

Master thesis – Business Administration

**The process of partnership initiation
between Dutch businesses and NGOs**

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Management summary

This study focuses on the partnership initiation processes between Dutch businesses and non-governmental organizations (NGOs). Nowadays, there exists many partnerships between businesses and NGOs, however, still little is known how these partnerships can occur. These processes seem fuzzy of nature and the main research question in this study is therefore: *“How can Dutch businesses and NGOs initiate a workable partnership together?”*. In order to provide a comprehensive answer to this, the reasons, benefits, resources, partnership processes and recommendations are provided in this study. For this study, a literature review is conducted in order to gain a deeper insight involving the subject. This literature review involves the foundation theories on which organizations want to partner and forms alliances together. After this, semi-structured interviews have been conducted with eleven organizations which consist of businesses and NGOs in The Netherlands.

This study has found that there are many benefits, reasons and resources involved in a business-NGO partnership. First, the main benefits and reasons for companies involve complementary resource exchange, community involvement and synergy. For NGOs, this involves primarily the financial support and in order to achieve the NGO's goals. Second, the main resources that are exchanged between companies and NGOs are financial resources, human resources and completion for the company's CSR policies. Hereby is the ideal situation that the partners have a fit together, and that the resource exchange is bilateral in order to deliver valuable complementary resources to each other. Third, it has been found that the extent of formality in partnerships has an immense influence on the course of the business-NGO partnerships. The partnership processes may therefore be different for a formal or an informal partnership. These partnership processes consist of the following stages: acquaintance, assessing the partnership potential, developing partnership criteria and proposal, experimentation, evaluation, adaptation, operationalization, continuance or end of the partnership. These stages are incorporated in the developed model for this study. With this model, it is expected that businesses and NGOs can initiate workable partnership together. Another important finding within this study is that the process of partnership has many things in common with the aspects of human relationships. Therefore, up to a certain extent, business-NGO partnerships may be compared to the stages of human relationships.

The findings in this study support some of the known benefits and resources within the business-NGO partnership literature. However, some non-common benefits and resources have also been found. The findings in this study also support the proposition within this field of research that a fit is very important in a partnership. A theoretical model from the literature review has been proposed to business-NGO partnerships in practice, and alterations of the model have been made to make it more workable in practice. The main recommendations from practitioners from the interviews to make the partnership workable are frequent communication and to invest in their partnership. Future research on this subject may focus on assessing and improving the usability of the model proposed in this study in practice. Another research suggestion is to assess whether there are differences in partnership patterns for large and small businesses and NGOs, and thereby assessing the extent of formality within these group of organizations.

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List of abbreviations

CC	Consultancy company
CSR	Corporate social responsibility
EU	European union
MNC	Multinational company
NGO	Non-governmental organization
RdD	Regalo de Dios
SME	Small-medium enterprises
SHOE	Stichting Help Oost Europa

1. Introduction

1.1 Research background

For decades, many non-governmental organizations (NGOs) have tried to survive in conducting and broaden their activities in many different ways. As NGO being, it might be more difficult to guarantee their existence because most of the NGOs are-not-for profit organizations. One of the ways to survive is to become more similar to for-profit organizations. However, among the scholars there exist different attitudes towards this phenomenon: one main stream opinion is that management and organization studies should play an important role in supporting the adoption of becoming for-profit organizations, while the other opinion argues that by doing these threats like mission drift and loss of idealism can take place (Maier, Meyer & Steinbereithner, 2014). Within this study, a combination of both aspects is aimed to be made. Namely that NGOs can become professional in terms of organizational aspects, but still are active in their field of operations. In order to achieve this, NGOs can develop partnerships with companies so that mutual exchange of valuable resources can takes place.

The context in which this study takes place is the Dutch NGOs and companies that are based in the Netherlands. The research problem within this study involves the issue in how NGOs and companies can develop workable partnerships together. This is because the processes in order to achieve a partnership between a business and NGO are still vague in practice. Currently, most of the prescribed pathways for companies and NGOs exist of one single mapped out blueprint in how they can achieve a partnership together (Dantuma, 2014; GEMI & EDF, 2008; ING, 2014; Józwiak, 2014; Tennyson, Harrison & Wisheart, 2008). However, in reality there exist many different kinds of NGOs and companies which makes that this one sized blueprint cannot fits all sorts of organizations. An important additional phenomenon is that the pathways to initiate a partnership are fuzzy, and it has many things in common with the stages of human relationships. This thesis aims to give more attention to the hidden variables that are involved within the partnership initiation process. The end result of this thesis is to provide a workable model for various sorts of NGOs and companies to initiate a partnership together.

The Netherlands is known as a relatively rich and stable country (Dalstra, Kunst, Geurts, Frenken & Mackenbach, 2002; Rogers, 2011), and in the past many NGOs have been set up of which many are still operating worldwide nowadays. The main actors in this thesis are hereby the Dutch NGOs and businesses. These main actors will be explored in detail, and attention will be given to the interaction processes between Dutch NGOs and companies with all relevant issues involved. Therefore, the research goal within this thesis is to explore how Dutch NGOs and businesses can initiate and develop a good and workable partnership together. There exists much interest for this area of research both from companies as well as scholars. This includes the study from Oetzel & Doh (2009) who argue that there is much potential for businesses to cooperate together with NGOs in order to achieve their social performance goals.

1.2 Research goal and questions

The research goal within this study is to know how Dutch NGOs and companies can initiate a partnership together in such a way that these organizations can deliver values to each other for a beneficial partnership. The theoretical gap hereby is that other studies propose for one rigid pathway of engaging companies and NGOs in partnerships, while not acknowledging the other underlying relevant variables involved.

The central research question within this thesis is therefore as follows: “**How can Dutch businesses and NGOs initiate a workable partnership together?**” This central research question will be split into smaller research questions as the following below:

- a. What are the benefits and reasons for Dutch companies and NGOs for partnering together?
- b. What are the complementary resources that are exchanged between companies and NGOs?
- c. How is the process arranged in the partnership initiation between businesses and NGOs?
- d. What are the recommendations for a good partnership between the Dutch NGOs and businesses?

By answering these sub-questions, a comprehensive answer can be provided towards the central research question of this study.

1.3 Outline of the thesis

From here, the thesis will proceed as follows. First, a literature review will be provided in order to obtain a better insight to the most important concepts and theories within this study. After having developed a solid theoretical foundation, primary and the public available secondary data will be collected and processed for the purpose of this study. In the end, a comprehensive conclusion and discussion will be provided in order to answer the main research question within this study, including its limitations and suggestions for future research.

2. Theoretical framework

2.1 Introduction

In this chapter, several theories and concepts will be discussed. The order of the topics discussed will be from broad to more narrowed focus, from macro level until the micro level. Therefore the social exchange theory (SET) will be elaborated at first. This theory is relevant for the theoretical framework because it forms the base ground on which the other topics will be built on. After that, the topic of value networks will be discussed, followed by the topics of strategic alliances, corporate social responsibility and business-NGO partnerships.

2.2 Social exchange theory

The SET is relevant to discuss because it attempts to explain why businesses and NGOs want to exchange resources with each other. The SET belongs to one of the most important frames of reference within the organizational behaviour studies (Cropanzano & Mitchell, 2005; Emerson, 1976). This theory will be elaborated as first because it forms the foundation for the upcoming concepts as building blocks for this study. The SET is relevant to discuss because this theory explains the origin of logic why organizations cooperate or partner together. The three main contributions came primarily from Homans (1961), Blau (1964) and Emerson (1972a; 1972b; 1976). First, the concept will be elaborated and explained in more detail, followed by the criticisms and shortcomings posed by scholars during the last few decades.

SET according to the classical authors

Although Emerson (1976) has argued that the SET is not a theory at all but rather a frame of reference in which many different micro and macro theories come together, in this thesis it will be considered as a theory that is still subjected to many propositions and improvements. The term ‘social exchange’ can be defined as “the exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two parties” (Homans, 1961, p. 13). Furthermore, Homans (1961) argued that social behaviour between organizations exists by how organization A’s behaviour reinforces the organization B’s behaviour and in the same way how organization B’s behaviour reinforces organization A’s behaviour in return. This is called the social interaction at the “sub-institutional” level (Cook, 2013; Homans, 1961). Relationships between organizations can fail due to lack of reinforcement or if there is too large asymmetry regarding the rewards and costs. Compared to Homans’ focus on the dyadic exchange, Blau (1964) focused on the structure of social organizations. Therefore he identified several generic processes that are active at various layers within organizations including collective action, legitimacy, opposition, conflict, and cooperation (Cook, 2013; Blau, 1964).

Regulations and norms around SET

The parties that hold the dyadic relationships in the context of SET are expected to adhere themselves to the rules and norms of exchange (Cropanzano & Mitchell, 2005). These rules are at the same time also the guidelines that apply within the exchange processes. One of the most applied exchange rule is the repayment or reciprocity. Gouldner (1960) differentiates three sorts of reciprocity: as a transactional pattern of interdependent exchanges, folk belief and as a moral norm. From these three, only the first of the three will be discussed in more detail. This is because in this study the focus is set on the reciprocity of different sorts of exchanges between companies and NGOs. Reciprocity as interdependent exchanges implies that the outcome of the relationship is a combination of both the parties’ efforts. Furthermore, social exchange involves a two directional transaction; a certain thing has to be given and the other party receives something in return. Therefore, interdependence requires mutual and complementary agreements and is seen as one of the crucial characteristics of SET (Molm, 1994). Consistent with the arguments from Homans (1961), reciprocal interdependence

accentuates the interpersonal transactions in which the action by one party leads to a reaction from the other party. Lastly, the resources used in SET are not only limited in terms of economic value, but it encompasses a wider field as Foa and Foa (1980) suggest; status, love, money, information, goods and services. In addition, Porter and Kramer (2011) advocate that organizations should think in wider value terms rather than in economic value alone, as the following quote suggests: “As governments and NGOs begin to think more in value terms, their interest in collaborating with business will inevitably grow.”

Relationships in SET

In general, when scholars discuss the term relationships, they refer to an association among two partners, whether as individuals or organizations. There exist different kinds of relationships with different kinds of corresponding behaviors. In general, because individuals and organizations return the advantages received, it is expected that they will correspond goodwill and cooperativeness to the party whom they have a social exchange relationship with (Masterson, Lewis, Goldman, & Taylor, 2000). Moreover, within the SET literature there is a lack of clarity regarding the term of relationships. Cropanzano and Mitchell (2005) argue that two possible interpretations exist for this term. The first interpretation refers to series of interdependent exchanges while the second interpretation is that relationships are the *result* from the series of interdependent exchanges. These authors also suggest that the main core of SET can be summarized as “Social exchange comprises actions contingent on the rewarding reactions of others, which over time provide for mutually and rewarding transactions and relationships” (Cropanzano & Mitchell, 2005, p. 890).

2.3 Value networks

The topic of value networks is relevant to the business-NGO partnerships because it discusses the importance for businesses and NGOs to form a network in order to achieve a synergy together rather than to operate separately from each other. Because businesses and NGOs can exchange valuable resources within the context of business-NGO partnership in order to complement each other in their needs. The concept of value networks can therefore be defined as “Entities of several connected individuals or organizational actors that transform and transfer various complimentary resources and capabilities” (Morgan, Feller & Finnegan, 2013, p.572). This concept is also known as strategic networks (Zaheer, Gulati & Nohria, 2000), business networks, value web (Tapscott, Lowy & Ticoll, 2000) and business ecosystem (Iansiti & Levien, 2004; Katsamakas & Economides, 2006). Value networks have become more and more important subject for many companies. This is because the locus of competition has shifted from the individual firm level towards the network wide level (Patnayakuni, Rai & Seth, 2006).

The key components of value networks are increasing cooperation, the share of information, intensifying collaboration, co-specialized investments and repeated interaction between the partners. Furthermore, this partnership lasts relatively for a long-term period, founded on strong relationships and trust (Dyer, 2003; Bakos & Brynjolfsson, 1993).

Austin (2010) argues that creating value is the main justification for cross-sector partnerships. Through the facilitation of joint learning, problem-solving processes and the integration of complementary resources, knowledge exchange can lead to value creation (Parise & Henderson, 2001). Morgan et al. (2013) suggest that there are four important factors that prosper the value creation *and* capture within a value network, these are commitment, knowledge exchange, alignment of objectives and effective governance. The first factor, commitment, is about the extent in which the network members are willing and desire to establish a collaborative effort and build on a valued partnership. The second factor, knowledge exchange, argues about the extent in which network members exchange insights and knowledge in mutual way. The third factor, alignment of objectives, is about the extent to which the value network identifies and implements the different objectives and aims, so that shared understanding of requirements can be achieved. The last factor, effective governance, is about the extent to which the resources and competences of various stakeholders within the value network are combined and being managed. Having said this, it is important to mention that once the value is created within the value network, the second important thing is to *capture* the value created. Besides to capture the value created in the monetary terms such as by developing revenue model and a cost structure (Amit & Zott, 2001), there also exists other value capture strategies in non-monetary terms. These strategies include the entry to tacit knowledge and excellent reputation that is useful for marketing purposes (Morgan et al., 2013).

2.4 Strategic alliances

The topic of strategic alliances, especially regarding the business – NGO alliances, is relevant to discuss because it is important to choose the right alliance as partner and to decide into which depth the partnership is meant to be. Austin and Seitanidi (2012a) conducted a review about nonprofit-business collaboration, with the focus on business-nonprofit dyads, and they saw much potential within this cross-sector collaboration. These scholars were not the only ones, because Porter and Kramer (2006; 2011) also elaborated much on the cross-sector partnering subject. They argue that collaboration between NGOs and companies is an inescapable and important vehicle for performing CSR and in order to achieve their organizational socio-economic goals. Furthermore, the C&E report (2014) shows that 90% of NGOs and businesses state that engaging partnerships with each other will become more important for the coming three years.

The relationship that a business has with an NGO can exist in many different forms. These include the options such as corporate foundations, corporate philanthropy, sponsorships, cause-related marketing, joint ventures and joint issue promotion (Wymer & Samu, 2003). Moreover, each of these options has different degrees of partnership intensity, commitment and value creation. Austin & Seitanidi (2012a) argue that the partnership intensification can be categorized into philanthropic, transactional, integrative and transformational stages. These authors argue that most NGO – business collaborations start with the philanthropic stage and aim at the transformational stage as their end goal. The first term, namely philanthropy, is

about a business providing gifts in terms of time or resources such as properties, securities and money for public purposes (Salamon & Anheier, 1992). Moreover, the direction of the resource flow is mainly unilateral, that is, only one way resource flow from the business towards the NGO. This is a form of resource complementarity with money as the main resource for NGOs and it can serve as CSR activities “buy” option for businesses (Austin & Seitanidi, 2012a; Margolis & Walsh, 2003).

The next stage is the transactional one. This involves the reciprocal exchange of resources through cause-related marketing, sponsorships, name and logo licensing agreements and other goal specific projects. Here the resource flow is bilateral rather than unilateral, like the previous stage. In this stage, the organizational fit plays an important role since both partners must have a certain level of linked interests for value creation in their partnerships. Corporate volunteering is one of the possible activities that can be undertaken within this stage. When business volunteers bring their specialized competencies along with them, besides their time and effort, the potential value delivered to NGOs will be greater than without (Vian, Feeley, Macleod, Richards, & McCoy, 2007). Moreover, this nonmonetary donation improves the depth of relationships between NGOs and businesses which makes donor stickiness more likely. Due to partnerships, both partners can have access to shared resources; bundling these with their non-shared resources can enhance the organizational competitive advantage (Liu & Ko, 2011).

The third stage is the integrative collaboration. Within this stage, organizational fit becomes more important. Partners’ values, mission and strategies are expected to be integrated as consequence of having worked together successfully (Austin & Seitanidi, 2012a). The incentive to continue the partnership lies within the linked interests and synergistic value creation of the business and NGO. Furthermore, the partnership within this stage is seen as essential to strategic success of both partners. However, this stage requires also more attention towards the difference in value creation logics from both partners (Le Ber & Branzei, 2010a) and requires a deeper commitment. Therefore, it has become clear that collaboration at this stage is more complex and organic compared to the previous two stages.

The last stage is the transformational collaboration. This is the most advanced stage in which shared learning about each of their social needs and how to fulfill these needs are widely discussed (Austin & Seitanidi, 2012a). In this stage, the end beneficiaries have an active role regarding the transformation process (Le Ber & Branzei, 2010c) with the purpose of creating disruptive social innovations (Christensen, Baumann, Ruggles & Sadtler, 2006). Moreover, the goal hereby is to create value through transformational benefit in large scale in order to reach the targeted segment of society or the whole society (Martin & Osberg, 2007). When there is an organizational fit present between partners, it is likely that synergy will be one of the outcomes of the partnership. Moreover, Porter and Kramer (2011) argue that the synergy is likely to increase when companies approach social issues from a shared value perspective. Since social issues are complex, the importance of cross-sector partnership is relevant. During the process of moving to the next partnership stage within this continuum, the characteristics of the business and NGO partnership change in terms of the following things: level of engagement, importance of shared mission, scope of activities, interaction level, trust, internal

change, managerial complexity, strategic value, co-creation of value, innovation and synergistic value (Austin & Seitanidi, 2012; Austin, 2000b).

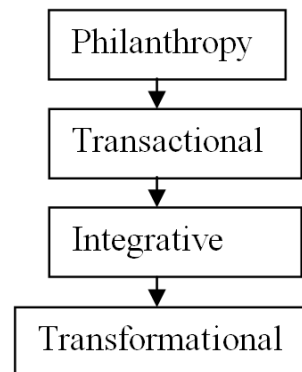


Figure 1 Stages of partnership

2.5 Corporate social responsibility

The concept of corporate social responsibility (CSR) is relevant to discuss because for many companies, one of the drivers to involve themselves into a business-NGO partnership is because of their CSR policies. The theme of CSR has received much attention from scholars since the last two decades (Hahn, Figge, Aragón-Correa & Sharma, 2015). The terms corporate social responsibility, sustainable development and corporate sustainability are often used interchangeably by practitioners, however, they carry different meanings with them. Sustainable development can be defined as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). CSR in turn is primarily involved in balancing stakeholders’ interests and it can range in different kinds of initiatives that are not always sustainable for the community involved. For example a company that builds local education institutes and hospitals which requires staff and ongoing service maintenance. This can impose the communities to long-term liabilities and makes the initial good CSR actions to unsustainable in the long run (Bansal & DesJardine, 2014). For the term corporate sustainability, Linnenluecke and Griffiths (2013) argue that this term not only refers to sustainable competitive advantage of companies, but it refers also to company’s engagement towards social and environmental issues besides its economic activities. Moreover, the theoretical foundations in the field of corporate sustainability have primarily been focused on two main perspectives: resource-based view of the firm and the institutional theory (Linnenluecke & Griffiths, 2013). The former, resource based view theory, argues that there are four ways through which firms can obtain sustainable competitive advantage; the resources must be rare, valuable, inimitable and non-substitutable (Barney, 1991). The latter, institutional theory, argues that companies conduct activities on social and environmental issues in order to obtain and maintain legitimacy according to the requirements of its institutional environment (Campbell, 2007). For this study, from the three related terms the term CSR will be used throughout the thesis. As CSR encompasses various areas of operations, overview has been made during the years for the different dimensions of CSR by Dahlsrud (2008) as the following below.

