

Barriers and Success Factors in the Establishment and Continuous Development of NGO-Business Partnerships in Denmark

Neergaard, Peter; Thusgaard Pedersen, Janni; Crone Jensen, Elisabeth

Document Version
Final published version

Publication date:
2009

License
CC BY-NC-ND

Citation for published version (APA):
Neergaard, P., Thusgaard Pedersen, J., & Crone Jensen, E. (2009). *Barriers and Success Factors in the Establishment and Continuous Development of NGO-Business Partnerships in Denmark*. Center for Corporate Social Responsibility, CBS. CSR and Business in Society: CBS Working Paper Series No. 02-2009

[Link to publication in CBS Research Portal](#)

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

If you believe that this document breaches copyright please contact us (research.lib@cbs.dk) providing details, and we will remove access to the work immediately and investigate your claim.

Download date: 04. Jul. 2025





**Copenhagen
Business School**
HANDELSHØJSKOLEN

Barriers and Success Factors in the Establishment and Continuous Development of NGO-Business Partnerships in Denmark

Peter Neergaard
Janni Thusgaard Pedersen
Elisabeth Crone Jensen

CSR & Business in Society
CBS Working Paper Series

Published by

CBS Center for Corporate Social Responsibility
Porcelænshaven 18B
DK - 2000 Frederiksberg

ISBN 978-87-92114-19-8

WORKING PAPER NO. 02-2009

Research Paper

RESEARCH PROJECT IN PROGRESS: BARRIERS AND SUCCESS FACTORS IN THE ESTABLISHMENT AND CONTINUOUS DEVELOPMENT OF NGO-BUSINESS PARTNERSHIPS IN DENMARK

Professor, Mr. Peter Neergaard, Copenhagen Business School, Center for Corporate Social Responsibility, email: pn.om@cbs.dk

Research Assistant, Ms. Janni Thusgaard Pedersen, Copenhagen Business School, Center for Corporate Social Responsibility, email: jtp.ikl@cbs.dk

Research Assistant, Ms. Elisabeth Crone Jensen, Copenhagen Business School, Center for Corporate Social Responsibility, email: ecj.ikl@cbs.dk

Keywords: NGO-Business Partnerships, Partnership Categorization, Cross-sectoral partnerships, Stage model in partnerships, Philanthropic

The paper has been accepted for presentation at the 12th International QMOD and Toulon-Verona Conference on Quality and Service Sciences (ICQSS), 2009 on 27-29 August 2009.

1. Introduction

"Companies view non-governmental organizations as pest, or worse. But joining them can be more productive than swatting them." (Yaziji, 2004: 110)

For many years the relationship between private businesses and NGOs, non-governmental or non-profit organizations, has been one characterized by antagonism (Arts, 2002; Argenti, 2004). As NGOs and businesses have traditionally adopted very different societal roles and pursued different organizational goals, focusing mainly on enhancing financial profit versus enhancing social and environmental well-being, clashes between the two sectors have been common sights.

During recent years, a change in rhetoric and practice has, however, been noticeable (Cohen, 2003; Jonker and Nihof, 2006). The private and civil sectors have begun to engage in cooperation, turning each others differences into advantages for the partnering organizations. This has taken place through the establishment of partnerships that range from the purely philanthropic to the more long-term and strategic. However, despite such cross-sectoral partnerships often being praised as the answer to the many societal challenges of the 21st century (Austin, 2000; Googins, 2000), this development has not taken place without considerable difficulties and still has, as we argue, a long way to go. In a Danish context, the majority of NGOs and companies still do not engage in more advanced types of cross-sectoral partnerships.

2. Purpose

The research project has emerged out of true curiosity concerning the current state of NGO-business partnership development in Denmark. The purpose of this project will be to

contribute to existing literature on what can be regarded as key barriers and success factors in the establishment of NGO-business partnerships and to empirically investigate these in depth across different partnerships. This will be done by conducting case studies of how a number of partnerships between NGOs and private companies have been established and have developed over time. It is assumed that partnerships are able to yield increased value for the organizations involved in a way in which value could not have been generated by the actors separately (Googins, 2000). Focus will be on investigating the dynamic processes by which partnerships continuously develop through the generation of new knowledge, innovative products or services and, ideally, capabilities for partnership engagement in the future.

The aim of our findings is two-fold. Firstly, we would like to contribute with empirical evidence to the relatively young and emerging descriptive literature on NGO-business partnerships in a Danish context. We have found a lack of descriptive studies that can take us below the immediate surface to reveal the actual dynamics of partnerships in Danish society. Rather, current studies paint a more normative picture of which factors promote or hinder partnerships. Some studies have been small in scope or carried out by means of quantitative analysis that do not capture the essence of what we believe could be complex interplays and processes in partnerships. Our studies will focus on researching the evolving character of partnerships going beyond investigating only the "usual suspects", a few "cases of excellence" or snapshots in time. Secondly, we hope to be able to make recommendations to members of the civil and private sectors which are currently embarking on partnerships and can thus benefit from understanding which prerequisites and process factors heighten or hinder the success of partnerships and how they can develop internal capabilities to become better partners over time. Finally, if NGOs and businesses point to a number of macro factors being of particular importance to partnership success and failure, recommendations in terms of public and state promotion and support of partnerships can be made.

3. Research Questions

In light of the current NGO-business partnership situation, this research project will answer the following three research questions:

- A) Which factors can explain the current limited existence of strategic partnerships between companies and NGOs in Denmark?*
- B) Which factors are crucial for the successful establishment of strategic partnerships?*
- C) How do NGO-business partnership processes develop over time?*

4. Literature Review

This research project will take its point of departure in the emerging literature that exists on NGO-business partnerships. This will be done firstly by adapting existing definitions of the terms "partnership" and "NGO", secondly by assessing the empirical literature on NGO-business partnerships, thirdly, by reviewing existing partnership categorizations and finally by delineating the theoretical and rather normative literature on NGO-business partnerships.

