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Doing more with less? An interdisciplinary exploration of the theory and practice of back-office collaboration in the voluntary sector
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Doing more with less? An interdisciplinary exploration of the theory and practice of back-office collaboration in the voluntary sector

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For the voluntary sector, economic turbulence often means having to sustain a growing demand on services with a decreasing income. Sharing back-office functions is sometimes suggested as a way in which charities can collaborate to meet this challenge. This study explores the claims made for back-office sharing and how these are borne out by the experiences of charities engaged in such collaborations. Drawing on data gathered through semi-structured interviews with CEOs and senior managers of 18 UK charities, the study finds that charities were largely unprepared for the challenges of such collaborations and that the dominant aim of cost savings was often not achieved. A focus on effectiveness seemed to provide better results.

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Key words back-office collaboration * back-office sharing *shared services *administrative functions * charities

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Introduction

For the voluntary sector, economic downturn often means having to sustain a growing demand on services with a decreasing income. While the number of charities whose expenditure exceeds income by at least 25% has steadily increased over the last 20 years (Clifford and Mohan, 2020), this trend has been exacerbated by economic turbulence such as that caused by the 2007-08 global financial crisis, the 2020 Covid-19 pandemic and the 2022 inflation and cost of living crisis. To deal with these competing demands, the sector is frequently being urged to work more collaboratively (Medcalf, 2019; Corry, 2020). In this context, sharing back-office administrative functions regularly features on a spectrum of potential collaborative behaviour, with toolkits and guides available to practitioners. Collaborating on back-office functions is deemed to improve both efficiency and effectiveness (NPC, 2018), thus increasing both the impact and the sustainability of voluntary and community organisations (VCOs). However, there is little empirical research on the practical challenges of such collaborations nor is there much evidence of their impact on organisational efficiency and/or effectiveness. This evidence gap raises a number of questions. How does back-office collaboration play out in practice? Does it deliver improvements in efficiency and effectiveness and thus increase the impact and sustainability of the organisations involved? Does the guidance available enable organisations to make informed decisions regarding such collaborations?

This paper aims to address these questions. Following a brief overview of the background of voluntary sector back-office collaboration it reviews the sector guidance literature, set in the context of a multidisciplinary body of work on collaboration. Next it presents the findings of an exploratory qualitative study of the experiences of 18 UK charities engaged in back-office collaboration, which indicate that the underlying assumptions on which charities are urged to share back-office functions are largely not borne out in practice. The paper concludes with a discussion about the implications for voluntary sector organisations and voluntary sector research.

Background

The idea of back-office collaboration

Concerns about administrative costs and overheads are an enduring, if often misunderstood (Mitchell and Calabrese, 2019; Breeze and Mohan, 2020), feature of the voluntary sector, with donors often reluctant to fund core costs (Gneezy, Keenan and Gneezy, 2014; Delargy and Sanders, 2017; Tian, Hung and Frumkin, 2020), despite evidence of the damage this causes (Goggins Gregory and Howard, 2009). In the early years of the 21st C the idea of reducing charities' administrative costs by 'sharing' back-office functions gained traction (e.g., NCVO, 2005; Pepin, 2005). The adoption of the New Public Management (NPM) paradigm in the public sector in the 80s, with its focus on efficiency and performance measurement via contracting out and marketisation of services, had led to a central government-led drive to increase the role of VCOs as deliverers of public services (National Audit Office, 2005) and to pressure on the voluntary sector, and VCOs competing for contracts, to become more streamlined, efficient, and 'business-like'. In the years that followed, guides, toolkits and reports featuring back-office collaboration resurfaced during times of economic or voluntary sector turbulence: first during the recession that followed the financial crash of 2007 (e.g., Charity Commission, 2009b; Bogdanova, Brier and Harris, 2010); then after a series of fundraising scandals in the late 10s (e.g., Carrington *et al.*, 2018; NPC, 2018); and again after the Covid-19 pandemic and subsequent cost of living crisis (Young and Goodall, 2021).

