Strategic Partnerships of Nonprofit Organizations: A Comprehensive Literature Review

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This article draws from in-depth research for the doctoral dissertation "Successful Strategic Partnerships of Nonprofit Organizations: A Case Study." Serving as a synthesis and sharing some of the content from this dissertation, it offers a comprehensive review of existing literature on the nature and dynamics of strategic partnerships within the nonprofit sector. The article begins by defining strategic partnerships, examining the diverse forms they can take, and exploring the motivations behind their formation. It further delves into the tangible benefits these partnerships can offer and addresses the common challenges organizations encounter in their collaborative efforts. Additionally, key success factors that enhance the effectiveness of these alliances are highlighted, as well as insights into why some partnerships fail to yield intended outcomes. With a particular emphasis on partnerships led by nonprofit leaders, this review underscores how thoughtful and well-constructed collaborations can amplify the missions of nonprofit organizations, streamline resource usage, and generate a broader community impact.

Keywords: strategic partnerships, types of strategic partnerships, reasons for forming strategic partnerships, strategic partnerships cycle, success factors of strategic partnerships, failure factors of strategic partnerships, strategic partnerships of nonprofit organizations

INTRODUCTION

The rapidly changing world, with the growth of the digital economy, the maturity of globalization, and intense competition have considerably increased the demand for resources. Given the difficulty of responding to such demand, organizations have begun to pursue opportunities to access more diverse resources through external cooperation (Yang et al., 2022). The new reality calls for organizations to strategically partner with others. The literature review revealed an increased interest among organizations in forming strategic partnerships (Margherio et al., 2020).

Strategic partnerships are not new to the research field and have become an essential aspect of strategy literature (Emami et al., 2022). Scholars have studied various facets of strategic partnerships, including the definitions, types, reasons for development, advantages, challenges, and success factors. Dementiev (2016), MacDonald et al. (2019), and other researchers discussed that organizations in business, government, and nonprofit sectors increase their collaborations via multi-stakeholder partnerships to address the complexities and challenges of the world. Partnerships are a powerful tool for collaboration between various parties, both public and private (Kassem, 2021). Partnerships have become necessary because a single organization can neither understand nor address complex issues. The knowledge, expertise, competencies, capabilities, and resources of many stakeholders are needed (Emami et al., 2022; Giura, 2015; Iheanachor & Umukoro, 2022; MacDonald et al., 2019; Mohammed & Ali, 2023; Raftery et al., 2022).

When talking about partnerships, it is crucial to distinguish between traditional and strategic partnerships. Amey and Eddy (2023) pointed out that traditional partnerships often result from individual efforts, pursuing individual interests that eventually involve others and can be formed because of a top-down decision or a policy requirement. Strategic partnerships, on the other hand, are formed based on a sense of purpose and for what they contribute toward helping leaders meet organizational goals. Strategic partnerships are about mutual benefits for all partners. They are formed to meet the strategic organizational goals of all partners involved. A mutual purpose is important from the beginning (Amey & Eddy, 2023).

Many scholars define strategic partnerships as collaborative relationships among organizations with a common interest who agree to work together and share resources and knowledge to achieve mutual strategic goals, advance their missions, and enhance their positioning, which cannot be achieved by either party working alone (Emami et al., 2022; John Snow, Inc., 2012; Margherio et al., 2020; Raftery et al., 2022). Raftery et al. (2022) emphasized that the fundamental principle of strategic partnership is collaborating to create mutual benefits, co-creating value and synergy. Synergy is about combining partners' perspectives, resources, and skills to create something new and valuable together (Raftery et al., 2022).

