

Business outcomes of strategic partnerships with NGOs

– a case study of actors in the Norwegian aquaculture industry



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Executive Summary

Globalization, stakeholder activism and increased power from media and Non-Governmental Organizations (NGOs), have resulted in companies and industries concentrating more attention and emphasis on reputation management than ever before. Companies in the 21st century need to provide a decent return on shareholders' investments, while simultaneously being socially adjusted and environmental responsible. Furthermore, companies have multiple stakeholders with different needs and expectations. In order to remain profitable with a strong reputation all these demands must be satisfied.

This extended focus on reputation and environmental responsibility has also resulted in new cross-sector partnerships between NGOs and businesses. These forms of collaboration have become increasingly popular, and are highly appreciated by many actors, including governments and environmentally aware customers. Research states that these partnerships give companies stronger reputation, while simultaneously contributing to solve environmental and social challenges facing the world.

In this thesis, the authors have investigated how strategic NGO-business partnerships influence companies' corporate reputation by working together on a common problem which they both would like to see solved. Additionally, the authors have investigated which criteria that are required to have a beneficial partnership, from a business perspective.

The first part of the analysis suggests that businesses engage in NGO-business partnerships due to the increased focus and institutionalization of Corporate Social Responsibility (CSR) in the western world. This area of concern has led to more demanding stakeholder expectations regarding initiatives in this respect. Hence, NGO-business partnership can be seen as a response to stakeholders' requirements. Furthermore, these partnerships show the outside world that the company has a social conscience, and take the NGOs and the public seriously. This may simultaneously give a positive reputational effect.

This case study consist of companies and NGOs, where some of them were involved in strategic NGO-business partnerships and others not. The authors were able to find positive outcomes,

along with obstacles and challenges that can explain how these partnerships influence companies' reputation. The most important positive consequences were: *increased trustworthiness, improved awareness and responsiveness on relevant issues in the environmental movement, help to dispel false rumors regarding the company, and support to become more sustainable.*

The challenges emphasized by our respondents were: the legitimacy of the partner NGO, the danger of being accused of greenwashing, and the ongoing dilemma of short term profit vs. having a sustainable production.

In order to cope with these challenges and have a meaningful and beneficial partnership it is essential that the companies are *willing to change* and that the participants *create a common understanding and language*. Additionally the firms should have *concrete and common goals* with involvement from all levels of the company- from top management to the "blue-collar" worker. Lastly, both parties need to have *sufficient knowledge about the field of interest* and a dialogue characterized by *openness and trust*.

Through our case study it became evident that companies involved in NGO-business partnerships are hesitant to communicate their partnerships extensively. External communication can be a tool to create positive public awareness but also fuss. In general, public awareness around a partnership is likely to help companies in their reputation management, and make both parties work harder to reach their common goals, as awareness also generates expectations.

Lastly, it is important to note that the partnerships in this thesis represent strategic partnerships - where the goal often is to improve companies' production and procedures in order to make them more sustainable. This is essential as there are other forms of partnerships that are more philanthropic, and it is likely that these will have different outcomes and criteria for success. In the discussion we elaborate on why there are not more strategic partnerships between NGOs and businesses, and argue that many companies feel that they cannot meet all the criteria for success due to lack of resources or simply do not trust NGOs.

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1.0 Introduction

“Reputation is formed over time; based on what the organization has done and how it has behaved “(Balmer 2003, 177; Scott and Walsham 2005, 311).

1.1 Introduction to the topic

Globalization, stakeholder activism and increased power from media and Non- Governmental Organizations (NGOs), have made companies and industries put more emphasis on reputation management than ever before (Winn, MacDonald and Zietsma 2008, 35). Many firms have had their reputation damaged, and the scholars Herbig and Milewicz claim that once a reputation is lost or seriously damaged it takes from seven to ten times the effort to rebuild it (Herbig and Milewicz 1995, 8).

In a knowledge-based economy¹ and in the era of “Web 2.0”² where information spreads between participants in seconds, traditional public relations (PR) are no longer sufficient, and according to the researchers Bonini et al.: “it is action- not spin- that builds strong reputations” (Bonini, Court and Marchi 2009, 75). It is therefore important that the companies are aware of emerging challenges and show the public that they can be trusted by taking action when needed. In order to be prepared for emerging issues the importance of listening and having a relationship with its stakeholders will most likely increase even more in the future (Bonini, Court and Marchi 2009).

Nike for example got a lot of negative publicity from stakeholders when it became evident that they had used cheap Asian labor which resulted in that many started to associate their products with slave wages, forced overtime, and arbitrary abuse (Garsten and Hernes, Ethical Dilemmas in Management 2009, 90). Nike understood that in order to survive they needed to change course.

¹ A knowledge-based economy is an economy where knowledge is recognized as the driver of productivity and economic growth, leading to a new focus of the road of information, technology and learning in economic performance (OECD 1996).

² Web 2.0 is an expression used for the new environment of the social web (Jones, Temperley og Lima 2009)

The corporation gave in for the pressure from NGOs and other stakeholders, and started to focus on corporate social

responsibility (CSR) as a part of their reputation strategy. They improved their employees' working conditions, and raised their salaries (ibid). Today, Nike has several partnerships with NGOs, among other one with Grassroot soccer³ in order to fight AIDS. Like Nike, many other companies have started to enter partnerships with NGOs.

Through the collaborations, businesses and NGOs have found a way to turn each others' differences into advantages through partnerships that range from the purely philanthropic to more strategic and long-term commitments (Neergaard, Pedersen and Jensen 2009a, 2). Earlier NGOs and businesses mainly interacted in one or two ways: NGOs thankfully accepted funding from firms, or the two faced off as enemies (Turner 2003, 22). However, during the last two decades researchers started to write about pioneers in both sectors that started to move beyond these two options, and started to work together for a common goal and share expertise and resources (Turner 2003, 22). Hence, relations between NGOs and businesses went from being mostly confrontational with demonstrations and anti-corporate campaigns to a new form of business-NGO engagement entailing a mixture of confrontation and collaboration strategies (Arenas, Lozano and Albareda 2009). NGOs started to realize that they can change more by being "inside" the company affecting procedures and policies directly, than by standing on the sideline shouting at the businesses.

This has resulted in a rise of strategic partnerships between NGO- business partnerships. Some well-known examples are Friends of the Earth and Bodyshop (animal-friendly products), McDonald and Environmental Defence Fund (recycling) and Unilever and WWF (sustainable fishery) (Krieger, Kristian; Rogers, M Brooke 2008, 2).

Today many politicians look upon NGO-business partnerships as absolutely necessary in order to cope with the environmental challenges the world is facing and according to the scholars Arenas

³ Grassroot Soccer is a non-profit organization founded in 2002 that uses the power of soccer to educate, inspire, and empower communities to stop the spread of HIV, to know more see <http://www.grassrootsoccer.org/2011/12/01/nike-and-grassroot-soccer-extend-partnership-to-end-aids/>

et al., NGOs form NGO- business partnerships in order to: “promote social and environmental actions, provide technical assistance to corporations, elaborate commonly agreed certification schemes, promote and design CSR standards as well as management and reporting processes, and participate in CSR monitoring and auditing” (Arenas, Lozano and Albareda 2009, 176). This shows that the NGOs’ attitudes towards the business sector are changing, and they are now recognized as essential partners in improving society.

1.2 Background and research question

After three semesters of studying “Strategy, Organizations and Leadership” at Copenhagen Business School our interest for reputation management as a strategic tool in modern business society has grown, and the authors have therefore chosen this subject as the overall topic for this thesis. NGO-business partnerships are assumed to have a positive influence on corporate reputation, and more companies are getting involved in these partnerships. NGO-business partnerships together with reputation management will therefore serve as the foundation for the thesis.

This is interesting as many businesses today are exposed to extensive criticism due to their environmental pollution and are nowadays made more accountable for their environmental damages than earlier. NGO-business partnerships can therefore be looked upon as a response to find new measures to improve their sustainability, and show the critics that they take the issue seriously. A lot of research is conducted on corporate reputation and NGO-business partnership, but as we live in exponential times the business environment is changing rapidly and the research needs continuous update. Furthermore, it appears to be little research aimed at the positive outcomes of the partnerships, and how these factors directly or indirectly may influence a company’s reputation. Thus, our hope is to give a new and more updated view on how NGO-business partnerships can influence companies’ reputation.

Moreover, to date and to our knowledge the positive reputational impact of NGO-business partnerships in Norway have received little attention in the NGO-business literature, and will therefore be investigated in this thesis together with new insights regarding challenges in partnerships between NGOs and businesses. Additionally, the authors will look at which success

criteria that are important to include when two organizations, with at times total contradictory agendas, meet to collaborate. Even though NGO-business partnerships are receiving increased attention and approval, there are still a modest number of strategic NGO-business partnerships. Based on our research some of the reasons for this will be discussed.

Some companies in the fish farming industry in Norway have had partnerships with NGOs for a few years, and this industry has been and still is criticized for its negative environmental impact. This thesis will use companies within the aquaculture industry as examples, and will therefore mostly be concerned with the reputational influence of partnerships in respect to the environmental impact.

Based on the problem area mentioned above, we have formulated the following research question, which our thesis will be based on:

“How do strategic partnerships between NGOs and businesses influence companies’ reputation in an industry with environmental challenges, and what are the criteria for a beneficial partnership?”

Explanations to the research question

By asking *how* NGO-business partnerships influence companies’ reputation, we want to investigate which outcomes from such partnerships that help companies in their reputation management. In addition, the criteria for a beneficial partnership need to be investigated, as not all partnerships are equally well managed. With a *beneficial partnership*, the authors refer to a partnership that can help companies acquire a strengthened reputation and give value to both parties through achievement of pre-defined goals.

1.3 Rational behind the subject

Companies within the Norwegian salmon industry were chosen to serve as cases in our thesis because this industry has ongoing challenges with their reputation, with severe criticism especially from NGOs. They claim that the fish farming industry needs to become more sustainable, and initiate measures to reduce its environmental impact. Due to the massive

negative media attention, the industry is struggling to keep its good name and is currently having several reputation campaigns to fight back. Furthermore, some of the larger companies are involved in NGO-business partnerships, and it will be interesting to investigate the kind of relations that exist between the corporations and NGOs, and the impact these relations have on companies' corporate reputation.

With a case analysis of four companies within the Norwegian salmon industry and two that are closely related to the industry in addition to three important NGOs which have special interest in this area, the authors developed insights in the outcomes, obstacles and challenges companies are facing before and in a NGO-business partnership.

Another aspect that makes the Norwegian salmon industry particularly interesting is its role as a major contributor in the Norwegian economy. The fish industry is the 3rd largest export industry in Norway (Fiskeri-ogkystdepartementet 2011, 7), and within this industry farmed salmon is the biggest segment. In 2010 it stood for an export value of 33 billion NOK (Fiskeri-ogkystdepartementet 2011, 5), making Norway the largest exporter of farmed Atlantic salmon in the world.

Abroad, the Norwegian Salmon is famous for its good quality, and is by many people looked upon as an exclusive product. It is therefore highly important that the corporations within this industry try to avoid bad publicity, as there is a lot of money on stake if the industry gets the reputation tarnished.

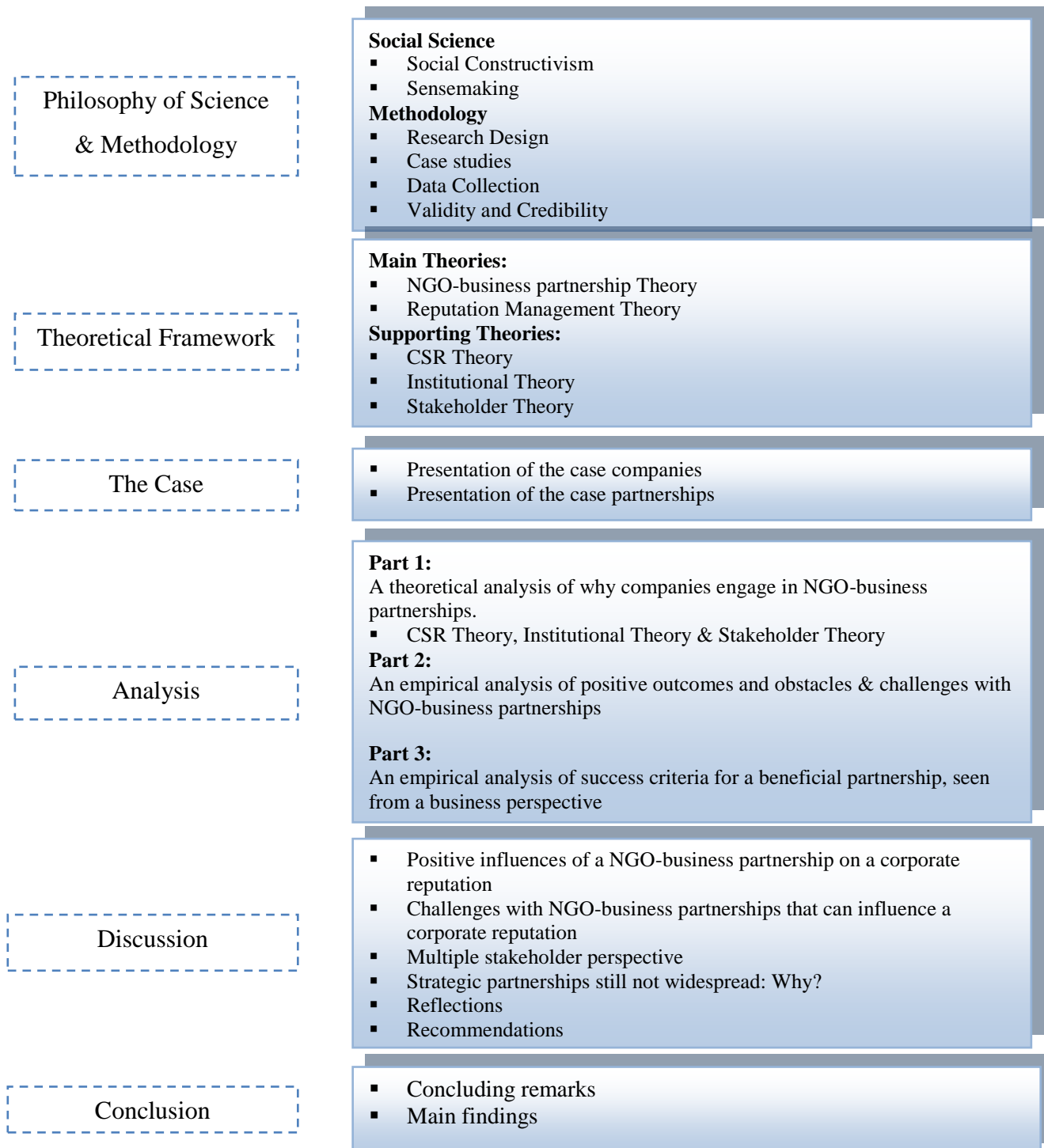
1.4 Scope and delimitations

The aim of our thesis is to examine how relations and collaborations can be used as tools when dealing with reputational challenges. The research is mainly based on a case analysis of corporations within the Norwegian Salmon industry, but similarities to other industries will be drawn when applicable. The main focus is delimited to companies within one industry in order to increase the likelihood of homogenous cases, and by this making our research as reliable as possible.

The thesis will be based on existing theories from reputation management, NGO-business partnerships and other relevant theories within the field of stakeholders and corporate social responsibility. Among the stakeholders we will primarily focus on relations to NGOs, but acknowledging that there exist multiple stakeholders with different interests and claims who also are important.

1.5 Thesis Outline

Figure 1: Thesis outline



2.0 Philosophy of Science

The overall approach in this thesis will be based on social science, which in its broadest sense is the “the study of society and the manner in which people behave and influence the world around us” (Economic and Social Research Council 2012). Historically a distinction is made between three disciplines of science; Humanities, Natural Sciences and Social Science (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006).

Rasmussen et al. explain that it often can be difficult to place a subject under one particular discipline, since they overlap each other. However, there are some major differences; According to Rasmussen et al. the natural sciences assume that there “exists an objective nature outside the human world, and that nature is controlled by a series of laws (laws of nature), which can be identified, described and explained primarily with the aid of quantitative methods, such as the measurements of natural phenomena and their examination in the form of equations” (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006, 39). In the natural sciences hypotheses are developed based on theory, which are tested by experiments.

In humanistic sciences, which are simply explained as the study of human beings and what human beings produce. Interpretation techniques are often used, resulting in a large number of perspectives and possible conclusions (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006). In natural sciences it is assumed that there only exists *one* explanation for the phenomenon that is studied (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006).

Social sciences, which studies the society, have a methodology and assumptions that lies somewhere in between the natural and the humanistic sciences, and have a more practical application, especially in the field of business, administration and economics (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006). Another important difference between natural sciences and social sciences is the objectivity of the researcher. In natural sciences the optimal results are objective, value-free and independent of the researcher (Rasmussen, Østergaard and Beckmann 2006, 39). On the contrary, some social

scientists take a point of departure with the notion that research is a part of society and that the researcher's recognition of new knowledge and their personal interest in that knowledge are tangled closely together (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006).

A central perspective within social science

Within social science there are many disciplines, with a variety of focuses. The main disciplines are: anthropology, economics, geography, history, political science and sociology (ManchesterUNI 2012).

Our approach will be based on social constructivism, which according to the social scientist Kim (2001) considers how social phenomena or objects of consciousness develop in social and cultural context (Kim 2001). An opposition to the social constructivist approach would be that of realism or objectivism (Bunge 1993, 209). The realism approach is based on the view that researchers conduct research with the attempt of eliminating all subjective elements from our views about reality (Bunge 1993, 210). The distinction is important to be aware of, as it has implications for the processes and results of a research. The social constructivism approach will be presented more in depth in the next paragraphs.

Social constructivism is based on specific assumptions about among others reality and knowledge. It is important to be aware of these assumptions in order to understand the approach. Condensed, these assumptions are that:

Reality is constructed through human activity: Members of society collectively invent the properties of the world. Following this, reality cannot be discovered: it does not exist prior to its social invention (Kim 2001, 3). To give an example, money is a social construction, and would not have had any value if society did not agree upon the value. Another example can be that of CSR activities. The notion that companies should be social and environmental responsible was weak a hundred years ago but now many societies take this for granted. CSR can therefore be seen as socially constructed through interaction between members of society (Dahlsrud 2008).

Knowledge is a human product, constructed socially and culturally: “Individuals create meaning through their interactions with each other and with the environment they live in” (Kim 2001, 3). This will be further elaborated on next.

An important element in social constructivism is the intersubjectivity of social meanings, which can be explained as a common understanding among individuals which base their interaction on shared interests and assumptions that create the ground for their communication (Kim 2001). Communications and interactions involve socially agreed-upon thoughts of the world and the social patterns and rules of language use (Kim 2001). Social meanings and knowledge are created through negotiation within the communicating groups, and any personal meanings shaped through these experiences are affected by the intersubjectivity of the community to which the people belong (Kim 2001). In a corporate setting this implies that what is good corporate practice for instance, is socially constructed in interaction between people. Norms and rules take shape through interaction between people in a specific culture and context. Furthermore, this implies that what is socially accepted behavior in one context is necessarily not accepted in another culture or context.

Sensemaking: a mindset used for reflections

An interesting and relevant concept to bring in, in relation to social constructivism is the concept of sensemaking. “Sensemaking is a ‘way station’ on the road to a consensually constructed, coordinated system of action” (Taylor and Van Every 2000, 275). At that way station, circumstances are “turned into a situation that is comprehended explicitly in words and that serves as a springboard to action” (Weick, Sutcliffe and Obstfeld 2005, 409). Weick et al. further state that everyone is doing sensemaking all the time, trying to cope with an uncertain and always changing world (Weick, Sutcliffe and Obstfeld 2005).

Barbara Fryzel has written a book about building stakeholder relations and CSR in a sensemaking perspective. She states that in dealing with organizational issues, sensemaking requires researchers to look for explanations and answers in terms of how people see things, rather than structures or systems. (Fryzel 2011, 54). She explains this by stating that sensemaking suggests that organizational issues like *strategies, breakdowns, changes, goals, plans, tasks and teams*, are

not things that one can find out in the world or that exist in the organization. Instead, their source is people's way of thinking (Fryzel 2011, 54). The sensemaking process should therefore, according to Fryzel be treated as a cognitive map of one's reality.

The sensemaking perspective is relevant for our thesis and a good way of understanding the mechanisms that make NGO-business partnerships relevant in today's society, and why and how these partnerships can influence stakeholders' perceptions about a company. However, sensemaking will not be used as a framework in this thesis but rather as a mindset, acknowledging that many actions an organization take are results from a sensemaking process. Furthermore, stakeholders are also making sense of these actions, which implies that there is no true cause-effect relationship in actions companies' take in order to for instance improve their reputation.

Why are something perceived as good, and other attributes perceived as being bad? As we will discuss in the theoretical framework of this thesis, a corporate reputation is built up over time, and is the sum of stakeholders' judgments of the company. What are interesting to investigate are which factors that create these judgments, and are they constant or changing over time? Throughout this thesis we will use the social constructivism mindset to explain why NGO-business partnerships should have an influence on a corporate reputation, and follow the social science to investigate whether a partnership can be seen as a response to the social pressure on organizations. For our analysis this implies that the findings represent the participants' view on reality. Furthermore, by having multiple participants we were able to see if their understanding of reality had some common features, which we could use for generalizing our findings.

3.0 Methodology

In this section the methodological considerations which are used in this thesis will be presented. Our research approach and methods will be introduced, and we will give an explanation to how we gathered the empirical data in order to answer the research question. Furthermore, argumentation for why we chose the particular organizations as cases for our thesis will be given

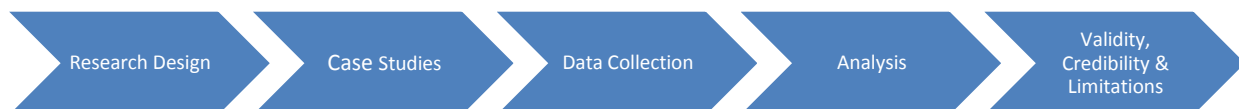


Figure 2: Structure of Methodology

in addition to how we analyzed the gathered data. In the end validity and reliability, as well as limitations will be discussed. Underneath the structure of the methodology is presented.

