

CROSS-SECTOR PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

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CROSS-SECTOR PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT

WHY AND HOW DO NGOs AND FIRMS WORK TOGETHER?

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1. INTRODUCTION

For decades, the relationship between for-profit firms and non-governmental organizations (NGOs) has been one of conflict and confrontation, with NGOs calling out firms for unethical and unsustainable practices in their pursuit of maximizing profits. The Nestle boycott (1977) is a famous example; back then, European NGOs formed a coalition to protest against the multinational Nestle's unethical infant formula marketing in developing countries, which contributed to disease and malnutrition of infants in low-income countries. The NGO protests resulted in an international Nestle boycott that lasted until 1984 (Moraes, 2014).

The interplay between firms and NGOs has, however, slowly started to change since the 1980's. Firms are increasingly acknowledged and pressured by society to be the essential actors in the pursuit of sustainable development. Over the same period of time, the number of NGOs grew by 400%, making them a force to reckon with as well as an important stakeholder that promotes and stimulates corporate social responsible behavior of for-profit actors (Organization for Economic Co-operation and Development, 2014; Yazilji & Doh, 2009). Governments also increasingly turn to cross-sector collaboration as a means to deal with complex issues. Especially in international cooperation, multi-stakeholder partnerships are considered a panacea; they have even been included as a separate goal in the recently adopted Sustainable Development Goals, a global agreement for poverty eradication and sustainable development (United Nations, 2015). Reflecting these global trends, many for-profit firms and NGOs seek collaboration with each other in so-called cross-sectoral partnerships. It is estimated that large companies participate, on average, in at least 20 cross-sectoral partnerships (Van Tulder, Van Tilburg, Francken, & Da Rosa, 2014). For example, DSM and the World Food Program work together to fortify food aid, whereas the Dutch dairy company Campina collaborates with Heifer to improve the livelihoods of farmers.

“Alliances are now a fact of life for business, an important piece of current operations as well as current strategy” (Rosabeth Moss Kanter, professor of business at Harvard Business School, 2003).

Cross-sectoral partnerships have become a relatively common part of modern-day sustainability practice. Firms benefit from such collaborations, because the relationship can improve the firm’s legitimacy and help them reach their CSR-goals with the help of the NGO’s specific knowledge, network, and experience. NGOs in turn can benefit from the private funds that firms provide, as public finances for NGOs are decreasing. Furthermore, collaboration with firms can help NGOs achieve their social or environmental mission, especially in those cases where the activities of firms directly affect society or the environment. WWF for instance, works with Coca-Cola to decrease the amount of water used in the beverage company’s production process, thereby contributing to WWF’s mission of fresh water conservation.

BOX 1.1: WHAT ARE CROSS-SECTOR PARTNERSHIPS?

Cross-sector partnerships are known by many names, such as multi-stakeholder collaborations, cross-sector social partnerships (CSSPs), and social alliances. In practice, they appear in many forms: from co-financing and sponsoring to multi-stakeholder networks, joint product development, public-private partnerships, etc. (Kidornay, Tissot, & Sheiban, 2014). In this report, we define cross-sector social partnerships as ‘voluntary, collaborative efforts between organizations from two or more sectors that search for more effective organizational approaches to address complex social problems (Austin, 2000).’ This study focuses primarily on the collaboration between NGOs and firms. Austin & Seitanidi (2012b) distinguish between four types of NGO-firm collaborations. These

are part of a so-called ‘collaboration continuum’ and consist of:

- The philanthropic partnership type where one partner only provides sponsor-like financial support.
- The transactional type where both partners exchange something that contributes to their own separate objectives.
- The integrative partnership type where partners have joined objectives and together carry out activities to reach them.
- The transformational partnership type (the most evolved partnership type) where partners align their missions and together develop and carry out activities aimed at creating social innovation.

However, in terms of knowledge, cross-sectoral partnerships are still quite a new phenomenon, and there is much to learn about the dynamics of such collaborations. This study aims to gain insights in the dynamics of cross-sectoral collaboration. The insights from this study can contribute to improving the management and results of cross-sector partnerships. This is relevant, because cross-sector collaboration is considered to be complex, and their success is far from self-evident. For instance, the benefits of NGO-firm partnerships do not always outweigh the costs and ties between NGOs and firms are often weak and quite ad hoc (Lang-Wojtasik, 2014; Lindenberg, 2001). Furthermore, large amount of time and resources are invested in such partnerships. It is important both for firms and NGOs to make sure that the invested resources are used efficiently and effectively.

In this study, we look specifically at the characteristics of Dutch NGO-firm collaboration. Central to the research is the question what NGO-firm collaboration encompasses, and why and how NGOs and firms collaborate? We explore how over 100 employees involved in Dutch NGO-firm partnerships experience the collaboration in such cross-sector partnerships. Building on key concepts from the academic literature on partnerships, this study focuses on four elements of cross-sector collaboration: (1) the motives of NGOs and firms to enter into partnerships, (2) the criteria used to select a partner, (3) the collaboration process, and (4) the performance of NGO-firm partnerships. An online survey was used to find out more about the experiences of Dutch professionals on cross-sectoral collaboration. More than 100 professionals working in Dutch NGO-firm partnerships shared their opinion. In this report, we distinguish between the views of professionals on cross-sector partnerships in general and their views and experiences concerning a specific partnership where they are or recently have been actively involved in. The findings are placed in context of the existing literature (desk-research) to offer the reader a more holistic overview of the subject. The desk-research consisted of an analysis of relevant scientific and policy documents (section 7 gives more information on the methodology used in this study).

1.1 GUIDE TO THE REPORT

Chapter 2 gives a general overview of the findings of the survey on cross-sector collaboration, such as who should deal with global issues and what is the general opinion of professionals about cross-sector collaboration? The subsequent chapters ‘zoom in on’ specific partnerships: their characteristics (chapter 3), the drivers of NGO-firm collaboration (chapter 4), and the opinion of employees about the specific partnership they are involved in (chapter 5). In chapter 6, the conclusions of this study are presented.

2. GLOBAL ISSUES AND CROSS-SECTOR COLLABORATION

Cross-sector collaboration aimed at sustainable development is becoming more and more common, but do professionals who work in such partnerships also view them as the best approach to resolve global development/sustainability issues? Most of the respondents are of the opinion that cross-sectoral partnerships have the largest potential in this regard. Possibly, the respondents are a bit biased here, for they are active in cross-sector partnerships themselves. Companies are mentioned by one in four of the respondents as the best actor to deal with global issues. However, only 2% of the respondents indicate they see the largest potential for civil society organizations/NGOs to deal with global development and sustainability issues. This is striking, because around half of the respondents actually work at civil society organizations. It might mean that they believe that they cannot solve complex global issues without the participation of other actors, or it might indicate that there is little trust in the performance of civil society organizations. Moreover, no significant difference can be observed between respondents who are employed at companies and respondents who are employed at a non-governmental organization. In general, a combination of actors is prevalently chosen; in the category “other,” most respondents also mentioned a combination of various or ‘all the actors mentioned above.’ As one respondent explained it, “global issues should be tackled in collaborations, but every actor has its own role and responsibility.”

It is interesting to note that the opinion of the professionals consulted for this study deviates quite a lot from the majority of the Dutch population. Opinion research among Dutch citizens shows that, when asked who is best suited to resolve global issues, such as climate change and rising food prices, citizens place their trust in national governments and international organizations, such as the United Nations (Boonstoppel, 2012).

