

Chapter 2

A Framework for the Analysis of Partnerships

2.1 Introduction

The second chapter situates the current study within a theory-based framework that is put forward for the analysis of NPO-BUS partnerships. The chapter proposes exploring questions in each of the three stages of partnerships: (a) formation, (b) implementation, and (c) outcomes by studying them within the same partnership case study. Employing the three stages of partnerships and associating each stage with particular constructs allows for a holistic and in-depth examination of partnerships. It also allows the analysis to move beyond the stages and stage-based questions towards identifying overarching themes that encompass all stages. The chapter, which is grounded within organisation theory and more specifically the NPO-BUS partnership literature, addresses theoretical issues that play a central role in NPO-BUS partnerships, while at the same time reviews the literature by presenting the findings of indicative studies. The chapter commences with an introduction on the relations between nonprofit organisations and businesses, followed by presenting a classification of the main contributions of the literature. The remaining three sections present the assumptions and questions that this study addresses within its empirical chapters grouped under the three stages of partnerships.

2.2 Relations Between Nonprofit Organisations and Businesses

Socially responsible practices of businesses refer to the entire range of policies and practices of a company that aim at treating their internal stakeholders (employees, suppliers, shareholders) and external stakeholders (communities, customers) ethically, with integrity, while respecting both basic human rights and sustaining the environment in which they operate. The social responsibilities touch upon all business

functions such as procurement, production, marketing, human resources, external relations, or as it is most often called today, community involvement, to mention only a few. The interest of this research concentrates on the last type of function, i.e. corporate community involvement, and in particular its sub-function of improving the corporation's relations with communities by developing relations with NPOs. There are different forms of collaboration with nonprofit organisations, one of which is partnership,¹ the focus of this study.

The last 200 years have witnessed the intensification of the interaction between the private and nonprofit sectors (Galaskiewicz and Colman 2006; Gray 1989; Young 1999; Austin 2000; Googins and Rochlin 2000). These interactions occurred within the broad practice area of 'corporate philanthropy/support' (Wymer and Samu 2003; Wragg 1994; Kotten 1997; Meenaghan 1984) later replaced by the more general term of 'corporate community involvement' (Brammer and Millington 2004; Moore 1995; Patterson 2004) also referred to as 'community relations' (Waddock 2001). During this time a number of differing forms of interaction between these two sectors have emerged, including: corporate philanthropy (Kotten 1997); sponsorship (Meenaghan 1983) and cause-related marketing (Berglund and Nakata 2005; Varadarajan and Menon 1988). However, the gradual prominence of the concept of corporate social responsibility (CSR) within all sectors of society elicited an intensification of the debate with regard to the responsibilities of each sector in addressing environmental and social issues. In effect CSR contributed to the increase of the interactions across the sectors and propelled NPO-BUS partnerships (a type of social partnership) as a key mechanism for corporations to delve into a process of engaging with NPOs in order to improve their business practices by contributing their resources to address social issues (Heap 1998; Mohiddin 1998; Fowler 2000; Googins and Rochlin 2000; Mancuso Brehm 2001; Hemphill and Vonortas 2003).

The literature on relationships between NPOs and BUSs reflects the shift of the industries it studies. While in the past the social responsibilities of businesses were manifested mainly through philanthropic relationships, in later years (after 1997) the form of partnership was increasingly the new terrain that academics in this area of study have been exploring. The papers published in the mid-1990s were mainly from scholars in the USA (Stafford and Hartman 1996; Hartman and Stafford 1997; Waddock 1988) with a few exceptions only towards the end of the 1990s as the UK has followed after the first indigenous partnerships appeared in the country (Murphy and Bendell 1999; Crane 1998).

In capitalist societies, businesses are seen as one of the primary causes of environmental and social problems. The partnership literature (Waddock 1988; Bendell 2000c; Austin 2000) primarily advocates that businesses should equally

¹Other forms of collaboration include sponsorship, socio-sponsorship, cause-related marketing, philanthropy, benefaction and patronage. For a comparative review of the different forms of collaboration see Seitanidi and Ryan 2007.

participate in offering solutions to environmental and social problems and in effect change their practices in order to address their responsibilities. Three propositions exist with regard to the role of the nonprofit sector in the process of achieving change as one of the outcomes of partnerships. The first proposition suggests that change can be achieved by fostering a confrontational approach towards businesses, i.e. exercise pressure towards a BUS without forming a collaboration (Bendell 2000b); the second suggests that the collaborative approach can be more effective as it allows NPOs to change BUSs from within (Bendell 2000b; Heap 2000; Bray 2000). The third or the 'middle way' of 'critical co-operation' (Covey and Brown 2001) suggests that by having a collaborative approach, confrontation and collaboration can take place within the relationship. However, the context of the normative conception of 'critical cooperation' was rooted within the previous assumption of an *apriori* conflict that existed between the business and nonprofit organisations. So the starting point of the type of interaction suggested by Covey and Brown (2001) is different from the one presented in this study, which in fact questions this fundamental assumption. This study suggests that partnerships between NPOs and BUSs belong to the collaborative approach of association as opposed to confrontational approaches (Bendell 2000c; Crane and Matten 2004) and that we have moved to a different reality across the sectors on the organisational level, which presents a new context in which theoretical or empirical questions need to be asked.

According to a number of scholars the relationship between NPOs and the corporate world has increased, intensified and became more important (Galaskiewicz and Colman 2006; Wymer and Samu 2003; Stafford and Hartman 2001; Googins and Rochlin 2000; Waddell 2000; Kanter 1999; Murphy and Bendell 1999). Although the above could be the case, there are no studies that compare the earlier type of relationships between the two sectors such as socio-sponsorship or cause-related marketing (CRM) or even earlier corporate philanthropy in order to offer comparative evidence of the increase. In fact, based on what partnership is about and what it involves we should have witnessed a decrease in the number of relationships between the two sectors. As partnerships are resource intensive, one of their characteristics is that a larger sum of money is given from a company to fewer nonprofit organisations hence the total number of relationships should have decreased. In effect the assumption of the increase in relationships is yet under-explored in the literature due to the lack of comparative quantitative studies across different forms of association.

The types of partnerships that the book explores concentrate primarily on the alignment of strategic business interests with societal expectations (Covey and Brown 2001; Austin 2000) expressed through NPOs. The aim is to understand key processes in the development of a NPO-BUS partnership, particularly when the partners appear to have a high degree of compatibility among them or in other words when they do not have conflictual interests or previous conflicting relationships from the outset. The next section aims to position the study within the NPO-BUS partnership literature.

2.3 The Study of NPO-BUS Partnerships Within the Literature

Although the literature on NPO-BUS partnerships discusses theoretical issues, it appears, mainly due to the fact that it is relevantly a recent phenomenon, that most studies do not engage in placing partnerships within a single theoretical context, but rather encompass a broad array of disciplines such as “organisation studies, public policy and administration, economics, nonprofit management, health care, education and the natural environment” (Selsky and Parker 2005:2). Table 2.1 offers indicative examples of studies on NPO-BUS partnerships with the main objective to identify groups of interests within the NPO-BUS partnerships literature by categorising a number of studies and their main contributions. The table describes the different strands identified, with a summary of each category’s characteristics and representative studies with the name(s) of the author(s) and the year of publication. Although there are studies that contribute in more than one of the areas identified, this categorisation considered the main contributions of each study.

