

# Nonprofit Alliance in China: Effects of Alliance Process on Goal Achievement

## 中国非营利组织联盟：联盟进程对目标成就的影响

**Qiang Dong**

College of Humanities and Development Studies, China Agricultural University

**Jiaqi Guo**

Rutgers University, School of Social Work, Huamin Research Center

**Chien-Chung Huang**

Rutgers University, School of Social Work, Huamin Research Center

Nonprofit alliances have characterized the dynamic of nonprofit sector over the past three decades. While much scholarly attention has focused on formation and outcome of alliances, less is known about process of alliances. Using 11 cases of nonprofit alliances in Ya'an earthquake in China in 2013, this study examined the connection between process and outcome of alliances. Our research demonstrates that process of nonprofit alliances plays an important role in goal achievement of the alliance. Specifically, resource distribution and trust building are the two critical process factors. The results indicate that the process factors change dynamically along with the process of the alliance, and that the synergy of the process factors facilitated the fulfillment of alliance goals.

Keywords: Nonprofit, Alliance, Process, Goal Achievement, China, Ya'an Earthquake

## Introduction

In the past three decades, nonprofit organizations (NPOs) are increasingly engaged in alliances both within sector and across sectors (Cornforth et al., 2015; Doerfel et al., 2016; Gazley & Guo, 2015; Tulder et al., 2016). Concurrently, a growing body of literature has emerged to study nonprofit alliances (Austin, 2000; Gazley & Brudney, 2007; Guo & Acar, 2005). Wood and Gray (1991) argue that theoretical approaches to organizational alliances include formation, processes, and outcomes of the alliances. However, much of the existing literature on nonprofit alliances concentrates on antecedent factors, ranging from motivations to characters of member organizations, and outcomes including benefits, challenges, and factors of success (Brinkerhoff, 2002; Chen, 2008; Chen & Graddy, 2010; Sowa, 2009). Gazley and Guo (2015) indicate that less is known about processes of nonprofit alliances. By emphasizing the process of alliances, we attempt to study the evolution of an alliance as its member organizations interact with each other over time, which reflects the nonlinear and emergent nature of alliances (Thomson and Perry, 2006).

With regards to the studies on alliance processes, one of the critical questions is whether alliances could achieve their goals or dissolve before reaching the goals (Das and Teng, 1997). Studies have found specific aspects affecting goal achievement of nonprofit alliances, including timeframe for goals (McLaughlin, 2010), resource distribution (Berger et al., 2004), governance structure (Cornforth et al., 2015) and trust building (Tzasis, 2009). Hu, Guo, and Bies (2016) conducted case studies on reasons behind termination of Chinese nonprofit alliances, but short on goal achievement of alliances. Little is known about when and how these

process aspects may help a nonprofit alliance to sustain itself and achieve its goals. Knowledge on the process of a nonprofit alliance is, thus, constructive to real-world practice given the complexity of collaborations across organizations (Gray, 2000).

NPOs in China have experienced a dramatic growth in number over the past two decades (Deng, 2013; Spires, Tao & Chan, 2014). By the end of 2015, China was home to 662,000 NPOs, an increase of 9.2 percent from 2014 (Ministry of Civil Affairs of China [MCA], 2016).

Prior to the Ya'an earthquake, the Wenchuan earthquake in 2008 was the first time that China's nonprofit organizations had participated on a large scale in disaster relief, involving 64 nonprofit organizations (Shieh and Deng, 2011). Most of these nonprofit organizations themselves lacked the legitimacy of entering the disaster-stricken areas (because of China's regulations) and professional capabilities of disaster relief and coordination, so they jointly launched two nonprofit alliances to participate in disaster relief in stricken areas and another five nonprofit alliances outside of the stricken area (Teets, 2009; Shieh and Deng, 2011). According to the analysis by Sorace (2014), nonprofit organizations were marginalized during the subsequent reconstruction phase of the Wenchuan earthquake. The two nonprofit alliances in the affected areas were mainly involved in providing services during the emergency rescue phase. One of them (the Sichuan NGO Earthquake Relief Coordinating Office) dissolved upon completion of the emergency response, while the other (the May 12 Voluntary Relief Services Center) continued to later phases, but its role has always focused on information and experience sharing and has not involved transitional resettlement and post-disaster reconstruction (Shieh and Deng, 2011).

Several studies have conducted research on nonprofit alliances in China and found that the level of collaboration was limited due to the constraint in external environment (Fulda et al., 2012; Jing and Chen, 2013; Zhu and Lai, 2014). Fengshi Wu (2013) and Jessica Teets (2017) used an outcome-oriented perspective of network to analyze how environmental NGOs in China have formed alliances and how these alliances have influenced policies and thereby achieved their goals. Fengshi Wu (2013) emphasized the importance of extensive and strong ties to the goal achievement of nonprofit alliances. Jessica Teets (2017) argued that structure and strategies help nonprofit alliances achieve their goals. There is no study that examines the process of alliances on goal achievement in China. This study analyzes 11 cases of nonprofit alliances in Ya'an earthquake in China to investigate the relationship between process and goal achievement of the alliances. In this study, we focus on four process factors (timeframe for achieving goals, resource distribution, governance structure, and trust building) and find resource distribution and trust building are the two critical factors. The four process factors change dynamically along the process of a nonprofit alliance, and that the synergy of the four factors facilitate the fulfillment of alliance goals.

## Literature Review

The alliance process is often examined as a coherent whole, from inception towards termination or evolution. Ring and Van de Ven (1994) propose a process framework of the development of alliances, consisting of cyclical sequences of negotiation, commitment and execution. Each stage is assessed by efficiency and equity. The framework implies that the right balance between formal and informal processes is a key to alliance stability. Baker,

Faulkner and Fisher (1998) argue that the sustenance or dissolution of alliances depends on competition, power and institutional forces.

