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**The Future Challenges of Cross Sector Interactions:  
Interactions between NonProfit Organisations and Businesses**

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Interactions between NonProfit Organisations and Businesses**

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## **ABSTRACT**

The paper aims to offer a starting point of a future research agenda on Cross Sector Social Partnerships that will be informed by both theory and practice, addressing the challenges that both business and nonprofit organisations will face due to and as a result of their increased interactions.

In order to articulate the need for both organisational and social change through cross sector social partnerships the paper suggests that it is required to move towards multidimensional levels of analysis within multiple contexts that will emphasise a historical perspective rather than an ahistorical analysis of events outside of their context. Hence four categories are proposed in order to group a future research agenda: context, process, content and impacts. By extending the three levels of Pettigrew's analysis of change the paper suggests that there is a need to include a fourth category that refers to the impacts/consequences of interactions. If indeed partnerships are able to facilitate change within their context but also in their external environment then we need to similarly study their impacts.

The paper offers research suggestions under each of the four proposed categories and also on methodological issues within partnerships research.

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# **The Future Challenges of Cross Sector Interactions: Interactions between NonProfit Organisations and Businesses**

## **1. Introduction**

This paper reflects the discussions that took place during the Scoping Symposium 'The Future Challenges of Cross Sector Interactions: Interactions between NonProfit Organisations and Businesses' on the 24<sup>th</sup> May 2007 at the LSE, organised by BRESE- Brunel Research on Enterprise, Innovation, Sustainability and Ethics, Brunel Business School, co-organised by the LSE Complexity Research Programme and the Brunel WestFocus Social Inclusion Network. A total number of 33 participants including practitioners, academics and policy makers participated in the discussions<sup>1</sup> (see appendix for the full list of participants).

The paper aims to offer a starting point of a future research agenda informed by both theory and practice, addressing the challenges that both business and nonprofit organisations will face due to and as a result of their increased interactions.

## **2. Cross Sector Social Partnerships:**

Organizations<sup>2</sup> faced with Corporate Social Responsibility (CSR) problems and challenges need effective ways of implementing CSR programmes and initiatives. However, whilst there is an emerging consensus that CSR can and should be implemented in organizations, CSR is currently characterised by many unsystematic practices, i.e. constellations of arrangements that are fit for purpose within specific contexts but which lack transferability and sustainability. Nowhere is this more evident than in the area of business (BUS) and nonprofit organization (NPO) partnership.

Such cross-sector partnerships have been one of the most exciting and challenging ways that organizations have been implementing CSR in recent years (Seitanidi and Ryan, 2007). NPO-BUS partnership is one of the four different types of partnerships (Figure 1) that represent what is referred to

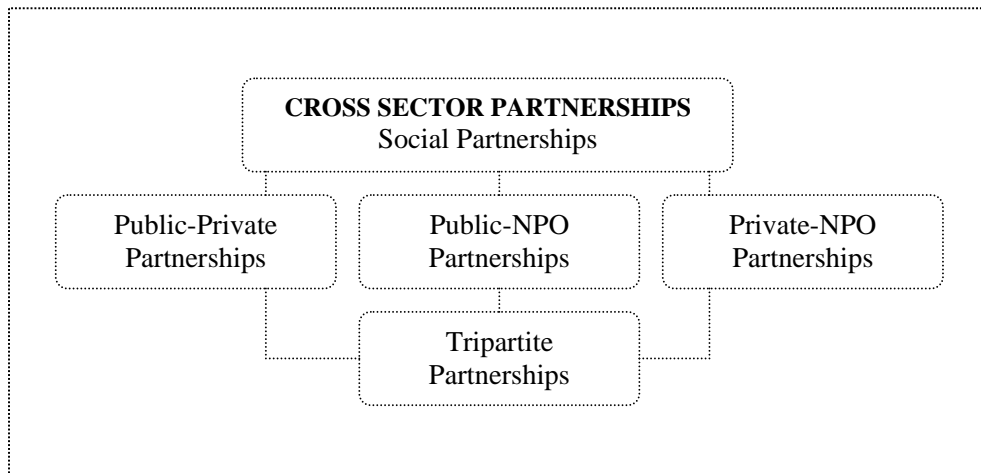
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<sup>1</sup> Similar discussions took place on 25 September 2006 at the International Partnering event among 130 partnership practitioners that resulted in the launch of the Partnership Declaration: <http://thepartnershipdeclaration.org/index.php>

<sup>2</sup> This section is an excerpt from the forthcoming paper of Seitanidi and Crane (2007) titled: "Implementing CSR through partnerships: understanding the selection, design and institutionalisation of nonprofit-business partnerships", in the Journal of Business Ethics and it appears in this report with the permission of the authors.

as 'social partnerships' (Waddock 1988; Googins & Rochlin 2000) or as recently named 'cross-sector partnerships that address social issues' (CSSPs) (Selsky and Parker 2005: 1).

