The impact of interorganizational network evolution on outcomes for nongovernmental organizations (NGOs): A summary of current research

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Around the world, nongovernmental organizations (NGOs), grassroots social movements, governments, cooperatives, and universities are discovering that the fight against issues such as poverty, hunger, disease, pandemics, disasters, and environmental degradation requires new forms of organizing: self-organizing networks (Contractor, 1994; Fukuyama, 1999). The networked form of governance represents an empowerment approach to issues of poverty and development (Melkote, 2002), and enables different constituencies to transcend boundaries and work toward common goals (Cooperrider & Dutton, 1999; Lewis, 2005; Stohl & Stohl, 2005).

The purpose of this paper is to describe a five-year, NSF-funded research project that began in July of 2010. The current research hypothesizes that an NGO’s capacity to address problems of disease and development is dependent upon its local network relationships with other NGOs, businesses, and government organizations. This research combines social network analysis methods with intensive assessment to produce: (a) a reliable and valid measure of NGO capacity, and (b) findings about the relationships between NGO’s network portfolios and their organizational capacities. To produce these outcomes, a research team including graduate and undergraduate students will conduct surveys and interviews in Champaign-Urbana, IL, and San José, Costa Rica in the first two years of the project. Then, beginning with the population of international NGOs addressing disease and development from the Yearbook of International
Organizations, the research team will examine the relationship between NGOs’ local networks and their organizational capacities.

Background

Scholars in diverse research areas (e.g., Braman, 2002; Melkote, 2002) have acknowledged that an examination of regimes and networks inclusive of NGOs is important in addressing complex social issues. Increased collaboration between governments, businesses, and NGOs reflect a growing interdependence between civil society organizations and governmental organizations (Kim & Barnett, 2007), and between civil society organizations and businesses (Austin, 2000).

The resulting patterns of collaboration represent networked governance (Rhodes, 1996). Networking is increasingly important for the survival of organizations and attainment of their objectives (Kapucu, 2005; Smith, 1997; Stuart, 2000). Networked governance enables different constituencies to transcend boundaries and work toward common goals (Cooperrider & Dutton, 1999; Stohl & Stohl, 2005). However, previous research has not tied the results of networked governance to increased nonprofit capacity.

Phase 1: NGOs and capacity

The first task for this research team is to explore the various conceptions of NGOs and capacity. Using previous scholarly characterizations of NGOs (i.e., Frumkin, 2002, Lewis, 2005, Yaziji & Doh, 2009), this team defines NGOs as private organizations that do not coerce participation or distribute profits back to shareholders. Instead, they are task-oriented, serve a public purpose, have value rationality, and provide of useful goods and services.

Capacity refers to the power to produce or perform, as well as maximum output (Merriam-Webster Dictionary, 2010). The literature indicates that capacity may exist on an
organizational, systemic, or institutional level; the research team used previous conceptions of NGO capacity (i.e., Brown & Kalengonkar, 2002; Fowler, 1997; McKinsey & Company, 2001; Worth, 2009) to identify common dimensions. Eleven NGO capacities were identified and defined: 1) management of staff and volunteers, 2) collaboration, 3) finance, 4) external communication, 5) strategic planning, 6) board leadership, 7) culture, 8) systems/operations, 9) aspirations/missions/values, 10) program/performance evaluation, and 11) absorptive capacity.

Research Design: Developing a measure of NGO capacity

The first goal of this proposed research is to develop a measure of NGO capacity. Whereas prior assessments provide tools for NGO leaders to improve their organizations, they lack rigor or standardization required to compare NGOs or assess the outcomes of innovation efforts in comparable ways. This project utilizes questions from previous assessments and NGO research to develop a measure that can be completed without the use of a facilitator and that is comparable across NGOs in the same sector, using the taxonomy developed by the National Center for Charitable Statistics. Currently, the research has developed a preliminary 144-item capacity assessment. The assessment contains 11 dimension of NGO capacity listed above.

