The value of ambition

How charities and companies can create more value through more ambitious partnerships

Remarkable Partnerships

ROGARE
THE FUNDRAISING THINK TANK

FUNDRAISING: CORPORATE

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1. Introduction

Every year, HSBC receives 10,000 unsolicited sponsorship proposals from charities (Gillis 2012, p101). That's an average of 38 per working day (Monday-Friday) or 5.5 an hour. Or one every 11 minutes. Yet no more than four of these will be successful (ibid).

What do you find shocking about these facts? Is it that sheer number of proposals HSBC receives? Is it the vanishingly small success rate or those proposals (0.0004 per cent)? Is it to wonder why people even bother with these chances of success?

Or is it, maybe that these unsolicited proposals are for 'sponsorships'? That fundraisers at charities looked at a multinational conglomerate such as HSBC and thought, you know what, we should ask them to sponsor our [insert type of project] in return for letting them put their logo on our [insert whatever type of marketing collateral they are using].

Is that all they thought a company such as HSBC was worth pitching, when companies the size of HSBC have the potential to help charities change the world. But rather than thinking big, charities ask for a sponsorship.

It's not very ambitious, is it?

OK, so this is a rhetorical point with which open this paper. We don't actually know how many proposals HSBC receives for the types of corporate partnerships that would facilitate and drive more change or value over and above that facilitated by mere sponsorships. But such a large number gives us an inkling – at least a basis for hypothesising – that many charities see corporates only as relatively low value, low engagement partners. And this isn't very ambitious.

But what of the other side of the fence? How do companies view the scope and potential of their partnerships with the charity sector? One of the most common types of collaboration is the Charity of the Year (CotY) type partnership, competition for which has "never been fiercer" (Franklin 2012, p122), and is becoming ever more complex and difficult with companies introducing more stages that charities need to go through to secure CotY status (ibid), for example, though increasing use of staff votes (Ribeiro 2011).

This has caused considerable consternation among fundraisers, because of the "stop-start" nature of the partnerships and the work that needs to go into securing something with short-term, time-limited benefits (IoF 2015, p35), and the "fierce competition" among charities for such partnerships (ibid, p47). Some fundraises say CotY partnerships are simply too short (Third Sector 2005) – a third of charity respondents to *Civil Society*'s partnerships survey reported that their most important corporate partnership was for a year or less whereas in 2010 just a quarter of all partnerships were this short (Ribeiro 2011) – while others argue that companies should make a "greater effort" to move away from CoTY towards "strategic partnerships with clear benefits" (IoF 2015, p18).

Considering the types of partnerships that companies could be offering to charities, the preference for CotY is as equally unambitious as the predilection for sponsorships.

And for the final figure in this opening round of argument making the case for a lack of ambition in charity-corporate partnerships (CCPs), the amount of money raised through corporate partnerships is small, just two per cent of total voluntary income (Walker 2013, p147). In 2013, the total value of company giving was £470m in cash (ibid, p7). This figure comes from a report report by the Directory of Social Change that considers monetary donations only. A different way to consider the total contribution companies make to the voluntary sector is through the LGB Model,[1] which also takes into account the value of in-kind donations, hours volunteered, and the management costs incurred on community initiatives (Charities Aid Foundation 2018, p3). While this is considerably more than actual cash donated, the total contribution by FTSE100 companies in the UK fell from a high of £2.4bn in 2014 to £1.9bn[2] in 2016 (ibid, p8).

This project – of which this paper is the first stage – began as a discussion about how to increase that figure.

We start that discussion, and this project, on the core assumption that corporate-charity partnerships (CCPs) – which are defined as "a discretional agreement between an NPO and a for-profit business to address social or environmental issues and to provide specific benefits for both partners"[3] (Al-Tabbaa, Leach and March 2014, p659) – are a good thing.

Not only that, if done well they are a win-win – both sides benefit, though of course, if they are not done well the 'win' may not be equally shared and one partner may be disadvantaged – we should not be naïve that there can be serious downsides to an inappropriate or poorly executed CCP (see also s5.4).