3.1 Research Design

As the overall research design for our thesis we choose a case study approach. According to Eisenhardt and Graebner, who are advocates for this kind of theory building from cases, building theory from case studies is “a research strategy that involves using one or more cases to create theoretical constructs, propositions and/or midrange theory from case- based, empirical evidence” (Eisenhardt and Graebner 2007, 25). More in detail, a theory building multiple case- study will be conducted with a descriptive and thematic approach (cf. 4.2 case studies). This approach is suitable because it can help us to understand and explain the assumed causal relationship between NGO-business partnerships and enhanced reputation, thereby extending the theory within this field.

The empirical evidence will be based on qualitative data from internet-based information search, a conference and semi-structured interviews from several cases, with the attempt of contributing to a more robust theory, as our propositions will be grounded in varied empirical evidence (Eisenhardt and Graebner 2007). Additionally we used search engines such as Google and Yahoo to find articles and media exposure about the companies, and we searched for academic articles related to our theoretical field through CBS’ library search engines and Business Source Complete.

Initially an Internet-based information search within the Norwegian fish farming industry was carried out. The Internet-based research included the company’s website for history, vision, mission and culture. Furthermore the company’s external documents about environmental development processes and sustainability measures were investigated. These were used in order to get a deeper understanding of how the companies within the fish farming industry cope with their environmental challenges and in order to find out more about the companies’ relations to NGOs. Through the companies’ web pages the impression is that most of them seem to have a clear focus on sustainability. Furthermore it became evident that some of the actors in the fish farming industry had formal partnerships with NGOs.

3.1.1 Inductive/deductive approach

There are two general approaches in which knowledge is created and applied, namely inductive- and deductive approach. The inductive approach concerns creating new theory from data, whereas the deductive approach relates to using data to test existing theory (Eisenhardt and Graebner 2007).

The deductive approach is a theory testing process, which derives from assumptions of existing theory or generalizations, and further seeks to investigate if the theory can be applied to specific examples (Hyde 2000). Deriving from these assumptions, a series of hypotheses are created. As the deductive approach is most suitable for testing existing theories, this approach is not the most suitable for our research even though we at times have used elements of existing theories in our research to make assumptions, such as that NGO-business partnership has a reputational influence on companies' reputation. The existing theory confirms that it has an impact, but is unable to cover all the mechanisms that make the partnerships influential on the corporate reputation. As one of the goals of our thesis is to enhance the knowledge within our field and expand the existing theories, the inductive approach is applicable for this part. The inductive approach is based on empirical data, derived from the study of one or several phenomenon, with the aim of building theory that can be generalized about the phenomenon under investigation. Based on the observations and information gathered from the interviews we analyze the data in an attempt to make general assumptions for a larger population (Rasmussen, Østergaard and Beckmann, *Essentials of Social Science Research Methodology* 2006).

However, Rasmussen et al. underline the fact that presentation of theories and models will normally involve both inductive and deductive processes, often combined with the development of relationships in the model itself. Thus, these two classifications seldom exist as clear-cut alternatives, and even though a study may seem like it is solely inductive, social research often involves both the inductive and deductive reasoning processes throughout a project (Eriksson and Kovalainen 2008, 21-22). Thus, describing the study as inductive or deductive does not, by itself clarify precisely how the research process has developed (Eriksson and Kovalainen 2008, 22).

As we use both the inductive and deductive approach, abduction is a way to combine the two of them (Eriksson and Kovalainen 2008, 23). Abduction “refer to the process of moving from the everyday descriptions and meanings given by people, to categories and concepts that create the basis of an understanding or an explanation to the phenomenon described” (Eriksson and Kovalainen 2008, 23). According to the philosopher Charles Sanders Peirce, abduction is a process of creating new ideas or hypotheses, where deduction can be used to evaluate the hypotheses and induction for justifying them with empirical data (Eriksson and Kovalainen 2008). Deriving from this, we feel our approach is closest to abduction.

3.2 Case studies

The aim of this thesis is to explore and investigate how NGO-business partnerships affect a corporate reputation, in addition to find out which criteria that are important for a successful partnership seen from a business perspective. As we are involved in a broad and complex topic that requires multiple sources, it is according to one of the most influential authors within case study research, Robert K. Yin applicable to use a case study (Yin 2003).

As explained in the research design part (3.1), a descriptive and comparative case study approach will be applied. In this approach, a potential causal path was applied in order to reveal some of the factors that make NGO- business partnerships influential in regards to corporate reputation.

According to Eisenhardt & Graebner, theory-building from research is particularly well suited to answer research questions that want to addresses “how” and “why” because it offers insight into complex social processes. Theory building research will therefore be a part of this thesis and will be explained further in section 3.4. A crucial part of case studies is to select the cases to analysis, and the selection process will be elaborated in the next section.

3.2.1 Case Selection

The selection of cases was a long and thorough process, since we wanted to get as many perspectives as possible. Obviously some exemplary instances of NGO-business partnerships had to be observed in order to analyze the reputational outcomes and possible reasons for this. However, we also chose some businesses without NGO-partnerships to investigate if the companies with such partnerships experience reputational challenges in different ways than the

once involved in NGO-business partnerships. At the same time, interviewing NGOs with experience or who were involved in NGO-business partnerships were necessary, to understand their thoughts around the reputational impact, and what they saw as criteria that need to be met in order to consider a partnership with the capitalistic world. Furthermore, the aquaculture industry consists of companies with varying size, thus, representing the industry in regards to size was important to us in order to present a more holistic picture.

With these requirements in mind, our screening process started, and we found several companies and NGOs relevant for our purpose and began contacting the respective organizations. During this process some of the organizations rejected our inquiry, especially some of the smaller companies. Despite these rejections, we succeeded in getting many organizations with valuable knowledge. Among other the largest fish farming company in the world, in addition to the most well-known NGOs in Norway were interviewed. Two of the companies had formal strategic partnerships where the involved NGO also was interviewed. Additionally one of the other companies had close relations to different NGOs, and was in the process of considering a strategic partnership. The remaining companies and one NGO were not involved in partnerships, and represent the contrasts in this thesis.

As an overall basis for the case selection was the thought that the more different views the better, and we feel that we succeeded in this matter as we had diversity in size and viewpoints from our selected companies mentioned above. The next section will explain how our empirical data was collected.

3.3 Data Collection

There exist a great variety of data to collect and different methods to apply to gather the appropriate data. The first distinction necessary to make is the difference between primary and secondary data (Rasmussen, Østergaard and Beckmann, *Essentials of Social Science Research Methodology* 2006). Primary data is data which is created by the researcher, whilst secondary data is created by others (ibid). Another important distinction is made between quantitative and qualitative data, where quantitative data takes the forms of numbers, which enables statistical research, whereas qualitative data is based on words, pictures or other non- quantitative

observations (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006).

Since secondary data are created by others, collecting it is less resource demanding than primary data, especially with today's Internet access. It also enables you to avoid conducting research on areas where there exists research, and creates guidance for future research and will additionally be used for validation of results from our own data.

Secondary data gave us a good overall picture of the subject, but in order to go more in depth into the field of interest, primary data was collected and will serve as the main source in this paper.

3.3.1 Primary Data

In order to gather information from the salmon farming industry qualitative data were collected, more precisely data from semi-structured interviews. A qualitative method was chosen because the aim was to understand the subject, not to measure it. Even though some research has been conducted on NGO-business partnerships, more has to be done, and we therefore feel that a deeper understanding must be acquired before being able to measure its effects on businesses' reputation. We additionally hoped that the respondents would be more open in the interviews as people tend to say more in an in-depth interview than they themselves are conscious of. This information would maybe not be revealed in for example standardized questionnaires were people often are reluctant to answer questions about sensitive information (Rasmussen, Østergaard and Beckmann, Essentials of Social Science Research Methodology 2006). Hence, a qualitative method would be the most applicable for our research. In the next section it will be explained which approach that was chosen.

To gather primary data nine semi-structured, in-depth interviews with six companies and three NGOs were conducted. The profile of the interviewees consists of employees ranging from 30 to 60 years old, many in top-management positions, with valuable insight and extensive knowledge on the current measures and procedures in their companies. Most of the interviews had duration of about an hour. Before the interviews an interview-guide was developed. The guide was based on the research question and contained themes and topics which served as the basis for the conversations. However, one of the advantages with using semi-structured interviews was the

ability to move outside the interview guide, making it flexible if the interviewee brought up interesting topics that the interviewers had not thought of. This gives a new way of considering and perceiving the topic at hand (Cohen and Crabtree 2008) and for these main reasons semi-structured interviews was chosen.

Semi-structured interviewing was challenging, and our intention was to always be open for new ways of understanding and seeing the topic, and we tried to go more into depth with the topics relevant for our analysis. There were differences between the interviewees; some were open and talkative while others were more reserved. According to Rasmussen et al. this could be because many respondents become nervous when interviewed by strangers and will therefore often answer the questions briefly or adapt to what the interviewers want to hear (Rasmussen, Østergaard and Beckmann, *Essentials of Social Science Research Methodology* 2006). To cope with this we gave an introduction to the upcoming conversation and started the interview by asking questions about the interviewee's background to make them relax and make them feel like experts by asking questions like: *Which position do you have? What are your main tasks?* Additionally, we tried to avoid pure question and answer sessions and the goal was to create an open dialogue between us and the respondents in order to have a common understanding of the subject. Furthermore, body language like nods and eye contact were used to show the respondents that we were interested in listening to their stories (Rasmussen, Østergaard and Beckmann, *Essentials of Social Science Research Methodology* 2006).

In addition to the semi-structured interviews, the authors attended the "Partnership 2012" conference at Copenhagen Business School June 2012. The overall topic was about NGO-business partnership and the increased importance of this. Among the guest speakers was the former Secretary-General of the United Nations Kofi Annan and the Danish Crown Princess Mary. At the seminar, interpersonal dialogue, presentations and panel debates helped highlight the benefits and challenges of such partnerships.

3.3.2 Critique of the primary data

As only one representative from each company or NGO was interviewed we are aware of the fact that the respondents can have biased opinions compared to others in their organization. However,

the respondents in the corporations with NGO partnerships had in- depth knowledge and experience with the co operations, a factor that was vital for the data gathering. Most of the interviewees were part of the top management, which meant that they had access to information and extensive knowledge about their company's sustainability programs. Taking into consideration the resources they are using on us as master students we are satisfied with the sample. Moreover, the empirical data is marked by the fact that we had all our quotes checked by the respondents before publishing the thesis. This resulted in that some respondents corrected their statements. However, it was mostly small corrections which did not change the overall meaning of the statements. Nevertheless, there are some parts in the analysis where we had more adequate quotes to support the themes, but as we were denied to use.

The low number of case organizations is due to the number of formal partnerships in the fish farming industry in Norway. Six companies were interviewed of which two have a formal partnership with NGOs. Having the opinions from companies without a partnership can give valuable information about reasons for not establishing a partnership and their thoughts around this topic. Furthermore, interviewing NGOs with interest in the fish farming industry gave another perspective on the partnerships, and contributed with new and at times contradictory information.

3.3.3 Secondary data

As mentioned, an Internet-based information search was carried out in the initial phase of the thesis. Both internal and external documents were investigated. The internal sources used in this paper are data such as financial reports from the respective companies, sustainability reports, the companies' and NGOs' web-pages and other documents received from the interviewees. External sources used in this paper are articles from newspapers, other studies on this field and theories that we find applicable.

Our secondary data helped us plan our primary data collection since we through our secondary data were provided with information about the way other studies within our field have been developed in the past. Furthermore it will be used as validation of the results we conclude with in order to support or criticize our findings (Rasmussen, Østergaard og Beckmann 2006).

3.3.4 Critique of secondary data

There are some problems associated with the use of secondary data: it is normally collected to describe general phenomena, or a particular problem. Hence, it does not always “fit” into your own research (Rasmussen, Østergaard and Beckmann, *Essentials of Social Science Research Methodology* 2006). Furthermore, a lot of secondary data are produced, not always of reliable sources, hence being critical to the findings is of extreme importance. The last problem is that secondary data can be superficial or just covering some of the topics of your interest, but this is simultaneously what creates the need for new research. To assure the reliability of our secondary data, we have only used highly trustworthy, peer-reviewed and internationally regarded theoretical articles, and other secondary data is cross-checked to other sources in order to assess its validity.

In this thesis much of our secondary data were from the companies’ and NGOs web pages and other data they have published themselves. The companies of course want to look good for their stakeholders, and try to present themselves from their best side. We tried to be aware of this while reading about their policies, and had our “critical glasses” on when we read about the companies and NGOs environmental procedures and measures.

3.4 Analysis

In our analysis the cases were used as a base from which we developed our theory inductively (Eisenhardt and Graebner 2007). Our theory was developed by recognizing relationships and chains of thoughts among the different organizations (ibid). In order to build theory from case studies, it is according to Eisenhardt and Graebner (2007) essential to be aware of the fact that “each case serves as a distinct experiment that stands on its own as an analytic unit” (Eisenhardt and Graebner 2007, 25). This can be referred to as replication logic (ibid).

For this purpose we used a thematic analysis which is a technique that is used for assessing qualitative data, particularly interview data. The purpose of the analysis was to find a way to summarize comments into meaningful categories. In this way we got hundreds of interview comments into a few themes that effectively helped us to summarize the thoughts and viewpoints of our respondents.

The process was broken down into three main steps. In the first step responses to the questions were read to gain an understanding and awareness of the variety of comments. This was done in order to verify if some comments were repeated several times. In the second step themes were generated that were drawn from the recurring comments found in the first part of the thematic analysis. The themes consolidated different responses that said essentially the same thing. For example, when we asked the different respondents which factors that were important for successful partnerships, some mentioned openness and trust, while other mentioned honesty and transparency. The respondent's comments were lastly placed into one of the categories we had created (Cummings and Worley 2009). The themes within the categories with most responses created the basis for the themes that were most rapidly mentioned. As the process developed we found that some categories overlapped each other. In the beginning 5 categories were identified, these were narrowed down to three who covered all the major themes.

3.5 Validity, Credibility and Limitations

3.5.1 Preconceptions

In general, people's personality, values and preconceptions are influenced by their every-day surroundings and the culture and environment they belong to. People usually understand and interpret situations based on their background and previous experiences. It can therefore be claimed that everybody has their own pair of glasses when they see the world. Many underestimate how much influence past experiences and surroundings influence our preconceptions. This can be a threat to the validity and trustworthiness of qualitative studies since all researchers have their own pair of glasses and therefore have different starting points (Miles and Huberman 1994). Hence, it is necessary for the researchers to be aware of their own preconceptions and circumstances that might influence the result (Rasmussen, Østergaard and Beckmann, *Essentials of Social Science Research Methodology* 2006).

Because people's personality is influenced by their surrounding and past experiences, the interview objects' statement is likely to be colored by this. In the next section the authors' preconceptions will be discussed as it is important that we as authors, like our respondents, also are aware of the fact that our personality and interpretations are influenced by our surroundings.

Hence, we will attempt to express our preconceptions explicitly so that we can take these into consideration when reflecting upon the paper and process.

The approach and research in our thesis have among other been influenced by nearly five years of studies at business schools in both Norway and Denmark. Furthermore, the theories applied in our concentration and the professors' point of view at Copenhagen Business School in "Strategy, Organization and Leadership" have had a significant influence on our interest and preconceptions about how we view NGOs and reputation management. Additionally, our culture and environment have influenced us unconsciously, which at times can make us blind for other perceptions and realities than the ones that consist in our constructed reality. We have tried to be conscious about our preconceptions throughout our thesis work.

3.5.2 Validity and credibility

Many researchers criticize the lack of rigor in case study research, and claim that it is too easy for the investigators to allow biased opinions and equivocal views to influence the results of a case study (Yin 2003, 10). In qualitative research it is hard to assess the reliability, as representative samples in most cases are not possible. A qualitative case study is based on the respondents' experiences and perceptions about the phenomenon which is being studied. Hence, a more in depth study of one or a few cases creates the empirical data.

The assumption behind reliability is repeatability, which basically concerns whether we could obtain the same results if we observe the same phenomenon twice (Trochim 2006). With the social constructivist perspective in mind this is nearly impossible, because if researchers are measuring things twice, they are by definition measuring two different things (Trochim 2006). This implies that credibility has to be given to the process in which the results are brought forward, and to the researchers. The problem further develops since there are no definitions for which skills a case study researcher needs to possess (Yin 2003). Therefore, the investigators have to strive for reporting the empirical evidence fairly, but in the end the assessment is built on trust of the researcher (Yin 2003). However, we feel that we possess knowledge to make reasonable assumptions as we through nearly five years of studies have obtained valuable insight to methods and research, and have used guidelines and policies from well-known scholars.

By conducting a case study with multiple cases representing the same industry, our aim was to go more in depth in one particular commercial field in order to increase the credibility. Another measure taken to ensure credibility was to make all applied quotes go through a quotation check, where the respective respondents have approved and confirmed that the quotes used are correct and understood in the right context.

Yin (2003) brings up another topic for what case studies have been criticized for, namely the degree to which the results can be generalized. Natural Scientist and others claim that results from case studies cannot be generalized, because the sample does not represent the whole population (Yin 2003). However, Yin argues that the purpose of case studies is not to generalize for populations or universes, but instead to create theoretical propositions. The goal is to expand or generalize theories, not generalize statistically (Yin 2003, 10). Deriving from this, the results and the new theory developed in this thesis, are assumed to apply for research on other industries with similar attributes and challenges, for instance the forestry- and oil industry. These are also primary industries being criticized for their environmental impact.

It is however important to notice that the context in which this research is conducted can be characterized as the western society, or even more precisely Norway, where CSR and environmental measures can be assumed to have a broader importance for stakeholders compared to for example Asia or Latin-America.

Furthermore, we have mainly focused on NGOs within the field of stakeholders due to time and resource limitations. As we have not talked to for example the customers directly, our assumptions regarding the beneficial impact of NGO-business partnerships are based on previous research and statements from the case- companies. This can reduce the credibility of our research, but since several of our case-companies and theory within the field have stated that NGO-business partnerships have a positive influence on reputation, we took this assumption for granted.

4.0 Theoretical Framework

This section will give an introduction to the two main theories used in this paper. There will be provided an overview of the most relevant aspects within the subjects in addition to an introduction to the most well-known concepts and definitions within the theories, as there is not one single theory dealing with every aspect of NGO-business partnerships and corporate reputation. Additionally an introduction to the most relevant supporting theories of this paper will be provided.

The authors have developed a model that gives an overview that displays the structure of the theoretical framework underneath:

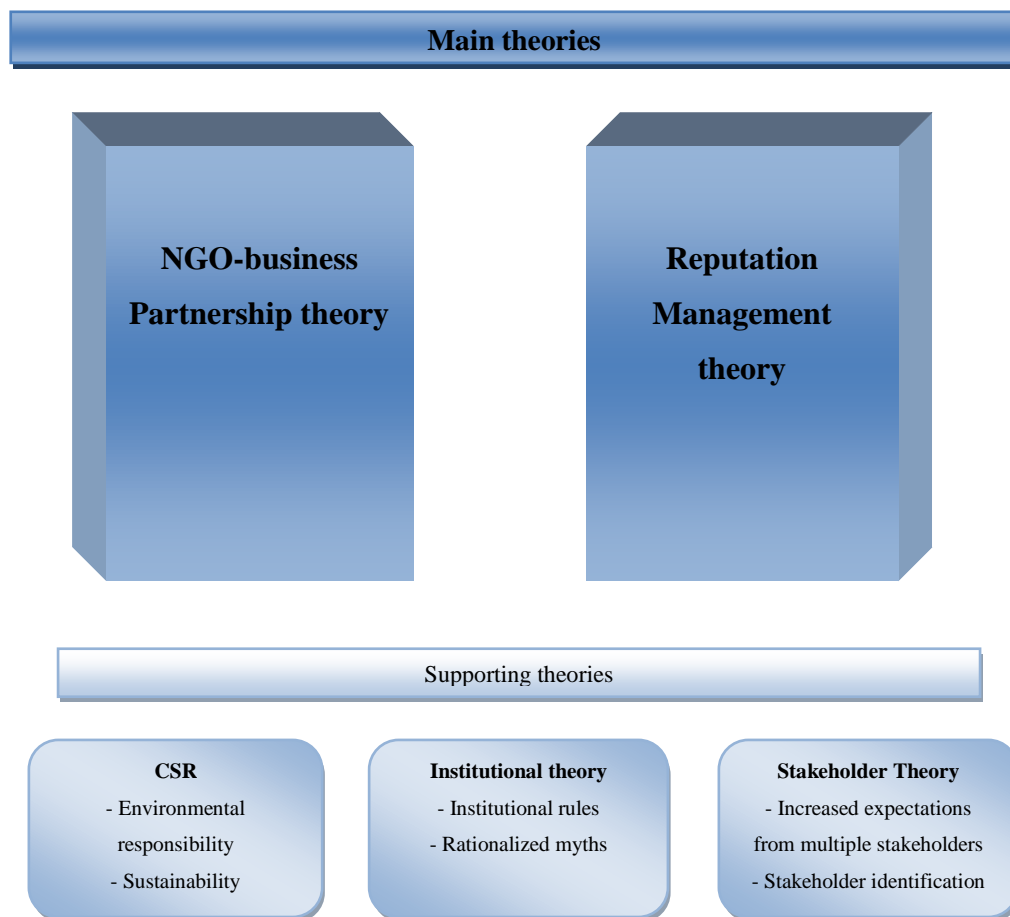


Figure 3: Theoretical Framework

As presented in the model, the main theories will be introduced first. The two main theories are; NGO-business partnership theory and corporate reputation theory. Next our supporting theory within CSR, institutional theory and stakeholder theory will be presented. These theories are well-established and prove to be important concepts in order to understand why NGO-business partnerships exist, and also how these collaborations influence a corporate reputation. Lastly, the theoretical gap which we aim to cover will be elaborated upon.

4.1 Main Theories

As the aim of this thesis is to understand how NGO-business partnerships influence the corporate reputation of companies involved in such collaborations, in addition to investigate the success criteria for a beneficial partnership seen from a business perspective, the need for knowledge about the existing theory on this field is crucial. NGO-business partnership theory will be presented in the next section to explain the authors understanding of the phenomenon. Lastly, corporate reputation theory will be introduced in order to demonstrate which factors that are most valued when assessing a company's reputation in Scandinavia.

4.1.1 NGO-business Partnerships

Today, cross-sector partnerships are becoming more common. There are four general types of cross-sector partnerships. These are: Public- private, public-NGO, NGO-business and tri-sector partnerships, which consist of business, NGOs and government simultaneously (Selsky and Parker 2005). This thesis will only include partnerships between NGOs and businesses. The next section is a brief introductory part to the NGO and business sector, followed by an overview of existing literature in the field of NGO-business partnerships.

