

Framing the Public and Non-Profit Dialogue:
Transitioning from Accountability to Performance Quality

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Abstract

To address the current accountability crisis between public system entities and nonprofit service agencies, a complementary model that emphasizes reciprocity between the two types of organizations and places collaborative responsibility above institutional accountability offers a fresh opportunity for change. A three phase implementation process involving engagement, empowerment and evaluation components was integrated into a multi-year collaborative initiative between a state-wide senior system and local non-profit service providers for the disabled. Examples of agency priorities and quality performance measures are presented for each partner. This case study highlights both challenges and successes of the project that led to improved performance quality.

Introduction

Public systems that focus only on accountability risk diminishing opportunities for collaboration and sustainable partnerships. Non-profit agencies that focus only on delivery of services to priority populations risk missing opportunities for improvement and documentation of outcomes. Reliance on accountability via performance measurement methodology creates an asymmetrical relationship between public entities, that impose monitoring techniques and requirements, and non-profit agencies that are held to externally required metrics and critical success indicators. Each type of organization remains entrenched in their own priority grid lacking a convergence between the standard regulatory model and the non-profit service model. The appropriate dialogue for both entities requires a complementary model approach. The complementary model emphasizes reciprocity between the two types of organizations and places collaborative management responsibility above institutional accountability.

This paper addresses and reframes the accountability discussion between public and non-profit sectors. A case study, based on a multi-year initiative to integrate a state-wide system for delivery of senior and disabled services with state/local government (inter-organizational partners) and non-profit service providers as complementary partners will be presented. Each of the three complementary model steps is illustrated using best practice examples from the Aging and Disability Resource Center (ADRC) project. The case study highlights both challenges and successes of a five year project that increased compliance and improved service quality for the community.

Background

The end of the 20th century will certainly be remembered as a tipping point for the privatization of government work in the United States. The hollow state emerged as a direct

result of the dichotomy between government output (Milward, Provan & Elsie, 1993) and the transcendent role of nonprofit organizations as service providers (Milward, 1994; Mirabella, 2001). A recent report, *Governing by Network: the New Shape of the Public Sector*, also emphasizes the continued rise of nonprofits as partners (Goldsmith & Eggars, 2004).

To implement the hollow state concept requires the use of negotiated contracts or other agreements to link with nonprofit organizations (Agranoff & McGuire, 1998). Mirabella states that “the central task for government within this new *contracting regime* is to arrange networks, not manage a hierarchy, as had previously been the case” (p. 9, Mirabella, 2001). This transformational view is also supported by Milward & Provan’s premise that the hollow state function to arrange networks rather than focus on traditional management tasks involving bureaucratic administration (Milward & Provan, 2000).

These network contract arrangements have led to numerous dilemmas including the primary issue of accountability or outcome management (Frederickson, 1997). Fredericksen and London (2000) outlined three major areas of concern for this complex arrangement: few identified standards of performance, matrix organizational designs and unstructured compliance reporting schemas. Mirabella’s research also supports the perspective that nonprofit partners may have conflict issues regarding standards of care coupled with a lack of capacity (Mirabella, 2001). Non-profit organizations, especially small agencies that are mission driven, inherently focus on service delivery rather than agency outcomes while public entities remain fixed on program and consumer outcomes. Figure 1 briefly synthesizes the major priority differences between these networking partners and introduces the complementary priority perspective.

Insert Figure 1

These perspectives frame the accountability dilemma so evident in today's networking arrangements. The dialogue between partners should converge on identifying a complementary model that blends the commonalities underlying both partners' current approaches.

The Complementary Model – Beyond Networking Management and Accountability

The accountability issue in network management stubbornly remains a public governance challenge. Light's three models of accountability; compliance-based, performance-based and capacity-based, provides a conceptual foundation for pursuing a complementary model that builds on the two priority perspectives presented in Figure 1 (Light, 2000). The state agency secondary priority corresponds to the compliance-based model while the nonprofit partner's secondary priority position reflects the performance-based model. Light (2000) unequivocally supports the capacity model of accountability by arguing the necessity for leadership and technical capacity.