Table 1 Dimensions of CSR¹

Dimension	Refers to
Environmental	The natural environment
Social	Relationship between business and society
Economic	Financial aspects or business operation
Stakeholder	Stakeholders (groups)
Voluntary	Actions not prescribed by law

Most empirical studies conducted around the concept of CSR focus on the relationship between CSR and corporate financial performance (Linnenluecke & Griffiths, 2013). However, the outcomes regarding this issue remain mixed and no consensus has been found yet (Van Beurden & Gössling, 2008). The inclination for companies to perform CSR activities varies across countries and the reason why is still not fully answered (Maignan & Ralston, 2002). However, Matten and Moon (2008) attempted to provide an answer towards CSR differences between the United States and Europe corporations. These authors found that in Europe, concerning the explicit CSR that forms an explicit element of the corporate policies is mainly a subject for large companies such as multinationals (MNCs) rather than small-medium enterprises (SME).

The reasons for companies to conduct CSR activities are as follows. First, the most argued reason among scholars is that by conducting CSR activities, the company can gain legitimacy among stakeholders or stakeholder groups that are positioned in the region (Rondinelli & London, 2003). The second reason for companies to conduct CSR activities is somewhat interrelated with the first reason, namely to manage the possible complaints from the society (Bhattacharya, Korschun & Sen, 2009). The third reason for many companies to conduct corporate community involvement activities is because they want to support the society and to maintain good citizenship in the area where the companies are active at (Brammer & Millington, 2003). The fourth reason is the possible relationship between the corporate social performance (CSP) and the corporate financial performance (CFP). Here the term is altered towards CSP because the term CSR is not a variable and is thus impossible to measure (Van Beurden & Gössling, 2008). These authors have performed a review towards the possible relationship between these two variables and they found that the majority of the identified studies found a positive relationship for this. In addition, Campbell (2007) argues that the companies that are likely to perform CSR activities are those that experience a relatively strong financial performance. Therefore it might be the case that there exists a two-way relationship between these two interconnected variables. The fifth reason is somewhat interrelated with the second reason, which is that CSR can be a source of opportunity, innovation and competitive advantage (Porter & Kramer, 2006).

¹ Source: Dahlsrud (2008, p. 4)

2.6 Business-NGO partnerships

In this section, the core subject of this study will be discussed, namely the concepts that are related with the business-NGO partnership. The benefits, challenges, conditions, maximization and implementation of the partnership will be discussed in this chapter.

In this thesis, non-governmental organizations (NGOs) are defined as “*private, not-for-profit organizations that aim to serve societal interests by focusing on social, political, and economic goals, including, inter alia, equity, education, health, environmental protection, and human rights*” (Teegen, Doh & Vachani, 2004, p.466). Next to this, the term partnership in this study is defined 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 & Keshishian, 2009).

The idea that cooperation between businesses and NGOs can have much potential is not new. Khanna & Palepu (1997) argued in that time period for the potential of complementary benefits in the relationships between businesses and NGOs. The reasoning behind this is that businesses are beneficial with their relatively large size, scale, experience and resources while NGOs are seen beneficial for their access to local stakeholders, of which some of them are difficult to reach without partnering with these NGOs. The role of businesses in the field of development is being termed as the concept of resource complementarity by Oetzel & Doh (2009). It might also require businesses to become actively involved in building local capacity through partnering with local NGOs in order to provide sustainable capabilities and skills.

NGOs receive their incomes from different sources, such as from interested third parties in form of grants and donations, companies, community clubs and associations, individual donors and governments (Viravaidya & Hayssen, 2001). The well known charitable giving or philanthropy is not the only income channel for NGOs. However, many NGOs still have this income generation or fundraising mindset as their main purpose of operation (Salamon & Anheier, 1992).

Benefits for businesses

As the SET attempts to provide explanations for organizations why they exchange resources with each other, this section elaborates on the benefits as drivers for businesses and NGOs to cooperate together. Because the reason to partner is often related to the benefits that each party receives from the other. Therefore, in order to know what the drivers are from the company's and NGO's side to engage themselves into a partnership, the benefits for both parties will be elaborated in this and the following sections.

Building relationship between private and nonprofit organizations brings benefits for each party. First the benefits for businesses will be elaborated followed by the benefits for the NGOs' side. The first benefit for businesses is that it may give opportunities for businesses to gain *legitimacy* and thereby developing capabilities needed as response towards the pressure from stakeholders regarding environmental and social issues within host countries (Rondinelli & London, 2003; Waddock, 1998; Yaziji & Doh, 2009). This can also accelerate the approval

process for license to operate (Ishikawa & Morel, 2008). So despite the fact that the businesses relatively possess more financial resources, businesses can benefit from NGO's greater social power due to their reputation and high esteemed social legitimacy (Oetzel & Doh, 2009). This can be seen as a prerequisite for businesses to operate successfully abroad.

Second, by partnering with an NGO a business may gain *visibility* (Gourville & Rangan, 2004) and this in turn may contribute to the social license to operate, access to local communities and credibility (Austin, 2000a; Greenall & Rovere, 1999).

The third benefit for businesses has to do with one of the stakeholders involved, which are *employees*. The collaboration with NGOs can have positive effects of 2.3 times bigger rate of employee retention, 2.2 times larger access to new markets and 3 times better in improving their risk management (Boston College Center for Corporate Citizenship, 2014). Also another survey indicated that nearly 75% of the respondents would opt to work for a business with a good philanthropic reputation with other variables being equal (Deloitte, 2004). Moreover, the business-NGO partnership has also positive psychological fulfillment for employees and creates new cross-sectoral friendships (Seitanidi, 2010). In addition, it also creates new leadership opportunities, managerial skills, new sector knowledge and broadened perspectives, with thereby the condition that employees should be involved in the relevant programs (Austin & Seitanidi, 2012b; Bhattacharya et al., 2008). Therefore, the most important benefit hereby is to attract and retain employees, which is seen as the most important resources for many businesses. However, this does not restrict to employees alone, the benefits also reach further to a greater extent of other stakeholder loyalty and improving the stakeholder communication and accountability (Ishikawa & Morel, 2008; Pearce & Doh, 2005). Especially within the stage of transactional partnerships, employee volunteering can enhance the work motivation and in consequence, the job performance, but also the customer orientation and increasing productivity (Jones, 2007; Vock, Dolen & Kolk, 2013).

The fourth benefit is *associational value* of the business with reputational enhancement as consequence of the business involved (Austin & Seitanidi, 2012a). Associational value is the value derived from the collaborative partnership with other organization. One example is that people have higher esteem from a business that partners with an NGO in order to solve social problems (GlobeScan, 2003). Furthermore, Farquason (2000) found that consumers within the UK switched brands, tried new products and increased their purchases because of the associational value with a charity motive. Nevertheless, a positive image is subjected to the type of the organizational fit of both partners (Kim, Sung & Lee, 2011). By doing this, the business' reputation and image is improved (Yaziji & Doh, 2009) while also influencing the increasing amount of sales and broader use of products (Gourville & Rangan, 2004).

The fifth benefit is that businesses can receive *complementary resources* that they otherwise cannot have access to, such as specific products, process learning and innovation (Stafford, Polonsky & Hartman, 2000), adjustment to new management practices because of the interaction with NGOs (Drucker, 1989), technical skills (Stafford & Hartman, 1998), improved external risk management competences (Selsky & Parker, 2005; Tully, 2004),

access to networks (Millar, Choi & Chen, 2004) and enhanced political power within the society, community and government relations (Seitanidi, 2010).

The sixth group of benefits involves the *investor and consumer related benefits*. For investors these include investor recruitment fit and increasing investors' loyalty (Gourville & Rangan, 2004). For example investors who want to invest in sustainable projects or in impact investments. Benefits for customers involve the customers' preference of choosing a company's product above the competitor's products (Brown & Dacin, 1997) and decreasing asymmetry of knowledge between consumer and business (Googins & Rochlin, 2000). Because of the employees' enthusiasm, there might be some positive spillover outcome that induces favorable consumer responses (Kolk, Van Dolen & Vock, 2010).

The seventh benefit for companies to engage in partnerships with NGOs is because of the *quality management*. This involves especially those companies that utilize their NGO partners as the main supplier of their products (Linton, 2005). This kind of business-NGO collaboration is also called as the value chain partnerships (Bitzer & Glasbergen, 2015). These NGOs do not only supply for tangible products and resources such as coffee and cocoa (Bitzer, Glasbergen & Arts, 2013; Bitzer, Glasbergen & Leroy, 2012), but it includes also services and facilities that NGOs can offer to companies (BSREF, 2001).

Benefits for NGOs

For NGOs, the benefits accompanied by cooperating with businesses are as follows. First, a business seems to be a more *reliable partner* to cooperate with rather than with the local governments of the host countries. This is because legal guarantees and commitments made by host governments are often not being met, for example in infrastructure sectors (Doh & Ramamurti, 2003). Therefore, by partnering with businesses there is higher probability that the investments made are sustainable over longer term period. The withdrawal of government support due to economic crisis (Feiock & Jang, 2009) and limited funds constraints (Schwartz, 2004) induces businesses to gain a more significant role in supporting the NGOs.

Second, NGOs can partner with businesses for the diversification of revenues sources and for *learning the business-related competences* (Al-Tabbaa, Leach, & March, 2013; Elkington & Fennell, 2000). *Financial support* in the revenues stream is always needed, however, this does not stimulate NGOs to become independent. According to Perez-Aleman and Sandilands (2008), financial and technical supports are needed in the implementation phase of the partnership. The access to business-related competences provides the NGO the opportunity to learn and develop specific capabilities (Porter & Kramer, 2011; Yaziji & Doh, 2009) that otherwise they could not obtain without partnering with businesses. Besides the financial support, businesses can also support NGOs by providing more volunteer capital and complementary organization unique assets (Austin & Seitanidi, 2012a; Vock et al., 2013). These resources are needed in order to achieve the NGO's goals, as Dahan, Doh, Oetzel and Yaziji (2010) suggest that by combining the companies' and NGOs' strengths and resources through partnership can allow partners to achieve their individual organizational goals.

Third, by partnering with businesses, NGOs can obtain *access to networks* within the profit sector and improve their relationships with for profit organizations (Millar et al., 2004; Vock et al., 2013). By having access to these networks, NGOs can obtain market intelligence that can result into process-based improvements, innovation and positive organizational change for improvements (Holmes & Moir, 2007; Glasbergen, 2007; Yaziji & Doh, 2009).

Fourth, NGOs can obtain their *credibility* and improve their organizational reputation for the reason that they are chosen as funding beneficial by influential businesses (Galaskiewicz & Wasserman, 1989; Yaziji & Doh, 2009). Another related benefit is that NGOs can obtain visibility that may improve the public image, public relations and potential for funding (Alsop 2004; Gourville & Rangan, 2004; Milne, Iyer & Gooding-Williams, 1996; Seitanidi, 2010). Moreover, Sanzo et al. (2014) found that the visibility and the scale of its operations are positively related to NGOs' funding. Besides obtaining more publicity for them, public awareness of the social issue might also increase so that NGOs may receive more support for their missions to solve social issues (Gourville & Rangan, 2004; Pierce & Doh, 2005).

Table 2 Benefits for businesses and NGOs

Business	NGO
Legitimacy	Reliable partner
Visibility	Financial support
Positive effect on employees	Learn business-related competences
Associational value	Access to business networks
Complementary resources	Credibility
Investor and consumer related benefits	

Challenges for the business-NGO partnerships

Besides the benefits that are present within the business-NGO partnerships, there are also some challenges. Overall, the costs that accompany the business-NGO partnerships are known to be higher for NGOs compared to businesses (Ashman, 2001; Yajizi & Doh, 2009). First, especially in the emerging markets situation such as the BRIC countries, business-NGO partnerships are often accompanied with hostility and *distrust* (Oetzel & Doh, 2009). For example that businesses use the NGO partnerships only for the marketing purposes rather than for the willingness to solve and contribute to the social issues (Reed & Reed, 2009). This distrust is not only aimed towards the business, but also on the NGOs for the following reasons. Due to the cross sector collaboration, it is likely that business related instruments are introduced within the NGO (Dart, 2004) and also a couple of hired and paid professionals that are working there (Hwang & Powell, 2009). For NGOs, hiring the paid professionals to work for them can be an issue towards the public opinion. This is because in general, majority of people work as unpaid volunteers for NGOs. The money raised is then meant for providing urgent help, and not for hiring business professionals. For this reason distrust can come from the public opinion side regarding what the NGOs will do with their money. Therefore, it remains an issue regarding the advantages and the disadvantages of non-paid volunteers and paid professionals within the NGOs (Kreutzer & Jäger, 2011).

Second, by conducting cross sector partnerships between for-profit and not-for-profit organizations, organizational learning among these alliance partners can only happen with the requirement of a certain *level of common experience*, which is often absent or weak in this kind of partnership (Rondinelli & London, 2003).

Third, by building these partnerships with NGOs, *escalating and unrealistic demands* can arise towards businesses to enhance their engagement towards social development (Yajizi, 2004). Therefore, due to the absent of common experience, trust and clear communication, conflict can arise among these newly partners despite the fact that the business has many shared values like the NGO.

Fourth, since NGOs belong to a not-for-profit sector, the drawbacks hereby are that they often have less focus on organizational performance or on obtaining financial competences. Furthermore, NGOs are likely to have a higher cost structure due to their inability to capitalize on economies of scale (Oetzel & Doh, 2009). Moreover, many NGOs find it hard to fulfill *the financial accounting needs* from businesses in order to implement credit programs. This results in complex relationship models between the NGO and the business (Sanzo et al., 2014).

Fifth, another potential drawback for the NGO is that because of the salient partnership with a wealthy business, *decrease in donations* can occur (Austin & Seitanidi, 2012b; Gourville & Rangan, 2004). Next to this, the need for resource allocation, a decrease of volunteers' trust, unexpected exit of the partner and the potential 'green washing' mechanism need to be taken into account (Utting, 2005). The public perception can also be negatively changed due to this partnership with a for-profit organization, for example with thoughts of 'mission drift' or loss of independence from the NGO (Sanzo et al., 2014).

Sixth, another potential risk for both NGO and business is the *chance of reputation damage* caused by the action of the partner (Sanzo et al., 2014; Wymer & Samu, 2003). These actions can be the scandals, frauds, and improper behavior of its partner. For the NGO, the consequences have more impact compared to the business, because a damaged reputation means a decrease in NGO's capacity to attract volunteers, donors and in consequence to that also to an end of their existence as NGO (Seitanidi, Koufopoulos & Palmer, 2010). However, these aforementioned issues can also apply for the business' reputation as well, in case when the NGO does something inappropriate in its behavior. Next to this, Sanzo et al. (2014) found that the level of perceived reputation damage risk has a negative influence on the perception of mission and strategy alignment within the partners. Therefore, managing the potential reputational risk is very important for both organizations because the partner's improper actions can result in bad publicity and damaged reputation for both (Galaskiewicz & Colman, 2006).

Seventh, past researches used to relate the *misalignment and unfamiliarity* of business-NGO partners to higher probabilities of conflicts and displeasing feelings (Seitanidi et al., 2010). Therefore, when there are large cultural differences present, the level of uncertainty will also rise. Due to absence of an organizational fit, negative value creation is likely to happen and this affects brands and partners (Haddad & Nanda, 2001; Kim et al., 2011). To end with,

Berger, Cunningham & Drumwright (2004) suggest that many partnerships problems can be predicted upfront and can therefore be dealt with.

Table 3 Challenges for business-NGO partnership

Distrust
Absence of common level experience
Escalating demands can occur
Asymmetry of financial competences
Decrease in donations due to public perception
Chance of reputation damage
Misalignment and unfamiliarity

Recommendations for business-NGO partnerships

In order to minimize the challenges mentioned above, businesses and NGOs should take the following issues into account. First, both parties should aim for strategies that *mitigate the costs of partnerships* and committing to one another with much *credibility*. An example from Pearce & Doh (2005) shows that business-NGO partnership is likely to be the most effective when the activities performed together are situated close to each others' core capabilities. This makes that the adjustments low and also lower costs of adaptation for partnering together.

The second recommendation is that partners should have *goal alignment* in their partnership (Jamali & Keshishian, 2009). This goal alignment can be achieved when partners agree to pursue common goals together. Besides goal alignment, Austin & Seitanidi (2012a, 2012b) argue that *mission and strategy alignment* are very important factors to reduce negative conditioning factors of trust. In addition to this, they also argue that linked interests to the social issue, complementary resources, two-way of resource flow and organizational fit are the fundamental factors in order to have a successful partner selection process. One of the benefits of an appropriate organizational fit is that it allows both organizations to gain value beyond "first order" benefits (Gourville & Rangan, 2004), such as increasing amount of revenues for the business and fees for the NGO towards "second order" associational benefits as mentioned earlier, like reinforcing relationships with stakeholders and widening the donor base of the NGO. To conclude, a proper *organizational fit* enables the creation of synergic value and the greater the fit between the business and the NGO, the greater the potential for joint value creation will be.

Third, factors such as nation, sector, firm, NGO and managerial level can have an influence on the potential success of this partnership. For example, the industry and orientation in which NGOs are active in will influence the potential compatibility with the chosen company. The strategic fit in this will affect the likelihood, shape and satisfaction of the partnership. Overall, Oetzel & Doh (2009) believe that the most important variable that has an influence on success is the *degree of complementarity* in the resources and capabilities of the business and NGO.