4.1 Defining NGO-Business partnerships

In current literature, partnerships between companies and NGOs are defined in multiple ways, however, what is common is their focus on partnerships as creating societal and/or environmental value as well as the fact that they build on the pooling of joint resources. In more general terms, Jamali and Keshishian (2008: 279) define partnerships as "...forms of collaboration between for profit organizations and nonprofit organizations, such as local and

international NGOs.” However, a more detailed description aims to define partnerships as “...a sort of collaboration to pursue common goals, while leveraging joint resources and capitalizing on the respective competences and strengths of both partners” (Jamali and Keshishian, 2008: 279).

4.2 Empirical evidence on NGO-business partnerships in Denmark

The lack of in-depth empirical studies on NGO-business partnerships in Denmark stands in contrast to the increased interest in the subject coming from several directions. On the political scene, nationally as well as internationally, partnerships have started to emerge as an area of focus. For example, the United Nations has emphasized the positive effects of partnerships by pointing out how some of the most pressing global problems relating to human rights and the environment need to be solved in collaboration between social actors and the private sector (Dalberg 2007:3). As a result, one of the UN Millennium Goals is to strengthen and promote partnerships between those two sectors.

International empirical studies suggest that cooperation difficulties between NGOs and companies are more often the case rather than calm water and smooth sailing. Researchers have pointed to factors such as differences in ways of measuring performance, competitive dynamics, values and norms, organizational cultures, decision-making styles and differences in personnel competencies between NGOs and private businesses to be some of the main barriers for successful partnership execution (Austin, 2000). It is simply argued that these characteristics as well as differences in goals – that of social and environmental goals versus economic profit - of the two forms of organizations represent such differences in orientation that partnerships are almost bound to become struggles. However, these explanations seem to run counter to another emerging argument mainly that the differences between business and NGOs are diminishing. The term “NGO Incorporated” has even emerged to explain this professionalization taking place among NGOs (Heap, 2000).

In Denmark, two projects of interest have been conducted on the subject of NGO-business partnerships within recent years. In autumn 2008 the consultancy firm Dalberg completed a report on Danish NGO-business cooperation on 800 Danish companies and 15 NGOs. Dalberg used the same English-language questionnaire as for a UN report on partnerships which they completed in 2007. We believe a number of issues were not addressed in this questionnaire and that the research failed to be adapted to a Danish context. The response rate on the questionnaire was less than 10 percent, and a number of in-depth questions concerning the barriers and evolving partnerships processes remained unanswered by most respondents. The research by Dalberg (2008) has only to a limited degree contributed to our knowledge of partnerships in a Danish context.

Furthermore, the consultancy firm of PrinceWaterhouseCoopers conducted research on the topic through a range of telephone interviews with NGOs carried out in 2007; however, this investigation seems to give only brief and not sufficiently in-depth answers to the questions that we wish to answer about partnership dynamics.

Despite the increased interest and potential benefits of partnerships, there is still relatively few businesses in Denmark that choose to engage in partnerships with NGOs, in particular the more long-term strategic value adding collaborations (Reed, 2005). This leaves us with the impression that companies and NGOs in Denmark fail to make use of the potential added value that partnerships represent.

4.3 Categorization of Partnerships (Typologies)

Authors have in various ways attempted to categorize partnerships based on several different

factors. Weihe (2008) has used factors such as level of collaboration, relational quality and the level of joint action and decision-making to describe different types of public-private partnerships. For the purpose of this research project, we have developed partnership categories by synthesizing on more contributions (Weihe, 2008; Reed, 2005). It is important to note that these four typologies are not static; collaboration between partners can take place on several stages simultaneously. Partnerships can be a mix between different categories and evolve over time as trust is built, human relationships developed and knowledge is generated.

1. Philanthropic: Companies offer financial support to an NGO, for example by providing a donation of money or products to a relief organization. The two partners have different goals and only interact on a very limited basis. Philanthropic partnerships involve only the one-way transfer of resources from a company to an NGO rather than an actual pooling of joint resources.

There is some disagreement among researchers as to whether this stage can be described as an actual partnership (Waddock, 1988; Googins, 2000). However, as philanthropic engagements are often the first point of contact and the initial starting point for more advanced partnerships, it is important to include them in a process-oriented study of partnerships.

2. Reciprocal exchange/cross-related marketing: A company donates money to an NGO depending on sales volume or the use of the company's products. The interaction taking place is limited and can be characterized as that of a sales campaign.

3: 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. An example could be a company which collaborates with an International NGO in a developing country. While the company wishes to ensure compliance of the company's code of conduct at its supplier, the NGO wishes to improve human rights. Here the collaboration helps each partner approach its goal creating value for them both, however, in different ways.

4. Symbiotic value creation/integrative: A company and NGO work together in a strategic partnership on a common problem which they would both like to see solved. The value creation happens for both partners and the criteria for success will be partly overlapping. An example could be a company, which cooperates with the Disabled Peoples Organization of Denmark to develop a product that will help satisfy the needs of the disabled. The company will develop a new product to the market.

Research suggests that most value can be generated from type 3 and 4 partnerships (Austin, 2000).

4.4 Normative literature on NGO-business partnerships

NGO-business partnership literature is, especially in Denmark but also internationally, a relatively young research field that focuses mainly on the company's perspective (Wymer & Samu, 2003; Berger et al., 2004; Huijstee & Glasbergen, 2007). In the search for drivers and barriers to partnership success, authors have tended to paint a rather normative picture gained through superficial quantitative survey data or few specific case studies. Most often the findings have not been empirically tested.