A complementary model for transitioning from accountability into performance quality goes beyond the basic concept of network management. The goal of the complementary model is to integrate a collaborative management approach through the use of reciprocity as a process. Figure 1 also illustrates the commonalities inherent in the two partners' priority grids. Clearly, both entities are seeking to fulfill their mandates through goal attainment (primary priority) and also recognize the necessity for assessment efforts (secondary priority). Reconciling the underlying theoretical basis becomes attainable when both partners recognize their essential service process is now collaborative and they are focused on participation, partnerships and performance.

The complementary model approach involves a three phase implementation with both public and non-profit organizations as fully functioning partners. Reciprocity is integrated

through the decision making stages of the model to emphasize the collaborative management perspective. The three phases include: engagement, empowerment and evaluation. The first phase of engagement involves a directed and systematic clarification of performance quality for the delivery of the targeted service or product. Empowerment, the second phase in the model, delineates and negotiates the types and amount of resources needed to attain performance quality. The final step, evaluation, requires both parties to collaboratively create assessment decision points based on their previously derived quality definition. Strategies for transitioning the current environment to a complementary model rely on integrating design, process and outcome decisions that enhance the expertise of each type of organization. The ultimate goal of quality service serves as the common bond for planning and delivery of service processes that will satisfy policy makers and constituent stakeholders.

Case-Study Application

In 2003, the Administration on Aging and the Centers for Medicare and Medicaid launched a grant initiative to promote Aging and Disability Resource Centers (ADRC) to serve as trusted resources for all Americans who need long-term support especially older adults and individuals with disabilities age 18 and older (ADRC, 2008). The state of New Jersey was one of the original grantees and the New Jersey Department of Health and Seniors Services (NJDHSS) – Division of Aging and Community Services (DACS) has successfully developed and implemented its own model – The Aging and Disability Resource Connection (NJ DHSS, 2008). The ADRC model highlights a “No Wrong Door Concept” of service delivery and supports the values of dignity, choice and independence.

The ADRC Project Partners

To begin the ADRC initiative, DACS selected pilot county agencies (Area Agencies on Aging - AAAs), who then developed their own partner network. To link the disability community with the senior service agencies, local partners selected their Centers for Independent Living (CIL) which are providers of core services for the disabled. Table 1 provides an ADRC overview of the CIL partners and highlights their diversity.

Insert Table 1

The ADRC Initiative

The ADRC initiative involved substantial changes to previously established service delivery pathway, reimbursement protocols and outcomes. Action steps included planning for algorithm development and integration, collaborative refinement of policy, protocols and processes, and evaluation portfolio capacity-building. Table 2 lists each of the collaborative process stages and provides a state, county and CIL example.

Insert Table 2

The use of reciprocity to support collaborative management is evident throughout the implementation process. For example, during the Engagement phase the state developed a Readiness Assessment instrument and participated in multi-sector meetings in response to the County Agency's RFP documentation and indication of need. The CIL organizations attended multiple ADRC introduction and resource meetings at both county and state level and completed documentation identified their preferred type of participation. During the Empowerment phase, county and CIL agencies identified training needs as well as resources essential for ADRC participation. DACS responded by developing special grant awards and creating a training academy. The Evaluation process involved a more in-depth examination of assessment protocols

to transition from the state's position of accountability and the CIL perspective on service delivery using county quality assurance measures.

