Foundations for Change:
Non-Profit Sector Innovation

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This Knowledge Brief summarizes a review of literature conducted as part of the Exploring the Characteristics and Capacity of the Non-Profit Social Sector in the Columbia Basin-Boundary Region research project. For other research products associated with this project please visit RDI's non-profit social sector research page.[1]

INTRODUCTION

The non-profit sector plays an important role in our communities, from social services to environmental protection, to arts, culture, and recreation. Virtually every area of our lives is impacted and improved through the work of the non-profit sector. With a substantial presence in our region, this sector creates meaningful employment for residents and greatly contributes to our individual and collective well-being.

However, operating and sustaining non-profit organizations has become increasingly challenging. Funding has declined, while expectations continue to grow. Volunteer capacity is limited, and typical funding models are built on short-term contracts and processes that place organizations in competition with one another.

While faced with significant stress, the non-profit sector has become a force for innovation.[2] The traditional boundaries of non-profit scope are blurring and organizations are finding novel ways of thinking and working together. The literature is rich with information about the benefits of social innovation and collaboration, and the non-profit sector is uniquely well positioned to be a driver of change, as many of its strengths are indeed the very characteristics that are essential to the innovation process.[2-4] With a transformation in beliefs and patterns of behaviour, new ideas become common practice, leading to higher levels of environmental, economic, social, and cultural well-being.[3]

This knowledge brief explains key concepts related to improving community development outcomes – for the non-profit sector, as well other areas of society. **Social innovation, social networks, collaboration,** and **collective impact** are important concepts to understand and contemplate when seeking to create positive change in our communities and region.

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SOCIAL INNOVATION

Social innovation is essentially social problem solving. A social innovation is any initiative (e.g., product, process, program, project, or platform) that challenges and contributes to changing the routines, resources, authority flows, or beliefs of the broader social system.[4] As Neil Bradford (2003) highlights, "the need to replace inefficient, unsustainable practices with intelligent, responsible ones crosses organizational boundaries… Today, the importance of innovation extends well beyond the economy and the workplace. Many of society's greatest challenges – from achieving ecological balance to creating meaningful employment for all citizens – equally demand new thinking, organizational creativity, and institutional adaptation".[5] Social innovation is a process of social change. Much of what we take for granted today started as radical innovation, such as restorative justice, hospices, kindergarten, distance learning, micro-credit, and cooperatives.[6]

The process of social innovation involves generating ideas by understanding needs and identifying potential solutions. It does not necessarily mean coming up with something completely new, but building on the learnings of the past. Tinkering plays a vital role, involving trial and error, hunches, and experiments that only in retrospect look rational and planned.[7] Social innovation requires piloting and testing, followed by assessing, adapting, replicating, and evolving to the point where something becomes common practice. It requires leadership, entrepreneurship, flexibility, adaptability, inclusiveness, responsiveness, and cooperation.

Clustering locally can greatly increase the pace with which social innovations spread, and benefits are more likely to occur in leaps rather than in a series of incremental improvements.[8] In his recent book *Impact: Six Patterns to Spread Your Social Innovation*, Al Etmanski explains that spreading social innovation is about "being a wise traveller".[9] We can no longer go alone, we must shift our mindset, do things differently, and following Etmanski's metaphor of a canoe trip, paddle the journey together.

SOCIAL NETWORKS

Working together requires building and sustaining relationships. Understanding and managing social networks are the groundwork to facilitate a bridge over the seemingly insurmountable chasm of complex problems to create change in our social systems.[10] While the science of studying networks is a relatively new field, since the 1960s mathematicians have invested considerable time and resources in understanding the architecture of networks.[11] Networks are the fundamental form of organization of living things on the planet, and networks create the conditions for emergence, which is how life changes.[12] Social networks are different from conventional industrial-age structures as there is no top or bottom, but rather hubs and spokes. Social networks require a solid group of core individuals and organizations, but also need porous boundaries so that others can join at any time.[13]

Krebs and Holley (2006) discuss two important aspects of social networks: knowing the net and knitting the net.[14] Knowing the net is about understanding the network, often by mapping it – illustrating the nodes (i.e., people or organizations) and links (i.e., relationships, flows or transactions) in the social network. Social Network Analysis (SNA) and the associated maps can answer many important questions, including where connections are and if any are missing, who are playing leadership or mentorship roles and who could be, what alliances exist and which ones could be fostered. SNA is a useful tool for measuring attributes of team function, organizational culture, and even webs of groups across disciplines.[15]