NGO-business partnership literature has to some degree emerged from existing theory on public-private partnerships (PPPs) and strategic alliance formation. A considerable amount of literature is concerned with the motivation and business case for engaging in partnerships (Yaziji, 2004; Rondinelli and London, 2003; Jamali and Keshishian, 2008). According to this

research, NGOs and business are increasingly becoming aware that partnerships represent another opportunity for them to develop their capabilities and benefit from external resources available in order to become more competitive. Businesses have seen that NGOs possess distinctive knowledge and have access to international and local networks which the companies are able to benefit from in the case of partnerships. Furthermore, cooperation with NGOs has proven to be a useful tool in identifying business risks and opportunities, as well as being a way for companies to brand themselves towards their stakeholders (Yaziji, 2004). Some of the literature concerned with analyzing success factors in partnerships seems especially normative and generic. According to Googins (2000) and Austin (2000), the partners need to apply generic project management tools such as defining clear goals, obtaining senior management commitment, engaging in frequent communication, sharing the commitment of resources and evaluating progress/results in order to overcome difficulties in partnership collaboration.

The alignment of goals and strategy is often termed as one of the most determining success factors for partnerships. It is argued by Austin (2000) that if a company and NGO is able to find the right "pressing" issue that both partners would like to solve, this will create a feeling of joint dependence, of being in "the same boat", thus raising the likelihood that both partners will see the partnership through. The literature (Austin 2000; Berger et. al, 2004; Jamali and Keshishian, 2008; Rondinelli and London, 2003 ; Yaziji, 2004) is concerned with partnership compatibility and the feasibility of a given partnership. In assessing the feasibility of a given partnership, goal alignment is also acknowledged as decisive in for example the Collaborative Decision Path developed by Rondinelli and London (2003).

In terms of barriers in NGO-business partnership establishment, current literature (Rondinelli and London 2003; Yaziji, 2004) points to the lack of goodwill and trust among NGOs and businesses and the difficulties for companies to locate appropriate social partners among NGOs. Also NGOs are faced with the challenge of figuring out how to partner without compromising the integrity of their mission.

5. Methodology

5.1 Theoretical Grounding

5.1.1 Resource-based view

The theoretical grounding of the project takes its departure in the resource-based view (RBV) (Penrose, 1995; Leonard-Barton, 1992; Peng, 2001). This theoretical perspective offers a framework for understanding how firms achieve and sustain competitive advantage by focusing on the internal conditions of the firm. On the basis of an extensive literature review, Andersen (2006) divides the resource-based view into two groups: The traditional resource-based approach and the more recent dynamic capabilities/core competences approach. The latter has a dynamic focus and implies concepts such as competences and capabilities whereby the emphasis of the research is on the strategy process. Contrary, the traditional resource-based research emphasizes strategy content, representing a more static view of the firm. Since we wish to study the complex nature of partnerships and partnership processes, the project will be based on the dynamic capabilities/core competences approach.

In relation to applying the RBV to partnerships, Eisenhardt and Schoonhoven (1996) argue that this perspective can provide the theoretical basis for understanding the factors that drive companies into alliance formation. They argue that the underlying logic of alliance formation is based on strategic needs and social opportunities. Hence, it can be expected that especially the accumulation of specific resources and competencies by businesses and NGOs can help explain the emergence and the development of partnerships. From this

perspective, partnerships are means of generating heterogeneous resources for companies, which cannot easily be imitated by others. Thus, the rationale behind alliance formation from the RBV is that the pooling of organizational resources offers value creation potential for the involved organizations (Penrose, 1995).