From an internal tensions perspective, Das and Teng (2000) posit a framework, as consisting of three pairs of competing forces: short-term versus long-term orientations, cooperation versus competition, and rigid versus flexible structure, to explain internal instabilities of alliances. This framework provides a comprehensive framework on nonprofit alliance processes. Studies have found that long-term oriented alliance is more stable than those with short-term orientations (Das & Teng, 2000; Hu, Guo & Bies, 2016; Mclaughlin, 2010; Van de Ven, 1976). With regard to internal relations, cooperation mitigates or even counteracts the negative effects of competition (Das & Teng, 2000), while resource competition for funds, staff and clients accounts for alliance failures in many cases (Beger et al., 2004; Hu, Guo, & Bies, 2016; Hunt, 2007). As to governance structure, higher structural rigidity enhances member organizations' commitment, aligns their interests, and reduces opportunistic practices, while a high degree of structural flexibility can help the alliance better adapt to changing conditions (Cornforth et al., 2015; Das & Teng, 2000; Provan & Kenis, 2008).

Chen (2008) applied the process-outcome framework developed by Thomson (2001) to analyze how the process of a nonprofit alliance affects outcomes of the collaboration. Chen adopted five process-related dimensions of alliance collaboration defined by Thomson and Perry (2006), including: governance, administration, organizational autonomy, resource sharing, and trust building. Chen's study suggests that governance and trust building have an impact on the goal achievement of nonprofit alliances.

Trust between nonprofit alliance members builds stable inter-organizational ties, enables resource exchange, relieves stress, reduces opportunistic practices, and thus produces win-win situations (Das and Teng, 1998; Shaw, 2003; Snavely and Tracy, 2002; Tsasis, 2009). As a result, trust increases the possibilities of nonprofit alliance evolution (Isett and Provan, 2005).

In conclusion, four factors including timeframe for achieving goals, resource distribution, governance structure, and trust building, have been identified as key factors of nonprofit alliance processes. In this study, we synthesize these process factors identified in the literature and verify whether or not they affect the goal achievement of nonprofit alliances within the Chinese context through case studies. We also evaluate the interaction of these factors, which has not been examined in previous studies.

### Nonprofit Alliances in the Ya'an Earthquake Relief

On April 20, 2013, the Ya'an earthquake of 7.0 magnitude occurred in China. The earthquake resulted in 196 people dead, 2 missing, and 14,785 injured as of May 23, 2013 (The State Council, 2013). Compared to the 2008 Sichuan earthquake and the 2010 Yushu earthquake, Chinese government implemented major policy changes regarding nonprofit involvement in 2013 Ya'an earthquake. Specifically, the MCA and local governments introduced innovative donation policies and platforms. Fundraising for natural disaster relief by NPOs was prohibited before 2013. On April 21, 2013, the MCA issued Statement on Donation Activities for Disaster Relief and Rescue in Ya'an Earthquake (No. 277), which permitted legally registered, disaster relief-dedicated NPOs to receive public donations. By April 20, 2016, a total of 357 foundations participated in Ya'an earthquake relief, and

raised more than 1.9 billion yuan (China Foundation Center, 2016). In the meantime, to ensure effective participation of NPOs in the relief, Ya'an Earthquake Relief Social Organization and Volunteer Service Center (hereafter referred as the Relief Center) was established by Sichuan Province Social Governance Service Team. The Relief Center created a comprehensive network to facilitate effective governmental cooperation with NPOs and volunteers in earthquake relief and reconstruction.

As reported by the Relief Center (2013), a total of 304 NPOs provided services of infrastructural building, psychological counseling, medical assistance, environmental protection, and community support. Various nonprofit alliances were formed in order to better meet needs and improve capacities, although some alliances existed before the earthquake (See Table 1). The majority of nonprofit alliances in Ya'an earthquake concentrated on emergency response and transitional assistance, while a few nonprofit alliances sustained to carry out post-disaster reconstruction.

### Date and Method

#### Case Selection

We took the following steps to collect alliance data. First, online media coverage of nonprofit alliances was collected. Second, 12 issues of Ya'an earthquake relief briefing, edited by Zhuoming Disaster Information Service Center, were used. According to the April 20 earthquake relief briefing compiled by the Zhuoming Disaster Information Service Center and relevant media coverage, a total of 29 NPO alliances were launched during the Ya'an earthquake. We selected our cases based on four criteria: a) The alliance was a nonprofit to nonprofit alliance; b) The alliance included at least three organizations; c) The alliance provided services to victims of the

Ya'an earthquake; d) The services provided by the alliance were located in Ya'an disaster areas. Out of 29 NPO alliance, 11 of them were met with the criteria (see Table 1). After developing an alliance list, we interviewed the leaders of these alliances and of their member organizations for verification. We interviewed the leader of each alliance and leaders from three of their member organizations respectively to learn about the existence and operations of their alliances in order to ensure that these alliances are real and meet our inclusion criteria. The leaders were executive director or secretary-general of the organizations.

These 11 alliances were registered in multiple cities, including Ya'an, Beijing, Hangzhou, Chengdu, and Shenzhen. Two of them were established in 2009, one in 2011, and the rest were after the 2013 Ya'an earthquake. The number of member organizations ranged from four to 70. Some organizations joined more than one nonprofit alliances. Until now, three nonprofit alliances (B, C, and I), continue to work on Ya'an reconstruction. Alliance J and K withdrew from the disaster areas after completing their work in the relief. Other six alliances (A, D, E, F, G, and H) terminated their work of disaster relief and dissolved.

#### Data Collection

This study used focus group and semi-structured interview to gather data. First, we conducted two focus groups that each lasted for three hours. The first focus group included leaders of Alliance D and F and was conducted in July 2013 in Chengdu. The second one included leaders from Alliance B, E, H, I, and K, in August 2013 in Ya'an. Topics discussed in the focus groups included: goals and timeframe of the alliance, number and characteristics of member organizations, external and internal supports of the alliance, competition and trust among member organizations, and govern-

ance structure.

Based on information obtained from the focus groups, we carried out semi-structured interviews with leaders of the 11 nonprofit alliances from August to October in 2013. For each alliance, we interviewed one leader of the alliance and leaders from at least three member organizations. Each interview session lasted for two hours. Questions covered in the interviews included: goal and operation of the alliance, information on member organizations, allocation of internal and external resources, competition and trust among member organizations, and governance structure. We conducted follow-up interviews in December 2013, June 2014, June 2015, October 2016 and January 2017. Each interview session lasted for 1.5 hours. Questions covered in the interviews include: progress and change of the alliance, and challenges and problems of the alliance.

