and that some appeared to hold unrealistic expectations of CSO managers by showing little interest or concern for the welfare of their clients.

Therefore, if CSOs desire to retain funding collaborations with government departments, they should consider carefully their public criticism of government policy and how it is

communicated. Equally, government department administrators need to treat client managers with greater levels of care and esteem by adopting more customer-centric approaches. Future research is required to understand not only the reasons for but also the remedies to such high levels of disengagement and poor conduct by civil servants.

Discussion concerning collaborative actors focused on the role leadership plays within collaborations. Findings contended that constructive collaborations are not void of leadership, as is often assumed within literature, but that collaborations are commonly initiated and driven by a single person/organisation. Here it was argued that the preferred style of leadership fused two Māori concepts, *kaiārahi* (leader) and *taituarā* (supporter), which operated in tandem to deliver better outcomes for constituents. Thus, whether leadership for an ECSO collaboration rests with government, PTT, umbrella organisation or an ECSO manager, it requires servant leadership (Greenleaf & Spears, 1998).

Both literature and this research indicate that potential collaborative stakeholders place importance on an ECSO's credibility. Amongst other concerns, stakeholders in this research were cautious of working with ECSOs they perceived lacked capability or who were inefficient. The comment of a senior government department administrator that there were few CSOs who delivered at the level expected by the state may indicate that the standard required by government is unrealistic. Policy makers may wish to consider such a concern.

However, private philanthropic trust administrators stated they frequently felt compelled to contribute to grantee CSOs by providing resources to strengthen organisations' managerial capabilities. This implies that longstanding concerns over inefficiency within New Zealand's CSS continues to hold relevance and that management training remains a significant weakness within the sector. This concern requires urgent attention by education providers, donors (including government) and ECSO managers. Research is required to understand why such a deficit lingers within the sector, and to understand what is required of those who will resolve the challenge.

Due to concerns associated with perceived inefficiencies and risk associated with small or new CSOs, who may be unable to display credibility, or who may be struggling for survival, it was asserted by some government department administrators that policy was to work with larger, stable clients who could deliver evidence-based results. While results-based accountability may serve to expel CSS inefficiencies, participants in the current research contended this new approach of



government came at direct cost to investment in innovation, research and social enterprise required to make the sector more effective. Therefore, an important area for future research and policy consideration is to empirically explore how to overcome barriers inhibiting investment in CSS research and development.

A further area of concern expressed by stakeholders was the need for ECSOs to extend the scale of their vision. A generalised perception was that the sector lacked creativity, innovation and “big picture” thinking, preferring only to concentrate on routine operations. While many reasons were offered to explain this deficit, including government’s current emphasis on results-based accountability, it was suggested that one solution was for ECSOs to increasingly utilise umbrella organisations. These entities enable likeminded organisations to strategically consider issues from a wider perspective than constraints of an individual organisation. Accordingly, umbrella organisations offer potential of greater impact on systemic social change. Surprisingly, it was also asserted that private philanthropic trusts were increasingly providing architectural oversight that strategically brought organisations together around a specific cause to have wide-scale and long-term impact.

In addition to umbrella organisations and private philanthropic trusts, the thesis highlights that the sector’s vision can also be expanded through greater emphasis on cross-sector collaborations. These relationships were identified by only a minority of participants, who contended the approach was underexploited but represented “our real absolute best projects” and opportunities. Due to the lack of current emphasis placed on cross-sector collaborations by ECSO managers, a significant area for future research

lies in this area, especially as literature contends cross-sector collaborations offer potential for resolving wicked social problems (Gajda, 2004; Seitanidi, 2008).

Of major importance, both literature and the research emanating from this thesis indicate that a constructive collaborative culture includes strategic alignment, or the presence of mutually shared values and goals between all actors. Hence, before entering collaborations all actors should be clear of the benefits and costs to be achieved through the relationship.

Accordingly, in this research both government departments and private philanthropic trusts were adamant they exclusively entered collaborations to realise their own aims and so only worked

with CSOs who shared their objectives. For them, after 30 years of operating through a procurement culture by contracting out services they required to CSOs, the approach was embedded and non-negotiable. A senior government department administrator stated categorically that CSOs had no 'right' to the public purse but rather government was mandated by the electorate to purchase services from CSOs for people it deemed had prioritised need.