Completing the Transition

The complexity of the ADRC initiative evaluation and accountability dilemma was exemplified by the necessity of integrating desired outcomes identified in three primary documents:

- The New Jersey State Strategic Plan on Aging (NJ SSPA) – A strategic plan that identifies five priorities for meeting the needs of seniors. (NJ DHSS, 2008).
- The ADRC Minimum Data Set (MDS) – A set of performance measures from the ADRC Quality Framework established by the federal government agencies (AOA and CMS) to measure six outcome areas. (Lewin Group, 2008).
- The National Council on Independent Living Task Force Position Paper (NCILS) – A compilation of disability concepts and concerns expressed by a CIL Task Force and based on a national survey of CIL membership. (N. Field, personal communication, July 11, 2008).

Figure 2 presents the alignment each of the ADRC partner agency priorities into a single set of collaborative quality concepts.

Insert Figure 2

The newly developed complementary quality concepts used three dimensions to capture the desired outcomes stated by each ADRC partner. The *consumer focus* quality concept neatly packages all of the various client issues concerning access, control, direction and autonomy. The *service delivery option* quality concept covers the process components of choice, visibility, trust, responsiveness, cultural competency and self-determination. Lastly, the *quality as a priority*

concept includes the linchpins of leadership, advocacy, assurance and improvement along with dignity of risk, all of which ultimately are measured as effectiveness and efficiency.

From Theory to Practice

These three complementary quality concepts (consumer focus, service delivery options, and quality as a priority) serve as the basis for developing performance measures and indicators that reflect the new collaborative management perspective. Table 3 presents examples of the complementary concepts – one for each dimension. State/county accountability performance indicators and the non-profit service delivery priorities are merged to form the new complementary quality performance measure.

Insert Table 3

Results and Challenges

The ADRC pilot initiative resulted in a network alignment between state, county and non-profit organizations that represented a usually diverse range of geographic locations, services and populations. The complementary model approach allowed public entities and non-profit agencies to maintain a focus on their own perspectives and priorities, but encouraged collaborative management by focusing on quality performance measures that synthesized each partner's common primary priorities.

Challenges to the ADRC process occurred at every step of the implementation process. One pilot county's CIL chose to ignore the invitation to participate (engagement) until resource allocations (funding) were established. Another county experienced a newly formed relationship that produced referrals almost 200% above baseline and challenged the county organization to fulfill demands. The primary empowerment challenge revolved around the ability to integrate MIS systems and involved substantial state funding to implement a quality data system

accessible to all partners. Another issue focused on the need to provide care management which is prescribed for the aging network, but not necessarily for the CIL. The evaluation challenge required a systematic and consistent education effort for county agencies and local partners, and the introduction of basic quality concepts, such as the establishment of baselines, the role of monitoring and the understanding of the feedback process.

The ADRC initiative successes clearly showcased the reciprocity process between partners. The effectiveness of the program resulted in increased patient/caretaker satisfaction for both senior and disabled populations and increased service delivery efficiency evident in greater access to services and a streamlining of service delivery among various support agencies. An unexpected consequence of the relationship occurred when the priority population from outside the pilot counties started requesting ADRC services. Other success indicators included an accelerated use of the state ADRC website, a gain in the number of county requests and referrals, and the improved linkage with CIL organizations including the use of specially trained intake and information counselors.

Conclusion

The mutual interdependence between United States federal, state and local government and the nonprofit sector is one of the tenants of current government. (Mirabella & Renz, 2001). Although previous research has suggested that hollow state lags behind others in the managerial practice of operating in networks, a recent report concludes that collaborative public management does work when arranging networks for basic service delivery (Agranoff & McGuire, 1998; McGuire, 2006).

The New Jersey ADRC initiative successfully implemented a complementary model between state, county and distinct non-profit agency that illustrates collaborative management.

The complementary model was able to help reframe the accountability discussion between the public and non-profit sectors and offered an alternative approach to strengthening performance quality for both partners by focusing on the reciprocity of priorities and relationships. Each step of the ADRC implementation process – engagement, empowerment and evaluation – involved partners' participation with a total commitment to performance quality over institutional accountability. Performance quality measures were defined through the convergence of agency priorities and values.