**Figure 1: Cross Sector Social Partnerships**



Source: Seitanidi, 2006

According to Waddock (1988: 18) social partnerships are:

*"A commitment by a corporation or a group of corporations to work with an organisation from a different economic sector (public or nonprofit). It involves a commitment of resources - time and effort - by individuals from all partner organisations. These individuals work co-operatively to solve problems that affect them all. The problem can be defined at least in part as a social issue; its solution will benefit all partners. Social partnership addresses issues that extend beyond organisational boundaries and traditional goals and lie within the traditional realm of public policy - that is, in the social arena. It requires active rather than passive involvement from all parties. Participants must make a resource commitment that is more than merely monetary".*

Social partnerships primarily address social issues (e.g. education, health, environment) by combining organisational resources in order to offer solutions that benefit partners, as well as society at large. As such, NPO–BUS partnerships represent the alignment of strategic business interests with societal expectations, as expressed through NPOs (Covey and Brown, 2001; Austin 2000). Such partnerships therefore offer considerable insight into the dynamics of CSR implementation, not least because BUS-NPO partnerships are typically seen by both sets of institutions as instantiations of 'doing' CSR.

However, despite their great attraction for the various sectors involved, the ways that BUS-NPO partnerships are implemented are not well understood.

Hence, a number of research priorities are suggested below based on the discussions that took place during the Scoping Symposium on Cross Sector Interactions.

### **3. Research Priorities:**

One of the forms of Cross Sector Interactions is Social Partnerships representing, the focus of the paper, new forms of flexible and non-regulated interactions across different sectors. These interactions can be considered as evolving new forms of organising institutions that touch upon a number of policy and practice areas such as the environment, health, education, culture and social issues (such as poverty, social inclusion). Hence this multidisciplinary field presents an opportunity and challenge for both theory and practice in order for partnerships to facilitate the need for changes within and across societal sectors.

In order to assess the effectiveness of these constellations of social actors, not only on the organisational, but also on the societal level the research questions have been grouped under three thematic areas: content, context, and process of interaction. If indeed the interactions across the sectors through social partnerships aim to address the need for both organisational and social change then we need to move towards multidimensional levels of analysis within multiple contexts that will emphasise a historical perspective rather than an ahistorical analysis of events outside of their context.

Pettigrew (2001: 698) called for a shift from the study of events or episodes as units of analysis to multiple contexts and levels of analysis for the study of organisational change: "this contextualist approach was the view that theoretically sound and practically useful research on change should explore the contexts, content and process of a change together with their interconnections over time". In fact, as he noted in the early years of this new tradition, context was separated into outer: "economic, social, political and sector environment in which a firm was located" (Pettigrew, 2001:698) and inner context: "features of the structural, cultural, political environments through which ideas and actions for change would proceed" (Pettigrew, 2001: 698). Research on partnerships is important as it provides opportunities for studying a complex and multilevel phenomenon that is able to provide the connection between organisational and social change.

Following from the above and based on the remarks of the symposium participants and commentators of the first draft of the paper there is a need to include a fourth category that refers to the impacts/consequences of interactions. If indeed partnerships are able to facilitate change within their



context but also in their external environment then we need to similarly study their impacts.

Each of the categories is briefly defined, followed by indicative questions:

### 1. Context of Interactions:

Partnerships as non-regulated forms of interaction across the sectors need a nurturing environment in order to function. The context of the interactions refers to the social, cultural, political, legal environment in which partnerships take place.

- How can a legal framework provide an enabling environment for partnerships in different countries?
- What are the constraints that partnerships face within particular socio-economic-legal frameworks?
- What is the impact of cross sector social partnerships on the regional, national, and global levels?
- Can partnerships provide efficient voluntary regulation, or can a new form of regulation provide an alternative solution?
- How can cross cultural research on partnerships build consensus on partnership terminology and definitions?
- Is it possible to arrive at multiple levels of governance of social networks?
- How can the implementation of policies (such as on fisheries, forestry and so forth) could be strengthened by bringing private regulations that emerge through partnerships into the development of policies for a consistent system of governance across different regions, countries and globally?

### 2. Process of Interactions

The process within partnerships consists of a dynamic interaction across partners from different economic sectors. The process interacts with the external (context) and internal (content) environment. Hence it is important to systematically research partnership processes on a European, global or country specific level that will inform both the implementation and the partnership outcomes.

