The Reality Underneath the Buzz of Partnerships
The potentials and pitfalls of partnering

By Francie Ostrower

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"THERE WAS THE MONEY, AND I DON'T DISMISS it. … I don't need partnership funds. I need $50,000 to address *our* needs," said the director of a performing arts organization. His organization had partnered with other performing arts groups because a community foundation had required collaboration to receive a grant. "I'm not sure the partnership paradigm works the way we all individually need," he continued bluntly. "We don't have the same needs. … None of us are really satisfied with the results. Maybe we should go to [the foundation] and say, 'We know you like partnerships, but

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here are our needs and they may be different.'"

When studying partnerships promoted by a group of foundations to broaden, deepen, and diversify cultural participation in local communities, we repeatedly came across cases in which the partnerships' realities did not coincide with their intended goals. The above example is one of the most dramatic, but it illustrates a common theme: For foundations that funded these grantees, partnerships seemed a powerful way to achieve cultural-participation goals. Yet the intended goals often were not achieved, and some of the partnerships' most significant benefits were unanticipated. Why? Steven Kerr's seminal paper, "On the Folly of Rewarding A, While Hoping for B," provides an important clue. Kerr drew attention to a common irony in organizational life: the tendency for organizations to reward behaviors unrelated or even antithetical to the goals managers hope to achieve.[1] This sort of goal displacement – where means become ends – occurs in all organizations, including nonprofits and foundations. Grantmakers who promote partnerships may be particularly prone to "Kerr's folly." Unwittingly, the funders we studied had come to see partnering – which is no more than a method – as an end in itself. In doing so, they were hardly unique. There is a tendency in the philanthropic world to assume that collaboration has intrinsic value and effectiveness, and to expect partnership to serve as a solution, often to problems that have not even been well defined.[2]

Partnering has become increasingly fashionable among grantmakers. In a recent study of how foundations define and approach effectiveness, the Urban Institute surveyed 1,192 grantmakers. Sixty-nine percent reported they actively encouraged collaboration among grantees. Forty-two percent of these said they sometimes *required* partnering as a condition for funding.

At first blush, the way foundations speak of partnership makes it seem as if they are hardheaded instrumentalists interested in efficiency and rationality. But on second glance, one can also see that their passion for collaboration often continues unabated even when they have evidence that partnering has not produced the outcomes they desired. My purpose here is not

to criticize partnering, but to plead for greater realism about partnering's benefits and limitations. We must cease invoking partnering as a panacea and begin to treat it simply as one method among many for achieving a foundation's or a nonprofit's goals.

A Study of Partnering

In 1998, the Wallace Foundation launched an initiative, Community Partnerships for Cultural Participation (CPCP), to encourage community foundations to expand audience-building programs and provide direct support for local cultural organizations and artists. CPCP funds were distributed in two steps: Wallace first gave money to 10 community foundations, which in turn made grants to local nonprofits. The foundations funded 38 distinct partnerships between cultural organizations as part of the CPCP initiative.

The Wallace Foundation also commissioned the Urban Institute to evaluate CPCP. One part of this evaluation consisted of documenting, in 2001, the fortunes of half (19) of the partnerships between cultural organizations funded by five different community foundations.[3] All five encouraged partnerships and three required them. We purposefully sampled alliances with different goals, alliances that were considered successful as well as some that were not, and partnerships between organizations of similar and different size. All collaborations involved either arts (theater companies, musical groups, and dance troupes) or humanities (historical societies, history museums, libraries) institutions. Six were African-American and five were Latino organizations. All partnerships aimed at expanding cultural participation and diversifying audiences by mounting an activity, event, or program (producing a new exhibit, staging a new performance, or giving a performance in a new venue for a different audience, for instance). We interviewed staff in the five community foundations as well as at 45 of the organizations that took part in the 19 partnerships. In 16 collaborations, we interviewed representatives of every partner.[4]

Why Partner?

Grantees and funders agreed on three major reasons for why they believed collaboration was an appropriate strategy for community development and cultural participation.