This approach stands in stark contrast to much existing literature in New Zealand that has been written over the last 25 years and which assumes the collaborative process is grounded on principles of equality (Nowland-Foreman, 2016). Because government department and private philanthropic trust administrators no longer give small scale untagged grants-in-aid but have clear agendas and priorities, accusations of power imbalances or of the presence of dominant actors within the context of ECSO–funder collaborations are likely to lead only to further relationships of frustration and failure. What may prove more productive is identification of funding stakeholders who share the values and goals of the ECSO, and who are therefore likely to be sympathetic to the cause.

Due to the expressive function of their organisations, it is important to highlight that many ECSO managers identified strengths and benefits associated with organisational independence. One example in this research involved the reluctance of some New Zealand refugee communities to associate with migrants from their homeland over fears of security and safety. Funders expecting evidence of collaboration with apparently likeminded organisations should make themselves aware of and accommodate such challenges. Notwithstanding the significant implications of some ideological barriers inhibiting collaboration, organisations that choose to remain in isolation should proactively evaluate the cost of their autonomy with respect to stakeholders, including government, media and/or donors who may be unaware of their existence. A disadvantage of independence may be that voice and support for their cause is overlooked due to their lack of profile.

Participants assertion of a lack of unifying structures within the burgeoning social enterprise subsector is of significant concern, as the subsector offers much potential for creating fresh revenue streams for the wider CSS. Perceptions that there is a lack of cohesion within the subsector raises questions concerning the movement's long-term sustainability. Therefore, an important area for future research is to examine whether formalised collaborations are required, for the sustainable growth of New Zealand's social enterprises.

In addition to the future research possibilities outlined above, a variety of other important avenues for research are identified within this thesis. For example, Chapter 2 discussed New Zealand's distinctive CSS. It highlighted that two-thirds of the sector were ECSOs and that only one-third provided tangible social services. This composition is the opposite of international data, which reverses these percentages. To date, little empirical explanation is offered to explain such a large difference within New Zealand society. The anomaly creates an interesting avenue for examination.

Additionally, the specific context of the current research was towards New Zealand ECSOs. Opportunities exist to examine and contrast its findings in other environments such as with CSOs that provide tangible social services, or in other geographic contexts. Alternatively, as the thesis has taken a high level, macro design of clustering an extremely diverse range of 79,000 ECSOs, value may be extracted by considering the questions in each of the respective seven subsectors of expressive organisations that enrich the lives of individuals. Lastly, while this thesis has concentrated on collaboration from the perspective of ECSOs and has sought to triangulate data to strengthen the credibility of findings, further studies are required to understand more of collaboration in this context, but specifically from the perspective of government departments and private philanthropic trusts and corporates.

In conclusion, this thesis contends that many of the prevailing attitudes found in literature concerning the impacts of neoliberalism within New Zealand's CSS have created negative perceptions concerning collaboration. Added to this are a variety of obstacles, which for many within the sector, continue to inhibit the potential gains to be made through collaboration. Consequently, due to these perceptions, CSOs do not achieve their full potential within New Zealand. Yet, "we only see what we want to see; we only hear what we want to hear. Our belief system is just like a mirror that only shows us what we [choose to] believe" (Ruiz, Ruiz and Mills, 2010, np).

Many ECSOs currently struggling for survival do so because they refuse, or have lacked understanding of how, to adapt to the now 30-year-old neoliberalist environment of contracting. Whilst some continue to lament and complain over what once was, others have reformed and are thriving. The journey to success for ECSOs and to achieving their potential includes learning how to constructively collaborate and relate with stakeholders. Through the propositions contained in chapters 5 to 7, the three models that conclude each of these chapters, and the scaled up propositions of ch 8, this thesis outlines options for successfully navigating the obstacles of

collaboration, so that value is added to New Zealand society within an enduring neoliberal environment. CSOs must progress beyond the historical concerns identified in chapter 2, transition through the obstacles outlined in chapter 6 and enter mutually rewarding and constructive collaborations as explained in chapter 7 as outlined in figure 22.