The hollow state phenomenon illustrates the need for collaborative governance and supportive models during first decade of the 21st century. The public's demand for accessible and appropriate public services (Goldsmith & Eggars, 2004) will continue to encourage collaborative management and hold both public and non-profit service providers to a quality standard that challenges all the resources of the hollow state.

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Author Note

The first Center for Independent Living (CIL) emerged in 1972 as an organization supporting the right for individuals with disabilities to live independently and to not face civil rights biases in education, employment, housing and transportation (Auerbach & Claypool, 2008). Today, CILS are nonprofit agencies that provide four core services to their population; information and referral, individual and systems advocacy, peer counseling and independent living skills training.

Dignity of risk is defined by the National CILS Task Force: “ADRCs would reject the historical patronizing attitude that individuals with disabilities are to be protected, so that the ability to fail and learn from failure is an acceptable outcome” (NCILS Task Force, 2007).

Table 1

Characteristics of the New Jersey CILS partners (ADRC)

County	Geo location	Clients served	Total Contacts	Services offered	Agency size	Funding Sources
Warren	Suburban	100	466	18	FTE 7 PT 3	Div. Voc Rehab. Independent Living Div. of Disability Serv. Dept. of Com Affairs Co. Dept. of Hum Serv. United Way Christopher Reeve Fd.
Hunterdon/ Mercer	Suburban	221	1489	24	FTE 4 PT 6	AUD Dept. of Ed. NJ Dept of Labor & Workforce Dev. Div. of Voc Rehab NJ Council Dev. Dis. County Office for Disabled Princeton Com Fd. Fundraising Activities

Table 2

Selected Activities from the ADRC Implementation Process

Implementation Phase	State Activity	County Activity	Nonprofit/ CILS
Engagement	Readiness Assessment Freeholder Mtg. State AAA Mtg. Partner Mtg.	RFP Response	Partnership Identification/ Participation
Empowerment	Funding Training Academy Software Development	Resource Identification	Resources Training
Evaluation	ADRC – Minimum Data Set Consumer Satisfaction Survey	ADRC Semi-Annual Report County Report Consumer Satisfaction Survey	Agency Activity Report

Table 3

Examples of ADRC Performance Quality Measures

	Consumer Service	
Accountability Perspective :	Service Delivery Perspective:	Performance Quality :
Number of ADRC entry points	Number of ADRC entry points accessible for the disabled	Number of ADRC entry points accessible and appropriate for the disabled and the senior population
	Service Delivery Options	
Accountability Perspective :	Service Delivery Perspective :	Performance Quality:
Number and types of ADRC outreach activities	Number and types of ADRC outreach activities that ensure individuals are supported in a way that honors preferences/ choices and abilities.	Number and types of ADRC outreach activities that are visible, trustworthy, responsible, culturally sensitive and support individual's preferences and abilities.
	Quality as a Priority	
Accountability Perspective :	Service Delivery Perspective :	Performance Quality
Number and types of assistance provided	Number and types of assistance that allow for dignity of risk.	Number and types of ADRC assistance activities that are effective and efficient and meet quality assurance/ improvement goals including assistance that allows for dignity of risk outcomes.

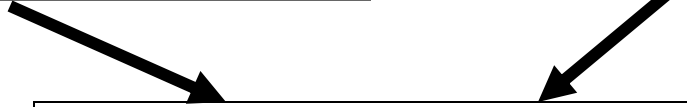
Figure Captions

Figure 1. Public, Nonprofit and Complementary Priority Grids

Figure 2. Examples of ADRC Partner Quality Performance Criteria

State Agency Priority Grid
Primary: Accountability
Secondary: Performance Measurement
Theoretical Concept:
(Regulatory Governance)

Nonprofit Priority Grid
Primary: Service Delivery
Secondary: Quality Assurance
Theoretical Concept:
(Nonprofit Community Service)



Complementary Priority Grid
Primary: Goal Attainment
Secondary: Quality Performance
Theoretical concept: Collaborative Service Management