- How can partnerships be transparent and accountable?
- How can the interactions across different stakeholders inform the evolutionary dynamics among the partners?
- Is governance through partnerships a distinct form of governance from government? (different from public/private/voluntary organisations governance)?
- How can partnerships maintain a democratic and accountable role in societal interactions?
- Can partnerships facilitate sustainability discourses? can they be tested? can they be mapped?

- What are the different types of risk (financial, legitimacy, accountability etc.) for the different partner organisations?
- How can partners facilitate learning within and across partnerships?
- How can complexity theory inform risk assessment in partnerships?
- How can complexity theory help to enhance stakeholder engagement and interactions across the sectors?

### 3. Content of Interactions

The content of interactions refers to the actions and ideas that occur within the internal environment that constitutes cross sector partnerships, including organisational characteristics, capacity, skills and shared knowledge and so forth.

- What are the factors that constrain partners' ability to enable and form partnerships?
- What are the distinguishing characteristics of individuals and/or organisations that produce successful partnerships?
- How can the partnerships contribute to capacity building for each partner?
- How do you scale up / replicate a partnership?
- Is the role of conflict in partnerships constructive or destructive?
- What are the differences/similarities between partnerships and voluntary regulation (globalised economy) vs partnerships for service delivery?
- What is the role of trust in partnerships?
- What are the different partnership skills set that need to be developed for societal partnerships to be successful?
- How can partnership contribute to the development of new skill sets?
- How can industry partnership initiatives and end users/community voice be incorporated in research?
- How is risk perceived by the different stakeholders within and across social partnerships?

### 4. Impacts of Interactions

The impacts of partnerships refer to the outcomes of interactions and their effects on the organisational and societal level. In particular this is important in relationship to future policy making.

- What is the impact of partnerships on the societal cause targeted?
- What is the impact of partnerships on the partner organisations? What is the impact of partnerships on the various stakeholders (within and outside the participating organisations)?
- What are the risks and benefits for the partners and society at large as a result of partnerships?
- How can partnerships facilitate cross-sectoral cultural awareness and understanding?

- How success can be defined measured or quantified in partnerships in order to demonstrate value? (KPIs / ROI)
- What is the impact of partnerships on regional/national/European levels?

### Methodological Issues

A number of methodological issues were also at the centre of the discussions, such as: undertaking cross country comparisons in order to emphasise the role of culture; similarly researching at the local level in order to arrive at regional comparisons across Europe; paying attention to both variation and standardization in studying cross sector social partnerships/interactions which will assist in developing a common language; developing a database that would allow sharing cases and information, encouraging the development of common metrics within and across social partnerships and mixed methods research in order to analyse partnerships data.

Some of the themes might include:

- To design and construct success indicators for cross sector social partnerships;
- To design and construct a measurement instrument to derive the key underlying factors contributing to the 'outputs and outcomes' using both quantitative and quantitative research methods;
- Application of different methodological paradigms in the study of cross sector interactions;
- Community voice in policy development in terms of partnerships

## **4. Conclusion**

Partnership working has become increasingly one of the most popular modes of interactions that organisations employ, aiming to find sustainable solutions for problems that extent beyond the sectorial borders of profit, nonprofit and government, and encourage organisational learning through change on structural, cognitive, behavioural and action levels. Cross Sector Social Partnerships is a phenomenon across different countries that need to be studied more closely in order to identify the implications with regards to the context, content, process and impacts of the interactions. Potentially partnerships can also have positive impacts on the currently experienced decrease of public trust in institutions, public cynicism; policy implementation difficulties to mention only a few.

Funding bodies such as The European Commission on a European Scale or the ESRC (a founding council in the UK) on a country level can encourage the study of Cross Sector Social Partnerships by including in their thematic priorities themes that are suggested above. Further research will contribute to the encouragement of debate, discussion and the

opportunity for innovative interaction between academics, businesses, NPOs, policy makers and many other stakeholders in arriving at better sustainable solutions for social problems. Recognising the need for outputs that will be valuable to all stakeholders can function can strengthen the incorporation of voices from different backgrounds to be heard and provide evidence from their own contexts. Further research in cross sector partnerships will also increase the informal interaction between academia and practitioners, legislators and different sectors.

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## 6. Appendix I: Scoping Symposium List of Participants

### SCOPING SYMPOSIUM: THE FUTURE CHALLENGES OF CROSS SECTOR INTERACTIONS

Thursday, 24th May 2007, Robinson Rooms, Suite A318, Old Building, London School of Economics

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