Six different strands are identified within the literature of NPO-BUS partnerships:

1. *Nature of Partnership*: These studies are primarily concerned with analysing or providing a definition of NPO-BUS partnerships either in a national context or cross-nationally. They identify the characteristics of the partnership phenomenon within a specific industry or country under study.
2. *Managerial Aspects of Partnership*: The second strand is characterised by the managerial aspects of partnerships, such as the objectives of the profit or the nonprofit organisation, the motivations, the organisational structure of each partner involved or of the industries, and either the personnel or volunteering aspects of partnerships. A number of studies also describe the process of partnership development.
3. *Strategic Use of Partnership*: This category of studies is mostly concerned with teaching the readers of the study how to build successful partnerships. The main focus of the authors is to identify the strategies that worked well in the partnerships under study and convey messages for the strategic use of the partnership, or in other words to develop partnerships for achieving sustainable development. These studies are rarely concerned with offering generalisations outside the industries under study.
4. *Legal and Ethical Considerations in Partnerships*: The issues of accountability within the partnership, legitimacy and transparency are usually the focus of these type of studies. Also culture and power dynamics are discussed in order to assess the contributions of the partners involved.
5. *Partnership Measurements*: This strand would involve figures around partnership such as comparisons across different partnerships, for example, environmental partnerships in order to assess the financial contributions, the total costs involved within a partnership or the amount of hours invested. Furthermore providing estimation for the direct or indirect audiences or target groups that were

Table 2.1 NPO-BUS partnership strands within the literature

Partnership strand	Representative studies
1. Nature of partnership: Defining partnership, identifying characteristics. Partnership evolution in a particular country or industry	Wymer and Samu (2003), Covey and Brown (2001), Elkington and Fennell (2000), Murphy and Coleman (2000), Schneidewind and Petersen (2000), Austin (2000), Heap (2000), Murphy and Bendell (1999), Bendell (1998), Stafford and Hartman (1998), Murphy and Bendell (1997)
2. Managerial aspects of partnership: Objectives, motivations, organisational structure, personnel requirements, volunteering, budgeting, process of partnership development	Backer (2007), Andrioff (2000), Austin (2000), Fowler and Heap (2000), Crane (1998)
3. Strategic use of partnership: Identifying strategies associated with partnership, suggesting 'how to'	Warner and Sullivan (2004), Loza (2004), Bendell and Murphy (2000), Turcotte (2000), Waddell (2000), Moser (2001), Nelson and Zadek (2000), Stafford and Hartman (2000), Waddock (1988), Stafford and Hartman (2001)
4. Legal and ethical considerations in partnerships: Issues of accountability, legitimacy, transparency, cultural and power dynamics	Parker and Selsky (2004), Hardis (2003), Tully (2004), Millar et al. (2004), Crane (2000), Bendell and Lake (2000), Bendell (2000a)
5. Partnership measurements: Partnership figures, monitoring, estimating direct or indirect audiences	N/A
6. Societal implications: Drawing societal inferences based on the study of category (1) (nature of partnership) and (2) (managerial aspects of partnership) above	Hamman and Acutt (2003), Millar et al. 2004, Tully (2004), Seitanidi (2008)

reached through partnerships is another category that could be included in this strand. Based on the literature review there are no studies that can be included in this category or indeed no estimation of the total turnover that the institution of partnership is able to evoke.

6. *Societal Implications*: Finally, this strand primarily draws links between the nature of partnership and the managerial aspects of partnership with the aim of eliciting and discussing the societal implications as a result of the NPO-BUS partnerships. Hence, identifying the characteristics of the partnership phenomenon within a specific country or examining the partner's motives in order to formulate inferences on the societal level.

In their recent review² of cross-sector partnerships Selsky and Parker (2005) suggest the emergence of a new platform for cross-sector partnerships: 'the societal sector platform'. The main thrust of this platform is that the relationships across the sectors are blurring the boundaries between the traditional roles of the sectors, hence one sector "adopts or captures a role or function traditionally associated with another sector" (ibid:5). The above identified strand 'societal implications' suggested by this research draws attention to the outcomes of these relations, hence it is different from the societal platform suggested by Selsky and Parker.

As it becomes apparent from the above table, the categories that provoke more interest among academics become evident. The 'study of the nature of partnerships' and the 'strategic use of partnership' draw the majority of attention from academics. This is justifiable based on the fact that the study of NPO-BUS partnerships is a relevantly new phenomenon for academics, and since it is in its early stages its 'nature' needs to be examined, hence the focus of attention of researchers. With regard to the 'strategic use of partnership' category, it equally responds to the demand of the 'promising' mutual benefit relationship that partnership can deliver; the managers across the different sectors are at the receiving end of this category.

The findings of the above NPO-BUS literature are presented below to offer an indication of the issues discussed. Within the 'nature of partnership' Covey and Brown (2001) discuss intersectoral co-operation by describing NPO-BUS initiatives, suggesting the application of the concept of critical co-operation as a possible framework that can result in the productive engagement of both sectors. The paper offers a theoretical contribution based on a discussion of the rights and responsibilities of the sectors. However, it does not examine if the power dynamics of the partners allow for the conflict to externalise within the partnership relationship. Elkington and Fennell (2000) discuss NPO-BUS partnerships as an emergent phenomenon, examining the reasons that brought the two sectors together. They propose a typology of NGOs assisting in the understanding of the nonprofit sector but also offering a reflection of the NGO campaigners and their strategies towards business. The suggested typology of NGOs reflects the dichotomy of the sector between pro-business and radical NGOs suggesting that perhaps 'critical co-operation'

²Their review extends to all types of social partnership, not just NPO-BUS partnerships.

could be applied only within the pro-business NGOs, if at all. Murphy and Coleman (2000) discuss the NPO-BUS partnership phenomenon as a 'mutual symbiosis' between the sectors and partners, suggesting that partnerships have the potential of changing the way businesses work and ultimately of transforming society without indicating how such a major social change would be possible. Schneidewind and Petersen (2000) apply structuration theory to three short case studies within the German context in order to assist the understanding of business collaborations with environmental nonprofit organisations suggesting how companies can become responsible actors in favour of sustainability in social-structure building. Their examination of secondary data puts forward the need for further empirical research in the field with more attention to detail on processes. Austin's (2000) work has been summarised in the previous chapter, as his main contribution is the collaboration continuum framework drawing the characteristics of each stage of collaboration allowing for comparisons to be drawn across the stages. Heap's (2000) book on relationships about NGOs and businesses is an informative introduction to a wide variety of issues that encompass these relationships. One of the findings is that these relationships in the case of environmental partnerships are seen as "an engine for change" (ibid:260); also that ENGOs (environmental NGOs) are a decade ahead of the DNGOs (Development NGOs) in terms of organisational capacity and outlook. Heap also suggests that there are no differences in the generic engagement rules between the "North and the developing world of the South and East ... as engagement appears to be issue-specific" (ibid:259). The last finding is shared by Andrioff's study, which is discussed below. Murphy and Bendell's (1999) paper offers "a global overview of the changing nature of business-NGO relations on sustainable development" (ibid:1) highlighting the value, the impact, the politics and processes of such relationships. They offer the term of 'civil regulation' as an important driver for corporate and environmental responsibility. Bendell (1998) introduces the term of 'civil compliance' whereby companies abide by society's demands raised by 'civilians', expressing the active involvement of individuals in the wider societal issues. Murphy and Bendell (1997) offer an early exploration of NPO-BUS relations with an emphasis on environmental partnerships for sustainable development providing a critical review of a number of examples. Stafford and Hartman's (1998) paper offers a typology of environmentalist-business co-operation and "argues that a sequence of external-internal political economy forces are driving the most complex co-operative forms" (ibid:62) calling for future research to address the consequences of environmental-business co-operation.

In the second strand, Backer (2007) argues by presenting a case study on Shell that the environmental decision making in business can change through the diffusion of corporations' environmental governance practices as they are being impacted through their interactions with NPOs; Andrioff's (2000) research provides an insight into the implementation of social risk management through stakeholder partnership building from a business perspective. It offers a comparison across the case studies, identifying a number of characteristics in partnership building according to their purpose. He concludes that the partnerships were partnership-specific rather than context driven. Crane (1998) presents green alliances through

an exploratory case study discussing the alliance motives and the inter- and intra-organisational relationships and cultures. He identified congruity of bonds between the partners, resources, activities and cultural mediation as critical factors for the success of partnerships. In addition, Fowler and Heap (2000) analyse the motivations, organisational issues, key benefits and challenges within the case study of the Marine Stewardship Council.

In the third strand Warner and Sullivan's (2004) book explores tripartite partnerships within the development context, primarily discussing how partnerships work and how to make these relationships more effective in a wide variety of national contexts. They suggest that partnerships "enable communities to take charge of their own development needs, interacting with government to jointly design and maintain public services" (ibid:345). Loza (2004) focuses on the benefits for community organisations when partnerships are aiming at building organisational capacity for NPOs and the benefits for businesses as well. Turcotte (2000) showed in her analysis how an environmental NGO "through its different type of relationships with business organisations, helped shape aspects of the economy in order to make it less environmentally damaging" (ibid:134). Waddell (2000) presents from a business perspective what partnership can bring to core corporate functions "driven by 'win-win' or by a 'mutual gain' perspective". Moser (2001) focuses on MNC's (multinational corporations) contribution to sustainable development of less developed countries proposing the concept of sustainable business practices. One of his findings is "the importance of external institutional pressures – principally in the form of local legislation – for determining the contribution of MNCs to the sustainable development of less developed countries" (ibid:305).