The concept has its origins in the private sector, where 'back-office' functions are generally distinguished from 'front-office' functions by the degree to which they face clients. Similarly, in the voluntary sector 'back-office' usually refers to services which support organisations in carrying out their activities but do not face either beneficiaries or funders directly. This includes primarily human resources (HR), office space, information technology (IT), finance, procurement and payroll services but also fundraising, which provides a support function whilst also facing donors. The centralisation and streamlining of such services, either inter- or intra-organisationally, is frequently referred to as 'sharing'. However, this term is potentially misleading as most arrangements in this category involve a form of outsourcing rather than joint enterprise (Pepin, 2005). In the private and public sectors, where the concept has also gone through economy-related cycles of popularity and decline, shared services have been increasingly critiqued. Elston and MacCarthaigh (2016) note an onset of disillusionment due to commonplace delays, cost overruns and deteriorating service quality and warn against

the unquestioning acceptance of the theoretical potential of the model whilst emphasising the critical need for empirical testing. Yet while influential private and public sector management paradigms are increasingly subject to critical evaluation, including that of shared services (e.g. Aldag, Warner and Bel, 2020; Elston and Dixon, 2020; Elston, 2021), such evaluation seems largely lacking in non-profit management (Coupet and Berrett, 2019; Mitchell and Calabrese, 2019). At the same time, with the voluntary sector under increasing financial pressure, the idea of reducing overheads through back-office collaboration is likely to keep resurfacing as an attractive prospect to charities, trustees, and funders.

The 'how to' literature

UK research on charities collaborating on back-office functions is limited. The topic is usually addressed in 'how to' guides and toolkits, sometimes as part of general collaboration advice. The dominant themes identified in this literature revolve around claims of efficiency and effectiveness, often within the framework of a continuum of collaborative behaviour. Next, and with a careful eye on maintaining a balance between breadth and focus, as recommended by Gazley and Guo (2020) in their extensive review of nonprofit collaboration literature, these themes are examined in the context of a wider body of work from diverse disciplines and sectors. The reason for this approach is both practical and theoretical. Practically, the scarcity of empirical research on back-office collaboration in the voluntary sector requires broader reach. Theoretically, given the multi-sector origins of back-office collaboration, this integration of perspectives and findings from multiple disciplines is expected to lead to a more comprehensive understanding of the topic (Repko, 2011; Ryan *et al*., 2014).

Theme 1: Efficiency

Efficiency, as the overarching rationale behind back-office collaboration, is the dominant theme in this literature. Organisations are encouraged to reduce costs by sharing spare back-office capacity with others, thus enabling economies of scale, reducing administrative overheads, and potentially also generating additional income through the sale of administrative services (NCVO, 2005; Pepin, 2005; Charity Commission, 2009b; Bogdanova, Brier and Harris, 2010; NPC, 2018). Using resources in this way would also increase public trust as donors can see organisations using their resources efficiently, displaying 'collaborative as opposed to over-competitive instincts' (Charity Commission, 2009a). Beyond the headline claims however, this literature is generally thin on detail. No evidence is provided for the existence of spare administrative capacity amongst UK charities

nor for increased efficiency through back-office collaboration. Whilst the potentially significant costs of such projects are acknowledged (Bogdanova, Brier and Harris, 2010; NCVO, 2016; NPC, 2018), with charities urged to assess financial and regulatory risk (Charity Commission, 2009b; Bogdanova, Brier and Harris, 2010), these risks are not explored in depth. Furthermore, risk averseness and a lack of entrepreneurialism are also critiqued (Pepin, 2005; Bogdanova, Brier and Harris, 2010), in what would appear to be mixed messaging. This lack of evidence contrasts with research in other sectors, which increasingly questions the relevance of economies of scale to administrative intensity (Aldag, Warner and Bel, 2020; Elston and Dixon, 2020); highlights the significant start-up, transactional and opportunity costs associated with shared services, often negating cost savings; and notes the high failure rate of back-office collaboration models (Elston and MacCarthaigh, 2016).

Theme 2: Effectiveness

Effectiveness is the second major theme, subcategorised into broader organisational effectiveness and the functional effectiveness i.e., quality of the back-office service in question. Claims for greater organisational effectiveness echo those in the public sector, where shared services are expected to free up "more time and mental bandwidth to focus on delivering what the UK Government stands for "(Cabinet Office, 2021, p. 2). Thus, it is argued that back-office collaborations free up resources that can be redirected at frontline mission-related activities (Bogdanova, Brier and Harris, 2010; NCVO, 2016; Carrington *et al.*, 2018; NPC, 2018). Problematically, this line of argument takes substantial financial savings for granted, ignoring the potentially high costs of such collaborations. It also fails to consider that, given the acknowledged reluctance of funders to provide capital for support services (NPC, 2018), resources for such projects are likely to be diverted from valuable unrestricted income, with potentially negative consequences on other activities, including mission-related ones. The claim of greater organisational effectiveness through efficiency is therefore largely unsubstantiated and is further called into question by the wider literature which finds that goals of efficiency often conflict with those aimed at long-term effectiveness (Provan and Kenis, 2007). Similarly, claims for greater functional effectiveness of affected back-office services, through increased buying power and professionalism (Bogdanova, Brier and Harris, 2010; NCVO, 2016) are also not evidenced, possibly reflecting the difficulties in measuring non-financial outcomes of shared services, as noted by Aldag, Warner, and Bel (2020).

