THE ROAD TO RESILIENCE: WORKING TOGETHER

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THIS ARTICLE WAS PROVOKED BY AN INVITATION TO SPEAK AT THE ONTARIO Nonprofit Network conference in April 2010, inspired by what I heard at that conference, and informed by many thoughtful articles in recent issues of *The Philanthropist*. It was also shaped by my experience as the founder of Canadian Policy Research Networks, a nonprofit that thrived for many years but did not survive the new political and economic context.

The recent recession was a shock to both funders and nonprofits.[1] It forced us to confront the radical shifts in the context that shapes our lives and in the needs of the communities we serve. Now that we have survived the recession, it is not business as usual. For years, we have been trying to do more with less. Now we must do more by working smarter. This means doing things differently. And more often than not that means working in collaboration with others so that we can set bolder goals and bring to bear more people and resources.

In 1993, when I was working with Bryne Purchase on a project called Government and Competitiveness, we invited three leaders from the voluntary sector (Al Hatton, Sol Kasimir, and Rose Potvin) to review a draft report on the sector. Not much was being written about the sector at the time, and our knowledge base was weak. They gave us many useful comments. When Sol summarized his view of the sector at that time, he described society as a three-legged stool – the public sector, the private sector and the nonprofit sector. "But the third leg," he said, "is a toothpick." We all laughed.

We all know that our days as a toothpick are over. It's time to think of ourselves as the leaders who can mobilize Canadians to make the country a better place.

The sector has grown in size, complexity, and impact since 1993. Much is now being written about the sector, and our knowledge base is both wider and deeper, though far from complete. To be realistic, we must acknowledge that nonprofits, even big ones like CPRN, are vulnerable, just as many businesses are. Our task is to set about building our future with confidence and resilience, knowing that if the sector does not step up, no one else will.

Resilience means many things to many people. To some it means "embracing the future" or the "capacity to absorb disturbance" (Foster, 2010). To others, it is the "fluidity to change organizational shape, build alliances and take up the opportunities of the moment" (Struthers, 2004). And for others it is the "capacity to make good decisions in

the midst of chaos and change" (Alliance for Nonprofit Management, 2003, p. 13; cited by Struthers, 2004).

As I prepared my speech in April, I had to confront two distinct objectives. One was to look for ways to shore up weaker nonprofit organizations that are struggling to survive. (There are some hard facts to face there, as we shall see.) The other was to focus on our resilience – our inherent capacity for self-organizing based on our agility, innovative skills, and passion for what we do.

This article proceeds as follows: It begins with a brief assessment of the context in which we will be operating in coming years. No matter what angle you come from, that context calls for resilience and new ways to get things done. As Marilyn Struthers (2010) observed recently, successful charities are "highly fluid and relational organizations with strong abilities to forge collaborative work" (p. 148).

It then identifies three dimensions of resilience: demonstrating public value, showing legitimacy and support, and strengthening operational capabilities. All three dimensions point to the need for collaboration within the sector and with actors outside the sector, so the article goes on to talk about how to collaborate, building on feedback from the Ontario Nonprofit Network conference participants and others, as well as my research and public dialogue experiences from CPRN.

THE SHIFTING CONTEXT

In this brief overview of the context, I want to draw attention to forces that directly influence the future of the sector, looking at demography, the economy, political values, and technology. (For a more in-depth discussion, see Maxwell, 2006.)

Demography

Canada is aging, urbanizing, and becoming more diverse. But there are radical differences from one community to another. Some parts of the country are aging rapidly, highlighting the need to build the infrastructure and human services to support the elderly. Others are losing the resource base that generates jobs, which, in turn, drives the population, especially young people, to move to cities to find work. Cities are experiencing rapid rates of immigration and a significant shift in their ethno-cultural mix. The nature of poverty has changed; it is concentrated in poor neighbourhoods, and nearly half of low-income families include someone who works a minimum of 49 weeks a year (43% of low-income families in 2005, up from 26% in 2000).

These demographic shifts change not only the needs of the communities we serve, but also the capacity of those communities to shape their own futures. They also affect the scope for recruiting and training of volunteers. Every community is therefore compelled to assess its own demographic future in order to identify opportunities and threats. There is no one-size-fits-all strategy here.