The fourth recommendation is the process of choosing the appropriate partner, which is the *selection process*. This process starts with the acquaintance or partnership initiation of both partners before they can start with the selection process (Jamali & Keshishian, 2009). This is a

very important process because the cooperation that comes after this determines the joint value creation and is vital to mitigate the conflict potential of both partners (Sanzo et al., 2014). Within this stage, accurate assessment of the value and partnership potential is one of the predictor of the partnership viability (Austin & Seitanidi, 2012b; Pangarkar, 2003). Within this stage, the partnership criteria and proposal is developed (Austin & Seitanidi, 2012b; Holmberg & Cummings, 2009; Seitanidi, 2010). These include the conditions under which the partnership can take place. Both parties should agree with the criteria proposed in order to cooperate together.

Fifth, *past experiences* of NGOs and businesses in developing valuable relationships can be a significant determinant for the organizational fit (Hardy, Lawrence & Phillips, 2006; Barnett, 2007). This is because the history of experience in partnership can be an indicator of the organization's ability to uncover new competences and outlook for social value creation (Brickson, 2007).

Sixth, with the challenges of power imbalance, such as the question of effectiveness of the mechanisms and the difference in decision-making and control processes (Brown, 1991; Reed & Reed, 2009), a possible solution may be provided for these issues. A call for *shared consensus* in the way of decision making and *joint regulation* is proposed to equal the power differences between partners (Ashman, 2000; Elbers, 2004; Seitanidi & Ryan, 2007; Utting, 2005). Thereby a decentralized control is needed in which various stakeholders can express their concerns and suggestions, establishing feedback loops and setting up decentralized social accountability posts to facilitate answers and enforcement to the stakeholders (Clarke & Fuller, 2010; Newell, 2002; Utting, 2005).

Table 4 Recommendations for business-NGO partnership

Aim for strategies that mitigate the costs of partnerships
Degree of complementarity in the resources and capabilities
Goal, mission and strategy alignment
Organizational fit between business and NGO
Proper partner selection process
Past experiences in partnerships
Shared consensus in decision making and joint regulation

Maximization of the partnership potential

Partnership selection stage

Before achieving the joint value creation potential by complementing resources from businesses and the NGOs, it is important to identify the nature of resources that each partner has to offer (Austin & Seitanidi, 2012b). These include tangible as well as non-tangible resources. Tangible resources include machinery, money, facilities, estate, supplies and natural resources while intangible resources include knowledge, competences and management practices. Hereby, the more organizations are cooperative to exchange their distinctive, specific resources the higher the potential will be for value creation. It is also the

fact that two-way or reciprocal resource flow appears to be more effective compared to the unilateral exchange.

In the following sections, this study follows the partnership fit potential model from Austin & Seitanidi (2012b). Partnership formation can be initiated by first articulating the social issue that potential partners want to solve together. Then, linked interests and complementary resources in order to solve the social issue must be identified. After this, both partners' motive and missions must be identified and aligned. Hereafter, the history of partnerships and the visibility fit must be identified. As last, pre-partnership champion must be appointed, that is, a person who will be the main responsible in sustaining the cross-functional teams during the partnership (Rondinelli & London, 2003).

Partnership implementation

Within the partnership implementation stage, two levels of implementation exist which are at the organizational and the collaborative level (Austin & Seitanidi, 2012b). The partnership design and operations consist of three main phases, i.e. the experimentation, adaptation and operationalization phase as it is illustrated in figure 2. The left side of the figure involves the organization, which is the business itself, while the right side involves the collective; these are both the business as well as the NGO. Within the *experimentation stage*, the operations are brought into practice. However, this happens within the boundaries of experiment such as only applying it in small scale, for example only in one branch first and if it turns to be successful, then applying it in all branches. Within the *adaptations stage*, some lessons are obtained from the experimentation stage in how both organizations can improve their cooperation together. These feedbacks will be implemented for the next stage. Within the *operationalization stage*, the "real" cooperation has been started. The processes and structures are stabilized and mutual benefits can be obtained as result. Furthermore, it is very important that feedbacks are provided between the various stages which lead to the double arrows that are stated within the model. The last phase is the *exit or continuance strategy*. The exit strategy is applied in case when the partnership does not work well. This can be in form of a set of terms and conditions that is developed in advance before the partnership takes place. This is the way in how the business and NGO can exit the partnership in a friendly and formal manner. The continuance strategy involves the guidelines in which the partnership can continue for an extended period of time.

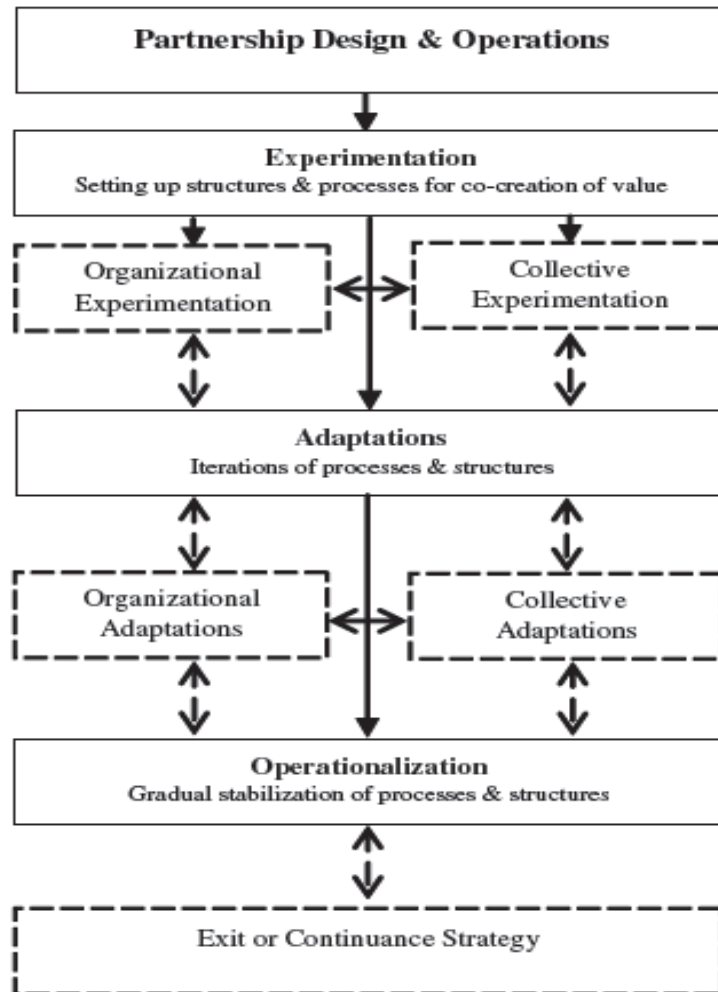


Figure 2 Initial partnership design²

For the aforementioned stages of partnerships, which are philanthropy, transactional, integrative and transformational, the process of partnership design and operations are the same. Irrespective of the partnership stage in which the business and NGO begin, they all have to go through the same processes. After a time of period, they can grow in their partnership to move to the next deeper stage.

The model developed by these authors serves as a starting ground to build upon the cases from business and NGO in practice. The partnership design includes the establishment of objectives and structural specifications (Glasbergen, 2007), framing rules and regulations (Gray, 1989), formulating a declaration of intent (Seitanidi & Crane, 2009), setting up leadership positions (Austin, 2000), choosing organizational structures (Berger et al., 2004) and corresponding with how to manage the partnership (Seitanidi & Crane, 2009). These processes contribute to goal congruency (Andreasen, 1996) and this again leads to organizational compatibility. The decisions made move towards the operationalization, with

² Austin & Seitanidi (2012b, p. 939)

thereby the intermediating phase of adaptations due to the presence of internal and external factors (Austin, 2000). Within the operationalization phase, processes and structures of the partnership are expected to be stabilized till the following cycle of iteration (Seitanidi & Crane, 2009).

The processes above consist primarily of formal control mechanisms within cooperation (Das & Teng, 1998) while according to Ben (2007) informal mechanisms are likely to be more effective. Other scholars also argue that informal mechanisms of control can play important function within NGO-business partnerships in order to determine the partnership viability and the co-creation of value (Arya & Salk, 2006; Rivera-Santos & Rufin, 2010). These mechanisms include management of partnership culture to mix and harmonize organization cultures, ways of communication that contributes to the level of trust, charismatic style of leadership to inspire employee contribution, mutual respect and openness to each other, learning processes, management of conflict issues and stimulating open dialogue (Austin, 2000; Bhattacharya, Sen & Korschun, 2008; Elkington & Fennell, 2000; Seitanidi, 2010; Wilkof, Brown & Selsky, 1995). These processes will be applied once potential partners identify each of their resources, purposes and competences to be exchanged. Thereby the potential for partnership can be eliminated at the very beginning of the first stage if the partners realize that the distance between values is too large.

From here and further

After having followed these processes, the partners are ready for the next step which is the institutionalization of the partnership. Within this stage, different processes exist in order to intensify the extent of institutionalization within the partnership. One of the signs that partners have reached the stage of institutionalization is when their collaboration is embedded within each of their strategy, mission, value structures and their administrative systems (Austin & Seitanidi, 2012b). Hereby it is also important to transform shared information into knowledge, and from knowledge into capabilities. By deepening personal relations between two partners and reinforcing interactions, basic information is transformed into knowledge. With this, partners can apply the gained knowledge onto the specific context of both organizations, which is the point when the knowledge is being transformed into capabilities. With these capabilities, both partners can benefit from the value co-creation that can result in innovative skills, products and services. The following step is then to amalgamate and revitalize the value frames of both partners. This is also called as the “frame fusion”, which involves the creation of a new predictive frame that encourages their cross sector interaction while retaining their unique way to add value within the joint value creation. The value capture depends on the partners’ aligned interests, which in turn affects the level of institutionalization of the value co-creation (Le Ber & Branzei, 2010a, 2010b). Furthermore, this process is likely to occur within the integrative or transformational relationship stages (Austin & Seitanidi, 2012a). Within the advanced phase of partnership institutionalization, engagement with external stakeholders is used as one of the key components in the value co-creation process and in reshaping dialogue for social improvement (Austin & Seitanidi,

2012b; Cornelius & Wallace, 2010). By involving the concerned communities as stakeholders, it creates an extension of partnership institutionalization that goes beyond the business-NGO dyad (Austin & Seitanidi, 2012b). Lastly, it is important to have regular evaluations in between the various stages above (Arino & De La Torre, 1998; Cohen, 2003; Ring & Van De Ven, 1994). Valuable feedback and lessons can be obtained from these evaluations and these can positively improve the partnership processes.

2.7 Research model

Below is a figure with the research model for this study. First, the literature review is done starting from the most generic subject to the more specific subject. The SET is discussed to know more about the reasons for organizations to partner together. Next, the topic of value network is discussed to stress the importance to form a network together, followed by the topic of strategic alliances where it is important to choose the right alliance as partner. After this, finally the aspects of business-NGO partnership are discussed, including the topic of CSR. After the literature study, interviews are conducted with businesses and NGOs regarding partnership initiation and its corresponding stages. After the analysis process, a workable model for business-NGO partnership is developed including the most important aspects found within this study.

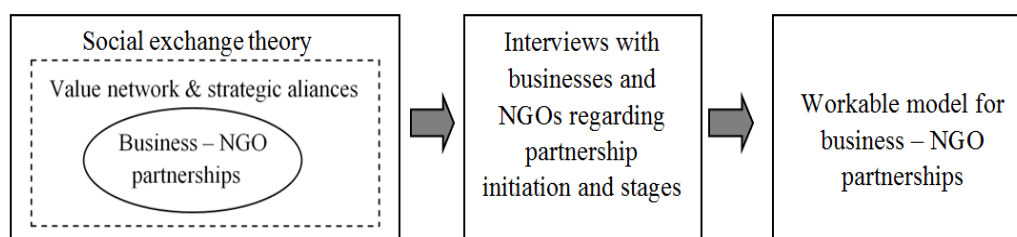


Figure 3 Research model for this study

3. Methodology

3.1 Introduction

In this chapter, the methodology of how the thesis is made will be discussed. This includes the research design, data collection, data analysis methodology and the case description of the interviewed businesses and NGOs.

3.2 Research design

This study is a qualitative study and it uses qualitative methods. By conducting a qualitative research, I am to provide meaningful findings with its richness and holistic view to reveal

some complexity involved (Miles & Huberman, 1994) in Dutch business-NGO partnerships. It is chosen for a qualitative approach because the outcome of the research is to find answers to understand the meanings, beliefs, values, intangibles and experience, and these can be best understood by qualitative data (Lowhorn, 2007; Wisker, 2008). Also because qualitative studies shed light on the contingent nature of the current social reality and it provides the opportunity to ask questions that cannot be put into numbers (Hopper, 2011). For these reasons, qualitative study seems the best suitable approach rather than a quantitative study.

The research design applied for this study has the characteristics of a descriptive design. Describing situations and events is a major purpose of many social science studies and many qualitative studies aim especially at the description of it (Babbie, 2010). This research design can provide the answers towards the who, what, where, when and how questions related to a specific research problem (Anastas, 1999). Moreover, descriptive studies can deliver data which can lead towards significant recommendations in practice.

The main method to collect data is by conducting interviews. Kvale (1996) identified a number of advantages that come along with interview as data collection method and a couple of these are as follows. The reason to opt for this method is first because it provides the opportunity to go more into depth of the subject with all the details around a particular topic. Second, with this method the interviewer can obtain direct feedback from the interviewee and thereby probing for complete and correct interpretations of the answers given. Third, by conducting interviews, rich data with new insights can be obtained because the interviewees can express the responses in their own words with many examples to illustrate it. The interviewer can also utilize the interviewee's knowledge, experiences and skills to identify unexplored ideas related to the subject raised by interviewees' responses.

From here, there exist a number of variants for interview methods, which are the focus group, structured, semi-structured, unstructured and informal interviews. For this study it is chosen for the semi-structured interviews for the following reasons. According to Bernard (2006), semi-structured interviews suit the best when the interviewer only has one chance to interview the interviewee and in order to obtain richness of data due to the interviewee's freedom to utter their responses in their own wording. The outcome of the semi-structured interviews can produce reliable, comparable qualitative data and the questions are prepared in advance (Cohen & Crabtree, 2006). Furthermore, Bernard (2006) argues that semi-structured interviews suit well in projects when the interviewer has to deal with high-level bureaucrats, which are people who are used to make efficient use of their time.

3.3 Data collection and analysis

For this study, primary data will be collected from the semi-structured interviews. The primary data will be used to construct the findings of this study. In this thesis, the units of analysis are five Dutch NGOs and six businesses which are located in The Netherlands. The reason why these units of analysis are selected is because the NGOs and the businesses are the two main subjects which will be studied in more detail.

The interviews are mostly taken in the location where the organization is located. The interviews are held with the person who is responsible for the partnership with the NGO or company. After the introduction and explaining for what purpose the interview is held, the interview can finally start. The semi-structured interview questions are composed as follows. The interview starts with a general, broad open-ended question as recommended by Laforest (2009). After this the interviewee is asked for open-ended questions derived from the literature review of this study. These questions cover the themes of value networks, strategic alliances, benefits and reasons to partner, complementary resources, recommendations and the practicality of the theoretical model from Austin & Seitanidi (2012b). The interview ends with an open question to ask whether the interviewee has another remark or things that were not discussed during the interview, such as Zorn (2008) has recommended to ask as the last question.

The purpose of qualitative data analysis is to examine all meaningful and symbolic content of the collected data. Miles and Huberman (1994) define qualitative analysis as a process that consists of three synchronic flows of activities: data reduction, data display and conclusion drawing. Data reduction involves “the process of selecting, focusing, simplifying, abstracting, and transforming the data that appears in written-up field notes or transcriptions” (Miles & Huberman, 2004, p. 10). This means that the data collected can be selected, transformed into written summaries, categorized within coding schemes, categorized into themes, making clusters and partitions. This process of data reduction or transforming will continue until the final thesis is completed. Furthermore, this process is important because here the researcher has to decide which data chunks should be coded and which data should be left out. In this phase, the collected data is sharpened, sorted, focused and organized in order to draw final conclusions from the findings (Miles & Huberman, 1994).

The second process, data displaying, involves the process of organizing and compressing the influx of data that leads to conclusion drawing and action. Utilizing the display of information means that people can easily understand what currently is happening and based on that to analyze it further or to take action. This is useful since by showing a data display much information can be summarized in a short period of time. The process of designing a data display is a part of the analysis, because in case of a qualitative data matrix, the rows and columns have to be decided which things should be inserted there, along with in which form the data should be displayed. And these processes belong to the analytic activities (Miles & Huberman, 1994).

The third process of the analysis activity is the conclusion drawing. From the stage of data collection, the researcher decides what things imply. This can happen in form of making notes of regularities, explanations, patterns, causal flows, possible structures and propositions. During the research these conclusions should be taken lightly by having an open mindset and a bit of skeptic attitude, however, these initial conclusions that were still vague in the beginning, may become more and more explicit and grounded as the analysis process proceeds (Glaser & Strauss, 1967; Miles & Huberman, 1994).

The procedures in which the data are gathered and processed are as follows. First, Dutch businesses and NGOs are contacted by e-mail to ask the person in charge for an interview. For businesses, it is aimed towards businesses that currently have cooperation with one or more NGOs. The same applies for NGOs; it is aimed towards NGOs that currently have cooperation or partnership with one or more businesses. Second, the semi-structured interviews are taken and with the permission of the interviewees, the interview conversation is saved so that the focus can be fully set on the conversation itself and no data will be lost. Third, the saved data are listened again to transcribe, code, interpret and analyze the findings for the purpose of this study. By using Atlas.ti, the written interview can be coded and categorized. This is useful because the relevant data can be filtered out from the remaining not-relevant data. This is the stage of data reduction according to Miles and Huberman (1994) above. Fourth, the relevant coded data are synthesized in order to write the findings section. This is the phase of data displaying, in which the data are organized and compressed into written text and transformed into tables for the comprehensiveness. Lastly, with the findings and new gained insights, the main research question can be answered and a conclusion will be drawn in the last section. This is then the phase of the conclusion drawing according to Miles and Huberman (1994) above.