Organizational Capacity. Funders and nonprofits viewed partnerships as an effective way to build organizational capacity. "Partnerships help to expand resources and help you accomplish and expand on what you are doing," claimed one foundation interviewee. "The *only* way is through partnership," she said. Grantees agreed that partnerships help build capacity. For

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WHY FOUNDATIONS SUPPORT PARTNERSHIPS AND WHY GRANTEES ENGAGE IN THEM

Reasons Foundations Support Partnerships	Reasons Grantees Engage in Partnerships
Build organizational capacity, horizons, growth	Build organizational capacity, horizons, growth
Expand and diversify audiences	Expand and diversify audiences
Expand organizational networks	Expand organizational networks
Achieve efficiency by avoiding duplication	Obtain grant funds seen as otherwise unavailable

instance, because it had partnered with a large theater, a small but fast-growing Latino theater hired a professional grant writer (obtained through its partner) who successfully raised new funds for the Latino group, and strengthened its accounting procedures. Conversely, because the Latino theater gave its mailing list to the larger theater, the larger organization was able to attract more Latinos.

Partnerships also helped some grantees expand programming. For instance, one foundation made a partnership grant to help a theater "develop … its own core programming." As a result of partnering with an arts presenter, a history museum expanded its horizons to include more arts programming: "Our partner kicked us out of our institutional lethargy. We're presenting a lot of poetry and music in the exhibit, which we don't usually do."

Engaging New Audiences. Funders also praised partnerships as a way to bridge the divide between arts groups and the wider community, thereby expanding and diversifying audiences. "If your purpose is to reach out into the community," a foundation executive told us matter-of-factly, "then you are going to need a partnership." The education director of a museum agreed: "I'm big on relationship-forming and we've formed strong relations with Latino organizations that we would not have had without this partnership. … Here I was, a white girl, wanting to do this project. [Because of the partnership] we could tap into connections that we'd not have had."

Building Organizational Networks. Finally, grantmakers told us they used partnerships to encourage nonprofits to expand their networks, thereby sparking future collaboration and reducing isolation in the arts world. "Partnerships build social capital. If you have relationships that build from reaching a goal, then you have a chance to build on these in the future," explained the grantmaker. Some grantees reported making new connections through their partners. For instance, one dance group "made new friends to draw on" through its partners, including an inner-city school, which the dance group subsequently turned to for testing a pilot outreach program in schools.

Where the Paths Diverge

When funders and grantees talk about partnerships in general terms, they sound quite similar. Everyone knows the proper rhetoric of partnering and seems to agree that partnering is useful for building organizational capacity, for enlarging audiences, for expanding networks, and for mounting programs that are too much for a single organization to do on its own. But when talk turns practical, crucial differences emerge.

Efficiency. Funders argued that partnerships increase efficiency by discouraging duplication and encouraging grantees to pool resources. Said one: "There are some efficiencies and competencies that you get to more quickly. People have a lot to share." Said another: "The trustees like to see organizations being more efficient in their work. If I say to trustees, 'It's a partnership,' that's good. They're not duplicating, but sharing resources."

Grantees were less likely to embrace the idea that partnerships bring efficiencies and many noted that partnering was time-consuming and costly. As one put it: "To collaborate takes so much more time, effort, patience. … People work so hard just to keep their own organization running. … Then, with collaboration, they're maxed out."

To Obtain Grant Funds. Few grantees said they entered a partnership *solely* for a grant, but some did, and many said they would not have formed their partnership in the absence of a grant. For instance, prior to joining a partnership, a theater was turned down for an individual grant. The theater's director admitted: "After being turned down, I was happy for our organization to be partnered. … [But,] this partnership would not have been formed, nor would we have formed something similar, without the grant." When asked whether the museum would have collaborated to reach at-risk youth without a grant, a member of the museum's staff said: "Probably not at that time. It gave us quick money to put this together." She then added: "The spirit of the whole [grant program] is collaboration. I don't think that our application would have been competitive if not for a partnership." The director of another museum admitted forming a partnership for an activity (producing educational materials)

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that it had already done alone, because having a partner increased the odds of being funded.

Although all of the foundations told us they wanted to support "genuine" partnerships and avoid ventures formed solely to obtain funds, it would appear that in some cases they were unwittingly encouraging precisely such behavior by providing incentives that ironically put creating partnerships before cultural participation. In short, foundations were more at risk of rewarding A while hoping for B than they believed.

Why Weren't Partnerships More Successful?