NGOs

“NGOs are groups whose stated purpose is the promotion of environmental and/or social goals rather than the achievement or protection of economic power in the market place or political power through the electoral process” (Bendell 2000). Thus, NGOs are usually nonprofit organizations “organized primarily around ideas: around a collective commitment to some shared belief or principle” (Fassin 2009, 503). These organizations represent a wide specter of actors

that are neither governmental nor business, and they are involved in activities that promote specific interests, causes, and/or goals (Fassin 2009, 504).

The nonprofit sector has become an important area that has a major economic and social force at local, national, and international levels (Anheier 2005, 12). When the establishment of the nonprofit sector research appeared approximately two decades ago, few people forecasted the significant growth that has taken place within this sector. Earlier social scientists did not pay much attention to the nonprofit sector and interrelated topics, but this has changed and there is currently a lot of research being conducted within the field (Anheier 2005).

Furthermore, “NGOs can be seen as stakeholders who defend the interests of the civil society and local communities” (Fassin 2009, 504). They fight for noble causes: sustainable production, human rights, and fair trade. Keywords often associated with NGOs are: fairness, justice and respect (Fassin 2009). However, some authors within the field of NGOs highlight the fact that even though the big majority of NGOs have a sincere and genuine ethical motivation and background, some of the activist act in a way that do not reflect the ethical principles and values they believe in (Fassin 2009).

Many scholarly articles address the terms NGOs, activists and pressure groups interchangeably as umbrella terms for this mixture of groups. This can be misleading as they all present different size, age and structures. Some of the organizations are small, young, dynamic grass-roots activists groups, while others are large, mature and more structured organizations (Fassin 2009, 504). Striving from this, we will use the term activist group when we refer to grass-roots type organization and NGOs when we refer to the more structured and mature type on the other end.

Moreover, it is important to be aware of the fact that a good deal of the activities within nonprofit organizations is conducted by paid staff and not by volunteers, and many nonprofits have no membership base at all (Anheier 2005, 38). Due to this some people are starting to look at NGOs more like businesses with paid staff that are looking for funds, however with opposing views from the businesses. In the next section, the business mindset will be presented.

Businesses

Scholarly articles often state that businesses enter NGO-business partnerships with a totally different agenda than the NGOs. To highlight this, an old quote from Professor Friedman which has been frequently cited will be used: “The one and only role of companies is to make as much money for stockholders as possible. Anything that takes executives’ eyes off this goal undermines “the very foundations of our free society” and is “a fundamentally subversive doctrine” (Friedman 2012). A more basic definition of businesses is: “an economic system in which goods and services are exchanged for one another or money, on the basis of their perceived worth. Every business requires some form of investment and a sufficient number of customers to whom its output can be sold at profit on a consistent basis” (BusinessDictionary, Business Dictionary.com 2012).

However, scholars claim that businesses are starting to realize that “tackling issues of environmental and social concern globally can no longer rest solely with governments and international organizations, but must also become an obligation of the business community” (Heap 2000, 262). This developing trend naturally has big impact on the roles, actions and relationships which currently exist between businesses and NGOs (Heap 2000, 262). Some scholars claim that the basic premises for the rise of NGO-business partnerships are due to the fact that governments’ capacity and willingness to cope with social and environmental problems is waning (Heap 2000). Businesses are therefore becoming aware of the fact that they need to be more alert towards societal concerns (ibid). This is likely to be one of the reasons why there is a rise of NGO-business partnerships. This concept will be further explained in the next section.

4.1.1.1 What is a NGO-business partnership?

The NGO-business partnership literature is relatively young and the focus has typically been on the business-side of the partnership, and much of the literature originates from research in the public-private partnerships and strategic alliances (Neergaard, Jensen and Pedersen 2009b, 5). There is no clear consensus in the literature regarding what constitutes a NGO-business partnership, thus it exists several and at times contradictory definitions of the concept. However, there seems to be a common starting point in the literature: the partnerships create social and/or environmental value for the society and there is a reunification of the two sectors’ resources

(Neergaard, Jensen and Pedersen 2009b, 5). For the purpose of this thesis the definition presented by the scholars Jamali and Keshishian will be used: “A partnership is a sort of collaboration to pursue common goals, while leveraging joint resources and capitalizing on the respective competences and strengths of both partners” (Jamali og Keshishian 2009, 279).

Scholars have in different ways tried to categorize partnerships based on several different factors (Neergaard, Jensen and Pedersen 2009b). Authors mention many different categorizations, but we will provide an introduction to Neergaard et al.’s (2009) categorization of different partnerships as this approach is aligned with the authors understanding of the subject. However, it is important to be aware of the fact that partnerships can be a mix of different categories and they can progress over time as trust is built, human relationships are established and knowledge is developed (Neergaard, Pedersen and Jensen 2009a, 3).

Philanthropic: Firms offer financial support to an NGO, often by giving a donation of money or products. The two partners communicate on a limited basis and have different goals. These kinds of partnerships involve a one-way transfer of resources from a firm to an NGO instead of an actual pooling of joint resources (Neergaard, Pedersen and Jensen 2009a, 3). There is a discussion among scholars regarding whether this stage can be characterized as an actual partnership. Still, many claim that the philanthropic engagements are often the starting point of contact and can create the foundation for more advanced partnerships in the future (Neergaard, Pedersen and Jensen 2009a, 3).

Reciprocal exchange/cross-related marketing: A company and a NGO create common marketing, often with products or services from a company with the logo of the NGO (Neergaard, Jensen and Pedersen 2009b, 10). The company donates money to the NGO depending on their sales volume or the use of the products (Neergaard, Pedersen and Jensen 2009a, 3). There is limited interaction and the partnership can be characterized as two parts that collaborate about a shared “sales campaign” (Neergaard, Jensen and Pedersen 2009b, 10).

Independent value creation: “Semi-strategic partnerships, in which a company and NGO collectively attempt to cater to each of their individual goals which while not being similar, are not directly conflicting” (Neergaard, Pedersen and Jensen 2009a, 3). A firm that collaborates with

an International NGO in a developing country could serve as an example for this. The NGO is involved because it wants to improve human rights, while the firm wish to make sure that there is compliance between the company's code of conduct and its suppliers (Neergaard, Pedersen and Jensen 2009a, 3). The collaboration in these kinds of partnerships helps the two partners to reach their goals and creates value for both of them in different ways (Neergaard, Jensen and Pedersen 2009b).

Symbolic value creation/integrative: “A company and a NGO work together in a strategic partnership on a common problem which they would both like to see solved” (Neergaard, Pedersen and Jensen 2009a, 3). An example could be a company in the fish farming industry that works with an NGO to develop a product that will help the fish farmers to cope with the problem of sea lice. In these kinds of partnerships there is a value creation for both parties and the criteria for success will be partly overlapping (Neergaard, Pedersen and Jensen 2009a, 3).

Throughout this paper the authors refer to strategic partnerships when writing NGO-business partnerships. Scholars often imply that semi-strategic and strategic partnerships usually generate most value (Neergaard, Pedersen and Jensen 2009a, 3) as these partnerships among other focus on common resource development and frequent communication (Neergaard, Jensen and Pedersen 2009b). However, a study conducted by Neergaard et al. (2009) in Denmark where 1920 partnerships were examined, only 1 per cent of the partnerships turned out to be semi-strategic or strategic partnerships. A significant majority of about 96 per cent proved to be philanthropic partnerships and the remaining 3 per cent were cross-related marketing efforts.

There seems to be a shared perception in the literature regarding the fact that a NGO-business partnership has a reputational effect for the involved company, this will be investigated further in the analysis. However, there will be given an overall introduction of the theoretical framework within reputation management in the next section.

4.1.2 Reputation Management Theory

As many scholars state that NGO-business partnerships result in strengthened corporate reputation, the authors will give an overview of reputation management to create the theoretical foundation for understanding some of the underlying reasons for how a NGO-business

partnership can influence a company's reputation. Furthermore, the direction taken within this large and wide concept will be clarified.

“Corporate reputation affects the way in which various stakeholders behave towards an organization, influencing, for example, employee retention, customer satisfaction and customer loyalty” (Chun 2005). Hence, a good corporate reputation is a valuable intangible asset that can create a strategic competitive advantage over its competitors as it is difficult to imitate by others (Flatt and Kowalczyk 2011).

According to Flatt and Kowalczyk, the definitive definition of reputation has not yet been agreed upon, despite many attempts by numerous scholars (2011). Among the many articles written, Barnett et al. have made an attempt to gather many of the prior definitions of corporate reputation into one. Their suggestion is that corporate reputation is the “observers’ collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time.” (Barnett, Jermier and Lafferty 2006, 34) .This definition corresponds with our understanding of this phenomenon, as it acknowledges that there exist multiple stakeholders that judge a company on the mentioned parameters. This definition will therefore serve as a base for our research.

One of the main reasons for why reputation is so hard to define is because there is confusion between the concepts of identity, image, and reputation (Barnett, Jermier and Lafferty 2006). Chun claims that the definition of reputation is influenced by how scholars understand and define image and identity (Chun 2005). Especially in the marketing literature the terms image and reputation are used synonymously, even though they are usually looked upon as two different terms (Chun 2005).

Barnett et al. draws upon Gray and Balmer's (1998) definition of image which states that a corporate image is: “what comes to mind when one hears the name or sees the logo” (Barnett, Jermier and Lafferty 2006, 34). Chun states that the image represents the “public's latest beliefs about an organization” (Chun 2005, 96), whereas “the reputation presents a value judgment about the organization's qualities build up over a period and focusing on what it does and how it behaves” (Chun 2005, 96). To summarize, an image can be formed quickly without any real

experience with the company, whilst a reputation is build over a longer period of time and is based on experience (Chun 2005).

There are several academic disciplines within the field of reputation management, which are: Accountancy, Economics, Marketing, Organizational Behavior, Sociology and Strategy. These disciplines can help to create an understanding of the different ways of analyzing corporate reputation. However, contemporary academics argue that one needs to combine both the external and internal view of a reputation, i.e. both external and internal stakeholders' perception matter (Chun 2005). For this reason, Chun emphasizes the fact that the distinction between these disciplines within corporate reputation is becoming blurry and less useful in order to understand the reputational paradigm (Chun 2005, 93). However, the categorization is helpful in order to limit the scope of our research, as reputation management is a large and complex area. The different disciplines are presented in Figure 4 below.

Discipline	Categorization of reputation
Accountancy	Reputation seen as an intangible asset and one that can or should be given financial worth.
Economics	Reputation viewed as traits or signals. Perception held of the organization by an organization's external stakeholders.
Marketing	Viewed from the customer or end-user's perspective and concentrating on the manner in which reputations are formed.
Organizational Behavior	Viewed as the sense-making experiences of employees or the perception of the organization held by an organization's internal stakeholders.
Sociology	Viewed as an aggregate assessment of a firm's performance relative to expectation and norms in an institutional context.
Strategy	Reputation viewed as assets and mobility barriers. Since reputations are based on perception, they are difficult to manage.

Figure 4: Categorization of corporate reputation literatures

Source: (Fombrun og Van Riel 1997)

The perspectives which distinguish themselves the most from each other are the Economist's and the Strategy and Marketing perspective. Economists look upon reputation as traits or signals that can help organizations defend their marked position, whereas researchers within strategy or marketing perspectives examine reputation more from the angle of stakeholders' perception,

which is influenced by interaction with and knowledge about the company (Chun 2005).

However, in our paper the main discipline will be sociology.

The sociological view is concerned with how reputational rankings of a company actually are generated. According to Fombrun & Van Riel (1997) rankings or assessments are social constructions that come to exist through relationships that a company has with its stakeholders in a common institutional environment (Fombrun and Van Riel, *The Reputational Landscape* 1997, 9). Deriving from this perspective, a company has multiple evaluators, or stakeholders, each of them with different criteria for assessing a company. However, it is assumed that these evaluators communicate within a shared organizational field and exchange information about for instance the company's actions in relation to the norms and expectations (Fombrun and Van Riel 1997, 9). For these reasons, sociologists view the corporate reputation as "aggregated assessments of firms' institutional prestige and describe the stratification of the social system surrounding firms and industries" (Fombrun and Van Riel 1997, 9).

Due to several stakeholders with multiple interests and requirements, a company needs to be aware of the importance of satisfying their different needs. How can an organization cope with this complexity? The theorists Fombrun et al. developed a model which measures the corporate reputation for multiple stakeholders. In this model 20 items are analyzed into six dimensions which are assumed to represent the requirements from all the stakeholders of a company. The figure is presented on the next page.

20 items	6 factors
I have a good feeling about the company I admire and respect the company I trust this company	Emotional appeal
Stands behind its products and services Develops innovative products and services Offers products and services that are good value for money Offers high quality products and services	Product and services
Has excellent leadership Has a clear vision for its future Recognizes and takes advantage of market opportunities	Vision and leadership
Is well managed Looks like a good company to work for talented people Looks like a company that would have good employees	Workplace environment
Supports good causes Is an environmentally responsible company Maintains a high standard in the way it treats people	Social and environmental responsibility
Has a strong record of profitability Looks like a low risk investment Tends to outperform its competitors Looks like a company with strong prospects for future growth	Financial performance

Figure 5: The Reputation Quotient

Source: (Fombrun, Gardberg and Sever 2000)

This Reputation Quotient model was used by Apéria, Brønn and Schultz in 2004, when they conducted a reputation analysis on the most visible companies in the Scandinavian countries. They had some interesting observations; *social responsibility*, workplace environment and the products and services offered are all factors that Scandinavians need to trust, admire and respect in order to have a good feeling about a company. Furthermore, Apéria et al. state that these factors indirectly influence the emotional appeal, which, according to them is “the dimension that has the strongest impact on the overall reputation in all three countries” (Apéria, Brønn and Schultz 2004, 225).

Throughout this section, the authors have provided a definition of corporate reputation and elaborated on our view within reputation management, which is within the sociological discipline. Sociologists assume that a company has several assessors or stakeholders, and that they assess a company within a social system. In order to understand the multiple stakeholder perspective and how stakeholders influence a company’s reputation, an overview of stakeholder

theory will be offered. Furthermore, as sociologists assume that stakeholders assess a company within a social system or organizational field, the authors will draw upon institutional theory to explain the processes of institutionalization, and the consequences for not complying with the set rules and norms within a social system. As Social and Environmental Responsibility is an important factor for Scandinavians when judging a company, CSR theory will serve as the third supporting theory in this theoretical framework.

4. 2 Supporting Theories

The supporting theories in this framework will as mentioned be CSR, institutional theory and stakeholder theory. In each section a definition to the respective concepts, followed by some main assumptions and history will be presented. The theory of CSR will be introduced first, followed by institutional theory and lastly stakeholder theory.

4.2.1 Corporate Social Responsibility

“In its broadest sense, corporate social responsibility represents a concern with needs and goals of society which goes beyond the merely economic” (Eells and Walton 1974, 274). Hence, the CSR movement represents an extensive concern with companies’ role in supporting and enhancing the social order (Eells and Walton 1974, 274).

The concept of Corporate Social Responsibility (CSR) has existed for many years, and Archie B. Carroll, which is a researcher on the field states that the real foundation for the concept as we know it today started with Howard R. Bowen’s (1953) publication: *Social Responsibilities of the Businessman*. Bowen is referred to as the father of CSR (Carroll 1999) and his work derived from the idea that the several hundred largest companies in the world were vital centers for power and decision making, and that the actions of these corporations touched the lives of citizens at many points (Carroll 1999, 269). Traditional examples of CSR can be: employment of minority groups, reduction in pollution, greater participation in programs to improve the community, enhanced medical care, improved industrial health and safety (Carroll 1999, 279). Today, CSR activities can be everything from giving financial support to “Red-Cross” to reducing the environmental impact of companies’ production. In the early era of CSR, companies with CSR initiatives were perceived as highly responsible, whereas today the concept is consistent with what the public

expects of the business community (Carroll 1999). In this thesis, the focus within CSR will be given to the environmental perspective. This is due to the environmental challenges the aquaculture industry is facing and being accused for not taking seriously.

Lately the environment is increasingly being viewed as a pillar of CSR, and the environment has grown to become one of the factors that receive most attention in terms of the market's attitude regarding CSR (Babiak and Trendafilova 2011, 13). Many different variables have been used to identify and evaluate environmental responsibility. Examples of this could be pollution abatement programs, eco-design practices, the firms' ability to conserve natural resources, involvement in voluntary environmental restoration or systematic reduction of emission and waste from operations. In this thesis we therefore understand CSR as taking care of the environment by having a sustainable production, or at least reducing the impact to a highest possible degree.

Moreover, some reports point at enhanced financial performance as a consequence of development in their environmental performance (Babiak and Trendafilova 2011, 13). In order to further explain why CSR has come to play such an important role in modern business society it will be drawn upon institutional theory. This will be presented next.

4.2.2 Institutional theory

“Institutionalization occurs whenever there is a reciprocal typification of habitualized actions by types of actors” (Berger and Luckmann 1967, 54).

The statement above defines institutionalization as a process of creating reality. Institutional theory is a concept trying to explain, among other things, why organizational structures are as they are, and change as they do. It assumes that there is an institutional environment in which organizations exist, and that this environment is shaped by all the actors in it. Berger and Luckmann attempt to give an answer to what is the nature and origin of social order, and argues that social order only exists as a product of human activity. “Social order comes to being as individuals take action, interpret that action and share with others their interpretations” (R. W. Scott 1987, 495). These interpretations or “typifications” are attempts to categorize the behavior which will enable the actors to respond to it in a similar manner (W. R. Scott 1987, 495).

Furthermore, “institutionalized rules are classifications built into society as reciprocated typifications or interpretations” (R. W. Scott 1987, 496). Thus, institutionalization involves the processes where obligations, actualities and social processes come to take a rulelike status in social thoughts and action (R. W. Scott 1987, 496).

Meyer and Rowan further elaborate on this process of creating rulelike obligations, actualities and social processes in the organizational context, by introducing the concept of “rationalized myths” (W. R. Scott 1987, 497). A rationalized myth is a shared belief system, and can be understood as institutional techniques or practices important for organizations in order to confirm with the social “rules” (ibid). Examples can be accounting practices, internal auditing, formalized personnel selection and hierarchy.

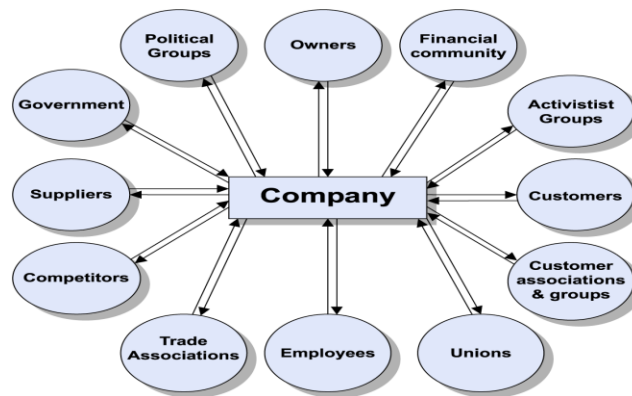
Scott and Meyer state that organizations have to conform to the rules and requirements in an institutional environment in order to receive support and legitimacy. (Meyer and Scott 1983, 149). Deriving from this, organizations do not inevitably conform to a set of institutionalized beliefs because they ‘constitute reality’ or are taken for granted, but often because they are rewarded for doing so through increased legitimacy, resources, and survival capabilities (R. W. Scott 1987, 498).

In the early days, CSR was not a part of a manager’s mindset, and society did not expect companies to take care of anything but making profit. The institutional perspective will be used in an attempt to explain why CSR has become widespread in the western business society. Moreover, if NGO-business partnerships are looked upon as a CSR initiative, the concept of institutionalization can help us to understand why these partnerships influence a company’s reputation within a social system. Furthermore, companies realized that they had other stakeholders than the shareholders, and this can probably also be a reason for the increased importance of CSR initiatives and the development of NGO-business partnerships. Hence, stakeholder theory will be the last supporting theory presented in this framework.

4.2.3 Stakeholder Theory

Freeman introduced the term stakeholder theory in 1984, as a proposal for the strategic management of organizations in the late twentieth century (Mainardes, Alves and Raposo 2011). This theory has gained importance not only as a strategic tool, but also as a market tool in the later years. This development is according to the scholars Mainardes et al. due to public interest, greater coverage by the media and concerns about corporative governance (Mainardes, Alves and Raposo 2011, 227) The main idea behind stakeholder theory is that organizations should not only be concerned about the interest of shareholders when taking strategic decisions (Mainardes, Alves and Raposo 2011). Therefore, identifying and be responsive to other stakeholders is assumed to be of great importance for an organization. To identify and create awareness of a company's stakeholders, a stakeholder model can be developed. An example can be seen in figure 6 below:

Figure 6: Freeman generic stakeholder map



There is no consensus in the academic articles regarding how the term 'stakeholder' should be defined, and according to the theorists Mainardes et al. there exist a great variety of definitions, none which is generally accepted. Still, they all reflect the principle that the company should take into consideration the needs, interests and influences of people and groups who either impact on or may be impacted by its policies and operations (Frederick, Post and St Davis 1992). This is well aligned with the definition originally offered by Freeman, who states that stakeholders are individuals or groups that may be influenced by the scope of organizational objectives (Mainardes, Alves and Raposo 2011, 229). By this, Freeman states that a person, an informal group, an organization or an institution may all be stakeholders.

The context in which stakeholder theory emerged from is one where the organization is not seen as self-sufficient and is dependent on the external environment, existing of groups external to the organization (Mainardes, Alves and Raposo 2011, 229). These external groups are what Freeman refers to as stakeholders.

The basic premises of stakeholder theory are that the theory focuses on the nature of the company-stakeholder relationships in terms of processes and the results for both parties. Furthermore, the theory assumes that the interests of all legitimate stakeholders are of essential value and it is assumed that there is no single established set of interests. Moreover, the theory elaborates on how stakeholders try to influence the processes of decision making in organizations to be consistent toward their requests and priorities. For organizations this implies that they should strive to understand and balance the interest of the different participants (Mainardes, Alves and Raposo 2011, 229).

As there is no dominant set of interests, companies have to choose which interest and hence which stakeholders to assign most attention. Who are the most important stakeholders for a respective company? This is what Mitchell et al. have tried to cope with in their article about stakeholder identification and salience.