Nelson and Zadek (2000) in their cross-European report on the new social partnerships in Europe present a very wide range of managerial issues that take place in partnerships primarily promoting learning about the phenomenon. One of their conclusions is that "a major shift is taking place in our understanding and practice of governance.... Governance is today increasingly about the roles, responsibilities, accountabilities and capabilities of different levels of government (local, national, regional and global) and actors or sectors in society (public, business and civil society organisations)" (ibid:55). They remark that both the nonprofit as well as the profit sectors participate more actively in the evolution of public policy and delivery. They claim that this is a result of "greater interaction, trust and intimacy between these two groups and in part due to the shifts in conditionality of funding ..." (ibid). However, they do not provide clear justification about the above assumptions and more importantly of the possible negative implications of these changes. It hence remains unexplained the increase of more radical organisations today in the form of network associations that do not use the traditional structure or systems of organising. Therefore, the increase in trust that is claimed above does not really represent the reality we are experiencing today of diminishing levels of trust as discussed in the previous chapter. Stafford and Hartman (1998) address the important issue of credibility of environmental partnerships. They maintain that the social acceptability of these relationships "is likely to be a concern among consumers and other stakeholders" (ibid:189). Although they suggest a framework that marketers

can employ to advance the relationship and organisational credibility, they do not address the negative implications to stakeholders when these relationships are primarily benefiting the two partners rather than society at large. Waddock's (1988) paper on building successful partnerships provides one of the most cited definitions of social partnerships (discussed in the previous chapter). The paper refers to the dangers inherent in partnerships, but primarily suggests how to build a successful partnership by understanding the limits of such forms of association. Stafford and Hartman's (2001) paper discusses the diffusion of environmental technology innovation around the world by analysing the 'Greenfreeze' campaign of Greenpeace. They define 'creative destruction' as "the revolutionary changes that simultaneously destroy the established economic system from within and create new markets, industries and organisational relationships. ... Creative destruction is inherently threatening to incumbent firms who are likely to resist radical technological changes and act in ways to preserve their market positions and profits" (ibid:107). They identify a number of factors that can be employed by other environmental technologies in order to market them successfully. It is very interesting that in their compilation of factors they examine the partnership as a whole, including different level of interactions across the partners, the industries involved and the broad implications of strategies.

In the fourth strand of the literature, Parker and Selsky (2004) move the discussion of 'cause-based partnerships' from the a priori differences approach that characterised the majority of the literature (in demographic, task, process and culture) to an emergent culture approach. They emphasise that the emergent meaning in partnerships is interactively evolving along with the power dynamics and trust among the partners. Hardis (2003) primarily presents the process of collaboration in the case of social multipartite partnerships and concludes "the practice does not follow the rhetoric" (ibid:208). She reiterates the need for more empirical research in a different way "that would take into account more dynamic, fragmented ways, and institutionally defined aspects of partnership dialogue and meaning construction" (ibid:209). Tully (2004) assesses the prospects of 'civil' regulation and the ability of NPOs to regulate the behaviour of corporations within the frame of partnership. He concludes that partnerships as a form of participatory regulation are dependent upon: (1) the legitimacy of the arrangement, (2) the accountability of the partners, and (3) the nature of the decision-making process. Furthermore, Tully remarks that NGOs face higher reputational risks than businesses which enjoy higher reputational benefits in a partnership relationship. He suggests that as partnerships can be seen to encourage de-regulation it is important for governments to intervene in order to facilitate their effectiveness, since at the moment the partnership outcomes are reliant on self-regulation. Millar et al. (2004) provide a conceptual framework highlighting the importance of the dual roles of NGOs based on their market and institutional identities. They raise a number of ethical issues within the context of NPO-BUS partnerships while referring to criticism for both sectors. Finally, they call for further research concentrating on the role of NGOs in the mature, developed economies, the emerging economies and the economies in transition. Crane (2000) explores NPO-BUS collaborations from an organisational

culture perspective examining the possibilities and problems of ‘culture clash’ between these diverse partners. He suggests that cultural disharmony can be addressed by ‘cultural mediators’ (certain individuals or organisations within the alliance) that can act as bridges by establishing common meaning and understandings. Bendell and Lake (2000) discuss the new frontiers between the two sectors in transparency, accountability and financing. They maintain that the power shift that takes place in society will further push the frontiers to widen and deepen supporting the agendas of corporate social responsibility and sustainable development. Bendell (2000a) challenges the ‘win-win’ scenario that predominates in the literature and examines the ‘win-lose’ scenario within the context of biotechnology companies. He suggests that biotechnology companies could work with CSOs in order to include them in their decision-making processes. This is the only paper that challenges the ‘win-win’ concept associated with partnerships, although only within the biotechnology industry.

Finally, in the sixth strand Hamman and Acutt (2003) provide a critical examination of CSR (Corporate Social Responsibility) and NPO-BUS partnerships. They refer to critical co-operation as a possible alternative to these types of relationships, suggesting that improving BATNA (Best Alternative to a Negotiated Agreement) will assist NPOs to consider a priori not only the interests and rights issues but power as well. In other words, NPOs need to exercise their power before and during their partnerships with a business in order to play an active role in shaping CSR discourse. In this category the papers of Tully (2004) and Millar et al. (2004) can also be included as they draw inferences for society at large, even if their major contributions are classified within the fourth strand of the literature. Finally, Seitanidi (2008) presents an instance of failed large scale social innovation from a cross sector social partnership even though the partnership seemed to succeed in its narrow mission. The paper is calling to move beyond reactive and proactive responsibilities and to shift towards accepting adaptive responsibilities that require a multidimensional understanding towards all three levels of analysis, micro, meso and macro in order to externalise the benefits of partnerships to the societal level.

Based on the above review of the literature it appears that the majority of the research on NPO-BUS partnerships has a strong focus on the instrumental orientation (Selsky and Parker 2005) that follows firstly from the practice of partnerships and secondly “reflects the resource dependency argument in organization studies” (Selsky and Parker 2005:10). The more recent critical papers appear in the last category and indicate entering a mature phase in the examination of the phenomenon.

Furthermore, within the above strands we can observe further sub-categories:

1. *Perspective Adopted*: A single actor perspective, dual or a societal perspective employed. In the first category the researcher adopts one perspective to look at the study: either the profit or the nonprofit sector’s perspective, for example: Warner and Sullivan (2004); Austin (2000) discuss partnerships primarily from the business perspective. In the second category the study adopts a dual perspective trying to show how each participating partner, both the profit and the nonprofit organisation, benefited from the relationship. In the third category the

study includes society as well as the participating partners in order to question the extent to which society at large benefited from the partnership.

2. *Type of Analysis Adopted:* Predominately the majority of studies do not criticize the partnership phenomenon. An explanation of that could be that perhaps the majority of the studies adopt a more positivistic epistemological position, and as a result accept the reality of the participating organisational actors as the single existing reality. The organisational actors on the other hand perceive or portray their partnerships as successful in their effort to justify their realities. However, there are studies that do not follow this tradition and which contribute a more critical approach to the literature such as Tully (2004), Millar et al (2004), Crane (2000), and Bendell (2000a).

The current study belongs to the sixth strand as it applies a societal sector approach. It discusses the societal implications of NPO-BUS partnerships by studying both the nature of NPO-BUS partnerships in the UK and the managerial aspects within the partnerships under examination aiming to make inferences on the institutional level of the sectors represented within the partnerships under study. It further adopts a critical perspective towards both partners involved and hence their respective sectors. The research questions that the book is addressing are presented below under the sequential stages of partnerships which are used as a framework to present both the literature and later the findings.