So this project makes no attempt to argue the case for CCPs; we simply assume that the case has been made, since it has been made by others (e.g. Rondinelli and London 2003; Al-Tabbaa et al 2014).

Building on that assumption, the next challenges are to:

a) Ensure that charities and companies embark on the correct types of partnerships with the right organisations with each so that they both maximise their respective win potentials (it really is win:win and not win:WIN).

b) Having embarked on the right partnership, they execute the partnership in ways that actually deliver on maximising the potential value of the partnership.

[1] *http://www.lbg-online.net/#about*.

[2] *The LBG Model includes donations/contributions outside the UK.*

[3] *Albeit that this would exclude Philanthropic partnership, since corporate philanthropy has been defined as the giving without any* direct *commercial benefit (Madden, Scaife and Crissman 2006, p49).*

The second of these (point b) focuses on best practice. If we were to follow this route, it would make this project a best practice guide, identifying ways and means and making recommendations about better ways to do charity-corporate partnerships.

But there are two caveats to this this approach. The first is that there are many such practical outputs already available, from very hands-on instructional stuff, such as the Directory of Social Change's corporate fundraising book (Morton 2012), which contains best practice guides to sponsorship (Gillis 2012) and CotY (Franklin 2012) among others; to reports that recommend better ways to deliver more value generally, such as by building greater openness into partnerships, or involving more partners (Kail, Denselow and Wyld 2018).

We would have faced the question about what extra value we could have provided over and above the existing literature. We probably could have provided some new and additional insight. But would it have been enough to substantially increase corporate giving? Or would it rather have tinkered around the edges?

And this leads to the second caveat. Would improving the way the corporate partnerships are currently done – not just any additional insight we could have brought through this project, but by adopting that recommendations for practical change from all the existing literature – substantially move the dial on the money corporate giving brings to the voluntary sector, or would it only make an incremental difference?

We are not making this point rhetorically. Perhaps a focus on 'doing CCPs better' would deliver substantially more money. This however, is not what we have chosen to do in this project.

So the first point (point a) describes the challenge once we accept that CCPs are a good thing in and of themselves: choosing the right partners for the right types of partnerships.

Again this could have taken a best practice approach in partner selection, identifying and outlining practical ways and recommendations for charities and companies to select the right partners.

Or it could look at whether charities are choosing the right type of partnerships (which carries with it an implication that they have to have the right type of partner). Why, for example, are 10,000 charities a year asking HSBC for sponsorship when they could be asking for different types of partnerships, which could not only give them more money, but also help them bring about much more transformational change in society?

But by the same token, why do so many companies offer CotY type partnerships when there are many other ways they could be working with charities that would provide those charity partners with much, much more value?

It could be that they don't know about the different types of partnerships that are available. In which case a solution is to make them aware of these types of partnerships.

Or it could be that they don't want to embark on different types of partnerships, because they think those other types of partnerships are not for them (perhaps because they think

they don't have the resources, skills or knowledge to make them work, or that those other types of partnership are simply 'not for us'). This might require an attitudinal shift among both charities and corporates to actually desire those types of partnerships.

Both of these could be attributed to a lack of 'ambition'.

In the case of having negative attitudes about the types of partnerships that are available, being more ambitious would mean overcoming these attitudes, and the perceived barriers to desiring these types of partnerships. Being ambitious for these types of partnerships means seeing problems such as lack of resources not as a barrier *preventing* such CCPs, but as an obstacle to be *overcome*.

But not being aware of different partnership types doesn't absolve a charity for not showing sufficient ambition in what it could achieve through corporate partnerships. Ambition – as we shall subsequently argue (see s3.2) – is not a quality of the partnership itself, but an attitude expressed collectively by the charity (or corporate).

Lack of collective ambition results in lack of awareness about different types of CCPs that could be entered into; rather than it being the case that lack of awareness acts as a barrier to more ambitious CCPs (though this could also be the case, it is important not to see it as the only cause of lack of ambition).