Municipal governments obviously have a central role to play in responding to these demographic shifts, but in general their capacity to take leadership on social issues is weak. They are good at their traditional business of building roads, collecting waste, and

policing, but they're not strong on dealing with the growing concentration of poverty in poor neighbourhoods, the stress on human service charities created by the complex needs of a diverse population, and the lack of affordable housing (Federation of Canadian Municipalities, 2010).

Working with local public institutions, nonprofits can generate leadership on these issues, building on the trust of all parts of the community so that the community can take responsibility for its own future. They can also reach out to both the elderly and the young, creating intergenerational dialogue (see Generating Community Leadership).

Economy

Provincial and federal governments are aware of the shifting demographics, but the recession and the huge increase in public sector deficits since 2008 have overwhelmed most efforts to strengthen social investments and to improve the quality of public services. Indeed, as governments begin to cut expenditures, there is a high risk that essential public services will be undermined and that nonprofit service providers will be expected to do even more with even less. The dominant consideration in policy development has become the economy – creating jobs and boosting productivity growth.

This puts more pressure than ever on the nonprofit sector to a) propose solutions that directly address the economic bottom line and b) keep quality of life issues on the public agenda.

Political values

These fiscal and economic pressures are strongly reinforced by the growing strength of conservative social values in Ottawa as well as in some provinces and municipalities. The recent debate about the design of the 2011 census shows that the federal Conservatives are prepared to take serious risks with respect to the quality of census information in order to avoid questions that are deemed to invade the privacy of citizens.

To its credit, the Conservative federal government has made one significant innovation in social programs – the working income tax credit. But it has been stubbornly opposed to investments in affordable housing, child care, immigrant settlement programs, or other initiatives that would help newcomers and disadvantaged Canadians escape poverty and become self-reliant, tax-paying citizens. At the same time, the government has avoided getting involved with the provinces in joint responses to the complex economic and social dilemmas of the 21st century (Wells, 2010; Phillips, 2010).

This puts the onus on the nonprofit sector to demonstrate what civil society can do to achieve the common good through community and sector collaborations. When communities take a leadership role in this way, they can invite senior governments – federal

GENERATING COMMUNITY LEADERSHIP

Much of the disruptive innovation that one observers now in the community sector is the result of organizations pushing beyond their traditional role of supporting and sustaining the "benefits economy." Nick Saul at One Stop in Toronto wants to re-position food banks as community hubs in which supplementary food is merely one expression of community support for individuals. Michel Rivard of the Centre le Havre in Trois Riviéres and Jim Hughes, former executive director of Montreal's Old Brewery Mission, refocused their shelters from warehousing the homeless to helping people get back on their feet as quickly as possible. Many United Way/Centraides have similarly begun to shift from an essentially passive role of providing recurrent funding to social services agencies, to actively developing long-term strategies to reduce or eliminate poverty and exclusion. (Brodhead, 2010, pp. 22-3)

and provincial – to contribute their share. If the whole community is behind the initiative, it will be hard for governments to say no.

Technology

The social technologies offer nonprofits new tools that help to build and maintain relationships with stakeholders at a time when engaging our partners, our clients, our funders, and the public in deeper conversation is more important than ever. Clay Shirky (2008) promises that the technologies will enhance our ability to share, cooperate, and take collective action. Technologies can also change the way we work as a sector by facilitating brainstorming and priority setting and strengthening our political clout when we need to speak with a loud voice.

But these new technologies will tax the capacity of the sector in a number of ways. First, they will require all organizations (for-profit and nonprofit) to be open and transparent in ways that most have not been before (KCI, 2010). Second, effective use of these technologies requires constant direction and attention from the top – yet another challenge for overworked executive directors! And those organizations still struggling to keep their websites going should note that the new social technologies could only perform if websites are relevant and up to date (KCI, 2010).

In summary, the future context for nonprofits demands a major re-positioning. The needs of Canadians are changing. They are more complex and require integrated, coherent responses. The fragmented offerings of uncoordinated charities cannot mount this response on their own. And government programs are even more fragmented, as John Stapleton has documented in the case of a young refugee woman with a child in Ontario (see Stapeton insert).