Additionally, the research team has developed a preliminary measurement of non-profit effectiveness, based on the work of Herman and Renz (2008) and Padanyi and Gainer (2003). This assessment has two facets, self-assessment of effectiveness in comparison with peers and peer reputation as assessed by other organizations in the local region. The peer comparison assessment asks each organization to compare itself to peer organizations in resources, public reputation, client/constituency satisfaction, programs/activities, awards, and financial indicators. Conversely, the peer reputation assessment asks each organization to evaluate these nonprofits.
Participants

Organizational leaders of NGOs will be recruited from two sites, Urbana-Champaign, IL and San José, Costa Rica. Snowball sampling will be used to expand the sample to 350 organizations across the two sites.

Method

Organizations participating in the assessment will complete a structured survey instrument with the capacity assessment, nonprofit peer comparison instrument, and evaluation of approximately 30 nonprofits in their area. In addition, several nonprofits will be interviewed using the institutional capacity instrument that is part of the social capital assessment tool (SOCAT). Finally, the research team will collect the following documents or their equivalent from nonprofits: (a) any brochures, or marketing packet, (b) 2009 and 2004 annual report, (c) 2009 and 2004 Form-990, (d) evidence of 501c3 status, articles of incorporation, and by-laws, and (e) any orientation materials for volunteers/staff. These archival documents will be coded to create several currently used measures of nonprofit effectiveness.

Analysis

From these measures, construct and criterion validity of the nonprofit capacity instrument will be established. Construct validity will be evaluated using first exploratory and then confirmatory factor analysis. Criterion validity will be established by comparing the outcomes of the nonprofit capacity assessment with the results of the SOCAT interview protocol, the previously used measures of nonprofit effectiveness from the archival documents, and assessing the dimensions relationships to both peer comparison and peer reputation measures of nonprofit effectiveness. The multi-method approach minimizes common method bias. In addition, reliability analysis will be conducted on each of the factors of nonprofit capacity.
Phase 2: The impact of interorganizational networks on NGOs’ capacity

Numerous support organizations and programs exist to improve the capacity of NGOs, but this research hypothesizes that **NGOs’ network portfolio is instrumental in developing their organizational capacities.** Whereas the empirical investigation of these claims is new, theoretical work suggesting such a relationship is not. Thompson (1967) posited that all organizations depend upon a variety of exchange relationships with other organizations in various populations. The specific notion of embeddedness in a larger community evoked by Thompson (1967) provides the conceptual basis for the view of organizations as incomplete interacting entities, recognized in contemporary theories of organizations (Lomi & Pattison, 2006; Pfeffer, 1997; Scott, 2003). Scholars drawing upon case studies have made a connection between networking and NGO capacities (Brown & Kalegaokar, 2002; Edwards, 1999; Loza, 2004).

Although such conclusions may be drawn from various case studies, no available research to date has tested these claims empirically. The proposed research draws together the conclusions from these studies to test their propositions using large scale social network analysis techniques and broad samples of organizations. Specifically, this research will answer the following research questions about the outcomes associated with NGOs’ network portfolios:

1. Do alliances with multiple NGOs promote human resource development, information access, use and dissemination of information, and financial stability? Previous research has suggested that networked organizations have broader access to perspectives and information about their issue (Brown & Kalegaokar, 2002), have access to information that others do not (Gulati & Gargiulo, 1999), and can disseminate information about successes through these networks (Gupta et al., 2006).
2) What is the relationship between diversity of funding sources (i.e., foundations, government funders, and corporations/corporate foundations) and financial stability, research capacities, and advocacy capacities? Previous research has suggested that NGOs that have financial relationships with multiple funders are more likely to be financially stable (Brown & Kalegankar, 2002).

3) What are the relationships between NGO relations with local governments and their advocacy capacity and the ability to use information? Although the U.S. government has provided a supportive environment for nonprofits (i.e. providing tax structure incentives for donors), some governments view NGOs with suspicion or as competitors (Edwards, 1999).

4) What are the associations between NGO relations with intergovernmental or international government organizations and their information access and financial stability? Relationships with international governmental and intergovernmental organizations, particularly in the areas of disease and development can significantly impact NGOs’ capacity and their interorganizational networks (Atouba & Shumate, 2010; Edwards, 1999).