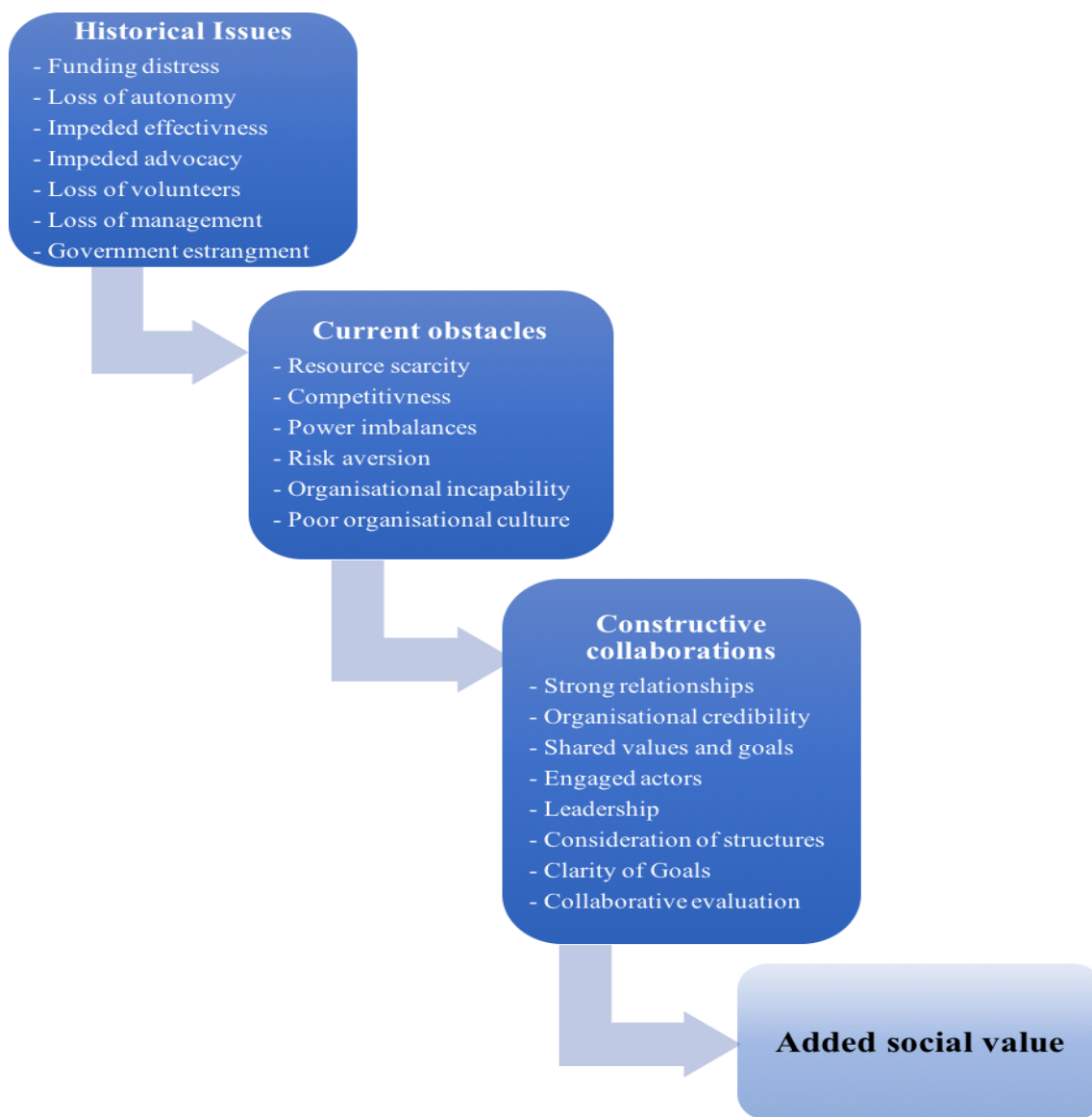


Figure 22: The collaborative journey of New Zealand's ECSOs amidst Neoliberalism

#### 9.4 LIMITATIONS

The thesis contains several limitations. Firstly, the researcher remains an avid participant within the CSS, and has spent over 30 years in a professional capacity practising, managing and governing ECSOs. Additionally, he has studied management theories, and holds two master's degrees in this discipline. Within a constructionist Grounded Theory methodology, it is acknowledged that researchers hold priorities, positions and privileges associated with their research, which impact its design strategies and questions (Charmaz, 2006; Clarke, 2005; Mills et al., 2006). Thus, "the inquirer and the object of inquiry interact and are inseparable" (Borland,

1990, p.163) making the researcher an active contributor and co-constructer of data (Hall & Callery, 2001). Despite the current researcher's discipline of reflexivity, to mitigate prior knowledge and experience creating unchallenged assumptions (Charmaz, 2008b; Clarke, 2005), it is nevertheless acknowledged that his background may have biased his ability to see and analyse data objectively.

Secondly, the research involved interviewing a total of 28 participants who, in accord with a constructionist paradigm, offered subjective experiences bounded by time, space and circumstance (Charmaz, 2002). Therefore research findings did not aim for generalisation across population (Charmaz, 2006) of those within the CSS, or even amongst all New Zealand's ECSOs. While not presenting objective, generalisable findings, the research does present rich findings, which reflect closely what was said by participants, often through verbatim quotes. Furthermore, through a comprehensive trail of data, the research offers explanations of participant's experiences and perceptions by creating theoretical propositions that accurately reflect findings (Charmaz, 2008a; Dey, 1999; Orlikowski, 1993), and which speaks to the study's credibility (Maykut & Morehouse, 1994).

Thirdly, it was not until the 22<sup>nd</sup> interview that a government department administrator suggested corporates were an important stakeholder for New Zealand's ECSOs. Through theoretical sampling, data collection was then directed towards consideration of ECSO–corporate collaborations. Considerable input was received on this topic by the remaining six participants; however, no corporates were directly interviewed. ECSO–corporate collaborations represents a further important area of future enquiry.