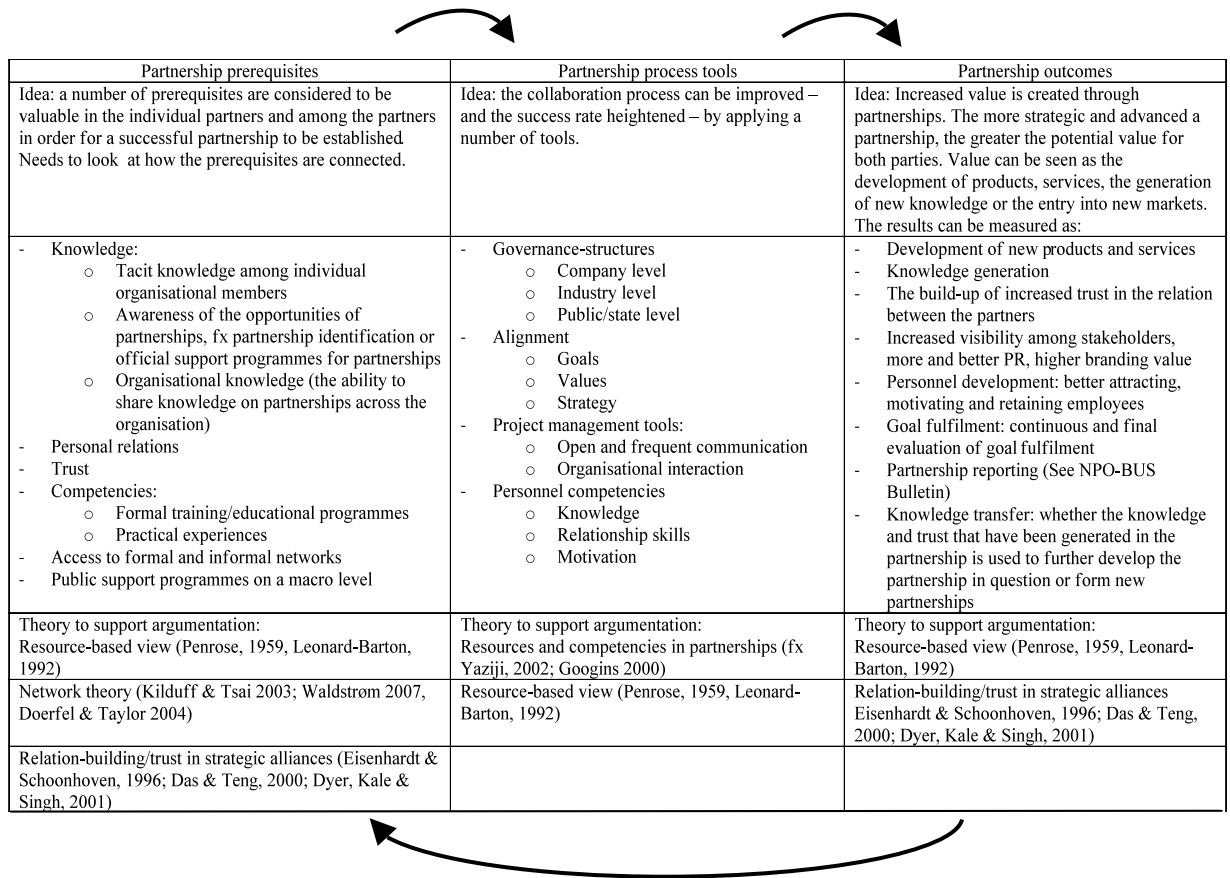
5.1.2 Social network theory

Social network theory will supplement the research project's theoretical grounding, since this theory with its focus on the establishment of relations is considered central for a study of partnerships. Social network theory is a multi-disciplinary research field centered on the study of social interaction and network relations within and between organizations (businesses, governmental institutions and public organizations, NGOs, etc). The framework of social network theory is applied in many different contexts such as social communities, organizational work relations, civil society relations, and in the study of inter-organizational relations in the form of strategic partnerships, alliances and joint ventures, etc. (e.g. Kilduff & Tsai 2003; Waldstrøm 2007, Doerfel & Taylor 2004).

5.2 Model of Analysis

The project will analyze partnerships and how they evolve using an input-output model (see figure 1), which is based on the expectation that when certain prerequisites are in place partnerships are more likely to be initiated and developed successfully. In the partnership process it is interesting how structures, tools and personal competencies can explain the outcome of the partnership. By investigating the outcomes of the partnership, we wish to assess if value is created for both partners and whether goal fulfillment is assessed by completion of the partnership. If the partners regard the partnership as a success, it will be investigated whether and how the knowledge and value added is channeled into further development of the partnership (illustrated by the arrow pointing backwards).

Figure 1: Model of Analysis



5.3 Research Design

The research project is structured according to the three main phases described below. The purpose of phase 1 is to map the prevalence and typology of partnerships between companies and NGOs in Denmark. Phase 1 is currently in progress and is expected to finish by Mid June 2009.

Phase 1: mapping of prevalence and typology of NGO-business partnerships in Denmark

An analysis and mapping of existing partnerships between companies and NGOs in Denmark is necessary in order to understand current praxis in the area. The findings of Phase 1 will provide the fundamental knowledge for conducting Phase 2 of the project. Phase 2 entails more in-depth case analyses of a selected number of NGO-business partnerships in Denmark in order to answer research questions A, B, and C namely which are the barriers and success factors for NGO-business cooperation as well as the dynamic processes embedded in the partnerships

Despite providing important first-hand insight into the field of NGO-business partnerships in Denmark, Dalberg (2008) has shown that the distribution of questionnaires to a random number of companies is not the most efficient method for mapping a relatively rare and complex phenomenon such as partnerships. For this reason, our research for Phase 1 takes its starting point among the relatively limited number of Danish-based NGOs. Research of NGO websites suggests that a majority of these NGOs cooperate with the private sector in one way or another and that many NGOs openly list their corporate partners.

The mapping of existing partnerships in Denmark is made possible by collecting information through interviews among a sample of the Danish-based NGOs during which the NGOs are asked to describe their collaboration with the private sector. The NGOs have been chosen so that they represent different sizes, sources of funding, seniority, organizational structures and focus areas.

In phase 1, interviews have so far been conducted with 8 NGOs, 2 trade organizations and 1 public institution. Nine of the interviews were conducted in person and two over the telephone. For the last part of phase 1, another seven interviews are planned with Danish NGOs. Furthermore, primary data has been collected through participation in two CSR seminars for NGOs and businesses. At these seminars, interpersonal dialogue, group discussions, presentations and debates in plenum helped highlight the current situation of partnerships in Denmark. The combination of these different data collection methods is meant to ensure that as many partnerships as possible between companies and NGOs in a Danish context are identified.

Prior to the interviews, desktop research with a focus on available information on the given NGO's involvement in corporate partnerships has been carried out. Interview guidelines have been developed on the basis of existing literature on NGO-business partnerships as described in the literature review. The majority of the interviews were conducted by two research team members, a few were conducted by all three members and one interview only by one researcher.

Phase 2: Analysis of current NGO-business partnerships, in Denmark: Case studies.

The purpose of the in-depth case analyses in phase 2 is to be able to answer our proposed research questions. Based on the analysis in phase 1, approximately 10 partnerships will be researched. Interviews will be conducted with company as well as NGO representatives. The aim is to understand which factors impede as well as promote the successful establishment and development of the partnership in question. Further, to understand partnership processes in terms of the development in capabilities and degree of strategic interaction in the partnership. How capabilities development occurs will be further investigated through the cases in order for research question C to be answered. The interviews will be guided by the relatively prescriptive literature on partnerships but supplemented by focusing on processes and development of capabilities (Googins et al, 2000; Austin, 2000; Weihe, 2007; Waddock, 2001; Andersen, 2006). This literature focuses for example on the significance of the following factors: setting clear goals, achieving top management support, ensuring open and frequent communication between partners, access to relevant resources, alignment of strategy and values, joint value creation, joint measurement and communication of results. Supplementary literature suggests that personal relations, trust and proper project management abilities help determine whether a partnership is successful or not. In the interviews it is expected that some factors will be repeated more often than others. These expectations, which are elaborated below, are built on literature studies and initial empirical data and will not be statically tested. An interview guide based on the research model will be developed.

In order to generate data on partnership processes, the analysis will also focus on why some partnerships fail to be initiated or to be developed further. NGOs and companies which have for example participated in type 1 partnerships will be questioned on why they have not chosen to further develop these alliances. Furthermore, telephone interviews will be conducted with businesses which have not chosen to engage in partnerships in order to determine why. The companies will be selected among those Danish businesses that are

generally acknowledged for their strong commitment to corporate social responsibility and which therefore would seem the perfect candidates for partnership establishment (Zollo et al., 2008). The purpose here is to understand which factors can explain the lack of cooperation in order to better understand what inhibits the formation of partnerships.