A FRAGMENTED SAFETY NET

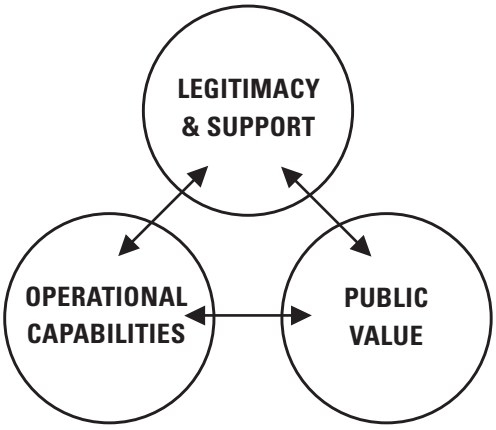
We cannot claim to have people-centred government policies. Not when an 18-year-old, lone-parent refugee is considered to be an adult under four policies, a child under two, a student under a third policy, a dependent adult under two others, a non-resident under two, and a legal resident of Canada under four more. And as far as government is concerned, it is her job to sort all this out (Stapleton, 2007, p. 1).

The needs of charities are also changing. We used to define our problems as financial. Now the challenges are the capacity to deliver on a sustainable basis, the ability to work with others, and the will to engage with all points of view in order to define integrated solutions.

In an article called "On Creating Public Value," Mark Moore and Sanjeev Khagram (2004) of Harvard University have defined three dimensions of resilience. They are: a vision of public value, demonstration of legitimacy and support, and evidence of operational capabilities (see Figure 1).

The three dimensions form a strategic triangle. They feed and support each other as they strengthen the sector. But they will be a stretch for many organizations in a sector that is diverse, fragmented, and reluctant to give power to a national or provincial organization. Yet they highlight the leverage an organization can achieve by working with others, whether they are a few peers doing similar work or big alliances with many actors. Let me discuss each one in turn.

FIGURE 1: **Three Dimensions of Resilience**



Source: M.H. Moore and S. Kagram, 2004

DIMENSIONS OF RESILIENCE

The first dimension is to demonstrate the public value of your initiative (or your organization). This is something nonprofit organizations can readily address since their whole raison d'être is to help others. Nonprofits are, as Lynne Eakin (2010) says, part of the public benefit economy.

But in making the case for an initiative – to attract partners, funders, and/or volunteers – we need to learn how to tell the story in ways that grab their attention.

In part, this means using the triple bottom line, stating the ways in which the initiative can achieve social, economic, and environmental goals. It also means using a big picture frame. For example, instead of asking for more money for meals on wheels, we are called to launch a community-wide effort to build integrated community supports for the elderly and the chronically ill. This ambitious goal will attract new partners from many places, including health institutions, and speak directly to the unease in the community about how we are going to manage the needs of an aging population.

The second dimension is to show the legitimacy of your initiative and to demonstrate your political clout. Legitimacy is demonstrated when you can point to trusting relationships with governments, foundations, sector partners, and others. As they are drawn into the initiative, they become ambassadors and bring some of their own resources into play.

Building and maintaining legitimacy requires engagement with multiple actors in society that in earlier times you might never have met. Engagement can include creating an on-line community, as well as public information campaigns, public events and meetings where your partners, including business leaders, can tell the story for you and begin to spark the interest of the general public.

The third dimension is to strengthen operational capabilities. There is tremendous pressure from funders to under-invest in operations, and this is reinforced by the strong desire to direct all resources to delivering on the mandate. For example:

- Governments deliberately under-fund service contracts so that they do not cover the direct costs of delivery (Eakin, 2007; Clutterbuck & Haworth, 2007).

- Many donors look for low overhead ratios, implying that overhead is a waste of money. But if nonprofits under-spend on overheads, they weaken their capacity to know their financial status, to exploit new technologies and to recruit and train volunteers. We need benchmarks of what a well-performing organization should spend for these indirect costs (Bedsworth et al., 2008).

- There are long-term costs of under-spending on salaries, benefits, and pensions, because they undermine nonprofits' ability to hire and retain the quality of staff they need to fulfill their mandates.

These three aspects of under-investment in operating capacity are part of the ethos of the sector. Our response, as leaders and managers, is much too passive. You and your board need proactive strategies to strengthen operational capabilities so that you can serve your clients not only this year but in years to come.