Stakeholder identification and salience

The scholars Mitchell et al. have developed a model in an attempt to answer who and what really counts in regards to stakeholders and their opinions (See appendix). In their model they suggest three attributes that a salient stakeholder possesses in a relationship with a company. The three attributes are: “power, legitimacy and urgency” (Mitchell, Agle and Wood 1997, 853). A salient stakeholder is a body in an organization’s environment that managers need to pay close attention to and if necessary, they must be responsive towards its claims.

Mitchell et al.’s definitions of the three attributes that a salient stakeholder possesses are presented below:

“A party to a relationship has **power**, to the extent it has or can gain access to coercive, utilitarian or normative means, to impose its will in the relationship” (Mitchell, Agle and Wood 1997, 865).

Mitchell et al. further state that the ability to impose its will is not constant; hence, power can be acquired as well as lost.

Following Mitchell et al. “**legitimacy** is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Mitchell, Agle and Wood 1997, 866). This implies that an entity which is legitimate in one system might not have the same status in another.

Mitchell et al. (1997) define **urgency** as “the degree to which stakeholder claims call for immediate attention” (Mitchell, Agle and Wood 1997, 867).

The attributes presented above will be used in the analysis to see if NGOs can be characterized as salient stakeholders.

Primary and Secondary Stakeholders

Another way of categorizing stakeholders is to divide them into primary and secondary stakeholders. Mainardes et al. define primary stakeholder as those stakeholders with formal or official contractual relationships with the company, such as clients, suppliers, employees and shareholders among others. A secondary stakeholder is one without such contracts, for instance the local community or NGOs (Mainardes, Alves and Raposo 2011). They further state that in a modern context, local communities and government authorities are important stakeholders as well. This implies that some initially secondary stakeholders have increased their importance during the last years.

In the first part of the analysis stakeholder theory will be used in order to highlight the influence stakeholders have on a company’s behavior towards CSR and it will be analyzed if this can be an explanatory factor as to why NGO-business partnerships have an influence on a company’s reputation. Furthermore, the NGOs’ role as stakeholder in today’s society will be analyzed, using the concepts of salient stakeholder and primary -and secondary stakeholders.

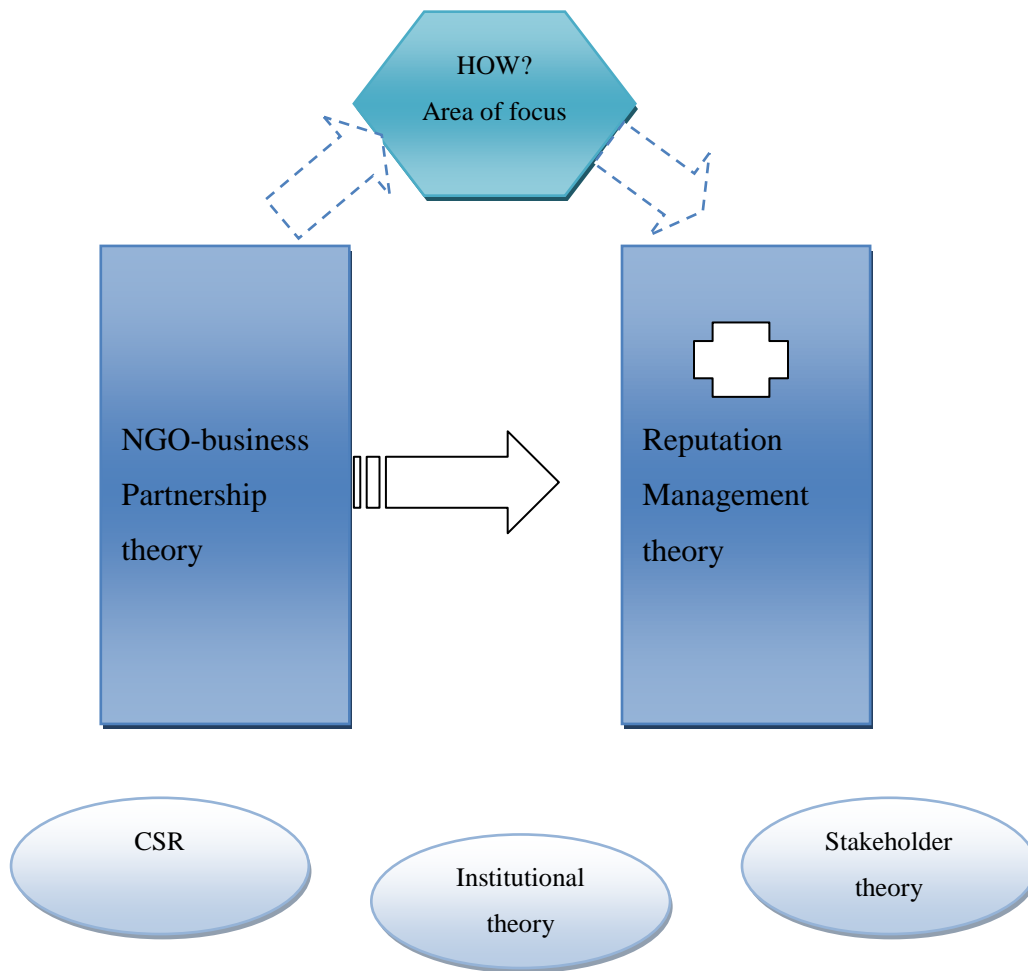
To summarize the chapter of supporting theories the authors see CSR theory, institutional theory and stakeholder theory as theories that can be part of explaining why companies engage in NGO-business partnerships. Further they can help in order to understand and explain some of the

underlying reasons for why these partnerships influence a company's reputation. The authors' academic focus will be described in the next section.

4.3 Our area of focus

As read in many research articles about the business outcomes of NGO-business partnerships, it is assumed that a partnership will have a positive reputational impact for the company involved. In the Partnership 2012 Conference at Copenhagen Business School, May 2012, some of the businesses indicated that there is a demand for more facts regarding the concrete outcomes of NGO-business partnerships, and how these collaborations can help and create value for them. This signals that more research has to be conducted on this field. The theoretical gap this thesis will explore is therefore how NGO-business partnerships can influence a companies' reputation and which criteria that are important in order to have a beneficial partnership.

Figure 7: Theoretical area of focus



5.0 Introduction to the case organizations

Firda Seafood AS

Firda Seafood (FS) is a fully integrated fish farming company based on the west coast of Norway between Bergen in the south and Bremanger in the north. The company has operations in six communities and has facilities in saltwater, freshwater and handles slaughtering, packing and export (Firda 2012). The company produces salmon and trout. In 2010 Firda Seafood sold farmed fish for almost 300 MNOK, with a profit of some 143 MNOK (Bedriftsdatabasen 2011). The company has around 90 employees (Firda, Firda Seafood.no 2012).

According to their web page, taking care of the environment is part of their quality measures (Firda, Firda Seafood.no 2012), but this company has no formal partnership with any NGO. It is a middle sized Norwegian fish farming company, and is interesting because it is an average sized fish farming firm in Norway, but among the best considering revenue. In this thesis Firda Seafood will be one of the smaller companies.

The CEO of Firda Seafood was interviewed, a prominent man within the aquaculture industry, and we were privileged to get the chance to interview him. He is involved in different forums and organizations within fish farming, among other the Norwegian Seafood Federation, which is the industry's own organization, and is advising the fish farmers about important issues as for instance environmental challenges. His views and opinions gave interesting contributions to our case study as they in several cases were quite contradictory to the information received from the other interview objects.

Norges Miljøvernforbund

Norges Miljøvernforbund (NMF) or “Norway’s Environmental Organization” is a non-governmental organization concerned with environmental issues locally, nationally but also internationally. It was established in 1993 with headquarters in Bergen, Norway (NMF 2012). They claim on their web page that NMF is Norway’s most active environmental organization, and has managed to get significant space in media because of their stunts and demonstrations, especially towards the fish farming industry. Many of the companies and other NGOs mentioned NMF as an NGO with an extreme approach and stand.

We interviewed the leader and his associate, the leader being a celebrity in Norway for his “un-orthodox” behavior and comments. NMF’s leader was highly interesting to interview because of his harsh criticism of the fish farming industry.

Aker BioMarine

Aker BioMarine (ABM) is an integrated biotechnology company, producing products based on their krill harvesting in Antarctica. It is a part of the large Aker group, which is one of the largest industry corporations in Norway (Eniro 2011). Aker BioMarine had 330 MNOK in operating income in 2011, and a profit of -93 MNOK (Aker 2011). It is a young company, established in 2006, and has a large focus on sustainability and environmental friendly production. Aker BioMarine has a partnership with WWF Norway (see description of WWF for more information), and it has a MSC certification⁴. Aker is in-directly involved with the fish farming industry as a supplier of krill. An important utilization of krill is as a base ingredient for feed to the fish farming industry. Aker BioMarine is also interesting because they are a part of an industry with environmental challenges, hence this company can be used as an example in our case study.

In Aker BioMarine the Senior Vice President who is in charge of the partnership with WWF and Aker BioMarine’s sustainability program was interviewed. He has a lot of knowledge about environmental challenges and how a partnership with a NGO is working.

WWF Norway

WWF-Norway or World Wildlife Fund for Nature (WWF) in Norway was established in 1970 and is one of the major NGOs in Norway, especially in the aquaculture industry. They claim on their web-page that they have one of the largest professional stabs in Norway concerned with nature conservation (WWF 2012). The organization has several partnerships with businesses, among them Aker BioMarine and Marine Harvest which also are part of the case analysis. WWF is a global organization, but operates locally in each country they are represented (WWF 2012). WWF is an interesting interview object because of its cooperation with and influence on the fish

⁴ MSC Certification is a proof of sustainable fishery given by the Marine Stewardship Council. Read more at <http://www.msc.org/home-page-da?il18nredirect=true>

farming industry. They have a modern approach, which made them sort of a “first-mover” in the field of NGO-business partnerships.

In WWF-Norway the Head of Marine Program was interviewed. She has in-depth knowledge about the partnerships with Aker Biomarine and Marine Harvest and gave us valuable information, which made her the optimal interviewee in this matter.

Cermaq

Cermaq is an international fish farming- and fish feed group with head office in Oslo, Norway (Cermaq 2012). Their operations in fish farming is run under the name of “Mainstream” and this subdivision of Cermaq is one of the largest actors in the fish farming industry in the world (Cermaqfishfarming 2012). They are located in Chile, Canada and Norway, with over 3000 employees and revenue of around NOK 3.6 billion. Cermaq had in 2011 a market share of 6 %. The company has taken openness to a new level in the fish farming industry, sharing all the information they have concerning their footprints from operations. All information and inquiries from NGOs and their content are also shared. Thus interviewing Cermaq has given interesting and representative information from the aquaculture industry’s point of view.

The sustainability coordinator in Cermaq was interviewed, a position with responsibility for Cermaq’s sustainability program. As Cermaq did not have any partnerships today, it was interesting to hear her thoughts around the relevant and important criteria for them in order to make a NGO partnership interesting. Cermaq was a company we really found relevant and interesting to interview, hence the chance to do so was highly appreciated.

Naustvik Enghav

Naustvik Enghav (NE) is one of Norway’s leading fish companies. Their turnover is just below 900 million and they have 200 employees which makes them one of the largest distributors of fresh fish and seafood within the catering and grocery market delivering both to the public and to private industries. They are located in Norway and have their own trademarks called Sea Fraiche (the freshest cod, halibut and salmon) and Sakana (sushi) (NaustvikEnghav 2012).

Through their web pages there is little information regarding their sustainability strategy, but through conversations with them and Norges Miljøvernforbund we got the impression that this is an important aspect for them. They do not have any formal relationship with any NGO, but is in dialog with them regularly.

In Naustvik Enghav the sales manager was interviewed. He gave us valuable insight of which factors that was valuable for them when they bought products from the fish farming industry and which parameters that was most important for them when deciding which fish farming companies to do business with.

Alsaker Fjordbruk

Alsaker Fjordbruk (AF) is one of the leading fish farming firms in Norway when it comes to the production of salmon. They are located in Norway and their activity has its origins in Sunnhordland (Alsaker 2012).

According to their web page they have high focus on safety and control of their production with much external supervision. They do not have any formal partnerships with NGOs, but they have dialogue with NGOs and value their point of views and feedback. Considering their size and revenue they are one of the minor firms in our case study.

The person that was interviewed at Alsaker is responsible for public relations and is among others responsible for contact with public authorities. He worked earlier in the public sector; “on the other side of the fence”, so his background is different than the other interview objects that were interviewed. He gave valuable information regarding Alsaker’s view on NGOs and sustainability.

Bellona

The Bellona Foundation is an international environmental NGO based in Norway. It was founded in 1986 and has become a recognized technology and solution-oriented organization with offices in Oslo, Brussels, Washington D.C., St. Petersburg and Murmansk (Bellona 2012). In total they have approximately 75 employees who have background in everything from engineers to nuclear physicists, economists and lawyers (ibid).

They have several partnerships with businesses; among them Lerøy Seafood who is one of the largest actors within the fish farming industry. Bellona is an interesting interview object as it on the one hand serves as a watchdog that critically follows the fish farmers' operations and— on the other hand Bellona is working on solutions to the industry's environmental challenges.

Our interview object had been working in the Bellona Foundation for 11 years, and had extensive knowledge about the environmental challenges with fish farming. Additionally, he had in-depth knowledge about how they as a NGO successfully collaborate with businesses in general including the fish farming industry.

Marine Harvest

Marine Harvest (MH) is the world's leading seafood company with 6 200 employees that operates in 22 countries worldwide. Their head office is located in Bergen, Norway and they offer farmed salmon and processed seafood to customers in more than 50 markets worldwide (MarineHarvest 2012).

The company is highly focused and a leading firm with regard to sustainable production, and have partnerships with other organizations aimed at finding processes that makes their procedures and production more effective and environmental friendly. Furthermore, they have an official partnership with WWF.

In Marine Harvest the interview object was working with their relations to different stakeholders. In her position as communication manager she said that she sometimes felt as a “translator” that tried to go into the minds of other stakeholders in order to understand their views and concerns, and pass the information on to other parts of the organization. Additionally, she was the contact person for WWF and other NGOs. She gave us valuable knowledge about partnerships with NGOs and sustainability in general.

5.1 Partnership Contents

This section will provide a short introduction to the two partnerships that exist between four of our case organizations. A short overview of the content and goals of the partnerships will be presented in order to give an overall idea of what the collaborations are about.

WWF and Marine Harvest

The partnership between Marine Harvest (Norway) and WWF Norway was initiated in April 2008. They cooperate with the common purpose of reducing the environmental impact and ecological footprint of aquaculture regarding issues like fish lice, escapes, sustainable feed and sickness. Additionally they have a goal of minimizing the climate change impacts from fish farming activities and processing, and to protect marine and freshwater biological diversity (MarineHarvest 2012). WWF meets regularly with Marine Harvest's technical team and top management, and the partnership has developed to become more widespread and important than before (Interview Marine Harvest 2012).

WWF and Aker BioMarine

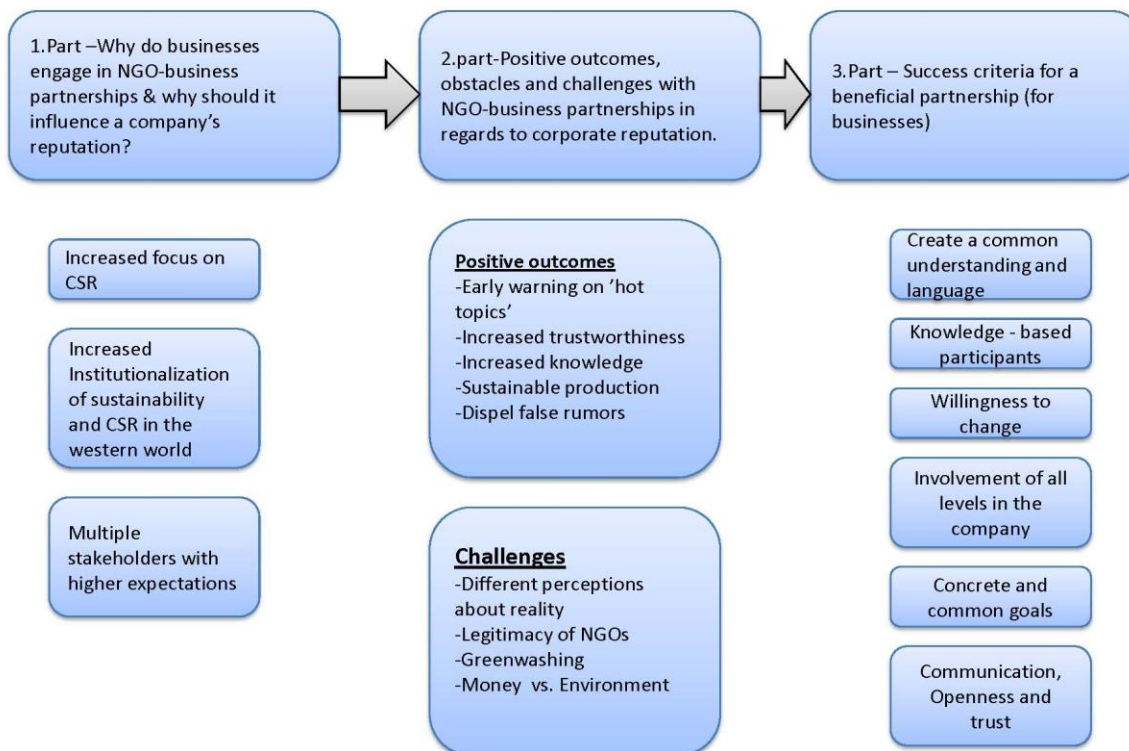
Aker BioMarine and WWF Norway cooperate for sustainable krill harvesting in the Antarctic. The main focus of the partnership is to manage krill in the best way possible, which implies implementing measures that are important for sustainable production. Further, WWF and Aker BioMarine work closely to protect the region's ecosystems and environment and to promote sustainable management of marine resources in Norwegian waters and in oceans of the world (AkerBioMarine 2012). The partnership also aims to ensure that the harvest of krill and whiting by Aker BioMarine are consistent with sustainable practices. Furthermore, it helps Aker BioMarine to foster dialogue with experts in order to keep Aker's fishery operations at the forefront regarding sustainable performance (ibid).

6.0 Analysis

In this analysis our findings will be presented in categories derived from our empirical data. The first part consists mainly of a theoretical analysis where CSR, institutional theory, and stakeholder theory will be used to analyze whether NGO-business partnerships can be seen as a result of increased stakeholder expectations towards CSR, and institutionalization in the field.

In part two and three of the analysis our empirical research will be used to analyze positive outcomes in addition to obstacles and challenges with strategic partnerships between NGOs and businesses. Lastly, success criteria for a beneficial partnership seen from a business perspective will be analyzed and presented.

Figure 8: Overview of the analysis



Created by Rikke Linn Salbu & Kjell-Kristian Sæther

6.1 Why do companies engage in NGO-business partnerships?

In the 1970`s the only unforgivable sin in business was to run out of cash. In the rest of society people started to doubt whether money shortage could be the only sin a company might be guilty of (Garsten and Hernes, Ethical Dilemmas in Management 2009, 1). The public started questioning their behavior, and some would go as far as to say that today our society has become the “Age of Morality” (Garsten and Hernes, Ethical Dilemmas in Management 2009, 3). In this part of the analysis it will therefore be investigated reasons for why there is an increased focus on NGO-business partnerships and how they can contribute to stakeholder satisfaction.

6.1.1 Increased focus on Corporate Social Responsibility

During the last two decades it has been a significant increase in pressure towards businesses; people demand that firms become accountable for their actions and perform a social and environmental role (Larkin 2003). As society is becoming less tolerant to businesses that do not adapt to these values and standards, the risk of reputational damage increases if businesses do not follow these trends (ibid).

As a result, many organizations have increased their focus on corporate social responsibility. CSR is a concept where organizations take responsibility for their actions, and their influence on environment and stakeholders. Their CSR efforts usually exceed the legal obligation required by law (McWilliams and Siegel 2001).

CSR has also entered the fish farming industry and at first sight the fish farming industry seems to put a lot of effort into CSR initiatives. Nearly all the companies' websites have considerable focus on the social and environmental friendly measures they are applying. One can question why companies apparently spend so many resources on CSR actions, as it in many cases is not connected to their core business. This will be looked upon in the next section.

NGO-business partnerships: Just an easy way of improving companies' reputation?

Several of the companies interviewed have made obligations that exceed the current laws and regulations. One of the reasons for this could be that the pros and cons analysis lead to the conclusion that not focusing on CSR would harm their business and profit to a higher extent than the cost of initiating the CSR activities. Furthermore, different stakeholders such as investors,

employees, customers, media and NGOs often have strong views on how corporations should be run. If the organization cannot keep up with their expectations, the companies' viability might be short (Abrahamson 1996). As a result, it is likely that some companies engage in NGO-business partnerships to expand their CSR initiatives and use their partnership to respond to stakeholders expectations.

The scholars Garsten & Hernes (2009) claim that standards⁵ within CSR (e.g. CSR certifications) are based on the assumption that problems can be avoided by imposing rules (Garsten and Hernes, *Ethical Dilemmas in Management* 2009, 4). An example of this is the Enron/Anderson⁶ scandal which made the public even more aware of the fact that there is not necessarily a correlation between a company's commitment to CSR and its "real" dedication to be ethically responsible. It has become a trend in the past years to leave it to standards to ensure ethical behavior. Although standards may ensure a degree of ethical conduct, it similarly has its limitations; the attention is focused on certain operations where the company performs "OK", while other operations that are ethically irresponsible may not be drawn attention to at all, because it is not a part of the imposed rules and standards that are measured (Garsten and Hernes, *Ethical Dilemmas in Management* 2009, 5).

The Enron case can illustrate this. Enron was a company that scored high on CSR indicators and was seen as an example worth following (Garsten and Hernes, *Ethical Dilemmas in Management* 2009, 5). The story is well-known and the consequences were devastating for thousands of workers and small investors. Stakeholders had been tricked into believing the good intentions of Enron, but it turned out that their CSR activities was a mock. This case is an example of how standards may serve as smokescreens. Enron stuck to the explicit standards that they were suppose to measure. Just like smokescreens, these kinds of standards may redirect attention away from practices and actions that are condemnable (ibid). However, as smokescreens they

⁵ "Standards serve to protect rights, to facilitate coordination and to assure fair play among market actors. Standards can be voluntary in nature, and may compliment systems of binding rules when these rules are not sufficient" (Garsten and Hernes, *Ethical Dilemmas in Management* 2009, 4).