Theme 3: The collaborative continuum

It was striking that much of the advisory literature used a similar framework, based on the concept of a 'collaborative continuum'. This framework places interorganisational relationships on a trajectory increasing in intensity and formality, with back-office collaboration often situated in the middle, between cooperative networking and full mergers (Pepin, 2005; Bogdanova, Brier and Harris, 2010; NPC, 2018). However, there are indications that the application of this framework in the advisory literature may be simplistic. For example, goal variations and their impact on the development and success of interorganisational relationships, are often not considered. Yet, different goal types and arrangements have been found to produce different attitudes, behaviours, and outcomes, with arrangements featuring a higher ratio of private goals and/or overly similar private goals, as is arguably the case in back-office collaboration, leading to more competitive rather than collaborative behaviour (Zeng and Chen, 2003; Castañer and Oliveira, 2020). This is felt to be due to the 'social dilemma' (Dawes, 1980; Van Lange *et al.*, 2013;), or 'collaborative paradox' (Vangen 2017), arising from the need to simultaneously protect and integrate each organisation's resources, leading to a conflict between self-interest and collective interest, with each partner incentivised to compete for a larger portion of the benefits (Zeng and Chen, 2003; Van Lange *et al.*, 2013). In this context, the 'over-competitive instincts' noted by the Charity Commission (2009) are possibly a logical outcome of certain types of collaboration. Additionally, individual back-office services themselves are rarely distinguished, with organisations urged to start small and gradually increase types of services shared (NCVO, 2005). Yet this lack of distinction is questioned by public sector research that notes differences in the rate of adoption between administrative functions, suggesting that some functions are easier to share than others (Elston, 2021). These findings seem to throw further doubt on the robustness of the collaborative continuum framework in this context, with over-simplification potentially limiting its practical use.

The review of the guides and advisories available to charities considering back-office collaborations finds that claims made for efficiency and effectiveness, as well as the theoretical framework they are built around, are generally based on assumptions rather than evidence and that these are largely challenged by the wider literature. This raises concerns about the basis on which charities are encouraged to explore this avenue. Whilst some of the stated risks and caveats seem to be supported by wider literature to a greater extent, these are rarely explored in any depth, limiting the guides' practical value. The review therefore identified a clear need

for a more up-to-date and more robust evidence base to strengthen the link between theory and practice, resulting in the research presented in this paper.

Methodology

To capture the experiences and insights of charities engaged in back-office collaboration, a generic qualitative framework of enquiry, based on semi-structured interviews and using an inductive thematic approach to data collection and analysis (Braun and Clarke, 2006), was used. It was felt that this approach was appropriate given the largely exploratory nature of the study and its aim of addressing real-world problems with practical suggestions.

Sample selection

As the aim of the study was explorative, non-probability purposive sampling was practical and appropriate (Bryman, 2016). Samples were selected to provide maximum variation (Palinkas *et al.*, 2015) as well as richness of information. Initial contact was made with Chief Executive Officers (CEOs) of the selected organisations and the response rate was unexpectedly positive: 50% responded, resulting in 20 interviews with 18 charities across England and Wales. These came from a broad range of sizes, sectors, regions, and shared administrative functions, of which the resulting interviewees were all with senior management (see tables 1a and 1b).

(insert Tables 1a and 1b here)

Data gathering

Data was gathered through semi-structured interviews, providing flexibility for rich description that would give a clearer understanding of issues (Adams, 2015). Initial topics included questions around structures, timings, motivations, funding, challenges, impact, and donors. Due to Covid-19 restrictions interviews were conducted via telephone and video calls during June and July 2020 and lasted on circa 60 minutes. This made scheduling and rescheduling easier and enabled a greater number of interviews and with a greater geographical spread than would have otherwise been possible. Interviews were transcribed manually for maximum accuracy and enhanced familiarity with the data and all data was fully anonymised.