3.4 Case description

In this section, a short elaboration will be provided on the Dutch businesses and NGOs that are studied in this thesis. As it has been already mentioned, all organizations in this study are located in The Netherlands. For the majority of the sample, the way how this study came to the collected sample is by first identifying companies that are located in the local area of Twente and around. This was done by searching for business community associations such as “Almelo onderneemt” and “Deventer scoort”. Then the companies’ website is visited to find out whether the company is engaged in a partnership with one or more NGOs. This can mostly be found in their CSR section. If the answer is positive, then the contact person within the company is contacted accordingly. For the NGOs, it has been sought on the Internet for NGOs that are located within the local area. Since there are less NGOs compared to companies, it was not necessary to search for community association first in order to identify these. After having visited the website of the NGOs, the contact person is contacted accordingly. The sample within this study includes a mixture of small – medium and large organizations. It can be regarded as a strong sample because each size of organization is represented within this study, for the companies as well as for the NGOs. The sample in this study is not meant to test a hypothesis, but the aim of this study is rather to explore and describe how the process of partnership initiation is arranged within these organizations. The sample is composed as follows. From the five NGOs, three are active both in The Netherlands as well as abroad, whilst two are only active in The Netherlands. From the five businesses, it is exactly the same case; three are active both in The Netherlands as well as abroad, whilst two are only active in The Netherlands. Below follows a short description for each organization.

Help Oost Europa – This NGO is established in 1998, and its main activities are providing food supplies to East Europe countries including Hungary and Romania. Besides being active abroad, this NGO is also actively involved within the local community. It has its own thrift shop and it has developed several partner agreements with the local supermarkets and companies.

Regalo de Dios – This is a relatively young NGO, established in 2009. Its main activities are providing daily meals to children within the slum area of Peru. This NGO has informally developed partner agreement with a company to support them financially. Besides this, they also regularly organize fundraising events in The Netherlands by selling taco's to raise money for the foundation.

Zavor foundation – This foundation is established in 2010 by Zavor as company. Zavor foundation is primarily active in Kenya. It is the aim from the company to share prosperity and knowledge with the underprivileged people in Kenya, the country where the products are produced. Moreover, Zavor foundation has set up many local projects with the aim to develop ability to do things independently. This NGO receives their income from sponsors, gifts, Zavor company and by giving lectures.

Voedselbank Almelo – This NGO is a branch from Voedselbank Nederland in the city Almelo. The parent organization is founded in 2002, and the branch in Almelo is founded in 2008. Each week, Voedselbank Almelo provides food parcels to the people in need in Almelo. This NGO receives their income from sponsors, gifts and collaborations with the local supermarkets.

Present – This NGO is a branch from Present Nederland, which is established in 2003. Present makes use of the human resources from the companies' employees to perform their activities. This NGO acts as middle men between people that want to do volunteers work and people who need their help. Present receives their income from sponsors, gifts and financial help from local companies.

Table 5 Overview of the NGOs

Name of the NGO	Sector
Help Oost Europa	Food
Regalo de Dios	Food
Zavor foundation	Projects
Voedselbank Almelo	Humanitarian
Present	Food

MNC A – This company is a multinational that has its headquarters in The Netherlands. It is founded in 1907 and operates within oil and gas industry. In the areas of operations, this company is often seen as volatile by the public opinion through the scandals that happened during the past years. However, this company is actively involved within the community of operation and with the local NGOs.

Zavor – This company is a coffee and tea company founded in 1980. It has its roots in Kenya, where the tea and coffee come from. Therefore this company has set up its own foundation, which is Zavor foundation, which helps to improve the coffee chain for the benefit of local population and quality of coffee. A fixed percentage of the gross operating profit is donated to the foundation each year.

Consultancy business – This is a small-medium enterprise, and it provides services in the area of human resources for the companies in The Netherlands. This company has close partnership with Present, and provides human resources and financial support to its partner NGO.

MNC B – This business is a multinational with its headquarters located in Germany. Moreover, this company is involved in various industries including health care and communication. It has a broad palette of CSR policies and also partnerships with several NGOs.

Sallcon – This is a company that is involved in providing human resources for companies, organizations and NGOs. These human resources are primarily people with a distance to the labor market, and Sallcon acts as middlemen to find places where their employees can work for.

Eeko – This is a small-medium enterprise that is involved in the recycling business. To have partnerships with NGOs is very important for this company because of the two-sided benefits that the partners can have together. NGOs collect recycle materials as resource for Eeko and these NGOs receive their rewards for the delivered goods in form of financial compensation.

Table 6 Overview of the businesses

Name of the business	Industry
MNC A	Oil and gas
Zavor	Beverage
Consultancy business	Services
MNC B	Conglomerate
Eeko	Services
Sallcon	Services

According to the European Union (EU) recommendation, organizations that are called small and medium-sized enterprises (SME) are mainly determined by the number of employees and by the turnover or balance sheet total³. As the second factor is not fully accessible for all organizations, rough division by using the first criteria will be made. Next to this, the organizations are also categorized in terms of their formality. These organizations can either be formal or informal in their way of conducting activities. This topic will be discussed in more detail in the findings section.

Table 7 Companies and NGOs in terms of size

³ http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm

Organization	Size	Formality
MNC 1	Large	Formal
MNC 2	Large	Formal
CC	Small	Informal
Eeko	Small	Formal
Sallcon	Medium	Formal
Zavor	Small	Informal
Zavor foundation	Medium	Informal
Voedselbank	Large	Informal
Present	Large	Formal
SHOE	Small	Informal
Regalo de Dios	Small	Informal

4. Findings

4.1 Introduction

In this section the main findings and its analysis will be provided in order to answer the sub-research questions and subsequently the main research question. First the reasons and benefits from the NGO's and company's side will be discussed. Then the complementary resources between NGOs and companies will be explored in more detail. Third, the stages of partnership initiation till the end of the partnership will be described with a model that serves as a continuum between the formal and informal partnerships.

4.2 Benefits and reasons for NGOs and businesses from partnering together

In this section, benefits and reasons why NGOs and businesses partner with each other will be elaborated. The theoretical possible benefits and reasons are elaborated within the literature review and within this section the benefits and reasons from practice are gathered and listed. As the benefits to partner together is somewhat interrelated with the reasons to partner, these two concepts will be discussed interchangeably within the same section below. First, the benefits and reasons from the companies' point of view will be provided followed by the NGOs' point of view.

4.2.1 Reasons for companies

The literature review suggests that one of the most used reasons for partnering with NGOs is for the *legitimacy and credibility* purposes (Yaziji & Doh, 2009). However, from the sample of the conducted interviews it became obvious that this reason is only used in one of the six cases. The other companies did not mention this explicitly as reason. One possible reason for this is because the other companies operate in relatively low risk sector in terms of community and nature, while this reason might especially be likely for companies that operate

in a high risk sector such as within the petroleum industry, which is the industry where MNC 1 operates. This is because these companies need approval from the local community in order to perform their activities.

“If you cooperate with NGOs it gives more, better image, although you cannot mention it directly, but it does give credibility to the company.” (MNC 1)

“And we really need contacts with the government in order to utilize the land. Therefore the legitimacy goal is aimed towards the government while the credibility purposes are aimed towards the NGOs. It gives us a better reputation.” (MNC 1)

The second reason for companies to cooperate or partner with NGOs has to do with the *withdrawal of the government support* towards NGOs (Feiock & Jang, 2009). Some companies feel therefore the responsibility to support those NGOs in need. In this study, only one company gave this as one of the reasons. This reason might be related to the next reason, which is the CSR policy, because the company might feel responsible to support the NGOs and this is translated within their CSR policies statement.

“Many NGOs have to survive on their own and we think that companies should contribute to play a role in this issue.” (MNC 2)

The third reason for companies to partner with an NGO is because of their *CSR policies* (Campbell, 2007; Porter & Kramer, 2006). Although from the sample of this study it became apparent that only half of the six companies gave this as reason, it is possible that more companies share this reason though not explicitly mentioned. Because once a company has decided to become involved in CSR, these companies have to make a policy of their CSR and then find a way to transform those policies in practice. One of the common used CSR activities from companies is to donate money to charities such as NGOs or establishing their own foundation. In addition, some companies prefer to have a local focus to perform their CSR activities, while some prefer to focus on the location where their products are produced as the quote of the company below suggests.

“Our community involvement is located very deeply in East Africa.” (Zavor)

Another benefit or reason for companies to partner with an NGO has to do with the *management of complaints*. As the corporate governance theories suggest that companies have to build a good relationship with its most primary stakeholders, the fourth reason to partner is to enhance the management of complaints and to mitigate the amount of complaints submitted from the near neighborhood. This reason is mentioned only once from the six cases. This reason is somewhat interrelated with the aforementioned reason of legitimacy and credibility, because again, this is especially likely for companies that are prone to receive complaints and protests from the local community. For example, service companies in HRM are less likely to receive complaints about their daily company activities.

“Around it, we have to maintain good contact with the neighbors. [...] We try to avoid that the neighbors will submit their complaints, so if there is something they will come to us and we try to find solutions to solve the issue.” (MNC 1)

The fifth reason for companies to partner with an NGO is because of *doing well for the society*. Because the company forms a part of the society, the company cannot operate in isolation. Therefore, one of the most common responses received from the companies is that they want to support the society and to become part of a good citizenship. Four out of the six companies gave this as one of the main reasons. This reason fits well within the philanthropy stage from Austin & Seitanidi (2012a) because of the unilateral character of the resource flow towards the society. Furthermore, this reason might be interrelated to the reason of CSR policies.

“We try to cooperate and we see the benefit in the social involvement so that our employees can contribute to the society.” (MNC 1)

“We are part of the society. We cannot see ourselves apart from the society, therefore we want to make a contribution to the society.” (MNC 2)

The sixth reason that half of the six companies have mentioned is because of the *goal alignment*. This reason is somewhat interrelated to other reasons such as network and synergy. Because when companies and NGOs share the same goal, it is likely that they also share the same networks and form a synergy together. As goal alignment between company and NGO is an important condition to have a workable partnership together, it is expected that these companies from the sample can have long-lasting partnerships with their partner NGOs.

“...especially a part of network and often NGOs operate closely to the things that we are also doing. Therefore also a piece of synergy is included.” (Sallcon)

“The alignment is of course the product coffee, tea and chocolate.” (Zavor)

4.2.2 Benefits for companies

In this section the benefits that were included in the literature review will be discussed first, followed by new data found from the conducted interviews. The first benefit for companies to partner with NGOs is that it can have a positive impact on the employees' *teambuilding* (Seitanidi, 2010; Vock et al., 2013). Two from the six companies indicated this as reason. When employees have to volunteer together as a team, they obtain experiences outside the company buildings that they otherwise cannot obtain. This teambuilding can result in the next reason, positive name awareness and reputation, for the company because it is then seen as a pleasant place to work for. Therefore, this reason has not merely impact on the existing employees, but also to attract people from outside the company to work there.

“So if they are volunteering somewhere, they receive an entirely different experiences than if they were staying the entire day in office. It may sound very prestigious but also to broaden their world view, showing people what is available out there.” (MNC 2)

“Teambuilding, but also just for your image is never wrong. Yes, it is certainly a part of having connection. ... We are seen as a company that people would like to work for.” (CC)

“Surplus value can be for a company a piece of teambuilding.” (Present)

The second benefit for companies to cooperate with NGOs is that the company can receive a *positive reputation and name awareness* from the public point of view (Austin & Seitanidi, 2012a; Yaziji & Doh, 2009). Half of the companies indicated this as one of the benefits. This includes publication of partnership with the NGO on the company's website or on the NGO's website. People can have a positive association of the company when they see that the company is involved in doing good initiatives with the NGO. This can also lead to acceleration of license to operate from the local community. This benefit might be related with these aforementioned reasons; legitimacy, credibility and management of complaints. This is because the aim of these reasons is to give the company a better reputation and promote the company's name in a positive way. Although not every company mentioned this explicitly, when one visits their website it becomes obvious that some companies are eager to show their partnership to public.

“Our goal, the reason why we do that is to contribute to the company's reputation in the Netherlands and to promote the license to operate.” (MNC 1)

“Our logo will be shown and so on...” (CC)

The third benefit for companies to partner is *network* (Millar et al., 2004). Two from the six companies saw this as one of the benefits. Not only for NGOs, but for companies access to networks is important via the NGO. This is especially the case where the network interests lie closely next to each other, so that the company's network can be broadened and new opportunities can be utilized. Because often it is the same kind of companies that partner with the NGO that fits best with them, so the NGO meetings can serve as a junction between the same types of companies among them.

“It fits with us in terms of quality and it is an NGO who's chairman is acquainted with people, and those people again is acquainted with other people, and often you see the same kind of network and we can support each other when needed.” (CC)

The fourth benefit for some companies to partner with NGOs is because of the *complementary resources* (Seitanidi, 2010; Stafford et al., 2000) that these two organizations can exchange. Four out of six companies gave this as one of the benefits. This appears to be one of the most common benefits given by companies. This form of benefit belongs in the category of transactional stage (Austin & Seitanidi, 2012a) because of the transactional character of the complementary resources exchange between businesses and NGOs. These resources can be in form of products, knowledge or human resources. For example one company has many employees that need to be outsourced in a workplace and some NGOs need human resources to perform their activities. Or it can also be the case that companies and NGOs have different qualities, skills and knowledge and that they cooperate together in order to form a synergy, which will be discussed as the next benefit. Thus a fit in complementary resources exchange between company and NGO can lead to a synergy as outcome.

“... the possibilities to place people there, a part of development, even though just to make them used to come to work regularly. But it also gives you possibilities ...” (Sallcon)

“... to complement each other, because we do not have all the skills and assets in house ... NGO X is an obvious partner because they have the knowledge... So that is complementary.” (MNC 1)

The fifth benefit for companies and NGOs is to form a *synergy* as result of their partnership together. This is a high frequent benefit as four out of six companies have indicated this as one of the benefits. This synergy is a result from a good fit in a business-NGO partnership. This fit can happen in various forms, for example in goal alignment, focus and size. One example from the interviews is that one multinational indicates to prefer a partnership with large NGOs because of their shared experience in partnerships and similar characteristics. This is in alignment with the notion of Rondinelli & London (2003) that argued for common experience level between businesses and NGOs as partners.

“Connecting strong brands together is a great benefit for both parties.” (MNC 2)

The sixth benefit to partner with NGOs is that in case when the NGO serves as supplier of products that are to be sold by the company, the company can manage the amount of *quality* delivered. In this study only one company gave this as benefit. It might come due to the fact that this company is the only one food/beverage relating company in the sample. Moreover, this benefit is more likely for companies that cooperate closely with the NGO as its main supplier and partner. This kind of partnership belongs in the category of transformational stage (Austin & Seitanidi, 2012a) due to its high level of engagement, high interaction value and having the resources as its core competencies. In the quote below, it is seen that the company has the authority to decide which quality level it wants to produce. In this case, this company chooses to use nature friendly pesticides rather than the chemical option, and it thereby offers different quality segment of products to its customers such as the regular and the select coffee beans. This has not only effect on improved coffee quality, but also for the coffee producers that work under safe working environment and receive higher incomes through higher product quality (Bitzer & Glasbergen, 2015).

“Processes for improvement aimed towards our quality products ... clearly it has to do with crop improvement for me.” (Zavor)

This benefit for companies to partner was not mentioned within the literature review. The seventh benefit for some companies that operates narrowly with NGOs is that the company can use the NGO's *“good will”* in order to generate resources. This is a specific benefit that is only mentioned once out of the six companies. A possible reason for this is because in order to obtain this benefit, the company has to work closely with NGOs and become resource dependent from them. And not many companies want to choose that option. One example from Eeko that collects and recycles used mobile phones and batteries is that this company never puts its own name on the collection point, but rather the name of the partner NGO. This is because people have often more positive association and are more willing to donate their used batteries to such NGOs rather than for commercial companies. In addition, this benefit

can be linked with the following benefits or reasons: network, complementary exchange and synergy. Because from Eeko's example it has become obvious the company can make use of the NGO's wide network to collect its resources. And the complementary exchange is that the NGO provide its own name and reputation on the collection point and the company provides the financial return. This makes that these kinds of partnerships will result in a synergy, that both organizations can achieve more together than if they would operate separately.

"... NGOs can make use of their "goodwill", so that customers and relations are willing to do something for the NGO, such as (entirely free of charge and unselfishly) collecting cartridges and used mobile phones. Through other channels they would not have this trigger, "doing something good", that much through which the willingness to collect can become minimal." (Eeko)

Below is a table with the findings of this section summarized. The first column lists the benefits and reasons discussed, the second column counts the amount of companies that have mentioned the subject in the interviews and the last column refers to the available literature on this subject. Some of the literature was earlier discussed in the literature review, but for the new reasons and benefits that were not earlier mentioned in the literature review it has been sought for the most relevant literature around the subject.

The important and remarkable findings so far are as follows. It became apparent that community involvement, complementary exchange and synergy are the most frequent mentioned benefits and reasons for companies to partner with NGOs. Possible reasons for this are as follows. First, the reason of community involvement is often related with the CSR policies of a company, and it fits in the philanthropic stage of a business-NGO partnership. This is often the first step towards cooperation between a company and NGO. The second often mentioned reason, complementary exchange, can happen when both parties have something to offer that is worth valuable for each other. The partnership is now in a transactional stage when there is a bilateral resource exchange present. In addition, when there is a fit between companies and NGOs, synergy can happen as result where the two parties have become one stronger team together. And this is the ultimate goal of a partnership. It is also remarkable to see that what the business-NGO partnership literature often suggests, namely that companies partner with NGOs for the legitimacy and credibility purposes, only appeared once in this study. Lastly, it is also remarkable to see that some companies find it valuable to utilize the network facilities within the non-profit sector. Often it is thought that especially NGOs can benefit from the for-profit sector network, but this study shows that also companies can benefit from the NGO's network as well.

Table 8 Companies' benefits and reasons to partner

Benefits and reasons	Frequency mentioned	Literature
Legitimacy and credibility	1	Austin, 2000a; Ishikawa & Morel, 2008; Yaziji & Doh, 2009
Complaints management	1	Bhattacharya et al., 2009

Synergy	4	Porter & Kramer, 2011
Support the society and community involvement, doing well for the society	4	Austin & Seitanidi, 2012a; Brammer & Millington, 2003
Better quality of products	1	Bitzer & Glasbergen, 2015; Linton, 2005
CSR policy	3	Campbell, 2007; Porter & Kramer, 2006
Teambuilding employees	2	Seitanidi, 2010; Vock, et al., 2013
Name awareness, reputation	2	Austin & Seitanidi, 2012a; Yaziji & Doh, 2009
Using the NGO's "good will" to generate resources	1	
Network	2	Millar et al., 2004; Vock et al., 2013
Complementary exchange	4	Seitanidi, 2010; Selsky & Parker, 2005; Stafford et al., 2000; Tully, 2004
Withdrawal of government support	1	Feiock & Jang, 2009; ING Economisch Bureau, 2014; Schwartz, 2004;
Goal alignment	3	Jamali & Keshishian, 2009

4.2.3 Reasons for NGOs to partner

The first reason for NGOs to partner with companies is because of the *access to networks* (Holmes & Moir, 2007) that otherwise these NGOs could not have. Almost all NGOs within this study, namely four out of the five NGOs, have indicated this as one of the reasons. These networks are important for them because by broadening their networks they can improve their relationships with other companies. For example, Present regularly provides presentations regarding their activities in various business networks, this to expand their network and developing new partner connections with various local companies. Thereby also to attract more sponsors and possible future partners that are willing to cooperate or support this NGO.

