“From Philanthropy to Creating Shared Value”

- *A literature review on Business-NGO partnerships*

Glenn Kasland

Master’s thesis in Organisation, Leadership and Work
Faculty of Social Sciences
Department of Sociology and Human Geography

University of Oslo, 18th of May 2016.
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Trykk: Reprocentralen, Universitetet i Oslo
Summary

Business-NGO partnerships may have the potential to address several key challenges and opportunities in societies today. More businesses are forced to legitimise their existence with stakeholders, and are obliged to meet increasingly demanding ethical, environmental, legal, commercial and public standards as defined by wider society. Although interactions between businesses and NGOs have existed for decades, this has partly been based on philanthropy and operated loosely. Only recently have these partnerships formed and prospered into partnerships that focus on creating “shared value”, which is based on the idea that by joining forces the partnership can create both economic and social value. Scholars argue that corporations and NGOs have gone from conflict to cooperation with both actors increasingly seeing the value of effective strategic partnerships across sectors. This unique partnership aspect with businesses living off on innovation, technology and profit maximization, and NGOs driven by a social or environmental reasoning, create new and exciting patterns across institutional fields and ways in which both sectors have something to gain and something to learn.

Shared value offer companies a way to pursue their self-interest while also acting in the common good. What used to shine on sole creation of value now shines on co-creation of value. Hence, the most strategic pathways to progress are through strategic alliances across sectors. I argue that philanthropy is out-dated, and that partnerships in coming years are based upon strong interactions between both the private sector and the non-profit sector in creating shared value. This thesis argues that strategic partnerships can provide several benefits to businesses and NGOs alike. Such benefits could be increased access to knowledge, experience, networks and resources. This can in turn translate into innovative new products, services or solutions, better abilities to envision future developments or higher operational efficiencies for businesses.

However, there are several interferences that may occur in the structures in which these partnerships are formed and embedded. I argue that strategic partnerships can be more geared towards “satisfying” rather than “maximizing” their potential impact. In other words, the outcome is not necessarily a means to an end, but can be based on corporate and NGO
rhetoric with little or no outcome to beneficiaries. Three main critiques to shared value in strategic partnerships between NGOs and businesses will be presented as:

1. **Institutionalisation.** Corporations and NGOs are faced with the challenges related to institutional differences that can affect the effectiveness of the partnership. Each institution is embedded in their own institutional logics.

2. **Accountability.** There may develop an accountability vacuum between NGOs and businesses. There is a problem when large corporations and NGOs decide the development of a global framework and influence its general conditions without being authorized or controlled democratically.

3. **Power and Co-Optation.** Power and co-optation will be assessed further in the dynamics of different forms of business-NGO partnerships. Large power imbalances are viewed as problematic because they may lead partners into political or opportunistic behaviour that can serve one or both partners’ interests at the expense of partnership performance.
Foreword

I want to thank my supervisor Benedicte Brøgger from Handelshøyskolen BI for good feedback and for highlighting the importance of the study as a field with growing significance. I want to thank Dag Album for the joint seminars with constructive criticism throughout the process. I also want to thank my friend Tom Woodrow for proofreading some of my work.

A final gratitude goes to my girlfriend for being patient with me over the last couple of months.

Oslo, May 2016

Glenn Kasland.
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1 Introduction

1.1 Introduction to the study

_The 21st century will be the age of alliances. In this age, collaboration between non-profit organizations and corporations will grow in frequency and strategic importance._

_James. E Austin_

We are living in a time of discontinuous change, urbanization, mass migration, technological advances, and environmental constraints. These disruptions provide commercial opportunities, but they also create societal problems and expectations that businesses will collaborate with civil society. Realising new opportunities and investments in social entrepreneurship will happen one company at a time, driven by leaders with enough courage to embrace the business possibilities that emerge and operate within a framework of inclusive growth.

Business-NGO partnerships\(^1\) may have the potential to address several key challenges and opportunities in societies today. Although interactions between businesses and NGOs have existed for decades, this has been for the most part based on financial returns, transactional changes, and reputation building. Only recently have these partnerships formed and prospered into partnerships that focus on creating “shared value” which is based on the idea that partnerships can create value in themselves. Scholars argue that corporations and NGOs have gone from conflict to cooperation with both actors increasingly seeing the value of effective strategic partnerships across sectors. This is a unique collaborative opportunity where both partners have something to gain and something to learn: businesses traditionally thrive on innovation, technological advances and ultimately profit maximisation whilst social and environmental reasoning drives NGOs. So why does not every business and NGO cooperate in matters that can help them going forward both in terms of business gaining market share, but also in terms of NGOs funding strategies being more effectively planned? Why is this a new phenomenon? Is it not naïve to think that businesses and NGOs can

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\(^1\) Business-NGO partnerships will also be referred to as «strategic partnerships» and "social partnerships".
cooperate on shared issues? Critically analysing statements on effective shared value will be central to this thesis.

How and the extent to which businesses and NGOs engage with each other is central in understanding complex partnership models. I first start this thesis by introducing Austin and Seitanidi’s theory on Collaborative Value Creation (CVC), which is a framework on social partnerships and responsible businesses. This theory, together with Porter and Kramer’s theory on “shared value” will service as a backdrop to the analysis throughout this paper and are central ideas in understanding effective strategic partnerships. Furthermore, I will discuss benefits of these collaborations, ventures and initiatives by incorporating some of these theories to relevant case studies on partnership models in order to analyse to what extent these theories are relevant and applicable to the realities that play out. Moreover, I will analyse hindrances and barriers in strategic partnerships. Finally, I will critically analyse the problems of institutional differences and accountability as well as “hidden agendas” such as large power imbalances and co-optation processes.

Although cross-sector partnerships and much of the literature used is on trihedral partnerships, which includes public sector, my focus will be on businesses and NGO practices only. The reason for this is that I firmly believe these are the two organizational spheres in most societies that are the most separated in terms of actual institutional structures. Whilst the public sector gets taxes, work places, income etc. from the private sector, and cooperate with NGOs on social issues; - businesses and NGOs are both at opposite ends of the spectrum rarely intertwining in cooperative measures. One can go as far as calling it two distinct and separate institutional worlds, where businesses are dependent on profits to exist, NGOs are dependent on donors and legitimacy for their service delivery measures or awareness issues, although these lines have become more blurred in recent years.

The contribution this paper has is that it covers many aspects of business-NGO partnerships especially in terms of implementation, and how to incorporate new ways of working in organizations. Although donations and philanthropy has existed for decades, strategic partnerships have still not had the time to be properly flourish into day-to-day norms, which makes this an even more contemporary and exciting topic. This study provides insightful, interesting and fruitful discussions of the linkages between businesses and NGOs.
1.2 Background of study

I believe business-NGO partnerships and cooperation across institutional spheres is a highly relevant thematic in organizational/societal and business studies today. Businesses are meeting high demands from civil society in the pursuit for more responsible businesses. NGOs on the other hand, seek to professionalize their funding strategies and organizational structures. What is especially relevant is that it is potentially a new way of working across organizations and cooperate on shared values. This requires systematic and thorough organizational structures that span complex boundaries.

In the sixth year running C&E have documented hard data on business-NGO partnerships in larger partnerships in the UK. The conclusions are sufficient. **Partnerships will become more important over the next three years. Investments are set to grow considerably.** (C&E, 2015 p. 4). Moreover the report states,

“As predicted by practitioners in prior year forecasts, cross-sector partnerships do indeed appear to have become more important to companies and NGOs. Whilst reputation & credibility remain the leading motive for companies, partnerships with NGOs are increasingly a part of the core business agenda; they improve business understanding of social and environmental issues; and they are acknowledged to help businesses change their practices for the better” (C&E, 2015 p.5)

This acknowledges the statement that business-NGO partnerships are not only getting more attention in academia, but also in several business and NGO communities in the last couple of years. First, to understand why and the extent to the reasons behind why businesses engage with NGOs we have to briefly look at the changing roles of businesses and what we can refer to as the ’hallowing out’ of the state. Although the thesis is not a study on neoliberalism and globalism and the impact this has on non-state actors it is important for the reader to get a sense of how business is itself becoming an increasingly dominant social institution, involved not just in economic activities, but also in much broader social, environmental and political affairs. This is what is usually referred to in the literature as “corporate social responsibility” (Vogel, 2005).
1.2.1 Setting the scene: Social partnerships and responsible business

More businesses are forced to legitimise their existence with stakeholders, and are obliged to meet increasingly demanding ethical, environmental, legal, commercial and public standards as defined by wider society (Crane & Seitanidi, 2014). It is unthinkable that a corporation today will declare publicly that its only goal is to make money for its shareholders. Instead, corporations typically claim to balance so called social/environmental needs with the need for making a profit to apprehend a market share (Ihlen et al, 2014 p. 3). The “hollowing out” of the state has been a contributing factor to the increasing social role businesses takes in the last three decades (Crane and Seitiandi, 2014 p. 3; Scherer & Palazzo, 2006). The private sector involvement has taken broader societal governance and global governance is no longer a task managed by the state alone. Instead, transnational corporations (TNCs), as well as civil society groups, increasingly participate in the formation and implementation of rules in policy areas that were once the sole responsibility of state or international governmental organizations. This development indicates a shift in global business regulations from state-centric toward new multilateral, non-territorial modes of regulation, with the participation of private and non-governmental actors (Scherer & Palazzo, 2006 p. 506). Capitalizing on these changes and opportunities can explain the increasing role and the added research on partnerships between businesses and NGOs in the last three decades (Crane and Seitanidi, 2013 p. 3). In summary, economic acting in developed industrial societies is no longer solely determined by profit maximization. Businesses willing to remain profitable have to ask themselves if and how they want to increase their responsibility to society at large if they want to remain profitable. As the CEO of Unilever Paul Polman told Aftenposten the 3rd of May: “If the world does good, we do good.” (Valvik, 2016). In other words, the one does not need to go in front of the other.

1.2.2 What is a business?

The business sector2 “exists to capitalize on market opportunities to realize profits for owners and investors” (Segawa & Segal, 2000 p. 108). It is also “an organization or economic system where goods and services are exchanged for another or for money. Every business requires some form of investment and enough customers to whom its output can be sold on a consistent basis in order to make a profit”. Business as the main creator of wealth and as the

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2 Business will refer to all organizations capitalizing on market opportunities, not any specific type of business. It is however noteworthy that larger businesses often form partnerships and that it is more common in larger TNCs (Transnational Corporations)
beneficiary of neoliberal flows of capital; economic globalization is clearly an important element of globalizations poverty alleviation agenda (Blowfield, 2007 p. 35). What is more central in the theme of this paper understands the longing concept of Corporate Social Responsibility (CSR). Because CSR in most cases are voluntary and market driven, companies will to a large extent engage in CSR only to the extent that it makes a business sense for them to do so (Vogel, 2005 p. 4). Friedman states famously,

“There is one and only one social responsibility of business–to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”

(Friedman, 1970 p.1).

In other words, businesses, according to Friedman, are not in a position to be socially responsible outside of which naturally comes from everyday running the business.

1.2.3 What is an NGO?

Non-governmental organizations (NGOs) have gained considerable influence in various governments, business and within broader society in recent years. An understanding of NGOs is a necessary precognition for proper consideration not only for their existence but also for business-NGO partnerships.

Civil society also referred to as the “third sector” is used to broadly describe all aspects of society that extend beyond the realm of the public and the private sectors. NGO is a broad term that is used somewhat loosely to refer to all organizations that are neither an official part of government, not a private, for-profit enterprise. (Yazi and Doh, 2009 p. 3). Teegan & Doh (2004) provide a useful definition:

Private, not-for-profit organizations that aim to service particular societal interests by focusing advocacy and/or operational efforts on social, political and economic goals, including equity, education, health, environmental protection and human rights” (Teegan and Doh, 2004 p. 466)

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3 CSR is important for understanding why businesses engages with society, and will be refered to several times in the paper. It is however not the main focus of this thesis.
4 Also known as the civil society organizations, volunteer sector, non-profits or charities.
Moreover, Aneheier (2005) states that they exist to fill a market failure, with providing goods and services. The legitimacy of an NGO is particularly higher than a business due to its structure in society, and they exist because of the demand for trust in a given society that is not met by the private sector and sometimes even the public sector. In more simplistic terms, NGOs build on the interest on society and or the environment. However, NGOs further lack the central authority as the government has and the economic means private enterprises has, and is therefore dependent on their credibility to civil society in order to survive. In this paper the term NGO will be used to account for organizations working for the wellbeing of societal issues, not environmental organizations.

1.3 Problem statement

My overall aim is to assess the literature on this interdisciplinary field and try to comprehend ways in which shared value can be created both by businesses and NGOs effectively and shared. Most partnerships do not practice shared value, and partnerships vary from contexts across borders and the way in which businesses and NGOs are organized where it is situated. It is however a phenomenon that is growing both in international academia but also in practical environments.