Data analysis

An inductive thematic approach was used to analyse the data. Using Braun and Clarke's (2006) phases of analysis, interesting aspects of the data were coded, initially as broadly as possible, and with the help of the Computer Assisted Qualitative Data Analysis Software (CAQDAS) NVivo. Categories and subcategories representing related groups of codes were then identified, with close attention paid to repetitions, metaphors, analogies, similarities, differences, and missing data (Ryan and Bernard, 2003). However, frequency on its own was approached with caution, given the study's focus on the quality rather than quantity of the insight (Wainwright, 1997). Instead, a combination of frequency, pervasiveness across cases, strength of reaction to violation and the influence of specific context (e.g., position in the company) was considered, as suggested by Opler in 1945 (in Ryan and Bernard 2003). Next, themes that cut prominently across categories were identified, reviewed, defined, named, and mapped in an ongoing reflexive process resulting in four individual themes and two cross-cutting themes.

Findings

The purpose of the primary research was to explore the experiences of charities participating in back-office collaboration and to set these in the context of existing literature on the subject with the aim of understanding not just the practice but how practice relates to theory. Analysis of the data from interviews identified four overarching themes around concepts of leadership, culture, networks, and resources. The intertwined themes of efficiency and effectiveness, so dominant in the literature, cut strongly across all four areas. The intersections of the four themes provided valuable clues to the tensions inherent in such collaborations (see figure 1).

Theme 1: Leadership motivation for collaboration was almost always financial need.

Many of the collaborations originated in relationships of CEOs and trustees, supporting findings from non-profit collaboration research (e.g., Ihm and Shumate, 2019). *"I knew the CEO from working together years ago"* and "*the previous finance director was on the board of another organisation*", explained participants. Whilst underpinning a determination to make

7

it work, this reliance on individual relationships also introduced a weakness into the collaboration: *"It comes down to relationships… and if people move it starts to fall apart"*. Decisive leadership was seen as key to driving a collaboration forward, both within an individual organisation *"you need to make sure that there is a senior sponsor within the organisation that can help to drive and push forward"* and within the collaboration. But decisive leadership also came with challenges. Top-down leadership often resulted in failure to bring staff and collaboration partners on side. It was an area that aroused particularly strong emotions, with talk of trustees or CEOs *"cooking"* the project up between them, *"dumping"* a project on staff without consultation, *"dictating"* the direction of travel, being *"too much led by one person"* and being *"pushed down (…) as a jolly good idea"* that did not work in practice. Similar concerns were found at interorganisational level, where a loss of independence and imbalance of power, either through size, financial input or leadership ability was a constant source for concern. *"Things that come from the top down in a network like this often disappear without a trace"* one participant explained. *"At the same time, you need to be careful that if you are going to collaborate that you do have influence over the direction being taken (…) without compromising your independence"* warned another. Independence was paramount *"we are looking after our own patch, our own mission, we like doing things our own way"*. There was fear that back-office collaboration was the *"thin end of the wedge"* leading to merger, a concern that seems justified by the guidance literature which often places back-office collaboration on a spectrum towards merger. Yet compromise was also seen as essential. *"As always in these things, somebody has to give something up. And that's the hardest part of it"*. *"You have to accept that not everything is going to be run the way that you would want it to (…). It is the single biggest thing that gets in the way"*.

The motivations and priorities of the leadership largely set the agenda for back-office collaboration. CEOs were primarily driven by financial need, motivated by the greater efficiency that collaboration seemed to promise. Not surprisingly, an economic downturn often acted as the catalyst. As one participant put it *"In times of plenty (…) the right thing to do is focus on the opportunities (…). In times of strife (…) your mindset shifts a bit more. If you have 20% less money, how do you achieve at least 90% of what you were achieving before?"*. Other triggers included a strategic need to work together for regional commissioning and a sudden change in circumstance, such as the insolvency of a trusted back-office provider, a sudden rise in rent, and the Covid-19 crisis. Although the predominant concern around the pandemic was the threat to financial security, it also led to a rethink in more efficient use of

8

space with a number of participants reporting plans to downgrade their office space *"it has made them think, do we need 45 desks in central London, or can we just have 10 or 12 and everybody is home-based and a bit more flexible"*. A participant summed up their motivation for back-office collaboration as *"combined necessity found us all in a muddle together and we just had to find a way out, however much we might all irritate each other. The water is pouring in and otherwise we will all drown"*. Spare capacity was rarely a contributing factor and such collaborations tended to be short-term, ending with the availability of the spare capacity.