#### Data Analysis

Data analysis consists of data processing and extraction. When processing data, we verified the accuracy of the case information through confirmation with different actors in nonprofit alliances (leaders of alliances, leaders of member organizations, and leaders of outside organizations). We also compared each alliance's rules and regulations with our interview minutes to ensure consistency between documents and interviews. We then coded and classified each case based on the four process factors. During the classification process, we performed cross-validation to ensure accuracy. Meanwhile, the dimension of longitudinal observation in our data allows us to validate how case data were classified at different stages to ensure consistency. In data extraction, we applied two approaches, within-case and cross-case data analysis, to build connection between cases and the theoretical framework. When interpreting within-

case data, we gained familiarity with the cases in detail and were able to begin basic theoretical building. Then we conducted cross-case data analysis to summarize similarities and differences of the cases concerning factors affecting the alliance.

#### Findings

As of January 2017, three out of 11 alliances continue to operate while eight of them dissolved within four years. The frameworks developed by Das and Teng (2000) and Chen (2008) were adopted to examine the four process factors affecting goal achievement of the alliances.

#### Timeframe for Achieving Goals

Two orientations exist in timeframe for goals: long-term and short-term orientation (Joskow, 1985). Of the 11 alliances, seven alliances set short-term goals (e.g. Ya'an earthquake relief), three alliances had long-term goals (e.g. beyond the relief, commitments for rebuilding), and one alliance moved its goals from short-term to long-term orientation.

In response to different phases of earthquake relief (emergency response, transitional resettlement, and post-disaster reconstruction), Alliance B, C, D, E, F, G, and H formulated different short-term goals. Specifically, Alliance D, E, and G targeted at emergency response and transitional resettlement. Alliance B, C, and H reacted to the needs of reconstruction, but Alliance H failed to achieve goals and dissolved. The initial objectives for Alliance F were information sharing and resource distribution in emergency response. On the eighth day since the earthquake, Alliance F, as an entity, joined Alliance H and consequently extended its objectives to reconstruction efforts. In December 2014, however, Alliance F was terminated as Alliance H dissolved.

*On April 21, 2013, the alliance was established to provide logistic support for*

two rescue teams. On April 30, the alliance dissolved as the rescue teams completed their tasks and withdrew from the disaster areas. (Alliance G)

On April 21, 2013, the alliance was built with five member organizations. The alliance was anticipated to last for three months and comprise two phases: the phase of joint actions from April 21 to mid-May, and the phase of labor division from mid-May to June 28. Apparently, the alliance ran for less than three months. (Alliance E)

As for Alliance A, J and K, although they joined the disaster relief in Ya'an for less than one month, these three alliances pursued long-term cooperation in various disaster emergency responses. After working in Ya'an, Alliance A, J and K continued to work on other projects.

Alliance I changed its goal from short-term to long-term one. The alliance originally planned to facilitate information sharing and joint actions among the members in the Ya'an earthquake relief. Later, aware of the need for a stable platform of cooperation for disaster relief, the alliance broadened its objectives to serve all the disaster relief efforts by members.

On April 29, 2013, Alliance I was established and targeted at Ya'an earthquake relief. On June 5, the alliance held the first meeting to discuss the Charter. Later Alliance I articulated that its mission is to aim at coordinating and stimulating joint actions by Chinese foundations in disaster relief in the long run.

Regarding the differences in timeframe for goals, Beamish (1987) indicates that short-term alliances seek short-term and tangible benefits while long-term alliances possess more patience and commitments. Koot (1988) suggests that short-term alliances stress immediate outcomes while long-term alliances highlight investment in cooperation in the long run. Alliance B, C, D, E, F, G, and H were short-term oriented and focused on the earth-

quake relief. Five of them dissolved. The other two will be terminated after the projects have completed. Alliance A, I, J, and K are long-term oriented. Alliance A is planning to formulate a cooperation mechanism to encourage disaster relief. Alliance J and K are devoted to making timely responses to disasters at home and abroad. Alliance I adjusted its goals from coordination of foundation efforts in the relief to long-term support for foundations' cooperation.

### Resource Distribution

Collaboration and competition coexist in nonprofit alliances (Valente et al., 2008). Collaboration within an alliance refers to the pursuit of mutual interests and common interests among alliance members, and competition refers to the pursuit of one member's own interests at the price of other members' loss (Das and Teng 2000). Member organizations are likely to have conflicts over resource contribution and staff time devoted to the alliance (Agranoff, 2006). In the case of Ya'an earthquake, NPOs competed for disaster relief materials, funds and staff. Member organizations may hesitate to make resource contribution and may compete for external resources obtained by the alliances. In contrast, collaboration in alliances was demonstrated through member organizations' resource contribution to the alliances and sharing of external resources obtained by the alliances.

Eight of our study cases valued resource cooperation over competition. Two sources of funding were prevalent to maintain operation of the alliances. The alliances either relied on member foundations or received funds from outside foundations. As for Alliance B, C, G, H, I, J and K, they all had at least one member foundation for sponsorship. Alliance I, on the other hand, is comprised of the large foundations involved in the earthquake relief. Alliance F originally depended

on funding from two external foundations. After joining Alliance H, Alliance F turned to rely on the internal funding of Alliance H.

As Ya'an earthquake occurred, our member foundation received a donation of 20 million yuan from two corporations. The funds were used to support our collaboration with other NPOs in post-disaster reconstruction. (Alliance B)

Alliance K and Alliance J were both sponsored by Foundation A. Alliance K established an effective mode of resource cooperation to avoid the internal competition. Given that funding for disaster relief from Chinese foundations were highly limited, the member organizations of Alliance K were more than willing to collaborate with each other with stable funding and long-term commitment from Foundation A. Since its inception in 2011, Alliance K has offered one full-time position and allocated relief materials to its member organizations as needed. Foundation A raised the largest relief fund through Alliance J and K. In return, these two alliances were prioritized to obtain funds from Foundation A. Even though a few member organizations believed Foundation A received a larger share of funds than they did, they still chose collaboration instead of competition since their disaster relief efforts demanded continuous support from Foundation A in the long run.