So this is the route we have decided to take for this project.

We have decided to research whether charities and corporates are sufficiently ambitious in their CCPs.

Being more ambitious could result in different types of partnership that could deliver more money and more societal value and change than are currently being realised, and so move the dial substantially on the contribution of corporate giving to the sector's voluntary income.

Ambition in charity-corporate partnerships is not something that we have found specifically explored in the existing academic or practitioner literature. This project could therefore represent an important contribution to corporate fundraising's knowledge base and how it is practised.

Later stages of this project aim to test whether charities and companies are sufficiently ambitious in their partnerships and more specifically what the barriers to greater ambition in CCPs might be.

To do this we need to do several things, which is the role of this initial paper.

First we need do define ambition, which, perhaps surprisingly, is a concept that has been sparsely researched and conceptualised in the psychology literature (Judge and Kammeyer-Mueller 2012, p759).

Then we have to find our own concept of ambition as it relates to charity-corporate partnerships.

To do this we need to be able to relate it to an established framework or typology of CCPs. We have chosen to use Austin and Seitanidi's (2012a, 2012b) Collaboration Value Creation (CVC) Framework.

This allows us to come up with a conceptualisation of ambition in CCPs (or of 'ambitious CCPs') that is related to the value that these partnerships create. This value is worth much more than money, so ambitious partnerships are not focused or predicated on gaining only money.

Ambition in CCPs is therefore about value creation.

We can already get a sense of how this might play out in practice: those 10,000 sponsorship approaches to HSBC are unambitious because they are focused solely on monetary value rather than other types of value, which could potential be worth a lot more than cash.

This conceptualisation of ambition in CCPs also moves the ambition away from the *type* of partnership. Ambition is not predicated on striving for one type of partnership instead of and over another; it is predicated on creating more value, and the type of partnership is simply the tool through which to create that value (the partnership is a means to an end, but not the end itself – which is value creation).

Being ambitious for a different type of partnership is a naïve form of CCP ambition.

Being ambitious to create the most value is a more nuanced and sophisticated form of CCP ambition.

The initial paper for this project on ambitious CCPs therefore aims to describe the challenge and conceptualise the issues that will then provide the basis for identifying research questions for subsequent phases of the project that will allow us to identify barriers to ambitious CCPs, and thus make recommendation for how to overcome these barriers.

1.1 Notes about this paper

While this paper attempts to review some of the literature relating to charity-corporate partnerships, this is not an academic-standard literature review. We have not aimed to be comprehensive in this paper, only to review as much relevant theory as we needed to develop this position.

For example, as previously stated, we have used Austin and Seitanidi's (2012a, 2012b) Collaboration Value Creation (CVC) Framework, which has received general approval in the academic community, assessed on citations. Other frameworks are of course available. But rather than describe these as well, we have pointed the reader to a summary of them in Austin and Seitanidi's papers (which are available online at ResearchGate).

Also we have used Austin and Seitanidi as a major source, so that rather than cite a large range of papers by going back to the original source, this paper refers mainly to Austin

and Seitanidi's review. If this were an academic paper, we would have gone to the original sources to verify, and then include that original paper in the references. Readers who wish to delve into this further should check out Austin and Seitanidi's papers for directions to further sources. We take the same approach with the 2014 paper by Al-Tabbaa, Leach and March (2014).

This paper aims to identify RESEARCH QUESTIONS for further study in later phases of this initiative, and identify potential BARRIERS to ambition in CCPs. These words are capitalised throughout (except when the barrier doesn't refer to a barrier to ambition).

Finally, certain terms relating to part of the Collaboration Value Creation Framework – such as *linked interest* and *transaction value* – are italicised throughout as a visual aide to the reader that these are CVC components and that readers can remind themselves of their meaning by referring to the relevant section.