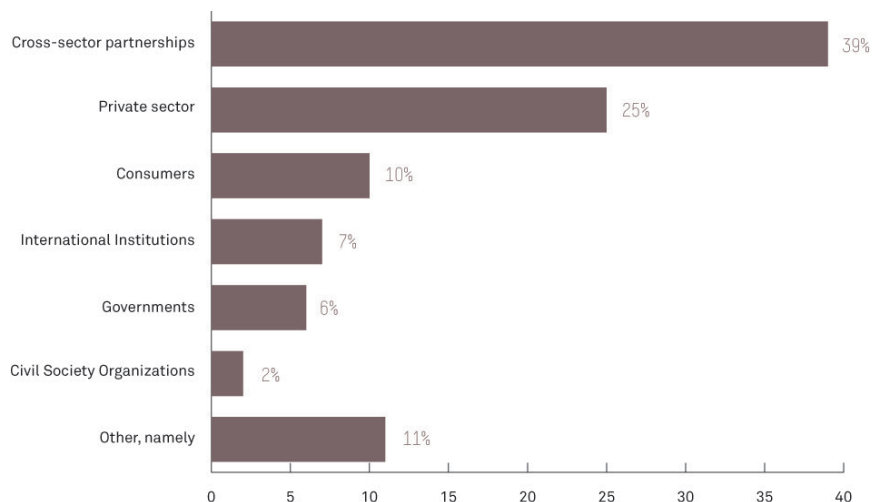


FIGURE 2.1

Who, according to you, is best suited to resolve global development/sustainability issues? (% , n = 84).

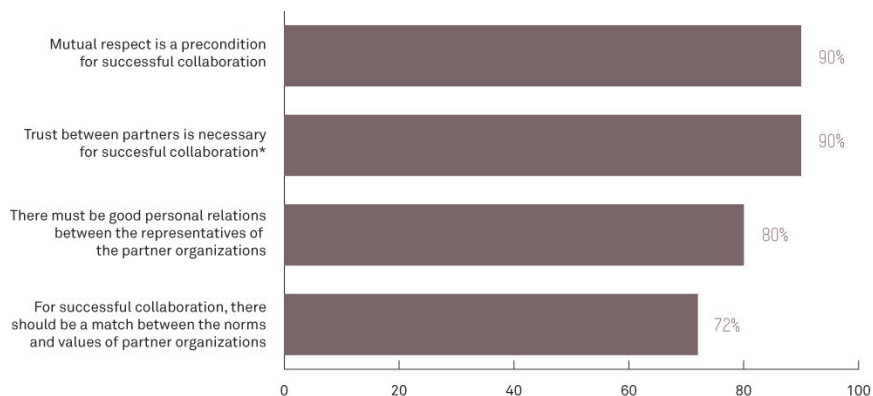


FIGURE 2.2

*Statements on the role of personal factors in cross-sector collaboration (% , (totally) agree, n = 86, *recoded).*

2.1 OPINION ON CROSS-SECTOR COLLABORATION IN GENERAL: PERSONAL FACTORS MATTER

In order to better understand how professionals view cross-sector collaboration, and how they think that such partnerships should work in theory, we confronted them with statements about the requirements and consequences of collaboration between firms and NGOs.

When looking at the personal side of the collaboration process, it becomes overwhelmingly clear that mutual respect and trust are considered of crucial importance for the collaboration process. This is in line with the literature on cross-sector partnerships (e.g., Selsky & Parker, 2005). The importance of respect and trust are also mentioned by management scholars with regard to the success of business-to-business partnerships (e.g., Das & Teng, 2001; Krishnan, Marten, & Noorderhaven, 2006). A large majority of the respondents (80%) agrees with the statement that a good personal relationship with the representatives from the partner organizations is important for successful collaboration. A good match between the organizational cultures of the partners is also seen as a driver of successful collaboration: 7 out of 10 respondents (totally) agree with the statement that the values and norms of the partner organizations should be attuned with one another in order for the partnership to be successful. The latter is interesting, because firms and NGOs differ a lot in their organizational culture and values. It should be noted that NGOs and firms have a similar view on the personal aspects of cross-sector collaboration; no significant differences could be found between respondents from the NGO sector and the business sector.

Is being different from each other a liability for partners in NGO-firm partnerships? Not really, according to the professionals consulted in this study. Almost half of the respondents feel that working with a partner from a different sector is harder than working with a partner similar to your own organization. And a minority (38%) of the respondents is of the opinion that working in a cross-sector partnership is riskier for their reputation than working in a homogenous partnership. Nevertheless, cross-sector partnering does require actual collaboration, according to the respondents: 58% state that if the involvement of a partner is limited to only providing a financial donation, the relationship cannot be considered a partnership. This reflects the academic literature in which so called 'philanthropic partnerships' that merely consist of a financial relationship are generally not considered as actual cross-sector collaborations (Austin, 2000).

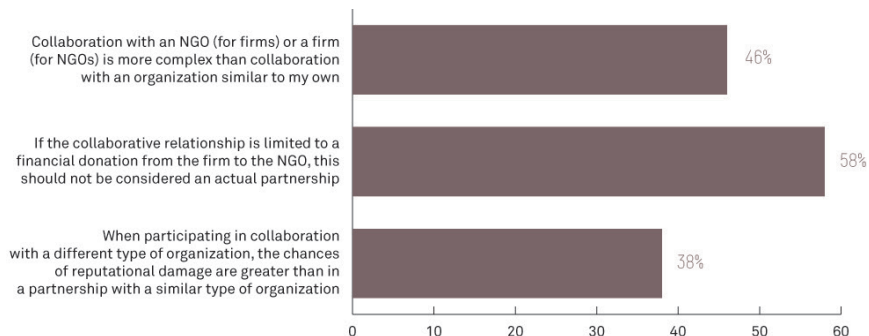


FIGURE 2.3

Statements about cross-sectoral collaboration (% , (totally) agree, n = 86).

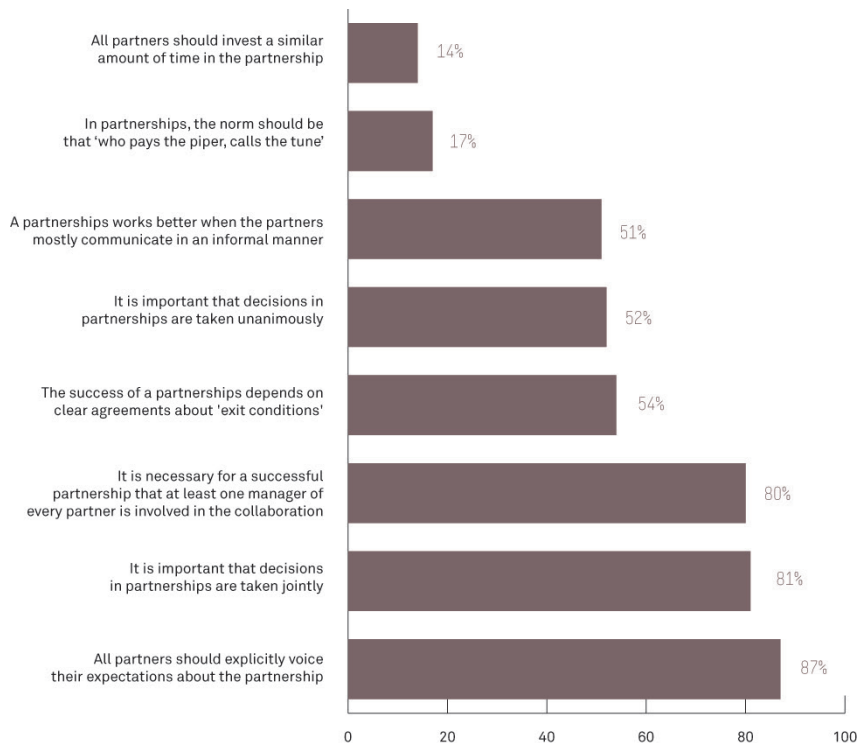


FIGURE 2.4

Statements about NGO-firm partnerships in general (% , (totally) agree, n = 86).