I will refer to NGOs as representatives for civil society, knowing that it is debateable whether NGOs are representatives of civil society. Moreover, knowing that the public sectors in some countries now to some extent regulate CSR practices, this will not be discussed in this paper, as it is another thematic focus outside the realm of the partnerships itself. The aim is to assess businesses that choose to enter into partnerships with NGOs without the support or regulations from the public sector, and assess the processes in which these are operated. If the public sector were to be included the paper would provide a more political grounding, which is not the intention. Furthermore, having a social science background my aim is not simply to provide valuable information on how businesses and NGOs can effectively grow in terms of financial returns using partnerships as a mechanism for market share. Rather, I want to have a broader look at several key aspects of the partnerships, how it can grow and prosper, and structural difficulties with it. Assessing the outcomes of these practices will be key in understanding the broader dimensions and the true reasoning for strategic partnerships. The
The purpose of my thesis is to give managers of NGOs and businesses, academia, and students an insightful look into the process of partnering between businesses and NGOs.

My main research question is,

**Can collaboration between businesses and NGOs effectively create shared value?**

This will be answered by addressing the following sub-questions:

1. What conditions will benefit and enable creation of shared value?
2. What are some of the most common hindrances and limits in strategic partnerships?
3. What sort of threats can disable creation of shared value?

### 1.4 Thesis structure

**Chapter 1:**
The first chapter gives an introduction, states the background and the problem statement. The reader gets an overall understanding of central concepts and typologies that will be used throughout the paper.

**Chapter 2:**
The second chapter provides the conceptual theoretical framework that will be used throughout the analysis and discussion parts of this paper. The concept of “shared value” will be explained and the five components for strategic partnerships between NGOs and businesses will be accounted for.

**Chapter 3:**
The chapter accounts for what methodology was used in the paper. On the basis of a systematic literature review I have conducted a systematic literature search on business-NGO partnerships. The chapter explains the reason for choosing to do a secondary analysis on business-NGO partnerships as well as limits to writing a secondary analysis.

Chapter 4:
The chapter answers the first and second sub-questions and account for benefits associated with strategic partnerships, as well as some of the common hindrances in effective partnerships. Two different case illustrations on business-NGO partnerships will be provided.

Chapter 5:
The chapter answer the third sub-question and accounts for threats that can disable shared value. Using sociological theories I provide three possible threats that should be carefully assessed before forming a strategic partnership.

Chapter 6:
The chapter is a summary of findings that reflects the sub questions. Based on the answers of the sub questions a final concluding remark is provided by answering whether or not shared value can be created by business-NGO partnerships.
2 Theoretical Background

2.1 On Collaboration forms and Co-Creation of Value

"NGO-business relations are like a game of chess: while there are only a few pieces to move, there is an almost infinite variety of ways to play the game"

(Heap, 2000 p. 559)

In this chapter I will account for two central theories that will be used for a wider understanding of strategic partnerships throughout the paper. To conceptualize the analysis and discussion it is important for the reader to understand the theoretical background for strategic partnerships, which in this case consists of the most wide-referenced scholars within strategic partnership initiations and shared value.

To understand the complexity on business NGO partnerships I will now introduce the central terminologies that will be used in this paper. I will then incorporate Austin and Seitanidi’s conception of business-NGO collaborations and their theory on Collaborative Value Creation (CVC). Although their first insights were done in a series of papers in the beginning of the twentieth century, Austin and Seitanidi has collaborated on their theory, and in 2014 released the acclaimed book “Creating Value in Non-profit-Business Collaborations”, which is the most comprehensive theory on strategic partnerships in the literature today. Although the book takes a wide-range look at several aspects of business-NGO partnerships I will conceptualize the key aspects of the book and use their theory as a lens throughout this paper. This is because the theory in itself is wide, but still important in understanding shared value creation. First, an explanation of what is referred to in this paper as “value” is assessed.

2.1.1 What do we mean by value?

Business-NGO partnerships can be seen as a distinct answer to the growing pressures of Corporate Social Responsibility (CSR) practices. Austin & Seitanidi argue that the concept of economic value has never been more hotly debated in academia and in practice. From viewing value as hierarchical, with economic value at the top, we are moving toward equal
priority for social and environmental value (Austin & Seitanidi, 2014 p. 3). The concept of value can therefore be seen as a multidisciplinary approach, not necessarily economic value in the traditional form of business mentality. From the dominant logic of value coming through transactional exchanges, in the form of buying, selling, or creating economic returns we are moving towards recognizing the greater value that can potentially come from partnering relationships. In other words, what is used to shine on sole creation of value now shines on co-creation of value. Hence, the most strategic pathways to progress are through strategic alliances across sectors. Value is therefore in this thesis referred to as the value created between businesses and NGOs, or what will be referred to as shared value.

2.2 Shared Value

“Most companies feel compelled to give to charity. Few have figured out how to do it well”

(Porter and Kramer, 2002 p. 5).

The backbone of Austin and Seitanidi´s theory is the notion that collaboration between businesses and NGOs can create shared economic and social value. The concept is further explained; in an even more business oriented way, by Porter and Kramer (2011). They argue that the shared value concept can “bring back capitalism”, and claims to have found a formula for reinventing true capitalism. Old-fashioned capitalists focus too narrowly on short-term profits, they argue, and corporate social responsibility (CSR) is too occupied by the idea that there is a tension between business and society. However, shared value offers companies a way to pursue their self-interest while also acting in the common good. The idea is that this will contribute to innovation and productivity gains, and provide capitalism with the popular legitimacy it clearly needs. Value is looked upon in too narrow terms, and Corporate Social Responsibility is perhaps a panacea to the idea of self-profits (Pirson, 2011).

The central idea behind creating shared value is that the competitiveness of a company and the communities around it are mutually dependent. Recognizing and capitalizing on these connections between societal and economic progress has the power to unleash the next wave of global growth and even redefine capitalism. They define shared value as:
“The concept of shared value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress” (Porter and Kramer, 2011 p. 6).

Capital markets will often continue to pressure companies to generate short-term profits, and some companies will surely continue to reap profits at the expense of societal needs. However, Porter and Kramer argue that such profit will often be short-lived, and that great opportunities are missed in ignoring societal impacts. They argue that we need a more sophisticated form of capitalism, and notes that this should not be focused on philanthropy or charity, but out of a deeper understanding of competition and economic value creation. Creating shared value represents a broader conception of Adam Smith’s invisible hand, which is a metaphor for explaining the unintended consequences resulting from individual actions and market forces. Shared value creates unintended profits for society as well as the business and the market it is operated in. In other words, it is not philanthropy but self-interested behaviour to create economic value by creating social value. It is not just a value in expense of social value, it is neither or. It represents a new approach to manage boundaries between disciplines’ (Porter and Kramer, 2011 p. 17).

Last but not least, Porter and Kramer argue that government regulation (which is being practiced today in terms of CSR practices for some businesses) can either be encouraging businesses to be responsible or making businesses more aware of shared value creation. However, it can also hinder the growth of the partnership by forcing compliance with particular practices, which further blocks innovation and inflict costs on businesses. They undermine the very progress that they seek whilst triggering resistance to shared value. Purdy and Gray (2014) also note that regulations can hamper effective collaboration because governmental organizations have legitimate societal authority and accountability to the public, i.e. they may more likely assert control of the partnership and claim decision making power (Purdy and Gray, 2014 p.210). With this in mind, the analysis and discussion of this paper will not incorporate government regulations and the implications they can have on shared value creation. This is because we are interested in what businesses and NGOs can gain in terms of innovative new solutions, not how government agencies puts pressure on businesses to operate more responsibly.
Figure 1 explains the link between societal need, business opportunities, and corporate assets and expertise in creating shared value. Expanding business opportunities in including societal need using corporate assets and expertise is critical in understanding shared value creation and business-NGO partnerships in general. Only when this mindset is activated can we collaborate on more dimensions of collaboration. The next part of this paper will take these ideas further into the realm of collaboration in creating shared value.

Figure 1: The figure explains the Shared Value concept
2.3 The Collaborative Value Creation Framework

Austin and Seitanidi (2014) define collaborative value as “the transitory and enduring multidimensional benefits relative to the costs that are generated due to the interaction of the collaborators and the accrue to organizations, individuals, and society” (Austin and Seitanidi, 2012a p. 728). They therefore, just as Porter and Kramer express, look at collaboration activities not as expenses but investments generating returns. This is central in understanding this theory, and stands out from general CSR literature as a way for businesses to make profitable returns on “good will causes”, not just an expense in itself. The next sections will explain their five components for effective value creation.

It is important for the reader to understand that this is a simplified version. In my analysis later in this thesis I will not go in detail on all the specifics on Austin & Seitanidi’s model, as it is hard to incorporate all their types of values and stages, but will use their components as a vision and guide and assess ways in which it can be used to create shared value.

2.3.1 Component I: The Collaborative Value Creation Spectrum

A key source of value from collaboration is gaining access to other organizations’ important resources that are complementary to one’s own. For businesses this can for example be access to NGOs’ network in a given setting to create market value, and for NGOs it could be access to important inter-organizational forms and effectiveness of organizational development. Sufficient organizational fit can be attained to allow the partners to tap into each other’s complementary resources. In high-performance collaboration, the resources would be flowing from both partners and would move beyond a bilateral exchange to enter into a fusion of resources. The organizational fit would be compatible, thereby adding new capabilities and innovation, and deep linkages would propel the collaboration between each partner’s self-interest and the creation of value for the other partner and for larger society (Van Tulder et al, 2014). There are several types of value that stems from business-NGO partnerships. The next section gives a brief explanation on what these values are.

Associational Value
Partnerships can provide reputational enhancement, as much of the literature on CSR has told us (Vogel, 2008; Crane, 2014 et al; Blowfield, 2007). Over two-thirds of the respondents in a global survey agreed with the statement “my respect for a company would go up if it partnered with an NGO to help solve social problems” (Austin and Seitanidi, 2014 p. 25). These positive reputational enhancements are often related to NGOs being looked upon as trustworthy service delivery agencies in a society, having few or little political/economic agendas, and partnering with these organizations creates added respect and legitimacy for a company. Each organization brings to the partnership its particular reputation, in terms of how well known it is, what it is known for, and whom it is known by. This represents the potential associational value. Some subsets for associational value can also lead to better employee recruitment, retention and motivation, higher client patronage of their products and services, stronger community and governmental support, and additional attractiveness to investors and donors. It is therefore key for both parts to communicate their partnerships to wider sections of society.

**Transferred-Asset Value**

The second type of value is the benefit represented by the receipt of an asset that has been transferred by one partner to the other. Here we are interested in understanding the sustainable assets. For example, a company’s cash donation gets used up quite quickly, and a non-profits service eventually gets delivered. A transferred-asset value can on the contrary be knowledge exchanges. A non-profit can learn a new skill from a company, for example through what is referred to as “pro bono” to resource lacking NGOs, improve HR. departments or IT skills etc. A company on the other hand can gain new knowledge on a community or a social problem, or gain access to developing markets. In other words, in this type of value creation we are interested in learning the durable and renewability of transferred assets.

**Interaction Value**

The third type of value results from the partners ‘interactions. Whereas conventional economic analysis considers interactions to be a transaction cost, Austin and Seitanidi views interactions as a source of benefits. A key word here is trust. A trustworthy relationship serves as a mechanism for risk reduction because it enables the partners to assume greater risks in the joint-value producing endeavours.
Synergistic Value
The fourth type of value is rooted in the basic collaboration rationale that partners, by combining their resources, are able to accomplish more together than they can separately. The key thinking here is that collaborative creation of social value can generate economic value, and vice versa. The generation of one type of value gives rise to others types of value, creating a vitreous value circle and enable innovation. Innovation is the highest form of synergistic value, which stimulates into the direction of social entrepreneurship.

Summing up, according to Austin and Seitanidi the core question is not whether we are, or should be collaborating but whether we can produce more collaborative value for individuals, organizations, and society all together. Continued efforts in this field should focus on the full potential of value creation, not just one. The CVC spectrum provides a way of acknowledging that collaborations can ratchet up their value production as a function of their value sources and types. Broadly speaking, these four sources of value give rise to economic, social, and environmental value.

2.3.2 Component II: Collaborative Value Mindset
Changing traditional mindsets can perhaps be the trickiest component. How do you change a traditional mindset that is used as a systematic separation of two organizational fields? How do businesses and non-profit partners think about creating value through collaboration? The partners’ mental frameworks fundamentally shape the collaborative co-creation of value. One common notion is that businesses and NGOs hold different mindsets regarding value and collaboration.

Business mindsets
The most frequent quoted person against CSR and socially responsible businesses is the one set forward by Milton Friedman in 1970, which says that social actions are contrary to the primary function of generating profits and returns to shareholders. In Friedman’s view, as quoted earlier in this paper, the value mindset is focused on economic returns to a single group, a shareholder mindset. From this perspective, there is no perception of linked interests between economic performance, on the one hand, and social actions and actors, on the other.
Austin and Seitanidi further states how there are several years since Friedman offered this formulation, and that academic thinking has changed. The group of stakeholders is now considered to include consumers, employees, communities, governments, the environment, and non-profit organizations, also referred to as the stakeholder theory originally put forward by Edward Freeman (1984). In practice, there has been a major shift from the shareholder mindset (investors), to the stakeholder mindset, which opens the door to collaborative interaction and value creation. “A collaborative value mindset thinks of resources allocated not as expenses but as investments that will generate returns in multiple forms of value over a longer time frame” (Austin and Seitanidi, 2014 p. 45). In other words, economic profit is not necessarily the motivation, but it is a consequence of good collaborative values. This can help businesses escape the narrow-sightedness of short-term financial results and shift the focus to a longer-term investment orientation with a social value generating economic return.