The case analyses will ideally include all four types of partnerships. In the case that no or only very few partnerships of type 3 and 4 can be found in a Danish context, internationally-based partnerships will be taken into account, given the possibility that they can help inform current partnership practices on a strategic level in Denmark.

Phase 3: Mapping of factors which promote or hinder the development of partnerships in Denmark: Web-based survey

This phase will be used to test the validation of the findings of the analyses in Phase 1 and 2. The factors which indicate to either promote or hinder partnership success will be tested on a sample of 100-200 Danish companies through a web-based survey. The purpose is to assess whether the findings of phase 2 are generally applicable or whether they need to be modified. Prior to distributing the survey, each company will be contacted by phone in order to know whether the company is interested in participating and who the survey should be sent to. Experiences from previous studies show that this approach can increase the response rate up to 65 percent (Neergaard, 1997). Contact by telephone will also make it possible to gather knowledge about the characteristics of the non-responding population of the project.

6. Expectations and preliminary findings

Phase 1

The following expectations have from the beginning of the data collection process helped guide the research focus. They have been built partly on theoretical literature (Kourula et al. 2008, Dalberg 2007 and 2008, Silverman et al. 2006, Googins et al 2000, Yaziji, 2002, Samuelsen, 2008, Weihe 2008, Waddock 2001 and more), partly on secondary data from normative research on partnerships in practice. Note that these expectations are *not* meant to be seen as hypotheses which will be tested using statistical methods but mainly as guidelines for the research.

Philanthropy dominates the scene: Empirical evidence so far clearly suggests that the majority, approximately 90-95%, of existing NGO-business partnerships in Denmark fall within type 1. This goes in line with the conclusion from the reports by Dalberg (2007, 2008) and PWC (2007). The interviewed trade organizations also support that the majority of NGO-business collaborations in Denmark historically have been of a philanthropic character; to a great extent this is still the case.

Strategic partnerships are lacking: Even though theory suggests that the added value created from type 3 or 4 partnerships is the greatest for both partners, the conclusion from our initial empirical research suggests that very few of these more advanced partnerships exist in Denmark. Danish trade organizations and confederations emphasize that there has been a rise of interest in CSR and cross-sectoral partnerships among NGOs as well as companies in recent years; however, the effect of this interest is still to be seen. Attempting to explain why this is the case is one of the main objectives of this research project.

Experience influences type of partnership: Our initial findings suggest that NGOs or companies rarely engage in type 3 or 4 partnerships without having previously been involved in philanthropic or joint marketing partnerships. It is our assumption that organizations learn and develop their capabilities for partnerships along the way through successes as well as

failures. For example, having previously been successfully involved with a company makes the NGO more likely to engage in new and more advanced partnerships. The same may be true for one given partnership; that the partnership develops as through a stage model, for example starting as either a type 1 or 2 and eventually developing into a type 3 or 4, however, empirical evidence for this has so far been mixed. We have also found evidence of partnerships being prefixed as a certain type without any intention to develop them further and, at least in one instance, a partnership has developed from a more to less advanced stage.

Size does matter: We expected to find advanced and strategically significant partnerships to be prevalent among large and medium-sized NGOs and businesses to a greater extent than among small ones. This was mostly confirmed in our data, the reason being that type 3 and 4 partnerships require significant resources in terms of man power, finances and investment in knowledge creation. The smaller NGOs more often have to prioritize their efforts and are more sparsely staffed. The majority of Danish NGOs are small in size, which could be a natural explanation as to why there are relatively few type 3 and 4 partnerships in Denmark. The larger organizations may be more likely to spread their efforts among all four partnership types.

Phase 2

Primary data from the initial interviews in phase 1, as well as theoretical and empirical studies of NGO-business partnerships, have led us to develop a range of expectations which, whether meet or not, can help us answer our research questions. This means identifying important barriers to partnerships - why are there so few especially of the more advanced partnerships? - as well as key drivers for partnership establishment and development. These expectations will be further examined through our cases.

Lack of awareness and knowledge: Lack of awareness about the opportunities that partnerships entail as well as lack of knowledge among NGOs and companies about the existence of relevant partners could explain why there are not as many partnerships as could be expected. Perhaps without realizing it, the two sectors divide themselves by watertight shutters, not considering that significant synergy effects are a possibility. At other times, NGOs or companies have perceptions of one another which are based on archetypes and prejudices rather than practical experience. The belief in such archetypes among companies and NGOs respectively could represent a significant barrier to the establishment of partnerships.

Idealism versus pragmatism: Literature on NGO-business partnerships has pointed to differences in organizational cultures and missions as important barriers to collaboration between the two sectors. Although relying on such generalizations is not always productive, our interviews do show a greater tendency among NGOs to focus on ethics, ideals and core causes versus businesses' focus on core business and adapting to their competitive environment. Such differences in world-views can separate the partners and represent a barrier to collaboration.

Money talks too much?: Our empirical evidence indicates that the more successful strategic partnerships are the ones that do not start with or center around financial issues but rather around a shared idea, goal or just a wish to "do something together". It has been indicated that companies are overwhelmed by NGOs lobbying them for funding and that it makes it too easy for companies to turn them down. A focus on money issues might in this way prove a significant barrier to partnership establishment, especially if this is the center of the opening conversation and the partners do not instantaneously agree on who should contribute with what. Most importantly, money does not seem to encourage trust as much as

commitment to shared goals does.

Natural is better: According to our empirical evidence, the most successful partnerships are the ones that come naturally and which are easily communicated and understood. If it is too difficult for an NGO and company to find a topic on which to cooperate, perhaps it is not meant to be. According to our interviewees, companies or NGOs seldom look specifically for partnerships for the sake of the partnership itself, but rather for a possibility to solve a concrete problem or challenge. An important success factor for partnerships seems to be that this natural element is prevailing.