2.2 COLLABORATIVE PROCESS

Concerning the collaborative process, most respondents see ‘openness about expectations’, ‘joint decision making,’ and ‘involvement of at least one high level colleague from every partner’ as detrimental to successful collaboration. Around half of all the consulted professionals see ‘agreement on exit strategies’, ‘unanimous decision making’, and ‘informal communication’ as (very) important to the success of a partnership. The respondents generally do not mind whether all partners invest an equal amount of time in the partnership and feel that the partner providing the most financial investments should not automatically also have the most power to make decisions. It seems that both NGO as well as firm partners do not look for actual equality in terms of time and financial investments, but that they do believe that a certain level of mutuality leads to successful collaboration.

2.3 IN CONCLUSION

Although this study shows that cross-sector collaboration is widely acknowledged as an important means to solve global sustainable development issues, findings also show that managing such collaborations can be complex, because they very much depend on personal, relatively intangible factors, such as mutual respect, trust, and sharing values and norms. Preparation is, therefore, considered to be key as well as working on the basis of equity; this includes voicing expectations, joint decision-making as well as involving high level colleagues from all partners in the collaboration.

3. WHAT? DESCRIPTION OF THE PARTNERSHIPS IN THE SAMPLE

The partnerships described by the over 100 respondents in the sample are very diverse, showing that cross-sector partnerships are clearly not a one-size-fits-all kind of concept. They vary in terms of size, geographic and thematic focus, in the level of engagement, and in maturity. And collaborating in partnerships is often not a one-time thing. When asked about the number of partners in the partnership, the respondents' answers show that organizations engaged in partnerships are not necessarily monogamous. Most respondents (56%) indicate that their organization is involved in one to five cross-sectoral partnerships. One in ten respondents (12%) indicates that their organization is part of over 30 partnerships (see figure 3.1).

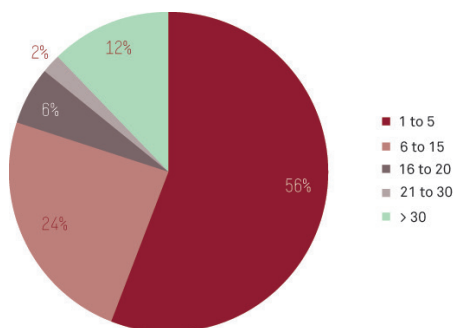


FIGURE 3.1

My organization is part of ... partnerships in this area (% , n = 101).

3.1 THEMATIC AND GEOGRAPHIC FOCUS

We asked the respondents to reflect upon **one specific** cross-sectoral partnership they have recently been involved in personally. By focusing on one specific partnership and asking more in-depth questions, we hope to gain more insight in the

characteristics of these partnerships and to increase insights in the bottlenecks, motivations, effectiveness, and cooperation within cross-sector partnerships.

The partnerships of the respondents are centred around a vast array of themes. Near half (46%) of the respondents mention poverty reduction as one of the key themes their partnership is focussed on. *Food security* is also a popular theme (44% of respondents), while *human rights* (22%) and *biodiversity* (21%) as well as *peace & security* (15%) are less popular.

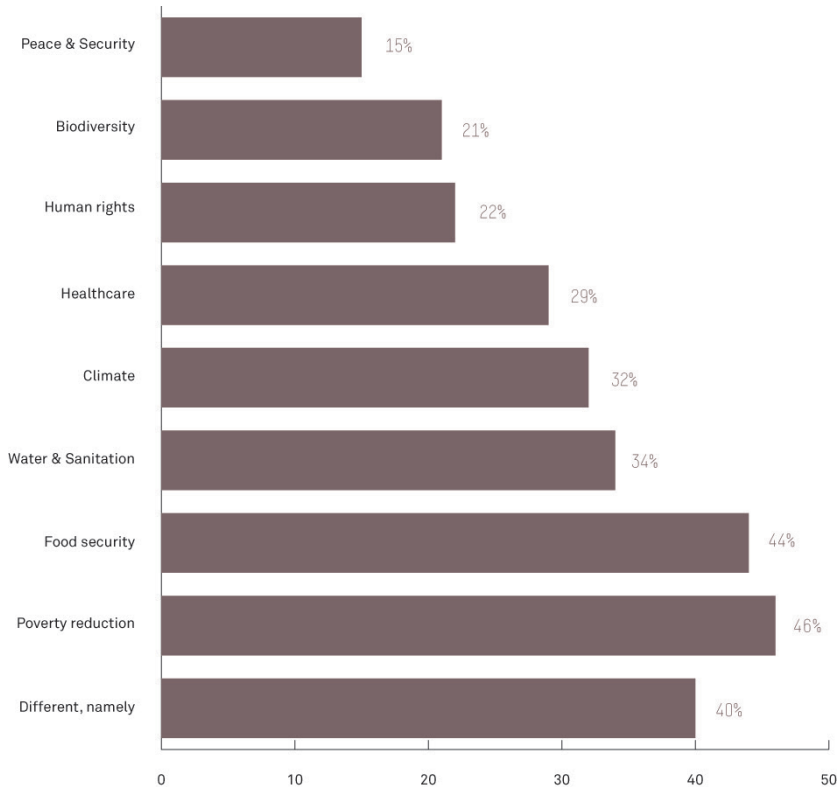


FIGURE 3.2
On which theme(s) is/are these/this partnership(s) focussed on? (% , n = 101, multiple answers possible).

The specific partnerships the respondents described focus mostly on target groups outside the Netherlands. Almost one third (30%) of the partnerships is oriented on the Netherlands, while the rest (70%) focusses primarily on countries abroad.

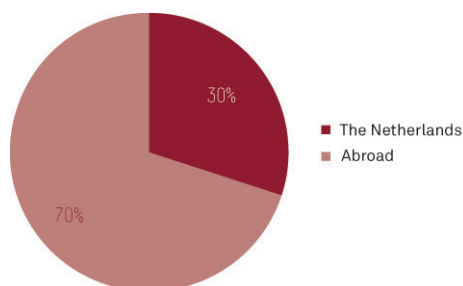


FIGURE 3.3

This partnership primarily focusses on (% , n = 77).

3.2 SIZE AND AGE OF THE PARTNERSHIP

The number of partners involved within the partnerships the respondents reported on, range from just one partner to a partnership with 50 partners. The most common number of partners is two to five partners (70%).

Although most (69%) of the partnerships are placed in the executive phase, they do differ of age. The oldest partnership started in January 2000, while the youngest partnership was ‘born’ in April 2014. Few of the partnerships (7%) have already finished, while 12% of the reported partnerships were either starting up or wrapping up the collaboration. This means that a large majority (93%) of the respondents was able to share insights and opinions based on recent experience.

3.3 BACKGROUND OF THE RESPONDENTS

What is the role of the respondents in the partnership? None of the respondents had the role of trainee, and less than one in ten have a supporting role. In fact, most indicated having a managerial role within the partnership (41%), while one third of the respondents indicated to be in an executive position (30%). One fifth specified a different role (22%), of which most mentioned roles are broker, advisor, consultant, and initiator.

3.4 TYPES OF PARTNERSHIPS

Austin & Seitanidi (2012b) distinguish between four types of partnerships. In *philanthropic* partnerships, the private partner solely provides a financial contribution to the partnership, while the NGO uses the provided means to carry out projects. In these kinds of partnerships, there is little interaction between the partners. In the *transactional* partnership type, more interaction can be observed, because the partners have something of value to offer to one another. In this kind

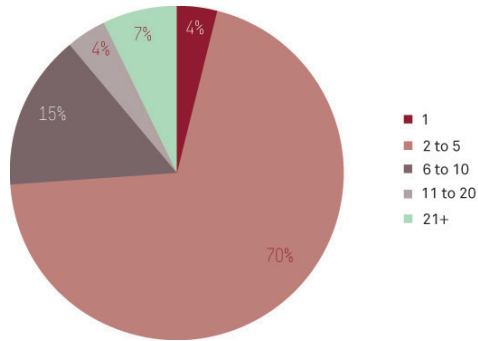


FIGURE 3.4

How many partners are involved in the partnership? (% , n = 73).