2.4 NPO-BUS Partnerships: Formation-Implementation-Outcomes

According to the paper of Selsky and Parker (2005:6) “researchers almost universally agree CSSPs³ can be examined according to chronological stages”. The literature does not offer one model stage but rather authors have suggested different models (Googins and Rochlin 2000; Gray 1989; Waddell and Brown 1997; Westley and Vredenburg 1997). The book examines the stages of partnership building, which are referred to as ‘phases’; it employs the phases of formation, implementation, outcomes in order to group firstly the theoretical issues examined in the research and secondly to group and present the findings in the empirical chapters. As Selsky and Parker (2005) report in their review paper different authors concentrate on different stages of the partnership relationship. This study examines all three phases within two in-depth case studies in order to allow for observations that encompass the three phases and hence arrive at conclusions about the type of organisations involved and the implications at the societal level. It also supplements the cases with comparative interviews that allow for further confirmation or disconfirmation of the findings within a wide range of organisations.

³CSSP refers to cross-sector partnerships that address social issues.

The three phases and the constructs examined under each phase are: (1) formation, under which the organisational characteristics of the partners are examined, the historical evolution of the relationship and the motives that are associated with each partner; (2) implementation, examines the process or phases of partnership building and the dynamics between the partners; (3) outcomes which concentrate on the organisational, social and societal benefits.

2.4.1 Partnership Formation

Forming a partnership is a process that starts before the existence of a partnership relationship, proceeds through the early stages, when the two organisations firstly develop the partnership, until the maturity stage and thereafter.

In contrast to the traditional business-to-business relationships, cross-sector collaborations are usually characterised in the literature as ‘non-traditional alliances’ due to their “complexity” (Kanter 1999:126) and also because of the inherent “contradictions and conflicts between incompatible objectives, ideas and values” (Holzer 2001:9). The differences between same-sector collaborations and cross-sector collaborations include: “different performance measures, competitive dynamics, organisational structures, decision-making styles, personal competencies, professional languages, incentive and motivational structures and emotional content” (Austin 2000:14). As Kanter (1999:126) points out, nonprofit organisations are driven by goals other than “profitability and they may even be suspicious of business motivations”. McFarlan (1999) suggests that the goals and characteristics of nonprofits are different from those of for-profit organisations concerning governance. Similarly, their values, motives and types of clients are different (Di Maggio and Anheier 1990); their objectives are sometimes conflicting, especially in the case of environmental alliances (Stafford and Hartman 2000).

As this suggests, the literature on cross-sector alliances portrays the partners from different sectors as different and distinct from each other with regard to their missions. It further suggests that this tends to create a degree of conflict among the partners (Shaffer and Hillman 2000; Westley and Vredenburg 1997) and distrust (Rondinelli and London 2003). In particular in the context of environmental partnerships misunderstanding of each other’s motivations (Long and Arnold 1995) often undermines the formation and implementation of these relationships (Rondinelli and London 2003). Hence the majority of the literature fosters a strategic perspective (Birch 2003; Jupp 2000; Hartman et al 1999) that aims to present how these relationships can be managed successfully. These studies present the skills that are needed to pursue successful cross-sector collaborations. They further claim the historical adversarial origins between business and nonprofit organisations are pronounced particularly in the case of environmental NPOs (Rondinelli and London 2003). Another aspect that the literature concentrated upon was the unfamiliarity among the partners (Rondinelli and London 2003) which resulted in considerations for each partner with regard to the influence of these relationships upon their reputation and public image.

Although the literature on NPO-BUS partnerships makes strong claims about the pre-existing differences and conflicting missions between the two partners, for the most part these claims reflect the situation at the early stages of the phenomenon. Today a number of factors resulted in the initiation of recent changes within the institutional environment that are already observable in the fine detail. The increased interaction among the sectors, the increase of registered charities in the UK (Sargeant 1995) and the decrease of government support led to the intensification of the competition within the nonprofit sector for funding (*ibid*). Furthermore, the empowerment of corporations as important financial and political actors (Newell 2000) in conjunction with the need of NPOs to replace their traditional sources of funding has increased their drive to become more businesslike (Dees 1998). Within the changing institutional environment it is important to question past claims that were only valid in some cases (for example in environmental alliances e.g. Stafford and Hartman 2001). Furthermore, it is also important to examine if the characteristics of NPOs and BUSs are contributing in bringing the two partners together and if indeed the assumed conflict between the partners produces outcomes that are consistent with the rhetoric of partnerships delivering societal benefits.

This study is questioning the broad assumptions of an *a priori* difference and conflict among the two sectors based on the characteristics of the two partners in the case of a partnership relationship. It aims to investigate the characteristics of the for-profit and NPOs when they engage in a collaborative relationship that benefits society as a result. For this reason a clear distinction is made between social and societal outcomes, discussed below under the section partnership outcomes. The first research question addressed by this study is:

RQ1: What are the organisational characteristics of the NPO and BUS that decide to form a partnership?

With regard to the organisational characteristics in the context of NPO-BUS partnerships, Berger et al. (2004:76–81) examined separately the nonprofit and the company structural characteristics that had an impact on the partnership relationship. For the NPOs they identified five characteristics: (a) programmatic versus grant-making NPOs (the former is the typical charity organising and running programmes for its constituents and the latter raises money to donate to other NPOs); (b) autonomy versus control (NPOs whose regional offices are largely independent of the headquarters as opposed to NPOs whose headquarters have control over the regional offices); (c) big, well-established versus small, entrepreneurial; (d) revenue-generating products (or services) versus none revenue-generating; (e) inherent cross-sector collaborations versus traditional (in the first case NPOs have inherent in their missions to work with BUSs as opposed to traditional NPOs for which collaborating with BUSs remains one of the tactics for generating income). In this last category Berger et al. (2004:81) mention that “as nonprofits begin to mirror business structures and approaches, opportunities for companies to learn from the traditional strengths of nonprofits diminish”. The above characteristics, based on the research by Berger et al, have both pros and cons depending on the focus of the partnership and the BUS partner. For example, they suggest different characteristics can be advantageous, offering greater opportunities for BUS employees to get involved,

a greater or lesser possibility for innovation, higher or lower 'brand equity', opportunities or constraints for additional revenue, fewer or more cultural barriers to partnering, more or less possibility for exclusivity.

Similarly, the structural characteristics for BUSs, according to Berger et al. (2004:81–83), also have pros and cons, and some of their influences can determine the potential advantages depending on the cause of the NPO offering higher visibility, credibility, allowing for faster or slower decision making, having more or less available funding, increasing the commitment of business to the partnership but also increasing the communication challenges within the relationship. The characteristics they propose are: (a) flat versus hierarchical organisational structures; (b) broad consumer market versus specific target markets; (c) direct sales force or retail presence versus business-to-business; (d) pre-eminent versus less-eminent brands. As they suggest, the above are only propositions that demonstrate a tendency based on their research findings. Since not all of the above characteristics are relevant to this research the empirical and the discussion chapters will further discuss the characteristics that are consistent with the findings of this research.

The historical perspective of the relationship is another important parameter as it both informs the partnership relationship and determines the decision of both partners to proceed to the formation of a partnership. Rondinelli and London (2003:71) remarked that "absent prior relationships or a series of other transactions, as in the case of most cross-sector alliances, potential participants can only rely on the 'shadow of the future' or build contacts that provide for protection against opportunism". Following on from the above and in order to examine the context in which a partnership relationship takes place the study aims to place the relationship in a historical perspective in order to trace the previous interactions among the partners. The previous relationship among the partners plays an important role in informing their decision to develop a partnership relationship. Hence the second research question of the study is:

RQ2: How does the relationship between an NPO and a BUS evolve into a partnership?

The decision of organisations to develop a partnership relationship is guided by their motives, indicating the expected outcomes from the relationship. Mills (1940) argues "that motives are terms social actors use to interpret their present, and guide their future" (cited in Peters 2004). Following Peters (2004), motives are viewed as a way to explain and reinforce actions providing a link between the individual participants and institutionalised situations: "when a vocabulary of motives appeals to a broad base of people in an act or activity, the vocabularies are strategies of action" (ibid:211).

According to Mills (1940), institutionalised situations within a certain epoch and context employ unique vocabularies of motives. Social actors internalise these vocabularies, which in turn justify and validate their normative behaviour. Hence, motives link participants to situations, explain and reinforce acts. Consequently, analysing the partners' motives offers an examination of the organisations' justification for the collaboration and the deployment of their resources for the relationship.

Also the perceptions of motives are closely linked with each organisation's mission and characteristics allowing for observing the type of organisations and in effect the outcomes achieved as perceived by the organisational actors.