Where do we meet? According to literature, relations established through formal and informal networks are considered to be a common explanation as to why partnerships between NGO and businesses are initiated to begin with. We have seen that even though organizations do not use these networks intentionally to look for potential partnerships, they often seem to be an important driver. Networks encompassing representatives from the private as well as civil sector are, however, still scarce in a Danish context or only tend to involve the usual handful of businesses and NGOs. Initiating more forums and network options for businesses and NGOs to meet could potentially give a boost to increased partnership development.

“NGO Incorporated”: Literature points to a recent development of NGOs becoming increasingly professionalized or “business-like” in the way they structure their operations, manage their strategies and projects, use business rhetoric and hire staff with private sector experience. To a high degree, our empirical findings echo this development and also indicate that the more professionalized NGOs are more likely to engage with companies and generally more successful in their efforts.

Building trust: Personal contact and the building of trust are in the literature considered crucial factors for the establishment and successful development of partnerships. The ability to trust the other partner is considered a significant explanation as to the establishment and continuous successful development of a given partnership. A lack of trust is likewise considered detrimental to any partnership. Our research so far supports this argument.

Personal relations: Highly connected to the issue of trust, it is expected that the nurturing of personal relations is an important driver for partnership establishment and development. Our initial findings suggest that very often partnerships between organizations are dependent upon very few individuals in the organizations rather than the organizations as a whole. Whereas this is good in terms of building trust and close ties, this creates challenges for NGOs as well as businesses in terms of personnel mobility. Our empirical evidence so far suggests that NGO employees tend to mitigate between different Danish NGOs during their career. The inability to maintain trustful partnerships in the case of personnel turnaround can thus represent a significant barrier to continuous partnership development.

7. Implications of the research findings.

On the basis of the results of the 3 phases, we aim to contribute to current theory on partnerships between companies and NGOs internationally as well as in a Danish context. The research project might have the following implications:

Political actors: The project might contribute to the initiation of public initiatives for partnership promotion in the efforts to increase societal responsibility. In the Danish Government's action plan from May 2008 corporate social responsibility is sought extended in order to address the challenges of climate change and globalization. However, this action plan attaches very little importance to NGO partnerships.

The private sector: Danish companies might acquire increased knowledge about the opportunities that partnerships offer though the description of good partnerships examples, of important factors for the establishment of partnerships as well as the pitfalls, and of the benefits that can be achieved.

NGOs: Can acquire knowledge as mentioned for the private sector but they might also achieve greater visibility and possibilities for entering partnerships in the future, hereby securing their continued existence. NGOs and companies alike have the need for visibility in order to attract and tap into resources and to sustain legitimacy.

8. Bibliography

- Andersen, Mette (2006), 'CSR in global supply chains'. PhD .Thesis, Copenhagen Business School, Copenhagen.
- Argenti, Paul (2004), Collaborating with Activists: How Starbucks works with NGOs. *California Management Review*. Vol. 47, No. 1, Mgmt 9, pp. 26–36.
- Arts, Bass (2002), Green alliances of business and NGOs. New styles of self-regulation or “dead-end roads”? *CSR and Environmental Management*, Environ. Mgmt 9, pp. 26–36.
- Austin, J. (2000), *The collaboration challenge: How nonprofits and businesses succeed though strategic alliances*. Jossey-Bass Publishers, San Francisco.
- Bendell, Jem (2000), *Teams for Endearment: Business, NGOs and Sustainable Development*. Sheffield, UK, Greenleaf.
- Berger, I.E., Cunnungham, P.H. & Drumwright, M.E.(2004), Social Alliances: Company/Nonprofit Collaboration. *California Management Review*, Vol. 47, No. 1., pp. 58-90.
- Bressers, Hans and de Bruijn, Theo (2005), Conditions for the Success of Negotiated Agreements: Partnerships for Environmental Improvement in the Netherlands. *Business Strategy and the Environment*, Vol. 14, pp. 241-254.
- Clarke and Roome (1999), Sustainable business: Learning-action networks as organisational assets. *Business Strategy and the Environment*, Vol. 8, pp. 296–310.
- Cummins, Alexia (2004), The Marine Stewardship Council: A multi-stakeholder approach to sustainable fishing. *Corporate Social Responsibility and Environmental Management*, Vol. 11, Issue 2, pp. 85-94.
- Dalberg Global Development Advisors (2008), *Danske partnerskaber som svar på globaliseringens udfordring? – en undersøgelse af danske erfaringer med partnerskabsdannelse mellem virksomheder og NGOer/FN organisationer*. København, Erhvervs- og Selskabsstyrelsens Center for Samfundsansvar og Dansk Industri.
- Das, TK and Teng, BS (2000), A resource-based theory of strategic alliances. *Journal of Management*, Vol. 26, No. 1, pp. 31-61.
- Dees, Gregory (1998), Enterprising non-profits. *Harvard Business Review*, January, pp. 55-67.
- Doerfel, Marya and Taylor, Maureen (2004): Network dynamics of inter organizational cooperation: The Croatian civil society movement. *Communication Monographs*, Vol. 71, No. 4, Dec. 2004, pp. 373-394.
- Drucker, Peter (1989), What Business can learn from non-profits. *Harvard Business Review*, Vol. 67, Issue 4
- Djursøe, H. and Neergaard, P. (ed.) (2006), *Social ansvarlighed – fra idealism til forretningsprincip*. Copenhagen, Academia.
- Dyer, JH, Kale, P and Singh, H (2001), How to make strategic alliances work. *MIT Sloan Management Review*, Vol. 42, No. 4, 2001, pp. 37-43.