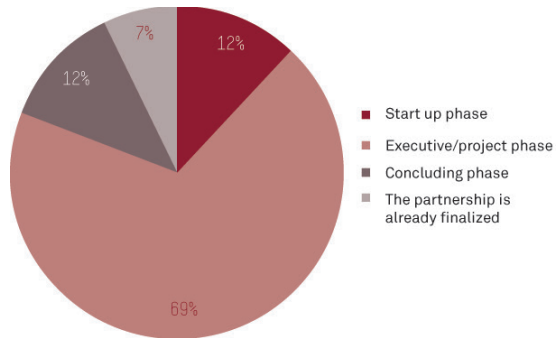


FIGURE 3.5

What phase is your partnership currently in? (% , n = 73).

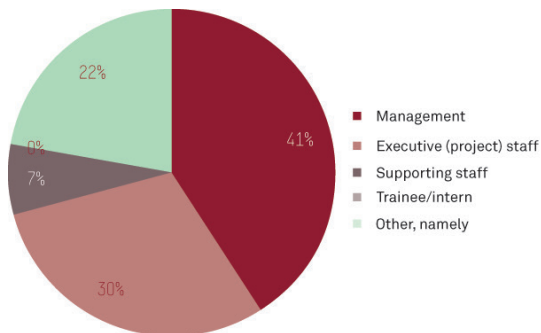


FIGURE 3.6

What is your role in the partnership? (% , n = 77).

of partnership, the partners do not have a shared mission, but the collaboration contributes to the organization's separate agendas. The third partnership type is the *integrative* partnership. In this kind of partnership, the involvement of both partners is high, and partners have a shared mission for the collaboration. The fourth partnership type is the *transformational* partnership, which can be characterized as a high involvement and a shared mission of the partners and through which the partners aim to create social innovation. The philanthropic and transformational partnerships are seen as low value partnerships, whereas the integrative and transformational partnership is considered to lead to high value creation (Austin & Seitanidi, 2012a). Building on Austin's (2000) typology and using value-free language to describe the partnership types, we asked the respondents how they would characterize their partnership.

The pie chart below shows that philanthropic partnerships are almost absent in the sample; this reflects the literature, which states that a sponsor-like financial transaction alone is not considered an actual partnership. One in three respondents are active in a transactional partnership, while integrative partnerships occur in one in four cases. It is remarkable that quite a high number of participants characterize their partnership as a transformational partnership (41%). Scholars, such as Austin (2000) and Austin & Seitanidi (2012b), have argued that this type of partnership is still quite underdeveloped and that most partnerships are either philanthropic or transactional. There are several explanations possible for the different findings in this survey. The first has to do with the background of the respondents: the respondents were approached via networks active in facilitating, stimulating, and improving cross-sector partnerships. Organizations in this

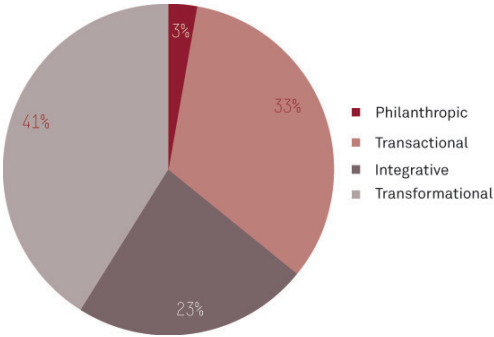


FIGURE 3.7
How would you categorize your partnership? Choose the type of partnership that describes your partnership best (% , n = 73).

network are likely to be more conscious of the dynamics of collaboration than organizations in general, and it can be argued that more high value partnerships might be expected in these networks. Secondly, Austin's work on the occurrence of the different types of cross-sector partnerships already stems from 2000, and it is likely that cross-sector collaboration evolved over time making high value partnerships less of a rare phenomenon. Finally, the findings in this survey are based on self-reporting. Although we have described the different partnership types in the survey in a very neutral and non-normative manner, it might have led to colored or socially-acceptable reporting.

3.5 IN CONCLUSION

This study shows how common cross-sector collaboration has become; many of the respondent's organizations are involved in several partnerships. The studied partnerships mostly have an international focus and address topics such as poverty eradication and food security. In general, the partnerships are moderate in terms of size (2-5 partners) and have a high level of involvement and commitment as well as shared goals. Such partnerships are considered to be quite advanced and likely have a larger impact than partnerships in which the involvement and commitment of partners is low.

4. WHY? THE DRIVERS OF NGO-FIRM COLLABORATION

Partnerships are becoming an increasingly common phenomenon, both for NGOs, firms as well as governments. In an increasingly dynamic environment, these different actors are faced with complex challenges that lead them to strengthen their ties with other kinds of organizations. Public funds have increasingly been under pressure due to the economic meltdown and because western governments retract when it comes to the financing of civil society in many countries; therefore, NGOs turn to firms for funding. The increasingly loud call on firms to behave in an environmentally and socially sound way throughout their value chains urges firms to collaborate with NGOs, who have the knowledge, network, and constituency to help them achieve this. Governments are increasingly stimulating cross-sector partnerships. For example, multi-stakeholder collaboration forms the back bone of the UN Sustainable Development Goals, adopted in September 2015. In this survey, we asked respondents to mention why they decided to enter into a cross-sector collaboration.

4.1 MOTIVES AND CRITERIA TO ENTER INTO PARTNERSHIP

We asked respondents to list the three most important motives to enter into partnership. As figure 4.1 shows, both NGOs and firms identify contributing to solving a social or environmental issue as the most important motive for NGO-firm collaboration (67%). Here we see that both types of organizations place more emphasis on this externally-driven motive than on the internally-driven motives related to their direct own interests (such as access to knowledge and finances). This is striking as internally-driven motives are generally seen as the most important drivers of collaboration, especially for firms (Das & Teng, 2000; Grant & Baden-Fuller, 2004). Other important motives to enter into partnership are 'to carry out the organization's CSR policies' (36%) and getting access to knowledge (36%) or finances (29%).