1.2 Glossary of abbreviations

CC – Collaboration Continuum

CCP – Charity-corporate partnership

CotY – Charity of the year

CSR – Corporate social responsibility

CVC – Collaboration Value Creation

NPO – Nonprofit organisation (in this report used interchangeably with 'charity' for sake of editorial variation).

2. Executive Summary

Through this project were aiming to persuade charities and companies to:

a. See the value of being more ambitious

b. *Want* to be more ambitious

c. Understand *how* to be more ambitious.

Ambition in charity-corporate partnerships (CCPs) is a desire to create more value than is currently being created in, by or through existing partnerships.

A CCP "a discretional agreement between an NPO and a for-profit business to address social or environmental issuers and to provide specific benefits for both partners" (Al-Tabbaa et al 2014, p659).

Value in this context comes from the work done by Austin and Seitanidi (2012a, 2012b).

The value created by CCPs can be economic, social or environmental.

Value comes from four sources:

1. Complementary resource – providing resources the other partner doesn't have (such as money or reputation)

2. Nature of the resource – whether it is a generic resource that any partner could have supplied (such as money) or a specific resource that only the partner could have supplied (such as specialist expertise)

3. Direction of resource flow – whether it goes from only from one partner to another (unilateral) or goes both ways (bilateral)

4. Linked interest – how the interests of partner organisations are shared or linked; the self-interest of one organisation is linked to the value they create for the other – in other words, helping the other partner helps you.

There are four types of value

1. Associational value – benefits derived simply by being in a partnership, e.g. credibility

2. Transferred resource value – the benefit a partner gets from receiving a particular resource

3. Interaction value – intangibles that derive from the processes of partners working together such as reputation, trust, learning, knowledge etc.

4. Synergistic value – value that emerges out of partners working together that they could not have created on their own, often resulting in major change at society level.

More change can be created with interaction value and synergistic value, and so ambitious CCPs are those that aim to create more *interaction value* and *synergistic value*.

Value can also be created internally or externally to the partnership, and at different levels, with benefit accruing to:

- Individuals (micro level), such as beneficiaries, staff, volunteers and customers
- Organisations (meso level)
- Society (macro level), where radical and transformative systemic societal change occurs.
-

We can therefore add to our definition of ambition in CCPs:

Ambitious CCPs aim to create systemic social change.

Or

The more ambitious a CCP is, the more it aims to create systemic social change.

Or

To create systemic social change, those embarking on CCPs need to be ambitious to create the greatest amount of value.

There are four types of CCP that can be arranged on a four-stage 'Collaboration Continuum' (CC):

1. Philanthropic – company gives cash to a charity (*unilateral* resource flow)
2. Transactional – *bilateral* exchanges of resources, thorough mechanisms as cause-related marketing, licensing and sponsorship
3. Integrative – where partner organisations with high levels of *linked interests* align their values and missions, and combine their assets and skills/knowledge to create new resources, rather than swap resources they already have. This allows them to innovate solutions together that neither could have achieved on their own
4. Transformational – the most advanced (and most speculative and least supported by evidence) stage: "collaborative social entrepreneurship" that creates transformational change through "disruptive social innovation".

More *interaction value* and *synergistic value* is created through *Integrative* and *Transformational* partnerships.

Therefore, because more value overall is created at the higher stages (3 and 4) on the Collaboration Continuum, the direction of ambition goes along the CC from Philanthropic to Transformational.

However, we stress again, that the ambition is to create more value, and is not simply an ambition (which is really an aspiration) to have a 'transformational' partnership; ambition in CCPs is not simply a matter of having aspirations to move further along the collaboration continuum.

With ambition defined as the "habitual striving" (see below) to create more value than is currently being created, it is intended to use this project to help charities and companies identify what mix of the four types of value they want – *associational, transferred, interactional, and synergistic* – and what criteria they need to specify that would allow them to tap into the four sources of value – *resource complementarity, resource nature, resource directionality and use,* and *linked interests*.