Several theoretical frameworks can explain and frame the process of strategic partnerships formation, but the most suitable ones appear to be resource dependence theory (Chu et al., 2019; Wang et al., 2022; Xiao et al., 2019) and value co-creation theory (Elo et al., 2023; Wang et al., 2022). Resource dependence theory suggests that an organization needs more resources than it owns to stay competitive or survive and must collaborate with other organizations to obtain the needed resources (Yang et al., 2022). Value co-creation theory considers value to be co-created in strategic partnerships when the co-creation process improves the viability of at least one of the partnering organizations. Participation in a strategic partnership should benefit all partners and result in positive value outcomes (Elo et al., 2023). S-D logic is used within this theory as it provides a meta-theoretical framework for the systemic understanding of value co-creation in service ecosystems (Elo et al., 2023; Vargo et al., 2020). Based on these two theories, organizations form strategic partnerships to obtain all necessary resources to achieve their common goal, creating value for each partner involved.

This article reviews the existing research literature related to the topic of strategic partnerships. The article reviews strategic partnership types, reasons for their formation, importance, benefits and challenges of strategic partnerships, key success factors, and reasons for failure. Strategic partnerships formed by the leaders of nonprofit organizations are given particular attention.

TYPES OF STRATEGIC PARTNERSHIPS

Partnerships can be of diverse types and formats, such as collaborations, networking arrangements, and informal and formal cooperations that sometimes can lead to full mergers or takeovers. Partnerships are often developed between like-minded organizations (Croke, 2020).

Sohrabi et al. (2021) discussed mutual services consortiums, licensing agreements, value chain participation, and joint ventures as four major types of strategic partnerships. A joint venture is created by two or more organizations with similar strategic goals to share operational responsibilities, financial risks, and rewards while maintaining their independence and identity (Sohrabi et al., 2021).

The types of strategic partnerships involving nonprofit organizations can vary widely. Nonprofit organizations usually form strategic partnerships with the common goal of improving the well-being of the community. The common types of such partnerships are community-based, government-based, or faith-based partnerships (John Snow, Inc., 2012). A community-based type of strategic partnership is formed between community stakeholder organizations on the local community's front lines. Local nonprofits can serve as a good example of this type of partnership. Government-based partnerships are formed between local governmental institutions, local schools, and educational institutions. Faith-based strategic partnerships take place when one of the partners is a local religious institution (John Snow, Inc., 2012).

The levels of partnerships between nonprofits can simply be to partner to provide some joint programming (Kassem et al., 2021), to share information, to integrate program services and administration, and, as the highest level of collaboration, they may result in a merger of two organizations (The Standards for Excellence Institute, 2018). Kassem et al. (2021) noted that partnerships between nonprofit organizations and other partners can be of two types: intra-sector, which is nonprofit-nonprofit, and inter-sector, which includes business-nonprofit, government–nonprofit, and tri-sector partnerships. Nonprofit partnerships can be further categorized based on four dimensions: the relationship with core business activities, the degree of partners' engagement, the partnership's activities, and governance structures (Kassem et al., 2021).

According to the Ethics and Accountability Code for the Nonprofit Sector (The Standards for Excellence Institute, 2018), nonprofit organizations should consider three factors when deciding which type of partnership is most appropriate to their goals, structure, and resources. These factors are purpose, autonomy, and cross-sector partnership. The purpose factor is related to the purpose of strategic partnership. The autonomy factor should be considered when partnering organizations determine the degree of autonomy necessary for shared activities. The cross-sector partnership factor should be considered when nonprofit organizations partner across sectors with businesses, government agencies, donors, and other nonprofits (The Standards for Excellence Institute, 2018).