Within a partnership, there are two sets of motives in operation: the motives of the profit organisation and those of the nonprofit organisation. Each organisation represents a different system of values and beliefs (Crane 1998; Stafford and Hartman 2000) due to their sectoral characteristics. Corning (2003:1) suggested that "biological survival and reproduction remains the fundamental, ongoing, inescapable challenge for all living organisms, including humankind; it is a problem that can never be permanently 'solved'". Transferring his statement to the organisational level, equally the survival of organisations is the most fundamental concern for either a business organisation or a nonprofit organisation. In the case of nonprofit organisations their existence is justified by serving social needs and stakeholder interests (Bryson et al. 2001; Oster 1995; Salamon 1992). However, for a nonprofit organisation to serve its mission it needs to survive and grow (Bryson et al. 2001). For the profit sector survival is usually expressed as 'sustainability' and in the case of the nonprofit sector as 'organisational survival'. However, both motives in essence refer to the same thing, as they aim to maintain the existence of the organisation. In the case of sustainability, survival does not include only one organisation but at the same time it is extended to the environment encompassing other organisations, human beings, and most importantly, the natural environment.

Tully (2004) posits that motivation of business, entering an environmental partnership, could be to improve regulatory compliance in a cost-effective way. In other words, environmental partnerships permit companies to get access to information that will allow them to "further refine their environmental risk management systems and reduce environmental liability under national law" (ibid:7). With regard to the NPO's motivation for entering a partnership with a business, they can increase "the impact of their regulatory influence over government by harnessing the commercial influence" (ibid) within the public sector. Hence, their lobbying to the government improves as it becomes more informed and effective through their access to their business partner (ibid).

Oliver (1990) suggests asymmetry as a motive of organisations in the case for collaborations due to their desire to exercise control over the resources of another organisation. In fact, asymmetry refers to the lack of balanced distribution of power between the two parties and indicates power imbalances or the domination of one partner over the other. According to Pfeffer and Salancik (1978) the reason organisations interact with each other is to enhance their control over resources that other organisations control.

Reciprocity is another motive: "motives of reciprocity emphasize co-operation, collaboration, and coordination among organisations, rather than domination, power and control" (Oliver 1990:244). Hence, as it is primarily suggested by the partnership literature (Stafford and Hartman 2001) organisations develop partnerships for the purpose of pursuing mutually beneficial aims. Exchange theory (Hall et al. 1977;

Levine and White 1961) suggests that organisations meet their objectives and aims through the exchanges that they carry out. The need for interorganisational relationship exists because resources are scarce (Levine and White 1961).

In their literature review, Selsky and Parker (2005:7) suggest that “partner motivation is a frequent topic for research in the formation stage because motivational differences are believed to derail collaborative intent”. They report that the motives of NPOs tend to be altruistic, unlike the motives of BUSs which predominately pursue self interest (Iyer 2003), including desire to improve public relations, receiving scarce technical assistance (Milne et al. 1996), to enhance the image and reputation of BUSs (Alsop 2004; Heap 1998). Also BUSs can attain credibility (Heap 1998) by associating with NPOs by validating their efforts in addressing social issues as genuine problems. According to Koza and Lewin (2000:256) a company’s motivation to enter into an alliance could be to either “exploit an existing capability or to explore for new opportunities”. This would usually be centred around the capabilities or expertise of the NPO.

On the other hand the motivation for NPOs to enter into a relationship with a BUS can also vary. For example for a NPO the reasons for a collaborative relationship include: to enhance resources (Wymer and Samu 2003; Milne et al. 1996; Heap 1998; Fishel 1993) and credibility (Heap 1998); to improve access to networks, contacts and technical expertise (Heap 1998) and to facilitate the acquisition of information (Macdonald and Piekkari 2005).

Although the majority of studies assume different priorities among the two partners, Selsky and Parker (2005:8) suggest that more “recent research re-examines that assumption”, offering the example of NPOs that attempt to elicit social change through the relationship with BUSs (Fabig and Boele 1999).

According to Covey and Brown (2001:16) there is evidence that partnership relationships are difficult to establish due to the differences between the partners; however, “there is also growing evidence that many stakeholders increasingly see a convergence in rights and expectations for business and civil society” (ibid).

The above observation of a gradual convergence in rights and expectations reflected a much earlier reality which is well-established today both among BUSs and NPOs. The earlier divergence and today’s convergence between the sectors are two contrasting trends highlighting the need for more empirical research within the new era of partnerships (Austin 2000; Googins and Rochlin 2000) as accepted forms of cross-sector collaboration and for more examination of the extent to which partners from different economic sectors have distinctive and conflicting agendas.

The book closes this gap by questioning the assumption that the priorities, hence the motives, of the partners are different or conflicting by asking if the motives are shared among the partners. The following research questions are addressed by this research:

RQ3: What are the motives of the NPO and BUS partners?

RQ4: Are the motives between the partners shared?

The next section discusses within the literature the process of partnership building and the dynamics of partners within the implementation phase of partnerships.

2.4.2 Partnership Implementation

The partnership implementation refers to the interactions of the partners within the partnership relationship. The literature suggests that partnerships are resource intensive relationships with increased interactions among the partners (Austin 2000). Furthermore there are differences in the structure these relationships can take ranging from formal agreements (Austin 2000) to informal loose collaborations (Berger et al. 2004).

Googins and Rochlin (2000:133) refer to the ‘critical steps’ within the process of partnership building and suggest six steps: (1) defining clear goals; (2) obtaining senior-level commitment; (3) engaging in frequent communication; (4) assigning professionals to lead the work; (5) sharing the commitment of resources; and (6) evaluating progress/results. On the other hand, Andrioff (2001:224) refers to the four Ps of stakeholder partnership building: the purpose of partnerships, the pact between the partners, the power relationships within the partners and the process of the evolution of partnerships. In his study of four stakeholder partnerships he identified different characteristics for each partnership relationship under the four Ps. A number of either prescriptive or descriptive steps of partnership-building exist within the literature (Berger et al. 2004; Wilson and Charlton 1997; Westley and Vredenburg 1997) that their common characteristic is their chronological sequence of relationship evolution (Selsky and Parker 2005).

Identifying the process or the phases within the process of partnership-building will permit the observation of the level of institutionalisation of the partnership in each partner organisation, based on the perceptions of the interviewees. The phases of the process are also used as a way to examine the dynamics across the two organisations during the course of the partnership. The respective research question that follows from the above is:

RQ5: What are the phases of the partnership process in the cases under examination?

Partnerships are “diverse in purpose, size and scope” (Googins and Rochlin 2000:134), an observation that has been tested and verified through many case studies (Berger et al. 2004; Andriof 2001; Austin 2000). Similarly each phase of the relationship requires interactions between the partners that permit observation of the dynamics. As pointed out by Googins and Rochlin (2000), as the partnership progresses the levels of dependency increase. Balancing power asymmetries, Hamman and Acutt (2003) suggest, is one of the most significant concerns with regard to the interaction among NPOs and BUSs and frequently the imbalance of power favours BUSs. Fisher and Ury (1981:106) suggest that by developing the “Best Alternative to a Negotiated Agreement (BATNA)” NPOs will be able to decide when it is advantageous to partner with BUS and when it is not. This is in agreement with Covey and Brown’s critical cooperation (2001) suggestion, which incorporates according to Hamann and Acutt (2003:263) “rights-based and power-based approaches to negotiations”. Hence Uri (1991)) as well Hamman and Acutt (2003) suggest that a/ developing a number of strategies, such as “taking legal

action, organising local level protest and solidarity strikes” (ibid:264) and b/ communicating a “warning rather than a threat” (ibid) should entail an “advance notice of danger” (ibid) to the BUS. However, the above can be true in the case of NPOs able to formulate these strategies and more importantly when the BUS partner perceives the NPO as capable of pursuing them. Hence, the previous experience of the NPO and its mission are important contributing factors. Furthermore, large power imbalances (Lister 2000) among the partners that favour the party that dominates financial resources result in a “hidden powerful effect” (Shaw 1993, cited in Millar et al. 2004:406) that hijacks the intention of objectivity or criticism of the less powerful actors. As suggested by Shaw (ibid) “it takes a lot to bite the hand that feeds you: a muzzle is a good insurance against unwelcome bites”. On the other hand the decision-making process and structures of NPOs are not usually transparent (Millar et al. 2004) which further colours the internal partnership dynamics as opaque and removed from being integrated within a broader social context.