At the most global level, all of the partnerships succeeded: None defaulted and virtually all delivered the promised projects, reaching at least some of their goals. Most grantees had a positive experience and at least half reported warm relations and ongoing contact with their former partners. Yet despite claims that the partnerships yielded anticipated and unanticipated benefits, there was considerable evidence that a significant number of partnerships were less collaborative and successful than funders had hoped. Particularly telling, once funding ended so did most of the partnerships, including those that were meant to be long term. In none of the six partnerships that were ongoing at the time of the interviews did all members express a desire to continue beyond the grant period.

Insufficient Resources and Funding. Grants often did not cover the full cost of partnering. Grantees told us that collaborations were time-consuming, carried hidden costs, and redirected resources in unanticipated ways. The leaders of a small arts presenter told us that their grant "gave nothing for administrative costs" and covered less than 60 percent of the project's expenses. Another complained: "Our staff is hard-pressed with these partnerships. A large organization can spread the burden

"The trustees like to see organizations being more trustees, 'It's a partnership,' that's good."

among several people, but that isn't possible for a small organization." Larger institutions also complained about the financial burden of partnering. A senior staff member of a museum explained: "It was very staff-intensive to do the relationship building. Luckily, [our organization's] budget supported a staff person to work on this. But it required more time, and the grant did not cover the cost." Moreover, funding was often not adequate to cover the partnership's stated goals. Partners in one collaboration, for instance, acknowledged that their audience-diversification goals had not been achieved and realistically could not have been without a longer time frame and additional funds.

Tangential to Mission. Grantees also thought that foundations sometimes prized partnerships even when the partnership's

efficient in their work. If I say to

director of the performing arts group expressed uncertainty about whether he would have wanted to continue even if money had been available. "It's hard to identify lasting projects, because [our goals] are so disparate. These programs, and the partnership, are important, but they are not our mission, which is to provide the best [art]."

Logistical Difficulties. Partnering also proved to be logistically difficult for some grantees. Logistics, such as scheduling meetings, were especially troublesome in collaborations between large organizations with professional staff and small, volunteer-run groups. Professional staff expected to meet during the day, but those meetings conflicted with the paid jobs of volunteers. In one case, the volunteer director of a small dance group was unable to benefit fully from the opportunity to observe how a large ballet company functions by "shadowing" staff because he had to work during the day.

Logistics could be difficult even when all partners had paid professional staff. Directors of smaller organizations complained that handling different aspects of a partnership required them to meet with multiple staff at the larger organization and that it was sometimes a challenge just to find out who was in charge. Conversely, staff from larger organizations expressed frustration that smaller partners had only one person with whom they could deal. When that person was unavailable, progress came to a halt.

The director of a nonprofit in a three-way collaboration spoke of the frustrations of communicating and scheduling meetings due to travel schedules and the distance between the organizations: "Working with one partner is challenging enough. Working with two increases the challenge exponentially. Issues of communication and transportation, the time required for making decisions, and the time needed to arrange a meeting – all of these become profoundly affected by the inclusion of three partners."

Contention Between Partners. Some partnerships experienced tension when members felt they were not treated fairly or equitably, or clearly differed in their expectations about each other's roles, responsibilities, and influence. For instance, a senior staff member of a large institution who partnered with a small African-American arts organization argued: "We did more of the work here, involved more people, time, and resources. [Our partner, however,] saw this as a 50-50 arrangement. We said, 'Be realistic.' We have 300 to 400 full-time staff, and [they have] four. … Did they have to be 50-50 in everything?" The head of the smaller organization insisted, "We're equal." He emphasized that his larger partner could not have conducted the project, which was designed to attract members of the African-American community, alone.

purpose was tangential to the grantee's primary mission. A veteran of a partnership that sought, but failed, to engage children in the arts said: "I think that collaboration is often overused. … Collaboration was mandated for this grant. So everyone called everyone, and scrambled to get a partner." He freely admitted that his organization had agreed to partner on a project focused on an audience in whom it was not interested solely because of the grant.