There are only a handful of foundations specializing in disaster relief. Foundation A is one of the few, which distributes a certain portion of annual budget to Alliance K. Sponsored by Foundation A, we are able to hire one disaster relief specialist for each provincial working site and organize regular capacity building events. In addition, Foundation A offers logistic supports and relief materials to our member organizations. However, the Charter of Alliance K stipulates that member organizations are prohibited to fundraise in the name of the alliance. Since the establish-

ment of the alliance, member organizations have had differences in expectations of the alliance, whereas little conflict over interests has occurred. After the joint actions of Ya'an earthquake relief, some member organizations successfully applied for the children's community program of Foundation A. Through similar programs, Foundation A enables other member organizations to carry out community-based services. (Alliance K)

Three alliances had more competition than cooperation in resource contribution, which to a large extent accounted for the alliance breakdown. In particular for Alliance A, which had no sponsor organization nor external funding sources, competition between the alliance and its members, and competition among its member organizations were intense over resources.

*According to the original plan, we were going to have a team of 200 people in Ya'an disaster areas. But Alliance A could not provide such supports materially or financially. For example, Alliance A failed to cover the transportation expense for delivering materials to the disaster areas as required by member organizations. One Gungdong-based member organization even appropriated some expenses to itself and refused to hand the invoices over to an alliance manager, because the organization perceived it had not received necessary administrative support from the alliance. (Alliance A)*

As for Alliance E and D, disputes over full-time staff input accelerated dissolution of the alliances. During emergency response, member organizations sent all their full-time employees to assist with the alliances. After the emergency period, conflicts about full-time staff input emerged, especially for the case of Alliance D.

*One member organization from Guangzhou provided technical support and sent half of its full-time employees, that was, five people, to Ya'an. But this Guangzhou organization still needed to run its own programs and thus required*

*the five employees to return. (Alliance D)*

Sponsored by five NPOs, Alliance E carried out three programs, including drinking water purification, disaster investigation, and post-disaster children mental service programs. To maximize staff mobilization, the alliance unified the staff deployment. The alliance came up with three teams for the programs from the pool of all full-time employees of the five member organizations. Yet only one member organization focused on disaster relief while others specialized in other fields. Therefore when the transitional resettlement completed, the other four member organizations recalled all their full-time employees to proceed with their own programs. In such case, Alliance E turned to dissolution.

*The five member organizations were understaffed. Some organizations even had to suspend their own ongoing programs to spare people supporting the alliance. If the alliance lasted for unnecessarily longer time, the normal functioning of the member organizations would have been affected. Especially in the phase of transitional resettlement, some member organizations started to take project contracts at service sites in Ya'an; the influences of the alliance started to fade. As a result, the insistence on sustaining the alliance would bring more negative than positive outcomes to member organizations. (Alliance E)*

### **Governance Structure**

The governance structure of the alliances could be rigid or flexible one (Das & Teng, 2000; Gulati, 1995). We define the rigid structure as the alliance shares the decision-making authority within the system or establishes a new body to make decisions. In contrast, the flexible structure means the alliance does not share the power of decision-making within the system nor establish a new body to make decisions. In our study cases, six alliances were structurally rigid and five of them were more flexible.

Of the six rigid alliances, Alliance

H, J and K created new decision-making bodies. The decision-making body of Alliance K comprised three tiers: the General Assembly, the Working Committee, and the Provincial Civil Disaster Management Center. Alliance H also developed a three-tier decision-making body: the Decision-Making Committee, the Executive Committee, and the Beijing and Sichuan Workstation. Alliance B, D and E shared the decision-making authority within the system, even though they did not establish a new decision-making body. Typically, these three alliances had a two-tier governance structure: the Decision-Making Committee that consists of the leaders of member organizations, and the Coordinator Teams.

Of the five flexible alliances, Alliance F formulated three sets of rules for the Coordinating Committee, the member organizations, and the alliance meetings respectively. The Coordinating Committee appointed an alliance organizer, a coordinator, a speaker and a supervisor. The decision-making body of Alliance I is the Sponsor Committee. The organizer position is taken by the executive secretaries of member organizations in rotation. The day-to-day operation of the alliance is in the charge of the Secretariat. Alliance I has also developed the Charter to regulate various cooperative actions. In 2014, the Secretariat registered a new NPO to tackle the alliance's legitimacy issues and possibly the alliance may transfer its flexible structure to a more rigid approach. Alliance C has only one organizer and frames the *Alliance C Convention*. Its Secretariat is affiliated with a member organization.

The choice between rigidity and flexibility in governance structure is pertinent to the alliance's governance intention (Das & Teng, 2000). Rigidity can integrate member organizations' interests, discourage opportunist practices and offer a mechanism for residu-

al distribution. Flexibility, on the other hand, can control risk, adapt to changing situations, leverage limited resources, and enable easy exit.

The six rigid alliances align members' interests through membership screening, discourage opportunistic practices through regulations and distribution of responsibilities, and provide an effective residual distribution mechanism. First, the entry and exit of member organizations are strictly and explicitly regulated, so as to ensure member organizations' full recognition of the collective goals. Alliance J and K exercised a membership system, reviewing applications for entry and exit of the alliance. Member organizations of Alliance B were all screened by its sponsor organization. As for Alliance D, E, and H, the number of their member organizations stayed the same from inception to termination, indicating their strict policies of entry and exit. Second, the six alliances closely oversee their member organizations' joint practices in order to avoid opportunistic behaviors. The unification of members' practices is highly emphasized. Moreover, prohibition and punishment of opportunist practices is listed in alliance rules and regulations, minimizing the opportunism in alliance. Alliance K forbade any member organization that individually ran a program sponsored by a third party in the name of Alliance K. Alliance B excluded member organizations with opportunistic practices after each stage of joint actions. The alliance had 16 members in the first stage, 13 members in the second stage, and 11 members in the final stage. Third, the six alliances establish effective mechanisms of distributing residuals. The Working Committee of Alliance K is responsible for management of the raised resources. Alliance E formed the Alliance Council with leaders of five member organizations as members. The Council appointed one front-line manager to co-

ordinate all the resources needed on the front line.