Theme 2: Culture was seen as both and enabling force as well as a barrier to collaboration.

The concerns about power imbalances noted above were frequently linked to those of culture, with cultural clashes perceived to be one of the most significant barriers to potential back-office collaboration, as identified in the literature (Bogdanova, Brier and Harris 2010; NPC 2018). Yet participants were rarely specific about what they meant by culture and freely used it in several different contexts and meanings. Thus, some participants talked about culture as the cause, synonymous with being in the same area of activity. However, most referred to culture in a broader sense, as organisational values, and a 'mindset', e.g., *"our senior leadership was more thoughtful"*. Collaborating with an organisation that did not share values was considered *"toxic"* by one participant *"because values lead to behaviours"*. Yet despite an emphasis on values, the narrated day-to-day challenges indicated that incompatibility of structures, processes and systems was a more significant challenge. Frustration was voiced at incompatibility in the areas of income streams, general accounting, and IT systems, echoing findings from other sectors which emphasise the high cost of changing established processes (Elston and MacCarthaigh, 2016). One participant explained that a collaboration ended because, despite a close aligned in cause and values, it did not fit with the organisation *"as a whole"*, referring to internal processes. Operational incompatibility was mostly, but not exclusively, reported by charities of significantly different sizes. Larger organisations were broadly felt to have more complex and slower *"stifling"* processes, often unsuited to their smaller partners. This finding challenges the claim that smaller charities benefit from drawing on 'more sophisticated operational systems' of larger charities (NPC 2018), but supports public sector findings which highlight the often less responsive, less task-focused nature of larger organisations (e.g. Elston, 2021).

Irrespective of whether charities defined culture as shared cause, values, or processes, it became clear that culture was frequently considered a barrier to collaboration. Reluctance to look beyond the shared cause, a fear of losing independence and control, the practical issues of incompatible organisational structures and processes were found to be major obstacles. On the other hand, culture, specifically an openness to collaboration, was also found to be a significant enabling force. The charities in this study had not only tried back-office collaboration, often despite misgivings and major hurdles, but were also often engaged in other interorganisational relationships, from simply sharing knowledge to service delivery partnerships. However, the varied, and sometimes conflicting, meanings attributed to culture raises concerns regarding the ill-defined way in which this word is used, which 'often vitiates discussions intended to display the nature of social change', as Bierstedt noted with frustration in 1938.

Theme 3: Networks enabled charities to find partners and share experiences but a narrow focus on the same cause or area also led to competition, undermining collaboration.

For many of the participants, existing networks, based on cause and/or geography were the first port of call for finding partners to collaborate with. Practically, it was felt to be efficient, with a participant noting that the transaction cost of starting a project with somebody outside the network would be higher *"because we wouldn't know who to talk to and would they be there next year"*. Emotionally, collaborating with existing network partners made participants feel that cultural alignment was more likely *"what you get there is the understanding of the issues (...) to the very difficult work that we do"*. Geographical networks, focused on local knowledge, seemed particularly important outside large cities, with networks based on similar causes predominantly found in cities. However, whilst networks were valued as an information exchange, it was notable that charities going into back-office collaboration where largely unaware of its challenges, potentially indicating the reluctance to share negative experiences frequently noted in the literature (Vangen and Huxham, 2005; Hartley, 2014; Carrington *et al.*, 2018). The same practical and emotional reasons that made existing networks a good place to find partners in, also seemed to make sharing knowledge difficult.

Tensions in the form of competition seemed to lie at the heart of this paradox. One participant explained that *"because we did very similar things there was an unstated element*

of competition between the organisations, in terms of applying to the same funders. I noticed some of our messaging became quite similar". Issues of commercial sensitivity were also raised in this context *"There was a tension around the confidentiality that the director of finance had (...) I would not want him working for an organisation where in some way there was an element of competition"*. Similarly, another participant, in a collaboration with a charity championing a different cause, was relieved at not competing for funding, explaining that *"we are both offering something slightly different, and it feels comfortable. And that way we are both very relaxed about sharing services and expertise"*. This was echoed by another, advising that the "*best collaborations are the ones where people are doing quite distinctly different things otherwise you fall over yourself fighting for the same territory"*. Yet concerns were also expressed that funders did not always understand or accept competition amongst charities and that there was an underlying assumption that collaboration was intrinsically useful to charities, particularly within a shared cause. Further, that this sometimes led to well-meaning but directionless attempts to encourage networking and collaboration. A participant enquiring about shared office space was told that networking amongst charities in the building was expected. The reason for this was not clear. *"About what? So random."* Yet such tensions, widely discussed in the wider literature (Zeng and Chen, 2003; Van Lange *et al.*, 2013), are rarely explored in guidance literature.