REASONS FOR FORMING STRATEGIC PARTNERSHIPS

The review of the research literature revealed various reasons why organizations form strategic partnerships, which have changed with time. In the 1970s organizations partnered to focus on product performance (its production efficiency and quality), obtain access to technology, and enter new domestic and international markets (Tjemkes et al., 2023). In the 1980s, strategic partnerships shifted to obtaining more flexibility, driven by continuing globalization, increased competition, and more demanding end-users (Tjemkes et al., 2023). During the 1990s and 2000s, learning and capability development for innovation became the primary rationale behind partnerships. Organizations partnered to maximize value, optimize cost, and respond to changing internal and external environments (Tjemkes et al., 2023). In the 2010s, corporate social responsibility and technological advances drew organizations' attention to collaborate. Organizations worked together to respond to societal and ecological demands (Tjemkes et al., 2023). Presently, as Tjemkes et al. (2023) noted, organizations partner strategically to access and share valuable and complementary resources they do not possess but need to survive and stay competitive. These resources include but are not limited to finances, technology, and special knowledge (Emami et al., 2022; Kassem, 2021; Tjemkes et al., 2023). Emami et al. (2022) discovered that resource-sharing, developing new skills and abilities, and reducing external risks were among the primary reasons for forming partnerships. Sohrabi et al. (2021) discussed that the complexity of the current markets is rising, and no organization can state it has all the skills and expertise required to pursue potential opportunities. Organizations can form alliances to attain and maintain a competitive advantage, share resources, reduce costs and risks, obtain marketing resources and information, employ specific knowledge or other technological skills, use managerial and entrepreneurial skills and talents, and gain political advantage for the organization (Sohrabi et al., 2021).

Collaboration and partnerships represent established characteristics of the nonprofit sector (Mendel & Brudney, 2018). The number of nonprofit organizations in the United States continues to grow, and many of them are "increasingly engaging in strategic partnerships to help provide higher-quality programs and

services, leverage funding, broaden or strengthen impact, and improve administrative efficiency" (The Standards for Excellence Institute, 2018, p. 4).

Research literature identified varied reasons why nonprofit organizations form partnerships. These reasons include consolidating and sharing resources, efficient facilitation of programs and services, strengthening nonprofits' reputations and political influence, opportunities to reach a wider audience, learning and innovation, building networks and friendships, helping achieve a long-term vision, and addressing complex societal problems (Kassem, 2021). Emami et al. (2022) emphasized that resource-sharing, developing new skills and abilities, and reducing external risks are among the primary reasons for forming partnerships. In their empirical study, Mendel and Brudney (2018) pointed out that one of the major motives for nonprofit organizations to partner is to create public value. At the local level, such as a city, partnerships involving nonprofit organizations are very often used to implement public policy through program planning and assessment, managing various public initiatives, solving community-based problems, and improving the overall well-being of the local community (Mendel & Brudney, 2018).

STRATEGIC PARTNERSHIP CYCLE

To clearly understand strategic partnership development and what should be considered, it is imperative to know the process of strategic partnership formation, development and maintenance, or, in other words, the cycle of strategic partnership. Margherio et al. (2020) noted that while the process of partnership formation is iterative and not necessarily linear, the lop prior research literature on strategic partnerships delineated a few stages through which such relationships deve (Margherio et al., 2020). According to Russo and Cesarani (2017), the lifecycle of a partnership has three main phases: formation, operational, and evaluation. Each of these three phases has important effects on the others and cannot be skipped. During the partnership formation phase, partners manifest an interest in forming a strategic partnership. They analyze reasons and potential benefits, select partners, and choose the most appropriate type and governance for the partnership (Russo & Cesarini, 2017). The operational phase is when the partnership's vision is translated into economic reality. During this phase, partners work daily and make important decisions related to coordinating and monitoring the partnership's activities, management of communication, and learning process. This stage is critical as many partnerships fail without passing it. Vital factors for the success of this phase are coordination, trust and commitment, control, communication, and conflict resolution. The evaluation phase of the cycle is when the partnership matures and realizes its potential benefits. Partnership performance evaluation and further development are the key factors in this phase. They are closely intertwined as partners, assessing the partnership's performance and deciding on further partnership development (Russo & Cesarani, 2017).