Fourthly, peer review of the research design indicated one of the thesis's potential weaknesses was that the initial purposeful sample of interviewing a representative from each of the seven subsectors of New Zealand's ECSOs was too wide. Similarly, concern was expressed that the breadth of potential ECSO stakeholders was expansive, and that this may compromise the depth of theory generated. While data undoubtedly created significant complexity, theoretical saturation as defined by Dey (1999) and Morse (1995) was attained. For these authors, this referred to the point when theory had comprehensive data in support of its claims, or, as defined by Charmaz (2006), the point when participant behaviour is able to be explained and understood. Consequently, in accord with a constructionist philosophical approach, the theorisation associated with this thesis is substantive or constrained by time, space and circumstance (Charmaz, 2002). Yet, this is not to suggest that no value can be extracted by examining or

contrasting findings in different contexts, including the separate ECSO subsectors that have comprised this study. Embarking on such research aligns with the approach of Hood (2007) who argued substantive theory can be further abstracted when explored in diverse contexts.

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## 9.5 LAST WORD

This thesis identifies that revenues of New Zealand's CSS have progressively grown. Between 2004 and 2013, increases amounted to 65%. It was also identified that 75% of New Zealanders participate in CSO activity. At the same time, neoliberalism and competitive contractualism significantly impacted CSO operations. While transition to the new funding environment created unparalleled angst for those resisting the change, rather than catastrophically undermining the fabric of the sector, as was predicted (Datson, 1998), some of its organisations have thrived both economically and numerically. This growth is testament to the magnificent generosity of New Zealanders and portrays society's view that considerable benefits continue to be extracted from these organisations.

Due to the CSS's primary challenge of funding scarcity, the embeddedness of New Zealand's neoliberal economic policies and power asymmetries resident in most collaborations (especially ones involving funders), this thesis found that ECSOs should reconsider historical approaches to funding. Within the current environment where government department and private philanthropic trust budgets are finite and subject to intense competition from all sectors of society, rather than perceiving an organisation's cause entitles it to support, transformational approaches are required.