**NGO mindsets**

Just as businesses have increasingly turned to non-profits as collaborators to implement CSR and produce social value, several factors have also been moving non-profits toward a mindset shift favouring greater engagement with companies. Some recent scholars are talking about the commercialization of NGOs (Pallotta, 2008). “Becoming a high-impact non-profit is not just about building a great organization and then expanding it to reach more people. Rather, high impact non-profits work with and through organizations and individuals outside themselves to create more impact than they ever could have achieved alone” (Grant and Crutchfield, 2007 p. 34 cited in Austin and Seitanidi, 2014 p. 46). Corporations are to a larger extent seen as a problem solver to social problems rather profit-seeking corporations, also in the eyes of NGOs. The shift from a watchdog role to a more business and market-oriented role of NGOs a central reason for why more NGOs see the potential of the private sector, as the NGOs are becoming more professionalized. Pallotta (2008) argues that NGOs should use the same market measures as successful businesses to increase their value and market share. Conceptualizations of social entrepreneurship point to innovative activity with a social purpose in either the business or the non-profit sector or as hybrid structural forms that mix for-profit and non-profit activities. In summary, the mindset of NGOs has shifted from a confrontation and a watchdog role to collaboration or from conflict to collaboration (Yaziji & Doh, 2009).
2.3.3 Component III: Collaborative Stages and Value Relationships

Cross-sector relationships evolve over time. They go through different stages and it is important to note that each stage has distinct dynamics and potential for collaborative value creation. Here they introduce the notion of the Collaboration Continuum, which explains the variations of stages for collaboration. The original CC framework came about from Austin and Seitanidi original paper in 2000 in which they recently added a fourth stage compared to the original paper earlier in the twentieth century. It is important to keep in mind the potential for co-creation of value increases as a partnership moves toward the next stage.

2.3.4 Stage 1: Philanthropic Relationships

This is the most common and traditional form of relationship between businesses and NGOs, and has existed since the time businesses first started to donate money to charity. In simplistic terms this stage consists of giving out donations to organizations for them to use on their service delivery or awareness raising issues. This is an example of sole creation rather than a co-creation of value. A key question for future reference is therefore: How can we make the value relationship more robust at the philanthropic stage? Austin and Seitanidi argue that one should strive to move interactions of company and non-profit personnel beyond the process of applying for grants and making donations. Companies themselves also want to be more involved in processes, through for example pro bono measures or skill sharing seminars rather than not just handing out money. However, it is stressed that partnerships should not undermine the importance of traditional forms of donations as many NGOs are in desperate need of income.

2.3.5 Stage 2: Transactional Relationships

Here the philanthropic relationship still exists, but it is magnified. The collaborative arrangements are more focused, and there is mutual access to each party’s resources. Good examples of this are cause-related marketing and employee volunteer programs. Here there are also linkages to inter-organizational benefits such as job performance, employer branding etc. When it comes to cause-related marketing (CRM) there is widespread agreement that it is acceptable for companies to involve a cause or an issue in their marketing. Here there is usually an exchange of logos or when a company sponsors a non-profit cause or event. An example could be a business marathon that runs for a “good cause” to raise money for NGOs of various kinds. This creates added visibility for both parties involved. In sum, this stage has
an advantage over traditional corporate philanthropic donations to a cause because it provides consumers with a direct engagement opportunity. However, it is not fully integrative and does not create shared value.

**2.3.6 Stage 3: Integrative Relationships**

This stage moves closer to the realm of collaboration and shared value creation. Both the two previous stages are more or less accepted by the public, and in that sense some companies may want to move on to the later parts of the stages in the Collaborative Continuum. Here the company and the NGO builds on their interactions at the two earlier stages and foresees both organizational strategies. The connections are deeper and broader, and it is no longer a nice thing to do but rather a necessary part of everyday operations, essential to institutional success. Timberland’s former CEO, Jeffrey Swartz, provides a well and thorough analysis of an integrative relationship,

“It’s not them and us, our organization and their organization, while not completely commingled, are much more linked. It is not simply personal, it’s also collective. While we remain separate organizations, when we come together to do things, we become one organization.” (Austin & Seitanidi, 2014)

In other words, it is relational rather than transactional. Trust, learning, knowledge, communication, transparency, conflict management, social capital, sensitivity to social issues are all important additional assets that come with integrative relationships.

**2.3.7 Stage 4: Transformational Relationships**

The new stage added since this collaborative continuum was first introduced at the beginning of the century represents the most comprehensive, advanced and still emerging type of partnering relationship. The transformational stage sees alignment focusing primarily on societal problems, engaging to more complex collaboration configurations, and leverage arising from system-changing innovation. One could say that this stage supports the concept of social entrepreneurship that aims for large-scale, transformational benefits that accrues either to a significant segment of society or to society at large. The rewards of success can be large and lasting, especially in markets that require new business innovation and models and untraditional partnerships. Although businesses are still business enterprises, this stage looks
at business also as social transformation agencies as a totality that can govern own societal enterprises with help of NGOs. Having a purpose broader than profit maximization these strategies can guide new sources for innovation and help people express corporate and personal values in their everyday work. The essential question in this stage is: *What is the distinctive and significant value that each organization can contribute toward the attainment of the collective transformational goal?* This is context dependent, as each business and organization sits on unique ideas and products and has different visions. Reflecting on these questions is however a necessity.

*Figure 2* explains the ladder stages of the collaborative continuum. A partnership will often start at the philanthropic level and move along the continuum until it most ideally reaches the integrative or even the transformational stages. It is important to note that the integrative and transformational stages are the two stages capable of creating shared value.

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*Figure 2: The ladder shows the different stages of the collaborative continuum*

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5 This ladder will be used thoroughly throughout this thesis to draw on different stages of strategic partnerships.
2.3.8 Component III: Collaborative Value Creation Processes

How do we get these models institutionalized and implemented in daily practices? Each of the four phases of partnership development such as formation, selection, implementation, and institutionalization constitutes a value creation process pathway consisting of a multitude of sub processes. In the formation and selection phases, the sub processes are identifying and shaping the potential collaborative value. Then, in the implementation and institutionalization phases, potential value can be converted to actual value. It is argued that the two latter ones are the most important, as some partnerships are often formatted and selected but not implemented in daily practices or institutionalized in a sustainable matter. Having chosen each other, the partners enter the implementation phase.

The first stage is testing the collaboration out, the learning here leads to that the adaptation of sub processes. Gradually the operations develop routines, and the collaboration stabilizes. In the institutionalization phase, the collaboration is embedded into each partner’s mission, strategy, values, structures, and operating system. This is the most desired outcome. The partners have a deep sense of joint ownership, and the collaboration is able to survive crises and leadership changes. Information becomes knowledge and knowledge become capabilities, it is synchronized and as a result the power imbalances are addressed constructively.

2.3.9 Component V Assessing the Value of Collaboration Outcomes

Outcome assessments are filled with challenges, as with many CSR forms. Assessing outcomes is therefore, according to Austin and Seitanidi, a learning journey. The complications of evaluation can appear overwhelming, but are to some extent manageable. One is not collaborating for the sake of collaboration, and both partners are interested that it should be a result in the process of collaboration. Partners are investing scarce resources to generate value, and this investment, like all others, should be assessed to look over its productivity and to provide guidance for further enhancing the collaboration’s value generation. There is a considerable challenge to when it comes to impact, as this is often related to what sort of project it is, whether it is measureable or not, and even how it measured. There is considerable debate in international development academia whether it is possible to measure all outcomes of development (Salvesen, 2016). For example, it is hard to
measure added social awareness issues and education, whilst it is easier to measure how many health clinics are built in a given society. There is no simple solution to assess the impact one can concentrate specifically on who benefits, and how. Too often the actual value generated by collaborations is undercounted because the focus of assessment is conceived too narrowly. Who benefits within the partnership, and who are the beneficiaries of these partnerships? Reflecting on these questions should be context dependent and should be reviewed by reviewing earlier stages of the collaboration continuum. *Figure 3* visually describes the four stages that together create the theory of “collaborative value creation spectrum”.

*Figure 3: adapted from Austin and Seitanidi, 2014 p.6*
2.4 Organizational fit

Organizational fit is a totality of Austin and Seitanidi’s analysis, and is stated several times throughout their book and relates to the degree of fit between the NGO and the firm, and is an important factor to understand when linking businesses and NGOs. Organizations should be aligned in terms of organizational culture, organizational structures, and how they view their own visions. Without organizational fit it would be hard to incorporate the added values for businesses, changing the mindsets and stereotypes, move along the continuum, or implement and institutionalize these practices. Berger and colleagues (2004) outline the degree of fit between companies and non-profits across several dimensions. The greater the social partnership is an expression of the mission of the firm, the greater the potential for an exchange of ideas that will spur innovation and in turn, will meaningfully impact firm strategy and performance. The more the two organizations share a participative management style and a personal chemistry between members, the more likely the partnership will spur innovation and maximize their shared value creation. One could also use Mintzberg (1981) for analysing different forms of organizational structures. The more closely integrated the two organizations are from within, the better the partnership will be. Ad Hoc organizations will rarely work very well with machine bureaucracy organizations.

In other words, organizational fit describes the internal match or the compatibility between organizations, taking into account organizational processes, such as culture, human resources, policies and administrative systems (Van Tulder et al, 2014 p. 106). Their roles and responsibilities in a partnership should be aligned to their core complementary competencies. Finding the “golden fit” and developing reciprocal relationships is then the only way for developing effective partnerships. A true partnership, as often intended in the sustainable development discourse, is one where both parties share comparable degrees of dependence, with substantial mutual and reciprocal influence. This creates a “collaborative advantage” in which partners have the potential to address a number of institutional voids (Kolk et al, 2008).
3 Methodology

3.1 Systematic review

This thesis is based on a systematic review on business-NGO partnerships. In a systematic review one is “borrowing” the research of other scholars and critically analyses their statements. A systematic review is a type of literature review and is the most fundamental processes in every academic field and is used as a way to identify gaps in a given phenomenon or provide an overview of a field (Dixon-Woods, 2011 p. 332). In this case I used the literature to gain an overall understanding of strategic partnerships, whilst also critically analysing the central theories. One of the main reasons for doing a literature review was to account for gaps or “missed discussions” in the literature. I wanted to account for the width of business-NGO partnerships and critically analyse the benefits and hindrances. In broad terms a literature review can be defined as:

"The selection of available documents (both published and unpublished) on the topic, with information, ideas, data and evidence written from a particular standpoint to fulfil certain aims or express certain views on the nature of the topic and how it is to be investigated, and the effective evaluation of these documents in relation to the research being proposed." (Hart, 1999 p.25).

3.1.1 Secondary analysis

This thesis is a secondary analysis of business-NGO partnerships, which is to say that I am using the interpretations and analysis of other scholars in my arguments. Much of the empirical work in strategic partnerships has been exploratory and case study based. This has provided numerous important insights into the emerging phenomenon, but has left short of facts and clarity in assessing whether partnerships actually work and the critical perspectives that follow. On the other hand, this creates a setback for using a systematic review method because the interpretation of the original documents may affect the outcome of the systematic review (Dixon-Woods, 2011).
Furthermore, one major risk at this stage is to take for granted the “received wisdom” that has already built up around social partnerships, i.e. assumptions that social partnerships are the best solution for complex social problems, that partners from different sectors always have cultural differences, that effective CSR requires social partnerships, or even that getting social partnerships right is especially difficult. When using secondary sources, it is therefore important to evaluate very carefully the information presented and to adopt an attitude of healthy scepticism. One benefit of a secondary analysis is that it may provide a useful comparative tool by providing means for increasing the efficiency of research and spot oversights in knowledge (Dixon-Woods, 2011).

Studies in Norway have been written before on business-NGO partnerships where case studies have been presented and interviews conducted, which has provided important insights from a primary data source perspective. However, I do believe there are a far bigger need for larger theory based insights and analysis of the structural determinants behind business-NGO partnerships. I therefore found it appropriate to use a secondary analysis.

An additional reason for choosing to do a secondary analysis is that I want to research a phenomenon that is still being practiced, and not implemented by large parts of business and NGO communities. If I was to use a methodology involving primary data collection I believe I would be tied down to companies branding schemes, and suggest that most partnerships would be at the earlier stages of the collaborative value creation framework as strategic partnerships is not yet very common in Norway. Furthermore, as strategic partnerships are often tied down to the strategic operations of a business it would be hard to attain honest answers. Therefore, the conclusion would be insufficient to further research, and the data less exiting. A secondary analysis however, allows me to go deeper in a variety of theories and case studies to expand my wider understanding of the concept.

A potential pitfall is that the articles used in this paper are fairly new which could indicate that there is a lack of sufficient research dealing specifically with business-NGO partnerships. Furthermore, there could be literature that is either not published yet, or parts of the phenomenon that has not been researched yet.
3.2 Systematic literature search

The systematic review on business-NGO partnerships is based upon a systematic literature search. When searching for literature I decided to search for relevant literature in the time frame of 15 years (2000-2015). This was because central authors argued that cooperative partnerships started to form properly roughly around the twenty first century, and I therefore wanted to gather the full extent of the data available. This did not widen my search margin, as it is still quite a young field in terms of scholarly articles and books. Additionally, it was fruitful for the discussion to have larger time frame, and interesting to see how evolved concepts have gotten over the years.