(insert Fig 1 here)

Theme 4: Concern about potential mission drift caused by diverting resources.

The financial investment required to set up and run back-office collaborations was cited as a major barrier. For one group, involved in IT collaboration, the investment required ultimately became too much *"while we did invest, it was not enough to keep pace with the technology (...). We found over time we were getting behind in terms of investment required"*. For another, the continued requirement for investment also almost led to the demise of the project *"we needed to put subsequent money in after this, which is often the case. You realize you haven't given enough and need to give more to see it through a tough gestation."* Money generally came from existing funds or loans, which brought with it an additional element of risk and a concern about mission drift. As one participant pointed out *"charities are not there to build state of the art (...) infrastructure"*. Given that most charities did not have spare capacity, taking on the administrative functions of another organisation would require significant investment *"you will have to recruit people and we have to build a department,*

which means you have to invest". This challenge was felt to be exacerbated by the attitude of funders, who were on the one hand, *"obsessed with overheads"* yet on the other hand were often not interested in funding administrative infrastructure. Instead, they generally preferred service delivery projects with *"user involvement"*, the infrastructure costs of which in turn often needed to be subsidized from charities' reserves in a *"double whammy"*. Significantly, none of the participants felt that their involvement in a back-office collaboration made them more attractive to funders. At best, it was seen as an additional *"nice to have"*.

Additional costs in the form of time were also a concern. Often for a project that ended up "*going nowhere*". One participant described the huge amount of effort required to get the project of the ground. *"We had a group of people (...) who just burnt the candle at both ends and worked day and night just to get this thing up and running"*. The demands on time and effort sometimes continued beyond the start-up phase. *"We spent more time telling them why they've misunderstood it than we would have spent doing it ourselves"*. It was the cause of much stress, particularly as it was often felt that this was generally not understood or appreciated by the rest of the organisation. As one participant put it *"we were working our socks off (...) and our organisation doesn't acknowledge the time put into it because they don't see it. And don't understand it"*. This caused resentment, as did the sense that back-office functions were seen an expense, rather than an essential part of the organisation. Time was only generally translated into money if a dedicated project manager was employed, a move that seemed to have a positive influence on how participants felt about the project.

Expertise was the third resource required and lacking it had led to some costly mistakes, e.g., around VAT. *"The main problem with VAT is its sheer complexity. And often you go into these arrangements, and you are not clear if you are going to get stung by VAT"*. This was a lesson learnt the hard way by another organisation *"Nobody had realized that we had to charge them VAT (...) So what they thought they had agreed turned out to be 20% more expensive because they had to pay VAT"*. Lack of expertise in providing administrative services to other organisations was also a concern, with one participant noting that "*if you are going to provide outsourced services for another organisation, you need to be shit-hot at it yourself"*. The importance of formal agreements was stressed, especially for collaborations based on personal relationships *"making sure there is a contract or an MOU, preferably a contract, right at the start (...) Really clear and obvious really but when you are working alongside somebody quite closely some of these boundaries start to blur a little (...) You may not always be in post"*. The failure to understand the complexities of individual administrative functions was also raised.

A participant shared insights gained from experience, suggesting that areas such as HR or IT lent themselves better to collaboration on at a strategic level, while others, such as finance and fundraising were better suited to collaboration on a transactional level. The point was also made that outsourcing did not free an organisation from overall responsibility or the need to input, echoing the risk of functional duplication noted in the wider literature (Elston and MacCarthaigh, 2016). The frustration was palpable in some cases. "*There was a complete lack of understanding at the top as to what this would involve*".