Knitting the net is the notion that in order to be effective, networks must be actively managed. There need to be "network weavers" – people who are the hub(s) and lead in cultivating connections. Relationship building is the foundation of network weaving, along with facilitating collaboration so the network can increase its scale, impact, and reach, thus being able to mobilize the collective energy and resources.[16] The goal is a core/periphery model as shown in **Figure 1** which emerges after many years of weaving by multiple hubs. The core is made up of key members who have strong ties, while the periphery comprises those new to the network, as well as bridges to other networks, and unique

resources that operate outside of the network. "The periphery is open, and members monitor the environment, bringing in new people and ideas, while the core implements what is discovered and deemed useful".[14]
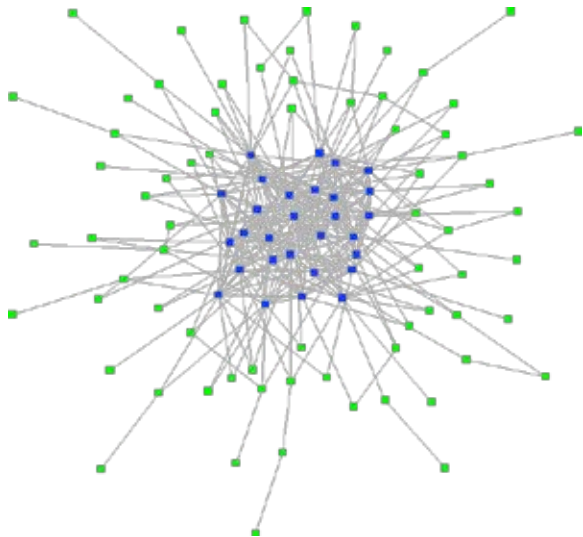

Figure 1. Core/periphery network map.

Networks of individuals and organizations can create learning regions with the ability to experiment and adapt. These social networks nurture creativity and invention, which are vital to community development and regional sustainability.[17] Groups of leaders are developing a "network mindset" that is enabling profound social change and influencing grant makers to review and re-imagine their approach to supporting the non-profit sector.[18] A network approach is becoming more common across Canada and around the world. Developing and managing an intentional network is the pre-requisite to collaboration.

COLLABORATION

Collaboration, put simply, is where two or more organizations work together to realize shared goals. It is generating "desired outcomes together that could not be accomplished separately".[19] As the African Proverb says, "If you want to go fast, go alone. If you want to go far, go together". Social innovation is about creating change in a complex social system – it is about going far.

Arthur Himmelman (2002) defines collaboration as a developmental continuum (see **Figure 2**). Each level requires greater trust, time, and ability

to share. Each level can be appropriate depending on the context, and organizations should ask themselves what makes the most sense given the needs and objectives.
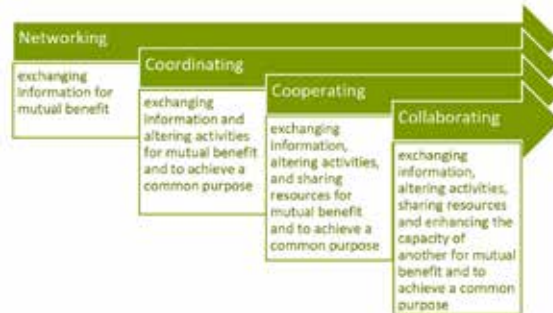

Figure 2. Collaboration continuum.

Thomson and Perry (2006) argue that, with rapid technological change, scarce resources, and rising organizational interdependencies, collaboration is becoming imperative to the public sector.[21] While there may be no single accepted approach, the process of collaboration generally includes: the identification of a need or driver, identification of who needs to be involved, establishment of a common understanding among those actors, development of specific actions, action, and reflection and evaluation.[22] The political, legal, socioeconomic, environmental, and other systemic factors play a role, creating opportunities, constraints, and influences on the dynamics and performance of any collaboration.[19] Small initial successes are essential to keeping an initiative going in its early stages.[19]

There are several elements that lead to a successful collaborative process:

- *Shared need or purpose*. There must be a need or purpose to collaborate. Potential collaborators must ask themselves if it will add a value and produce an outcome that could not otherwise be achieved. Often the motivation is pragmatic and related to internal factors (e.g., problems, resource needs, interests, or opportunities), or external reasons (e.g., situational or institutional crises, threats, opportunities).[19,23] Collaborating partners must have a shared vision, with clearly agreed upon and attainable goals and objectives.[24]

- *Unique Leadership*. A key driver of collaboration is skilled and inspired leadership. "The deep changes necessary to accelerate progress against society's

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most intractable problems require a unique type of leader – the system leader, a person who catalyzes collective leadership". [25] Leaders must be able to see the big picture, be reflective and strategic, and be able to facilitate the co-creation of solutions. Himmelman (2002) distinguishes between collaborative betterment and collaborative empowerment, where betterment is top-down and empowerment is bottom-up; empowerment creates shared power across the coalition.[20] Leaders must be able to manage expectations, ensure realistic scope, and facilitate the variety of agendas that can make it difficult to agree on goals and objectives. Good leadership must be sustained from the beginning, into implementation, maintenance, and evaluation.

- *Relationships.* Collaboration is about developing relationships and creating a cross-section of membership.[24] It constitutes inclusivity and diversity, but also ensuring the "right" people are at the table.[19] It is essential to bridge cultural differences – differences between institutions and communities, including different perspectives, education, finances, personalities, and historic legacies or rivalries.[26] Relationship building develops mutual respect, understanding and trust, which generates legitimacy and commitment.