One of the major tools for creating resilience is collaboration, as nonprofits work out arrangements for shared programming and services, shared expertise and functions, and shared space and operations (Carter, 2010). Mulholland (2010) also describes the emerging role for "un-organizations," or "communities of purpose." These more fluid forms of collaboration are "particularly well suited to large scale policy efforts (research and advocacy) that would otherwise be too costly and substantively broad for any one organization to tackle" (p. 145).

Another element in the strategy is to open a frank dialogue with foundations, governments, and other funders about the way in which their granting and contracting procedures undermine resilience and reduce operational capabilities. This is best done through an alliance of nonprofits within a community or a province. While more money is needed to solve this problem, there are better funding practices that can help to build the capacity and resilience of the nonprofit, including giving government or foundation staff time to engage with grantees to build mutual understanding, making granting procedures flexible enough to support innovation, and using grants to support learning as well as doing (Struthers, 2004).

In summary, the challenges presented in the current context force the nonprofit sector to adopt new ways of working. The strategic triangle shown in Figure 1 highlights the importance of collaboration with other nonprofits and other actors in society. Canadian experience to date shows that much collaboration is "organization-light." People are not ceding power to a new organization; they are sharing power to achieve a common goal. The Ontario Nonprofit Network (ONN), the Toronto City Summit Alliance, and the Hamilton Roundtable on Poverty Reduction are vivid examples of this new phenomenon. The ONN says on its website, for example, "'Coordinated mutual self-interest' is harnessed, valued and balanced with common or converging interests and the needs of the greater community" (ONN Fact Sheet, p. 2)

The exciting outcome is that the collaboration journey enables nonprofits to see their work in a larger framework. We need nonprofits that are ready to reinterpret their man-

dates so that they can, for example, contribute to a broad-based poverty reduction initiative or give leadership on affordable housing or on stronger arts and recreation capacity. This is the first step toward weaving together the many individual efforts to meet social goals into robust, integrated plans for transformation.

Having explained why collaboration will be vital to the success of the sector in the years ahead, I will now ask the how question: how do we get there from here?

COLLABORATION 101

Hilary Pearson (2010) believes that collaboration will be an effective tool for philanthropists in the next decade. But she also highlights some of the hazards: arguments over control, disputes about recognition, demands on resources (including time), and communication breakdowns (who is talking too much and who isn't talking enough). The risk of failure is always with us, and that makes collaboration hard work. It is an acquired skill for most people.

In the nonprofit sector, collaboration can take place on any scale – among three small nonprofits serving the same clientele or involving community leaders from all sectors. Let's begin with the large-scale initiatives first, as they have the greatest potential for community transformation (see Mulholland, 2010).

TRANSFORMATIVE COLLABORATIONS

Here is just one example of what a cross-community collaboration can achieve:

> The Toronto City Summit Alliances is a civic coalition of public, private and voluntary sector leaders from the Toronto region, … supported by two staff, that has launched the Luminato Festival of Arts and Creativity (now one of the world's largest arts festivals), an in-depth review of income security programs that led to the introduction of the federal working income tax credit, the Toronto Region Immigrant Employment Council, that has placed over 3,000 highly skilled new immigrants in well-paying jobs through mentoring and internship programs, as well as many more initiatives. (Mulholland, 2010, p. 142)

The first step toward transformation is to call people together to articulate a common purpose to which they can commit. This is best done in an open-ended dialogue in which people get a chance to articulate their hopes and dreams as well as their worries and frustrations.

This dialogue is not what you will hear at a typical town hall meeting, where people come to rant about their grievances or fight the latest initiative at city hall. Rather, it is a conversation that establishes common ground. By enabling people to focus on solving problems together, it begins to build trust and mutual respect. These are learning sessions where both technical and experiential knowledge are brought to bear (Maxwell, 2006).

For more concrete advice on how to engage in community conversations, I recommend three recent books by Paul Born, Peter Block, and Frances Westley and her co-authors Brenda Zimmerman and Michael Quinn Patton.

- *Community Conversations*, by Paul Born (2008), describes how to mobilize the ideas, skills and passion of community organizations, governments, businesses, and people, drawing on his experiences with the 15 cities in the Vibrant Communities network (2008).

- *In Community: The Structure of Belonging,* Peter Block (2008) describes six different kinds of conversation required to transform a community.

- Frances Westley and her colleagues (2007) say that their book *Getting to Maybe* is about making the impossible happen. It is for ordinary people who want to make connections that will create extraordinary outcomes.