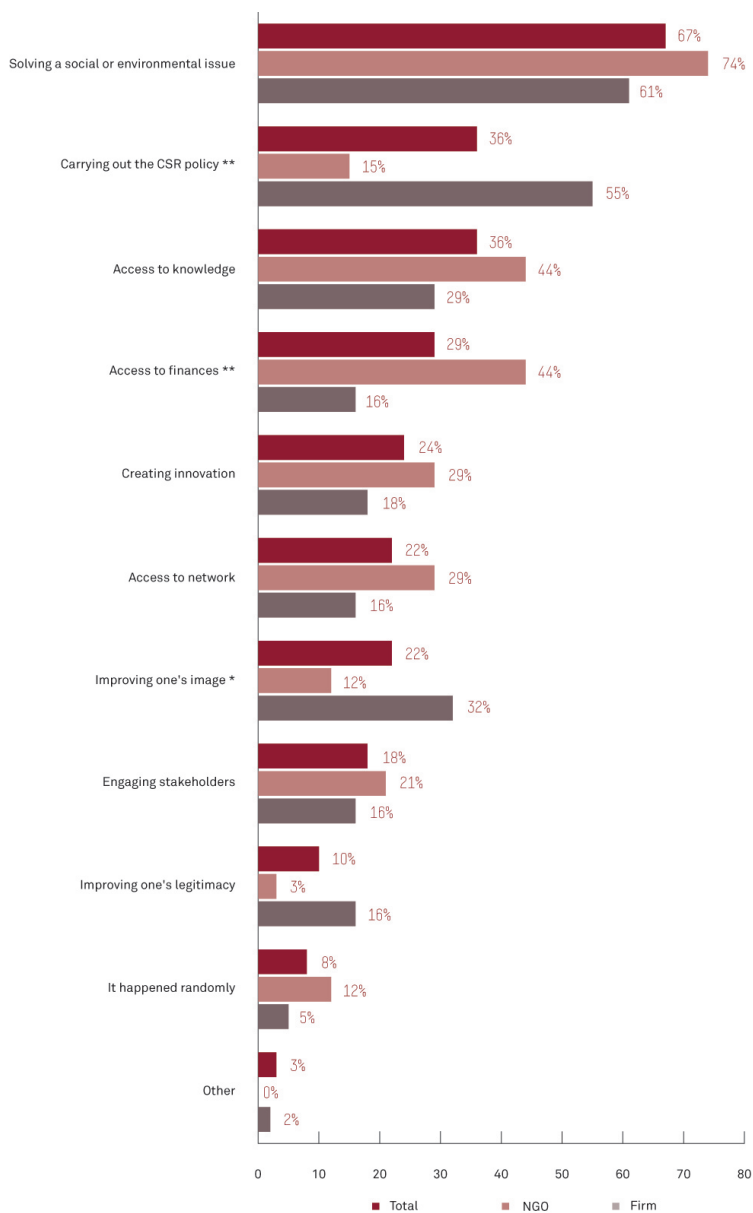


FIGURE 4.1

*What were the most important reasons to enter the previously mentioned partnership? Maximum of 3 answers (% , n = 72, *sig. $p < .05$, **sig. $p < .01$).*

Although both NGOs and firms share the motive of ‘solving a social or environmental issue’ as the most important motive to seek collaboration, they do prioritize other motives differently. Firms, for instance, choose ‘carrying out the CSR policy’ significantly more often as a motive than NGOs. This is understandable, because NGOs generally do not have a CSR policy, although they often do try to influence the CSR practices of firms. ‘Improving one’s image’ is also mentioned significantly more often by firms as a motive to enter into partnership. ‘Getting access to financial means’ is in turn mentioned significantly more often by NGOs. This might be explained by the increasing difficulties of NGOs to get access to public finance amongst others, due to the economic crisis and subsequent austerity measures. Other particularly important motives for NGOs are access to knowledge (44%), increased opportunities for innovation and access to a relevant network (both 29%).

What criteria are important when looking for a certain organization to enter into partnership with? In choosing a partner, both NGOs and firms most often view ‘working on the same topic’ and ‘having a good reputation’ as the most important criteria. ‘Sharing a similar mission’, ‘sharing a similar network’, and ‘having collaborated in the past’ are also mentioned rather often as criteria for choosing a partner. In line with the answers of respondents to the more generic statements on collaboration, these motives can all be linked to the role of trust: to already having some indication that the partner is qualified and dependable. The organization’s culture is the least mentioned criterion. Ten percent of the respondents specified other criteria of which professionalism and complementarity of knowledge, experience, and networks were mentioned most.

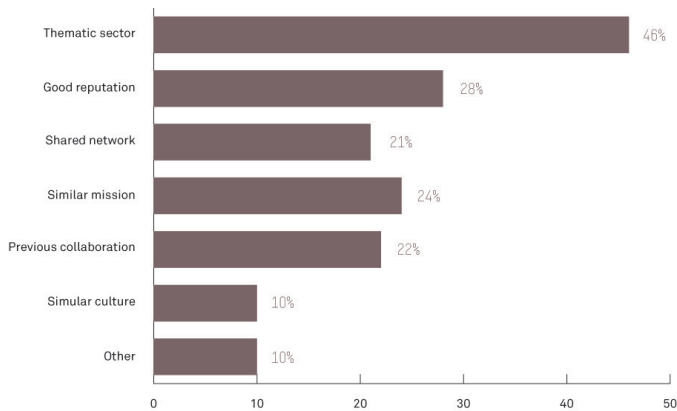


FIGURE 4.2
Most important criteria when selecting a partner to enter into partnership with (n=72).

4.2 ADDED VALUE OF CONTRIBUTIONS

So, what do organizations actually contribute to the partnership? As figure 4.3 shows, both NGOs and firms state that their partners most often contribute ‘thematic knowledge’ (80%) and ‘relevant contacts’ (66%) to the partnership. It is remarkable that the respondents choose similar topics as the most important contribution of their own organization: thematic knowledge (72%) and relevant contacts (63%). This could imply that partners are not necessarily looking for very different types of resources, but that they complement each other on similar resources, such as knowledge or network. Professionals working at NGOs state

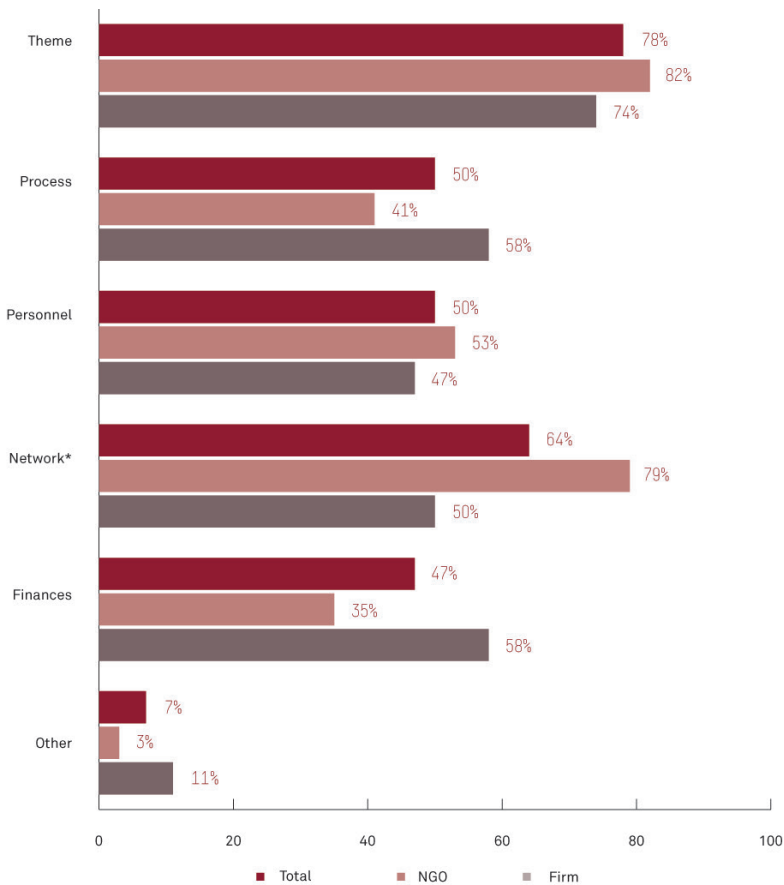


FIGURE 4.3
*In the partnership, my organization mostly provides contributions in the field of... (% , n=72, multiple answers possible, *p< .01).*

significantly more often than firms that their organization contributes contacts to the partnership, and also indicate significantly more often than respondents from firms that the partner contributes financially to the partnership. These findings are in line with the literature (e.g., Yaziji & Doh, 2009), which shows that the search for private finance is one of the main drivers behind the increase in NGO-firm collaboration.

4.3 IN CONCLUSION

Why do NGOs and firms enter into partnership with each other? What are the motivations to do so? Especially taking into account the complexities associated with such collaboration. For NGOs and firms alike, 'solving a social or environmental issue' is mentioned most often among the three most important reasons to enter into partnership. Besides this motive, there are also motives that matter more to certain types of organizations. For NGOs for instance, getting access to finances is a significantly more important motive than for firms. This reflects the financial pressure that many NGOs are facing. Firms in turn mention 'carrying out the CSR policy' and 'improving one's image' significantly more often than NGOs, which reflect the demand on firms to behave more responsibly. It is important for organizations to choose the right partner; therefore, partnership selection is a very important phase. In this study, we find that having the same thematic background and being trustworthy (because of a good reputation, a shared network, or a similar mission) are considered to be vital when choosing a partner.