For most of the time I used key phrases on Google Scholar, and Universitetetsbiblioteket BIBSYS. Additionally I ordered two books from Amazon.com that was directly shipped from the UK and not available in Norway. These two books are critical parts of the thesis. The first stage of the literature search was based on systematic search on business-NGO partnerships, using Google Scholar. However, as I went along I identified that this phrase did not always correlate with other central scholars on the issue. This was a challenge due to its interdisciplinary nature, and shows that there is still a lack of understanding what partnerships are and what conceptions to use when describing business-NGO partnerships. As Austin and Seitanidi (2012a, p. 728 states),

“There is a lack of common language and definitional precision about what value is and about the dynamics of how different underlying collaboration processes contribute differently to value creation. “

Having few common phrases hindered my literature search to some extent. Using the bibliography of central scholars such as Austin & Seitanidi and Porter & Kramer I was able to extend my searches to include several phrases on Business-NGO partnerships. Table 1 gives an overview on phrases used in the systematic literature search.
There was little correlation between the main phrases used and the other phrases used in my discussion chapters. In other words, little research has been done on institutions, accountability, and power (co-optation) in business-NGO partnerships.

Additionally, several articles presented are taken from previous years of studying either in my bachelor degree or in my master degree that I found relevant to incorporate into the thesis. This has provided important insights, as I was able to provide linkages between a phenomenon and relevant theories and ideas used in previous courses. A great example here is institutional theory that I was able to link with the concept of business-NGO partnerships.

When it comes to criteria for making choices on what phrases to search for and books to use I tried to avoid getting grasped into the CSR literature. There are numerous articles written on CSR, and my overall aim was to access the process of partnerships between NGOs and businesses and CSR is only a part of that. A quick search on Google scholar revealed 2,150,000 articles on the phrase Corporate Social Responsibility, whilst business-NGO partnerships account for 1740 results.

<table>
<thead>
<tr>
<th>Main phrases:</th>
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<tbody>
<tr>
<td>Business-NGO partnerships (6)</td>
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<tr>
<td>Business-NGO collaborations (3)</td>
</tr>
<tr>
<td>Shared Value (4)</td>
</tr>
<tr>
<td>Strategic Partnerships (1)</td>
</tr>
<tr>
<td>Cross-Sector partnerships (2)</td>
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<tr>
<th>Other phrases used with or without the main phrases</th>
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<tbody>
<tr>
<td>CSR/Reward/Payback/Benefits (5)</td>
</tr>
<tr>
<td>Institutions (4)</td>
</tr>
<tr>
<td>Accountability (3)</td>
</tr>
<tr>
<td>Power and Co-optation (4)</td>
</tr>
</tbody>
</table>

Table 1. The numbers in the brackets indicate roughly the results used in the thesis based upon key phrases.
3.3 Random search

Before the systematic search was conducted a random search was implemented to give an overall view of the phenomenon and awaken my interest. Here I was first of all interested in newspaper articles on the topic but was also interested in getting a visual sense or a presentation on the matter. TED.com gave me my first introduction to “shared value” where I watched a longer presentation by Michael Porter. This lead me to read his critically acclaimed Harvard Business Review paper on shared value, and I was then able to link the shared value concept to business-NGO partnerships (in which I had read a Guardian article on before).

Moreover, from viewing Porter´s video, that lead to his article, which then enabled me to analyse the extent to which this could be incorporated into shared value creation for businesses and NGOs- I was then introduced to Austin and Seitanidi´s book as a recommendation on the Harvard Business Review website which is the most comprehensive theoretical book of business-NGO partnerships today. In other words, I have used several key scholars as guidance for important additional articles and books. This can be viewed as a version of the snowball method. Gobo (2004, p. 419) illustrates the snowball method “as picking some subjects who feature the necessary characteristics and, through their recommendations, finding other subjects with the same characteristics”.

As stated earlier, I also used the snowball method as a strategic pathway using other authors’ bibliographies. Here I was able to get information without using key phrases as this to some extent limited the results I was getting. Several of the articles gathered from the systematic literature search also resulted in the search when I was doing a more random approach. This indicates that the articles were well designed to answer my main and sub-questions.

3.4 Central scholars

As stated, Austin & Seitanidi and Porter & Kramer were used as my main scholars of analysis and were chosen because of their long-lasting efforts in providing a conceptual framework in business-NGO partnerships for shared value creation. Having this in mind
throughout the analysis and discussion in this paper both these scholars have a belonging to Harvard Business School that can to some extent affect the validity presented. Knowing this, I wanted to increase the validity of the data and used a book by Yaziji and Doh that came from another background to comprehend the dominance of the two other authors.

Scholars argue business-NGO partnerships ranges from several academic fields, from schools such as international development to business management. I did not find this to be true as most of the articles and books that I found were from business schools or business-oriented reviews. I tried to counter this by using sociological theory to analyse and discuss these thematic focuses as I found it hard to find relevant literature from other academic backgrounds, such as development studies.

Moreover, central scholars that I have used were to a lesser extent critical to the idea of shared value creation. They are also to a larger extent business-oriented which means that the literature reflects how and the extent to which businesses can make a profit using shared value and partnerships, not necessarily the structural tensions, and the power asymmetries that can arise in such partnerships. Therefore, large parts of the discussion chapter were used using sociological theories and papers from other institutions than business schools. Methodologically this creates an appropriate analysis of a “phenomenon” rather than re-phrasing earlier studies to create recipes for effective partnerships.

The next sections and chapters in this thesis will add to Austin and Seitanidi´s existing theory on the collaborative value creation framework by taking the different components into parts and discussing them further using broader forms of literature.
4 Findings and Analysis

In this chapter I will provide a simplistic overview of the benefits associated with business-NGO partnerships and illustrate this with an excellent example of a partnership taking full advantage of the integrative and transformative partnership collaboration continuum. I will then discuss what barriers that may occur when forming partnerships with providing a case study where shared value is not understood and where stages of collaboration get stuck at the earlier stages of the collaboration continuum. The aim is to provide the reader with two distinct illustrations of the variety of aspects in strategic partnerships between businesses and NGOs and provide an understanding of the different forms of cooperation between NGOs and businesses. The chapter takes a broader look at Austin and Seinaidi’s Components 1, 2 and 3 and address the following questions. What types of value gets created? What are some of the common mindset barriers that can occur? What implications for shared value does the collaborative continuum face in practical environments? I conclude that the more integrated the partnerships are through the transformative and integrative stages, the more successful a partnership will be in creating shared value.

4.1 Benefits for businesses and NGOs

The next sections will provide a quick overview of the benefits associated with business-NGO partnerships. I will narrow the benefits for businesses down to what benefits the process and the quality of partnering in the long term can create. I will therefore not discuss the extent to the how strategic communication can create added reputational value for businesses, as I found it hard to incorporate this aspect into the broader discussions.

4.1.1 Benefits for businesses

Gaining access to new expertise could lead to new ways of thinking, innovation and new products (Yaziji and Doh, 2009). Although not too much research has been done relating to product innovation and social partnerships, there are reasons to understand that increased access to knowledge, experience, networks and resources, may translate into innovative new products, services or solutions, better abilities to envision future developments or higher operational efficiencies for businesses. An NGO may have a good network in a given country
or a setting in which a marketing strategy could be profitable for a business (Kolk, 2014 p. 18).

Moreover, NGOs are very often in possession of certain knowledge, information and skills that could be beneficial for several businesses. For example, it could be various solutions for specific environmental or social issues the company faces, and knowledge on business specific issues related to their activities (Yaziji, 2004). For example, for Telenor to gain access to Bangladesh and Myanmar, which in turn has given them enormous competitive advantage in cell phone services in large parts of Asia, it was important for them to gain respect and access to local communities. NGOs (or civil society organizations), are often pathways for companies expanding abroad with them having important local context information (Østgårdsgjelten, 2013). In the 2014 C&E report on corporate-NGO partnerships in the UK it is stated that 87% of corporate respondents believe that business-NGO partnerships have improved business understanding of social and environmental issues. 59% stated that their business practices have been changed for the better as a result (C&E, 2014).

Additionally, NGOs normally have a higher level of trust and legitimacy, as they rarely have hidden economic agendas. Businesses could therefore increase their credibility where partners have the same interests (Heap, 2000). Moreover, Yaziji & Doh (2009) argues that strategic partnerships could be looked upon as being a risk reducing factor from external pressures. By engaging with NGOs, businesses could be more adaptable in shifting trends, and be “ahead of the curve” when there are issues that could affect them externally. A good example here is the Norwegian chocolate producer Freia. Freia launched a campaign where people could share their “best memories” of the popular Norwegian chocolate company as a PR stunt, but the messages that were shared on social media was nothing close to what they aimed for. Instead of writing positive comments on Freia, people wrote about their negative palm oil production, in which Freia decided to sensor. In other words, there was a bigger awareness of palm oil production externally than internally in Freia. PR experts later stated how this damaged their reputation, as they were also “targeted” by the Norwegian NGO Regnskogsfondet (Ekehaug, 2015). Hence, partnerships could therefore head of off future trouble, by legitimizing their existence externally.

There is also a considerable potential for the partners to gain far greater influence by working together than by themselves. This idea is central in understanding ‘the mindset’ behind a
partnership process. Having this mentality from the start is an important factor to increase the value in a potential partnership process. Partnering with NGOs could be an effective way of joining forces in order to both shape both legislation and industry standards (Yaziji & Doh, 2009, Bator & Stohl, 2014).

Partnerships could also provide several micro-management advantages. According to a recent global citizen survey, 50% of respondents regard “regular employees” as highly credible in providing information about a company (Edelman, 2012). For this to be successful employees must have a positive job satisfaction and organizational perceptions. A few recent studies have shown that top-down initiatives are more common in CSR practices, and have been demonstrated in a partnership context done by Saitinidi (2009) who showed missed opportunities due to employees’ limited involvement in all stages of the partnership. This rationale is also supported in a Norwegian context (Ditlev-Simonsen & Brøgger, 2013). Moreover, Berger et al (2006) identified that some employees experienced intra-organizational identification as well as community and relationship building as a result of the partnership activities. Employee participation in partnerships was perceived positively by consumers, and was accompanied by higher degrees of trust in the company in question, or to increased intentions to buy from the company or recommend it to others. From a human resource perspective it could be argued that this could also trigger increased motivation at work, less sick hours, and the feeling of a greater sense of meaning at work.

4.1.2 Benefits for NGOs

One main motivation for NGOs, without the more obvious reason of increased funds, is that partnering could be an effective way of changing the behaviour of firms in order to address escalating social threats to sustainability (Jamali & Keshishian, 2009). By joining together a partnership could lead to social improvements and innovations, and minimize negative business impacts by using NGOs expertise and knowledge.

Arenas et al (2009) report many NGOs are now seeking to differentiate their CSR collaborations as something new and innovative rather than being dependent on traditional forms of philanthropy, social marketing, and regular donations. Being dependent on donations is a fundraising strategy that NGOs are striving to diminish. One important reason for many NGOs entering the corporate world is that they perhaps get the opportunity to
change decision making to their advantage and in meaningful ways, without being a hundred percent dependent on resources and capital. As well as gaining knowledge and capital in the for-profit world NGOs can better equip themselves for future challenges (Bator & Stohl, 2014). Additionally, Heap (2000) argues that increased legitimacy for NGOs could motivate NGOs to enter into partnerships. By engaging with a respected business, the NGO could use this partnership as a way of getting their views across to different aspects of society, such as politicians and policy makers. This is especially relevant for smaller NGO’s who are not settled in the elite and larger NGOs internationally (e.g. Red Cross, Oxfam, and Doctors without Borders).

On a last note, it is worthy to mention that even though it is argued that partnerships should strive to get into integrative or transformational partnerships it is important to reflect upon that many NGOs are indeed dependent on funds to survive in an increasingly competitive non-profit market. One should therefore not under-communicate the importance of traditional donor-support.

We have analysed some of the many benefits for entering into a partnership both for businesses and NGOs. The next section will illustrate a case study in which most of the criteria’s for shared value creation between businesses and NGOs were met and is a standout example of how these large theories can operationalize in complex practical conditions.

4.2 Case Illustration: Unilever and Oxfam partnership in Indonesia

In the mid-2000s, Unilever Corporation engaged with Oxfam to explore and document the impact of Unilever’s presence in Indonesia on poverty and development. Oxfam and Unilever collaborated on a joint research project, with the aim of exploring the link between international business and poverty reduction. In particular, the report was meant to detail positive and negative effects that Unilever had on poverty in Indonesia. This joint research project resulted in a comprehensive report that has been widely disseminated and is viewed by many as an important example of objective and sincere exploration of the impact of a multinational on the host country in which it does business (Yaziji & Doh, 2009; Clay, 2005).
Oxfam and Unilever shared a common belief that Unilever items sold were to represent good value for money, and service poverty-related social goals. Oxfam has a firm belief that the private sector can spur development and be “pro-poor”, and share a modern view on businesses as important actors for development. “Companies, when they act responsibly, can play a vital role in contributing to sustainable development and poverty reduction” (Barbara Stocking, director of Oxfam GB cited in Yaziji and Doh, 2009 p. 167).

As the partnership eventually evolved and as a result of a lot of dialogue between the two partners, Oxfam believes that they raised Unilever’s awareness and their impact and opportunities. Some were surprised that a big corporation like Unilever decided to provide Oxfam with sensitive information about their business and an inside look at their organization. However, Unilever was motivated to work with Oxfam on the research because they saw that business was heavily engaged with poor people around the world as both producers and consumers, and that this was close to their main strategic operations. Unilever also wanted to understand the impact of its business operations on marginalized people in order to know how to support the declarations.