A significant aspect of partnerships is their closed character as suggested by Rowe and Devanney (2003:378): “Post-Enron, the accounting profession’s close relationship with clients has been exposed. In seeking to engage different sectors and individuals in partnerships, to ignore the potentially closed and exclusive character of networks is foolhardy”. As non-regulated forms of association NPO-BUS partnerships follow the BUS-BUS partnerships model that is characterised by confidentiality that results in competitive advantage. Rondinelli and London (2003):72) pose the question: “Can both corporation and NPO maintain confidentiality?” They suggest that this is linked to the issue of trust between the two partners, which is extensively discussed in the NPO-BUS partnership literature (Parker and Selsky 2004; Hardy et al. 1998; Iyer 2003; Huxham and Vangen 1996). However, the outcomes of social partnerships, if they are socially embedded and aiming at societal outcomes then wider participation, would be improved by plurality of opinions and open dialogue on the aspects of partnership, and this would also increase the social legitimacy and accountability of the relationship. Zeng and Chen (2003:588) point out that “while trust is essential in promoting cooperation in alliances, an over-trusting partner can become an easy target for exploitation by its greedy partners”.

An important aspect that appears to be central within partnerships is the development of a collective identity among the partners. Jenkins (1996) describes “collective identity as constituted by a dialectic interplay of processes of internal and external definition.” The sense of belonging and what is usually referred to as ‘we’ before the formation of the partnership represents the original organisational identity, also recognised by outsiders to the organisation. However, during the partnership formation the reference to ‘we’ needs to change if indeed a collective identity is to emerge (Lamont and Molnar 2002). The research aims to study the extent to which a collective identity emerges during the implementation of the partnership. Since the two organisations do not merge during the partnership the collective identity is more likely to represent the symbolic ‘oneness’ that organisational actors hold within their own perceptions based on the processes that take place during the partnership formation. As Lamont and Molnar (2002:182) remark: “Individuals within

such categorical communities have at their disposal common categorisation systems to differentiate between insiders and outsiders and common vocabularies and symbols through which they create a shared identity". It is often the case that people who share categorisation systems are considered members of symbolic communities irrespective of the similarities or differences in their way of living (Lamont 1992; Wuthnow 1989; Hunter 1974).

Consequently, the existence of different or similar beliefs, perceptions and assumptions among the partners is important. The literature on NPO-BUS partnerships as presented above suggests an a priori conflict between the profit and nonprofit sectors. If indeed this conflict exists within the partners it should be demonstrated through the partners' dynamics. According to Hatch (1997), the early literature on co-operation views conflict by large as 'dysfunctional' "as it was believed to be the antithesis of cooperation" (Hatch 1997:302). Hence structural mechanisms were suggested as a way to reduce or manage conflict (*ibid*), such as forms of task forces and committees as forms of coordination (Galbreath 1977). Hatch (1997) remarks that Pondy's work (1967, 1969) moved the examination of conflict into its second phase by accepting it as unavoidable, hence representing a natural condition. This led theorists into searching for explanations of the conditions under which conflict emerges. A third view of conflict as a functional aspect of organisational life presents a challenge for the previous assumptions as Hatch (1997:304) remarks:

The functional view of conflict proposes that conflict is good for the organisation because it leads to stimulation, adaptation and innovation and better decision making, largely as a result of the input of divergent opinions. ...It is sociologically healthy because it encourages opposition to the status quo and initiates conditions of social change. In addition, some theorists credit conflict with providing the conditions for democracy by acknowledging pluralism and encouraging a respect for diversity. The functional perspective also warns that too little conflict can have negative consequences such as group think, poor decision making, apathy and stagnation.

Furthermore, Tyson and Jackson (1992:51) suggested that "a degree of conflict is necessary for a group to perform at an adequate level". However, they remark that if within a group the norm is that of cooperativeness then it will prevail over other norms such as competition or conflict, for example (*ibid*:205). Hence if a certain organisation does not accept plurality of opinions or its leadership is not used to manage conflict either internally or externally then it is unlikely that when conflict appears it will be able to manage it in a positive manner. However, Robbins (2005:230) considers conflict as necessary for a group to perform effectively and suggests that if the level of conflict is too low the group is similarly dysfunctional as when it is too high:

When conflict is at an optimal level, complacency and apathy should be minimised, motivation should be enhanced through the creation of a challenging and questioning environment with a vitality that makes work interesting (Robbins 2005:424).

Although conflict is ordinarily seen as the result of 'troublemakers', as pointed out by Senior and Fleming (2006:224) "in democratic society, this strategy will

either cause further, more extreme conflict behaviour or drive the expression of conflict underground". This further highlights that organisations cannot represent or be managed as a unitary whole and hence the plurality of opinions is an inevitable fact of organisational life. Tosi et al. (1994:436) define conflict as: "a disagreement, the presence of tension, or some other difficulty between two or more parties. ... Conflict is often related to interference or opposition between the parties involved. The parties in conflict usually see each other as frustrating, or about to frustrate, their needs and goals". Senior and Fleming (2006:220) examined a number of definitions and suggested four aspects of conflict: (1) it must be perceived by the parties to it, otherwise it does not exist; (2) one party to the conflict must be perceived as about to do, or actually be doing, something that the other party (or parties) do not want – in other words there must be opposition; (3) some kind of interaction must take place; (4) in addition almost all accounts of conflict agree that it can take place at a number of levels: between individuals, between groups or between organisations.

The majority of the NPO-BUS partnerships literature has examined partnerships by viewing conflict as dysfunctional or at best as a fact of life, hence it suggested ways of resolving the conflict. This study takes a contrasting position by suggesting that: (a) by refusing to accept the role of conflict as functional in NPO-BUS partnerships we might be missing very important aspects of these relationships and may be ignoring their role in producing beneficial outcomes for society; (b) the plurality of organisations, their characteristics in the organisational context has moved rapidly to new behaviours that reflect the interpretations of their institutional environment. Hence, although in the past boundaries between the sectors, and the clear differentiation of the roles and responsibilities of organisations suggested finding ways to collaborate in order to increase the understanding and collaboration, today the increased interactions result in pronounced isomorphism (Kolk et al. 2008; Heap 1998; Galaskiewicz and Wasserman 1989) across different sectors and organisations might call for research to address the question of whether there is difference and functional/productive conflict within partnerships.

If indeed differences exist between the two organisations then conflict should occur within the relationship manifested in local conditions or in other words within the relationship dynamics. Based on Hatch's interunit conflict model (1997:308–313) examples of local conditions of conflict that can be applied beyond the interunit model can include: (1) group characteristics based on the differences that exist across different organisations or units within the same organisation; (2) goal incompatibility that stems from the different mandates and goals of organisations; (3) task interdependence – Hatch suggests that the increased interaction across different units in order to perform tasks together can present multiple opportunities for conflict or indeed the mutuality on task dependence of the partners might moderate or hinder the conflict; (4) common resources – the dependence on a shared or common pool of resources can often provoke conflict; (5) status incongruity – the imbalance of status within or across organisations can cause conflict in cases of inversion of status hierarchy (i.e. if a lower status group influences the activities of a higher status group); (6) jurisdictional ambiguity – when responsibility either for

credit or blame is not clearly delineated across the groups this might create opportunities for conflict; (7) communication obstacles – when different groups “speak different languages” (Hatch 1997:312) they find it difficult to agree on issues of mutual interest; (8) individual differences that stem from personality conflict; and finally (9) rewards and performance criteria which offer opportunities for comparisons across groups with regard to the performance of organisations or groups can create conflict among the groups.

As suggested earlier, the literature of NPO-BUS partnerships by and large fosters a strategic perspective in the examination of cross-sector relationships, hence conflict is viewed as dysfunctional. This study views conflict as part of the process of social interaction where “ideas, beliefs and pre-assumptions are challenged vigorously” (Bennett and Savani 2004:182) contributing to positive outcomes for the partners and more importantly for society. Hence, the aim here is to examine if conflict exists between the partners during the implementation phase and the dynamics of the partnership relationship. The research questions addressed are:

RQ6: How do the dynamics between the two partners evolve through their interactions?