5. HOW? COLLABORATION PROCESS

The previous chapter explained why partnerships emerge. But, how do they function once they have been set up? How do they communicate, for instance? And who is actually involved in NGO-firm partnerships? Understanding how NGO-firm partnerships work can help manage and improve collaboration processes, because cross-sector collaboration is far from easy. Both academics and professionals have described the issues that can arise in collaborations between NGOs and firms such as inequalities in involvement and power between partners who influence the management, commitment, and activities in partnerships (Bryson, Crosby, & Stone, 2006; Babiak & Thibault, 2009). Moreover, many partnerships are very ad hoc in nature and fail to develop strong long-term ties (Lindenberg, 2001). Other issues in NGO-firm partnerships concern risks such as green washing, tension between the norms and values of organizations, and a lack of trust (Millar, Choi, & Chen, 2004). This section provides insights in the practical collaboration between partners and the issues they encounter.

5.1 WHO IS INVOLVED?

In the survey, we asked respondents to share what kinds of professionals are involved in the partnership they are currently active in. In all partnerships, trainees, support staff, project or program officers are active as well as management staff as figure 5.1 shows. NGOs state significantly more often than firms that project or program officers from their organization are involved. Communication does mostly take place at the project level, while financial and strategic decisions are generally being taken at the management level. Respondents from NGOs, however, indicate significantly more often than respondents from firms that such decisions are taken at the project level ($p < .01$). This might be explained by differences in organization, cultures, and structures as well as the professional level of respondents. In the Dutch Partnership Verkiezing, a competition for cross-sector social alliances participated by many large companies, there are often young professi-

onals involved in the project management. They are likely to have less power to take decisions than seasoned professionals working at project level. A similar pattern is visible in response to the question at which level the initiative for the partnership was taken: in general, respondents indicate the initiative stems from the management level; NGOs state more often (than firms) that this happened at the project level, whereas firms track the initiative back to the management level.

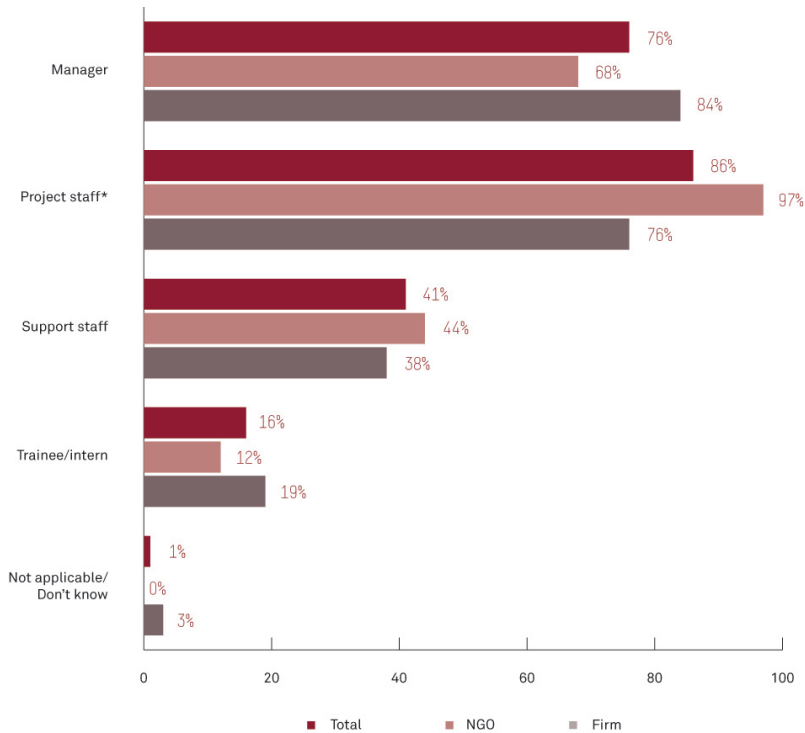


FIGURE 5.1
Within my organization the following professionals are actively involved in the collaboration (% , n=71, multiple answers possible, $p < .01$).

5.2 PUTTING THE PARTNERSHIP ON PAPER

Although scholars have criticized NGO-firm partnerships for their ad hoc nature (e.g., Yaziji & Doh, 2009), the studied partnerships have been formalized in some way. Three quarters of the respondents state that the partnership they are working in is based on a formal collaboration agreement, such as a memorandum of

understanding. One in four respondents indicates that the collaboration is not formally recorded in a document. A (large) majority of the partnership agreements include a description of the roles or tasks, expected results, contributions from the partners as well as guidelines on monitoring and evaluation. About half of the partnership agreements include language on the external and internal communication, as well as when the partnership should end. Only a limited number of respondents mention conflict strategies and agreements on ownership of products resulting from the partnership. The relative lack of attention for these issues in partnership agreements is noteworthy as partnerships “in general see more failures than successes”¹ and conflicts about strategies or ownership are not unlikely to occur. Not just assuming that the collaboration will run smoothly, but also taking negative scenarios into account and the strategies to deal with them is considered to be helpful for effective collaboration (Brouwer et al., 2015; Furrer, Tjemkes, & Henseler, 2012).

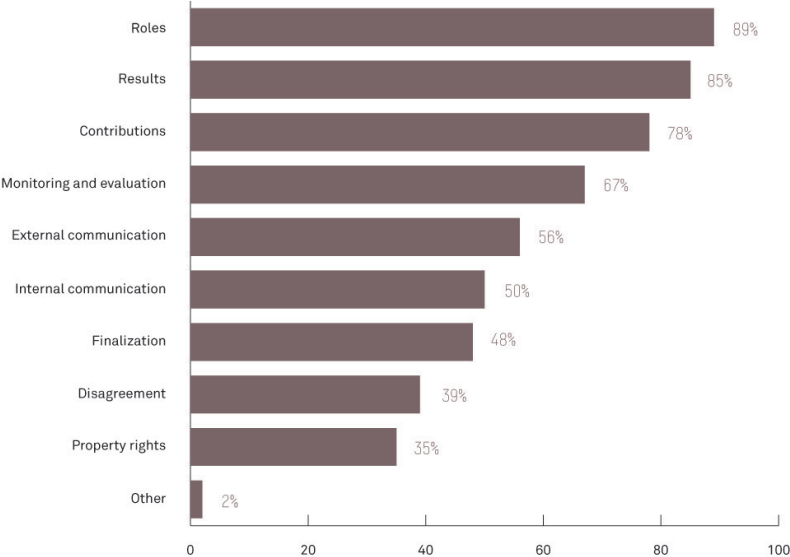


FIGURE 5.2
Which aspects have been included in the partnership agreement? (% , n = 54).

██████████

¹ Statement by Herman Brouwer, senior advisor multi-stakeholder processes of Wageningen University made at Partnering for Succes Conference 2016: <http://www.ppplab.org/1907-2/>. His statement reflects a trend observed in many forms of collaboration: in general, the failure rate (premature termination) of inter-firm partnerships is 60 to 70% (Hughes & Weiss, 2007).

5.3 MEASURING RESULTS

The collaboration process is measured and monitored according to most of the respondents. This is in general an ongoing process carried out by the professionals involved in the partnership. Often, the collaboration is also evaluated at the end of the partnership by those involved. A financial report is somewhat less common, while evaluation of the partnership by an external actor is rather uncommon. NGOs are significantly more used to sharing written accountability documents between the partners than firms are. This reflects a more general trend that can be observed in the international development sector: NGOs and other aid stakeholders are required by donors and governments to show accountability (Crawford & Bryce, 2003). Some respondents shared they evaluate or monitor the partnership by involving clients or beneficiaries, or through reports directed at donors.