The five flexible alliances better accommodated to changing conditions through adjustment of governance structure. They did not require member organization to make mandatory contribution, and allowed members to avoid high risk through easy exit. The external conditions changed fast and dramatically after Ya'an earthquake occurred. Only after a week since inception, in response to environmental changes, Alliance F joined Alliance H and consequently rearranged its governance structure. The Coordinating Committee was abandoned; instead, Alliance F's Executive Committee recommended two new representatives to join the governance team of Alliance H. In addition, members' commitment of contributions to the alliance is limited in flexible governance, given that the decision-making authority is not shared. For instance, in Alliance I, members' contributions were not specified in the Charter. If the contributions to the alliance were specified, the alliance could have been destroyed because of limited availability of resources. Easy exit is also featured in the flexible governance of alliances. Member organizations are allowed to exit at a low cost if they believe their expectations are not met. Aiming at emergency response in Ya'an, Alliance F adopted flexible governance and was open to any NPO that complied with the alliance rules. The easy exit policy was demonstrated in the changing number of Alliance C's member organizations as well. There were 42 members as Alliance C was established. After one year, the number decreased to 22. Only 15 member organizations stayed in Alliance C in 2015.

Das and Teng (1996) indicate that rigid alliances face two main risks: higher governance cost and greater failure price. The risk of flexible alliances, on the other hand, is lack of con-

trol over members' opportunistic behaviors. The six rigid alliances, except Alliance H, all set up efficient decision-making governance mechanisms to lower governance cost. Alliance H failed to build a coherent decision-making mechanism. Differences in members' governance beliefs further burdened the governance cost, which accelerated dissolution of the alliance. As Alliance F joined Alliance H, multiple member organizations of Alliance F rejected alliance H's management, raising conflicts between different governance entities. The Decision-Making Committee, the top-level decision-making body of Alliance H, did not reach a final agreement on governance, resulting in dissolution of the alliance.

*The alliance was planned to be an independent platform from member organizations; but in reality, the independence was deprived. The alliance's first approved program was negated by the sponsor member. Neither did the alliance carry on effective work. One member organization submitted program application in June 2013. By the time when the program was approved, in November 2013, the implementation of the program was completed. In December 2013, the Decision-Making Committee held discussions about problems appearing in alliance operation and passes a resolution of governance structure adjustment. Nevertheless, the resolution was blocked and the alliance was broken. (Alliance H)*

Member organizations' strong opportunism, which cannot be constrained simply by alliance charter or self-discipline, was salient in the five flexible alliances. Owing to the large number of member organizations, Alliance A and F failed to control the opportunism, which to some extent shortened the duration of the alliances. In Alliance F, a few members sought external foundations to initiate new disaster relief programs, while the alliance was engaged in current relief programs. Some members did not contrib-

ute to actual disaster relief; instead, they took some pictures to propaganda their active participation in relief. As for Alliance A, although the Lushan headquarters and three coordinating service centers were established during the relief period, the alliance saw lack of continuous investment in and support of daily operation. As a result, some sponsor organizations started to deliver relief services individually. The director of the Lushan headquarters assigned one Guangzhou member organization to contact NPOs in the disaster areas; however, this member organization sent staff to severely affected areas for interviews. Moreover, due to conflicts with a manager of the Lushan headquarters over task assignment, the same member organization established a new headquarters and invited other member organizations to join them. Obviously, the inefficient management accounted for Alliance A's quick withdrawal from the disaster areas. On May 27, approximately one month after Ya'an earthquake occurred, Alliance A withdrew from Ya'an disaster areas.

*Two reasons help to explain why Alliance A dissolved hastily. First, multiple sponsor organizations stated that they participated in disaster relief independently, not representing the alliance. Second, the ordinary member organizations (non-core members) were not screened as they joined the alliance. The qualities of those members, therefore, were not guaranteed. For example, the Guangzhou organization took the lead in splitting the alliance and even established a new headquarters, inviting other members to join them. (Alliance A)*

### Trust Building

Siv Vangen and Chris Huxham (2003) postulated a trust building matrix in alliance. According to the matrix, alliances can be categorized as: modest low-risk and ambitious high-risk collaborations. Modest low-risk collaborations require a small-wins

approach to build trust, whereas ambitious high-risk collaborations need a more comprehensive trust-building approach because of higher risks (Vangen & Huxham, 2003). Of the 11 alliances, seven were modest low-risk while the other four were ambitious high-risk.

Modest low-risk alliances, as per the matrix, are advised to exercise small wins to build trust (Vangen & Huxham, 2003). The approach suggests that trust building should be started with relevant partners and aims. Instability management is central to alliance sustenance. Considering the seven short-term alliances, internal trust was accumulated through members' joint actions. Some alliances' members had developed trust prior to the earthquake, such as Alliance B, C, E and F. In the initial stage, these four alliances identified the members that already had trust relationships and organized joint actions to build internal trust. Alliance D and G also chose members as required by programs and designed joint actions for trust building. But for Alliance H, although two of its members had relatively strong trust prior to formation of the alliance, the alliance did not organize joint actions to build internal trust. Therefore the internal trust of Alliance H was weak.

The dynamics of collaboration is the biggest challenge to goal achievement of the alliance. Specifically, Alliance B, C, and F, saw changes in the composition of their members. All of them allowed new members to join the joint actions immediately in order to develop trust. Moreover, power imbalance in the alliances can impair internal trust, hence maximizing shared power is another focus. Power was fully shared in Alliance C, D, E and G, which had minimum impact on internal trust. In Alliance F, power was centralized to some core members while others were marginalized, which led to

power imbalance and posed a negative impact on internal trust. In response, Alliance F practiced the open and transparent decision-making to mitigate power imbalance's impacts. Alliance H paid the least attention to power sharing. The member organization sponsoring alliance H dominated the decision-making and even overturned the decision reached by the alliance. As a result, the internal trust of Alliance H was devastated.

*In September 2013, Alliance H arranged the first expert review of its programs. But the sponsor organization negated the review results, which led to a sharp decline of Alliance F's trust to Alliance H. The leader of Alliance F slowed down in work to express discontentment. In the meanwhile, the event provoked discussions about whether to leave Alliance H among members of Alliance F. Even though no decision was taken, the internal trust of Alliance H was broken. (Alliance H)*

With regard to ambitious high-risk alliances, the key to alliance's goal achievement is to keep nurturing relationships of members (Vangen and Huxham, 2003). Alliance A, I, J, and K put a heavy emphasis on negotiation of alliance goals so as to explore each member's willingness of, contribution to and expectation of the goals. Through the negotiation, the alliances were able to build internal trust and avoid conflicts.