Furthermore, the research documented that Unilever has had a great impact on development in Indonesia, both positively and negatively. Unilever has paid a great deal of taxes to the government, employed many workers and has shared best practice standards with the local economy. However, this does not guarantee improvements in the lives of the local people living in poverty, as they are not necessarily accountable to those people.

In the joint evaluation report of their partnership it is stated that “the project was made possible through the efforts of each organization to learn from the other: for Oxfam to increase its understanding of how companies work, and for Unilever to understand the fundamental assumptions and concerns of civil society organizations” (Clay, 2005 p. 106). Further, they both stress how it would not have been possible without intensive and often difficult debates, which in turn contributed to constructive discussion and analysis. The greatest difference lied in the expectations of what companies can and cannot be expected to contribute to poverty reduction. However, as the process went on they were much closer to understanding these limits. Unilever found it at the start of the process hard to communicate with Oxfam because their thoughts did not always co-exist with Oxfam’s thoughts on social inclusion. However, this gradually got better as the partnership matured.
They agree that the dialogue between the two sets of actors were the basis of their collaboration efforts and for the success of the partnership. An Oxfam representative stated,

“The human interactions during the key project-team meetings were critical to developing levels of trust and confidence, which in turn enabled us to probe deep-seated preconceptions on both sides, and explore sometimes painful perceptions of the reality of business operations. Without these face-to-face interactions, the value of the project and the final product would have diminished” (Clay, 2005 p. 114).

Moreover, Oxfam admits that Unilever are a company that sees through profit maximization, and that this is not necessarily representative to every corporation. The notion that the “business of business is business” is out-dated, and there are huge opportunities for civil society to engage with responsible businesses to distribute resources, share knowledge, and innovate for the common good. The real learning came through these Oxfam-Unilever dialogues and interactions (Clay, 2005 p. 110). In the end, both organizations have found common ground, at least considerably more than what they were both expecting. Despite their different world-views, the trust in the partnership enabled them to work as true partners.
4.2.1 Analysis of the partnership

So what does this case study really tell us in terms of shared value being created by both the NGO and the business? The case study exemplifies that businesses can be pro-active in engaging with NGOs as long as their purposes are for cooperation purposes, and that shared value can be created if steps towards true cooperation are taken. Businesses need to understand that the cooperation is also for their best strategic interest. This case illustrates the meaning of effective dialogue between two different sectors of a society and how the constant dialogues helped to build long-lasting trust between the organizations and created a shared mindset. They both admitted that they are different organizations with different world-views but proved that they can still cooperate on a shared meaning.

In terms of Austin and Seitanidi’s theory on collaborative value creation, the partnership tells us that Unilever sees and understands shared value, and accepts that working with NGOs can maximize their value potential (ref Austin I). It also tells us that the mindsets were somewhat equal, as they were for the most time open for dialogue and that organizational fit was optimal. Even though they both admitted that they had different views and that dialogues were sometimes difficult they accepted these challenges, moved on and agreed to disagree. Unilever sees and understands that their business affects society and understands the impact the business has on civil society (ref Austin II). Moreover, they are largely incorporated
through the philanthropic and transactional types of relationships and place themselves on the integrative and transformational side of Austin and Seitanidi’s model as they are cooperating on shared interests, and integrated organizationally (ref Austin III). Figure 4 illustrates that it is not philanthropy but a partnership that spans understanding where both parties share the value created by the partnership initiations in it. They are not dependent on transactional exchanges but are integrated in each other organizationally and sharing the same interest. Trust, learning, knowledge, effective communication, conflict management are some of the key words used to describe this partnership. They are also institutionalized in daily practices and are embedded in each other’s values and a sense of joint ownership (ref Austin IIII). The partnership demands importance and are embedded in both parties daily practices. Finally, it also has to some extent had an impact outside the partnership in itself, which is a main concern for Oxfam, in the sense that they have contributed to the economy and increased participation in the work-life and poverty reduction (ref Austin V). This was however, less discussed in the report. As it will be discussed later in this paper, the outcome of partnerships is a considerable challenge to measure in terms of inputs and outputs. They both however, seemed to acknowledge this challenge and Unilever still viewed the potential in partnering with Oxfam.

The partnership can also largely be linked with organizational fit, as they are similar organizations structurally. Teaming up with Oxfam makes sense as Oxfam are built upon trying to find effective solutions to poverty. They are not a concentrated relief or medical organization per se, but rather an effective development agency, which Unilever could perhaps cooperate easier with. Moreover, Oxfam thinks business is not part of the problem, but a potential solution (Oxfam, 2016). Fit-wise it would be harder to team up with organizations such as Doctors without Borders or Red Cross, as they are structurally different than Oxfam, with the focus being on medical and relief work and less on development work. Over the years Oxfam has developed strategies to combat the causes of famine, rather than just providing relief, as they used to do (Oxfam, 2016).

We have discussed a case study that gives future hope for effective shared value creation in which a partnership has been incorporated and embedded by both sets of actors successfully, and discussed positive sides to partnerships that can benefit both businesses and NGOs in respected ways. The paper will now shift the focus and analyse the extent to which processes can be hindered by discussing potential barriers for successful partnerships. A case
illustration will also be discussed on several partnerships not reaching its full potential to illustrate several obstacles in earlier stages of collaboration.

4.3 Hindrances in a partnership

As detailed in the previous case study, choosing the right partner is alpha omega for a successful partnership. However, partnerships can be difficult as the partnership evolves over time and through the different stages of the collaborative continuum, with the partners getting frustrated with potential unproductive collaboration. Moreover, if one partner behaves inappropriately during the partnership, the other partner can experience a diminished reputation as a consequence for partnering with the misbehaved organization. This can especially be costly for an NGO since they depend on their trustworthiness to civil society to a larger extent (Bator & Stohl, 2014).

For the NGO another risk might be becoming too dependent upon the company’s financial power and technical expertise (Yaziji & Doh, 2009). If the NGO does not maintain their independence as a self-providing organization the NGO may further risk losing its credibility, which can be very costly in terms of donor loyalty, as well as impacting their operational capacity in the field. Corporations however, do not seem to face the same type of risks as the NGOs and have more to gain in a partnership in terms of reputational benefits and associational value (Bator & Stohl 2014 p. 409). Furthermore, businesses will always think of the business opportunities as they exist to capitalize on markets. Thinking that businesses will leave out the temptation for economic returns in pursuit of social issues will rarely ever happen as they are structured and embedded to capitalize on those markets. This is one of the central aspects of where conflict can start to rise. Some NGOs may not understand how to survive in a competitive private enterprise and can create confusion for the business of what the purpose of the partnership actually is. Businesses may have several stakeholder groups other than the partnership, for example large employee groups, more challenging regulations from the public sector and so on and so forth. In other words, one could argue in the structural sense, that it is more important for the NGO that the partnership works rather than for the business.
Paying most attention to the process of partnering, Berger et al (2004) identify six “mis-es” that often characterize partnerships: misunderstandings, misallocation of costs and benefits, mismatches of power, mismatched partners, misfortunes of time, and mistrust. As partnerships are social interactions across different world-views, opinions, and ways of working, there are several hindrances in effective partnerships. The following table explains these common “mis-es” that often emerge.

<table>
<thead>
<tr>
<th>Misunderstandings:</th>
<th>misunderstanding about context of partnerships to misunderstandings of each other’s objectives.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Misallocation of costs and benefits:</td>
<td>perceptions of unfair distribution of costs and benefits (overexploitation of one’s own resources, too much risk in relation to value added compared to other partner, overuse for corporate PR, etc.)</td>
</tr>
<tr>
<td>Mismatches of power:</td>
<td>perceived or real imbalances, leading to domination by one of the partners, too much intrusion in partner’s affairs, ownership issues etc.</td>
</tr>
<tr>
<td>Mismatched partners:</td>
<td>insufficient complementary, lack of overlap in goals, cultures, markets, decision processes, structures, styles etc.</td>
</tr>
<tr>
<td>Misfortunes of time:</td>
<td>due to the fact that novelty diminishes when partnerships last longer, requiring continued commitment and sufficient renewal where necessary, and replacement of key members when they leave.</td>
</tr>
<tr>
<td>Mistrust:</td>
<td>can result from the other “mis-es”, and give rise to covert behaviour, and communication problems during the partnership process.</td>
</tr>
</tbody>
</table>

Adapted and rephrased from Berger et al, 2004 cited in (Kolk, 2014 p. 32).

4.3.1 Lack of results

Egels-Zanden and Wahlqvist (2007) coined the term “post-partnerships” to indicate a corporate move away from business-NGO partnerships out of frustration of inefficient and
unproductive collaboration, conflicts with NGOs, and lack of results. Some companies have grown tired of, what is in their eyes, viewed as unproductive collaboration and immature corporate response to demands for more extended corporate responsibility (Egels-Zanden & Wahlqvist, 2007 p. 176). I would argue that this still operate today in different types of partnerships, especially in the earlier stages of the collaborative continuum. Most businesses are used to a result-oriented framework with inputs and outputs, with numbers that can provide efficient spread sheets for analysis. Some smaller NGOs are perhaps more informal in their organizational mindset, and several are so called “ad hoc” organizations (Mintzberg, 1981), meaning flat with little or no organizational structure. One of the reasons for this is that the focus primarily lies in the societal operations outside the office, and attention is not primarily paid within the organizations itself.

Moreover, the lack of efficiency and a result-oriented framework is periodically criticized in the media (Salvesen, 2016). How does one actually measure a societal impact? The lack of results and a way of measure quantifiable results is an on-going debate in development as well as most CSR literature and is one of the potential pitfalls in going outside the “comfort zone” of economic profit maximization. On the other hand, Austin and Seitanidi so firmly states,

“In assessing benefits at all levels, partners should also determine the accompanying costs in terms of economic, management, and reputational resources deployed and risks incurred. In so doing, partners should operate with the investment and longer-run mindset that recognizes the gestation period and the process for creating collaborative value are often longer and cumulative (Austin and Seitanidi, 2014 p. 186).

Getting businesses to understand that quantifiable results cannot necessarily be achieved in strategic partnerships in quarterly reports straight away, but is an investment in itself is therefore an important aspect. This leads us to an important point and central throughout the main arguments throughout this paper namely; “that once companies see the rationale for activities for the social good and if these are close to their core business, they are likely to seek what they perceive as the best and most efficient route to implementation” (Kolk, 2014 p. 26). If shared value is created and if businesses see the added values partnerships can have on their “core” business areas, partnerships are more likely to survive the turbulence of the earlier stages of the collaborative framework. Nestlé for example have built their whole
corporate brand on the concept shared value and have understood that their business are close to civil society and that the value of civil society is simply good business (Nestlé, 2016; 2014).

“Creating shared value is something that should wake up awareness of fundamental role of economic activity and society. Creating shared value is not philanthropy, but about creating positive environments in the long-term”

- Paul Bulcke, CEO, Nestlé (Nestlé, 2016)

In other words, the corporate philanthropy mindset needs to reduce and businesses need to treat NGOs as partners, just as any business partner. Only in this way can it maximise the chance for shared value creation. Using that business mentality to partner with NGOs, not in a form of charity or giving, but true partnerships will help the business see the “business sense” of shared value. Businesses are not social institutions and never will be; therefore they should use their main competency to seek good partnerships with the right NGO.

Moreover, business is a wide term, and businesses are not just businesses, just as NGOs are not just NGOs. We have to look at the contexts in which they operate in order to fully understand their true potential as partners. For example, not every business has a business that operates close to the environments in civil society or has a negative environmental or social footprint. Some businesses are formed in the way that they may not need to have a larger CSR framework, simply because what they do is CSR in itself. It is therefore important to look at the contextual factors when analysing these statements as every organization is different.

4.4 Case Illustration: Business-NGO partnerships in Lebanon

Jamali & Keshishian (2009) provide a different example of several different partnerships. In a study done in Lebanon the authors wanted to analyse different modes of cooperation between several businesses and NGOs. The study concludes by finding different setbacks in how the strategic partnerships actually work in practice. All five case studies in Lebanon show that there was little systematic involvement and preparation in the phases leading into
integrative or transformational cooperation forms. The aim of this case study is to provide an illustration on how partnerships usually are formed in the context of CSR and philanthropy.

| Case 1: Byblos Bank and UNICEF |
| Case 2: Marriott and Association for Volunteer Services |
| Case 3: Khalil Fattal and Our Lady of Hope Foundation |
| Case 4: Deloitte and Injaz |
| Case 5: Sanita and Cedars for Care |

The motives for deciding to form partnerships stemmed in most cases from instrumental orientations. Except from cases 3 and 4 the NGO was expected to initiate the partnership, with the businesses awaiting further instructions on what to do. The study reveal that all five cases had little systematic involvement and preparation prior to the implementation phase. In cases 1, 2, 4, and 5 however, the NGO had clear definitions of what sort of businesses they wanted to form partnerships with based on specific criteria. UNICEF for example had predetermined guidelines that they could only form partnerships with non-political and non-religious organizations. On the other hand, for businesses the choice of partner was based on the economic rationale that the NGO needed to first and foremost be an NGO with a good reputation in the local communities. For businesses, the main reason for going into partnerships with NGOs was the growing pressure for responsible businesses stemming from civil society groups putting pressures on good corporate behaviour. Moreover, for businesses, not surprisingly, enhanced reputation and increased legitimacy in the community was the reason for engaging the partnership. While several partnerships had good goals and agreeable terms there was no attempt to operationalize these goals in terms of specific strategies, milestones or timeframes (Jamali & Kashishian, 2009 p. 285).