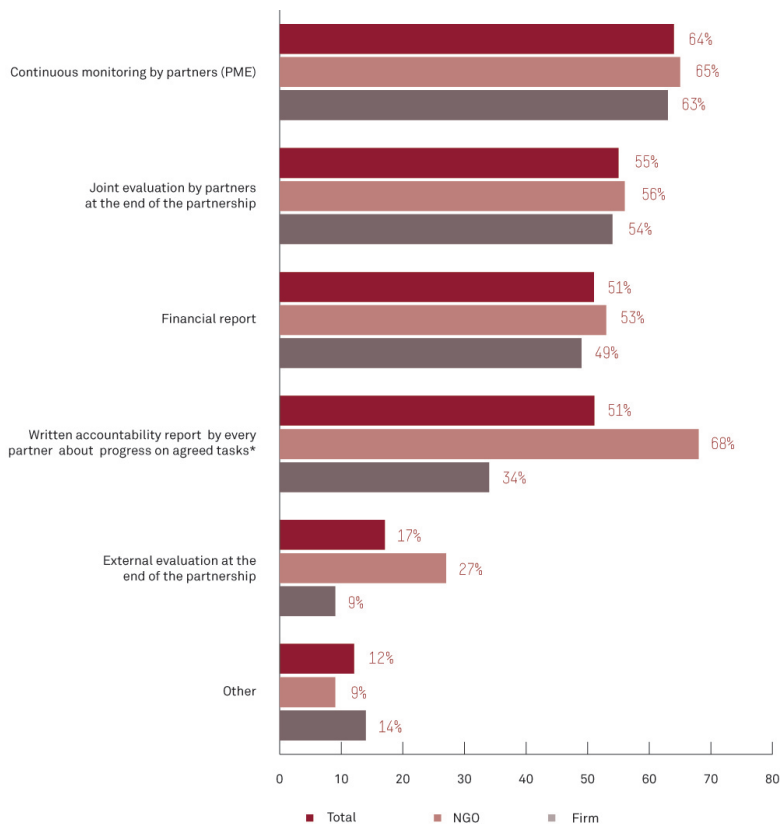


FIGURE 5.3

*How are the (expected) results of the partnership measured? (% , n=71, *sig. p < .01).*

5.4 THE VALUE OF COLLABORATION?

A lot of time and money is invested in cross-sector partnerships, but to what extent are those involved also satisfied with the partnership? In order to get a more in depth view of how the partners collaborate, we presented them ten statements on the collaboration process. The results are displayed in figure 5.4.

Almost all respondents (fully) agree that the contribution of their organization is valuable for the partnership (93%) and that those of the partner(s) are valuable for their own organization (90%). There is somewhat less trust in the partner organizations, although still more than three out of four respondents (fully) agree that they can trust the partner to honor the commitments that were made. A majority of the respondents (70%) is of the opinion that the partners collaborate with the same goals in mind. A similar portion (63%) is very positive about the communication between the partners, while around half of the respondents view the collaboration as an equal partnership. A minority (36%) of the respondents thinks that the organization cultures of the partners match each other well. This

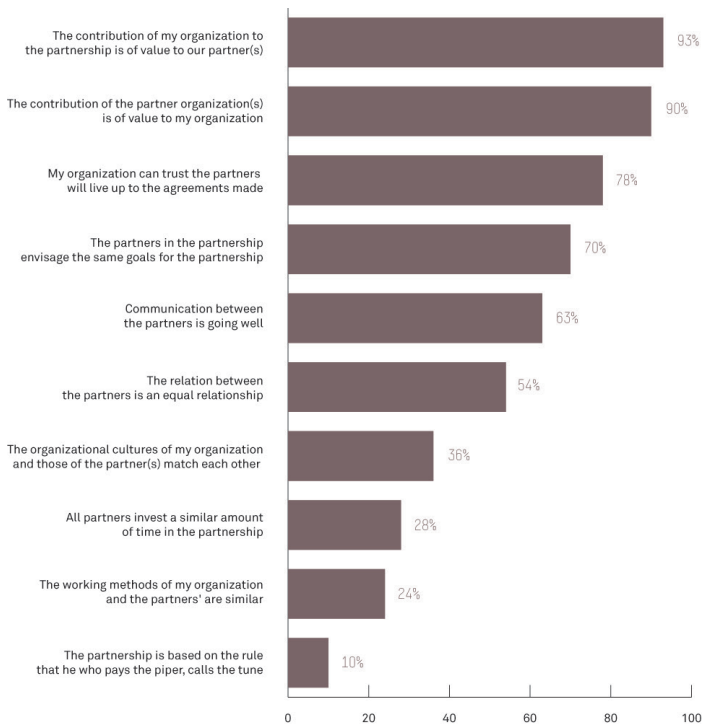


FIGURE 5.4
Statements about specific partnership (% , (totally) agree, n = 69).

is interesting to note for the literature on partnerships regard matching organizational norms and values as an important factor for successful collaboration. In the partnerships studied for this report, such a match does not seem to be very common. The same goes for the time investment in the partnership and the extent to which the working methods of the partners are compatible.

The responses above overall show quite a positive view on the collaboration process in which the respondents are involved. Also in chapter 2 of this report, we can find a great deal of belief in the potential of partnerships, because many see them as the best solution to deal with global issues. Taking into account this overall positive attitude, it is noteworthy that the respondents are not overly enthusiastic about the effectiveness and collaboration in their partnerships. In general, the collaboration is graded somewhat more positively (7.3 out of 10) than the partnerships' effectiveness (6.8). This study did not aim at explaining these differences, but they might be linked to some of the issues identified in the statements above; for instance, the unequal amount of time investment by partners, the discrepancy in working methods as well as organizational cultures. Further research could help get a more in-depth understanding of what successful collaboration actually means, and which factors influence successful collaboration between NGOs and firms.

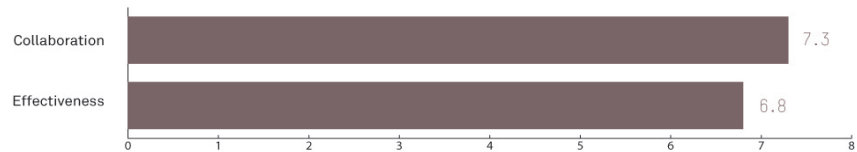


FIGURE 5.5
On a scale of 1 to 10, I give the collaboration / effectiveness of the above mentioned partnership the following grade (average, n = 69).

5.5 IN CONCLUSION

This chapter focused on the collaboration process; on aspects such as communication, decision making, etc. There is a slight difference between firms and NGOs with regard to the job levels of those carrying out certain tasks in the partnerships. Strategic and financial decisions are significantly more often taken at the project level within NGOs than within firms. This is also the case for the level that initiated the partnership: in general respondents indicate that this happened on the management level, but NGOs state more often (than firms) that project or program officers initiated the collaboration.

In three out of four partnerships, the collaboration is formalized in a written agreement, while one in four respondents indicate the collaboration is not formally recorded in a document. In general, the partnership agreements include roles or tasks, expected results, contributions from the partners as well as guidelines on monitoring and evaluation. Less often do these documents contain information on communication nor on the completion of the cooperation. Notwithstanding the complexity of the collaboration, most agreements do not include language on dealing with conflict and rules on ownership of products. Evaluation and monitoring of the partnerships is in general considered an internal affair: less than one in five respondents indicated that the partnership is evaluated by an external person or organization. NGOs are significantly more used to evaluate the partnership using written accountability documents than firms are.

NGO-firm partnerships do seem to work relatively well; respondents grade the collaboration in the partnership on average with 7.3 out of 10, and the effectiveness at 6.8 out of 10. The added value of the own organization as well as that of the partner(s) is considered quite high. Although equity of the partners is considered an important factor for success (see chapter 2), only half of the respondents indicates that there is equity in their own partnership. Even fewer respondents state that there is a good fit between the organizational cultures of the partners, that all partners invest similar amounts of time in the partnership, and that the working methods of the partners are compatible. This shows that, although the respondents are part of moderately satisfying and advanced partnerships, there is still room for improvement.