Examples of the types of outputs (such as money, trust etc) that accrue from these different types of value, and thus are mainly delivered at the different stages of the CC, can be found Table 2 on page 40.

But what is 'ambition'?

'Ambition' is a persistent, generalised and habitual striving for success, attainment and accomplishment.

It is different to aspiration, which is a desire for a particular outcome.

In terms of CCPs, charities may have 'aspirations' for a particular type of partnership (and perhaps with a particular company), but an 'ambition' – an habitual desire or striving – to create the greatest amount of value through partnerships with companies.

Ambition in CCPs is therefore not a desire for a particular type of partnership (the partnerships type is rather the vehicle by which more value is delivered; so the type of parternships is the means to the end, but not the end in itself).

However, ambition in CCPs is not 'normative'. We are not saying that all charities *should* always want to 'ambitious'. There may be times when it is perfectly OK not to be ambitious and settle for the value they already have.

However, unambitious charities might justifiably attract criticism if their lack of ambition were due to the wrong reasons, such as not having the skills or knowledge needed to create more value through more ambitious CCPs.

Definitions and conceptualisations of ambition have been developed in the psychology literature in relation to individuals and do not directly apply to, and are not necessarily transferable to, organisations. The link between individuals and organisations is supplied by the idea of 'collective ambition'.

Collective ambition is: "A shared sense of purpose, how a company will fulfil it and track progress, and how leaders and others will behave every day as they achieve and sustain excellence."

Organisations with high levels of collective ambition "don't fall into the trap" of pursuing a single ambition such as profit, but pursue a multitude of goals needed to achieve and sustain excellence.

The collective ambition of a charity in connection with the CCP is the multifaceted-faceted one of creating value, not the single ambition of achieving a particular type of partnership (which could constitute a trap – such as the trap of being caught in the never ending spiral of sponsorship or charity of the year applications).

It will be a goal of a later state of this initiative to create a scale to assess an organisations' collective ambition in relation to CCPs.

Barriers to ambition in CCPs

1 Lack of knowledge/understanding (s5.1)

One of the biggest BARRIERS to ambition is lack of knowledge or understanding, in various guises.

Lack of knowledge of the Collaboration Value Creation (CVC) Framework and *Collaboration Continuum* (CC) will be a massive BARRIER to ambition because charities (and to a lesser extent companies) will not understand that they *can* create more value, or even if they understand this, they will not know *how* to do it. For example, a charity would not know that to create an ambitious partnership (to create more value), then it needs to seek a corporate partner with *linked interests*.

If charities or companies think they are not likely to succeed in achieving more, then they are unlikely to try to achieve more. This could be driven by a lack of understanding or knowledge about what they could achieve.

2 Negative attitudes to companies (s5.2)

Antipathy to corporate partnerships (corporates are 'the enemy'); charities need to keep a safe "ideological distance" from companies.

3 Normative attitudes about corporate philanthropy (s5.3)

The attitude prevalent with some in the charity sector that companies ought give to charity without expecting anything in return. So there is a normative expectation that companies should engage in Stage 1 Philanthropic partnerships.

4 Asymmetry in value creation (s5.4)

It is possible that companies stand to gain proportionately greater value, particularly in Philanthropic or Transactional partnerships.

Companies do not need to produce social value, whereas charities do. Charities are therefore inherently more ambitious than companies. There is an asymmetry in ambition.

5 Companies' 'unevolved' mindsets about CCPs (s5.5)

Companies have an 'unevolved' mindset that is focused on short-term gain. Because of this unevolved mindsets of companies and the lack of a driving imperative for them to be ambitious:

In terms of ambitious value creation, it may be the case that leading the charity horse to the ambitious water is enough, but the real challenge is in trying to make the corporate horse drink from the ambitious water.

6 Companies are 'doing it for themselves' (s5.6)

With changing attitudes that led to the rise the rise of B-Corps, many companies are embarking on initiatives to deliver social value without feeling the need to partner with nonprofits to do so.