Grantees clearly bore responsibility for entering partnerships that were tangential to their missions. A large performing arts group with a predominantly white staff and audience formed a partnership with minority organizations to help diversify the organizations' audiences. All participants were positive about the collaboration, but the partnership ended with the grant. The

The Underlying Problem

Although misplaced incentives, inadequate funds, inappropriate objectives, and logistical difficulties certainly mattered, all pointed to a deeper problem. Foundations seemed to encourage, and sometimes mandate, partnerships not necessarily because partnering was the best way to achieve a particular set of objectives given a specific context and problem, but because partnering fulfilled the foundations' view of how the social sector should operate. Evidence of an ideological commitment to partnerships surfaced time and again in our interviews. For instance, one foundation executive told us that in "real partnerships," money was beside the point, arguing that although grants helped build collaboration, if partners were truly committed they would continue the partnership regardless of funds. What this grantmaker failed to appreciate was that few partnerships were so central to the grantees' missions that they would divert funds from other activities to sustain them.

One grantmaker acknowledged that partnerships were sometimes less effective than individual initiatives, but staunchly defended the foundation's policy of requiring grantees to collaborate. Another foundation's representative conceded that some CPCP projects could have been carried out by a single organization, but she quickly added that they would have been less successful and have had fewer "spillover effects" if done alone. Yet, when pressed, she could think of no examples to illustrate her point. In short, foundations readily admitted that partnerships were challenging and had limitations. But in practice they seemed to take partnering's benefits for granted while overlooking its limitations.

Most of the partnerships we studied would not have been formed in the absence of foundation support, and when the funds were gone, the partnerships dissolved. Yet foundation staff at times seemed unaware of the consequences and even the terms of their policies. The staff of one foundation reported that they did not actively encourage partnerships, yet partnering was a requirement for receiving their large grants! The staff of another foundation proudly told us that the CPCP program had changed their grantees' attitudes about partnering, yet some of those very grantees said that they agreed to partner only because the foundation required it. The grantees, at least, seemed to understand that although the foundations may have been hoping for B, they were clearly rewarding A.

Lessons for Forming Partnerships

In theory, foundations are right: Partnerships can be a powerful tool for strengthening cultural participation and expanding audiences. But partnerships are *tools*; they are not ends in themselves. Partnerships are not appropriate for every task, and they will not work if used incorrectly. The experience of CPCP participants counsels that more attention needs to be paid to when and how to use partnerships. A clear and consistent message is that foundations may be overusing partnerships. Another is that partnering is costly, so partners and funders need to be realistic about the time, the money, and the commitment required in light of their goals.

Foundations and grantees need to adopt a more hardheaded stance on whether partnering is warranted, given the objective at hand. Partnerships are costly both in terms of time and money, and experience shows again and again that they are a poor strategy for reducing costs. Nor are partnerships morally superior to lone action. Instead, partnering is warranted, when two or more organizations have complementary missions, when they can bring different resources to the table, and when those resources are crucial for achieving the objective. Partnering may also be warranted when an objective can only be achieved through collective action and when the partners are truly committed to the objective.

Planning. Assuming that a particular goal warrants forming a partnership, our study suggests that grantmakers and grantees would benefit significantly from more planning prior to initiating a partnership. In fact, it might behoove foundations to provide planning grants to give potential partners the time and incentive to explore more fully both the feasibility and the costs of partnering. Waiting until partners are ready to partner before fully funding a project is both financially and programmatically more sound than providing the funds and hoping for the best. Foundations also need to develop detailed and realistic criteria for assessing readiness, criteria that may need to be tailored to the specifics of the program. Certainly one criterion needs to be an assessment of whether the potential benefits of collaboration are truly congruent with every party's needs and mission.

Grantees contemplating partnerships would also be well advised to scrutinize the reality of partnering closely. Prior to committing to a partnership, nonprofits need to work out each partner's role, responsibilities, and goals. Skipping or skimping on this planning stage is a false economy. The head of a small grassroots organization attributed the success of its partnership largely to a planning process that was required and funded by the foundation: "If we didn't spend the time, hard as that was, to get things verbalized and have people get a sense of each other, it would have been hard. I didn't feel that what I said was invalidated because I'm a little guy, and I think that was partly because we had a chance to get to know each other through work sessions."

When planning, a nonprofit needs be honest about the

To Measure the Success of a Partnership

Assessing the degree to which the CPCP partnerships succeeded is extremely difficult. The difficulty begins with deciding which criteria to use. Evaluators could focus on general criteria like fostering collaboration, expanding networks, diversifying audiences, or creating new programs. Evaluators might also target specific, operational outcomes: for example, bringing more cultural events to minority communities or attracting more people to a library or museum.