RQ7: Is conflict observable within the implementation and through the power dynamics of the partners?

The next section discusses the outcomes of partnerships for both the respective partners and for society at large.

2.4.3 Partnership Outcomes

Heap reported as early as 1998 that the impact of the private sector on NPOs resulted in a number of changes: changes in the relationship between the two sectors, changes in the delivery of programmes, changes in the organisational systems and structures and changes in the organisational forms. As Heap (1998:8–9) remarks:

While statutory legal and tax systems keep NGOs and the private sector apart, the cross-fertilisation of each other's vocabulary and methods is making sectoral frontiers increasingly blurred, a breeding ground for hybrid for profit/nonprofit organisations (Leat 1993; Davis 1997). INTRAC's own millennium paper lays out this institutional isomorphism as ‘NGO Incorporated’: ...we have identified...the dramatic change in the nature and form of NGOs. Even the language used to describe NGOs is changing and identities and boundaries are clearly shifting. We see NGOs with no value base, as against commercial enterprises with very strong ethical values; certain nonprofit organisations run counter to the traditional spirit of voluntarism; commercial consultancy firms competing with established NGOs to operate programmes in former ‘NGO territory’ and NGOs setting up commercial consultancy wings (INTRAC 1997).

The organisational forms are still captured in the traditional separations of profit and nonprofit although in reality the ways in which they operate have shifted (Heap 1998). Millar et al. (2004:410) also emphasise the duality in the identities of NGOs: “a market as well as an institutional identity in today's global business environment”. Within these institutional changes it is important not only to look

at the outcomes NPO-BUS partnerships can deliver for each participating organisation but also for society in order to understand better the impact of the institutional changes.

The literature on NPO-BUS partnership makes an implicit distinction between organisational and social outcomes. For example, Kanter (1999) makes reference to ‘tangible business benefits’ and the need for ‘new knowledge and capabilities that will stem from innovation’, one of the potential positive outcomes from the partnership relationship and presents examples of how these relationships even turned out to be financially beneficial to BUSs. Drucker (1989) suggests that an important and unexpected positive outcome for BUS is the new management practices BUS can learn and adapt from NPOs which have experience with multiple bottom lines, similar to the recent triple bottom line perspective that BUS need to attend to. Furthermore, energy reduction, environmentally friendly production and service provision have been marked as positive outcomes (Rondinelli and London 2003). These present borderline organisational/societal outcomes as they benefit the organisation but also society due to the reduction in environmental disturbance.

As it becomes obvious from the above, there is a category of outcomes that can be classified as intangibles, including knowledge and capabilities. The intangible assets were considered as early as 1987 to be the most important resource for a company (Itami and Roehl 1987), one expression of which is the core competencies (Prahalad and Hamel 1990). Organisations, predominately BUSs, actively engage in acquiring or internally producing intangible resources as they are likely to increase the value of the company (Sanchez et al. 2000). As Galbreath (2002:116) points out, one of the most far-reaching changes in this field in the twenty-first century concerns what constitutes value and what the rules of value creation might be. Moving from the tradition of tangible to intangibles and to relationship assets constitutes a change in perceiving where the value of the firm is positioned today: “what becomes easily apparent is that the firm’s success is ultimately derived from relationships, both internal and external” (Galbreath 2002:118). Furthermore, Galbreath reports that more than 20,000 alliance partnerships were formed in BUS within 2 years (2000–2002) worldwide and that a “typical large company manages 30 or more alliances” (ibid:122) which testifies to the extent of experience BUSs have in partnering. The relationship between NPOs and BUSs is seen today as a source of cross-sector intangible outcomes that can benefit all parties (Seitanidi 2007b). It is important, however, to distinguish between the different types of outcomes with regard to who is the recipient of the benefits.

Caplan (2003:34) makes an important distinction between outputs and outcomes of partnerships. He suggests that through a partnership more water points can be installed in a community. However partnerships do not provide a unique mechanism through which water points can be installed. Alternatives include donors providing the funding for either a BUS or an NPO to install water points or alternatively a company offering support to an NPO through any other form of community involvement in order to increase the number of water points. He posits the differences between the two as follows:

Outputs are tangibles that we can see – a report, the number of times an advocacy message is repeated on television or radio, the number of children vaccinated, etc. We tend to stop after we have counted all the outputs of the partnership (which in fact may have been completed as suggested above by other means even quicker) (Caplan 2003:34).

Outcomes are less tangible results – how many children can now attend school because they are not walking 4 miles a day for water; how policies have been changed in a company or legislation amended as a result of findings documented in a report; how behaviour has changed as a result of hearing a message repeatedly; or estimates of how much money has been saved in curative care as a result of vaccinations being given to children (ibid).

The presumption of social partnerships is that by combining the resources, expertise and synergies of the two partners the partnership is able to contribute to society in a unique way. Following from this, another distinction needs to be made: there is a difference between the intentional or unintentional outcomes, highlighting the importance of intent. A number of authors suggest that setting goals from the outset (Austin 2000; Andrioff 2001; Wilson and Charlton 1997) and assessing a number of measures of fit between the two organisations is a way of achieving better outcomes (Berger et al. 2004). However, the partnership cases presented in the literature indicate that the added value in partnerships derives from the process itself and the unintentional outcomes for the organisations (Seitanidi and Ryan 2007; Austin 2000). The above is possible as the two partners are present within the relationship; society and the environment on the other hand as ‘silent partners’ are represented through the NPOs. Within the changing institutional environment of increased sectoral isomorphism it might prove difficult to deliver outcomes that are beneficial for society.

Caplan and Jones (2002:1) remark that in order for the partners to continue to be interested in the partnership the relationship has to respond to their needs and deliver value to the organisations and the indicators of the partnership, or in other words the partnership outcomes. However, if indeed indicators are set up to measure the individual and mutually beneficial outcomes similarly the beneficial outcomes for society should be taken into consideration in the case of social partnerships. In certain instances the organisational goals (hence outcomes) might be in conflict with the benefits for society. In this case the absence of any third-party involvement, such as the government or another NPO or a group of NPOs, might jeopardise the credibility of the relationship with regard to serving the public good. The failure of partnership to focus “openly and clearly” (Caplan 2003:34) in the societal outcomes can contribute not only to the disappointment of the partners (ibid) but more importantly to decreasing public trust in the ability of the partnership institution to deliver the promised ‘social goods’. The measurement of the effectiveness of the relationship as suggested by Caplan and Jones (2002:2) plays an important role as it allows partners to determine “what works less well and make adjustments. They will be able to minimise the costs and maximise the benefit of the partnership”. Consequently the question to be asked is ‘maximising the benefits for whom?’. Hence it is important to look at both the organisational and societal outcomes and not just at the social outcomes that derive from the work of the NPO.

Within the book when reference is made to ‘outcomes’, organisational outcomes are implied, directly linked to the benefits that derive through the partnership for the organisations. In the case of NPOs, since their missions serve social ends, the outcomes that occur are referred to as ‘social outcomes’ (what Caplan terms ‘outputs’). On the other hand ‘societal outcomes’ refer to the unique benefits that accrue for society through the partnership relationship. It is believed that the above terms indicate more clearly the distinctions rather than the suggested ‘outputs’ and ‘outcomes’, terms used by Caplan (2003) for the purposes of this study. The distinction suggested here points to the difference of outcomes that derive from the NPO only versus the outcomes that derive through the partnership relationship.

The organisational outcomes for the profit sector can include reputation enhancement; improving their image and credibility through the association with NPOs which can in effect result in positive financial benefits (personnel retention and attraction, risk aversion for boycotts; and acquiring intelligence based on NPOs areas of expertise (Heap 1998:17–22). Greenall and Rovere (1999:3–5), in their research within the Canadian context, suggested that the engagement of BUS in partnerships is a necessity that results in: securing access to land; trust and reputation building and assurance; social licence to operate; access to local community users of corporate goods and services; marketing and competitive advantage; improved quality of decision making; and overall industry health. Another important outcome for BUS that they reported is that partnerships “allow quicker, more direct and comprehensive access to the feelings of stakeholders (and, therefore, more rapid and solid stakeholder consensus” (ibid:8).