"The NGOs can make use from a part of our network." (Eeko)

"... it is indeed the case that we are looking for network and we try to be active in it as much as possible, with the result of being contacted once and a while." (Present)

The second reason for NGOs to partner with companies is because of the *financial support* (Al-Tabbaa et al., 2013) in order to secure the continuance of the NGOs. All NGOs within this study have indicated this as one of the most important reasons. Because financial resources are the most important form of resources for NGOs, and they continually need this form of resource each month. This is because they are not producing this kind of resource by themselves because of their non-profit character. Therefore, most NGOs are still resource dependent and it is seen as an essential incoming support from the companies.

"We receive an entire amount, we are also supported during Christmas, and then we receive more." (RdD)

“The financial support is coming from a few companies that donate us once or regularly and from individuals that sponsor the NGO.” (SHOE)

Third reason why NGOs partner with companies is in order to *achieve their goals*. All NGOs in this study have indicated this as one of the reasons. This reflects the importance of this reason from the NGO’s side why these NGOs want to partner with companies. This reason is important because in order to operate and in that way achieving their goals, many financial and non-financial resources are needed. Since most of the NGOs are not-for-profit organizations, they cannot survive on their own initiatives without receiving some help from organizations or individuals. This benefit can be related with other reasons as financial support and continuance of the NGO. This is because the purpose of the aforementioned reasons is finally to achieve the NGO’s goals.

“The benefits of partnering with a company are that the continuance of our NGO stays guaranteed with it. So that the cost of the projects can be bear,” (Present)

“The financial support in order to make the year planning possible...” (SHOE)

The fourth reason for NGOs to partner with companies is because of *goal alignment*. Goal alignment occurs when the NGO’s goals are aligned with the company’s goals. Due to this goal alignment, these two organizations have many things in common such as shared goals and vision. Three out of five NGOs have indicated this as reason. It is important to have goal alignment in partnership, because then the partnership has a deeper meaning and the outcomes will be more effective and have a higher impact than if there was no goal alignment. Because then the partners work as one team for the same shared goal instead of each separately working for different goals. In addition, when companies and NGOs have a goal alignment, it is also likely that they ‘fit’ together as partners. From the literature review and the interviews conducted, it became apparent that it is very important to have a fit together as partners. The quote below provides an example how goal alignment can happen. For example Present is involved in many garden projects, and it has contacted a local garden company to ask for a possible partnership together.

“Then you have a certain link with a company, in this case I have contacted a garden company. To ask something like: You supply many green areas, and we do many garden projects but then for the people in need, what can we mean for each other? (...) To look carefully from both sides; what connects us together, what contribution do we want to give to the society?” (Present)

4.2.4 Benefits for the NGOs

The first benefit for NGOs in having partnership with companies is the exchange of the *knowledge and skills* (Porter & Kramer, 2011; Yaziji & Doh, 2009) that the NGOs do not have. Three from the five NGOs have indicated this as one of the benefits. These knowledge and skills can be in various forms, such as the core competences of a company, tacit knowledge and transferring company specific knowledge. This benefit can occur because

some companies are reluctant to support the NGO financially. Thus instead of providing financial resources, these companies offer their skills and knowledge for free of charge. This is beneficial for NGOs that do not have the professionalism in house, for example in the field of accounting to make the annual report.

“The reasons besides the financial support are the exchange of knowledge, but especially also networks.” (SHOE)

“For example, a time ago I have had a conversation with an accountancy company to ask whether they could support us financially. Then they stated: unfortunately we cannot sponsor your foundation, but we are open for financial advice...” (Present)

The second benefit for NGOs is that by partnering with companies, NGOs can receive more *name awareness* and *publicity* (Alsop 2004; Gourville & Rangan, 2004). Only one out of five NGOs has mentioned this benefit. It seems a bit strange since one might expect that NGOs may want much publicity as much as possible in order to attract new donors. A possible explanation for this is the notion from Gourville and Rangan (2004) which suggests that salient partnership with a wealthy company can cause a decrease in the NGO's donations by other parties. Another possible explanation is that once the partnership has become public, the public perception can be negatively changed due to thoughts of 'mission drift' or loss of NGO's independence (Sanzo et al., 2014) and this can negatively affects the NGO. In case of Present, they are eager to make their partnerships for public, their partner companies are listed on their website. This is aligned with the notion of Galaskiewicz and Wasserman (1989) who argued that by enhancing the name awareness and publicity, NGOs can obtain credibility and better reputation because they are chosen as partners by companies. Another reason to promote the partnership publicity is to improve the public image, relations and in the end also the potential for funding (Milne et al., 1996). During the interview with Present, it became apparent that besides the fact that this NGO want to improve their name awareness, they also want to increase the public awareness for the social issues that the NGO is dealing with. And this is aligned with the notion of Pierce and Doh (2005) who argued that by increasing the public awareness, NGOs might receive more support for their activities to solve these social issues.

“The more name awareness by companies, the more we become known by the social workers for we of course are working together with them. Name awareness as I already mentioned, in particular locally, is very important for us. And in contract agreement we sometimes seek the press attention.” (Present)

This benefit for NGOs was not mentioned within the literature review. This involves not so often mentioned benefit because only one out of the five NGOs has mentioned this, is the financial security that the community of the NGO have through *independency* learned from the company. This financial independency can be learned through providing the target group community the means to achieve the desired outcomes, instead of directly providing the end outcomes. For example the quote below, the company provides education and opportunities to the community so that they can produce their own resources. This is to teach the community to become independent. It is important to teach the community to become independent so that

they can be actively involved in earning their own money instead of passively receiving financial support each month. This case is very specific and is related to the close relationship between Zavor company and its corresponding NGO Zavor foundation. It is difficult to apply this benefit for other companies and NGOs in general because many NGOs are still resource dependent from its donors, and it is not known whether these NGOs are willing to become resource independent by generating their own resources.

“We give them fishing rod and not fish. We give them the opportunity and education in order to step in... We do not give money, because it is not going to work anyway.” (Zavor)

From the NGO’s benefits and reasons discussed, remarkable and important findings are as follows. First it has become obvious that the most frequent reasons for NGOs to partner with companies are because of the financial support and goal achievements. These two reasons are interrelated since financial support leads to NGO’s goal achievements, so the first reason causes the latter reason to happen. Furthermore, it appeared that financial resource is the most important and desired resource by NGOs since the main reason for NGOs to engage in partnerships with companies is because of the financial support received. This is a sign of resource dependency from NGOs towards companies, that many NGOs still rely on the companies in term of financial resources. Second, it is remarkable to see that not all NGOs utilize the knowledge and skills that much as resource offered by companies as the business-NGO partnership literature suggest. Third, it is remarkable to see that also for NGOs the name awareness and publicity is not a popular reason or benefit to engage in a partnership with companies since it has only mentioned once during the interviews. Fourth, the often mentioned notion within the business-NGO partnership literature that network is an important benefit or reason for NGOs to partner with companies is aligned with the findings of this study. Almost all NGOs within this study have indicated this as benefit or reason.

Table 9 NGO’s benefits and reasons to partner

Benefits and reasons	Frequency mentioned	Literature
Knowledge and skills	3	Porter & Kramer, 2011; Yaziji & Doh, 2009
To achieve the NGO’s goals	5	Dahan et al., 2010
Financial security through independency	1	
Name awareness, publicity	1	Alsop 2004; Gourville & Rangan, 2004; Milne et al., 1996
Continuance of the NGO, financial support	5	Al-Tabbaa et al., 2013; Perez-Aleman & Sandilands, 2008
Network	4	Holmes & Moir, 2007; Glasbergen, 2007; Yaziji & Doh, 2009
Goal alignment	3	Jamali & Keshishian, 2009

4.3 Complementary exchanges between companies and NGOs

This section discusses complementary resources that are exchanged between the companies and NGOs. These can be in form of financial and non-financial terms. This section is a follow-up from the previous section regarding the benefits that the companies and NGOs receive from the partnerships, because these two concepts are somehow intertwined with each other. The benefits can be in form of resources that the organizations receive, and these resources will be elaborated in the following sections below. The resources provided by companies will be discussed first followed by the resources provided by NGOs.

4.3.1 Resources that companies offer

The first resource that is exchanged within the partnership that is often mentioned by many companies is the *financial resources* (Al-Tabbaa et al., 2013). Almost all companies have mentioned this as one of the resources. From the aforementioned it has become clear that the main reason for NGOs to partner with companies is because of this resource. Therefore, it is seen as one of the most valuable and important resource that a company can offer. For providing financial resources to NGOs, companies do not need to develop specific capabilities because this resource is not industry specific, and all the companies have this resource in house. In general, this resource can be placed in all stages from Austin and Seitanidi (2012a). However, it might fit the best within the first stage of philanthropy because it is the first stage within a partnership and this resource is available within all companies. Some companies find therefore this resource too superficial and go a step further to seek ways in how they can form a synergy together.

“We do more than just donating money, we also look for partnerships in how we can cooperate in order to strengthen each other.” (MNC 2)

The second resource which is company or sector specific is the exchange of *knowledge and skills* (Yaziji & Doh, 2009). Half of the companies have mentioned this as one of the exchanged resource. A possible reason why companies provide this as one of the resources is because some companies prefer to provide these knowledge and skills for free of charge rather than donating money as financial resource, like the example that Present has provided earlier. This is because this form of support involves no additional expenses for the company. NGOs are also keen to receive this kind of resource, since more than the half of NGOs interviewed saw this as great benefit for them. In addition, some companies have much knowledge and many skills in house that can be ‘donated’ to NGOs which requires those services but cannot do that on their own. This is for example in providing IT services or accounting services.

“We have here a marketing-communication department that can help to build a website and that kind of matters.” (Sallcon)

“...then we can put a lot of knowledge and skills in order to set up many people. ...someone from company X will go there and teach the farmers how to do accounting.” (Zavor)

The third resource is the company's employees' *time and human resources*. More than the half of companies indicated this as one of their resources. This resource can be related to the aforementioned resource, which are knowledge and skills, because in cases where professionals provide their services for free, for example to perform the annual report for an NGO, this professional automatically uses his or her knowledge and skills to put the annual report together. This happens only in cases where the employees make use of their field of profession, and not in volunteering in activities that are unknown for them. Some companies encourage their employees to do voluntary work once in a period, this often happen according to their CSR policy. For example to take a day off with the entire department or company to do voluntary work together. Some NGOs function hereby as broker between companies and social community projects, examples for these are Present and Den Haag Cares.

"Once we have done projects together with our management team and this year we want to do something in each branch. Probably with Present foundation, we are going to do something socially responsible with the entire organization." (CC)

"...we hear this a lot, that people are willing to give their employees but concrete sponsorship or financial amount is very hard." (Present)

The fourth resource that companies have to offer is the access to *networks* (Holmes & Moir, 2007). Half of the companies have mentioned this as one of the resources. As mentioned earlier, this access can be valuable for NGOs, as almost all NGOs within this study have indicated this as a great benefit for them. These networks can be utilized in the way that companies recommending or introducing these NGOs to other companies, this in order to help them further in the area of expertise needed. Because some NGOs are not able to contact important organizations by themselves, and companies can therefore be a great middlemen to bring them together in contact. This resource might be related to the next resource, which is name awareness, and financial resource. Because when the NGO's network is broadened, it is also likely that the NGO's name awareness and publicity will also increase. And when the network is broadened and the name awareness is increased, it might be the case that the amount of donors and potential partners will also increase, and in consequence to that also the incoming financial resource received by the NGO.

"We arrange the contact with organization X. Then contact will be made with the CEO of the farmer corporation. The only thing what we do is; we tie a knot in the lines and we make sure that the lines stay fixed." (Zavor)

"The NGOs can make use from a part of our network. The relations who are collecting for their own organization are contacted multiple times a year with the question whether they also want to collect for an NGO." (Eeko)

The fifth resource that companies can offer to NGOs is a piece of *name awareness* (Gourville & Rangan, 2004). Only one company has indicated this as a form of resource. For NGOs name awareness is very important although these organizations are not commercially grounded. Companies can increase the NGO's name awareness by mentioning their partner NGO in the partnership section in their website. It can build to a piece of trustworthiness to

public, and indirectly encouraging them to partner with this NGO. In addition, this resource can be related to broadening the NGO's network access. Because when the name awareness of an NGO increases, it is also expected that their network scope will also increase.

"The NGOs are taken along in the various publications such as advertisements and editorials and they will be promoted in various fairs by our company. All our partners receive a mention in our website." (Eeko)

The sixth resource that companies can provide to NGOs is the organization unique *assets* or *means* (Austin & Seitanidi, 2012a; Vock et al., 2013). Two companies have indicated this as one of the resources. These means can be in various forms, for example it can be products that the company itself produces, and they have produced too much of it and it will then be donated to the NGO. Or it can be in the bought products or assets, because some companies prefer to give their support in physical forms or in means rather than in financial forms. For example Zavor, this company prefers to provide the NGO's community in means so that they can become independent by producing their own food and resources, rather than to provide support in form of monetary resources.

"Yes, it is indeed the capacities but also the means that companies offer." (Present)

"Further there are also smaller companies, think of the bakeries that daily donate surplus bread to the food bank." (Voedselbank)

"Besides the financial support also other means such as washing-powder, rollators and beds donated by the nursing home and hospitals." (SHOE)

This seventh resource was not mentioned in the literature review, which is an opportunity to *generate revenues* by collecting or producing resources for the company. Only two companies have indicated this as resource. This form of resource is only applicable if the company receives their main resource from the NGOs. For this kind of resource opportunity, goal alignment is needed between company and NGO. From this study, Eeko and Zavor have this kind of resource partnership. This form of partnership has a high chance of viability, because by providing the resources to companies, NGOs are actively involved to earn their own financial resources rather than passively receiving the financial support from companies.

"For each usable cartridge and mobile phone we pay out an allowance. The total amount of submitted products and its corresponding values are reported to the NGO on a monthly basis." (Eeko)

The remarkable and important findings of this section are as follows. First, it became apparent that financial resources are the most important resource that the companies have to offer. Also all NGOs within this study favor this kind of resource above all others. This resource is especially likely within the philanthropy stage in which financial resources are the most common resources exchanged. Second, it became also apparent that the employees' time and efforts as human resources are also important resources towards NGOs. The least important resource is the opportunity to promote the name awareness and publicity of the NGO.

Table 10 Company's resources for the NGOs

Resources	Frequency mentioned	Literature
Knowledge and skills	3	Porter & Kramer, 2011; Yaziji & Doh, 2009
Human resources, time	4	Bhattacharya et al., 2008; Jones, 2007; Vock et al., 2013
Assets, means	2	Austin & Seitanidi, 2012a; Vock et al., 2013
Name awareness, publicity	1	Alsop 2004; Gourville & Rangan, 2004; Milne et al., 1996
Financial resources	5	Al-Tabbaa et al., 2013; Perez-Aleman & Sandilands, 2008
Network	3	Glasbergen, 2007; Millar et al., 2004; Yaziji & Doh, 2009; Vock et al., 2013
Opportunity to generate revenues	2	

4.3.2 Resources that NGOs offer

The first (non-monetary) exchange from the NGO's side towards the company's side is the access to the *facilities* that the NGOs have. This can be seen as complementary resources that the company otherwise cannot have access to (Dahan et al., 2010; Waddel, 2000). Only one company has mentioned this resource as example. In this case, the partner NGO is involved in environmental issues, so that the company can make use of the preserved nature area maintained by this NGO to receive their important clients or accommodating employee meetings there. This resource is important to offer to companies because by doing this, the NGO has something non-monetary resource to provide for its partners. By offering the company something in return, this partnership can be placed in a transactional stage.

"Sometimes we may use the facilities that the NGO has to offer. In case of NGO X we may sometimes use their nature reserve where we go with our employees for a day out ..., hold meetings or events." (MNC 2)

The second resource is *network* (Millar et al., 2004). From all interviews, only two cases are given as example as one of the resource exchange. For companies, to broaden their network with the NGO's network can be very useful. This is because a certain types of NGOs attract specific kind of companies, and when these companies of the same cluster come in contact, several business opportunities may arise from there. By doing this, companies can expand their network capabilities within the same field of interest. Next to this, one example from the company Eeko is that the NGO's network can be used for collecting resources for the company. This is seen as a great benefit for the company, to make use of the NGO's wide network.

“The NGO mean a lot for us in various ways. It fits with us in terms of quality and it is an NGO where the chairman knows people, and those people know other people, and often you see a kind of the same network, and we can support each other when needed.” (CC)

“The NGO also have its own network that can be approached with the request to raise empty cartridges and mobile phones.” (Eeko)

The third resource that NGOs can provide to companies is their *image and positive publicity* (Gourville & Rangan, 2004). More than the half of the NGOs provides image and positive publicity possibility to their partner companies. This positive image and publicity can enhance the reputation of both companies as well as for the NGO. This image and publicity enhancement can happen through the combination of the build reputation of each so far. For example, in case of an old and large NGO, this organization has built a respectable and trustworthy image. And if this image is connected to a company, people are more likely to have a positive association than if they were not partnering with each other. This may result in new business opportunities and customer attraction because of the positive image and trustworthiness. This is also the reason why it is important to guard and build on each organization's image and connect to the right partner image.

“The NGOs bring in their own image.” (Eeko)

“If you cooperate with NGOs it gives you better image, although you cannot mention it directly, but it does give you credibility to the company.” (MNC 1)

“So that we can make a photograph and go to the press with it. Because we are very proud that a company wants to support us and for the company itself it is a piece of positive publicity.” (Present)

The fourth complementary resource that the companies can receive benefit from the partnership is the *completion of the companies' CSR policies* (Jamali & Keshishian, 2009; Seitanidi & Crane, 2009). Almost all NGOs have indicated this as their resource exchange. Jamali and Keshishian (2009) and one of the interviewees provided a possible explanation for this phenomenon. Nowadays, many companies want to participate with the CSR hype. And one of the ways to do so is to engage in a partnership with an NGO. In addition, this resource can be related with the aforementioned resource, which is image and positive publicity. Because when companies partner with NGOs in the context of CSR, it is also likely that they want to publish this partnership to public in order to enhance their image and to gain positive publicity.