Noteworthy is the partnership development process outlined by Tjemkes et al. (2023). The researchers identified eight stages through which the strategic partnership or, as they call it, strategic alliance, progresses: 1) alliance strategy formulation, 2) alliance partner selection, 3) alliance negotiation, 4) alliance design, 5) alliance lunch, 6) alliance management, 7) alliance evaluation, and 8) alliance termination. According to Tjemkes et al. (2023), each stage should include a specific decision-making situation that requires a unique know-what and know-how. All partnerships progress to the next stage only after they have achieved the goals of the preceding stage (Tjemkes et al., 2023).

Kassem et al. (2021) found that the most suitable lifecycle framework for nonprofit strategic partnerships is the lifecycle framework developed by Tennyson (2011). Tennyson's lifecycle is composed of four main phases. The first phase, scoping and building, includes four steps: scoping, identifying, building, and planning. Partners define the area of interest by identifying geographic, thematic, and strategic priorities. They identify and map the stakeholders and build the principles and ground rules for the partnership. At the end of this step, the partnership framework is developed. The second phase, managing and maintaining, includes structuring, mobilizing, and delivering. Partners establish communication protocols, decision-making mechanisms, governance structures, and accountability procedures during the structuring step. Partners also increase the engagement of other stakeholders by mobilizing those who may provide further resources. During the delivering step, the partners allocate the roles and responsibilities for

the partnership, jointly manage the activities, monitor progress for success, and keep partners and other stakeholders informed of their progress (Kassem et al., 2021). The third phase is reviewing and revising. Partners review the partnership measure outcomes to determine its performance level and the value of the partnership. During the revising step, suggestions for improvements in the partnership should be provided. The fourth phase, sustaining outcomes, is the final phase. Depending on the outcomes, the partners can decide either to end the partnership or to continue it (Kassem et al., 2021).

Regardless of how many stages the strategic partnership formation cycle may consist of, the process should set the objectives and expectations of the strategic relationship. Clear objectives and expectations understood and supported by all partners will contribute significantly to the success and sustainability of the relationship (Margherio et al., 2020). On the other hand, not understanding the partnership and its benefits to the partners will likely lead to its failure.

BENEFITS AND ADVANTAGES OF STRATEGIC PARTNERSHIPS

Strategic partnerships have become strategic instruments that offer multiple advantages and benefits (Tjemkes et al., 2023). Multiple scholars have discussed that collaboration between organizations brings multiple advantages, such as access to resources, technology transfer, organizational effectiveness, reduction of costs and improved financial performance, opportunity creation, enhanced relations between partners, increased creativity, as well as sharing of research and development platforms (Cumming et al., 2017; Emami et al., 2022; Mohammed & Ali, 2023; Tjemkes et al., 2023). Tjemkes et al. (2023) highlighted that in addition to accessing necessary resources and reducing costs, partnering organizations can develop into learning vehicles, and through their collaborative organizational learning, they can obtain, exchange, and harvest necessary knowledge and skills. Organizations can also exploit partnerships by blocking competitors, reinforcing corporate social responsibility policies, and lobbying activities (Tjemkes et al., 2023). Yin and Jamali (2021) discussed that strategic partnerships between business and nonprofit sectors indicating that such partnerships benefit communities, for example, by providing clean water, protecting the environment, and improving healthcare and education. By working together, organizations address problems related to common public goods and mega-social issues, which impacts multiple constituencies and stakeholders and very often goes beyond the scope or capacity of a particular or single organization or sector (Yin & Jamali, 2021).

Innovation is also considered one of the significant benefits that can be made possible through strategic partnerships. Masoud et al. (2020) and Hofer (2020) discussed that strategic partnerships present more innovative product development and implementation opportunities. By sharing resources, organizations can focus on developing a new product or entering a new market within a short period. Additionally, long-lasting partnerships can offer opportunities to improve the developed products created through continuous innovations. Continuous innovation leads to stronger connections between organizations, sustainability, and competitive advantages (Masoud et al., 2020). Hofer (2020) also revealed that strategic partnerships enhance innovation, increasing the competitiveness of all partnering organizations.