In terms of trust building, Alliance A, I, J, and K kept strengthening relationships of their members. Alliance J and K organized capacity building programs, annual conferences, and regional joint actions. Alliance I held regular meetings and encouraged information exchange among its member foundations, whereas the competition of fundraising greatly hindered the process of trust nurturing. Trust nurturing was a major challenge to Alliance A as well. Given that the threshold of membership was rather low,

Alliance A had a considerably large number of member organizations. As a result, the alliance could only rely on annual conferences to sustain internal trust. The insufficient building of internal trust accounted for its hasty termination of Ya'an work.

*Members of Alliance A were mostly rescue organizations. On various capacity levels, these organizations were poorly connected and tended to work individually. A few of members refused to follow the direction of the alliance but took action to meet their own needs. In the process of transporting disaster relief materials, the problematic communication resulted in changed transportation plan in these organizations, which impaired the joint actions in Ya'an. (Alliance A)*

### Discussion and Conclusion

Table 2 presents a summary of the four process factors and the goal achievement of the 11 nonprofit alliances in China. Resource distribution and trust building are the key process factors. For example, F, G, J, K have all achieved their alliance goals, and all of them have established collaborations on resource distribution and strong trust relationships. This conclusion is different from the ones found in Das and Teng (2000) and Chen (2008). Das and Teng (2000) indicated that timeframe for achieving goals, resource distribution, and governance structure were three process factors that affect the goal achievement of an alliance. Chen (2008) argued that governance structure and trust building make a difference to the fulfillment of alliance goals. However, the conclusion drawn from our case studies in China indicates that most of nonprofit organizations in China encounter the issue of competition in resource distribution and such issue contributes to their failures of achieving alliance goals. This issue reflects the current status of competitions over resources among China's nonprofit organiza-

tions, especially among those in the field of disaster relief (Spires, Tao & Chan, 2014; Zhao & Wang, 2013; Zhu and Lai, 2014).

The four process factors for a nonprofit alliance change dynamically along the process of collaboration. For example, Alliance I established with short-term goals in the Ya'an earthquake relief and later shifted to long-term goals of future collaborations in disaster relief. Another example is Alliance F, which started from a relatively small scale with few external resources and was able to maintain internal collaborations on resource allocation. However, as the size of the alliance grew and external resources it raised increased rapidly, the alliance started to see more internal competitions over resources. In the case of Alliance D, there were no trust relationships between member organizations of D at the beginning of its establishment. The alliance's key member organizations managed to quickly build strong trust within the alliance because of their visibility in the domestic charity field, their specialized division of labor within the alliance, and their previous experiences with collaborations in disaster relief in the Wenchuan earthquake.

The synergy of the four process factors is able to facilitate the fulfillment of alliance goals. No matter if it is a long-term nonprofit alliance (I, J, K) or a short-term nonprofit alliance (B, C, F, G), the alliance needs to take a collaborative approach on resource distribution and build strong internal trust relationships in order to achieve its goals (F, G, J, K) or at least to sustain the alliance itself (B, C, I). Meanwhile, a long-term nonprofit alliance (J, K) is more likely to adopt a rigid governance structure while a short-term nonprofit alliance (F, G) tends to adopt a flexible governance structure.

The dissolutions of the four alliances that did not achieve their goals

were determined by several factors. The dissolution of Alliance A resulted from problematic resource distribution, governance structure, and trust building. Conflicts over resource distribution accounted for the dissolution of Alliance D, and E. Alliance H was terminated for its controversial governance structure and trust building.

Another question to be noted is whether evolution would occur during the alliance processes. Alliance F, I, J, and K have realized evolution. Originally working on emergency response, Alliance F then extended its operation to the reconstruction phase after joining Alliance H as a member organization. Although Alliance F eventually dissolved in December 2014, it was an innovative alliance evolution in the sense that one alliance, as an entity, joins another alliance to provide needed services. Another form of alliance evolution in our study cases is that an ad hoc alliance transformed into a regular alliance. For instance, Alliance J and K were created to assist with emergency response in 2011. They afterwards developed a stable and institutional framework to enhance sustainability. Alliance I managed to transform into a regular alliance through goal adjustment (from short-term to long-term orientation) and governance structure change (from flexible to rigid governance).

In addition to the four internal factors discussed above, the role of external factors in alliance operation requires attention. For example, Hu, Guo and Bies (2016) suggest the significance of political and fundraising context in the goal achievement of nonprofit alliances. In this study, we observed an increase in the number of nonprofit alliances involved in Ya'an earthquake relief due to the improvement on political and fundraising context. At the same time, this contextual improvement indirectly influenced the alliance processes via resource distri-

bution. Compared to the situation in 2008 Wenchuan earthquake, the political and fundraising context in 2013 Ya'an earthquake experienced a favorable change, that is, government encouraged NPOs to participate in disaster relief and approved the eligibility of foundations for public fundraising. Of the 11 study cases, eight alliances were sponsored by their member foundations, particularly in terms of daily operation.

In short, this study extends previous research, which largely focuses on the effects of antecedent factors and disjointed alliance processes on goal achievement, by formulating a systematic framework to analyze the non-profit alliances in Ya'an earthquake relief. We specifically pointed out the process factors affecting goal achievement. The interrelations between the four factors on goal achievement of the alliances need further study.

**Table 1 Descriptive information of 11 nonprofit alliances in Ya'an earthquake**

<b>Alliance</b>	<b>Program Area</b>	<b>Registration Location</b>	<b>Establishment Time</b>	<b>Termination Time</b>	<b>Member organizations</b>
A	Emergency response and relief.	Hangzhou	Dec 2009	May 2013	70 nonprofits
B	Disaster relief and post-disaster reconstruction.	Ya'an	Apr 2013	Continue	14 nonprofits
C	Disaster relief.	Beijing	Apr 2013	Continue	42 foundations
D	Emergency water service.	Ya'an	Apr 2013	Sep 2013	5 nonprofits
E	Emergency water service, post-disaster services for children.	Ya'an	Apr 2013	July 2013	5 nonprofits
F	Disaster relief and reconstruction.	Chengdu	Apr 2013	Dec 2014	70 nonprofits, 1 government unit
G	Logistic supports for member organizations.	Ya'an	Apr 2013	May 2013	4 nonprofits
H	Disaster relief and post-disaster reconstruction.	Beijing	Apr 2013	Dec 2014	2 nonprofits, 1 research institute and 1 nonprofit alliance
I	Disaster relief and post-disaster reconstruction.	Beijing	Apr 2013	Continue	8 foundations
J	Emergency rescue.	Shenzhen	May 2009	Apr 2013	28 nonprofits
K	Disaster relief, post disaster needs assessment.	Shenzhen	Nov 2011	May 2013	57 nonprofits