Consequently, CSOs seeking to ensure they continue adding value, should strive to expel obstacles making funders wary. This includes the need to reduce or eliminate causes of negative perceptions associated with an organisation's capability; specifically, concerns associated with low capacity, weak vision, entrenchment and inefficiency. Organisations should also seek to address funders' misgivings in relation to the organisational culture of an ECSO. This is achieved by reducing or eliminating, perceived or real concerns over unprofessionalism, self-centeredness, isolationism and ideological or operational differences between themselves and other stakeholders. While addressing ideological and operational differences represents a significant hurdle, the indicators are that funders will increasingly enforce and tighten expectations that organisations collaborate and/or merge. Therefore, ECSOs that proactively initiate collaborations and mergers, or that aim to substantially increase the scale of their vision, are likely to be considerably more attractive for funders.

Rather than collaboration being counterproductive as has been contended within extant CSS literature in New Zealand and elsewhere, this research finds working alongside others essential for achieving CSO goals, within an environment of neoliberal competitive contractualism. Constructive collaborations are founded upon a positive collaborative culture. This includes the need to invest time in building relationship with collaborators, ensuring the organisation presents as credible, and to identify goals and values in common with collaborators. Pending collaborative aims, the needed level of formality should be considered. Additionally, there is need for actors to display emotional maturity and be genuinely engaged in the collaborative process and project. While an egalitarian outlook is desirable for all members of the collaborative team, assertive leadership is often required to initiate and progress collaborative objectives. Moreover, regardless of how a collaboration is evaluated, findings contend there should be agreement early in the process as to what should be evaluated and how. This may involve evaluation of the collaborative process and appraisal of project outcomes through both quantitative and qualitative measures.

Furthermore, this research asserts the need for CSOs to identify innovative sources of revenue. Social enterprise represents an underexploited opportunity for the sector's future expansion. Therefore, investment in future research and developments that embed social enterprise across and within the sector will deliver considerable benefits.

Lastly, it is contended that only through cross-sector collaborations are some of society's highly complex, wicked social problems resolved, yet in New Zealand there is a paucity of projects adopting this approach. Cross-sector collaborations require stakeholders from CSOs, government, philanthropists and business to identify shared values and goals. They demand that actors focus on recognising areas of commonality with other sectors, rather than highlighting disparities that separate. Furthermore, cross-sector collaborations demand understanding each stakeholder's strengths, and utilising these strengths so that synergy is created. Here lies potential to resolve some of the wicked social problems of our age.

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1. APPENDIX 1 INFORMATION SHEET

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# Participant Information Sheet

11 FEBRUARY 2015

## Project Title

Collaboration within New Zealand's Expressive Civil Society Organisations

## An Invitation

Greetings, my name is Tim Pratt and I am completing a PhD exploring collaboration amongst non-profit organisations. To assist with this, I am seeking to interview a number of senior staff members along with key stakeholders within the sector. Specifically I would like to interview you and record our discussion. The objective is to seek to understand your perceptions and experience of collaboration.

Your participation is entirely voluntary and, if at any time you feel it appropriate to withdraw, you are welcome to do so. Should this occur, all the information you have submitted will be withdrawn.

## What is the purpose of this research?

As mentioned in my introductory email (insert date), as a result of the growing expectation that non-profit organisations become more "professional" and "commercial" in their operations, significant changes have occurred within the sector over the last 30 years. These changes have impacted how organisations collaborate with their stakeholders. While traditionally it was suggested that collaboration within the sector was commonplace and that the purpose was to add social value, since the sector's professionalisation, it seems as if collaboration has almost exclusively been employed to access resources such as funds or as a way of making organisations more efficient. Despite this, many scholars suggest that collaboration creates synergy and this has potential to achieve far more than just organisational sustainability. Rather, they argue that synergy enables innovation and that this has the potential to address some of today's critical social issues.

However, currently there is little research that explores collaboration for this purpose. Therefore, the central question driving my research is how can greater levels of social value be created through collaboration affecting the non-profit sector?