- Elkington, John and Fennell, Shelly (1998), Partners for Sustainability. *Management International*, Issue 24, Winter, pp. 48-60.
- Eisenhardt, K.M. & C.B. Schoonhoven (1996), Resource-based View of Strategic Alliance Formation: Strategic and Social Effects in Entrepreneurial Firms. *Organization Science*, Vol. 7, No. 2.
- Engels-Zanden, Niklas and Walqvist, Eveline (2007), Post-Partnership Strategies for Defining Corporate Responsibility: The Business Social Compliance Initiative. *Journal of business ethics*, 70(2), pp. 175-189.
- Googins, B. & Rochlin, S. (2000), Creating the partnership society: Understanding the rhetoric and reality of cross-sectoral partnerships. *Business and Society Review*, 105, pp. 127-144.
- Gulati, Sytch and Mehrotra (2008), Breaking Up is Never Easy: Planning for exit in a strategic alliance. *California Management Review*, 50, no. 4, summer 2008, pp. 147-163.
- Hartmann, Hoffman and Stafford (1999), Partnerships: A path to sustainability. *Business Strategy and the Environment*, Vol. 8, pp. 255-266.
- Heap, Simon (2000), NGO-Business Partnerships: Research in progress. *Public Management*, Vol. 2, Issue 4, pp. 555-563.
- Huijstee, Mariëtte and Glasbergen, Pieter (2008): The Practice of Stakeholder Dialogue between Multinationals and NGOs, *Corporate Social Responsibility and Environmental Management*, vol. 15, pp. 298-310.
- Den Hond, F., de Bakker, F. and Neergaard, P. (ed.) (2007), *Managing Corporate Social Responsibility in Action: Talking, Doing and Measuring*. Burlington, VT, Ashgate.
- Jamali, Dima and Keshishian, Tamar (2008), Uneasy Alliances: Lessons Learned from Partnerships Between Businesses and NGOs in the context of CSR. *Journal of Business Ethics*, Vol. 84, No. 2, pp. 277-295
- Jonker and Nijhof (2006), Looking Through the Eyes of Others: assessing mutual expectations and experiences in order to shape dialogue and collaboration between business and NGOs with respect to CSR. *Corporate Governance: An International Review*, Vol. 14, No. 5, pp. 456-466.
- Kanter, Rosabeth (1999), From Spare change to real change: the social sector as beta site for business innovation. *Harvard Business Review*, 77, No. 3, May-June, pp. 122-132.
- Kickert, W., Klijn, E.-H. and Koppenjan, J. (ed.) (1997), *Managing Complex Networks. Strategies for the Public Sector*. Sage Publications Ltd., London.
- Kilduff, M. & Tsai, W. (2003), *Social Networks and Organizations*, Sage Publications Ltd., London.
- Kolk, van Tulder and Kostwinder (2008), Business and partnerships for development. *European Management Journal*, 26(4), pp. 262-273.
- Kourula, Arno and Halme, Minna (2008), Types of corporate responsibility and engagement with NGOs: an exploration of business and societal outcomes. *Corporate Governance*, Vol. 8, No. 4, pp. 557-570.
- Kuroda, Kaori (2000), New roles of non-profit organizations and partnership with government and/or Business. *Global Economic Review*, Vol. 29, Issue 4, pp. 62-72.
- LaFrance, Julie and Lehmann, Martin (2005), Corporate Awakening – Why (Some) Corporations Embrace Public–Private Partnerships. *Business Strategy and the Environment*, vol. 14, no. 4, pp. 216-229.
- Linton, April (2005), Partnering for sustainability: business–NGO alliances in the coffee industry. *Development in Practice*, Vol. 15, No. 3 & 4, pp. 600-614.

- Lui, Steven and Ngo, Hang-Yue (2004), The Role of Trust and Contractual Safeguards on Cooperation in Non-equity Alliances. *Journal of Management*, Vol. 30, No. 4, pp. 471-485.
- Martens, Kerstin (2002), Mission Impossible? Defining Non-governmental Organizations, *International Journal of Voluntary and Nonprofit Organizations*, Vol. 13, No. 3.
- Mendoza and Thelen (2008), Innovations to Make Markets More Inclusive for the Poor. *Development Policy Review*, vol. 26, issue 4, pp. 427-458.
- Millar, Chen and Choi (2004), Global Strategic Partnerships between MNEs and NGOs: Drivers of Change and Ethical Issues. Conference Paper. *Business and Society Review*, Vol. 109, pp. 395-414.
- Möllersten, Kenneth and Sandberg, Peter (2004), Collaborative energy partnerships in relation to development of core business focus and competence – a study of Swedish pulp and paper companies and energy service companies, *Business Strategy and the Environment*, vol. 13, pp. 78–95.
- Neergaard, P. (1997), *Kvalitetsstyring? En undersøgelse i danske virksomheder*. (Quality Management i Danish Enterprises. A survey). Jurist- og Økonomforbundets forlag.
- Neergaard, P. and Pedersen, E.R. (2003), Corporate social behavior: Between the rules of the game and the law of the jungle. *Journal of Corporate Citizenship*, no. 12.
- Nijhof, de Bruijn and Honders (2007), Partnerships for corporate social Responsibility: A review of concepts and strategic options. *Management Decision*, Vol. 46, No. 1.
- Peng, M. W. (2001), The resource-based view and international business. *Journal of Management*, vol. 27, pp. 803-829.
- Penrose, Edith T. (1995), *The Theory of the Growth of the Firm*. Oxford University Press, USA. 3 edition.
- Perez-Aleman, Paolo and Sandilands, Marion (2008): Building value at the top and the bottom of the global supply chain: MNC-NGO partnerships. *California Management Review*, Vol. 51, No. 1, pp. 24-49.
- Porter, Michael and Kramer, Mark (2002): The competitive advantage of corporate philanthropy. *Harvard Business Review*, December 2002.
- Prahalad, CK and Hammond, Allen (2002), Serving the world's poor, profitably. *Harvard Business Review*, 80(9), pp. 48-57.
- PriceWaterhouseCoopers (2007), Notat - Samarbejdet mellem virksomhed og NGO i Danmark: Resultater af PwC's NGO-undersøgelse. Available at: [http://www.pwc.com/extweb/pwcpublications.nsf/dfef71994ed9bd4d802571490030862f/5c3f5e059ceed1a6802574170064fe6d/\\$FILE/PwC-notat-NGO-unders%C3%B8gelse.pdf](http://www.pwc.com/extweb/pwcpublications.nsf/dfef71994ed9bd4d802571490030862f/5c3f5e059ceed1a6802574170064fe6d/$FILE/PwC-notat-NGO-unders%C3%B8gelse.pdf) (accessed 14.05.2009).
- Regeczi, David (2005), Limited Partnership: The Lack of Sustainable Development in Relation to Participation in Hungarian Public–Private Partnerships. *Business Strategy and the Environment*, Vol. 14(4), pp. 205-215.
- Rondinelli, Dennis and London, Ted (2003), How Corporations and environmental groups cooperate: assessing cross-sector alliances and collaborations. *Academy of Management Executive*, Vol. 17, Issue 1, pp. 61-76.
- Samuelsen, Judith (2008), Green Stakeholders: Pesky activists or productive allies? *Harvard Business Review Green*, September 2008.
- Silverman, Less and Taliento, Lynn (2006), What business execs don't know -but should- about nonprofits. *Stanford Social Innovation Review*, summer 2006, pp. 37-45.
- Simmons, PJ (1998), Learning to live with NGOs. *Foreign Policy*, No. 122, pp. 82-96.
- Spar, Deborah and La Mure, Lane (2003), The Power of Activism: Assessing the impact of