7 Role of giving managers and pushback from shareholders/senior management

Senior staff or shareholders may be concerned that engaging in partnerships will damage the firm's profitability.

It might also be that some senior staff may support charities because it is in their individual interest rather than their company's, so they don't need to be ambitious to meet their individual interests, which are enhanced status and reputation.

Giving managers or those tasked with partnership decisions at companies may not understand the company's CSR policy, and so rein in their ambition to satisfy what they think are its requirements, particularly if the company sees partnering with charities merely as a means to meet is compliance requirements.

8 Misperceptions between charities and companies (s5.8)

Charities and companies may not accurately perceive the other's motives, intentions and expectations about a partnership.

9 Risk (s5.9)

The risk of partnership failure may simply to be too great and too daunting.

10 Size (s10)

Neither smaller nonprofits nor companies may have the capabilities or resources for more ambitious partnerships. Further, partnerships don't always meet the expectations of smaller companies.

All BARRIERS listed

Charities

- Lack of knowledge about CCPs (s5.1)
- Barriers to success of a partnership, taken collectively, are also a barrier to ambition (5.1.1)
- Lack of resources (s5.7, s4)
- Lack of support/buy-in from rest of organisation (s5.2, s4.2.1)
- Competitive and crowded marketplace (s5.1)
- Negative attitudes to working with companies, including keeping a safe 'ideological distance' (s5.2)
- Normative attitudes about philanthropy – the idea that companies ought to give money rather than seek partnerships (s5.3)
- Potential power imbalances/asymmetry in a partnerships (s5.4)
- 'Unevolved' mindset at companies that doesn't seek greater engagement with NPOs (s5.5)
- Company believes it does not need a partner to create 'shared' social value (s5.6)
- Misperception in how company and charity see their partnership (s5.8)
- Risk of failure (s5.9)
- Smaller size of a nonprofit (s5.10a).

Companies

- Lack of knowledge about CCPs (s5.1)
- 'Unevolved' mindset at companies that doesn't seek greater engagement with NPOs (s5.5)
- Shareholders are concerned partnerships will damage their company's profitability (s5.7)
- Distrust of skills/qualities of NPOs to deliver partnership objectives (5.1)
- Company believes it does not need a partner to create 'shared' social value (s5.6)
- Decision maker does not fully understand the CSR policy (s5.7)
- Company views partnership merely as a compliance measure (s5.7)
- Misperception in how company and charity see their partnership (s5.8)
- Smaller size of a company (s5.10b)
- Smaller company believes its expectations will not be met by a partnership (s5.10b).

Research questions

1. Do both charities and companies have and can they use the knowledge that would allow them to be more ambitious in creating greater value in their CCPs? (s5.1)

2. Do companies distrust the knowledge/abilities/qualities of nonprofit staff, leading them not to seek more ambitious partnerships because they think the nonprofit organisation will be unable to deliver on it?

3. How big a BARRIER is any possible asymmetry to value creation to ambition in CCPs? (s5.4)

4. How ingrained are negative attitudes in both companies and charities and how much of a BARRIER to ambitious CCPs do these represent? What can be done to bring about attitudinal change? (ss5.2, 5.3)

5. Do fundraisers feel they have the support from the rest of the organisation they need to be more ambitious in their partnerships with companies (s5, s4.2.1).

6. Do charities have internal marketing strategies to promote their partnerships, and how successful do they think this approach is? (s5.2)

7. What could give charities the confidence to escape "gratefulness syndrome" to allow them to avoid becoming stuck in the Philanthropic stage? (s5.3)

8. How does the perception of risk impact on ambition in CCPs? (s5.9)

3. Ambition

3.1 Ambition in charity-corporate partnerships

Our core contention in this research is that nonprofits and charities can create more value working together than they could do on their own. This is supported by a great deal of academic thinking (see Austin and Seitanidi 2012a, p734).

Ambition in CCPs is therefore a desire to create more value than is currently being created , by or through existing partnerships (and of course they may be *no* existing partnerships).