## How was I identified and why am I being invited to participate in this research?

I am particularly interested in researching organisations that are called "expressive". Expressive nonprofits are those that primarily exist to enable people to express themselves. They include organisations that focus on advocacy, business and professional associations, culture and recreation, environment and animal protection, international aid, philanthropic trusts and religious associations. These groups stand in contrast to organisations that deliver tangible social services. Expressive organisations comprise around 66% of the total of 97,000 non-profits in NZ. I am interested in interviewing up to 30 participants from these associations and you have been identified as a senior staff member in one of these entities.

## What will happen in this research?

The interview, which will last for around 60 minutes at a place of your choosing will be informal. It will consist of a number of questions around your perceptions and experiences of collaboration with whomever you consider as your key stakeholders. The interview will be digitally recorded and then professionally transcribed by someone who has signed a confidentiality agreement. Following this, I will analyse your interview, alongside that of the other participants, in order to build theory on how non-profit organisations can create greater levels of social value through collaboration.

## **Confidentiality**

It is possible that participants may wish to remain unidentified in publications or presentations associated with the research, therefore unless expressly agreed to by you, every effort will be taken to preserve confidentiality.

While the interviews will be recorded and transcribed, I alone will have access to them (along with my supervisors). Additionally data that is collected from our discussion will be coded and clustered into categories making the information generic and detached from specific context. In some places however, it is anticipated that quotes will be used to highlight a concept. Where this occurs pseudonyms will be employed, again, unless expressly agreed to by you.

I will forward you a copy of the transcript of your interview and you will be at liberty to alter, withdraw or otherwise strengthen any level of confidentiality you sense is necessary. Again, should you at any stage prior to conclusion of data collection feel that confidentiality is going to be compromised, you are at liberty to withdraw entirely from the research.

## **What are the discomforts and risks and how will these be alleviated?**

None

## **What are the costs of participating in this research?**

The primary cost is 60 to 90 minutes of your time. Following the interview, I will forward a copy of the transcript of our session for your perusal. It may also be that I would value clarifying some of the points we discussed at a later time over the phone or even having a follow-up interview, which if not suitable, you are at liberty to decline.

## **How do I agree to participate in this research?**

With this information sheet I enclose a copy of a consent form. By signing this before the interview, you are indicating your willingness to participate.

## **Will I receive feedback on the results of this research?**

Yes. Once submitted to the Examination Board of AUT, each participant will receive a summary report of the thesis (unless you specifically indicate otherwise in the consent form).

## **What do I do if I have concerns about this research?**

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Professor Edwina Pio who can be contacted at [edwina.pio@aut.ac.nz](mailto:edwina.pio@aut.ac.nz) or by phone +64 9 9219999 – ext: 5130.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEK, Kate O'Connor, [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz), 921 9999 ext 6038.

## **Whom do I contact for further information about this research?**

### ***Researcher Contact Details:***

Tim Pratt  
Phone: 021 360-906  
Email: [tpratt@aut.ac.nz](mailto:tpratt@aut.ac.nz)

### ***Project Supervisor Contact Details:***

Professor Edwina Pio  
Email: [edwina.pio@aut.ac.nz](mailto:edwina.pio@aut.ac.nz)  
Phone: +64 9 9219999 – ext: 5130.

**Approved by the Auckland University of Technology Ethics Committee on 11 Feb 2015 AUTEK Reference number 15/01**

### **Introductory Questions**

1. What are the goals of the organisation and how are these achieved?
2. What are the core tasks that absorb the leader/s' time?
3. What are the significant opportunities or challenges the leader/s' perceive exist for their organisation currently or will emerge in the foreseeable future?
4. What does or do the leader/s' understand by the term collaboration?

NB: If necessary for the purpose of clarification, I will explain the wide reaching definition that guides this research as including any activity of 'individuals or organisations working together to achieve a common purpose' J. Roberts and P. O'Connor (2008, p.4).

### **Collaborative Questions**

5. Who does or do the leader/s' see as being the significant stakeholders or partners for him/her/them or their organisation?