- *Resources.* Collaboration is an investment, requiring human and financial capacity throughout the process. Collaboration requires sufficient funds in order to achieve results, as well as a skilled convener who can organize and facilitate the collaborative partners.[24] Time is often the biggest barrier to collaboration, as well as competition.[20, 26] A benefit of collaboration though is the potential for sharing and leveraging these scarce resources, generating new capacity for joint action.

- *Communications.* Communications must be open and frequent, and include both informal and formal processes.[24] Knowledge is considered a currency of collaboration, where members must all be informed and willing to share their knowledge.[19] Knowledge management is critical as knowledge guides action.[27] In regions where people are spread out geographically, communications and information sharing technologies become ever more important.[28]

- *Commitment.* People and organizations must be willing to adapt to a new way of thinking and working. They must be committed so that a collaboration can be sustained over the duration of the shared purpose. Collaboration requires reciprocity, with each member having roles and responsibilities, from convener to advocate, technical assistant to funder.[20]

Many authors discuss and try to operationalize the impacts, effects, outputs, and/or outcomes of collaboration. Emerson et al. (2011) discuss impacts as "results on the ground" which can be intentional and unintentional.[19] These are the changes to the system context, the "alterations in a pre-existing or projected condition that has been deemed undesirable or in need of change". Impacts can be physical, environmental, social, economic, and/or political. They can be specific, discrete, and short term, or they can be broader, cumulative, and longer term. The benefits and results of collaboration greatly depend on the purpose, people, and process. As success is achieved, the history of collaboration in a community can further enable trust in the process, and generate greater impact and on-going innovation.[24]

COLLECTIVE IMPACT

Collective impact may be the fifth stage in the collaboration continuum. While the concept is not new, the term was coined by Kania and Kramer in 2011, indicating that collective impact occurs when organizations from different sectors agree to solve a specific complex, social problem using a common vision and action plan, aligning and reinforcing each other's efforts, using structured forms of collaboration.[29] Organizations around the world are beginning to see collective impact as a more effective process for social change, and uptake of the approach has rapidly gained momentum.[30,31]

There are five conditions that comprise the collective impact model: [29,32]

1. *Common Agenda:* A common understanding of the problem, shared vision for change, and an agreement on a proposed set of principles and strategies to guide action.

2. *Shared Measurement:* A common set of indicators for monitoring progress and outcomes, with a focus on performance management, shared accountability, and making sense of changes in indicators.

3. *Mutually Reinforcing Activities:* The distinct activities undertaken by various collective impact partners reinforce the activities of other partners and together, lead to system-wide change.

4. *Continuous Communication:* Collective impact partners communicate openly and frequently in the spirit of continuous improvement and learning, with a focus on building trust.

5. *Backbone Structure:* These are the staff and the structure which supports convening and coordinating across the collective impact partners. The backbone organization guides the vision and strategy, supports activities, and mobilizes funding.

Collective impact is in contrast to "isolated impact", which sees individual organizations working in an independent fashion, whereas collective impact recognizes that the complex issues the non-profit sector is trying to impact are well beyond the scope of any one organization or sector.[31] As noted by Levy et al. (1992) in relation to supporting young children and their families, the process of collaboration needs to continue, but expand the breadth and depth to an integrated system, one with a vision and cross sector mechanisms for long-term planning and implementation.[33] Collective impact is a process of rapid learning through continuous feedback and adjustment, and increasing alignment of partners.

Deriving from the field of complexity science, collective impact is an emergent process – the outcomes are not always predictable. "Leaders of successful collective impact initiatives have embraced a new way of seeing, learning, and doing that marries emergent solutions with intentional outcomes".[31] It is an innovative approach to our complex social challenges, and with each new collective impact initiative, we move towards a tipping point, with this approach becoming the new norm in the practice of social change.[3, 34]

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CONCLUSION

The non-profit sector is facing a transition. As noted by the Ontario Non-profit Network in 2015, "these are times of change… the context and circumstances within which our sector does its work are changing".[35] National studies of non-profits show that while non-profits are a critical component of Canadian society, often addressing needs and interests of citizens that governments and the private sector do not, these organizations face considerable challenges.[36]

Social innovation however, is rapidly growing in this era, generating new networks, policies, programs, and practices across urban and rural Canada.[28] The BC Social Innovation Council discusses five key areas to maximize social innovation in British Columbia: (1) supporting social enterprise, (2) legislative enablement, (3) social innovation labs, (4) engaging communities, and (5) learning and research.[37] Each area includes several specific recommendations for action by government, academia, Aboriginal leaders, business, and non-profits. An important next step is to support organizations in applying social innovation concepts, strategies, and tools to improve their planning and day-to-day operations.[38]

As Wheatley and Frieze (2006) remark, "despite current ads and slogans, the world doesn't change one person at a time. It changes as networks of relationships form among people who discover they share a common cause and vision to what's possible".[12] Social innovation for positive change requires fostering connections and building relationships, developing new knowledge, and playing with new practices. It is an emergent process that with courage and commitment can evolve into a powerful system capable of significant influence and impact.

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