But even if evaluators could agree on criteria, assessment is hampered by not only the slipperiness of social aims but also the lack of data. As is often the case with nonprofits, CPCP partners rarely collected the kind of data necessary for determining whether a partnership had really achieved its goals. For instance, a museum launched a program specifically intended to increase minority attendance. When asked whether the program had been success-ful, a staff member said, "We have some sense that the audience has become more diverse – we think because of the collaboration with [our partner] and other minority groups." He explained they have no way of knowing, though, because they can't determine demographics and attendance for individual programs. Thus, organizations often had no way to document the results of their most concrete objectives.

level of commitment it can offer, whether the partnership really fits its mission, and whether the partnership justifies the resources that it will consume. Especially for cross-ethnic partnerships and those pairing large institutions with small, establishing clarity about rewards, responsibilities, and influence at the outset is critical in avoiding problems with mutual respect, rewards, and influence down the line. Foundations should carefully scrutinize these agreements to ensure that a clear partnership structure in which all partners contribute and benefit is in place. Likewise, it is essential that a plan be worked out concerning how administrative and coordination issues (communications, meetings) will be handled. For larger projects, foundations should consider funding a mediator or consultant who can help potential partners with their planning process. Funders should consider whether to give the smaller organization additional funds to lessen the administrative burden and help free up limited staff time so that they can participate more fully in the partnership.

In short, a planning process is needed to ensure that partners have really assessed the advisability of the partnership beforehand, worked through difficult issues about rewards and responsibilities before the actual project begins, and are clear about each other's commitments and expectations. In the process, they can surface potential tensions and difficulties at the outset – find ways to work around them, or decide they are too severe to warrant continuing before they go further.

Account for Costs. Potential partners need to be hard-nosed about a potential partnership's actual costs and how much is covered by the grant. Grantees need to ask whether they have the capacity to handle the responsibilities of collaboration, including whether they can afford to divert staff time and other resources from other activities. Potential partners also need to negotiate openly how costs will be distributed, especially if the partners differ dramatically in size and resources.

Foundations also need to recognize that partnerships are usually less of a bargain than they think. To ensure the success of a partnership, foundations must be willing to cover administrative costs and, in the case of large projects, they may need to consider funding a partnership manager. In one interesting case, a foundation actually changed its funding policies after recognizing the real costs of partnering. Originally, it awarded the same amount of money for single- and multi-organization grants. "It didn't work. … We changed. … If a typical grant is $25,000, then you must double it or quadruple it for a partnership. You need to consider that. It's an easy trap, but you must increase that monetary amount, and foundations should be mindful."

Partnerships involving small organizations are likely to require additional funds to ensure that the organizations' capacities are not strained by participation. Ultimately, however, to adequately meet the costs of encouraging partnerships, foundations need to face up to the fact that if they want to achieve ambitious goals – like the diversification of audiences – they may need to fund fewer partnerships at higher levels for longer periods of time.

The most important thing foundations and grantees must keep in mind is what they want to accomplish substantively – and then think about what incentives and methods will truly bring those ends about. This requires relinquishing the hope that partnering – or any other method – will magically produce cost-effective solutions to complex problems or reduce the necessity of making hard choices about accomplishing priorities with finite resources. Doing so will help foundations and nonprofits alike avert the ever-present risk of falling prey to "Kerr's folly." □

1 Kerr, S. "On the Folly of Rewarding A, While Hoping for B," *Academy of Management Journal* 18, no. 4 (1975): 769-783.

2 Foundations today are apparently falling prey to the same tendency Janet Weiss identified in 1981 among government policymakers: passionate advocacy of "coordination" among human service agencies, despite clear evidence of the flaws and failures of this strategy. Weiss argued that policymakers continued to heed the "siren call of coordination remedies" because of coordination's value as a symbol that "epitomizes widely shared social values of rationality, comprehensiveness, and efficiency." ("Substance vs. Symbol in Administrative Reform: The Case of Human Services Coordination," *Policy Analysis* 7, no. 1 [1981]:21-46.) Partnerships have similarly assumed a symbolic value among foundations today.

3 Additional information on this and other parts of the CPCP initiative and evaluation is available at www.wallacefoundation.org.

4 Ten partnerships were between two organizations. Four partnerships involved three organizations. One had four partners, and four had five or more partners.