“A piece of awareness regarding the CSR, everyone wants to participate with its CSR slogan and seeks its way to do so.” (Voedselbank)

“We truly provide concrete completion to it. We can offer real programs for that.” (Present)

The fifth resource that NGOs can provide to companies is to supply *products and resources* to its partner company (Bitzer & Glasbergen, 2015; Linton, 2005). Two cases are found within this study that provides its partner company with physical resources. The main business of

these companies involves the products that they receive from their partner NGOs. This causes that these companies and NGOs are dependent from each other. These NGOs produce or collect the resources and deliver this to companies, and they receive a financial return for this. This form of resource exchange is related with goal alignment as the reason to partner. Because the goal alignment lies in the products and resources involved.

“The revenue model is: purchase coffee for 0,07 eurocent and sell it for 0,70 eurocent.”
(Zavor)

The sixth resource that an NGO can offer is the combination of skills and network as *service* to the companies (Dahan et al., 2010). One from the five NGOs has indicated this as resource exchange to companies. The service provided is for example as middlemen between companies and NGO's network. For example, a consultancy company within this study (CC) is a partner from Present. Present acts hereby as middlemen between CC and social projects within the area. One of the primarily reasons from CC to have this partnership is because of time saving efforts and the NGO's local focus on this matter. Present has the network and skills to organize and to arrange a workplace for the social community programs for companies.

“Further is the surplus value that we truly offer complete guidance. If the company chooses for an employee voluntary work as project, we make the match, we inform the groups, we contact the social workers, and during the project itself we make sure that all materials are there.” (Present)

This resource was not mentioned in the literature review. Namely the resource that some food related NGOs such as the Food bank, can provide for the food producing companies is the *food waste prevention*. Only one NGO have this as resource exchange facility. This food waste prevention happens when companies have an overproduction, these companies are then forced to throw these foods away. But when they donate these to the Food bank, the food will be allocated to the people in need. By doing this, companies do not need to destroy their food and at the same time the NGO is supported by obtaining their food supply.

“Yes, actually you can prevent food waste. Something that is too much produced in companies and what is not further processed, otherwise it has to be thrown away in the dustbin.” (Voedselbank)

Lastly, it is important to mention that not all NGOs within this study have resources to offer to companies. For example the NGO RdD, it has no resources to offer to its partner company. These kinds of partnerships fit with the philanthropic stage of Austin & Seitanidi (2012a), in which only one-sided resource exchange is present. For example, the company provides support in form of financial resources and they do not receive anything back from the NGO. In general, this kind of partnership is likely to be superficial. Furthermore, in many cases, there are plenty of “competitors” NGOs present which are eager to replace the position of the current partner NGO. Therefore, it would be better if NGOs have something unique to offer to companies. And by doing this, complementary resources exchange will occur between both partners. The partners should hereby aim for goal alignment and a fit together.

Table 11 NGO's resources for the company

Resources	Frequency mentioned	Literature
Facilities	1	BSREF, 2001
Products supplier	2	Bitzer & Glasbergen, 2015; Bitzer, Glasbergen & Arts, 2013; Bitzer, Glasbergen & Leroy, 2012; Linton, 2005
Completion of CSR policies	4	Jamali & Keshishian, 2009; Seitanidi & Crane, 2009
Prevention of food waste	1	
Image, publicity	3	Austin, 2000a; Greenall & Rovere, 1999; Gourville & Rangan, 2004;
Service	1	BSREF, 2001
Network	2	Millar et al., 2004

4.4 Process of partnerships between companies and NGOs

In this section the initiating process of partnerships between companies and NGOs will be discussed. The partnerships between companies and NGOs can be categorized into various ways. During the interviews, an important pattern has been found. This pattern is the informal and formal ways of partnering with each other as organizations. At the first sight, this may not seem that important. However, choosing for one of the options brings important consequences with it. These are namely two extremes; the one extreme is everything in formalities arranged partnerships, while the other extreme is little or no formalities at all. To have this distinction in mind is very important, because these are two starting points that determine the pathways and structure in which the relationships will take place. In the following sections, these two types will be used to make a distinction between the two pathways that a company and NGO can take.

From the conducted interviews, a possible link became obvious between the size of the organization and the procedure in which the partnerships come into being. It is possible that the more employees an organization have, the more formal the partnership will be. This proposition is aligned with the findings from Storey, Saridakis, Sen-Gupta, Edwards and Blackburn (2008). These authors found that company's size is a key predictor of formality, and that the extent of formality is greater in large than in small companies. This is because organizations that have less amount of people have less management complexity compared to a large multinational. The larger an organization become, the more procedures are needed to manage these issues in an efficient way. These large organizations are also likely to have more experience in partnerships compared to a small company. However, this proposition does not apply to all organizations within this study. Three out of eleven organizations that are included in this study show contradictory findings for this. For example two SME's that were expected to have informal type of partnership, have actually formal type of partnerships.

A possible reason for one of the companies, Eeko, might be because this company works very often with many NGOs, on which they also depends for the supply of their resources. For this reason it seems important to develop a few procedures in how they can manage their different kind of partnerships with different NGOs. For the NGO's contradictory case, the Voedselbank, they have their own reason for not engage themselves in formal partnerships. This is because this NGO receives all food for free and on voluntary basis from local companies. Therefore, they think that if they would ask these companies to sign a contract with them, that these companies will hesitate and will not support them anymore. This is because what earlier is done on voluntary basis has become as an obligation now. For the remaining nine organizations within this study, the findings are aligned with the proposition above. In this section, the model of Austin & Seitanidi (2012a, 2012b) as it is stated in figure 2, will be assessed. Suggestions for improvements for this model will be provided in the following sections.

4.4.1 Informal and formal company – NGO partnerships

Informal partnerships are mostly characterized with no legal obligations, written contract or other formalities. It can be proposed that the process in partnership here has not a specific order of procedure, but rather more fuzzy of nature. Therefore, it might be the case that these organizations will not go through all the stages mentioned below. Some stages can be skipped or gone through it unconsciously. From the sample within this thesis, most of the organizations which have this kind of partnership belong to the smaller and younger organizations. For formal partnerships, the partnership is set on written contracts signed by both organizations and it contains the terms and conditions under which the partnership takes place. Many of these contracts contain also an exit strategy, which is a strategy under which conditions the partnership legally can be dissolved. For example in case of improper behavior done by one of the two parties. In general, these organizations have a procedure in which the partnerships stages are included.

Although informal partnerships differ in certain ways from the formal type of partnerships, they also share many things in common. This is the reason why the stages elaborated below are incorporated as one, but sometimes the informal type has skipped or do not have this kind of stage at all.

Acquaintance

This is the first stage from a partnership initiation between companies and NGOs. This is the stage in which organizations get acquainted with each other. All companies and NGOs have to go through this stage, otherwise they cannot be partners from each other if they had not known each other first. This is a very important stage for both businesses as NGOs because this is the first step towards a possible partnership. This acquaintance can happen by various ways, either by contacting the company or NGO personally by e-mail, letters or during network events. Here, the contact initiation can be two-sided; both NGOs as companies can seek for contact to partner together. However, from the interviews conducted, it became obvious that NGOs more often seek for partnership possibilities with companies than the other way round. Moreover, from the interviews it becomes apparent that *network* plays a

very important role in the partnership initiation. This applies for both informal and formal partnerships. Within this stage, there is no great difference between these two types since they have many things in common in the initial stage.

“... I have sent many letters to other companies. But it brought us nothing.” (RdD)

“NGO X knows our manager, they know our organization well. It has resulted that we support them where possible.” (CC)

“It is not only the case that we receive the request from NGOs, but we also seek for those opportunities ourselves. And thereby we try to use our own network as much as possible.” (Sallcon)

“An NGO or organization can present themselves, they knock on the door and say that they can be a surplus value for us and they will come and give a pitch.” (MNC 2)

Assessing partnership potential

Once the two organizations have got in touch with each other, the following stage is the partnership potential assessing stage. Out of the eleven organizations that were included for this study, only five organizations consciously went through this stage. From this five, four organizations were companies and only one was NGO. A possible explanation for this is because in general, companies are choosier to choose an NGO as partner compared to NGOs. Because in general, there will be more resource stream sent from companies towards NGOs than the other way round. NGOs are in general glad and welcoming companies to become their partners in solving the social or environmental issues. However, this does not apply for all companies; especially companies that are operating in a hostile industry, such as petroleum and oil industry from the example of MNC 1, some NGOs hesitate whether they want to connect their NGO's name with this business. In general, the larger and older a business or NGO is, the greater power they have in choosing their partner. Hereby the age and size play an important role. Because the older an organization is, the more experience it has with partnerships. When organizations share the same experiences or characteristics, they have a greater probability to succeed in their partnership because of the shared knowledge and experiences (Brickson, 2007; Hardy et al., 2006; Rondinelli & London, 2003).

The partnership between organizations is up to certain extent comparable with human relationships stages. For organizations, this is comparable with the 'dating' stage in which the organization wants to know more about each other. This can be in form of informally drinking coffee during organization visits, in order to know more about each other and what possibilities for partnership are possible. This method is used by MNC 2 in order to assess the partnership potential. If both organizations have many shared interests and goals together, it is expected that new partnership is going to happen.

For informal partnerships, the commitment is likely expressed in verbal form. The requirements in order to become a potential partner are mostly not too strict and are feasible for the most NGOs. However, the sector in which the company and NGO operates is preferred

to be the same, this due to the shared interest and goal alignment in order to create a ‘fit’ together.

“And then I had to call this gentleman and I have talked to him,... And I showed the pictures of what our NGO does and he said; I want to sponsor you.” (RdD)

For formal partnerships, the requirements in order to become a potential partner can be sterner. For example NGOs need to have a ‘public benefit organization’ (in Dutch: ANBI) mark, extensive financial annual reports or several years experience in the field in order to be eligible as one of the potential partner for companies. Some large companies perform research in front on new or unknown NGOs before they are willing to partner with them.

“...if we are going to cooperate with an NGO, in the beginning we will have an orientation meeting. We always start with an orientation meeting, to answer questions as what do you do and what do we do. And we try to see opportunities for cooperation and we will formulate it for ourselves and after that comes a kind of proposal.” (MNC 1)

“And if [the letter of partnership proposal] appeal to us, then we invite the NGO and let’s first talk and then try to see in which ways we can fit together. What is the identity of MNC 2 and who are we as company? Who comes to present their selves, what is the identity of it and does it fit together?” (MNC 2)

“If you work with a large name such as Red Cross, then you would assume that it has a good track record and you will not ask that much of requirements anymore. But if they are new, then you would look for background information such as why do they exist and who sits behind the NGO, then you would do some background checks. So at the unknown you will dig deeper for more information about the NGO, which activities they have. But if it is a well known NGO then it is not necessary.” (MNC 1)

Developing partnership criteria and proposal

After having a few introduction talks together, the third stage of a partnership initiation is developing the partnerships criteria (Austin & Seitanidi, 2012b). From the eleven organizations, four companies have consciously gone through this stage. Possible reasons for this are as follows. First, as it has been earlier mentioned, companies are more carefully in choosing their partners compared to NGOs. Second, all these four companies are primarily companies that want to have formal partnerships instead of an informal partnership. It might be for these reasons that only formal companies go consciously through this stage. Moreover, this stage will only take place if both parties are still interested in cooperating together as partners. This is because if one of the parties thinks that there will be no fit between the two organizations, the process for a partnership initiation will be ended at the previous stage. Hereby, a very important concept is to see the potential of *fitting* together. Despite the fact that not all organizations go through this stage, it is still an important stage. This is because by developing partnership criteria and proposal, expectations and desires from both partners will be known, so that both partners know what the other expects from each of them as partner.

This prevents that disappointments of not fulfilled wishes will happen during the partnership. This developing criteria and proposal phase can happen in various ways. For example to develop the criteria, following concepts can be asked; the industry of operation, scope of activities, time scales of operation, presence and type of exchange resources (Holmberg & Cummings, 2009; Seitanidi, 2010). After having discussed this, both potential partners can formulate a proposal. This proposal includes the partnership terms and conditions, duration, agreements regarding resource exchange and the exit strategy. When both parties agree with the proposal made, the proposal will be signed by both organizations and this stage has come to an end.

The previous section is primarily aimed towards formal type of partnerships. For informal partnerships, this stage is likely to happen verbally or it might even be skipped. Herein, the criteria will be likely about the general issues such as ways and frequency of communication. The partnership criteria will not be put in a formal contract since there are no strict legal obligations involved in the informal form of partnership. Trust plays an important role here, that both the parties will keep their words without any written contracts. From the interviews, it became obvious that there exist an important reason why organizations do not want to have a formal type of partnerships. This is because if an NGO want to have companies to sign a contract, it might cause a deterrent effect from companies to support the NGO. Because it was first done from a voluntary basis, has become an obligation now. For this reason, some NGOs prefer not to engage their partners in formal contracts but rather build upon the informal relationships.

“Thus so far you cannot take someone responsible. It is all done on voluntary basis. So you cannot act such businesslike with each other.” (Voedselbank)

“We do not make contracts. At some point if a program continues, it just continues.” (Zavor)

“..., we have signed no contract. It is based on the fact that we support the NGO. We make the partnership public by putting it in our website. But we have not made formal agreements on that.” (CC)

“..., a contract involves an obligation with it. You can also make it very legal, what if it is not delivered? You receive it as free, so the fact that you get it for free you cannot see it as an obligation. It has also a deterrent effect. At the moment when you let the bakeries, which give their bread everyday for free, sign a contract, it can cause sooner a deterrent effect than that you would achieve something.” (Voedselbank)

For formal partnerships, this stage is a very important stage. As it has been mentioned earlier, within this stage the partnerships criteria, terms and conditions are discussed and negotiated. For example the amount of support, the form of resources that will be exchanged, duration of the contract and the termination clauses. Different departments are hereby involved, such as the marketing, finance and legal departments. After having signed the proposal, the partnership has officially begun.

“Contract lasts maximum for three years. And the proposal is also including the duration of the contract, how much it will cost, money issues, but also how do we want to show our joined partnership logo to public? Many things are involved in this. You have the marketing, costs and also legal issues that are involved here. The legal issues point out; yes, but imagine that the NGO goes bankrupt, and then? What are the consequences, and should we also cover that?” (MNC 1)

“And then comes a contract in which our legal department is involved and they formulate the contract and say; with these conditions should it happen. We pay as much a year, ... or this is how the partner contract looks like, this is what we may expect from each other and these are the termination clauses. Then a contract is made and everyone has looked well at it, then a signature is placed and finally the partnership has started.” (MNC 2)

“If the plan is approved by both parties, then a contract will be formulated.” (Eeko)

Experimentation (Start of partnership)

In this stage the partnership has been started. This stage can also be called as the ‘trial period’ of partnership, namely the experimentation stage (Austin & Seitanidi, 2012b). All eleven organizations have gone through this stage, whether conscious or unconsciously. Also in this stage, some important differences can be seen between the formal and informal partnerships. For many informal partnerships, after the acquaintance stage, these organizations immediately start with this stage. For them, this stage acts not solely as experimentation, but they see it as the official beginning of a partnership. Therefore, many informal partnerships do not have an experimentation phase, but instead of that an immediately start of partnership within this stage. In many informal partnerships, there exists also no exit strategy, they just ‘see how it goes’.

While for formal partnerships, this has more important role because in many cases, this stage is implemented in their procedure for partnership initiation. Different types of experimentation exist, for example the geographical and the duration types of experimentation. Especially for formal companies this stage is more structured and the outcome of this stage determines whether the partnership will be continued or ended in this stage.

“...we do not know each other so well, first see whether it fits. So we first execute only in the Netherlands, if this succeeds, the corporation works well then we even might execute this globally or more in the region such as Benelux, so that is one, the geographical pilot. But you can also do pilot, we do this temporarily only for three months for one time we will launch it, and see what the responses are from our employees. If it satisfies then we will go further.” (MNC 1)

Some companies in formal partnerships choose the key persons within the company to participate in the experimentation stage in order to decide whether the company should engage in the partnership with the NGO or not.

“(...) we first have done two trial projects. Within these trial projects, people that hold important functions were involved (...) These are all key figures that possibly can represent projects on behalf of the organization.” (Present)

Evaluation

After the start of partnership and when activities of collaboration have taken place, it is recommended to have an evaluation together to discuss how the process of partnership has been experienced so far. Almost all organizations within this study have this evaluation after a period of collaboration. This evaluation can be done by sitting at the table together and discuss the partnership experienced so far. Measure for improvements and difficulties are the things that should be discussed within this stage. This is an important stage because this stage also functions as a learning stage. For example things that happened during experimentation stage that should be expanded because it was a success or things that should be done differently in future. Within this stage, it is also assessed whether the two parties still experience a fit together. Like in human relationships, after having talked together in this stage, both parties should be willing to adapt to a certain degree in order to create harmony in their partnership. Both informal and formal partnerships experience this stage. However, in formal partnerships this stage is likely to happen more scheduled and structured. For both informal and formal partnerships is a possibility to end the partnership in this stage because of incompatibility or negative evaluation experienced by both parties.

“Soon we will evaluate all those projects. And if it goes well then from both sides there are spaces for improvement, whether it went exactly as we have planned. (...) the evaluation phase with the two trial groups within the experimentation phase, which has already taken place. But the evaluation was positive.” (Present)

“So then we looked again, how can we adapt or making adaptations in that? Thus also in the little things, because you always look for ways in how we can we further optimize it.” (MNC 2)

“The cooperation is evaluated on yearly basis. If the revenues do not countervail against the costs or efforts, then it can be decided to end the cooperation.” (Eeko)

Adaptation

After that the evaluation has taken place, the adaptation stage can be started (Austin & Seitani, 2012b). The adaptation stage is simply applying the learning points for improvements from the evaluation in practice. Eight from the eleven organizations within this study have applied this stage. These adaptations happen within the company's side as well as in the NGO's side. Valuable learning points were obtained as result from the evaluation stage in order to optimize the joint operations together. Again, this stage happen more often structured within formal partnerships than for the informal type. Moreover, informal type of partnerships can also experience some improvement points and implement these in practice.

However, these are likely to happen verbally and informally rather than to be drawn up in paperwork. It is important to go through the adaptation stage because the improvement and learning points that were obtained from the evaluation stage will be utilized and not neglected, which makes that the partnership will develop in the right direction towards a workable, harmonized partnership.