One of the major advantages of strategic partnerships is that they are vital in contributing to the success of the organizational mission, goals, and initiatives. This relates to community-based partnerships involving nonprofit organizations to improve the local community. Collaboration between organizations has the potential to concentrate on a particular community problem, create an alliance around it, and, by working together, help in resolving the problem. Partnering organizations can advocate for each other and contribute their contacts, skills, talents, and assets. Partnerships can broaden organizational impact within the community (John Snow, Inc., 2012).

SUCCESS FACTORS OF STRATEGIC PARTNERSHIPS

Successful strategic partnerships do not happen overnight. A significant amount of time, dedication, and effort comes with success. The field of partnership research continues to struggle with understanding how organizations collaborate successfully (Raftery et al., 2022) and what the defining success factors are.

Further investigation into how to build and sustain successful partnerships, what challenges to be aware of, and what pitfalls to avoid is still necessary. According to Raftery et al. (2022), successful partnerships is impossible without collaborative relationships and interdependence between organizations, their commitment, the purposefulness of operation, sharing of risks, benefits, knowledge, and skills, and a shared understanding and goals. A successful partnership is about collective working arrangements intending to function at a higher level than the partners can without one another (Raftery et al., 2022). Trust, compatibility, and commitment are three predominant dimensions of successful partnering relations (Harder, 2003).

Other scholars contributed to the research by identifying factors leading to successful strategic partnerships. Shakespeare et al. (2021) highlighted the importance of adopting and fostering four core pillars of good partnerships for strategic partnerships to work successfully. These pillars are understanding the community (its needs, capacity, and dynamics), commitment to transparency, building and maintaining trust, and creating equity. All four are essential in creating a successful sustainable partnership (Shakesprere et al., 2021). The qualitative exploratory multiple case study by Iheanachor and Umukoro (2022) revealed eight factors that can contribute to strategic partnership success: alignment, communication, core values, gain, mutual respect, leadership, coordination, and conflict resolution. A survey of executives conducted by a globally renown consulting company, McKinsey and Company (De Backer & Rinaudo, 2019), revealed that the main factors that executives found present in partnership success are alignment of partnership objectives (47%), effective internal communication and trust (44%), constructive governance leadership and processes (33%), clearly defined incentives and KPIs (32%), proactive communication to external parties (28%), plan for evolution (18%), and defined roles and responsibilities (11%) (De Backer & Rinaudo, 2019).

Communication is recognized by multiple researchers as an important success factor in every stage of strategic partnership, particularly during the initial stages of forming strategic partnerships (Hofer, 2020; Margherio, 2020; Masoud et al., 2020; Mendel & Brudney, 2018; Russo & Cesarini, 2017). The value of communication is in its vitality in minimizing misunderstandings. Moreover, communication is a major element of building trust and mutual respect. Open and regular communication is necessary to ensure equitable input, mutual benefits, and a continued shared vision (Margherio et al., 2020). Hofer (2020) discussed that open and interactive communication between strategic partners is a critical success factor, as reaching the partnership's objectives can depend on transparency and openness of communication. Ineffective communication can generate conflicts between the partners and decrease the effectiveness of the partnership (Hofer, 2020).

One of the major success factors of strategic partnerships of any type and between organizations from every industry, including nonprofits, is the selection of partners. Choosing the right partners means finding desirable matches between partners and their resources, goals, and strategies. It is critical for organizations to look for a certain degree of fit between partners. Partnership success depends on an elevated level of fit among partners. Lack of fitness could lead to the partnership's failure (Russo & Cesarini, 2017). Nonprofit organizations should research potential partners thoroughly before entering a partnership (The Standards for Excellence Institute, 2018). The Code of Ethics for the nonprofit sector states that it is paramount for nonprofit organizations to consider partners with similar cultures and core values because not aligned corporate cultures are one of the main reasons for partnership failure. It is highly recommended for nonprofits to research a potential partner's history, accomplishments, key stakeholders, and financial position (The Standards for Excellence Institute, 2018).