⁶ The Enron bankruptcy is one of the largest bankruptcies in the world. Read more at: <http://news.bbc.co.uk/2/hi/business/1780075.stm>

simultaneously serve a different function, which is to get the public to believe that the corporation's practices and operations are ethical responsible. This example shows that CSR standards may be misused; Enron tricked the world with the help of CSR technologies, which paradoxically was meant to prevent exactly this (ibid).

Due to the Enron scandal and other similar stories, the public has become aware of this kind of unfortunate behavior and some stakeholders therefore question and doubt companies' CSR policies. Thus, some people believe that CSR initiatives and NGO-business partnerships is just a way of "window dressing; a way to look good for its stakeholders. It is therefore important for companies to build up trust from their customers in order to be able to improve their reputation through CSR initiatives and NGO-business partnerships.

CSR initiatives are nevertheless important in order to meet stakeholders' expectations and can therefore increase companies' reputation. Hence, it may also be one of the reasons for why companies engage in NGO-business partnerships. In the next section it will be analyzed whether the growing institutionalization of CSR and sustainability is another reason for a rise in the number of NGO-business partnerships.

6.1.2 NGO-business partnership: a result of institutionalization of CSR and Sustainability?

Within the concept of CSR, there has been a growing institutionalization of NGO activities. From approximately the mid 1990's people started to have dialogues with NGOs, following the successful example of Body Shop's campaign against animal testing (Arenas, Lozano and Albareda 2009). The campaign led to a UK-wide ban on animal testing of cosmetic products and ingredients in November 1998. Furthermore, it led to the largest ever petition, with 4 million signatures, delivered to the European Commission in 1996 (BodyShop 2012). This year similarly marked the establishment of the Marine Stewardship Council⁷ (MSC) led by WWF with the involvement of fishing companies (Arenas, Lozano and Albareda 2009).

⁷ The MSC runs a program, working with partners to transform the world's seafood markets and promote sustainable fishing practices. Read more at: <http://www.msc.org/about-us/what-we-do>

As mentioned earlier, it seems like some companies are implementing the concept of CSR mainly because it is a “demand” from stakeholders or their organizational field. An *organizational field* is organizations that together constitute a recognized area of institutional life as for example key suppliers, regulatory agencies and other organizations that produce similar services or products (DiMaggio and Powell 1983, 148). It is a field of relevant actors and the field idea comprehends the importance of both connectedness and structural equivalence (ibid).

Due to institutionalization in the organizational field, organizations are becoming more and more similar (DiMaggio and Powell 1983, 149). In order to explain why companies are becoming more homogeneous it is relevant include the concept of isomorphism. Isomorphism is a constraining process that forces one organization to resemble other organizations that are faced with similar constraints and environmental conditions (ibid). For example, if the organizational field that the fish farming industry is in, is implementing an increased amount of CSR initiatives, then all the companies within this industry will be “forced” to initiate more CSR activities according to this concept.

Furthermore, it can be assumed that the companies will turn to their competitors and their external environment to see how they cope with different tasks and challenges (DiMaggio and Powell 1983, 151). Especially when insecurity occurs due to massive criticism from for example media, it is likely that they will try to imitate or model themselves on other organizations. This can be referred to as a *mimetic process* (ibid).

Moreover, firms experience formal and informal pressures from organizations that they are dependent on, in addition to cultural expectations from the society they function in (DiMaggio and Powell 1983, 150). This pressure may be felt as force, as persuasion or as an invitation to participate in collusion. Additionally, organizational change can in some situations, be a direct response to government mandate (ibid). An example of this could be that the fish farming industry adopts new emission control technologies to comply with environmental regulations. This is what DiMaggio and Powell (1983) would refer to as *coercive isomorphism* (ibid).

Furthermore, the fish farming industry and other organizations are affected and influenced by institutional processes and they all have different strategic responses that vary from passive

conformity to active resistance, depending on the nature and context of the pressure (Oliver 1991, 146). Organizations sometimes act responsibly not merely due to positive outcomes such as enhanced reputation or favorable marketing, but because it is unthinkable to do something else. If this is the case, organizational behavior may be driven by preconscious acceptance of institutional values or practices (Oliver 1991, 148-149). Thus, according to institutional theory, companies are adopting to concepts like CSR, because it has become a “requirement” from their surrounding or organizational field (ibid).

Following this mindset, companies within for example the fish farming industry are not investing time and money in CSR activities because of economic gains, as it is not cost-efficient, but because CSR initiatives have become a *rationalized myth*; an accepted way of coping with the norm in society regarding the assumption that organizations should be social and environmental responsible (W. R. Scott 1987). Moreover, DiMaggio and Powel (1983) state that institutionalism explains corporations’ homogenization as they are becoming isomorphic, meaning that certain business practices is created within an organizational field that all the participants have to follow. This seems to fit well with the current situation in the fish farming industry where the biggest firms seem to lead the “battle” towards sustainable production by among other measures engaging in NGO-business partnerships. Gradually the smaller firms follow and become increasingly engaged and conscious about the current environmental challenges as a growing number of companies within the organizational field become involved.

Due to the institutionalization of CSR in the organizational field of the aquaculture industry and others, NGOs have increased their power which makes it important for modern corporations to satisfy their expectations. In the next part it will be analyzed why NGOs are important stakeholders for businesses.

6.1.3 NGOs’ role as Stakeholders in the 21st century

“A company should take into consideration the needs, interests and influences of peoples and groups who either impact on or may be impacted by its policies and operations” (Mainardes, Alves and Raposo 2011, 228)

Deriving from our examination and analysis of CSR and how this concept has been institutionalized the last decades, it will in this section be looked into why NGOs have made their way in to the boardrooms of corporations. Why are some managers paying so much attention to NGOs and why should they?

Mitchell et al., who have done extensive research within the field of stakeholder theory, have developed a model in an attempt to answer who and what really counts in regards to stakeholders and their opinions.

Figure 9: Qualitative classes of Stakeholders



Source: (Mitchell, Agle and Wood 1997, 872)

The model is focused on salient stakeholders who can be looked upon as a body in an organization's environment that managers need to pay close attention to, and be responsive towards its claims. In their model they suggest three attributes that a salient stakeholder possesses in a relationship with a company. The three attributes are: "power, legitimacy and urgency" (Mitchell, Agle and Wood 1997, 853). These three attributes will serve as the foundation for the following analysis which aims to investigate why managers seem to pay so much attention to NGOs. Further, it will be examined why NGOs are considered a salient stakeholder.

In the next section NGOs' role as a stakeholder will be analyzed, exemplified with statements from the aquaculture industry. Thus, the next part will take some of our empirical data into

consideration as it can serve as good examples for this part of the analysis. However, the overall analysis of the section is theoretical.

NGOs: a salient stakeholder?

“Almost the best means NGOs have, is to be in close dialogue with key players in the market. They are in dialogue with buyers, directors and owners, trying to influence them on what a desirable behavior is. So it is clear that if one ignores this player, and do not have knowledge of what they believe, it can be a real problem in the sale and marketing of some products” (Interview Aker BioMarine 2012).

This quote from Aker Biomarine shows how they perceive NGOs as a powerful stakeholder that execute its power by influencing the market by putting pressure on their customers and other stakeholders. NGOs’ ability to influence the desired behavior or the norms within an institution or a market can be referred to as normative power (Oren, Luck and Miles 2010, 815). The normative power that NGOs possess can result in material losses for companies due to a possible reduction in sales, as highlighted by Aker BioMarine. Deriving from this, it seems like NGOs have reached a level where it is fair to state that they have *power* in the relationship with companies.

Even though many companies look upon NGOs as a powerful stakeholder, Mitchell et al. (1997) underline that there exist different perceptions about stakeholders’ attributes among companies. Due to these different perceptions, NGOs importance is within a constructed reality instead of an objective one. This implicates that each company or manager can perceive a NGO as powerful or irrelevant, and thereby decide to be responsive or not to their claims and expectations.

Legitimacy as presented in the theoretical framework is a normative concept based on perceptions within a socially constructed system. As discussed in former sections, the increased focus on CSR and sustainability, especially in the western world has given the NGOs a stronger position in today’s society as they are perceived to be experts on this field with good intentions. Because of this development people tend to not question their legitimacy, which gives them the chance to be heard on many arenas. Some NGOs have utilized this legitimacy to its fullest,

working their way in to the parliament and other political forums, contributing to new regulations and standards for the industry.

Bellona is for example one of the NGOs which have been an important contributor in the regulative work of the aquaculture industry. Bellona states: “Almost the whole Norwegian environmental movement is consultative bodies when there are important political things going on. Very often we are invited to the Parliament. We are a major force in the Norwegian government. For our part, we get greater and greater influence for each year that passes” (Interview Bellona 2012). Several of the companies interviewed were aware of this fact, among them Firda Seafood which partly blamed the NGOs and media for putting restrictions on the industry’s growth and reputation: “the public perception is created by the NGOs and the media, and they state that what we are doing is not sustainable. We are therefore not allowed to grow!” (Interview Arnesen, Firda Seafood 2012). The fact that the industry is not allowed to grow before they make their production more sustainable, makes the NGOs’ claims **urgent** for the fish farming industry.

Following the definition from Mitchell et al. (1997), a claim that is urgent is one that calls for immediate attention. They further state that there are two conditions for when a matter is urgent, which are: (1) “when a relationship or claim is of a time-sensitive nature and (2) when that relationship or claim is important or critical to the stakeholder” (Mitchell, Agle and Wood 1997, 867). Both these conditions can be seen as met in the case of the Norwegian aquaculture industry, where the NGOs are concerned about the environmental challenges. The NGOs claim that the industry has to put more emphasis on sustainability, which again influence the politicians. Their claims are therefore of a time- sensitive nature for companies within the industry, as they are not allowed to grow before actions are taken.

However, it is important to be aware of the fact that conditions are dynamic. They can change over time resulting in that the NGOs’ claims can lose their urgency, legitimacy or power. If the government for example decides to abolish the restriction within the fish farming industry due to lack of food in the world, the focus can shift from sustainable production to maximum production.

Summarizing the findings above, it seems like the most influential NGOs in Norway possess all three attributes necessary to be a salient stakeholder for companies within for instance the Norwegian aquaculture industry. Some of the managers within the industry perceive NGOs as salient stakeholders, and this can be a part of explaining why some companies have moved NGOs up from being a secondary stakeholder to a primary stakeholder by establishing a partnership with them.

This part of the analysis suggests that companies among other engage in NGO-business partnerships due to the increased focus on CSR in the western world, which further has lead to increased stakeholder expectations regarding CSR initiatives. Furthermore, the CSR concept has been institutionalized in many western countries and the institutional theory state that it is important for companies to comply with the organizational field. Hence, NGO-business partnership can be seen as a way to respond to the organizational field and/or stakeholders' expectations. Moreover, the analysis explains that companies recognize NGOs as a salient stakeholder by engaging in a partnership with them. By engaging in partnerships, NGOs move from being in companies' secondary to primary stakeholder group. These partnerships show the NGOs and the public that the companies take them seriously, and can simultaneously give them a positive reputational effect.

The next sections will examine the positive outcomes, obstacles and challenges with NGO-business partnership for companies in order to understand how NGO-business partnerships can influence their reputation.

6.2 Outcomes, Obstacles and Challenges of NGO-business Partnerships

This part of the analysis will be divided into two parts, the first one analyzing the positive benefits for the companies that have formed a partnership, with special interest on the reputational effects. The second part will analyze what the obstacles, challenges or potential negative consequences of having a partnership with a NGO are. Both parts will be based on statements from the respondents in our research, and will be complemented with theory. The objective of this part of the analysis is to understand the positive outcomes, obstacles and challenges facing the parties when establishing a partnership. These findings will create the

foundation for discussing how a NGO-business partnership can influence a company's reputation directly and indirectly in our discussion.

6.2.1 Positive outcomes of a partnership for corporations.

As a company's reputation is the sum of the stakeholder's judgments over a period of time (Barnett, Jermier and Lafferty 2006), many factors influence a company's reputation and many different perceptions exist. The results presented in this section are as mentioned based on selected statements from the interviewees, and represents knowledge and experiences of the companies and NGOs.

6.2.1.1 Improved awareness and responsiveness on relevant issues in the environmental movement

“Through the partnership, WWF keeps us updated on concerns and topics that the environmental movement has or is working on” (Interview Aker BioMarine 2012).

Regardless of partnership or relations with NGOs, almost all the case companies expressed that one advantage of having dialogues with NGOs was to learn more about the NGOs' thoughts and concerns. This knowledge is used to either answer the NGOs' claims or initiate new measures for improving the companies' sustainability. Several companies stated that they felt they were able to be proactive because of the dialogue with NGOs, and those companies who have a partnership stated that access to networks outside their field is a positive outcome, helping them to stay informed or even one step ahead of their competitors. Aker Biomarine explain: *“The reason why we have been able to be proactive is actually the partnership with WWF; they have brought us to the arenas where we are able to be proactive. Because they often are in different “dialogue networks”, where we are not present. They often tell us; ‘You have to document or explain these issues to them [other NGOs or politicians]’*” (Interview Aker BioMarine 2012).

Marine Harvest confirms that improved awareness and responsiveness on relevant issues is a positive outcome of an advanced partnership: *“We exchange information with WWF on issues and policies developing in the media or politically “”* (Interview Marine Harvest 2012). As explained by Aker Biomarine, staying updated on NGOs and politicians concerns enable the companies to be both proactive and reactive to concerns about their operations. As partnerships

increase companies' awareness and responsiveness in regards to movements and demands from stakeholder, NGO-business partnerships can be seen as a way to establish an "early warning" system (Bonini, Court and Marchi 2009) by monitoring movements and concerns in the market (Murray and White 2005). The effect of staying updated on the environmental movement's concerns will be elaborated on in the discussion chapter in regards to how these outcomes can influence companies' reputation.

6.2.1.2 Increased trustworthiness

"When we are holding presentations for customers [...] we tell them that we have evaluated the product as sustainable and explain what we are doing in that matter; among other things that we cooperate with WWF Norway on the management. So that is how we are actively using the partnership and if we have brochures telling about sustainable fishing [...] we can inform about our partnership with WWF" (Interview Aker BioMarine 2012).

During the interviews it became evident that the companies involved in partnerships with NGOs thought of the partnership as a good way of showing customers and other stakeholders that they are trustworthy and are taking sustainability seriously. Additionally, the companies that were not involved in formal partnerships expressed a wish for a neutral third party that could confirm the positive measures they had initiated for reducing their impact on the environment to the stakeholders. Companies in the fish farming industry for example felt it was difficult conveying the good stories because of their lack of trust or impact in the society: *"I would claim that we have the healthiest production in the world, but when you read the newspapers the total opposite is presented! We are not able to bring our point of view forward, even though it is scientific proof on a lot of our claims [...] We need allies from the outside"* (Interview Arnesen, Firda Seafood 2012). By initiating a partnership with a NGO, businesses show action and commitment to their promises by showing stakeholders that they enter comprehensive and binding agreements to improve their sustainability, a factor that according to the reputational scholar Swift (2001) is important in order to increase their trustworthiness.

How increased trustworthiness can influence people's perception regarding companies' reputation will be elaborated on in the discussion. Next it will be looked at how NGO-business partnerships can influence companies' knowledge in regards to sustainability.

6.2.1.3 Increased knowledge about sustainability

"[...] we in Marine Harvest want to increase our knowledge about sustainability; it is therefore good to get pushed by someone who has this as their main focus. They are very knowledgeable on this field!" (Interview Marine Harvest 2012).

When asked about positive outcomes of a partnership or dialogue with NGOs, almost all the companies stated that new knowledge about sustainability was one of the most substantial benefits. They felt that NGOs had become more knowledge-based the last 10-15 years, and that this was one of the main reasons for an increased interest in NGO-business relations. An example of this is Cermaq, who currently does not have a formal partnership with any NGOs, but still is able to see the benefit of knowledge sharing through close dialogue with NGOs: *"Our policy is to be open and fact-based and we want to talk to stakeholders that can challenge us and bring in new ideas for improvement"* (Interview Cermaq 2012).

The respondent from Cermaq further states that NGOs can give valuable inputs related to sustainability. Dialogue allows Cermaq to understand what the NGOs are concerned about. Furthermore, she thinks that the NGOs also can benefit from learning about the companies' operations. As an example, Cermaq invited a NGO to work at one of Cermaq's production locations (Interview Cermaq 2012).

Further, companies feel that NGOs in partnerships contribute with valuable expertise and that their financial contributions are used in a good way. Marine Harvest for example feels that they get value for money because of the valuable expertise WWF is contributing with. This is aligned with the experiences of Aker BioMarine who state: *"[...] we receive substantial technical support and knowledge from WWF on this field [sustainability], so the amounts we pay barely cover the effort they put in to it. If we were to hire someone else it would have been much more expensive"* (Interview Aker BioMarine 2012).

Moreover, the interviewed NGOs feel that the companies are realizing that NGOs have valuable knowledge that can be of interest. Bellona explains it this way: *“we can act as a body with opposing knowledge. It goes in the lines of monocultures – they have engineers, economists, marketing people and so forth, and many live in their own bubbles, with their own tools. Hence, to enter into a dialogue with an actor like us who thinks ‘environment’ all the time and work very interdisciplinary is something we notice that many find very interesting”* (Interview Bellona 2012).

The NGOs simultaneously feel that they learn something from having relations or partnerships with businesses. Bellona feels that if they are working with a political area, in this case the aquaculture industry and its impact on the environment, knowledge about the industry is a prerequisite for having an influence. Hence, dialogue with the industry is absolutely necessary to acquire this knowledge.

Peter Senge, CEO of Center for Organizational Learning (COL) state that for knowledge sharing to happen, both parties must be interested in helping each other: “Sharing knowledge is not about giving people something, or getting something from them. That is only valid for information sharing. Sharing knowledge occurs when people are genuinely interested in helping one another develop new capacities for action; it is about creating learning processes” (Senge 1992). NGO-business partnership can be a good forum for knowledge sharing as both parties have a shared interest in making the companies sustainable. This is confirmed by our case organizations who state that sharing knowledge between different entities with totally different background and focus can create new and useful knowledge for both parties.

For the fish farming companies it is important to reduce the negative focus and media attention they receive regarding their environmental impact, as this can give a negative effect on their reputation. The solution as they see it is to use this acquired knowledge to improve their operations in order to make them as sustainable as possible. This will be further explored in the next section.

6.2.1.4 A more sustainable production

"If the fish farmers want to be profitable in the long term, they have to think about the environment in the long run" (Interview WWF 2012).

As all primary industries⁸, the aquaculture industry is dependent on natural resources. The fish farming companies need fresh water with the right nutrients, in addition to natural brood stock, in order to produce more fish in the future. This, together with a rising interest and focus on sustainability⁹ and CSR initiatives, makes it almost impossible to avoid initiating environmental measures for the fish farming companies.

The problem, according to academia and businesses is to define what a sustainable production implies for the companies daily operations. Callaghan and Hannon (2010), who have made an attempt to define organizational practices of sustainability, call this confusion for the "sustainability fog". They further elaborate: "While the term sustainability is making its way into executive suites and board rooms, a clear vision of sustainability that allows managers to move from the abstract concept to operational execution remains elusive" (Hannon and Callaghan 2011, 877). Through our interviews it became evident that the NGOs who had extensive knowledge about the eco-system relevant for the fish farming companies, had been active contributors in the work of making the companies' operations more sustainable by defining the problems and finding solutions as to which measures to initiate. WWF explained the process: *"now we are working more closely with the "technical team", and we are looking for concrete opportunities for improvement and ways of producing and what is needed of information and data material in order [for them] to operate more sustainable"* (Interview WWF 2012).

⁸ "An industry involved in the extraction and collection of natural resources, such as copper and timber, as well as by activities such as farming and fishing. A company in a primary industry can also be involved in turning natural resources into products" (BusinessDictionary 2012). Read more:

<http://www.businessdictionary.com/definition/primary-industry.html#ixzz22TQEQ5Gd>

⁹ The Norwegian ministry of finance defines sustainability as: "development that meets present needs without compromising the ability of future generations to meet their own needs" (Finansdepartementet 2009).

One of these measures that the NGO- business partnerships are working on is to make the fish farmers' operations and production certified. The larger companies in our research all mentioned a new certification which is soon to be released – the ASC certification¹⁰ (Aquaculture Stewardship Council). This implies that companies will be certified if they comply with the defined standards. These standards are developed by the NGOs and the industry in cooperation with other stakeholders, and are supposed to serve as proof for a sustainable production. The objective being to provide sustainable fish farming. WWF has among others been a great contributor in this process.

The companies express that this is something their customers really are interested in, *“because if they can get a sticker that says that this is certified, then we are talking very positive value”* (Interview Marine Harvest 2012). A sticker showing that the product they are selling is sustainable can naturally be of great value for the fish farmer's, especially since the industry has been accused for being the exact opposite. Especially as the certification exceed the legal legislations for the industry. Still, there are people claiming that standards can be blinding, as seen in the Enron case presented earlier. However, by having NGOs involved in both the development of the standards and in partnerships with the actors in the industry, this could convince the public to believe that this standard is a good and reliable measure to initiate in order to achieve a sustainable production

All the companies interviewed were concerned about sustainability, and their environmental challenges. The companies involved in strategic partnerships with NGOs felt that contributions which improved their sustainability were highly valuable and was the overall goal for entering the collaboration. The effect of a more sustainable production due to NGO-business partnerships will be elaborated on in the discussion. Next, possibilities of clarifying false rumors as a result of NGO-business partnerships will be explored.

¹⁰ ASC Cerification is a certification of organisations involved in the aquaculture, aiming to make them sustainable. More can be read at: <http://www.asc-aqua.org/index.cfm?act=tekst.item&iid=4&lng=1>

6.2.1.5 Dispel false rumors

“If someone is criticizing us, we try to initiate a meeting so we can enter into a dialogue and learn about their views. Our approach is to be open and fact-based which we believe is important to have a good discussion (Interview Cermaq 2012).

One of the main problems expressed by our case companies not involved in strategic partnerships was the external communication. They felt that there are many misperceptions about their production, and they feel it is nearly impossible to change the impression in the society, among other due to the fact that their statements weakens in the light of statements from NGOs and media. Firda Seafood’s CEO elaborates on the subject: *“The public opinion is created by NGOs and the media, and their view is that what we are doing is not sustainable”* (Interview Arnesen, Firda Seafood 2012).