5) How are NGOs’ direct or indirect relationships with corporations that are not exclusively financial related to their scope of services and advocacy capacities? NGO-corporate partnerships that extend beyond the traditional corporate philanthropy model (Austin, 2000; Bendell, 2000; Shumate & O’Connor, 2010, Taylor & Schalin, 2004) may extend the reach of NGO initiatives and significantly improve the impact of NGO campaigns.

Research Design

Sample

A seed sample of disease and development international NGOs will be selected from the 2011 online version of the Yearbook of International Organizations. This research will use a 2-
network sampling method, in which the network partners of the seed sample and the partners of those partners will be asked to participate in the research. In using this method, this research will encompass international, national, and local NGOs that are part of the international network of disease and development NGOs.

Instrumentation

NGOs will complete an online instrument that includes the capacity instrument developed in phase 1 of this research project, an interorganizational collaboration barriers instrument (Lewis et al., 2008), and a network portfolio instrument. The network portfolio instrument will consist of a name generator with nine relational categories, (a) interpersonal friendship, (b) collaborator, (c) co-member of coalition, (d) referrals, (e) public recognition, (f) favor exchange, (g) funder, (h) government agency, and (i) extensive relationship with business beyond philanthropy.

Analysis

Following a similar procedure as Stark and Verdes (2006), local network typographies will be identified using Ward hierarchical cluster analysis of several network dimensions across each of the categories. Then, using these classifications, and controlling for other factors, regression analysis will be utilized to assess the relationship between various network typologies and NGO capacity.

Contributions

Previous research has examined trends in NGO collaboration (Boli & Thomas, 1999; Sikkink & Smith, 2002) and provided numerous case studies on cross-sector partnerships (e.g., Bendell, 2000; Stohl & Stohl, 2005). However, previous research has not examined the outcomes of these relationships for a large set of NGOs. While case studies have illustrated the outcomes
of a small number of relationships, they are often too idiosyncratic to be of useful out of their context. One of the factors that have hampered survey-based research on these outcomes is the lack of a standardized NGO capacity assessment instrument. The current research will produce such a measure. The intellectual merit of this measure extends beyond the ability to assess the impact of network portfolios on NGOs’ capacity. A standardized measure of NGO capacity would aid international relations, organization science, communication, and policy researchers in comparing the impact of a variety of interventions and to examine changes in social issue sectors over time.

In addition, this research will empirically test the claim that collaboration is the solution to a variety of problems. In particular, this research will provide insight into the patterns of collaboration that are associated with the greatest capacity benefits for NGOs. Such research will enhance the precision of current interorganizational networking research by examining multiplex networks, an under-examined aspect of many network studies (see Lomi & Pattison 2006; Robins & Pattison, 2006 for this critique). In addition, this research will act as a bridge between various sectors of collaboration studies that have examined business-NGO relations (e.g., Bendell, 2000), government-NGO relations (e.g., Atouba & Shumate, 2010), and NGO-NGO relations (e.g., Boli & Thomas, 1999) exclusively. Finally, this research will address a common critique of network analysis research; that it is intricately descriptive but not associated with outcomes.

Beyond the intellectual merit of the current research, this research program aims at making broader impacts. In particular, the NGO capacity assessment instrument may be useful to funding agencies and policy makers as they plan interventions and assess their success. In addition, the findings of the current research would provide guidance to NGO leaders about the
portfolio of collaborations that would enable them to increase their desired capacities. Each of
the organizations that complete the NGO capacity assessment instrument will receive a copy of
their results in comparison with other organizations. Through the Organizational Networking
Infrastructure, a web portal created at the conclusion of this project, all NGO leaders will be able
to access network visualizations of the collaboration happening in various sector, toolkits to
assess and enhance their organization’s networking portfolios, and to share feedback and best
practices with other NGO leaders. The results of this study will provide verifiable guidance of
the type of networking portfolios that will enable NGO leaders to achieve their organization’s
goals.
References