Cross-cutting themes: efficiency and effectiveness

The themes of efficiency and effectiveness cut across themes of leadership, culture, networks, and resources. Senior managers were aiming for increased efficiency motivated largely by financial need. Yet the same lack of resources led to errors in choosing partners and assessing risk, making the goal of efficiency challenging. Existing networks provided efficient opportunities to find partners, yet also encourage a bias towards organisations who shared a cause but may not be effective collaboration partners, particularly if competing for the same funds. Efficiency seemed to be particularly problematic as an overall goal for back-office collaboration, with some participants seeing it as a zero-sum game, unless, as one participant put it, "*they honestly thought that all their own staff had been sitting around twiddling their thumbs*". Effectiveness was a less dominant and more complex theme. One the one hand, none of the collaborations reported an increase in overall organisational effectiveness. On the contrary, concern was expressed by some that diversion of funds and mission drift may even potentially threaten organisational effectiveness. On the other hand, the effects of collaboration on functional effectiveness, i.e., the quality of the administrative area in question, presented a mixed picture. For example, whilst the reported impact of sharing finance departments in one case, or outsourcing payroll in another, had been negative, the joint purchasing of new IT systems between organisations in an existing network had a perceived positive impact on the quality of the service being delivered. Thus, one participant felt that whilst there was no direct cost saving, it enabled better finance reporting and "*more planning and more mentoring*". "*We were so ramshackle; we just wanted a proper system*". Similarly, another participant explained that due to a jointly purchased customer relationship management system (CRM) "*we are able to do segmentation and targeting that we could not do before*". Whilst these findings potentially support some of the advisory literature's claims that collaboration may have a

positive effect on the functional effectiveness of some back-office tasks (Bogdanova, Brier and Harris, 2010; NCVO 2016), outcomes were shown to be highly context dependent. Additionally, the research found no evidence that such effectiveness in turn led to cost-savings, consistent with research from the public sector which notes that broader benefits, such as increased quality of service, are theoretically more likely to be associated with higher rather than lower costs (Aldag, Warner and Bel, 2020).

Conclusion

In response to crisis, particularly economic downturns, charities are frequently urged to work collaboratively and to reduce administrative costs. Back-office collaboration is regularly featured as one of the ways in which both aims can be achieved. Guides and advisories on how to 'share' back-office functions abound, highlighting the potential for greater efficiency and effectiveness of such collaborations. Yet the evidence for such claims is slim, seemingly based largely on assumptions and aspirations rather than experience, and not generally supported by the wider literature. The primary research therefore provided an insight into charities' real-life experiences of back-office collaboration. It found that the leadership, largely motivated by financial need, frequently instigated collaborations based on personal relationships but that such a dependence on personal relationships also presented a potential barrier to the long-term success of the collaboration. Further that strong leadership, both within the individual organisations and within the collaboration, was required to make the collaboration work but also risked alienating staff and partners in a culture where loss of independence and an imbalance of power were an ever-present concern. Thus culture, found to have several diverse and sometimes conflicting meanings, was found to be both a barrier and an enabler of collaboration. Reluctance to look beyond the shared cause, a fear of losing control and the practical issues of incompatible organisational processes were found to be major obstacles. Yet the variety of formal and informal networks many were involved in indicated a culture that was inherently open to cooperation. Networks also were also found to be both enabling force and barrier. Whilst they were instrumental in helping charities find partners and share experiences, the small world they created, often based on personal relationships between CEOs or trustees, also limited potential partners to those from similar causes or areas, introducing and element of competition and making sharing honest stories about the success or failure of collaborations difficult.

Supporting findings from a wider, multidisciplinary body of work on the complexities and paradoxes of collaboration, and revealing a gap between the advice available to charities and their practical experiences, this research sheds light on some of the inherent challenges of back-office collaboration. Of these, the lack of resources, in the form of money, time and expertise, was dominant, compounded by funders' reluctance to fund administrative infrastructure. As a result, the complexities of such projects, including the diversity of individual administrative functions, was often felt to have been insufficiently considered before entering collaborations, leading to errors and miscalculations. This led to unexpected costs and concerns about potential mission drift, thus undermining the primary aims of increased organisational efficiency and effectiveness. However, the findings also indicated a potential for increased functional effectiveness of individual back-office tasks, suggesting that a focus on effectiveness and quality of service instead of efficiency may yet provide long-term collaborative advantage.