Neil Bradford, author of *Cities and Communities that Work,* has studied 11 larger-scale, community-wide collaborations in Europe and North America and distilled the following ingredients for success:

- a local champion to provide the leadership;
- institutional intermediaries (such as regional development organizations) to connect with senior governments;
- equitable participation to engage local stakeholders;
- a civic culture of creativity (doing things differently and better);
- adequate financial and technical resources (money, land, regulatory skills, etc); and
- strong accountability mechanisms, including an agreed set of indicators to track progress.

The common factor that Bradford found in these 11 collaborations was connectedness. This worked in two directions – horizontally, involving all sectors in society; and vertically, engaging the grass roots as well as senior governments.

At the Ontario Nonprofit Network conference in April, I ended my speech by asking the audience to work in table groups and then report back on what they had learned from previous experiences with collaboration. It was clear that many of the 200 or more sector leaders there that morning understood both the risks and the rewards of collaboration. They were reporting mainly on smaller scale collaborations, and focused on more operational issues than the Bradford study. I have combined the ONN participants comments with my own thoughts based on the CPRN experience. (CPRN organized an alliance of funders, researchers, and frontline workers for all its major projects). Here is our combined advice on collaboration:

- Collaborations work best if you put self-interest aside and focus on the best collective outcome.
- You need regular meetings that have a routine for reporting progress and problems.
- Assign responsibility for day-to-day nurturing of the collaboration to one person in your organization. S/he must stay connected to know where there are doubts, where a change in approach might be needed, and when to bring the executive director into the conversation.

- In some cases, it helps to take turns in leadership or to share leadership. Certainly, leaders are not heroes; they are servants of the common cause.
- Be clear on what each organization/person brings to the table.
- Be clear on what each participant is expected to deliver.
- Keep staff and volunteers as informed and involved as possible. They will contribute good ideas.
- When one partner is faltering, explore the options to solve the problem as early as possible to avoid losing momentum. Or, in the words of ONN, "if there is no energy to work on a project, the project should die."

The ONN participants also had the following warnings for funders:

- Service collaborations are better if they are not compulsory. Funders cannot dictate collaboration.
- It is unrealistic to expect cost reductions. Instead, extra funding has to be set aside so that organizations have "thinking space" as they develop plans for working together.

The funding partners in Calgary Teen Zone have this advice for their peers (Pearson, 2010):

- Recognize that each partner is competent, accountable, and transparent and that each is an equal partner at the table with an equal voice. Leave egos at the door.
- Collaborators should feel comfortable enough to have difficult conversations.
- Start with a specific policy change in mind.
- Set very specific goals and have a concrete outcome. Develop a thorough evaluation process to stay on track.
- Have all partners involved in advocating for the program.
- Don't underestimate the importance of good communications.

We are not starting out on this journey with a blank sheet of paper. The nonprofit sector in Canada has considerable experience in collaborating with other nonprofits and with actors from other sectors. There are role models out there who can teach us a lot.

Michael Edwards (2010), former director of the Ford Foundation, argues, "business is not equipped to attack the root causes of major problems like poverty, inequality, violence and discrimination. Achieving social transformation requires a different set of operating values – cooperation rather than competition, collective action more than individual effort, and patient, long-term support for systemic solutions over immediate results." These are values that are embedded in the DNA of the nonprofit sector.

CONCLUSION

It's time to stop trying to do more with less and to start setting bold objectives to do much more with more. The new demographic, economic, political, and technological context for our work as a nonprofit sector compels us to take on the big transformative projects as well as the smaller ones that strengthen our operational capabilities. It also drives us to work together. As Margaret Wheatley has said, "We have to understand that

we live in a world of emergence. When we join together, new capacities will always greet us" (Wheatley & Kellner-Rogers, 1996, p. 76).

Governments are pulling back, while business has to compete on a global playing field. This leaves a huge opening for civil society organizations to re-imagine who we are and what we might become (Perryman, 2010). There is a growing awareness in the sector that we need to do things differently. This means taking more risks, thinking outside the box, and strengthening our capacity to handle the turbulence ahead.

"Our mission and our commitments to social change and social justice call us to different paths" (Perryman, 2010). The road to resilience will help take us there.

NOTE

1. I use the term nonprofit reluctantly. It does not define the sector well. I prefer "community sector" or "social sector."

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