**Table 2 Alliance Process and Goal Achievement in Ya'an earthquake relief**

<b>Alliance</b>	<b>Timeframe</b>	<b>Resource Distribution</b>	<b>Governance Structure</b>	<b>Trust Building</b>	<b>Goal Achievement</b>
A	Long-Term	Competition	Flexibility	Weak	Unplanned termination
B	Short-Term	Cooperation	Rigidity	Strong	Goals are not achieved; the alliance continues to function.
C	Short-Term	Cooperation	Flexibility	Strong	Goals are not achieved; the alliance continues to function.
D	Short-Term	Competition	Rigidity	Strong	Unplanned termination
E	Short-Term	Competition	Rigidity	Strong	Unplanned termination
F	Short-Term	Cooperation	Flexibility	Strong	Goal achievement
G	Short-Term	Cooperation	Flexibility	Strong	Goal achievement
H	Short-Term	Cooperation	Rigidity	Weak	Unplanned termination
I	Long-Term	Cooperation	Flexibility	Strong	Goals are not achieved; the alliance continues to function.
J	Long-Term	Cooperation	Rigidity	Strong	Goal achievement
K	Long-Term	Cooperation	Rigidity	Strong	Goal achievement

## References

- Agranoff, R. (2006). Inside collaborative networks: Ten lessons for public managers. *Public administration review*, 66(s1), 56-65.
- Austin, J. E. (2000). Strategic collaboration between nonprofits and business. *Nonprofit and voluntary sector quarterly*, 29(s1), 69-97.
- Baker, W. E., Faulkner, R. R., & Fisher, G. A. (1998). Hazards of the market: The continuity and dissolution of interorganizational market relationships. *American sociological review*, 147-177.
- Beamish, P. W. (1987). Joint ventures in LDCs: Partner selection and performance. *Management International Review*, 23-37.
- Berger, I. E., Cunningham, P. H., & Drumwright, M. E. (2004). Social alliances: Company/nonprofit collaboration. *California Management Review*, 47(1), 58-90.
- Brinkerhoff, J. M. (2002). Government-nonprofit partnership: A defining framework. *Public Administration and Development*, 22(1), 19-30.
- Chen, B. (2008). Assessing interorganizational networks for public service delivery: A process-perceived effectiveness framework. *Public Performance & Management Review*, 31(3), 348-363.
- Chen, B. and Graddy, E. A. (2010). The effectiveness of nonprofit lead-organization networks for social service delivery. *Nonprofit Management & Leadership*, 20(4), 405-422.
- China Foundation Center. (2016, April 20). Jijinhui zhongxinwang gongkai Ya'an dizhen sannian 20 yi shankuan liuxiang [Report on distribution of the donation of 2 billion yuan for the three-year Ya'an earthquake relief]. *China Foundation Center*. Retrieved from <http://news.foundationcenter.org.cn/html/2016-04/96632.html>
- Cornforth, C., Hayes, J. P., & Vangen, S. (2015). Nonprofit-Public collaborations: Understanding governance dynamics. *Nonprofit and Voluntary Sector Quarterly*, 44(4), 775-795.
- Das, T. K., & Teng, B. (1996). Risk types and inter-firm alliance structures. *Journal of management studies*, 33(6), 827-843.
- Das, T. K., & Teng, B. (1997). Sustaining strategic alliances: Options and guidelines. *Journal of General Management*, 22, 49-64.
- Das, T. K., & Teng, B. (1998). Between trust and control: Developing confidence in partner cooperation in alliances. *Academy of Management Review*, 23(3), 491-512.
- Das, T. K., & Teng, B. (2000). Instabilities of strategic alliances: An internal tensions perspective. *Organization Science*, 11(1), 77-101.
- Deng, G. (2013). The development of China's nonprofit sector since 1995. In C. C. Huang, G. Deng, Z. Wang, & R. L. Edwards (Eds.), *China's nonprofit sector: Progress and challenges* (3-19). Piscataway, NJ: Transaction.
- Doerfel, M. L., Atouba, Y., & Harris, J. L. (2016). (Un) Obtrusive control in emergent networks: Examining funding agencies' control over nonprofit networks. *Nonprofit and Voluntary Sector Quarterly*, 2016, 1-19. doi: 10.1177/0899764016664588.
- Fulda, A., Li, Y., & Song, Q. (2012). New strategies of civil society in China: A case study of the network governance approach. *Journal of Contemporary China*, 21(76), 675-693.
- Gazley, B., & Brudney, J. L. (2007). The purpose (and perils) of government-nonprofit partnership. *Nonprofit and Voluntary Sector Quarterly*, 36(3), 389-415.
- Gazley, B., & Guo, C. (2015). What do we know about nonprofit collaboration? A comprehensive systematic review of the literature. In *Academy of Management Proceedings*, 2015(1), 15409.
- Gray, B., & Wood, D. J. (1991). Collaborative alliances: Moving from practice to theory. *The Journal of Applied Behavioral Science*, 27(1), 3-22.
- Gray, B. (2000). Assessing interorganizational collaboration: Multiple conceptions and multiple methods. In *Cooperative strategy: Economics, business, and organization issues*, edited by David Faulkner and Mark de Rond, 243 - 260. London: Oxford University Press.
- Gulati, R. (1995). Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. *Academy of management journal*, 38(1), 85-112.
- Guo, C., & Acar, M. (2005). Understanding collaboration among nonprofit organizations: Combining resource dependency, institutional, and network perspectives. *Nonprofit and voluntary sector quarterly*, 34(3), 340-361.
- Hu, M., Guo, C., & Bies, A. (2016). Termination of nonprofit alliances: Evidence from China. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 27(5), 2490-2513.
- Hunt, S. D. (2007). Economic growth:

- Should policy focus on investment or dynamic competition?. *European Business Review*, 19(4), 274-291.
- Isett, K. R., & Provan, K. G. (2005). The evolution of dyadic interorganizational relationships in a network of publicly funded nonprofit agencies. *Journal of Public Administration Research and Theory*, 15(1), 149-165.
- Jing, Y. and Chen, B. (2013). Is competitive contracting really competitive? A case study of restructuring government-nonprofit relations in Shanghai. *International Public Management Journal*, 15, 405-428.
- Joskow, P. L. (1987). Contract duration and relationship-specific investments: Empirical evidence from coal markets. *The American Economic Review*, 168-185.
- Koot, W. T. (1988). Underlying dilemmas in the management of international joint ventures. *Cooperative strategies in international business*, 347, 367.
- McLaughlin, T. A. (2010). *Nonprofit mergers and alliances*. Hoboken, NJ: Wiley.
- Ministry of Civil Affairs of China. (2013, April 21). Guanyu Sichuan Lushan 7.0 qianglie dizhen kangzhen jiuzai juanzeng huodong gonggao [Notice on donation activities in Lushan earthquake relief]. *Ministry of Civil Affairs of China*. Retrieved from <http://www.mca.gov.cn/article/zwgk/tzl/201304/20130400446924.shtml>
- Ministry of Civil Affairs of China. (2016, July 11). 2015 shehui fuwu fazhan tongji gongbao [Bulletin on 2015 Social Service Development]. *Ministry of Civil Affairs of China*. Retrieved from <http://www.mca.gov.cn/>
- article/sj/tjgb/201607/20160700001136.shtml
- Provan, K. G., & Kenis, P. (2008). Modes of network governance: Structure, management, and effectiveness. *Journal of public administration research and theory*, 18(2), 229-252.
- Ring, P. S., & Van de Ven, A. H. (1994). Developmental processes of cooperative interorganizational relationships. *Academy of management review*, 19(1), 90-118.
- Shaw, M. M. (2003). Successful collaboration between the nonprofit and public sectors. *Nonprofit Management and Leadership*, 14(1), 107-120.
- Shieh, S., & Deng, G. (2011). An emerging civil society: the impact of the 2008 Sichuan earthquake on grass-roots associations in China. *The China Journal*, 65, 181-194.
- Snaveley, K., & Tracy, M. B. (2002). Development of trust in rural nonprofit collaborations. *Nonprofit and Voluntary Sector Quarterly*, 31(1), 62-83.
- Sorace, C. (2014). China's Vision for Developing Sichuan's Post-Earthquake Countryside: Turning Unruly Peasants into Grateful Urban Citizens. *The China Quarterly* 218, 404-427. doi:10.1017/S0305741014000642.
- Sowa, J. E. (2009). The collaboration decision in nonprofit organizations: Views from the front line. *Nonprofit and Voluntary Sector Quarterly*, 38(6), 1003-1025.
- Spires, A. J., Tao, L., & Chan, K. M. (2014). Societal support for China's grass-roots NGOs: Evidence from Yunnan, Guangdong and Beijing. *The China Journal*, 71, 65-90.
- State Council of China. (2013, July 6). Guanyu yinfa Lushan dizhen zaihou huifu chongjian zongti guihua de tongzhi [Notice on Printing and Distributing of the Overall Plan for Reconstruction and Reconstruction of Lushan Earthquake]. *State Council of China*, Retrieved from <http://www.sc.gov.cn/10462/10778/12482/12489/2013/7/15/10269322.shtml>
- Teets, J. (2009). Post-Earthquake Relief and Reconstruction Efforts: The Emergence of Civil Society in China? *The China Quarterly*, 198, 330-347. doi:10.1017/S0305741009000332.
- Teets, J. (2017). The power of policy networks in authoritarian regimes: changing environmental policy in China. *Governance*, 31, 125-141. <https://doi.org/10.1111/gove.12280>.
- Tsasis, P. (2009). The social processes of interorganizational collaboration and conflict in nonprofit organizations. *Nonprofit Management and Leadership*, 20(1), 5-21.
- Tulder, R., Seitanidi, M.M., Crane, A., & Brammer, S. (2016). Enhancing the impact of cross-sector partnerships: Four impact loops for channeling partnership studies. *Journal of Business Ethics*, 135(1), 1-17.
- Valente, T. W., Coronges, K. A., Stevens, G. D., & Cousineau, M. R. (2008). Collaboration and competition in a children's health initiative coalition: A network analysis. *Evaluation and program planning*, 31(4), 392-402.
- Van de Ven, A. H. (1976). On the nature, formation, and maintenance of relations among organizations. *Academy of management review*, 1(4), 24-36.

- Vangen, S., & Huxham, C. (2003). Nurturing collaborative relations: Building trust in interorganizational collaboration. *The Journal of Applied Behavioral Science*, 39(1), 5-31.
- Wu, F. (2013). Environmental activism in provincial China. *Journal of Environmental Policy & Planning*, 15(1), 89–108. <https://doi.org/10.1080/1523908X.2013.763634>.
- Ya'an Earthquake Relief Social Organization and Volunteer Service Center. (2013, May 20). Zhongxin gongzuo jianbao [Newsletter of the Center]. Ya'an Earthquake Relief Social Organization and Volunteer Service Center. Retrieved from <http://www.scgqt.org.cn/Special/2013/ser/zyz/NewsShow.asp?ID=8839>
- Zhao, X., & Wang, L, (2013), A study on the ecological relations of Chinese NGOs: from the perspective of self-enhancement value. *Sociological studies*, 28 (1),1-20.
- Zhu J., & Lai W. (2014). Bu wanquan hezuo: NGO lianhe xingdong celue – Yi Wenchuan dizhen NGO lianhe jiuzai weili [Incomplete collaboration: The strategy for Chinese NGO Alliance – Case study of NGOs' joint action during the Wenchuan earthquake relief]. *Shehui/Sociology*, 34(4), 187-209.

華民研究中心  
Huamin Research Center

Rutgers, The State University of New Jersey  
School of Social Work  
390 George Street, Room 503  
New Brunswick, NJ 08901  
848-932-7520, ext. 28256  
[socialwork.rutgers.edu/huamin](http://socialwork.rutgers.edu/huamin)