Limitations and suggestions for further research

This was an exploratory study, with limitations. Firstly, small charities were underrepresented in the sample, largely because of difficulties in making contact during the early months of the Covid pandemic. Additionally, the cross-sectional design limits longitudinal insights to personal reflections based on past events, some several years ago. Finally, whilst multidiscipliary literature was selected based on relevance to back-office collaboration, a concept itself imported into the voluntary sector from the private and public sectors, findings from other sectors are not necessarily transferable. These limitations demonstrate the need for further research, particularly longitudinal studies, on back-office collaboration in the voluntary sector, with the question of effectiveness versus efficiency meriting particular attention. This could take the shape of an examination into the nature and origin of the sector's cultural norms and management paradigms which both encourage and undermine collaboration. External stakeholder expectations, such as overheads, cost ratios and acceptable risk, could form part of such an inquiry. Other areas that would benefit from further research are the question of how to measure success, particularly around the potential broader benefits of collaboration e.g., improved quality of service; the influence of variables such as size, sector, type of collaboration on success; and the usefulness of the collaborative continuum framework and possible alternative models.

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Conflict of interest

The author declares that there is no conflict of interest

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Figure

Figure 1: Themes and Tensions
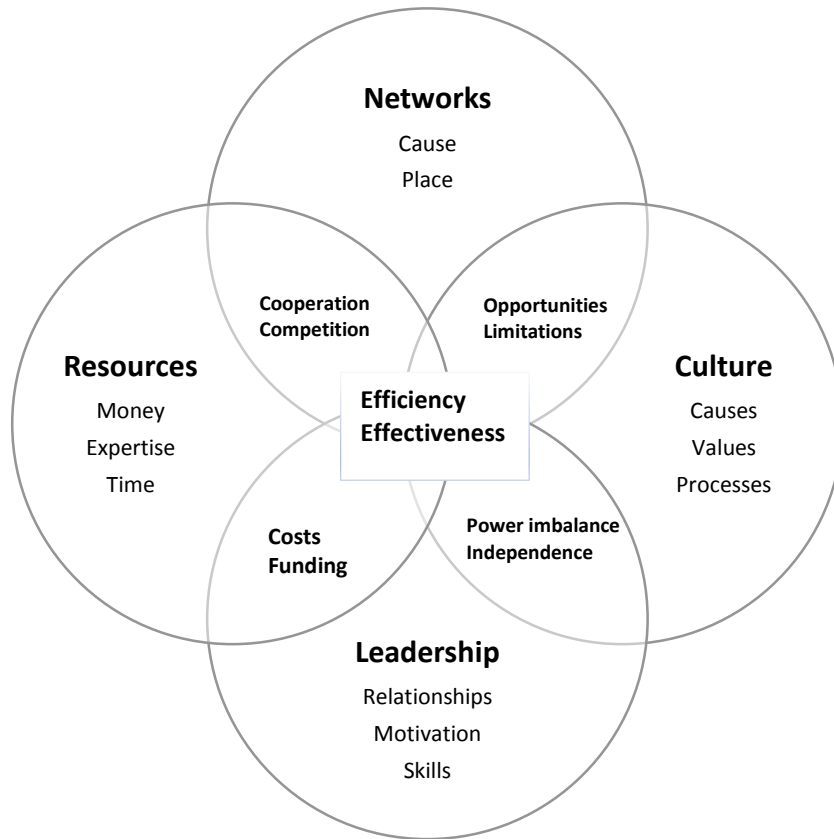
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Networks

Cause

Place

**Cooperation
Competition**

**Opportunities
Limitations**

Resources

Money

Expertise

Time

**Efficiency
Effectiveness**

Culture

Causes

Values

Processes

**Costs
Funding**

**Power imbalance
Independence**

Leadership

Relationships

Motivation

Skills

Table

Table 1a: Organisational profile of participating charities

Primary area of activity	Charities		Shared administrative function	Charities
Multi-sectoral	4		Multiple	7
Arts and heritage	1		Finance	2
Children and young people	3		Fundraising	2
Disability	1		HR/Payroll	2
Environment	4		IT	1
Health	2		Office space	2
Homelessness	1		Legal/regulatory	2
Vulnerable People	1			
Women/Domestic abuse	1			
Total	**18**		**Total**	**18**

Region	Charities		Annual Income £ (last available accounts)	Charities
London *(7 with national, 1 with international area of operation)*	10		< 1 m	4
North	1		1-3 m	5
North-East	1		3-5 m	3
East	3		>5 m	6
South-West	2			
Wales	1			
Total	**18**		**Total**	**18**

Table 1b: Position of interviewees

Position in organisation	Participants
CEO/Managing Director	5
Chief Operating Officer (COO)/Director of Operations	2
Chief Financial Officer (CFO)	2
Director/Assistant director	4
Head of Partnerships	3
Head of Development/Fundraising	2
Head of HR	2
Total	**20**