6. SUMMARY

This report aimed to gain insights in the practice of cross-sector collaboration in the Netherlands. Using data from a survey amongst over 100 professionals from NGOs and firms who have experience working in partnerships, we looked into the characteristics of Dutch NGO-firm collaboration and explored how they work together. Four elements of cross-sector collaboration are central in this study: the motives of NGOs and firms to enter into partnerships, the criteria to select a partner, the collaboration process, and the performance of NGO-firm partnerships. Below is a summary of the most relevant findings.

6.1 GENERAL VIEWS ON CROSS-SECTOR COLLABORATION

The increasing emphasis on cross-sector collaboration for sustainable development in practice as well as the growing role of the private sector in this field is also reflected by the respondents in this survey. Most of them feel that cross-sector partnerships are the best way to resolve global sustainable development issues, followed by the private sector as the actor who is best suited to do so. With half of the respondents coming from NGOs, it is remarkable that NGOs are barely mentioned as a stakeholder that should be able to solve global issues.

6.2 THE PROFESSIONAL IS PERSONAL

Key factors for success of cross-sector collaboration depend to a large extent on personal factors, in particular mutual respect and trust between organizations. These are factors frequently mentioned in the dominant management literature on cross-sector collaboration. A good match between values and norms of the partners is also emphasized by most respondents as well as the importance of a good personal relationship. Nevertheless, the diversity that organizations bring to cross-sector partnerships is also valued, because only a minority of the respondents feels that such collaborations are more difficult or riskier than homogenous partnerships. That being said, respondents do feel that it is crucial to start with

cross-sector partnerships well prepared, in an equal manner, and through adequate commitment; by voicing expectations, jointly making decisions, and involving executives in the project.

6.3 DUTCH PARTNERSHIPS: WHAT?

For many of the organizations that participated in the survey, cross-sector collaboration is not a one-time thing; almost half of the organizations are involved in more than five partnerships. Partnerships focused on poverty reduction are most common, followed by food security. Partnership on peace and security are less common. Most of the respondents are active in moderate sized multi-partner partnerships, with 2 to 5 partners. To classify the partnerships, we used Austin and Seitanidi's typology of partnerships. The research shows that the respondents assess their own partnership as collaboration with a relatively high level of commitment as well as quite some involvement and where the partners work together from shared goals. Such partnerships are generally considered to have more impact than partnerships with lower involvement and commitment of partners.

6.4 COMMON BUT DIFFERENT REASONS TO ENTER INTO PARTNERSHIP

Almost all firms and NGOs that participated in the survey, list 'solving a social or environmental issue' among the three most important reasons to enter into partnership. There is no significant difference between both types of organizations when it comes to this motive. Other motives occur significantly more often within the different organization types. For NGOs, for instance, finance is a significantly more important motive than for firms. Firms in turn mention 'carrying out the CSR policy' and 'improving one's image' significantly more often than NGOs. These findings show that NGOs and firms to a great extent have different objectives when entering into partnership.

When organizations start a new partnership, they tend to look for partners that have the same thematic background and that are likely to be trustworthy; for instance, because they have a good reputation, because they are from the same network, or have a similar mission. Having a similar organization culture is considered to be least important when choosing a partner.

6.5 HOW AND WHO?

So how do NGOs and firms collaborate in cross sector partnerships? Communication does mostly take place at the project level, while financial and strategic decisions are generally taken at the management level. In NGOs, such decisions are taken significantly more often on the project level than in firms. This is also the case for the level on which the partnership was initiated; in general, respondents

indicate that this happened on the management level, but NGOs state more often (than firms) that (project) officers initiated the collaboration.

Most of the studied partnerships have formalized their collaboration in a written agreement, such as a memorandum of understanding. One in four respondents indicates that the collaboration is not formally recorded in a document. In the partnership agreements, roles or tasks, expected results, contributions from the partners, and guidelines on monitoring and evaluation are generally included. Less often do these documents mention the external and internal communication nor the completion of the cooperation. Although cross-sector collaborations are often complex, strategies to deal with conflict and rules on ownership of products are hardly mentioned in the agreements. Evaluation and monitoring of the partnerships is in general considered an internal affair. Less than one in five respondents indicated that the partnership is evaluated by an external person or organization. NGOs are significantly more used to evaluating the partnership using written accountability documents than firms.

6.6 DOES NGO-FIRM COLLABORATION WORK?

This study has not measured the actual results or impacts of NGO-firm partnerships, but can provide insights from the 'collaboration practice' on the extent to which those involved in partnerships are satisfied with the outcomes. Compared to the general enthusiasm about NGO-firm collaboration displayed by the respondents in this study, the respondents' judgement of their own partnerships is somewhat underwhelming. In general, respondents are quite positive about the collaboration in the partnership, which is graded 7.3 out of 10. Especially the effectiveness of the respondents' own partnerships is graded rather low, at 6.8 out of 10. Nevertheless, almost all respondents (fully) agree that they themselves as well as the partners bring value to the partnership. There is quite a high level of trust; 8 out of 10 respondents (fully) agree that they can trust the partner to follow up on the agreements. A majority of the respondents believe the partners share the same goals and feel positive about the communication between the partners. Nevertheless, only half of the respondents feel that there is equity in the collaboration. Only one in three respondents think that there is a good fit between the organizational cultures of the partners. Even less respondents state that all partners invest similar amount of time in the partnership and that the working methods of the partners are compatible. All in all, the studied Dutch partnerships are positively evaluated by the respondents, but in practice, they do not yet always seem very well attuned. This might, on the one hand, bring diversity and added value to the collaboration, but might also complicate the collaboration process with possibly adverse effects on the effectiveness.

7. METHODOLOGY

Kaleidos Research (part of the NCDO Foundation) carried out survey research among individuals working in Dutch NGO-firm partnerships. Aim of the study is to better understand the dynamics of cross-sectoral collaboration. The findings are placed in context of the existing literature (desk-research) to offer the reader a greater holistic overview of the subject. The desk-research consisted of an analysis of relevant scientific and policy documents. Publications are selected based on their relevance and recentness as well as the significance of the author or source. The desk research does not aim to be all encompassing, for it is impossible to do justice to all available sources.

Response

The data for this study was collected online through a 45-question questionnaire (CAWI method survey). There was not an existing dataset of Dutch NGO-firm partnerships available; therefore, we sought respondents by targeting networks of people interested in cross-sector collaboration. We sent the survey to the Partnerships Broker Training alumni and subscribers of the Partnerships Newsletter as well the New World Campus Newsletter. The fieldwork took place on February 19, 2014 up to and including July 30, 2014. As a result of our wide approach to reach professionals with knowledge of partnerships, a total 1,410 people received the request to participate in the survey. We sent a reminder to the people who were invited but not responded to the invitation to participate. A total of 242 respondents participated in the survey; after applying selection criteria (as described below), an n of 101 remained.

Data sample

1. To achieve an adequate sample – a sample only including respondents employed in either a for-profit firm or NGO who are personally involved in a cross-sectoral partnership – selection criteria were used. We excluded

those respondents who were not working at a firm or a NGO, but for instance at a local or national government. The remaining sample included 107 individuals employed in the commercial sector (companies) and 84 in NGOs. In total, 101 respondents were actually involved in cross-sectoral partnerships or had recent experience with NGO-firm collaboration. These respondents were, therefore, included in the study. Due to the limitations of the sample drawn, conservative statistical tests have been conducted.

2. It should be noted that this is not a representative sample of all Dutch NGO-firm partnerships; the networks used to disseminate the survey consist mostly of professionals who have made some effort to learn more about cross-sector collaboration, for instance, by taking a course or subscribing to a newsletter on this topic. The results of the survey should, therefore, be interpreted with some caution. We did compare the share of NGOs and firms in the sample to that of the large address file. This showed acceptable representativeness of the sample in relation to the address file.

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