NB: Having identified the primary stakeholders, the following questions will then be asked respectively for each group.

6. Why does or do the leader/s' perceive this stakeholder as being important?

NB: If necessary, the interviewer will probe for examples that extend beyond economic resourcing towards exploration of collaboration for synergy and innovation that creates social value.

7. How (or in what ways) does or do the leader/s' or the organisation collaborate with this stakeholder?
8. What have been the outcomes of the collaboration?
9. Has resistance to collaborating been encountered with any stakeholder?
  - If so why?
  - Were the challenges able to be overcome and if so how?
10. How is/was success of the collaboration evaluated?
11. To what extent has the collaboration been effective?
12. What (if any) challenges have arisen within the collaboration?
13. Were these challenges able to be overcome and if so how?

## Consent Form

*Project title:* Collaboration within New Zealand's Expressive Civil Society Organisations'

*Project Supervisor:* **Professors Edwina Pio and Tim Bentley**

*Researcher:* **Tim Pratt**

- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 11 February 2015.
- ☐ I have had an opportunity to ask questions and to have them answered.
- ☐ I understand that notes will be taken during the interviews and that they will be digitally recorded and transcribed.
- ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- ☐ I understand that I will receive a copy of the interview transcript and be able to remove or amend parts of it.
- ☐ If I withdraw, I understand that all relevant information including recordings and transcripts, or parts thereof, will be destroyed.
- ☐ I agree to take part in this research.
- ☐ I wish to receive a copy of the final report from the research (please tick one): Yes ☐ No ☐

Participant's signature: .....

Participant's name: .....

Date: .....

**Approved by the Auckland University of Technology Ethics Committee on 11 February 2015 AUTC  
Reference number 15/01**

*Note: The Participant should retain a copy of this form.*

#### 4. APPENDIX 4: AUCKLAND UNIVERSITY OF TECHNOLOGY ETHICS COMMITTEE APPROVAL



AUTEC  
SECRETARIAT

11 February 2015

Edwina Pio  
Faculty of Business and Law

Dear Edwina

Ethics Application: **15/01. Non-profits winning through collaborative leadership: Exploring an alternative approach to beating embedded problems of expressive civil society organisations**  
**Collaboration within New Zealand's expressive civil society organisations**

Thank you for submitting your application for ethical review. I am pleased to confirm that the Auckland University of Technology Ethics Committee (AUTEC) has approved your ethics application for three years until 9 February 2018.

AUTEC would like to commend the researchers on the thoroughness of the application.

AUTEC noted that in the Information Sheet it might be appropriated to offer participants limited confidentiality only.

As part of the ethics approval process, you are required to submit the following to AUTEC:

- ✓ A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/researchethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 9 February 2018;
- ✓ A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/researchethics>. This report is to be submitted either when the approval expires on 9 February 2018 or on completion of the project;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to obtain this. If your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply there.

To enable us to provide you with efficient service, we ask that you use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz).

All the very best with your research,

Kate O'Connor  
Executive Secretary  
Auckland University of Technology Ethics Committee

Cc: Timothy Pratt [tp Pratt@aut.ac.nz](mailto:tp Pratt@aut.ac.nz)

Auckland University of Technology Ethics Committee

WAS050 Level 5 WA Building City Campus

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11 May 2017

page 1 of 1

## Transcriber Confidentiality Agreement

*Project Working Title:* Collaboration within New Zealand's Expressive Civil Society Organisations

*Project Supervisor:* **Professors Edwina Pio and Tim Bentley**

*Researcher:* **Tim Pratt**

- 
- ☐ I understand that all the material I will be asked to transcribe is confidential.
- ☐ I understand that the contents of the digital recordings can only be discussed with the researcher.
- ☐ I will not keep any copies of the transcripts nor allow third parties access to them.

Transcriber's signature: .....

Transcriber's name: .....

Address : .....

Email : .....

Date: .....

**Approved by the Auckland University of Technology Ethics Committee on 11 Feb 2015 AU TEC Reference number 15/01**

*Note: The Transcriber should retain a copy of this form.*