Due to this bias in trustworthiness, some companies not involved in NGO-business partnerships keep some of their opinions and feelings hidden when they disagree with NGOs. They do not dare or bother to speak up because they think it is nearly impossible to compete with NGOs in pandering to public opinion (Arenas, Lozano and Albareda 2009) and they are afraid of bad publicity. Firda Seafood’s CEO highlighted this challenge: *"If we go out and defend ourselves [...] we are often faced with reactions stating that we do not take the problems of our industry seriously."So you blame others?" This has probably scared many from stating their opinions. Therefore, many have nearly started to echo the NGOs and tell them exactly what they wish to hear”* (Interview Arnesen, Firda Seafood 2012).

As stated earlier, a partnership with a third party such as a NGO can therefore help the companies to increase their trustworthiness. Moreover, some respondents stated that close dialogues with NGOs give them a chance to correct NGOs if what they believe is wrong, and also provides an opportunity to tell their good stories. Marine Harvest confirms the importance of dialogue: *“The industry has to get much better at talking to people - particularly with NGOs. We must show that we take them seriously. These concerns come for a reason! And then you can say that they may be mistaking, but if people are worried about something than we have to talk to them about it.*

Maybe it is something we must improve or fix, or maybe it is just that we must become better at communicating how things are actually done” (Interview Marine Harvest 2012).

Having a partnership with a NGO is clearly a way of improving the communication with an important stakeholder which as stated can help companies to avoid misperceptions and communicate their good stories.

Furthermore, one of the results noted after conducting all the interviews, was that the NGOs who had partnerships with corporations seldom expressed negative thoughts about their partners, rather contrary – they had developed respect for them, and saw what they actually were doing in order to improve their operations and environmental influence. Bellona for instance talks about one of their partners, Lerøy, in a positive manner: *“we get access to a very large and professional organization, at least those we talk to, we feel they are very talented and very honest about their current situation. You never know how open they really are, but at least to us they seem very transparent, in relation to the challenges they have and what measures they are initiating and how much money they invest in innovation and so forth. And they are honest about which challenges the industry has in general, but also the aspects where they are doing well”* (Interview Bellona 2012).

Deriving from this, both big and small disillusion can be overcome when companies enter strategic partnerships. As companies establish close relations with NGOs, the NGO often acquires new and clearer insight with more in-depth knowledge on how companies run their operations, and it provides companies an opportunity to share their good stories. How this can influence a company's reputation will be elaborated on in the discussion.

As found there are a lot of advantages and positive consequences that can result from partnerships with NGOs. How these outcomes influence a company's reputation will be elaborated on in the discussion. In the next section the challenges and obstacles will be explored.

6.2.2 Obstacles and challenges with NGO-business partnerships

“Difficulties between NGOs and companies are more often the case than calm water and smooth sailing” (Neergaard, Pedersen and Jensen 2009a, 3). Through our research many challenges and

obstacles have been revealed, such as: different perceptions about reality, legitimacy issues and greenwashing. Another challenge is the constant debate between sustainable and environmental friendly production versus economic profit (Neergaard, Pedersen and Jensen 2009a). NGOs tend to have a more long-term focus than companies who usually are more short-term focused because they need to produce or sell a specific quantum in a limited time-period in order to get their profit and bonuses. In the next section the obstacles and challenges mentioned above will be analyzed.

6.2.2.1 Different perceptions about reality.

“There is a constant fight about reality [...] we use the most updated data from different institutions and research, and sometimes we have opposing views on what we look upon as reliable sources” (Interview WWF 2012).

The statement from WWF is aligned with Marine Harvest’s point of view: *“One of the biggest problems is that researchers do not agree among themselves. So you can almost always find a scientist who supports you in what you say and this makes the debate even more polarized as everyone agrees that there are a number of factors that come into play”* (Interview Marine Harvest 2012). These discrepancies are usually a result of the fact that the parties have different worldviews (Arenas, Lozano and Albareda 2009, 179). Moreover the different parties have different interests, priorities and values which cause disagreements among them (Arenas, Lozano and Albareda 2009, 176). Deriving from this, it is important that NGOs and businesses try to create a shared perception about reality. Otherwise it can be challenging to establish a well functioning cooperation. To give an example, it is not a good starting point for a NGO-business partnership within the fish farming industry if the parties have opposing views on the environmental challenges that the industry is facing. Some NGOs for instance claim that the fish farming companies are destroying the ecosystem in the ocean or have inhuman production techniques. Norges Miljøvernforbund for instance claims that: *“Nothing they do is right [...] I know for instance that 60 per cent of the farmed salmon has genetic disabilities. There are a lot of vital injuries, because the farmed fish are bred in too small areas”* (Interview Norges Miljøvernforbund 2012). The interview object further draws comparisons to a concentration camp.

Many of the fish farmers strongly disagree with these kinds of statements. Alsaker for example stated: *“When it comes to [problems with] fish escape there is a lot of delusion [...] furthermore research show that our “emissions” have no significant impact on the area where we operate!”* (Interview Alsaker Fjordbruk 2012). These opposing perceptions can be a challenge for companies, as firms at times can be falsely accused of environmental damages that are not sufficiently proven, or may even turn out to be a direct lie. Marine Harvest elaborated on this challenge: *“We find that some campaigns being launched by unserious NGOs or individuals, have no basis in reality and these campaigns are spread from country to country where we operate. False accusations are very hard to correct when they are out in the social/printed media. So this is a dilemma in organizational reality”* (Interview Marine Harvest 2012). The challenge further increases as scientists disagree among themselves, which makes the fight about reality even more complex. Thus, different perception about reality is an important issue that needs to be addressed when groups with different aims and perceptions meet for debate, dialogue or partnerships. Another challenge found with NGO-business partnerships is the legitimacy of their partner NGO.

6.2.2.2 Legitimacy of NGOs in partnerships

“We do not sell our opinions! The other NGOs have entered the corruption run to a high degree. We are constantly fighting for resources and it is then extremely easy to start selling your opinions” (Interview Norges Miljøvernforbund 2012).

As shown in the statement from NMF, who is one of the most extreme NGOs in Norway, they express dissatisfaction towards the NGOs engaged in partnerships, and clearly feel that they lack integrity. Some companies also question NGO's legitimacy and motives: *“NGOs are perhaps the environments worst enemy. They draw 80 per cent -nearly all the attention- to something that in reality maybe constitutes 5 per cent of the environmental problem that exists. What we really should be working on is often not drawn attention to at all”* (Interview Arnesen, Firda Seafood 2012). Bellona naturally has a different perception about their activities: *“We are a non-profit organization and we need income to survive [...] we predefine our goals with those we choose to*

collaborate with, and then we agree upon which activities to initiate, but we never get pressured into any activities!” (Interview Bellona 2012).

Even though several of our interview objects had concerns about NGOs’ legitimacy, this did not appear to be a concern among the businesses that were involved in partnerships with NGOs and among the NGOs themselves. Moreover, Marine Harvest felt the legitimacy of their partner NGO increased due to the fact that they still exposed them for negative attention in media: *“Even though we have a partnership with WWF we are exposed to negative criticism from them in media. In a way I think this is the way it has to be – if not they would have been bought and paid for! I think WWF’s need of being a critical voice actually increases when they have an agreement with us”* (Interview Marine Harvest 2012). In other words she claims that the partnerships would not have the same degree of legitimacy if the NGO stopped criticizing them.

However, some scholars question whether NGOs legitimacy decrease if the NGOs perform consultancy, training or verification and get remuneration for it, while the same NGO or other organizations put pressure on them and blame them for bad behavior at the same time (Arenas, Lozano and Albareda 2009). Hence, this can be a challenge in regards to the legitimacy of a NGO-business partnership, as the NGO receive financial support from their partner, while they simultaneously are supposed to criticize them for not being sustainable.

As seen in this section some people question the legitimacy and good intentions of NGOs. This can have negative spillover effects on companies’ legitimacy as their environmental and social engagement can be questioned (Baur and Palazzo 2011). Companies should therefore pay close attention to, and be concerned about the accountability and legitimacy of the NGO they enter a strategic partnership with. This will be further amplified in the discussion. Moreover, if stakeholders perceive a NGO-business partnership as illegitimate, they can start questioning if this is just a way of portraying a good image for the company – a way to avoid criticism from NGOs. This phenomenon is often referred to as greenwashing and will be analyzed in the following section.

6.2.2.5. Greenwashing

“Several of the businesses we cooperate with look at how they can visualize their cooperation with us – which is important [...] but there is a concept called greenwashing! This is something that the whole environmental movement is aware of - we are not going to be taken advantage of! That some wealthy people get in and use the organizations to built up their own image. We are highly conscious about that!” (Interview Bellona 2012)

As seen in the statement by Bellona, many NGOs seem to be aware of the greenwashing challenge. According to Delmas and Burbano who have conducted research on the drivers of greenwashing, there are a growing number of firms that are engaged in greenwashing, misleading customers and other stakeholders to believe that their environmental aims and policies are environmental friendly (Delmas and Burbano 2011).

Nevertheless, greenwashing accusations can also be applied towards NGOs. WWF explained: *“Journalists often contact us in regards to what our collaboration with businesses include and question if a partnerships with the industry can be looked upon as greenwashing”* (Interview WWF 2012). One of WWF’s collaboration partners is aware of this fact and state that: *“We know that WWF has to defend their collaboration with us in some settings- and they do it actively! This is because some people think that since we have a technical and financial partnership were we pay them “dues”[...] - they believe that WWF is tied up to our opinions. Here WWF is very clear [and explain people with misperceptions] how the partnerships actually function”* (Interview Aker BioMarine 2012).

Deriving from the statement by Aker BioMarine it is important that NGOs and businesses are aware of the greenwashing concept and communicate clearly how their partnerships work and what they want to achieve. Especially as rumors about greenwashing and miss conceptions can be spread easily through internet-based platforms such as Facebook, Twitter and YouTube which have made it easier to reach out to consumers and the public in a more cost-efficient and less time-consuming way (Delmas and Burbano 2011). If partnerships are accused of greenwashing this would reduce the legitimacy of the partnership. The reputational effect of this will be

elaborated on in the discussion. Another common challenge with NGO-business partnerships is the constant dilemma of Money vs. Environment.

6.2.2.6 Money versus Environment

“It is important for us to ensure that resources are sustainably harvested, it is not our job to ensure that the companies [involved in partnerships with us] make money” (Interview WWF 2012).

Companies often appear to have a constant fight between money and environment. Through our interviews it became evident that companies within the fish farming industry were met with an increasingly intense stream of signals concerning issues like sustainable development, environmental issues and social responsibility. Alsaker Fjordbruk for example stated that:

“Environmental issues are receiving increased attention, our focus is therefore constantly on these” (Interview Alsaker Fjordbruk 2012). These were issues the companies found vital and wanted to improve on, as it among others could contribute to repair their challenging reputation. However, some respondents expressed that they as a company have many different considerations to take into account. People for example need to get their salaries and investors want profit, it is therefore many different perspectives that need to be considered. Thus, if they use too many resources on sustainable investments, it would not have been anything left for other important factors.

Deriving from this, a dilemma arises when ordinary parameters like price, quality and everyday budgetary constraints, needs to be weighed against the complexities of social expectations, cultural norms and personal values (Garsten og Hernes 2009). The increasing pressure from NGOs and other stakeholders regarding sustainable production, and the powerful position they have in today's society, seems to make the dilemma “money vs. environment” even more widespread for companies who consider to enter a NGO-business partnership because companies in a partnership are “obliged” to spend resources on improving their sustainability. This issue will be further explained in the discussion.

Despite progress regarding relations and partnerships between businesses and NGOs, there is still a long way to go before NGOs fully accept business logic and vice versa, at least within the fish farming industry where even the experts have major disagreements. Still, there are some criteria that were repeated several times throughout our interviews in order to gain beneficial relations and partnerships between NGOs and businesses. This will be looked upon in the next section.

6.3 Success criteria for a beneficial strategic partnerships

Traditionally NGOs and businesses have adopted different societal roles. Thus, they have different organizational goals where businesses mainly focus on enhancing financial profit while the NGOs want to reduce social and environmental impacts (Neergaard, Pedersen and Jensen 2009a, 2). However, during the recent years corporations have started to engage in partnerships with the belief that they can turn each other's differences into advantages (ibid). Nevertheless, there are still many challenges and barriers that need to be taken into account in order to have a beneficial NGO- business partnership or relation. This section will mainly focus on the success criteria that came to our attention through our conducted interviews, and will be looked upon from a profit-seeking business perspective.

6.3.1 Create a common understanding and language

"[...] if we are talking to a politician or a NGO, then we talk in a way that they understand since all specialists have their own language and terminology" (Interview Marine Harvest 2012).

Instead of understanding and trust, mutual perceptions are sometimes based on stereotypes and prejudices (Arenas, Lozano and Albareda 2009, 179). When taken to the extreme, each group defends its own interests without listening to each other" (ibid). Marine Harvest tries to avoid this and states that in their partnership *"WWF has claims and opinions which we do not agree upon, but they are presented in a decent way and we can agree to disagree"* (Interview Marine Harvest 2012). Moreover, in order to respect and have meaningful relations with people and groups who have opposing goals and opinions, "one needs to understand the background, logic, expectations and even vocabularies of other groups" (Arenas, Lozano and Albareda 2009, 179). This statement was supported by our interview object in Marine Harvest who stated that her work tasks among others were *"to serve as a translator and tell employees internally which opinions stakeholders*

have and if this is something the company needs to consider. In addition, I need to explain [the employees] why this is important and how we can benefit if we take this into account- and opposite” (Interview Marine Harvest 2012). Their focus is aligned with Wilcox and Cameron who are well-known researchers on public relations and tactics. They claim that a common language is the most basic element of understanding between businesses and audience (Wilcox and Cameron 2010).

Furthermore, WWF states that in partnerships there are *“often opposing perceptions about reality; the salmon industry has their point of view, as do the NGOs and the government”* (Interview WWF 2012). She further emphasized that these opposing views can be a challenge and the importance of reaching a common understanding. When organizations with different world views are going to find a shared perception about reality, it is important that both parties have an open mind which can give them the ability to see things from other perspectives. Thus, it is important to be conscious of the fact that different stakeholder perceptions, knowledge and beliefs are often the main reason as to why conflicts arise. It is therefore necessary to have an open mind and try to create a “common platform”, as there is a constant fight about reality (Neergaard, Jensen and Pedersen 2009b). Another important keyword in NGO-business partnerships is knowledge.

6.3.2 Knowledge-based participants

“What is good about WWF and that made us renew the contract is their favorable competences. They give substantial contributions, [which is] required to achieve real sustainability” (Interview Aker BioMarine 2012).

Deriving from the statement from Aker BioMarine, knowledge is important in order to have relevant and meaningful partnerships and to improve their current procedures and operations to become more sustainable and resource efficient. When Bellona was asked why they thought companies chose to collaborate with them, their assumption was that: *“we are committed to be knowledge based and we have been active in public debates, conferences and close dialogue with the industry”* (Interview Bellona 2012). WWF had a similar assumption for why people want to

collaborate with them: “*we use the best available scientific knowledge [...] and we try to have a constructive way of working with different issues* (Interview WWF 2012).

Even though several of our interview objects thought NGOs had valuable and relevant knowledge, it also became evident that the companies at times thought that the NGOs had misperceptions and lack of knowledge about the current situation. They felt they were not always updated on the newest developments and improvements that had taken place. At times it is therefore incidences where the NGOs make statements in media that are incorrect. This can as previously mentioned cause huge challenges for businesses because NGOs sometimes tell stories that are not based on reality, or make demands without knowledge about their business procedures and activities (Arenas, Lozano and Albareda 2009). According to the companies interviewed in the fish farming industry this is one of the reasons for why they currently initiate considerable research in order to document the impact of fish farming on the environment.

Moreover, the case companies state that knowledge is an important aspect for them, in order to understand their environmental impact, but simultaneously as a means of defense. Norges Miljøvernforbund for instance stated that: “*this is an industry where all the companies base their reputation building on a lie. Everything is a lie! I have never experienced similar thugs*” (Interview Norges Miljøvernforbund 2012). Alsaker Fjordbruk is aware of the existing accusations and emphasize the importance of knowledge in order to have a meaningful dialogue: “*We can no longer just presume, we have to document, for our own sake, that we also possess facts. In this way we have something to fight back with, something that is knowledge-based*” (Interview Alsaker Fjordbruk 2012). As both NGOs and business currently are conducting research, which at times have contradictory results, it is necessary to find a common understanding, grounded in knowledge before one can agree about which goals to work towards. Furthermore, NGOs level of knowledge regarding sustainability is an important factor when companies chose which NGO to collaborate with. Another important success criterion is willingness to change.

6.3.3 Willingness to change

“If we feel that there is nothing more to gain [...] or if we notice that the industry is not mature or lack willingness to change, we just end the cooperation with them” (Interview Bellona 2012).

In order to have a beneficial partnership, companies need to have a willingness to change. The organizations need to understand and believe that change is needed. As stated by one of our interview objects: *“If someone gets a requirement and they do not understand why, it may be felt solely as a limitation that they have to invest in -and they deny it. If they understand that; this is something we have to do in order to not eradicate this area, [...] it is more likely that they will approve the new regulations”* (Interview Aker BioMarine 2012).

The statement from Aker BioMarine can be aligned with the authors Cummings and Worley, who claim that intervention success depends heavily on if the organization is ready for the planned change. Indications on if the organization is ready for change can be: "sensitivity to pressures for change, dissatisfaction with the status quo, availability of resources to support change, and commitment of significant management time" (Cummings and Worley 2009, 153). If these factors are present, interventions can be planned and designed to address organizational issues without disturbance. Thus, if companies have low willingness to change, the firms need to increase employees' awareness and motivation, by making them understand why it is necessary to change, before they continue their conversations with NGOs, in order to initiate a successful partnership (Cummings and Worley 2009).

WWF also mentioned the importance of willingness to change as an important criterion in order to have successful partnerships; *“it often becomes evident that the companies are not prepared or willing to make the necessary changes in order to improve themselves”* (Interview WWF 2012). In these situations *“it is less interesting for companies to cooperate with us as we make demands”* (ibid). Deriving from this statement, NGOs view willingness to change as an important and indisputable success criterion. Another criterion for beneficial partnerships is involvement from all levels of the company.

6.3.4 Involvement of all levels in the company

“We have to be involved on all levels! If we are only on the CEO and Management level, they can implement and say that the environment has a high priority, but it is not them who actually run the operations” (Interview WWF 2012).

Deriving from the statement from WWF, it is important that the NGO-business partnerships are a priority in all parts of the organization from top management to the blue-collar worker who actually perform the specific tasks. If a project contains low management-support it is unlikely that they would get the resources that are necessary in order to develop a successful partnership. Bellona underlines the importance of having management support and state: *“we experience that if a company replace the CEO, all of a sudden the company can change from being negative [towards partnerships] to very positive or the opposite”* (Interview Bellona 2012). Both Bellona and WWF further mentioned involvement from all parts of the businesses as a requirement for a successful partnership as *“the collaboration must be anchored in all levels of the company, but with main focus on top management since that is where the operational responsibilities lie”* (Interview Bellona 2012). He further states that: *“it is important that the collaboration is visible for the entire organization, which can be a challenge!”* (Interview Bellona 2012).

WWF and Marine Harvest seem to manage the involvement of all levels of the company in a good way. WWF explains that in the first phase of the partnership the work was focused on Marine Harvest’s policies and their management of sustainability, in order to develop a new and improved business model. Today, WWF is working closer with the technical team on daily operations.

Deriving from the statements in this section, it is clear that involvement from all levels of the company is a key criterion for a beneficial partnership and all parties should be involved, where both parties can reach their common goals (GEMI and EDF 2008).

6.3.5 Concrete and common goals

“It is important to be solution oriented and agree upon goals for improvement” (Interview Cermaq 2012).

Common goals can be more of a challenge in NGO-business partnerships than in other partnerships, as the partnership involves two parties with opposing interests and objectives. Despite the challenge, nearly all our respondents mentioned common goals as one of their top priorities if they were to be involved in a NGO-business partnership. Aker BioMarine among other stated that *“there needs to be concrete goals that we want to reach [in order to have a meaningful partnership] with some specific issues to document and accomplish”* (Interview Aker BioMarine 2012). Deriving from this, companies who want to get something concrete out of their partnership, needs to emphasize the importance of finding specific, quantifiable and challenging goals that both sides are interested in achieving. One of the companies that were considering to enter into a NGO-business partnership also highlighted the importance of concrete goals: *“We want to improve, and if a close dialogue and concrete measures for what we want to achieve can help us in improving, it could be interesting”* (Interview Cermaq 2012).

Furthermore, managers and subordinates from the involved parties should meet periodically to plan work, review accomplishments, and solve problems in the process of achieving common goals (Cummings and Worley 2009). In order for this process to work, they need to have good communication processes based on openness and trust.

6.3.7 Communication, Openness and Trust

“ When we are in dialogue with NGOs we emphasize science, documentation, openness and communication ” (Interview Aker BioMarine 2012).

Partnerships usually “evolve over time as trust is built, human relationships developed and knowledge is generated” (Neergaard, Pedersen and Jensen 2009a, 5). Aker BioMarine elaborates on this: *“In a partnership you cannot neglect the human factor. You have to find a NGO that has people that are attractive to cooperate with. They need to be proactive, understanding, able to listen, discuss openly, and be honest and trustworthy. This is highly important!”* (Interview Aker BioMarine 2012). This is well aligned with findings of the scholars Neergaard et al. who claim

that personal relations and chemistry between the representatives from the two parties are essential for the success of a NGO-business partnership (Neergaard, Jensen and Pedersen 2009b, 19).

Nergaard et al. further state that it is important to work towards gaining trust, since lack of goodwill and trust between businesses and NGOs is a common problem. Another challenge mentioned by our interview objects, was the lack of good communication, which at times led to misperceptions about the current situation they were in. Misperception about old routines is mentioned by nearly all the fish farming companies, and one of the interview objects states: *“At the end of the 1980’s especially the TV channel NRK had a big campaign regarding the use of antibiotics. Still there is a perception among the public that we use this, even though it has not been used since 1993!”* (Interview Arnesen, Firda Seafood 2012). This is a good example that shows that companies need to communicate their progress and measures to the public and NGOs in order to avoid misperceptions.

Moreover, it is important that businesses dare to be open about their challenges and give the NGOs a correct picture about the current situation. If not the partnerships can start out in the wrong direction. The fish farming industry has become much better at this during the last years, and Cermaq stated during an interview: *“We feel openness is success criterion number one. Being fact-based is normally a good approach”* (Interview Cermaq 2012). Openness with numbers and reports additionally increases the trustworthiness of the firms as they share all available information about accidents and mistakes with the general public.