“In the past we have sent emails on behalf of Van Klaveren and/or Eeko[®]. A while ago we have sent NGO X an email on behalf of a doctor from a hospital. This doctor “told” about the importance of NGO X for the sick children and explained that lot money is needed for this. Her call to collect cartridges and mobile phones as much as possible on behalf of NGO X has proved to be very successful. Later we have applied this method more often.” (Eeko)

“...if you want to do some projects with the employees than this must happen earlier, or this must be in the schedule. (...) during the evaluation it appeared that it has to be more prompt, it has to be arranged earlier.” (Present)

Operationalization

The operationalization stage is the phase in which the partnership officially has been started. Moreover, this stage is mostly aimed towards formal partnerships. Because for informal partnerships, the partnership has already been started at the experimentation stage. For this reason, only a small part from the organizations in this study has gone through this stage. Within this stage, the processes and structures of partnership have been gradually stabilized (Austin & Seitanidi, 2012b). For formal partnerships, this stage is the proof that their partnership has passed the experimentation phase and that it has much potential to succeed, otherwise the partnership was already ended at the previous stages. For them, it is therefore the end of trial period and the start of real partnership together.

“(...) so far we only have received positive responses, so it will be fine. Then we will bend it towards several years of partnership covenant.” (Present)

“And it has worked well and then we have decided to establish a partnership with this NGO.” (MNC 1)

Continuance or end of partnership

The last stage of the partnership process is the continuance or the end of the partnership. This stage determines whether the partnership will be continued or ended. All organizations within this study experience this stage, either conscious or unconscious. Conscious if the organizations have implemented this stage within their procedure of partnerships, which are more common in formal partnerships, and unconscious if both partners do not have this stage implemented in their partnership, which are more common in informal partnerships. This stage can occur in various ways. For formal partnerships, this can be the end date within the contract, in case when the contract is not extended. The end date in a contract is also a form of exit strategy to end a partnership. For informal partnerships, this stage is less obvious because

this stage is not officially implemented in their partnership procedure. Moreover, there is also no “end date” since the partnership has no contract and is mostly verbally agreed. However, this can also mean that the partnerships can be ended at any time, for example during evaluation sessions.

For the formal as well as informal partnerships, the following question is very important to ask regularly; *“Do we still fit together as partners?”* For formal partnerships, this question is likely to be asked during this last stage, while for the informal partnerships this question is likely proposed during the periodical evaluation sessions. If the answer is ‘yes’, then the partnerships is still effective and has high potential to succeed. If the answer is ‘no’, then both parties should consider whether they want to put effort to make their partnership work or whether they want to end the partnership and search for a new partner that fits better to their company as it currently is.

“So year contract is also a form or exit strategy.” (MNC 1)

“But it is for us important to assess about three years; do we still fit together? Does this still fit with our corporate strategy?” (MNC 2)

“Within this type of cooperation there is no underlying contract and can thus directly be ended.” (Eeko)

“And I know for sure that if cooperation does not work, that we should discuss it together and adapt some things, but we do not have that experience.” (CC)

The most remarkable and important finding within this section is as follows. It has become apparent that there is an important pattern to see within these partnerships. Namely the fact that formality of a partnership has an immense effect on the course of the partnership. Several stages were identified from the findings of the interviews. Some stages came directly from the partnership design model of Austin and Seitanidi (2012b) while other stages came from the literature review. In the table below all organizations within this study are included. Important similarity between these organizations is that all organizations have to go through the acquaintance, experimentation and continuance or end of the partnership stage. However, the extent of formality of the partnership causes the difference for the remaining partnership stages.

Table 12 Partnership stages

Stage	Frequency mentioned	Literature
Acquaintance	11	Jamali & Keshishian, 2009
Assessing partnership potential	5	Austin & Seitanidi, 2012b; Barnett, 2007; Brickson, 2007; Hardy et al., 2006; Rondinelli & London, 2003
Developing partnership criteria and proposal	4	Austin & Seitanidi, 2012b; Holmberg & Cummings, 2009; Seitanidi, 2010

Experimentation	11	Austin & Seitanidi, 2012b; Seitanidi & Crane, 2009
Evaluation	8	Arino & De La Torre, 1998; Cohen, 2003; Ring & Van De Ven, 1994
Adaptation	8	Austin, 2000; Austin & Seitanidi, 2012b; Dahan et al., 2010
Operationalization	3	Austin & Seitanidi, 2012b; Cohen, 2003; Gray, 1989
Continuance or end of partnership	11	Austin & Seitanidi, 2012b; Berger et al., 2004

After having discussed the partnership stages above, a framework is developed for this. The model below builds on the model of Austin & Seitanidi (2012b), which is included in figure 2 within this thesis. This model below provides suggestions for improvement for the original model. These additions are obtained from the conducted interviews from the partnerships in practice. Furthermore, the findings of this study reveal that the partnership processes have many characteristics of the “human” processes whereas the partnership design model from Austin & Seitanidi (2012b) seems to be very functional. By including more stages in the model, it gives more attention to the human side of the partnership model. In addition, these processes are in reality more fuzzy and not strictly structured as the model would suggest. Due to the human characteristics of the model, it is likely that in practice the processes are not precisely going to be linear as prescribed. Therefore there must be room for feedback loops, trial-and-error and iterations between the stages. The double arrows in figure 4 below demonstrate the room for feedback loops and iterations between the partnership stages.

One of the main additions is the differentiation between formal and informal partnerships. It is important to implement this distinction in the model, because the partnerships in practice show that the choice between these two categories is determinant for the further course of partnership. Both starting points, formal and informal, have the characteristics of the human relationship processes. For the formal type, the partnership stages are the following; acquaintance, assessing partnership potential, developing partnership criteria and proposal, experimentation, evaluation, adaptation, operationalization and as last the continuance or end of the partnership. Whereas the partnership stages for the informal partnership amount significantly less, these are; acquaintance, experimentation, evaluation and continuance or end of the partnership. It is seen that informal partnership has less stages compared to the formal partnerships. However, this does not mean that the duration of the stages is shorter than those of the formal partnerships. This is because in general, formal partnerships have a formal contract regarding the duration of their partnership, which makes that the partnership can be ended after the contract has expired. Whereas informal partnerships in general have no formal contract regarding their partnership duration. Next to this, for the formal partnerships the partnership processes are more structured and well organized compared to the informal type. This makes that the formal way of partnership is likely to be more efficient in terms of efforts and time due to the existing procedures compared to the informal way of partnership.

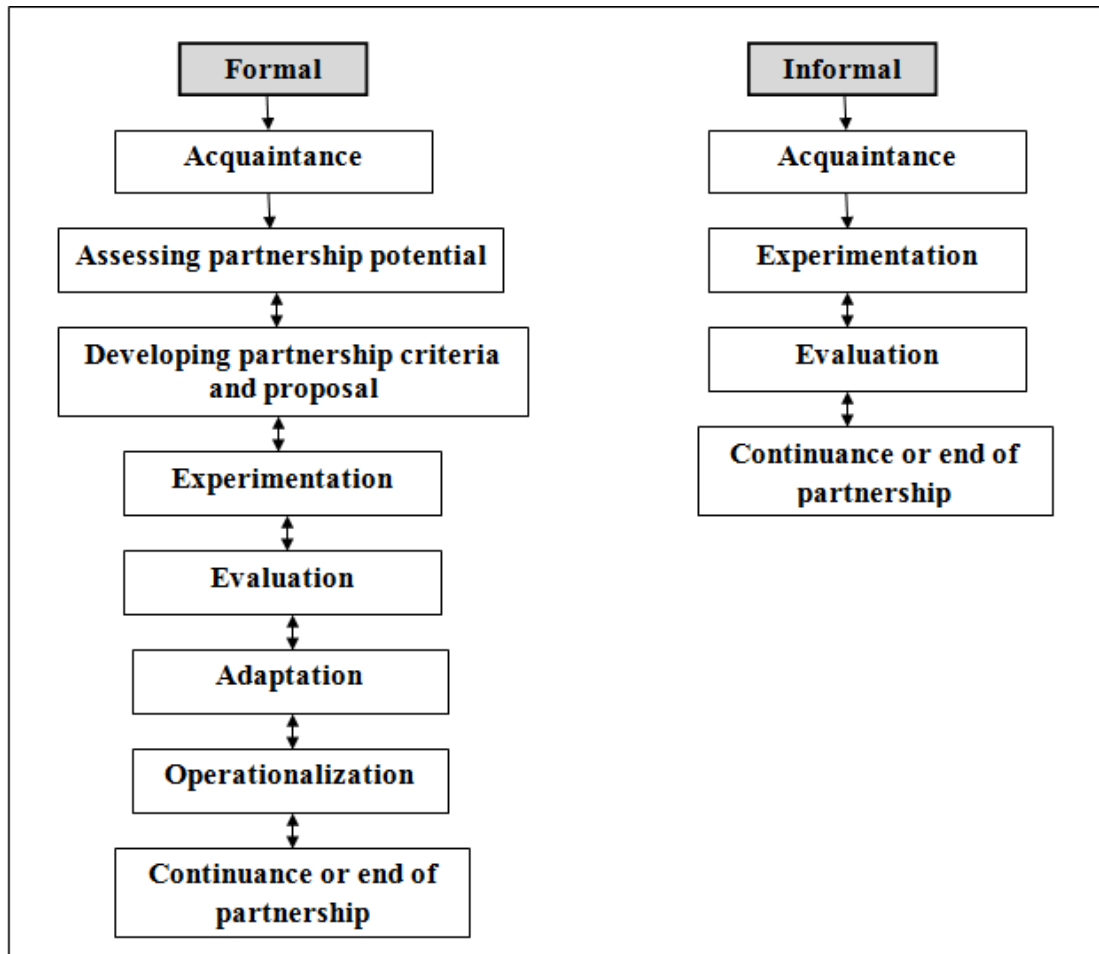


Figure 4 Stages of partnership

4.5 Recommendations for business-NGO partnership

Below are the recommendations for business-NGO partnerships obtained from the existing partnerships in practice. During the interviews, practitioners were asked for recommendations and conditions in how companies and NGOs can develop a workable partnership together. The recommendation section is split into two parts. The recommendations that explicitly were given by the practitioners from the interviews are listed below, and the recommendations that are derived from the interviews, for example the hidden clues, will be included in the practical implications in this study.

The first recommendation is the *fit* that company and NGO should have with each other. Minority of organizations within this study have indicated this as one of the recommendations. Despite the fact that a small minority have mentioned this explicitly as recommendation, in reality this seems to be a very important condition. Also many scholars argue that it is very important to have an organizational fit between business and NGO as partners (Austin & Seitanidi, 2012a, 2012b; Berger et al., 2004; Cohen, 2003; Dahan et al., 2010). This is aligned with the suggestion from the recommendations section of the literature review within this study. Moreover, this is the most important recommendation because this

fit determines the success for the partnership in the long term. This fit between companies and NGOs can be achieved by various ways. There are many areas within the partnership where a fit is required. This includes the strategic, organizational and resource fit. The first four stages in the developed model within this study serve as a tool in which the partners can assess whether there is a fit and connection between the two organizations or not. When two potential partners experience no direct fit until the experimentation stage, these organizations can still continue their intention to partner together if they wish to. However, many adaptations are then needed for both organizations and the viability of the partnership is therefore not certain.

“To remain to have a fit together, that the connection and affiliation is still present, that is what I think the most important.” (MNC 2)

The second recommendation is that both organizations should see opportunities for two-sided *resource exchange* between them (Jamali, Yianni & Abdallah, 2011; Oetzel & Doh, 2009). This recommendation is also aligned with the suggestion from the recommendations section of the literature review within this study. There should be an exchange in term of resources to form a synergy together in order to achieve their shared goals. Minority of organizations have mentioned this as recommendation. Like the previous recommendation, this condition seems to be underestimated by practitioners. Because for the other parts of the interviews, this is a concept that many practitioners implicitly mean. This recommendation is especially important for NGOs, because these organizations should aim to provide *additional value* to their partner companies. In other words, NGOs should aim to have bilateral resource exchange rather than unilateral. This can be in form of network, reputation or other related resources. This to make sure that the current NGO becomes a preferable partner above all the competing NGOs. In addition, partners should aim to have a *strategic* resource exchange in order to achieve a synergy in their partnership. The available resources should be aligned in the needs of both organizations. The partners should not offer a resource that its partner does not need or cannot do anything with it. So there should be usable resources available for both sides, for the company as well as for the NGO.

“Can we, that is an important starting point for us, can we mean something for each other? Can the NGO, an NGO has a goal, a vision, it wants to achieve something, and can they also help us with that?” (Sallcon)

“Not only beg for money from the NGO side, but look for what such of added value you can offer, also in terms of network or doing things, not just raising your hands.” (CC)

The third recommendation is that both partners should *invest in their partnership*. Four out of eleven organizations within this study have given this recommendation. This investment in partnership can happen in various ways. However, during the interviews it became clear that the practitioners primarily mean the time investment and communication (Huijstee & Glasbergen, 2008) rather than financial investment. This does not mean that the latter is not important, but it seems that the time investment in terms of communication is important to keep the connection alive between the two partners. Moreover, it is important to invest in the relationship between the partners. Because when partners invest in their partnership, it makes

that the partnership stays on high priority so that it will stay at the “top of mind”, as the quote below suggests. Hereby is communication from both sides very important, especially from the NGO’s side towards its partner companies in order to secure their partnership with them.

“I think that you should keep the partnership in ‘top of mind’. It is important to meet each other regularly. To invest in the relationship from both sides. (...) But for an NGO it should be almost standard to say that ‘I should speak to all my sponsors at least once’. To secure that we will join the project again next year. Because each time it is a consideration to decide with whom I want to cooperate with and where not? And there are plenty of NGOs that try to ring the bell.” (CC)

“I think that maintaining the contacts, to stay in touch together certainly one of the prior condition.” (Voedselbank)

“This is very important, not only by e-mail but primarily via phone and face-to-face. Not just quick contact only in times when you need the companies, but also between the periods to stay in touch.” (SHOE)

The fifth recommendation is the importance of *goal alignment* between partners (Austin & Seitanidi, 2012a; Jamali & Keshishian, 2009). This is aligned with the one of the suggestion from the recommendations section of the literature review within this study, namely to have mission and strategy alignment within the partnership. Three out of eleven organizations within this study have mentioned this as one of the recommendations. This goal alignment can be achieved by various ways. For example by having shared goals, so that both partners are working together towards the same goal. Thereby is the aforementioned recommendation, to invest in partnership and communication, very important. Because both partners should communicate well in order to make each of their own goals known to the other party, and then decide for which shared goals they want to achieve together. It is important to have goal alignment, because this contributes to the partnership fit, which is the aim from each partnership. In addition, when goal alignment is present, it is likely that partnership synergy will happen as result. Because both organizations work towards the same goal and are focused to the same direction. If there was no goal alignment, these organizations may put their focus into different directions, it might even be contradictory, with minimal partnership outcomes as result. Therefore, the partnership may be maximized by having goal alignment between the two partners.

“The partners should give sufficient attention to their shared goals.” (Eeko)

The fourth recommendation is that the partners should behave in *honesty, openness* and simultaneously maintain their *transparency, legitimacy and reputation* on high (Yaziji & Doh, 2009). The first two character traits are the basis for each partnership. When these traits are present, the next three concepts will follow as the results of it. Three out of eleven organizations within this study have mentioned this as recommendation. It is important to guard over these organizational characteristics, because by doing this, the level of distrust will be mitigated. And besides achieving these characteristics, it is also important to guard the build reputation of both partners. That in order not to damage the reputation of its partner,

because by having this partnership, their brands are interconnected with each other. During the interviews, it became obvious that this reputation damage risk is one of the challenges that are experienced by companies. Overall, it has become clear that companies as well as NGOs find it as a great importance to guard over their reputation in order to stay trustworthy to the society.

“Honesty in business, openness and being honest. We also ask commitment from their programs and projects, the [revenues] goes back to the community” (Zavor)

“(...) publish annual reports on time, make clear that the volunteers put nothing in their own pocket, that the money do not disappear for other purposes than for the group in which it is intended for. As organization you must indicate that you are a solid party, that we really do what we stand for.” (Voedselbank)

“Communication and transparency. (...) And transparency that they know that 100% of the donated money goes to the help facilities and also that they can see that.” (SHOE)

From the aforementioned, there exist some recommendations that can be seen as criteria that can make it easier for companies and NGOs to assess whether they fit together or not. These criteria include the organizational fit, strategic complementary exchange, characteristics of both organizations, willingness to invest in their partnership and the presence of goal alignment. However, from the interviews it became clear that many organizations do not have these criteria yet, at least not explicitly stated on paper. With the presence of a list with criteria that serves as a guideline, the partnership initiation process may become more structured and efficient. Because as human beings, the important things might easily be overlooked without having these guidelines during the assessing partnership potential conversations as bullet points.

“We do not have specific criteria for this. Perhaps it might be handy to have it. (Sallcon)

The remarkable and important findings of this section are as follows. First, it became apparent that to invest in partnership and communication are the most important recommendation to make a business-NGO partnership succeed. However, the other recommendations are important as well because these recommendations originated from practitioners who deal business-NGO partnerships and much insight can be obtained from there.

Table 13 Recommendations from practitioners

Recommendations	Frequency mentioned	Literature
Organizational fit	3	Austin & Seitanidi, 2012a, 2012b; Berger et al., 2004; Cohen, 2003; Dahan et al., 2010
(Strategic) complementary exchange	2	Jamali et al., 2011; Oetzel & Doh, 2009; Stafford et al., 2000
Invest in partnership, communication	4	Austin, 2000

Goal alignment	3	Austin & Seitanidi, 2012a; Jamali & Keshishian, 2009
Honesty, openness, transparency, legitimacy	3	Austin & Seitanidi, 2012a; Ishikawa & Morel, 2008; Yaziji & Doh, 2009

5. Conclusion and discussion

In this last section, the conclusion and discussion of this study will be provided. The conclusion forms syntheses of the research questions and the corresponding findings. After this, the discussion will be provided in which the theoretical and practical implications of this study are discussed. Besides this, the limitations and future research suggestions will also be provided in this section.