Another success factor is building an effective collaborative governance structure for the nonprofit partnership. A governance structure affects the partnership's internal processes, decision-making processes, and outcomes, and for this reason, should be well-designed (Kassem, 2021). Kassem (2021) showed that a well-designed partnership governance incorporates mutual influence, carefully balancing autonomy and synergy, equal participation in decision-making, accountability and transparency, and mutual respect. Implementation of collaborative governance is a method to emphasize the fact that partnership should be a two-way process. A successful partnership has a government structure that reflects the commitment of all partners to the partnership's principles (shared vision, goals, and projects; dialogue and mutual learning;

community participation; accountability, integrity, and transparency; no discrimination, and quality orientation) (Kassem, 2021).

Successful partnerships also recognize and accept the importance of cultural alignments between the partnering organizations and how a nonprofit partner must prioritize its mission fulfillment (Mendel & Brudney, 2018). Additionally, an ideal partnership between nonprofit organizations acknowledges the right balance of organizational self-interest, leading the partnership to successful outcomes. A vital aspect is clearly understanding the partnering organization's strengths and capabilities (Mendel & Brudney, 2018). The partnership should be built around the partners' strengths and opportunities. Furthermore, commitment from the senior management of each partnering organization should be established for the partnership to work. Ideally, all partners should voluntarily enter the nonprofit collaboration and partnership arrangements. When there is a voluntary success factor, it will increase partnership efficiency, which will maximize cost savings, adapt to environmental changes, and fulfill similar organizational missions (Mendel & Brudney, 2018). Strategic partnerships should not be obligatory to succeed; instead, they should be based on mutual trust and a common vision of the leader (Mohammed & Ali, 2023).

For nonprofit strategic partnerships to thrive, partnering organizations should consider their own mission, internal goals, and strategic plans. Partnering nonprofits should also be clear about what they can bring to the table and about what they expect to receive in return (The Standards for Excellence Institute, 2018).

ROLE OF EXECUTIVE LEADERS IN SUCCESS OF STRATEGIC PARTNERSHIPS

The role of executive leadership in successfully forming and sustaining strategic partnerships cannot be underestimated. CEOs or other executive leaders set the tone as they are the ones who initiate and nurture the strategic partnership. They drive a sense of parity, respect, and a genuine desire to find common ground and mutual benefits. Executive leaders set the tone by entering the partnership with the confidence that it will bring value to the organization and not drive the employees into collaborative overload (Pain, 2019). Executive leaders play a key role in creating meaning for the organization and its employees about why the partnership is important and how it is aligned with the strategic plan (Amey & Eddy, 2023). Leaders create a vision for the partnership and ensure that their followers clearly understand it. How leaders help followers make sense of the partnership influences their reaction and their commitment to it. Moreover, how leaders frame the partnership creates ownership and buy-in of employees beyond the senior leadership (Amey & Eddy, 2023). Therefore, the more an executive leader is engaged in a strategic partnership, the greater its success is. This is one of the key success factors.

Mendel and Brudney (2018) pointed out that from the perspective of the nonprofit sector, researchers often tend to de-emphasize the importance of who drives the partnerships. However, it is vital to acknowledge the role of key executives in forming and especially sustaining nonprofit partnerships, as well as to understand their viewpoints and examine their expertise. Leaders' passion for collaboration, commitment to the partnership and its goals, and their willingness to align with the partners' operational culture are critical leadership traits in the partnership's survival and success (Mendel & Brudney, 2018). Moreover, individuals in executive leadership positions can shape their organization's strategic direction and influence the lives of people inside and outside their organizations. They are key decision-makers who have extensive and exclusive information, as well as access to it (Solarino & Aguinis, 2020).