The organisational outcomes for NPOs include access to networks and contacts that they previously did not have access to, technical expertise, management expertise, financial discipline and customer orientation in the delivery of their services (Heap 1998:23–26). According to Austin (2000:88) some of the positive outcomes for the NPOs include: “financial resources, services or goods, technical expertise and technologies, access to other corporations, enhanced name recognition, and new perspectives”. Following from this it is important to differentiate between the organisational and societal outcomes in order to qualify the relationships as social partnerships by following Waddock’s definition (1988). The research question that the research addresses is:

RQ7: What are the positive outcomes that accrue from the partnership relationship in the cases under study for the organisations and society?

Within the literature regarding the partnership outcomes, change appears (implicitly and explicitly) to be both an intentional and an unintentional (hence processual) outcome for both partners on the organisational level but also for the sectors they represent on the institutional level. Reference has been made to structural changes that take place within both sectors as a result of the intense interactions (Millar et al. 2004; Heap 1998) but also on the participating organisations (Loza 2004; Ebrahim 2005). Nevertheless, predominately the literature does not address the issue of intention within NPO-BUS partnerships (Seitanidi 2008). Although within movement and mobilisation theory and in the case of confrontational cross-sector relationships attention has been given to the intention for change,

in collaborative relationships the central issue of intent has been largely ignored apart from exceptions (see Bendell 2000c). NPO-BUS partnership case studies discuss the changes that take place, predominantly on the organisational level, however it is not clear who initiated the changes and if and how they were followed through strategically within the partnership relationship. Examining the intention within partnerships and in particular the intention for change offers an indication of the ability of the organisations from different sectors to successfully follow through their intentions (originally expressed as motives), to acquire the means of achieving them (implementation process) and to arrive at beneficial outcomes.

Since change is a broad research area where many different theoretical approaches have been employed, offering a literature review on change would be beyond the aims of the chapter. The purpose here is to point out the shift that took place over recent years in the study of change, but also to highlight theoretical issues that touch upon the phenomenon under study i.e. NPO-BUS partnerships and its relationship to change.

Perrow (1994) has argued that “explaining change is – or should be – a central concern of organisational scholars today” (cited in Sastry 1997:237). As Shen points out “organisations are agents of change” (Shen 2005:3) facing pressures from both their internal and external environment in order to increase their efficiency, effectiveness “usually leads to planned, organisation-wide change, such as transforming ‘market empires’ into ‘relationship masters’ (e.g. *Enron*⁴). Organisational transformation is a mode of social change that involves a sharp and simultaneous shift in strategy, structure, process and distribution of organisational power” (Shen 2005:3). In fact, according to Martin (2000:452), “to change is to take different actions than previously. To take different actions than previously means to make different choices. Different choices produce change. The same choices produce sameness, a reinforcement of the status quo”. As he continues he remarks that “to espouse a different operating principle (e.g., we have decided to become customer focused) from the past does not represent change. Only if different choices lead to action on the different operating principle will change be produced”. However, since “...organisations have developed protective devices to maintain stability and that they are notoriously difficult to change or reform should not be allowed to obscure their dynamic relationships with the social and natural environment. Changes to the environment lead to demands for change in the organisation, and even the effort to resist those demands results in internal change” (Katz and Khan 1978:30–31).

Pettigrew (2000:246) remarks: “change and organisation are static nouns, whilst Weick argues that we need a dynamic vocabulary of changing and organising if we are to take charge of a changing world”. In 1985, Pettigrew critiqued the research on organisational change and described it as “largely acontextual, ahistorical, and aprocessual” (Pettigrew 2000:243). In a later paper, he commented “research and writing on organisational change is undergoing a metamorphosis” (Pettigrew et al. 2001:697).

⁴Insertion in *italic mine*.

As he remarked in the recent years more scholars are concentrating on the aspects of continuity in change (Greenwood and Hinings 1996; Van de Ven et al. 1989) acknowledging that “context and action are inseparable” (Pettigrew et al. 2001:697). Looking at the work of Pettigrew (2000) we can chart the literature on change. Greenwood and Hinings focus in their paper on the issue of the interaction of organisational context and organisational action. Although institutional theory and the punctuated equilibrium were two views that influenced research on change (Pettigrew 2000), they recently attracted scholarly criticism (Sastry 1997; Greenwood and Hinings 1996). Furthermore, according to Pettigrew (2000:243) another interesting addition is the research of Brown and Eisenhardt (1997, 1998) who “seek to blend evolutionary theory and complexity theory in order to expose and explain how innovation may occur ‘at the edge of chaos’”. Lewin et al. (1999:535) argue that “firm strategic and organisation adaptations coevolve with changes in the environment (competitive dynamics, technological and institutional) and organisation population and forms, and that new organisational forms can mutate and emerge from the existing population of organisations”.

As mentioned in the above studies (but also in the research of Dutton et al. 2001; Heracleous and Barrett (2001); Lovelace et al. (2001)) change is conceptualised as an interaction field: “focusing on interaction moves away from the variables paradigm toward a form of holistic explanation. The intellectual task is to examine how and why constellations of forces shape the character of change processes rather than “fixed entities with variable qualities” (Abbott 1992:1). Rather than causality being attributed to variables, social actors move onto the stage of history as agents of history. Change explanations are no longer pared down to relationships between independent and dependent variables but instead viewed as an interaction between context and action. Crucially, context is used analytically not just as a stimulus environment, but also as a nested arrangement of structures and processes in which the subjective interpretations of actors’ perceiving, learning, and remembering help shape process” (Pettigrew et al. 2001:699).

In his comprehensive review of the NGO literature, MacKeith (1993) points out that “only 11 articles refer directly to the issue related to organisational change and growth of NGOs” (Dechalert 2002:15). As remarked by Dechalert, although the NGO literature has increased and issues around organisational change have been raised, since 1993, it has not been investigated in depth apart from the recent works of Ebrahim 2005 and Lewis 2000. On the other hand, change has been researched extensively within the business management literature (Poole et al. 2000; Pettigrew 1990; Argyris 1985). Finally, the NPO-BUS partnership literature has not previously looked at partnerships as agents for change but rather focused on NPOs facilitating or forcing change within BUS (Bendell 2000c). Hence this research attempts to close this gap in the literature and offer an insight into how partnership among the two organisations can deliver change either as an intentional or an unintentional outcome for either partner but also as part of the process. The final research question that the book addresses is:

RQ8: Is change an intentional outcome for either the profit or the nonprofit partner as a result of the partnership relationship?

2.5 Conclusion

The second chapter of the book reviewed the literature on NPO-BUS partnerships in order to position the study and its contributions. It identified six strands within the literature (nature of partnership, managerial aspects of partnership, strategic use of partnership, legal and ethical consideration in partnerships, partnership measurements, societal implications) and three perspectives (single, dual and societal) and two types of analysis (critical and uncritical). The current research is positioned within the sixth and most recent strand of the literature studying the societal implications of NPO-BUS partnerships by studying the nature and managerial aspects on the organisational level and suggesting inferences on the societal level. The study fosters a societal perspective by attempting to include in the analysis not only both partners but society by discussing the implications of the relationship on the societal level. It finally adopts a critical perspective towards the phenomenon by questioning a number of assumptions that were previously taken for granted within the literature.

The three stages of partnerships, namely: formation, implementation and outcomes have been chosen to group the theoretical issues within partnerships. Under the first stage the role of the organisational characteristics of each partner, the importance of the historical evolution of the relationship between the partners and the motives of each partner organisation were discussed within the literature. Under the second stage of partnership implementation both the process and the main issues surrounding the relationship dynamics were considered. The last section suggested a distinction on outcomes: organisational, social (those that accrue from the NPO), and societal. The latter are the unique combined outcomes of the partnership's efforts and they determine if the form of association is a social partnership. Each section presented the research questions that the book examines within the remaining chapters of the book. A holistic framework that encompasses all three phases was put forward in order to study the phenomenon of partnerships. The chapter suggested that in today's organisational reality the previous differences between organisations from different economic sectors appear to diminish and hence it might be the case that divergence has replaced by convergence between the different sectors and respective organisations resulting in sectorial isomorphism. Following from the above the differences that led to functional conflict might not be present in certain cases. Hence by examining in three stages NPO-BUS partnerships the research aims to shed new light not only on the partnership phenomenon but also on its implications for the participating sectors.



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Seitanidi, M.M.

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