5.1 Conclusion

This study was set out to explore the ways in how Dutch businesses and NGOs can initiate a workable partnership with each other. The current conditions in which these organizations are situated to initiate a partnership together were fuzzy of nature and some underlying important variables were not taken into account. With this study it is aimed to gain more clarity in the complex process of partner initiation between businesses and NGOs in The Netherlands. In order to achieve this, eleven organizations which consist of businesses and NGOs were interviewed. In order to provide an answer to the main research question in this study, which was “*How can Dutch businesses and NGOs initiate a workable partnership together?*”, the main findings of the sub-research questions will be presented and synthesized. First, the benefits and reasons for Dutch businesses and NGOs to partner together will be provided. Second, the resources that are exchanged between companies and NGOs will be presented. Third, the processes of partnership initiation between these organizations will be set out. Last, the recommendations for good partnerships between the NGOs and businesses from the current practitioners will be provided.

First, the main reasons and benefits for companies and NGOs to partner together have been found as follows. For companies, the most frequently mentioned reasons and benefits are because of the complementary exchange, synergy, CSR policy, goal alignment, and to support the society and community involvement. For NGOs, the most frequently mentioned reasons and benefits are because of the financial support and continuance of the NGO, to achieve their goals and for network purposes. It is remarkable to see that the reasons and benefits for companies to partner were almost twice as much as for the NGOs. From the literature review it became obvious that having a fit within partnership is very important (Austin & Seitanidi, 2012a). Therefore, it would be good if companies and NGOs seek for a suitable partner that have the most fit with their organization. When businesses and NGOs experience a fit together, this encompasses more than solely financial resources as benefit or reason to partner. This to maximize the complementary resources exchange potential.

Second, the main resources that are exchanged between companies and NGOs have been found as follows. For companies, the most frequently mentioned resources that are available for NGOs are the financial resources, human resources, network, and knowledge and skills. For NGOs, the most frequently mentioned resources that are available for companies are the completion of the companies' CSR policies, image, and publicity. As mentioned earlier, it is aimed for business-NGO partnerships to have a fit together. This fit may be reflected in the way how two partners exchange their resources with each other. As the literature review regarding the social exchange theory and strategic alliances suggests that organizations should have two directional exchange of resources interdependency with each other and thereby seek the most strategic alliance to partner with, so do these findings suggest. Namely that when two organizations have a fit together, that the resource exchange is bilateral and that these organizations deliver valuable complementary resources to each other.

Third, the processes of partnership initiation between these organizations will be discussed below. An important starting point before going through the partnership stages, is to know and decide whether the nascent partnership is a *formal or an informal* partnership. This is one of the main findings discovered within this study, namely that the extent of formality has a great influence on the course of the partnership. The partnership process consists of several stages, and within this study those are categorized in eight stages. The model developed by Austin & Seitanidi (2012b) has been of great influence in categorizing the partnership stages. By combining this theoretical model with the findings obtained from practice in this study, an adapted model in figure 4 has been developed as result. This model is expected to be workable for businesses as well as NGOs to initiate a partnership together. These stages are as follows. First, there is an acquaintance with each other, followed by assessing the partnership potential. If there is a high partnership potential seen by the two parties, the third stage is then to develop the partnership criteria and proposal together. After this comes the experimentation stage, followed by evaluation, adaptation and operationalization stages. The last stage is the continuance or end of the partnership stage, in which the decision will be made whether the partnership will be extended or ended. Another important finding within this study is that the process of partnership initiation and development has many things in common with the aspects of *human relationships*. Therefore, up to a certain extent, business-NGO partnerships can be compared to the stages of a human relationship.

Finally, the practitioners who have gone through the partnership experience with businesses or NGOs have provided some recommendations for organizations that are considering to engage themselves into a partnership. The most frequently mentioned recommendation is that partners should invest in their partnership and communication is hereby very important. Besides this, they also mentioned organizational fit, goal alignment and important partnership characteristic traits such as honesty, transparency and legitimacy.

5.2 Discussion

5.2.1 Theoretical implication

The theoretical implication of this study lies in the addition of knowledge within the existing business-NGO partnership literature. This field of research is a growing area of interest for many researchers, and many research avenues proposed by Austin & Seitanidi (2012a, 2012b) still remain unanswered. Nevertheless, this study has attempted to add new knowledge in the domain of business-NGO partnership initiation processes in the Dutch context. These contributions are as follows below.

First, the existing literature suggest that there are several reasons, benefits and resources involved within business-NGO partnership (Yaziji & Doh, 2009), and some of these has been discussed in the literature review. Some of these benefits were indeed supported by the findings of the interviews, such as the most frequent mentioned reasons, benefits and resources including synergy (Porter & Kramer, 2011), community involvement (Brammer & Mellington, 2003), complementary resources (Seitanidi, 2010), financial resources and support (Al-Tabbaa et al., 2013), network (Millar et al., 2004), human resources (Bhattacharya et al., 2008), image and publicity (Austin, 2000a), and completion of CSR activities (Jamali & Keshishian, 2009). In addition, from the interviews it became apparent that there were also some reasons, benefits and resources that were not well known yet within the literature of business-NGO partnership. This includes the following: the benefit for companies to partner by using the NGO's goodwill to generate resources, the benefit for NGOs to partner by having financial security through independency, the resource that companies offer to NGOs by providing the opportunity to generate revenues, prevention of food waste as NGOs' resource for companies, recommendations to have a portfolio fit, the same focus of area and fit in the partners' financial budget. The first theoretical implication is therefore that many reasons, benefits and resources obtained from practice in this study do support the known reasons, benefits and resources in the business-NGO partnership literature. Next to this, there are also other reasons, benefits and resources identified above that are not well known yet within this area of research and adds therefore new insight in the existing business-NGO literature.

The second theoretical implication is that the theoretical model from Austin and Seitanidi (2012b) has been proposed to current practitioners who are involved in real business-NGO partnerships, and from their experience other relevant variables are added into the theoretical model, this in order to make the theoretical model workable in practice for potential business and NGO partners. The main important finding that is rarely mentioned in the business-NGO partnership literature is the issue of formality in the partnership. This study has found that this variable plays a great role in the course of partnership stages that follows. The findings of this study are consistent with the proposition of Storey et al. (2008), namely that the organization's size is a determinant of the organization's formality. The findings of this study show that majority of the SME's maintain informal partnerships while the MNCs maintain formal partnerships. However, more research in this area is needed to affirm these propositions.

The third theoretical implication is that a link might exist between the formal and informal way of business-NGO partnership and mechanistic and organic types of organizational structures of Burns and Stalker (1961). This is because the characteristics of formal partnerships have many things in common with the mechanistic organizational structure, whereas the characteristics of informal partnership have many things in common with the organic organizational structure. The mechanistic structure is characterized by its high formalization, whereas the organic structure is characterized by low formalization. Also the standardization in forms of rules and procedures are very common in formal partnerships whereas mutual adjustment (Mintzberg, 1980) is very common in informal partnerships. However, more research is needed in order to affirm these propositions.

The fourth theoretical implication is that from the interviews it became apparent that the process of partnership between businesses and NGOs has many similarities with those of human relationships. This applies from the beginning of acquaintance until the end of partnership, in case if the partners do not have a fit anymore in their partnership and will not invest much effort in their partnership to make it work. Therefore, more research is needed in the area of business-NGO partnership linked with the psychological human relationship stages. This study has delivered important insights in the existing business-NGO literature by proposing a new way of looking to the business-NGO partnership through the lens of formality. By knowing the extent of formality in early stage, the course of partnership stages can be predicted in advance. We have also learned that many theoretical benefits, reasons and resources that are written in literature appeared also in business-NGO partnership in practice, and that there were also a couple things that were not well known yet within this area of literature.

5.2.2 Practical implication

In this section, the practical implications of this study will be discussed. The practical implications are primarily aimed towards companies and NGOs. With the developed model in this study, companies and NGOs can have an idea of how the business-NGO partnership cycle can look like. These recommendations can help companies and NGOs to optimize, overcome or avoid the things that are involved in business-NGO partnerships. The recommendations below are derived from the interviews, namely from the interpretation and implicit hints that indicate useful recommendations for the partnership.

The first recommendation is aimed towards businesses and NGOs, but is especially important for the NGOs. The recommendation is that each partnership initiation needs *a comprehensive preparation phase* beforehand (Jamali & Keshishian, 2009). Four organizations have indicated this as one of the recommendations. This preparation includes the background check, by performing pre-research about the potential partner organization. This happens often within the assessing partnership potential stage. Moreover, this preparation especially needs time investment and it is important to have good preparation because the outcome of this potential partnership has large impact on the reputation of both organizations. Therefore, both organizations should have the patience to know more about each other before engaging

themselves in a partnership. It is especially important for NGOs to develop contact initiation strategy. This is the strategy in how they want to start the contact initiation with the potential business partner, by e-mail, phone, letters or direct contact and to arrange the subsequent orientation meetings. One NGO in this study indicates that a well prepared preparation beforehand is needed in order to engage companies in a partnership with them.

The second recommendation for potential partners involves the issue of *culture and identity alignment* between the two partners (Dahan et al., 2010). This recommendation is aimed towards businesses and NGOs. Nearly half of the organizations have indicated this as important. The organization's culture and identity can be expressed in many things, for example in terms of size, age, industry and other related characteristics. For example large, old, stable and strong companies tend to connect themselves to NGOs that share the same characteristics as they do. Examples from the interviews were that the large MNCs tend to cooperate with large NGOs such as Red Cross rather than a new emerging NGO that has no experience or records at all. This is because they have obtained similar experiences and share many similarities together in organizational terms. Businesses and NGOs must therefore assess whether there is a culture and identity alignment between their organizations. In addition, the chance of partnership fit and success is expected to be greater because organizations that experience an alignment in their culture and identity are expected to be more or less on the same level. This involves the level of knowledge, experience, reputation and organizational complexity.

The third recommendation is to *assess the potential for success* of the partnership (Austin & Seitanidi, 2012b). This recommendation is aimed towards businesses and NGOs. This recommendation is aligned with the suggestion from the recommendations section of the literature review within this study, namely to have a proper partner selection process and accurate assessment of the value potential. Small part of organizations is applying this in practice. This recommendation can be related with the "Assessing partnership potential" stage and the practitioners' recommendation to have organizational fit between partners. Businesses and NGOs can assess the success potential by various ways. For example by performing pre-partnership analysis which include background research and network analysis. Moreover, from the findings of this study it is remarkable that especially the companies are the ones that do such pre-partnership researches. This potential for success assessment is recommended to perform, because by doing this, it might become clearer what the expected viability of the partnership is and how great the chance for a partnership fit between the organizations will be (Pangarkar, 2003).

The fourth recommendation is that companies and NGOs should *appoint one partnership champion* (Rondinelli & London, 2003) who will play an important role in communicating and maintaining the partnership. More than a quarter from the organizations has indicated this issue. This is slightly comparable to the case of appointing one product champion in a new product development. Being the product champion includes the responsibility to maintain the *communication frequency* with its key persons. In this case this person would be the partnership champion within the organization. It is important to have a partnership champion within the business and NGO because by doing this, the partnership will be maintained by

frequent communication and it will be on the top of mind. Moreover, it may prevent that the partnership will become diluted. This recommendation can be related to the other recommendation of frequent communication and to invest in the partnership. To communicate periodically with each other as partners is important because both partners should invest in their partnership to make it work, just as in human relationships.

The fifth recommendation is that companies and NGOs should *aim for long-term partnership* (Pangarkar, 2003) rather than switching partners each year. Half of organizations within this study have indicated this importance during the interviews. From this group, it is remarkable that majority of them consist of NGOs. The aim to have long-term partnership comes primarily from the NGO's side rather than the company's side. In order to have long-term partnership, both partners should pay enough attention to the second stage of the model within this study, namely the assessing partnership potential stage, to gain an accurate value assessment potential, which is a predictor of the partnership longevity (Austin & Seitanidi, 2012b). It is recommended to have long-term partnership for a couple of reasons. First, the process of partnership initiation is a time consuming activity with all corresponding stages involved. Therefore, it would be an exhausting process to repeat all the stages all over again for each new partner for a short-term partnership. Another reason to aim for long-term partnership is because when companies and NGOs engage long term partnership together, the relationship will likely grow deep and the level of trust will also increase. The greatest potential for collaboration advantages is therefore associated with long-term partnerships (Pangarkar, 2003).

The sixth recommendation will be that partners should *regularly evaluate* their partnership together (Ring & Van De Ven, 1994). This recommendation is aimed towards businesses and NGOs. At the same time, they should ask the question; do we still fit together? Because consciously or unconsciously, both organizations are changing and it is thereby important that the partnership still have an added value for both parties. To keep the 'fit' within the partnership is therefore important. Businesses and NGOs can arrange these evaluation sessions after that they have done a project together, or after each set period of time. This recommendation is related to the evaluation stage which is incorporated in the model of this study. Learning and improvement points are the things that can be obtained from each evaluation session.

The last two recommendations were not mentioned earlier within the literature review. The seventh recommendation is that both partners should aim to have the same *geographical focus* in their operations. Slightly more than the half of the organizations has mentioned the importance to have the same geographical focus as partners. Some organizations in this study especially want to put their focus on local community activities while some organizations want to focus on their activities abroad in the land of production. This recommendation can be done by agreeing where the business and NGO as partners want to put their focus on. This is related with the practitioners' recommendation of goal alignment. However, in this recommendation it is aimed towards geographical focus of operation. It is important to have

the same focus because this may enlarge the potential for partnership synergy and obtaining greater extent of partnership value.

The last derived recommendation is that the potential partners should *agree regarding the financial budget* set for the partnership. This recommendation is aimed towards businesses and NGOs. Approximately half of the organizations have mentioned this issue during the interviews. It is important to have an agreement on this point, because by discussing this issue before the partnership starts, there will be no unpleasant surprises in the end of the cooperation. To perform this recommendation in practice, businesses and NGOs can discuss this issue during the third stage of the developed model within this study, which is the developing partnership criteria and proposal stage. For companies, it is important that the project costs should fit within the budget set for engaging partnerships with NGOs. In addition, during the interviews it became apparent that some companies can agree with the activities of the potential partner NGO and share the same vision as the NGO does, however, when it comes to financial issues, some companies hesitate to partner with the NGO. Some of these companies prefer to support in human resources and services rather than in financial resources. This is related to the complementary resources section within this study, namely which resources companies are willing to provide to their partner NGOs.

Table 14 Recommendations for business-NGO partnership

Recommendations	Frequency mentioned	Literature
A comprehensive preparation phase	4	Austin, 2000; Jamali & Keshishian, 2009
Culture and identity alignment between partners	5	Bhattacharya et al., 2008; Dahan et al., 2010
Correct assessment of the potential for success	4	Austin & Seitanidi, 2012b; Pangarkar, 2003; Rondinelli & London, 2003
To have a the same geographical focus as partners	6	
Financial budget agreement between partners	5	
Appoint one partnership champion	4	Austin & Seitanidi, 2012b; Rondinelli & London, 2003
Aim for long-term partnership together	6	Austin & Seitanidi, 2012b; Pangarkar, 2003
Arrange regular evaluation sessions together	2	Arino & De La Torre, 1998; Cohen, 2003; Ring & Van De Ven, 1994

5.3 Limitations

This study has several limitations, which are as follows. The first limitation is that not all interview questions were equally important for this study. To some questions, this study went deep on those subjects rather than discussing all questions equally. This study has only included the relevant issues that seem the most important for the business-NGO partnerships. Since this study was performed on semi-structured interviews, it provided the possibility to go

deeper on some subjects more than the other (Cohen & Crabtree, 2006). During the process it has become obvious that some interview questions were redundant and by including them it would distract this study from its main focus, therefore these issues were not discussed and included in this study.

Another limitation is that the findings of this study are difficult to generalize for every business-NGO partnerships. This is related due to the nature of qualitative semi-structured interviews methodology used for this study (Diefenbach, 2009). Also the country specific context in which this study was conducted, namely The Netherlands, may not be representative for every business-NGO partnership initiation processes in other country and continent. Therefore, further research is needed in order to confirm the propositions made in this study.

5.4 Future research

There are several recommendations for further research based on this study. First, this study has offered a model derived from Austin and Seitanidi (2012b) in which potential business and NGO partners can utilize together. More research is needed in order to improve and assess the usability of this model in practice. Another research suggestion is to assess whether there exist some differences in partnership patterns for large and small businesses and NGOs, and thereby assessing the extent of formality within these group of organizations (Storey et al., 2008). A possible future research operationalization is to split these businesses and NGOs into two groups, which are large businesses and NGOs and small-medium businesses and NGOs. These large and small businesses and NGOs could be invited for an interview in order to gain a deeper insight into its business partnerships view with the focus on the extent of formality and how it is translated in practice. Another research suggestion is to assess the possible relationship between the formality of business-NGO partnerships and the organic or mechanistic types of organizational structures involved (Burns & Stalker, 1961). The last future research recommendation is to assess the extent of similarity of business-NGO partnerships with the human relationships processes, and thereby obtaining knowledge on how the partnership processes effectively and efficiently could be optimized.

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Appendix A

Interview questions for companies

1. Can you tell me about the CSR activities of your company, especially about the cooperation with NGOs?
2. Do you see the NGOs as part of your organization's alliance and value network?
3. What are the benefits for your organization by partnering with an NGO?
4. What are the reasons for your organization to partner with an NGO?
5. What are the complementary resources that the NGOs provide for your company?
6. Is the amount of NGOs partnerships decreasing or increasing within your organization? And what are the reasons for this?
7. In case if a partnership with a NGO has ended, how will this void be filled in?
8. In your opinion, how can NGOs and companies develop sustainable partnerships with each other? What are the conditions for this? (from the company's and NGO's side)
9. After showing the initial partnership design model of Austin & Seitanidi (2012b):
How do you think about this model? Do you think that this theoretical model can work in practice? Can you think of an example in practice from your organization that can be applied to this model?
10. Do you have another remarks or things related to this subject that I have overlooked?

Appendix B

Interview questions for NGOs

1. Can you tell me about the activities of your organization, especially about the cooperation with businesses?
2. Do you see the businesses as part of your organization's alliance and value network?
3. What are the benefits for your organization by partnering with a business?
4. What are the reasons for your organization to partner with a business?
5. What are the complementary resources that the businesses provide for your organization?
6. Is the amount of business partnerships decreasing or increasing within your organization? And what are the reasons for this?
7. In case if a partnership with a business has ended, how will this void be filled in?
8. In your opinion, how can businesses and NGOs develop sustainable partnerships with each other? What are the conditions for this? (from the company's and NGO's side)
9. After showing the initial partnership design model of Austin & Seitanidi (2012b):
How do you think about this model? Do you think that this theoretical model can work in practice? Can you think of an example in practice from your organization that can be applied to this model for each phase?
10. Do you have another remarks or things related to this subject that I have overlooked?