DISADVANTAGES OF STRATEGIC PARTNERSHIPS AND KEY FAILURE FACTORS

While strategic partnerships have many advantages, disadvantages and failure factors exist. It is vital to be aware of them because not all partnerships thrive and are successful (De Backer & Rinaudo, 2019), and these disadvantages or failure factors can be the reasons behind partnerships' failure and dissolution. Masoud et al. (2020) reviewed several disadvantages or risks of strategic partnerships. There is a potential risk of losing superiority in technology and competitive position. Moreover, there is also a risk of a stability loss due to greater uncertainty related to resources pooled within the strategic partnership and from the

external environment. Strategic partnerships can be less defined and less stable, so there is a challenge in managing them. Weak management can lead to a lack of efficiency, flexibility, and coordination complexity. Being largely independent, the partners can make decisions that are not in the best interest of all partners. Disagreements between the partners can result in serious time losses. There is also a risk of the loss of one's own autonomy and personal control over one's own activities. The challenge in managing strategic partnerships was also underlined by Hofer (2020), who discussed that this disadvantage could be driven by disagreements between the partners about managerial, technological, network, or financial gains. According to Hofer (2020), challenged and unsuccessful partnerships can lead to involuntary potential revenue loss, loss of reputation and operational difficulties, and uncompensated technology and information transfers (Hofer, 2020). Another disadvantage is that partners can become locked in a relationship, reducing their bargaining power and leading to the loss of decision autonomy and flexibility. The loss of organizational flexibility alone can restrain partnering organizations from pursuing other potentially more valuable and helpful collaborations (Tjemkes et al., 2023).

A review of recent research literature has revealed that multiple scholars point out specific failure factors that can affect the development of strategic partnerships and lead to their dissolution. Sohrabi et al. (2021) listed several issues that face strategic partnerships. These issues are problems related to cultural differences, lack of trust between the partners, lack of clear goals and objectives for the partnership, lack of coordination between partnering management teams, and uneven commitment level to the alliance. There are also external factors such as environmental (changes in government policy, war, health, and economic crisis) and market-related (fierce competition, high volatility, and demand), and there are also internal factors such as lack of ability in important areas (Sohrabi et al., 2021).

A survey by Alliance Best Practice and Deloitte (Engelbrecht et al., 2019) discovered that lack of trust between the partners is the critical failure factor for the partnership collapse. 65% of organizations reported a lack of trust as their major reason for failed partnerships. Other failure factors are a lack of common vision (60%), inequity in financial gains (50%), cultural misalignment (45%), and lack of a suitable governance model (40%) (Engelbrecht et al., 2019).

FAILURE RATES

Some scholars discussed that even though strategic community partnerships are a popular evidence-based method for organizations to bring additional resources and services to meet their end-users' increased expectations and stay relevant, many fail to develop and sustain them (Sepanik & Brown, 2021). Elmuti and Kathawala (2001) underlined in 2001 that the failure rate of strategic partnerships could be as high as 70%, and this failure rate was becoming a research interest of many scholars. Two decades later, Chiang et al. (2020) pointed out a similar failure rate that can be more than 60%. Russo and Cesarini, in their 2017 study, also noted that despite the growth of the importance of strategic partnerships, they still exhibit a meager success rate. The researchers referred to the previous research between 1992 and 2017 that revealed a failure rate of over 50% (Russo & Cesarini, 2017). Tjemkes et al. (2023) also noted that based on multiple studies by partnership researchers, it can be concluded that the partnership failure rates remain stable at approximately 50%. Rose (2023) pointed out that less than 40% of partnerships remain active after four years of collaboration, and only 15% remain active after ten years. Furthermore, research data show that two-thirds of the partnerships experience severe difficulties in their first two years of collaboration (Masoud et al., 2020).

Additionally, researchers from Pennsylvania University discovered that 30% of the partnerships end up with acquisitions or mergers, 40% cease their operations after completing their tasks, and the remaining 30% break up (Masoud et al., 2020). The failure rate has remained similarly high in the last several decades highlights the difficulties of building successful strategic partnerships and the fact that not all organizations can maximize the potential value creation from their collaborative strategies (Russo & Cesarini, 2017). Such a steady high failure rate calls for further investigation of the challenges of strategic partnerships, their failure factors, and how to overcome them.