- NGOs on global business. *California Management Review*, Vol. 45, no. 3.
- Stafford, Polonsky and Hartman (2000), Environmental NGO-business collaboration and strategic bridging: A case analysis of the Greenpeace-Foron alliance. *Business Strategy and the Environment*, Vol. 9, Issue 2, pp. 122-135.
- Stefanovic, Marija (2007), New business-NGO partnerships help the world's poorest. *International Trade Forum*, Issue 2.
- Turner, Jennifer (2003): Cultivating environmental NGO-Business partnerships. *The China Business Review online*, available at: <http://www.chinabusinessreview.com/public/0311/04.html> (accessed 14.05.2009).
- Utting, Peter (2002), Regulating business via multi-stakeholder initiatives: A preliminary assessment. In: *Voluntary Approaches to Corporate Responsibility: Readings and a Resource Guide*, A UN Non-Governmental Liaison Service Development Dossier, New York, 2002, pp. 96-97.
- Utting, Peter (2000), UN-Business partnerships: Whose agenda counts?, *Transnational Associations*, vol. 53, No. 3.
- Waddock, S. (1988), Building successful social partnerships. *Sloan Management Review*, Vol. 29 No.4, pp.17-24.
- Waldstrøm, Christian (2007), *Ledelse af netværk – virksomhedens skjulte ressource* [Managing networks – the hidden resource of the corporation], with a contribution from Bent Engelbrecht, Børsens Forlag.
- Warhurst, A. (2004), Future role of business in society: the expanding boundaries of corporate responsibility and a compelling case for partnership, *Futures*, Vol. 37, Issue 2-3, pp. 151-168.
- Weihe, Guðrið (2008), 'PPPs: Meaning and practice'. PhD .Thesis, Copenhagen Business School, Copenhagen.
- Wicki, Senem and van der Kaaij, Jan (2007), Is it true love between the octopus and the frog? How to avoid the authenticity gap. *Corporate Reputation Review*, Vol. 10, No. 4., pp. 312-318
- Wymer, Walter.W & Samu, S. (2003), Dimensions of Business Nonprofit Collaborative Relationships. In: *Journal of Nonprofit & Public Sector Marketing*, Vol. 11, No.1, pp. 3-22.
- Yaziji, Michael (2004), Turning gadflies into allies. *Harvard Business Review*, February 2004
- Young, W. (2005), Editorial: Partnerships for sustainable development. *Business Strategy and the Environment*, Vol. 14, Issue 4, pp. 203-204.
- Zollo, M. et al. (2008), *Understanding and responding to societal demands on corporate responsibility (RESPONSE): Final Report*, INSEAD, Copenhagen Business School, Bocconi, impact and the Leon Kozminski Academy of Entrepreneurship and Management. Available at: http://www.insead.edu/v1/ibis/response_project/documents/Response_FinalReport.pdf (Accessed 14.15.2009).
- Ählström, Jenny and Sjöström, Emma (2005), CSOs and Business Partnerships: Strategies for Interaction. *Business Strategy and the Environment*, Vol. 14, Issue 4, pp. 230-240.

**CBS Working Paper Series
CSR & Business in Society**

Publications:

02-2009 Barriers and Success Factors in the Establishment and Continuous Development of NGO-Business Partnerships in Denmark, by Peter Neergaard, Janni Thusgaard Pedersen and Elisabeth Crone Jensen.

01-2009 Greening Goliaths versus Emerging Davids – How Incumbents and New Entrants Drive Sustainable Entrepreneurship, by Kai Hockerts (cbsCSR) and Rolf Wüstenhagen (University St. Gallen)

06-2008 An Overview of CSR Practices, RESPONSE Benchmarking Report by Kai Hockerts (cbsCSR), Lourdes Casanova (INSEAD), Maria Gradillas (INSEAD), Pamela Sloan (HEC Montreal), Elisabeth Crone Jensen (cbsCSR)

05-2008 The Perspective of Social Business for CSR Strategy by Keiko Yokoyama

04-2008 Ecodesign... as an Innovation-friendly Competence-enhancing Process by Caroline Julie Ney

03-2008 Anne Roepstorffs Ph.d.-forsvarstale (In danish) by Anne Roepstorff

02-2008 Property Rights as a Predictor for the Eco-Efficiency of Product-Service Systems by Kai Hockerts

01-2008 Modelling CSR: How Managers Understand the Responsibilities of Business Towards Society by Esben Rahbek Pedersen

cbCSR-publications in association with Center for Business & Politics:

Publications:

01-2009 Theorising Transnational Corporations as Social Actors: An Analysis of Corporate Motivations by Dana Brown (SBS, Oxford University), Anne Roemer-Mahler (Dep. of Int. Dev, Oxford University) and Antje Vetterlein (CBS Center for Business & Politics)

01-2008 Global Citizenship: Corporate Activity in Context by Grahame Thompson (CBS Center for Business & Politics)

*More working papers available on:
www.cbs.dk/content/view/pub/38567*