Furthermore, in all five cases the missions were more aligned with the missions and values of the non-profit partner, rather than a “mission fit” for both partners. For the businesses, the objective of the collaboration fell under the overall theme of CSR that each business performed, but they were not linked to the organizations goals or central objectives, therefore leading to low centrality on the businesses side. This statement tells us that the NGOs “lead the way” with the corporations providing expertise, guidance, and financing, whilst not being
pro-active in the partnership in itself. Additionally, what is clear is that the NGOs invested more time and resources into the partnership while most of the businesses deployed different resources, or financial capital.

“In all five cases, partners embraced the partnering arrangement with a view to capitalize on a set of complementary resources offered through the partnership, namely private sector funding for NGOs and NGOs drive/operational focus from the perspective of the private partner. Through collaboration arrangements, both partners hoped to tackle CSR challenges that they would not have addressed in isolation” (Jamali & Keshishian, 2009 p. 289).

Moreover, there was no formal evaluation of the partnership, and no evidence of renegotiation of expectations or contested assumptions. While Austin and Seitanidi’s collaborative continuum is useful in understanding partnerships, the authors found that it fails to capture the complexity of partnerships. A partnership can be at one stage of the continuum (e.g. the transformative) but may also have characteristics of others. They argue that these complex partnerships are too vague and context specific to be put under such model but is the most comprehensive framework to use at this date.

Figure 5 shows where the partnerships are placed in the collaborative continuum according to the authors. It is noteworthy that case 2 could not be placed accurately in Austin and Seitanidi’s model.
4.4.1 Analysis of the partnership

It could be argued that the businesses in this case study were so desperate to show responsibility and used the NGOs in Lebanon as a legitimizing tool for strengthening their corporate brand. An important observation by the authors is that the partnerships were more symbolic and instrumental rather than substantive and integrative. In other words, there were no involvement and constructive dialogue between the two on creating shared value and they were not aligned in Austin and Seitanidi’s collaborative theory. There was little systematic involvement and preparation in the initiation phase, with no mention of process of negotiation, persuasion or probing mutual interests. There were also a lot of vaguely formalized goals with low centrality on the business side, and higher centrality on the NGO side. Except for a bit of reputational value, there was little involvement and additional value was not created (ref Austin’s component I). The mindset for the businesses was geared toward fast-geared reputational enhancement, not on shared value creation. The businesses did not seem to understand the mindset that goes behind a strategic partnership and were more occupied with “saving their own skin” (component II). Furthermore, the collaboration stages were still at the lower levels of the collaboration continuum as they did not cooperate on
mutual interests, but was formed around transactional exchanges with businesses providing the resources and the NGOs doing all the community work. In more simplistic terms, there was a clear line which was not to be crossed (*component III*). With shared value not being understood, the exchanges lead to processes that were not institutionalised in a sustainable matter (*component III*). Lastly, there was little chance for assessing the value of collaboration outcomes, as the partnerships did not survive the earlier bits of the components (*component V*).

I argue that there is a strong correlation between the multitudes of value creation and the quality of the processes that create these values. It can be observed that Austin and Seitanidi’s framework can provide a well and thorough analysis of the different components and how they relate to each other. Unless the components at the beginning of the framework are all fulfilled it is hard to create shared value, which in turn will provide some sort of outcome. The study suggests that partnerships are increasingly initiated and sustained in the context of CSR, even when serving minimalist objectives. This partly stems from the young field in itself and that both companies and NGOs do not know what to expect from such a partnership. It seems that partnerships are more geared towards “satisfying” rather than “maximizing” and that a philanthropic or transactional exchange are considered enough and shared value creation not being understood. The fact that this partnership was so fragmented from their own business operations at large is troubling, and show the misunderstandings between general CSR and strategic partnerships where all aspects of the business is incorporated in the partnership. If these corporations could instead use the same competence in the partnership that drives their business, they would perhaps discover that it could be more than a cost. On the contrary shared value could lead to innovation, opportunity, and competitive advantage (Porter and Kramer 2006 p. 2).

In other words, there is no point in moving upwards in the continuum and providing real shared value and additional benefits if the basic rationale for the business is that it wants to show responsibility. Tracking the evolution of these partnerships there is evidence to account for that, at least in a Lebanese context, most lacked depth and qualified more for symbolic measures rather than actual real integrative outcomes. Furthermore, while the partnership might not be successful according to the CVC framework they operate under conditions of uncertainty as long as basic efficiency criteria are met, in the sense that both parties’ sees a sense of external value to the partnerships overall aim. This is an important discussion,
because implementing value in business-NGO partnerships is key and that the collaborative continuum needs to be extended to the collaborative value framework as a whole. Unless businesses know of the value it can create it is hard to get partnerships to really roll on forward. There seems to be a major knowledge gap in these business and NGO practices, and that can only be solved by businesses leading the way for innovative new social solutions. I argue that business-NGO partnerships can only really become normalized if some businesses lead the way and create a platform where other businesses can learn from the success stories. Indeed, it can be risky to try something new, but it can also be a major competitive advantage.

In summary, this study shows that mostly altruistic (i.e. non-strategic) partnerships were made in the context of CSR. This proves the point that businesses and NGOs need to move further up the collaborative continuum and take into account the whole wide of ideas on creating shared value all together. Partnerships should be about representing an opportunity, and should be mutually viewed that way. Learning, engagement and building bridges should be central in maintaining and initiating a complex project. Minimalist partnerships will turn to deliver minimalist outcomes and solutions as explained by most of these case studies in Lebanon. One could argue that the main reason for businesses to enter a partnership with NGOs in this context was the added benefits of reputational enhancement used in corporate branding and strategic communication schemes. After all, a recent study in the UK states that enhancing brand reputation and credibility remains the primary motive engaging in partnerships with NGOs (96% of all respondents of large survey answered this) (C&E, 2015 p. 2). One should strive away of the temptation of quick added brand benefits and operate in honest and true cooperation. Only in this way can the partnership succeed in the longer run.
5 Discussion

This chapter takes a broader look at Austin and Seitnaidi’s Components 4 and 5 and address the following questions: How can institutional fields create problems in how partnerships are formed, processed and institutionalized? Who is accountable to the beneficiaries of the strategic partnership and what problems does accountability create in the partnership itself? Lastly, I argue that when reviewing processes between business-NGO partnerships one needs to also review the power and co-optation struggles between the two sets of actors. I find social science theory relevant to account for some of these questions.

5.1 On Institutionalisation

Meyer and Rowan (1977) are representatives of neo-institutional theory. New institutionalism recognizes that institutions operate in an environment with other institutions. The authors suggest that organizations adopt forms because of certain myths in a given environment, as opposed to reasons related to more efficiency in organizational outcomes. This rational organization affects the broader environment therefore influencing every institution. In this environment, the goal is to survive for as long as possible. Their basic idea is that one needs to understand how organizations adapt to organizational fields and look outside its own organizational field to understand and adapt most effectively. Their main argument is that organizations are put forward to adopt and gain legitimacy to increase survival opportunities in a given institutional field, hence organizations that do this are more likely to survive in the longer run (Meyer and Rowan, 1977 p. 340).

DiMaggio and Powell (1983) argue that it is no longer a time where organizations are looked upon alone, but rather looked upon in the same organizational field. All organizations have a specific field in which they operate. A classic definition of institutional fields views them as communities of organizations that is joined by a common meaning system and is constructed in terms of physical proximity or issues, or that represent a recognized area of institutional life (Scott, 2001). Fields are therefore stable and have clear boundaries. With organizations belonging to these specific fields, they gain the legitimacy they need, and organizations become a mirror of the field in itself and which attributes are important. They seek to be alike
other organizations within the same field to gain legitimacy, which is referred to as isomorphism (DiMaggio and Powell 1991). Once a set of organizations emerges as a field, a paradox arises: rational actors make their organizations increasingly similar as they try to change them. Organizations are therefore increasingly homogenous. Moreover, so-called inter-sectorial blurring occurs when an organization in one sector adopts, or captures, a role or function traditionally associated with another sector. As the structure of partnerships changes from asymmetrical and exchange based to symmetrical and interactive, both the operational and strategic relations within and between the partnering organizations change radically (Bator & Stohl, 2014 p. 412).

Struggling to adapt in these fields is highly relevant to business-NGO partnerships. First, it could be argued that the reason for why integrative/transformative partnerships are to a lesser extent being practiced today is due to concepts such as isomorphism. Organizations model themselves on organizations they think are more legitimate or even more successful. Simply put, there is still no common environment for shared value between businesses and NGOs, as it is not operationalized by most businesses and NGOs. Therefore, it could be argued that if business-NGO partnerships become the new norm in these “organizational fields” the practices will roll on as a virtuous cycle, creating more partnerships. Secondly, according to Meyer and Rowan and DiMaggio and Powell there still exists a rational way for organizational behaviour. Due to the vast differences in the organizational fields between businesses and NGOs, institutionalisation is a considerable problem. Simply formulated, they are too different to be looked upon as contestans of a same organizational environment.

Gray and Purdy (2014) argue that one central problem that often emerges within the context of institutional fields are those that are in transition. Some claim that fields are not constant but change over time- often because of conflicts that arise from within or outside the field, or as collaborations that form new logics for action within of the field in which the collaboration becomes institutionalised (Gray and Purdy, 2014). Wooten and Hoffen (2008) cited in Gray and Purdy (2014 p. 210) question more research in understanding what drives organizations to interact with each other to engage in field restructuring. They note:

“For field constituents’ actions may be initially conducted in opposition to one another, protracted institutional engagement can yield a gradual merging of interests with a concurrent alternation in the structure of the field itself. However, until that happens, the
field is not a collective of isomorphic actors, but an intertwined constellation of actors who hold differing perspectives and competing logics with regard to their individual and collective purpose.” (McCarthy and Zald, 1977 cited in Gray and Purdy, 2014 p. 10)

If actors cannot reconcile their divergent logics and no convergent logic emerges, field-level conflict may remain protracted (Purdy and Gray, 2009). Social partnerships addressing issues that span two or more organizational fields must address the tensions among partners’ logics that arise both within and across fields. The authors suggest that when potential partners decide to form partnerships, that structural embeddedness may actually increase conflict within the partnership. While Austin and Seitanidi’s component IIII suggests that partnerships will lead to institutionalization as long as the process first happens through formation, selection, and implementation first, Purdy and Gray (2009) states how the institutional differences may be too strong to apprehend these stages. In other words, what leads to the emergence of a partnership, how it is formatted, how the partners are selected, and how the partnership is implemented are not necessarily leading to institutional blurring between the two institutions because the core differences will always be there, namely that NGOs are not concerned, at least not to the same extent, to profit and value maximisation as businesses, just as businesses are not social institutions. However, I argue that the organizations (especially businesses) that understand the concept of shared value creation have a competitive advantage in a market, due to other organizations not practicing it yet. Having the “shared value” concept as a bridge way between the two sets of actors can minimise the impact of institutional differences. For this to happen, businesses need to shift their focus from philanthropy and corporate image to on how they can make profit of a partnership based on the shared value. This underlying factor needs further studying. It is important to reflect upon how these boundaries are there for a reason, and existed for decades and is drilled into the institutional logics of most people, whilst at the same time reflecting on how partnerships can reduce the rational and traditional thinking of specific fields and create shared value that cross these fields. However, blurring and mixing these boundaries and having them work together is not done overnight, as the institutional logics will always be there.

5.1.1 Institutional Logics

Institutional logics are “the socially constructed, historical patterns of material practices,
assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality.” (Thornton and Ocasio, 1999 p. 804). As we have seen, each sector (private, non profit) is characterised in different organisational fields, with each sector characterised by an institutional logic that help its members interpret events, create meaning, and experience a sense of identity (Friedland and Alford, 1991). In this case, the private sector is characterised by market logic, which emphasizes individual wealth creation through voluntary exchange. That logic emphasizes economic rationality linked to supply and demand and is reflected in an orientation towards maximization of individual or organizational economic benefit (Friedland and Alford, 1991). Strategic partnerships usually include participants who bring up different assumptions based on the logics and stereotypes of their sectors. These logics affect many aspects of the partnership, from the way domains are interpreted to how information is presented and analysed to preferred solutions for addressing the domain. For example, private sector participants may assume that a cost/benefit approach is the most appropriate approach to evaluating a problem, while a non-profit sector participant may primarily consider the collective impacts of the partnership on those served by it and how they match up with deeper values such as decency and well being (Gray and Purdy, 2014). To change organisational mindsets can take time and is an important challenge as outlined by Austin’s collaborate framework component II. However, reflecting on the challenges and knowing the difference between the logics and the fields and working past these problems is possible. Oxfam and Unilever both agreed that they had different “world-views” but still managed to work past it.