6.4 Brief summary of the analysis

To summarize the findings of the analysis, it became evident that due to the increased focus on CSR, the concept has been institutionalized in the organizational field of the fish farming and other industries. This development influence stakeholder’s expectations, making it more challenging to satisfy them. By not engaging in CSR activities, the corporate reputation can be at stake. The increased focus on CSR has simultaneously given NGOs a new and salient position in today’s society, making them a key stakeholder for companies in the 21st century. By initiating a

partnership with a NGO, companies show recognition to the NGOs, while simultaneously signaling responsibility and trustworthiness to the public. Furthermore, NGO-business partnerships have many positive outcomes and some challenges that can affect the reputation. In order to overcome these challenges, there are some success criteria that need to be met. The reputational effect of NGO-business partnerships will be further elaborated on and discussed in the next chapter.

7.0 Discussion

In the following chapter our findings from the analysis will be presented. We identified several positive and negative outcomes of a NGO-business partnership, and it will be elaborated on how these influence a company's reputation. Furthermore, it will be discussed whether a NGO-business partnership can help *all* companies to increase or restore their reputation, or if the effect is context dependable. In the two next sections some critical perspectives will be discussed, moving somehow away from our main findings, but still related to the topic. This is done in order to understand why it is such a limited number of strategic NGO-business partnerships, despite the many positive outcomes. At last the authors will elaborate on the impact it has that NGOs are becoming more businesslike, and how this can affect the reputational outcome of a NGO-business partnership.

7.1 Positive influences of NGO-business partnerships on the corporate reputation

As previously mentioned it is widely recognized among scholars that NGO-business partnerships tend to have a positive influence on companies' reputation. This is confirmed by our empirical data, and in this section it will be elaborated on *how* these outcomes affect companies' reputation with some new insight.

As found in the analysis the positive outcomes mentioned by nearly all the interviewed companies who had close relations to NGOs were: increased trustworthiness, improved awareness and responsiveness on relevant issues in the environmental movement, knowledge sharing, the ability to have a more sustainable production, and dispelling of false rumors. These

findings are aligned with previous research, although stated differently. In the following section the positive outcomes' influence with regards to a company's reputation will be discussed.

Increased trustworthiness was found to be one of the factors that most of our corporate respondents mentioned as a positive outcome of a NGO-business partnership. The reputational effect of such partnerships became more evident when the companies not involved in such partnerships expressed the need for allies outside the industry, as they felt it was difficult to convince the market about the improvements they had initiated regarding sustainability. Based on the answers conveyed to us, NGO-business partnerships can be one measure to increase the businesses' trustworthiness as this signals to the stakeholders that the company is taking sustainability seriously. The scholar Swift has investigated how trust and accountability influence stakeholder's perception and states that "reputation is the result of trustworthy behavior" (Swift 2001, 22). Considering the extensive critique the fish farming companies are receiving from NGOs and other stakeholders, a NGO-partnership could help them to improve their reputation based on the increased trustworthiness resulting from it.

Improved awareness and responsiveness on relevant issues in the environmental movement was another positive outcome mentioned by the companies involved in NGO-business partnerships. This is elaborated on by the researchers Bonini et al. (2009) who have written an article about how to rebuild a corporate reputation. They claim that it is important for businesses in the 21st century to establish an effective early warning system in order to make executives aware of reputational problems at an early stage (Bonini, Court and Marchi 2009). As the skepticism towards businesses has increased the last decades (Bonini, Court and Marchi 2009), it is important to be aware of what NGOs are currently focusing on, and this can help the companies to be proactive with regards to bringing forward the needed documentation, or even change their way of operating before it is too late (ibid).

Moreover, having a partnership with a NGO can mean that businesses get access to not only their concerns at an earlier stage, but also to other actors in the environmental movement. Bonini et al. further state that since a reputation is built on perceptions; corporations have to know if they are satisfying the expectations of their key stakeholders since they have a severe impact on

companies' sales and growth. (Bonini, Court and Marchi 2009). As seen in the first part of the analysis, NGOs are becoming a key stakeholder for many businesses. Thus, getting access to networks and understanding NGOs concerns, can help companies to meet stakeholders' expectations and thereby avoid an impaired reputation or even strengthen it.

The companies involved in strategic partnerships all mentioned access to **new knowledge** about sustainable production from a reliable and research based source as one of the main reason for choosing exactly that partner (Interview Aker BioMarine, Interview Marine Harvest, 2012). New knowledge is not only seen as a motivating factor but also as one of the most important outcomes. This is supported by previous work, for instance by Neergaard et al. (2009), who state that NGO-business partnerships are a good source for learning and development (Neergaard, Jensen and Pedersen 2009b, 15). The companies expressed that it was important for them to gain comprehensive knowledge about sustainability and the external effects their production had on the environment. Simultaneously, the NGOs learned about the company's operations, and were able to understand their challenges more in depth and as a result being able to help them cope with these challenges in a more efficient way. Although the authors do not see new knowledge as having a direct impact on a company's reputation, it is likely to be an outcome that in turn can help the companies to create a competitive advantage as knowledge can improve their sustainability, which is one of the reason for why they are struggling with their reputation.

The transfer of knowledge is likely to be a factor which can **improve the sustainability of their production**. If assumed that the companies involved in NGO-business partnerships are able to make their production more sustainable earlier than the companies not involved, this could create a reputational advantage. This is related to the reputational judgment process fulfilled by the stakeholders where they compare a company's performance with their competitors (C. J. Fombrun 1996). Additionally, they base their assessment on "the financial, social, and environmental impacts attributed to the corporation over time." (Barnett, Jermier and Lafferty 2006, 34). Following this chain of thoughts, one can argue that it can be a reputational advantage to be sustainable in an industry which is criticized for being the exact opposite.

Moreover it is stated that “it is action – not spin- that builds a strong reputation” (Bonini, Court and Marchi 2009, 3). Therefore, one can assume that having a sustainable production and the ability to prove it through NGO partnerships, can give a positive influence on a corporate reputation. Several of our respondents seemed to have a similar point of view. A quote from Marine Harvest gives a good understanding of their assumptions:”*Regarding reputation, [companies] can only come part of the way by embellishing. At some point companies will be judged on the basis of what they accomplish. Thus, [if NGOs] can help us to improve ourselves on sustainability, this can improve our reputation*” (Interview Marine Harvest 2012). Deriving from this, NGO-business partnerships can result in a stronger reputation for companies in the long run due to a more sustainable production.

According to the scholars Apéria et al. (2004) Scandinavians put a lot of emphasis on social responsibility and the emotional appeal, which is influenced by the social responsibility profile of the company (Apéria, Brønn and Schultz 2004). Furthermore, it became evident in the analysis that one of the reasons why companies engage in CSR activities is to comply with the established social rule in the society; that companies should be social and environmental responsible. Hence, CSR activities have become a rationalized myth in many organizational fields; an accepted way of coping with these norms. Taking the case of the aquaculture industry into consideration, with the constant criticism for not being sustainable, the ability to improve their sustainability can be a way of meeting stakeholder expectations. This can partly explain how NGO-business partnerships can influence companies’ reputation in a positive manner.

A concern that all the companies interviewed expressed, was the existence of old and wrong rumors and assumptions regarding their operations. They explained that these rumors were based on the situation as far back as 20-30 years ago. To **dispel these false rumors** about the companies’ operations is crucial for firms in the aquaculture industry, as this is another reason for why the companies struggle with the reputation. The companies involved in NGO-business partnerships or the ones who had close relations with NGOs explained that having this partnership or relation was helpful in conveying the good stories, and to make the NGOs understand the companies’ challenges (Interview Cermaq, Interview Marine Harvest. 2012).

Communicating with a NGO, opening up and being honest about the improvements and challenges faced by the company, can clearly be a way of dispelling these false rumors, as NGOs are more represented in the media, and have a strong voice in at least the Norwegian and Scandinavian market.

If these false rumors are stopped, and proved wrong it can be a way of enhancing a corporate reputation (DiFonzo and Bordia 2000). This is important as rumors about a company's products, service or quality can have a substantial impact on their corporate reputation (DiFonzo and Bordia 2000, 179). For instance it exists rumors about the fish farming production and products that they are far from sustainable, the products are not healthy and may cause cancer, and that farmed fish contains different sorts of harmful drugs. The authors argue that dispelling these false rumors can have a significant influence on the companies' reputation within the fish farming industry. As stated by our respondents not involved in partnerships, dispelling false rumors and stating facts have been tried at countless occasions. The challenge seems to be to find the right communication strategy, possibly through NGOs.

To summarize, the authors want to highlight that companies can get increased trustworthiness due to NGO-business partnerships, which again can improve companies' corporate reputation. Furthermore, staying updated on concerns in the environmental movement can help companies to prevent a damaged reputation. NGO-business partnerships can additionally result in increased knowledge about sustainability through knowledge sharing, and can if used right lead to a more sustainable production. More sustainable operations can have a highly positive influence on a company's reputation, especially in the western world due to increased expectations regarding CSR and sustainability measures. Additionally, a close relation to a NGO may give a company access to a new efficient communication channel where the company can convey their good stories. These partnerships additionally offer the NGOs insight about the company's operations that might facilitate dispelling of false and old rumors about the company or product.

The authors argue that these positive outcomes can be used to explain how NGO-business partnerships positively influence a corporate reputation. The aim of our research was to contribute to the existing theory within NGO-business partnerships and reputation management

by giving new insights on how NGO-business partnerships influence companies' reputation. Previous research has to our knowledge not emphasized the importance of NGO-business partnerships as being a part of an "early warning" system or for contributing in dispelling false rumors that can help either to avoid reputational damage or to increase a company's reputation. The next section will discuss the challenges with NGO-business partnerships and the possible influence they can have on a firm's reputation.

7.2 Challenges with NGO-business partnerships

As mentioned in the analysis, there are several factors in NGO-business partnership that need to be dealt with in order to avoid reputational damage. Challenges highlighted in the analysis were different perceptions about reality, greenwashing and the growing dilemma regarding "money vs. environment".

In addition to the above mentioned challenges, surveys have shown that businesses should pay close attention to and be concerned about the accountability and **legitimacy** of their partnering NGO. If a company chooses to engage in a strategic partnership with a NGO that has reputational problems, it can give negative spillover effects on the business and spread uncertainty about the company's social and environmental engagement (Baur and Palazzo 2011). However, collaborating with an NGO that is aligned with the publics' interest could increase the legitimacy of the NGO-business partnership (ibid), and it may also give a positive effect on their reputation.

The companies in our empirical research that are involved in NGO-business partnerships seemed to have a genuine desire to reach the goals they had set together with the NGOs and put a lot of time and effort into it. However, earlier research states that companies at times use CSR mainly as a way of window dressing – as a way to look good for their stakeholders, and do not have a sincere wish to accomplish the goals set for the partnerships. This can turn out to be a reputational and economic disastrous for the involved company, as shown in the example about Enron (Garsten and Hernes 2009).

The unethical behavior of Enron can be aligned to the concept of **greenwashing**, which is another challenge that can harm the reputation and trustworthiness of the NGO-business partnerships. Research has shown that some NGO-business partnerships are not based on a

common wish to change the environmental impact, but rather as an easy way of improving the corporate reputation. Paradoxically, if this development continues, the reputational impact of having a partnership with a NGO can decrease due to the fact that stakeholders might start to question their seemingly good intentions. Moreover, people are aware of the fact that there are limited formal regulations of greenwashing. Thus, the best card NGOs and activist can play, is reputational damage towards the greenwashing firms (Delmas and Burbano 2011).

To summarize, companies need to consider the NGOs' legitimacy, as a partnership with a NGO that has reputational issues can give negative spillover effects on the business and spread uncertainty about whether the company's social and environmental policies are sincere or not. Additionally, firms must acknowledge that NGOs often have opposing world views from them but the opinions need to be somehow aligned in order to have a beneficial partnership, also with regards to reputation. Moreover, companies need to have a clear idea about what they want to accomplish with their partnerships. If not, people might start to question if they are involved with greenwashing. Another challenge that needs to be considered is that stakeholders at times have conflicting desires that needs to be taken into consideration. This will be further elaborated on in the next section.

7.3 Reputation: an assessment of a company by more than one stakeholder

In the following section the authors will return to the multiple stakeholder perspective that exists in modern reputation management theory. Assuming that a company is involved in a beneficial NGO-business partnership where all the success criteria are met, and the partnership is communicated to the market and society in a good manner; can one be sure that a company will get the desired reputational effect of such partnerships?

Bonini et al. (2009) state that a reputation is constructed on perceptions. Companies must therefore know if they are meeting the key stakeholder's expectations, as they are in the position to influence turnover and growth (Bonini, Court and Marchi 2009, 5). For companies concerned with reputational challenges, it is therefore highly important to be aware of who constitutes the key stakeholders. Bonini et al. further elaborates on this, and explain that each stakeholder has unique perceptions and concerns (2009). The discussion that will follow is therefore: if a

company engages in a NGO-business partnership, will this automatically please the other key stakeholders and result in an improved reputation?

As commonly seen in business research, this is context dependable – meaning that a company needs to understand what stakeholders in their environment care about, and from whom they need most support. If the business operations are highly capital intensive a company might need to keep close relations to its investors and shareholders. Therefore it is crucial to develop an understanding of their expectations and preferences. The traditional view is that investors only care about short-term profit (Hutton, D'Antonio and Johnson 1998); hence, spending resources on a NGO-partnership and money related to the actions this partnership will initiate might not be the optimal measures in order to maintain a good relationship with investors. Seen from another perspective, many institutional investors are taking on the social responsible investments approach (SRI), which in brief is understood as investments based on both financial and social performance (Hutton, D'Antonio and Johnson 1998). Assuming that more investors will care about social responsible investments, it can turn out to be easier to receive funding with a NGO-business partnership, as this shows commitment to preserve the social and natural environment. Thus, if investors care about social performance, a NGO-business partnership can play a part in meeting their expectations.

Other important stakeholders are companies' customers, which are the end user of goods and services offered by a firm. In Scandinavia social responsibility has proven to be important for customers and most of the stakeholders, but according to our interviewees this is not as important for their customers in for instance Russia or China. This is confirmed by among other the German Federal Foreign Office¹¹ (GFFO) who states that CSR in Russia cannot be compared to the approaches seen in Germany (WeltWeit 2012), and most likely the rest of northern Europe. The interviewed companies stated that as long as the quality is good, and the price decent, the salmon is sold anyway. For these customers, what matters is the reliability in regards to deliveries and quality (Interview NaustvikEnghav 2012). Deriving from this, if for instance the fish farming

¹¹ German Federal Foreign Office (GFFO) initiated an information portal called "CSR WeltWeit – German Business Global Citizen" which is meant to promote CSR efforts by German companies in foreign countries. <http://www.csr-weltweit.de/en/service-navigation/about-us/index.nc.html>

industry struggles reputation wise within these markets, initiating a NGO-business partnership might not help them restore their reputation as there are other parameters that cause the customers' attention. Although it seems like CSR currently does not have an influence on sales in Russia, GFFO states that CSR could come to play a more central role for companies' performance in the future due to the global orientation of developing countries' economy. This can mean that companies showing corporate responsibility at an early stage in developing countries can get a positive reputational impact when the countries starts to catch up with the rest of the western world in regards to CSR and sustainable production.

A third and highly important stakeholder group is the employees of a company. Aker Biomarine for example stated that they have a very strong sustainable profile partly because it is absolutely necessary to attract the right people to work for them (Interview Aker BioMarine 2012). As for all companies within an industry that requires a great amount of human capital, they have to be aware of what the potential employees expect from the organization. What is the company's reputation in the job-market? Massachusetts Business Roundtable (MBR) conducted a study on the effect of CSR on employee recruitment and retention, and found that CSR is valued by employees of all ages, and that it is the third most important driver of employee recruitment and retention (Roundtable 2009). They further state that if companies want to differentiate themselves from their competitors, CSR can not only be charity, but must be a part of their core business (ibid, 2). In this manner, having a NGO-business partnership can be seen as a way for firms to differentiate themselves from the competitors with the result of an increased reputation in the job market.

The fourth and last stakeholder that will be presented in this section is the government authorities. These stakeholders are of great importance for the case companies within the fish farming industry, as it is the government who distributes the new licenses to operate. As of now, the industry is not allowed to grow in Norway, which implies that the fish farmers in Norway have to look abroad for new sites. To know what the government expects from the company and try to satisfy these expectations is therefore important, not only regarding the reputation, but also for the core business. Seen from a reputational perspective, improving the politicians' perception of the company, i.e. the reputation, could result in getting more operating licenses. Given the

possible positive outcomes of a NGO-business partnership with regards to sustainable production and the important role of NGOs in Norway, one can argue that having NGO-business partnerships could help to improve the government's perception of the aquaculture companies.

To summarize this section; existing reputation and stakeholder theory state that different stakeholders have different expectations and focus areas that need to be taken into account. The authors therefore highlight that it is essential to understand their preferences and expectations, as one can never be sure of which factors that can strengthen a corporate reputation before making the right investigation in terms of the stakeholders' expectations and requirements. However, in a Scandinavian context NGO-business partnerships seem to have a high reputational profile and effect due to the consensus in the society regarding the importance of socially and environmentally responsible companies.

Even though strategic NGO-business partnerships can give beneficial outcomes, the development of these partnerships is emerging rather slowly. In the next section the authors will therefore elaborate on why there is a slow progress of development when it comes to strategic partnerships between NGOs and businesses.

7.4 Why are strategic NGO-business-partnerships not more common?

From the first part of the discussion it is implied that there are many advantages with strategic NGO-business partnerships and these kinds of partnerships are receiving more recognition and attention. The purposes of engaging in partnerships with NGOs are varied. However, companies that choose to collaborate with NGOs, towards a shared goal, can accomplish their goals in a much more efficient way than if they were on their own (Neergaard, Jensen and Pedersen 2009b, 11). The respondents in this research had similar experiences. Even though a significant rise of semi-structured and strategic partnerships appear to be developing rather slowly, Neergard et al.'s study about NGO-business partnerships which has been referred to earlier, shows that of a total of 1920 partnerships in Denmark where NGOs were involved, only 1 per cent of them were semi-strategic or strategic partnerships. It is fair to assume that the situation is similar in the rest of northern Europe. In this section we will therefore elaborate on why there are limited numbers of strategic NGO-business partnerships today.

From our analysis it became evident that one of the main reasons for not being involved in advanced NGO-business partnerships was due to the fact that the partnerships require a substantial amount of resources. In order to have successful partnerships there are several factors that need to be accomplished and according to our analysis the following success criteria were particularly important: Creating a common platform, knowledge-based participants, willingness to change, involvement of the entire company, common goals, communication, openness and trust. These are criteria that require a lot of resources, time and capital.

Due to the relatively high requirement of resources and involvement, many small firms feel that they are too small to make meaningful strategic partnership. Some of the small firms in our research stated that the big firms within the industry should lead the way, and then they can join in as the development continues. Their claim is often that they do not have enough resources to participate in these kinds of partnerships. Some might question if this is just an easy excuse for not having to spend a lot of time and resources on a partnership with limited financial gains. As noted in the analysis, the pursuit of money often seems to win when the dilemma of “money vs. environment” occurs and ordinary parameters like price, quality and everyday budgetary constraints need to be weighed against the complexities of social expectations, cultural norms and personal values (Garsten og Hernes 2009). Norges Miljøvern Forbund takes it even further and states that: *“every time the environment meets the capital, the capital wins”* (Interview Norges Miljøvernforbund 2012).

While some wonder whether their small firms can make an impact by joining a NGO-business partnership, other firms in our empirical study are simply not interested in a NGO-business partnership as they do not trust NGOs. The scholar Ben Schiller claims that since partnerships with businesses gives NGOs additional funding and increased exposure to management and technical expertise, some fear that NGOs can compromise their principles to get these kinds of beneficial partnerships (Schiller 2005). This assumption is aligned with our empirical data where among other the CEO of Firda Seafood had little trust towards NGOs’ principles and stated that it often seems like NGOs’ main task is to get a bigger membership base in order to receive enough money for their operations. It was further questioned if the NGOs had a sincere and heartfelt desire about taking care of the nature (Interview Arnesen, Firda Seafood 2012).

The mistrust towards NGOs “[...] is often due to the fact that different parties have different worldviews” (Arenas, Lozano and Albareda 2009, 179). Throughout the analysis it became evident that the firms that are not in any official partnerships with NGOs tend to be more questionable to the NGOs, than the firms that were engaged in NGO partnerships, or had close relations to them. Perhaps the skeptics’ negative attitude towards NGOs will change if an increased number of NGO-business partnerships prove to be successful and can give valuable insight and contribution for the businesses?

Another criterion that was mentioned as an obstacle of advanced partnerships was lack of a common goal. In our research one of the businesses were interested in partnership, but had not found a common interest field that both parties were concerned about and wanted to establish cooperation on. According to Karsten Dybvad who is the Director General and CEO of the Confederation of Danish Industry, this is a major barrier for a successful partnership, as “common goals are prerequisites for a good partnerships” and “important to reach its full potential” (Dybvad 2012). Kofi Annan further elaborated: “A partnership works when there are common goals and each party knows what to bring to the table” (Annan 2012). Creating common goals is as mentioned in the analysis often more of a challenge in NGO-business partnerships than in other cooperation, as the partnership involves two parties with opposing interests and objectives.

Furthermore, the NGOs highlighted the fact that they often had a specific problem they wanted to collaborate with a company on, and due to limited resources they were often reluctant to enter partnerships outside this interest field as they have a constant evaluation of how their resources can be best utilized. Entering into a partnership would therefore be weighed against how their resources potentially could be used in a different way. WWF states: *“It is critical that we use our resources on the partnerships that lead to nature conservation and less impact on the nature”* (Interview WWF 2012). Thus, common goals are likely to be an important barrier that must be overcome for each firm and NGO that wants to establish a partnership.

Another aspect that probably makes the firms within our empirical study reluctant to enter NGO-business partnerships, is the fact that many of the fish farmers assume that their sustainability

efforts seem to have little impact on their sales and do not affect their profits considerably. As mentioned earlier some firms in our empirical study for example sell a lot to Asia and Russia where sustainable production appears to have less importance than in Scandinavia. However, if sales start dropping significantly, it can be questioned if more firms within the sector would consider NGO-business partnerships in order to increase their reputation and end of year results.