RECOMMENDATIONS FOR FURTHER RESEARCH

Many scholars have researched topics related to strategic partnerships and identified existing gaps in research that need to be addressed. Mohammed and Ali (2023) noted that the word "partnerships" has been used frequently by scholars, but they have not yet defined it clearly. Hence, a clear definition and distinction between similar concepts (i.e., alliance, merger, integration) must be established (Mohammed & Ali, 2023). Valbuena-Hernandez and Ortiz-de-Mandojana (2022) discussed that while effective partnerships bring benefits, some existing obstructions might exist in sustaining them. These obstructions include ideological or cultural barriers, social dynamics, perceptions, risk tolerance, and technical and political complexities. Given these barriers, further examination of the role of characteristics in partnerships is highly relevant, as they are expected to define how partnerships are influenced (Valbuena-Hernandez & Ortiz-de-Mandojana, 2022). Blok (2019) discovered a new perspective on stakeholder engagement, collaboration, and partnership in the context of corporate social responsibility and responsible innovation practices. The researcher showed the fundamental role of different stakeholders in the corporate identity, where their ethical behavior in response to the demands of other stakeholders or complex public problems is embedded. Blok (2019) noted that in future research, an ethical concept of stakeholder engagement, collaboration, and partnership should be further explored regarding corporate social responsibility and responsible innovation practices. Jraisat et al. (2022) pointed out that prior research considering the multi-party relationship concerning information sharing and value creation did not provide clear characteristics. Moreover, there is a gap in research about the role of dyadic relationships (e.g., lack of ties among partners) in partnership from the perspective of partners (Jraisat et al., 2022). Scholars also noted that partnerships come in many different forms, and numerous studies have sought to enhance understanding of partnerships on numerous levels, including partnerships between businesses and nonprofits. However, particular attention is needed to the partnerships between nonprofit organizations (Maurrasse, 2023; Taylor et al., 2023).

Though the topic of strategic partnership is not new within the research field, some areas still need further attention. An improved understanding of how strategic partnerships develop may be required. The process of forming a strategic partnership sets the objectives and expectations of the collaboration, which in turn impacts the collaboration's likelihood of success and sustainability (Margherio et al., 2020). While the concept of public and private partnerships has received widespread attention, the role of nonprofit organizations in collaborative efforts across sectors and involving multiple stakeholders calls for further exploration (Maurrasse, 2023). Taylor et al. (2023) also indicated that research has overlooked partnerships between businesses and nonprofit organizations. Mourrasse (2023) highlighted that the impact of multi-stakeholder and cross-sectoral, solution-oriented community partnerships appears to be one of the most fertile grounds for research moving forward. Additionally, the understanding of partnerships could be further enhanced with some emphasis on a geographic location (Mourrasse, 2023).

CONCLUSION

In conclusion, this article has highlighted key aspects of strategic partnerships in the nonprofit sector, drawing from the foundational research of the doctoral dissertation. Additionally, the literature review has outlined the benefits and challenges inherent in these alliances and the critical factors contributing to their success or failure. Emphasizing partnerships led by nonprofit leaders, this review underscores the importance of strategic alliances for advancing organizational missions, leveraging resources, and amplifying impact within communities.

While recognizing the potential benefits of partnerships is straightforward, building and sustaining them is a complex task that requires time, effort, and commitment. Effective partnerships are carefully structured and managed to bring shared benefits and help organizations achieve goals more efficiently. Success in these collaborations depends on quality over quantity, ensuring that each partnership aligns with shared values and goals. Partnerships that lack a strategic foundation or a shared commitment to community improvement are less likely to deliver meaningful outcomes. Forming partnerships strategically is essential for maximizing their impact and value for all involved. This is a grey area that needs further research.

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