Furthermore, Vurro & Dacin (2014) argues that when companies engage in CSR practices they tend to suffer from the substantial and symbolic foreignness when entering into a social arena. Despite the growing legitimacy of their social role due to the visibility of their corporate citizenship programs, public opinion continues to be suspicious of the extent to which companies can be considered trustworthy. However based on a large global survey it is indicated that trust in business is at its highest since the Great Recession with 80% of people agreeing that it is up to business to solve societal problems (Edelman, 2016). This may prove the point that the societal value and business are becoming more intertwined with the general public also viewing the same processes as positive for societies. I argue that businesses may not have the societal value to incorporate social programmes and that the trust may be damaged as a consequence of this. However, it is namely this notion that makes partnerships
between businesses and NGOs so powerful. Having them work together on shared issues increases the likelihood that businesses will act responsibly and in accordance to the publics views. However, there is a fine line between actually improving people’s lives and just providing corporate rhetoric. This is an important question to consider because it can affect the way in which CSR or social partnerships work and how it is legitimised. Corporate rhetoric will rarely surpass Austin’s conceptual framework and will most likely be stuck at the philanthropic or transactional stages. Reflecting and understanding shared value are central in maximizing the potential for effective partnership practices. As a consequence, the effectiveness of companies in pursuing social targets is shaped by their ability to balance economic approaches with social sensitivity, in other words act across institutional contexts by answering to ever contrasting requires for appropriateness (Vurro & Dacin, 2014 p. 307).

Summing up, fields’ institutional infrastructures are made of formal and informal regulations, norms and cognitions that dictate conditions that have to be satisfied in order for a partnership to be considered appropriate and attain expected results. At the same time, social partnerships are influential in shaping the dynamics of field development, acting as collective social entrepreneurs aimed at introducing social innovations through business NGO partnerships of cultural norms, approaches and cognitions. Highlighting the importance of considering institutional context when examining the dynamics of cross-sector collaboration is important.

We now turn to discuss how businesses can actually be accountable when entering into partnerships with NGOs. NGOs themselves face an accountability vacuum, and with businesses entering the arena with no pre-conditions of social knowledge there could be difficulties in knowing whom they are actually representing and who are the beneficiaries of that benefit.

5.2 **On Accountability**

The outcomes and assessments of a partnership can appear overwhelming but is nonetheless an integral part of any form of partnership. Unlike the public sector who thrives on democracy and representation of the general people, both businesses and NGOs face problems related to whom they are accountable for.
Pattberg (2005) states four preconditions for business actors and NGOs to engage in cooperation. The first precondition is perceived as actual decline in the effectiveness of state regulation with regard to the enforcement of social regulation, both on the national and international level. The second precondition is acknowledgement on the part of the NGOs that large transnational corporations are both cause and possible solution of global problems, while the third is the impact of new NGO campaigning strategies that focus on corporate brand reputation and that threaten the market position of companies. The fourth precondition is the recognition on the part of the companies that NGOs have acquired power and legitimacy as agents of social change, thus presenting themselves as potential partners for solving pressing business problems (Pattberg, 2005 p. 596). Moreover, Backstrand (2006) questions the legitimacy, effectiveness and accountability of what he refers to as “networked governance forms”. Partnership networks have been branded as a new form of global governance with the potential to bridge multilateral norms and local action by drawing on a diverse number of actors in civil society, government and business. Critics point to problems of representation and accountability of partnerships as they consolidate the privatisation of governance and reinforce dominant neoliberal modes of globalisation.

### 5.2.1 Business accountability

“The notion that capitalism and economic liberalization are to have a human face and deliver socially inclusive development, and if the stability of the system is to be maintained, then markets need to be regulated by institutions that limit concentration and abuse of economic power. Voluntary initiatives and partnerships are seen as an important element in this broader strategy” (Utting, 2005 p. 381).

Partnerships can be used as powerful vehicles for tightening governance gaps that has resulted in increasing and newer forms of global governance in the face of increased globalisation of business and financial markets. However, I argue that they face a considerable challenge when it comes to accountability. How are businessmen to determine what is socially responsible? To whom are they responsible: the whole of society? The
customers? The industry? The employees? Or are they only responsible to the corporation itself? What happens when responsibility becomes irresponsibility to the other?

One could argue against the extent to which large corporations should provide global rules and guarantee individual citizenship rights, instead focusing on maximizing profits (Scherer & Palazzo, 2006). As discussed in the introductory paragraph, global governance is no longer a task managed by the state alone. Today, transnational corporations (TNCs), as well as civil society groups, increasingly participate in the formation and implementation of rules in policy areas that were once the sole responsibility of state or international governmental organizations. This development indicates a shift in global business regulations from state-centric toward new multilateral, non-territorial modes of regulation, with the participation of private and non-governmental actors (Scherer and Palazzo, 2006 p. 506). Due to globalization nation states are constrained in dealing with civil society. In practice, many TNCs assume state roles, such as creating partnerships with NGOs or apprehend sustainability and corporate responsibility programmes that goes beyond their business. It is therefore necessary to reconsider business as purely economically driven, but also a societal actor. “With TNCs and NGOs moving to the central stage, political processes are often dominated by actors who lack any form of traditional democratic legitimacy” (Scherer and Palazzo, 2006 p. 519). In a democratic state, only the political system can act as a legitimate third party enforcer. Does this mean that businesses and NGOs have to incorporate the public political sector to gain legitimacy for their practices, and having politicians shape their agendas and regulate? If that were the case, how would one do so? Would it not be appropriate to argue that when corporations act politically, they also have to open up their organization as a whole to show public control to make public ownership just as a democratic state?

Using sceptic CSR literature one can argue using the words of Michael Blowfield; “For all the claims made about the positive and negative consequences of CSR, there is surprisingly little information about the outcomes it delivers” (Blowfield, 2007 p. 683). He further argues that the literature shows that we know most about CSR’s impact on business itself and the benefits for business, and least about how CSR affects the major issues it was intended to tackle. He also states that the cooperation between Unilever and Oxfam, discussed earlier in this paper, are somewhat rare and unique. “Rather, companies frequently fail to identify their main impacts, so that most significant consequences of the company’s operations are often
not the ones given the greatest attention” (Blowfield, 2007 p. 686).

In summary, there occurs a problem when large corporations decide the development of a global framework and influence its general conditions without being authorized or controlled democratically, not to mention that they are based upon economic rationality. One could critically argue against the former UN general secretary Kofi Annan’s plea for more responsible businesses to tackle world problems as being naïve and blindly trusting the “good” of corporations (UN, 2001). However, a counterargument to this rationale could also be that several large NGOs also control large parts of civil society, without state intervention, so why can’t businesses?

5.2.2 NGO accountability

It is not only businesses that face the public scrutiny of accountability. Baur (2011) has written a whole book on clarifying the role of NGOs as legitimate partners of corporations. The author argues that whilst much has been written on accountability issues for corporations in the form of CSR studies little has been written on NGOs as legitimate partners for businesses. In other words, corporations need to be careful in whom they partner with as many NGOs lack a legitimacy deficit and could hurt the partnership in itself, and the reputation of the corporation it associates one with. Dempsey (2014) also problematizes NGOs accountability and says that although they tend to be thought of as providing a counterbalancing force to corporate influence, they introduce their own concerns and responsibilities. An interesting food for thought is that businesses are legally bound to those who have invested capital in the organization. In contrast, the lines of NGO accountability are much more ambiguous. Who exactly are the stakeholders or beneficiaries of the NGOs? Of course this is highly context dependent as this depends on the social mission of each NGO, but one should critically examine the idea that NGOs do not necessarily have legal obligations to account for their actions in the same way as businesses and governments. Najam (1996) has arguably the most comprehensive conceptual framework on accountability and NGOs. He highlights that NGOs are mainly donor driven and challenges the current ‘narrow sightedness’ of NGOs accountability in a form of accountability to patrons, with the patron referring to donors, and the clients referring to the beneficiaries. The accountability ‘scale’ tends to shift to the patrons, where a sustained project have to report back to donors on specifically ‘what’ has been achieved in a specific time period. At the end of the day,
questions about NGOs legitimacy and accountability can only be really answered by an organization once it has decided what kind of organization it wants to be. NGOs constant changing nature requires deeper understanding on who they are as an organization and whom they report to.

Having both businesses and NGOs working together could potentially create an accountability vacuum where one blames the other for wrongdoings. It could be argued that business-NGO partnerships may actually perpetuate patterns of marginalization by reinforcing existing social hierarchies. This is definitively an aspect that needs further studying, and a reconceptualization of Austin´s component V is necessary in understanding more on the beneficiaries of the partnership. It is too easy to get stuck in what the partnership can bring to either the business or the NGO, whilst forgetting the reason for partnering for a societal cause in the first place. By way of explanation, I argue that a reconceptualization of Austin and Seitanidi´s model needs to give the beneficiaries of the partnership a larger focus. Indeed, integrative and transformative partnerships can create shared value, but what does this mean for the beneficiaries specifically? What specific goods do they get out of such partnerships? When that being said, partnerships may well be a way to provide several benefits to marginalized people without necessary knowing what those benefits may be, in terms of what quantifiable social impacts it has. I argue that there are positive unintended consequences that arise from a partnership when two sets of actors try to provide some sort of societal good. To debate whether or not businesses and NGOs are accountable to the people they claim to help is highly relevant, but the alternative is that partnerships are not initiating as the consequence of lack of results and accountability concerns. I argue that partnerships can still provide valuable benefits to several aspects of the partnership without necessarily being counted by quantity what those benefits are. As Austin and Seitanidi argued earlier in this paper, too often the actual value generated by collaborations is undercounted because the focus of assessment is conceived too narrowly. A partnership is a learning journey and should also be assessed in that way.

Furthermore, Utting (2000) argues for more regulation and states in a critical document that business-NGO partnerships are often used as a tool by corporations to undermine non-business stakeholders and relates this to the various power asymmetries between the two, both economical but also institutional. He describes this as an “institutional capture”, where corporate interests can heavily influence a field that exists partly to criticize business
practices. Furthermore, it is criticized because in most cases, businesses will only be part of a partnership if that business is to profit from it. In other words, it does not matter for the business (in the structural sense) whether a partnership does have a societal value. Therefore social issues are not necessary of concern. This could also, as argued, bring NGOs to focus less on operations but more on pleasing the businesses, which again can implicate the outcomes of the partnership i.e., who it serves. Other scholars argue that “we need a new framework and a shift in discourse away from stakeholder dialogue, participation and partnership, towards an articulation of policy and practice that places democratic principles at the centre” (Bendell, 2005 p. 371). In other words, the question of accountability needs to be put in question to account for the actual beneficiaries of a business-NGO project. Much of the focus lays within the partnership itself and the processes between the two sets of actors. Stakeholder democracy means empowering grassroots stakeholders, hence this enthusiasm for social partnerships needs to be reconceived with democratic principles in mind. From an anthropological perspective, the most useful question to ask is not whether cooperation and CSR initiatives will succeed in fulfilling the promises made by their proponents but rather what the implications and consequences, unintended and intended might be for expecting partnerships to become significant engines of development (Sharp, 2006 p. 213). There is an uncertainty of what partnerships actually are, and what the outcome of that partnership should be. The next chapter will account for how power and co-optation may activate conflicts between the two sets of actors by providing central theories on power and literature on power and cooperation processes.

5.3 On Power and Co-Optation

_The strong implant their ideas, even their self-serving ideology, in the minds of the weak, so that the weak come to sincerely believe that the value-judgments of the strong really are the universally right and true ones’’_ (Strange, 1999 p. 176).

In the previous chapter we discussed the importance of accountability with some scholars aiming for increased accountability for partnerships. The above quote by Susan Strange serves a powerful image of how negations between corporations and NGOs can turn, if the partnership is not integrated in true transformative cooperative processes. Analysing power
and co-optation in collaborative processes is challenging because they are complex contexts in which participants, social structures, and processes change rapidly (Purdy & Gray, 2009). It is nonetheless an important discussion to have in the context of strategic partnerships.

Luke’s third dimension of power is arguably the most effective form of power explained by the three dimensions of power by Steven Lukes. Power is most effective when least accessible to observation. “A may exercise power over B by getting him to do what he does not want to do, but also exercises power over him by influencing, shaping or determining his very wants” (Lukes, 2005 [1974] p. 24). It is the power to prevent people from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things” (Lukes, 2005 p. 28). Power means that the actions of A (an organization) affect the field of possible actions for B (a stakeholder) and vice versa. Simply put, this form of power is the ability to get someone to do something they otherwise would not normally do.

Selznick (1948) defines co-optation as “the process of absorbing new elements into the leadership or policy-determining structure of an organization as a means of averting threats to its stability or existence” (Selznick, 1948 p. 34). Therefore, one way to gain legitimacy is to co-opt. Co-optation could therefore happen if the business (or the NGO for that matter) “dress up cooperation as domination” (Selby, 2004 p.1), meaning that rather than actually cooperating for a desirable outcome there are constant power struggles related to how the partnership is to be formed and implemented, and by whose terms. With the business having usually the most leverage, this could undermine the NGOs responsibility to which they serve. The outcome is therefore reduced and the process of partnering becomes the most important factor.

Baur & Schmitz (2011a) argues that increasing demands for accountability directed at both businesses and NGOs can have unintended consequences of compromising the autonomy of non-profits and fostering their co-optation. The authors argue that the increased focus on strategic partnerships will increase the likelihood of co-optation and compromise the independence of NGOs (Baur & Schmitz, 2011 p. 9). In here they define co-optation as the process of aligning NGO interests with businesses and argue that such co-optation manifests itself in sponsoring relationships, labelling agreements, and the personal ties established with corporate leaders. It is therefore important to keep in mind that partnerships can de-legitimize
the important role for many NGOs and diminish the legitimacy gains for corporate actors.