In this discussion the positive and negative aspects deriving from a NGO-business partnership have been elaborated on in relation to their influence on a company's reputation. Furthermore, the multiple stakeholder perspective has been applied to examine the reputational effect of NGO-business partnerships in different settings. Lastly, the authors have discussed why these partnerships are not more prevalent. Based on our research the following section will provide some reflections upon NGOs' role in society.

7.5 Reflections

Due to the importance of taking all the different stakeholders' needs and expectations into consideration, there is now a rising trend among NGOs to become more and more businesslike in order to adapt to their preferences. The possible effects of this will be elaborated on in the next section.

NGO = Business? If so, how does this influence the reputational effect of a NGO-business partnership?

When looking into the future, there seems to be a tendency towards that NGOs and businesses are becoming more similar. Looking at corporate reports, NGOs statements and annual reports there seems to be the same language. "There is an increasing professionalization and self-awareness among NGOs regarding the fact that they are a professional organization and collaboration partner" (Neergaard, Jensen and Pedersen 2009b). Neergaard et al.'s refers to the British scholar Heap when talking about the concept. He uses the term "NGO incorporated" to describe how NGOs are becoming more and more business-like in the way they operate, develop strategies and are adapting to the "business language". Additionally, they have started to hire more and more people from the private sector (Neergaard, Jensen and Pedersen 2009b, 18). According to Neergaard et al. this professionalization is a major advantage for the NGOs that

battle for recognition, influence and legitimacy (Arenas, Lozano and Albareda 2009) when looking for businesses to collaborate with, as it among others makes it easier to communicate with businesses (Neergaard, Jensen and Pedersen 2009b). Thus, the NGOs that are becoming more commercial have a competitive advantage according to their research.

At the partnership 2012 conference Kofi Annan had a similar point of view: “[...] if an NGO needs money, needs resources- it fundraises- it needs to reach out in partnerships to get what it wants, and the smart ones will use a language that will get them what they want. They will use a language that the other side will understand.” (Annan 2012). In other words, the NGOs sometimes use a language which is accepted in the corporate world to get the resources they need in order to accomplish their goals.

Even though Neergaard et al. and Annan have some good and reasonable observations and assumptions, the authors feel that the NGOs need to make sure they do not get too commercial and business-like. It is wise to communicate in a way that is understandable and appeals to the businesses. But if the NGOs become too cost- efficient and start hiring a lot of people from the private sector in order to get resources, it could damage their legitimacy which currently is seen at a high level. Due to their high trustworthiness, they often get a lot of slack in media as the general perception is that they are working for a respectable cause and have good intentions. This subject has been discussed earlier in the thesis, where it also became evident that the NGOs statements and good deeds were usually taken for granted without any comprehensive research and is rarely questioned.

Our concern is that the NGO-business partnerships in the long run could lose the positive reputational effect if fund raising becomes so important for the NGOs that they increasingly adjust their core values to receive funding and resources from the business sector. As a result, the legitimacy, independence and trustworthiness of their partnering NGO could turn out to be questionable. Thus, if a NGO develops an impaired reputation, the positive reputational effect of the partnership will decrease for the involved company.

Moreover, if the NGO starts acting in ways that do not reflect the ethical principles and values they believe in, it could presumably move the general publics’ assumption regarding NGOs’ core

values, even though they presumably will continue to have a sincere and genuine ethical motivation and background (Fassin 2009). This could make the partnerships more and more similar to “business-business” partnerships which could take away the “romantic” picture of the NGO-business where it is assumed that companies enter the partnerships without any expectations about economic gain, but with a desire to become more sustainable and environmental friendly.

7.6 Recommendations

Communicate the partnership to the public

As mentioned earlier it became evident through our empirical data that companies involved in NGO-business partnerships were hesitant to communicate their partnerships. Especially Marine Harvest did not appear to be concerned with marketing their partnerships. Their focus was on the goal, and the measures that need to be taken in order to reach those goals. This is naturally a decision that shows that they are committed, and do not participate in these partnerships only to get a reputational effect. However, not informing the public and customers about these partnerships can be unfortunate according to the Global Fundraiser Innovations Advisor Christoffer Holm “as attention is needed in order to gain interest and engagement from the public” (Holm 2012). Holm further claimed that it is a challenge that general partnerships are not remembered by anybody. Deriving from this, it may be positive for the reputational outcome to do something extraordinary with a partnership in order to get public awareness around the current challenges that the NGO-business partnerships are trying to cope with.

According to Apéria et al. 95 per cent of Swedes and 90 per cent of Norwegians do not mind that companies publicize their good performance (Apéria, Brønn and Schultz 2004, 229), which implies that there seems to be little reason for not communicating and creating awareness about the partnerships. However, they must remember to clearly state their goals and measures in order to avoid greenwashing accusations.

The theorists Wilcox & Cameron state that in today’s mass communication society the reporters and editors spend most of their time processing information, not gathering it (Wilcox and Cameron 2010, 367). Press releases, media alerts, media interviews and publications on the

internet are therefore means to bring one's message out to the public (ibid). Wilcox & Cameron further claim that "clear and consistent communication helps organizations to achieve their goals,[...] customers to make informed choices, investors to make an accurate assessment of an organization, and society to form fair judgments of industries, organizations, and issues" (Wilcox and Cameron 2010, 33).

Based on our empirical data the companies in the fish farming industry have great potential for improvement on their public communication practices. It seems like the majority of fish farming companies are reluctant to "fight" against NGOs and media but as they are improving their sustainability and developing measures to improve further, this has to be communicated to the public in order to enhance their somehow impaired reputation.

Moreover, if companies are in an industry with an impaired reputation with lack of appropriate external communication, making the public aware of their NGO-business partnerships can distinguish them from the rest of the companies in a beneficial way by creating more positive publicity and fuss around the partnership.

WWF said that the attention they receive can be quite exhausting and require a lot of time and energy, but simultaneously it is a good way of putting pressure on the participants in the NGO-business partnership to ensure that it delivers on conservation. Hence, improved external communication about the partnerships can create increased awareness and interest from the public, and help the parties to accomplish their goals faster as it can put pressure on them.

7.7 Limitations and Implications

Throughout the thesis the authors have sought to portray an as valid and credible result as possible, by following the methods presented in the methodology section. We have made sure that all statements are supported by empirical data, existing theory or a mixture of both.

The findings in our paper do not provide a representative study for all companies engaged in strategic NGO-business partnerships: rather, our wish was to learn more about the reputational impact of these partnerships for the companies, and which criteria that has to meet in order to have a successful partnership.

The limitations in this paper originate from the lack of testing in the real world – that is, asking the companies' stakeholders how they perceive a company with a strategic NGO-business partnership compared to one without such partnership. The reason for not conducting a stakeholder survey is due to time and resource limitations, but the authors will encourage other scholars to undertake this task. For our research this implies that our findings with regard to the positive impact a NGO- business partnership is assumed to have on a company's reputation, are solely based on the views of the respondents in companies and NGOs, without involvement of other stakeholders.

As there is no framework for our problem statement the authors have strived to create a theoretical framework that could help in the process of analyzing and understanding the phenomenon at hand. The theories and articles used are the ones accessible to us, and it can be that more adequate articles or theories exist. As the access from Copenhagen Business School is extensive, and the process of searching for material was thorough, we hope not to have overlooked any important concepts or contributions within this topic. However, there are probably other concepts and theories with the same amount of explanatory "power" that would have given important contributions to the paper.

The findings presented in this thesis are based on case studies of Norwegian organizations, and in a context where NGOs have a high standing in the society. Hence, the results from this research would not be applicable in a context where NGOs do not have the equivalent recognition: at least not applicable to the same extent. Another important contextual feature is the social norm that states that companies in Norway and the western society are required to be socially and environmentally responsible. In contexts where this is not as important, the reputational effect of NGO-business partnerships can be different, and therefore reduce the applicability of our findings.

Therefore, for scholars or practitioners intending to engage in NGO-business partnerships, it is important to be aware of and investigate the context in which they operate before making any conclusions or decisions.

8.0 Conclusion

8.1 Main findings

NGO-business partnerships are likely to be a result of increased stakeholder expectations in regards to CSR and institutionalization. Businesses engage in NGO-business partnerships partly due to the increased focus on CSR in the western world, which as a repercussion has lead to increased stakeholder expectations regarding CSR initiatives. Furthermore, the CSR concept has been institutionalized in many western countries and the institutional theory state that it is important for companies to comply with the organizational field. Hence, NGO-business partnership can be seen a way to respond to the organizational field and/or stakeholders' expectations. By engaging in partnerships NGOs move from companies' secondary to primary stakeholder group. These partnerships' shows the NGOs and the public that they are taken seriously, and can simultaneously give companies a positive reputational effect.

Strategic NGO-business partnerships can increase companies' knowledge regarding sustainable production, which again can influence their reputation. By entering NGO-business partnerships companies collaborate with organizations that often have opposing views and different focus areas than themselves. NGOs' main goal in these partnerships is to make companies more sustainable and minimize their environmental impacts. This can be done by offering expertise, and by extending the companies awareness with regards to how their production influences the environment. This information will again serve as a source for which measures that need to be initiated in order to make the production and processes more sustainable. Additionally the NGOs often contribute with local knowledge and networks which make it easier for the companies to initiate the proper measures (Morsing 2012). Thus, entering NGO-business partnerships can give companies valuable knowledge, which can be used to make their production more sustainable. After conducting the case analysis it became evident that a more sustainable production was the overall goal for both parties, and that the companies believe that this can give them an enhanced reputation.

Engaging in strategic partnerships can increase companies' trustworthiness, which again can give repercussions on their reputation. Entering a partnership indicates that companies acknowledge their environmental challenges and want to collaborate with others to improve their social profile. When these kinds of strategic partnerships are established with clearly stated goals and actions, it is likely that the companies' trustworthiness increase, among others because stakeholders see them entering comprehensive and binding agreements to improve their sustainability. If people have negative attitudes towards companies, their perception may be changed when recognizing that the companies enter into strategic partnerships to seek to solve these kinds of challenges. Hence, the company's reputation is likely to improve. Crown Princess Mary's statement from the Partnership2012 conference can summarize this prominently: "Companies are starting to see NGO collaborations as a way to identify new business opportunities and create legitimacy for their CSR efforts" (Mary 2012).

Partnerships can be a way for companies to dispel false rumors, which again can increase their reputation. Through our case study it became evident that there are many misperceptions about the fish farming companies' procedures. For example, chemicals that have not been used the last 20 years, is still believed to be used by many stakeholders. Both big and small disillusions may be overcome when companies enter strategic partnerships. As companies establish close relations with NGOs, the NGO often acquire new and clearer insight and understanding with more in-depth knowledge on how companies run their operations and the companies get a competent sparring partner regarding environmental issues. As a result disillusions may be resolved, and the NGOs can pass the message on to the stakeholders and in other relevant forums. This can change people's attitudes towards the company, and as a result the companies' reliability and reputation increase. Moreover, as the message is presented by a reliable third part, the information has more credibility than if the information would have been presented by the companies themselves.

NGO-business partnerships can have negative spill-over effects on companies' reputation if the legitimacy of their partner NGO is questionable. Companies should pay close attention to and be concerned about the accountability and legitimacy of the NGO they enter a strategic partnership with. If the NGO's legitimacy is questioned, it can give negative spillover effects on

the company's legitimacy with regard to environmental and social engagement (Baur and Palazzo 2011). It is therefore important that companies investigate how the NGO is perceived by others prior to entering the alliance and during the partnership.

NGOs and businesses tend to see the world from two different sides. There is a constant fight about reality and companies and NGOs often have opposing world views and rely on different scientific reports and documents. The challenge is further increased as scientists disagree among themselves, which makes the fight about reality even more complex. This makes it even harder for companies and NGOs to reach a common understanding about the environmental impacts companies' production create. Thus, a different perception about reality is an important issue that needs to be addressed when groups with different aims and perceptions meet for debate, dialogue or partnerships. Hence, in order to overcome this challenge it is highly important that companies and NGOs have an open mind in order to see things from different perspectives.

Communication, openness and trust are essential requirements in strategic partnerships. Lack of goodwill and trust between businesses and NGOs is a common problem. In order to have a beneficial partnership it is important to have participants that are able to listen, discuss openly, and be honest and trustworthy. In order to reduce environmental impacts, NGOs often need to get access to companies' internal documents and procedures to possess the required knowledge that is needed in order to initiate the best actions. Moreover, when the measures are initiated it is important that both parties maintain a good communication process with openness and trust in order to maintain and improve the measures, and in order to avoid setbacks and regressions.

Concrete and Common goals are “alpha omega” in strategic NGO-business. Nearly all our case companies mentioned specific and common goals as a prerequisite for a beneficial strategic partnership. This success criterion is also emphasized in existing NGO-business literature, and is highly important in order to reach the full potential of a partnership. If one of the parties does not have self-interest in the goals set for the partnerships, chances are that they would use limited resources on the partnership. Hence, if NGOs and businesses find shared goals that both parties have a strong desire to accomplish, they can achieve more than they would have managed on

their own, and they can reach their goals in a more efficient way (Neergaard, Jensen and Pedersen 2009b). As a result both parties benefit from the collaboration.

It is nearly impossible to initiate beneficial partnership without engagement from all levels of the company. It is important that a NGO-business partnership is given attention in all parts of the company; from top management to the “blue-collar” worker who performs the specific tasks. Many researches within NGO-business partnerships theory highlight management engagement as an important criterion in order to receive necessary resources to establish a long time commitment. However, if a NGO only has contact with the management level without involvement from the “blue-collar” workers, it is likely that the NGO will lack knowledge on how the operations are run in the company, and the measures and goals they initiate will most likely not be optimal.

Companies need to communicate their partnerships in order to receive public awareness and exploit the reputational effect. If NGO-business partnerships are communicated to the public, the authors argue that this might distinguish companies from their competitors in a beneficial way, especially in industries with a challenging reputation. Entering a partnership and communicating it clearly to stakeholders might give positive repercussions in terms of publicity, fuss and public attention. Simultaneously it can be a good way of putting pressure on the participants, which as a result can help the parties to accomplish their goals faster, as it puts pressure on both parts.

Companies appear to be reluctant to enter strategic NGO-business partnerships as it requires a substantial amount of resources. There are many advantages with strategic NGO-business partnerships and these kinds of partnerships are receiving increased recognition and attention. However, they still appear to be modest in number. One of the main reasons for such a low number of NGO-business partnerships seems to be because the partnerships require a substantial amount of resources, time and capital as seen in the success criteria. Moreover, some firms feel that entering a NGO-business partnership just to improve their own production would not have an environmental impact due to their limited size, and want the big companies to lead the way. Others simply do not trust NGOs.

8.2 Concluding Remarks

The aim of our research was to explore how strategic partnerships between NGOs and businesses influence companies' reputation in an industry with environmental challenges. Additionally we wanted to exploit which criteria that were important in order for NGO-business partnerships to be beneficial, and if the partnerships can be seen as a result of increased stakeholder expectations and institutionalization with regard to CSR. Lastly, it was investigated why there are still such a modest number of strategic NGO-business partnerships.

The process was initiated by internet search regarding the fish farming industry, and also some research on NGO-business theory and reputation management in order to get an overall picture about the subject. Companies within the fish farming industry were chosen as focal point as they have reputational challenges, and because some of the companies are involved in NGO-business partnerships. After an initial research on companies' and NGOs' websites, newspaper articles and unofficial conversations with people who have extensive knowledge regarding the subject, we sent interview requests to the companies and the NGOs we thought would give us the most valuable insights. Among the contacted organizations were Bellona and WWF who are well-known and recognized NGOs, known for having close relations and partnerships with companies, among others in the fish farming industry. Additionally the biggest salmon farmer in the world was interviewed in addition to many other recognized companies within the segment.

In the beginning of the process our aim was to investigate which impact stakeholder relations had on companies' reputation, exemplified by cases inside the fish farming industry. However, as the process went along this was found to be too wide and the focus was narrowed down to just look at the influence of NGOs. More specifically, we wanted to investigate how NGO-business partnerships influence companies' reputation, and which success criteria that is important in order to have a beneficial partnership. After some research on the matter, we had a more clear idea about what we wanted to focus on, and we started to develop the interview guides. Looking retrospectively, we could have benefited from having more concrete questions, as we at times felt that the empirical data were not specific enough to elaborate thoroughly on some of the subjects we found interesting, and therefore chose to eliminate, or just mention briefly. However, we were satisfied with the gathered data from our semi-structured interviews and felt that it created a good

foundation for our thesis with helpful insights on the investigated topics. Moreover, the interviews gave valuable insight regarding positive outcomes, obstacles and challenges with partnerships. The information gathered formed the basis of the empirical data that was used in our analysis. Additionally our analysis had one theoretical part, using the concepts of stakeholder theory, institutionalization and CSR in order to investigate the underlying reason for why companies chose to engage in NGO-business partnerships. The results were linked to the concept of reputation management in order to investigate their impact.

In the discussion we investigated how NGO-business partnerships influence a companies' reputation based on the findings from the analysis. It was also discussed why there are not more NGO-business partnership, and whether a NGO-business partnership can help all companies to increase or restore their reputation, or if the effect is context dependable. Next a short summary of the conclusion will be provided.

8.3 Brief summary of the conclusion

NGO-business partnerships can according to our findings influence a companies' reputation in an environmental challenged industry. This is according to our findings because companies by entering strategic NGO-business gain; increased knowledge regarding sustainability, improved trustworthiness, the ability to clarify false rumors and an enhanced awareness and responsiveness on relevant issues in the environmental movement. In order to achieve these positive outcomes it is important for companies to be alert of their partner NGO's legitimacy, and have clear and common goals to make sure people do not believe that their partnership is just a measure in order to please their stakeholders- often referred to as greenwashing. In addition to common goals- communication, openness, trust and involvement from all levels of the company were emphasized as important success criteria in order to reach the full potential of NGO-business partnerships. Additionally the importance of creating a common understanding and language, and have participants who have extensive knowledge within the area of interest were highlighted. Furthermore, NGO-business partnerships can be an efficient way to respond to increased stakeholder expectations and institutionalization in regards to CSR initiatives. Thus, entering a strategic NGO-business partnerships show stakeholders that they take their environmental

challenges seriously and engage in financial and resource demanding long-term commitments to cope with these challenges.

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12. Appendices

12.1 Interview guides

The interview guides presented here are the ones we entered the interview with, but as the purpose of semi-structured interviews is to be able to move outside the initial guide, these are only meant to give the reader an understanding of the topics that shaped the conversation in these interviews. We had three different interview guides: one for companies involved in NGO-business partnerships, one for companies not involved in such partnerships, and finally, one guide for the interviews with NGOs.

12.1.1 Topics for the interviews with NGOs

Questions regarding partnerships with fish farming companies	<ul style="list-style-type: none">• Why did you decide to enter partnerships with companies from the salmon farming industry?• Who took the initiative to the partnership?• What do you feel are your outcomes of the partnership? Are you satisfied, and how important is it? And for whom is it most important?• Has anyone discovered and reacted on the partnership? What do they say?• Why do you think more companies in the salmon farming industry have chosen to cooperate with you over other NGOs?• What are the plans for the future regarding partnerships with fish farming companies?• Are you in dialog with the Norwegian Seafood Council?
Reputation	<ul style="list-style-type: none">• What is your impression of the Norwegian salmon farming industry? What are their biggest challenges?• What can the salmon farming industry concretely do to gain more trust / goodwill from you and other NGOs?
Norwegian vs foreign salmon farmers	<ul style="list-style-type: none">• How do you see the reputation of Norwegian salmon farming companies in relation to actors from abroad?• Do you know of any co-operation in foreign countries you would like to try out with Norwegian actors?
The development of NGO's influence in society	<ul style="list-style-type: none">• Do you feel that you and other NGOs have more influence now than you had 10-20 years ago? Why?

12.1.2 Topics for the interviews with Companies involved in NGO-business

Partnerships

The partnership	<ul style="list-style-type: none"> • In brief, what is this partnership about? • Who initiated the partnership? • Were there any specific reasons for why you chose ... as your partner? • What do you feel your company gets out of this partnership?
Reputation	<ul style="list-style-type: none"> • How do you profile your partnership to your customers? Would you say that this is an important part of your reputation / marketing strategy? • Has anyone noticed the partnership? What kind of feedback do they give? • Which factors do you see as the most important in relation to a good reputation? • Do you feel that you often get negative publicity? <ul style="list-style-type: none"> ○ What do you do to avoid this? • Do you have cooperation / relationships with other companies related to reputation management?
NGOs in general	<ul style="list-style-type: none"> • Do you have close relations to other NGOs? • Do you feel that you earn trust / goodwill from WWF and other NGOs, working with WWF? • Do you think you will have more cooperations with NGOs in the future? • Is collaboration with NGOs become more important to you now than it was 10-20 years ago? <ul style="list-style-type: none"> ○ Why/why not?
Farmed Salmon's reputation	<ul style="list-style-type: none"> • How would you describe the farmed salmon's reputation in Norway? • Any specific challenges / benefits you want to highlight? • How would you describe the farmed salmon's reputation abroad? • Are there specific areas you want to emphasize where there is a potential for improvement in relation to the farmed salmon's reputation? What do you see as the biggest challenge to improve the salmon's reputation? <p>What do you think has made the Norwegian salmon to such a popular product? (Norwegian salmon is usually synonymous with excellent quality)</p>

12.1.3 Topics for the interviews with companies not involved in NGO-business

Partnerships

The company's reputation	<ul style="list-style-type: none">• Which factors do you see as the most important in relation to a good reputation?• What role do you feel the Norwegian Seafood Council play, in relation to the salmon farming industry's reputation?• Is your impression that your customers are concerned about how environmentally focused you are?• Do you have cooperation / relationships with companies related to reputation? Do you feel that you frequently receive negative publicity?• What do you do to avoid this?
About NGOs in general	<ul style="list-style-type: none">• Do you have close relationships with some specific NGOs?• Do you think you will have concrete cooperation with NGOs in the future?• Have relations with NGOs become more important to you now, than it was 10-20 years ago? Why, why not?• Do you get a lot of inquiries from NGOs? What are these about?
Farmed Salmon's reputation	<ul style="list-style-type: none">• How would you describe the farmed salmon's reputation in Norway?• Any specific challenges / benefits you want to highlight?• How would you describe the farmed salmon's reputation abroad?• Are there specific areas you want to emphasize where there is a potential for improvement in relation to the farmed salmon's reputation?• What do you see as the biggest challenge to improve the salmon's reputation?• What do you think has made the Norwegian salmon to such a popular product? (Norwegian salmon is usually synonymous with excellent quality)