Partnerships between companies and NGOs have received considerable attention in CSR in the past years. However, the role of NGO legitimacy in such partnerships has thus far been neglected. We argue that NGOs assume a status as special stakeholders of corporations, which act on behalf of the common good. This role requires a particular focus on their moral legitimacy (Baur & Schmitz, 2011)

Scholars view co-optation as a form of institutionalizing social protest that is engineered by more powerful groups to demobilize the opposition and ensure that their demands are watered down (Baur & Schmitz, 2011 p. 11). This is “merely another chapter in the on-going saga of countercultural co-optation at the hands of corporate capitalism” (Thompson and Coskuner-Balli, 2007 p. 136). The co-optation of NGOs through corporate partnerships has only recently gained more systematic scholarly attention. Baur & Schmitz does not mention shared value specifically, but based on their arguments that businesses are simply too powerful in dialogue with NGOs one can imagine them stating that creating shared value between businesses and NGOs is hard, simply because of the power struggles between the two sets of actors. They are not alone in this rationale. United Nations Research Institute for Social Development (UNRISD) argue in edited book chapter that the problem of co-optation occur as activists (or NGOs in this matter) find they have been absorbed into the corporate machine (UN, 2000 p. 87). As also stated earlier, many NGOs have now become consultants, selling technical advice and other services to large corporations. One activist states,

“Having had to work so closely with chief executives officers of corporations, I am beginning to sound like one. At some point a new generation of NGOs is going to have to come along to check on people like me”.

Differences in power among the potential partners can therefore also fuel conflict within partnerships. Parties may have different views on the potential and the outcome of the partnership, and have different expectations. Power differences can also manifest in “representational” disputes over who deserves to have a seat at the table (Purdy and Gray, 2014). Large power imbalances are viewed as problematic because they may lead partners into political or opportunistic behaviour that can serve one or both partners’ interests at the expense of partnership performance. Power between partners does not need to be equal but it
is important that each needs to recognize the other’s influence on their own well-being (Teegan & Doh, 2002; Selsky & Parker, 2005).

Moreover, little theory exists to guide conveners, participants, and researchers in understanding how power shapes collaborative processes and outcomes. Purdy (2012) however have studied different dimensions of power in collaborative arrangements and notes one important distinction, namely *Resource-based power*. Resource-based power recognizes the dependencies among organizations involved in collaboration and their ability to deploy resources. Resources in this sense include financial resources, people, technology, organizational infrastructure and so on. “Financial resources can allow organizations to gain expert advice or representation in collaborative processes, increasing their influence” (Purdy, 2012 p. 411). In partnerships, the relational aspects of power may be as important as the objective ability to command resources. For example, those with the largest financial resources often behave as if they hold the power, while those lacking them typically feel disempowered, even though they have alternative sources for power (e.g. for NGOs, access to specific networks).

Stauber and Rampton (in Coombs and Holladay, 2009) question the motives of organizations that partner with NGOs and argues that corporations are usually the ones ´winning´ in a partnership when it comes down to inputs and outputs. The authors claim that these alliances are used to benefit corporate interests and prevent the groups from interfering with business operations. By “co-opting” the NGOs, corporations are able to gather information from the groups and “know the enemy”. These partnerships are according to the authors, designed to improve the image of the corporation and allow them to continue business as usual without truly addressing the issues, in which the NGO might be concerned about (Coombs and Holladay, 2014 p. 10). Further statements and arguments against the “PR-ization” of corporate interests is that corporations have unlimited economic resources to fight for their own interests at the expense of the well being of the general democracy. The rationale is that when a corporation is engaged in acts outside their main operations (e.g. philanthropy, or social partnerships) they are also helping themselves (Coombs and Holladay 2014 p. 53). In turn, a large number of NGOs are being drawn into the financial circuits and corporate culture of large businesses. This increasing engagement, could be associated with a decline in confrontational activism and advocacy work, which again will influence the core reason for the NGOs existence, namely to stand up against corporate elites (Utting, 2005 p. 382).
Based on these arguments, I argue that business-NGO partnerships could have a rather large power asymmetry related to how negotiations go about. The changing institutional roles, benefits the business as the usually larger organization. The business also has financial resources, which creates an economic power asymmetry between the business and the NGO. It is easier to think of a business leading a partnership for their very wants, settings the standards, rather than an NGO setting the standards for the partnership. This can again create tensions regarding the NGOs important civil society role. When the NGO becomes too “business minded” it will be hard to provide their important service to society, as the services may become under-prioritized. One could also think of the business as having “power over” NGOs in the sense that they dictate how an NGO operate by going into partnership with them. Additionally a partnership can still be integrated or transformative, while at the same time being co-opted. The art of co-optation is namely that these are hidden forms of power that rarely surface. By constantly undermining the NGO the business can pretend they are cooperating on a shared issue, while at the same time hold power over the NGO and dictate the partnership. This is definitely an aspect of partnerships that need further discussion.
6 Conclusions

6.1 Concluding remarks

The following paragraphs give a summary of the main characteristics of the thesis and what is concluded. The paper ends with further recommendations for future study and ways forward.

1. What conditions will benefit and enable creation of shared value?

As the only comprehensive theory on business-NGO partnerships following Austin and Seitanidi’s shared value approach to strategic partnerships could be a smart and efficient way to test collaboration potential as it consists of many well equipped and practical guidelines of what can be expected in the different stages of collaboration. The Collaborative Value Creation framework consists of five complementary and interrelated components, each offering a distinct window through which to view, understand and manage shared value creation.

*Component 1:* This component provides the cornerstone of the CVC framework by introducing different types of value. It serves as a mapping mechanism that enables potential partners to analyse what types of values get created.

*Component 2:* This component identifies multiple dimensions of the mindset that reveal how strong the central framework is for collaborative value creation.

*Component 3:* This component presents the Collaboration Continuum, which is the processes, and drivers that change as partnering relationships evolve over time through the philanthropic, transactional, integrative, and transformational stages. In these stages only the integrative and transformational stages have the potential to create shared value.

*Component 4:* This component identifies how key processes in establishing and operating a partnership can generate value in different phases of the partnership.

*Component 5:* This component delineates beneficiary levels for outcome analysis in terms of
individuals, organizations, and society.

I have assessed these components using secondary literature. There are numerous benefits in strategic partnerships related to increased competitive advantage for businesses, and new expertise that can innovate and create new products. For NGOs partnering could be an effective way of changing the behaviour of firms to seek societal justice. There is also a considerable potential for the partners to gain far greater influence by working together than by themselves. Conditions that will benefit and enable shared value consists of a shared purpose and meaning for societal change. Shared value offers companies a way to pursue their self-interest while also acting in the common good. The central idea behind creating shared value is that the competitiveness of a company and the communities around it are mutually dependent.

The case study of the partnership between Unilever and Oxfam exemplifies that businesses can be pro-active in engaging with NGOs as long as their purposes are for cooperation purposes, and that shared value can be created if steps towards effective cooperation are taken. Businesses need to understand that the cooperation is also for their best strategic interest. Unilever sees and understands shared value, and accepts that working with NGOs can maximize their value potential. Moreover, they have gone past the philanthropic and transactional types of relationships and place themselves on the integrative/transformational side of Austin’s component III, as they are cooperating on shared interests, and integrated organizationally.

2. What are some of the most common hindrances and limits in strategic partnerships?

The most common hindrances in business-NGO partnerships are related inappropriate behaviour by one of the partners’ misunderstandings, mistrust, and mismatched partners etc. Moreover, some companies have grown tired of unproductive collaboration and immature corporate response to demands for more extended corporate responsibility.

The case study of the five different partnerships in Lebanon exemplifies that mostly philanthropic and altruistic (i.e. non-strategic) partnerships were made in the partnership processes. This proves the point that businesses and NGOs need to move further up the collaborative continuum to take grasp of the whole spectrum of creating shared value.
together. Partnerships should be about representing an opportunity, and should be mutually viewed that way. There is a chance of getting stuck at the philanthropical/transactional stages of the partnership, which will hinder many, if not all, benefits of the shared value creation.

3. What sort of threats can disable creation of shared value?

Institutional fields are a considerable challenge in business-NGO partnerships. Social partnerships addressing issues that span two or more organizational fields must address the tensions among partners’ logics that arise both within and across fields. Companies that engage in CSR practices tend to suffer from the substantial and symbolic foreignness when entering into a social arena. Fields’ institutional infrastructures are made of formal and informal regulations, norms and cognitions that dictate conditions that have to be satisfied in order for a partnership to be considered appropriate and attain expected results. At the same time, social partnerships are influential in shaping the dynamics of field development, acting as collective social entrepreneurs aimed at introducing social innovations through business NGO partnerships of cultural norms, approaches and cognitions. Highlighting the importance of considering institutional context when examining the dynamics of cross-sector collaboration is therefore important.

Moreover, there occurs a problem when large corporations decide the development of a global framework and influence its general conditions without being authorized or controlled democratically. Partnerships can be used as useful vehicles for tightening governance gaps that has resulted in the increasing and newer forms of global governance in the face of increased globalization of business and financial markets, but face a considerable challenge when it comes to accountability. Having both businesses and NGOs working together could potentially create an accountability vacuum where one blames the other for wrongdoings. Some may argue that business-NGO partnerships may actually perpetuate patterns of marginalization by reinforcing existing social hierarchies. The question of accountability needs to be put in question to account for the actual beneficiaries of a business-NGO project.

Finally, differences in power among the potential partners can fuel conflict within partnerships. Parties may have different views on the potential and the outcome of the partnership, and have different expectations. Large power imbalances are viewed as problematic because they may lead partners into political or opportunistic behaviour that can
serve one or both partners’ interests at the expense of partnership performance. Further, there is space for discussion whether partnerships are used to benefit corporate interests and prevent civil society groups from interfering with business operations. By “co-opting” the NGOs, corporations are able to gather information from the groups that are against their operations and “know the enemy”.

**Can collaboration between businesses and NGOs create shared value?**

There are positive and opportunistic signs in the literature on how businesses and NGOs can create shared value. Business-NGO partnerships are experiencing an accelerating upward trajectory with more businesses and NGOs collaborating on common issues. Partnerships between businesses and NGOs have gone from being a nice thing to do to being a necessary component of strategy and operations as indicated in the Unilever-Oxfam study. Nonetheless, it is extremely difficult to indicate whether a shared value approach in partnership models work for every business and every NGO as partly indicated by Austin and Seitanidi. One problem of imposing general frameworks is that it is highly context dependent whether a partnership can work or fail. It depends on socio-economic reasoning, geographical positioning and a lot of other factors as indicated in this thesis. When that is said, there is no further comprehensive theory on collaboration methods between NGOs and businesses and the theory provides a fruitful start of what is still a very young and progressive field.

Knowing the popularity and the added benefits a partnership can have, there should still be taken cautious approaches when two so distinct organizational environments meet to discuss a shared approach to sustainability. Knowing that these partnerships operate in complex social environments outside the partnerships sees the need that accountability should be assessed to a larger extent than what it is today. Without government regulations, the partnerships can at a worst-case scenario increase socio-economic problems in where they operate by not reinforcing who is accountable if something goes wrong or if the partnership outcomes are not accessed properly. Moreover, as two very distinct and separate institutions in any society a proper analysis of the power imbalances should be assessed and critically analysed.
Business-NGO partnerships are at an early stage of development, and are still limited in process and impact. The potential of strategic partnerships is however substantial. The combination of an actor representing societies well being and businesses, as key drivers for innovation and economic growth create opportunities across institutional spheres. Such partnerships can benefit both society and the two actors involved in such partnership. The phenomenon is still under-studied, but I can generally conclude, by the evidence provided in this paper that partnership across sectors are here to stay with more businesses playing a societal role. I cannot imagine partnerships becoming less relevant in years to come.

6.2 Recommendations for further research

A discussion on how businesses and NGOs communicate their practices to the wider public as a way of raising the added benefits that comes with the partnership is an interesting topic that I found hard to incorporate into this thesis. This would be more relevant for studies doing primary research, as the topics of employer branding and strategic communication are central for why businesses engage with NGOs.

Furthermore, there needs to be an added focus on the processes and implementation of effective strategic partnerships. More research is needed in ways in which strategic partnerships can benefit business to a larger extent than CSR and philanthropy. There are still a lot different terminologies in the literature and is generally hard to navigate between general Corporate Social Responsibility and Strategic Partnerships for shared value creation. Possible recommendations include a thorough analysis of several partnerships over several years in several different institutional contexts. This can be useful to account for how partnerships evolve throughout the partnership phases and create new insights on possibilities as well as hindrances. Further establishing social entrepreneurial arenas where both business actors and civil society actors can meet and discuss, can form partnerships and create effective dialogues. Social entrepreneurship is a field of growing relevance in Norway and is a central agenda for start-up business environments.
I hope this research has contributed to account for ways in which more effective form of partnerships can create shared value. As a result of several months processing this phenomenon I expect the numbers of partnerships to increasingly grow, and become more relevant in Norwegian contexts. I think we are just seeing the beginning of strategic partnerships between businesses and NGOs.
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All sources that are used in this paper are stated.

Word count: 21791