What we are therefore aiming to do in this project is to describe how charities could create more value through more ambitious CCPs.

Our use of ambition is therefore 'descriptive' – we are describing what it is and how to achieve it, without making any kind of judgement that charities or companies *ought* to act this way.

A normative understanding of ambition would state that being more ambitious in CCPs is something that both charities and companies ought to do as a point of (moral) principle – they owe it to all their stakeholders to create more value by being more ambitious, and it is a failing on their part (perhaps a moral failing) if they are not appropriately ambitious (which would leave lack of ambition in CCPs open to a charge of unethical behaviour).

We don't view ambition in the context of CCPs as normative – in other words we are not saying that this is something that all charities ought to have or do. It's OK to be unambitious if you don't need to create more value than you already have. If you are not being ambitious in your CCPs, then you aren't necessarily doing anything wrong or failing (especially if you don't have the requisite knowledge or skills to be more ambitious – though perhaps a corporate fundraiser *ought* to have this knowledge).

However, we *are* trying to persuade charities and companies to:

a. See the value of being more ambitious
b. *Want* to be more ambitious
c. Understand *how* to be more ambitious.

All of which revolve around creating more value together than they could have done separately.

So for us, ambition in the context of CCPs is a kind 'semi-normative' or 'quasi-normative' idea. It's not something you really ought to do, but it would be really good if you did. In this sense, ambition in CCPs might be viewed as 'supererogatory'.

In philosophy, supererogatory means you have gone 'beyond the call of duty' – it literally means 'doing more than is due'. A supererogatory act is something that is good to do, but not bad not to do. So someone who carries out a supererogatory act can be praised for performing that act, but attracts no blame if they do not (Heyd 2002/2015). An example of

this might be a person who tackles an armed robber. They would certainly be praised for doing so, but would be unlikely to be blamed for choosing not to put their life in danger.

In fact, giving to charity itself is probably a supererogatory act. There is no actual requirement that you give to any particular charity in response to any particular solicitation, and you don't do anything wrong if you choose not to give to that charity at that time in that way. But you attract heaps of praise if you do (praising donors is one of the core tenets of donor-centred fundraising).

Our goal is to get more and more charities to the stage where they are praised for engaging in more ambitious CCPs, but we do not (necessarily) blame or criticise those who decide to remain relatively unambitious.

However…unambitious charities might justifiably attract criticism if their lack of ambition were due to the wrong reasons, such as not having the skills or knowledge in order to create more value through more ambitious CCPs. In this case, the value that is left un-created is not because either or both partners have decided that they do not need this value, but that they had no idea either that this value could be created, or they *did* know about it and *wanted* to access it, but had no idea how to go about it. Wanting to be ambitious but choosing not to be, because it was too hard, is something for which criticism would probably be justified.

3.2 What is ambition?

Ambition as a concept is something that has been largely neglected by academic scholarship, and when it is studied it often proves to be elusive or misunderstood (Judge and Kammeyer-Mueller 2012, p758). A helpful review of the psychology literature was conducted by Judge and Kammeyer-Mueller 2012, in which they built a model that accounts for the "causes and consequences of ambition" (ibid, p759). But it's important to realise that this paper is in the context of personal ambition of individuals, not the collective ambition of an organisation or corporate body. In that sense, an organisation cannot be 'ambitious', because it is not sentient. So when 'ambition' is used to describe organisational objectives, it is used figuratively/metaphorically, rather than literally; we are sborrowing the term and concept of 'ambition' from social psychology and adapting it for our needs, rather than directly applying it.

Judge and Kammeyer-Mueller (2012, p759) review various definitions and conceptualisations of ambition, such as (p759):

- An overarching desire to aspire towards success and improvement over one's current condition
- A desire to achieve ends, especially wealth, success and power
- A level of goal striving
- Ambition is "aspirational" involving a "motivational pathway" that is oriented towards achievement
- Ambition is generally defined in terms of goals and accomplishments.

Aiming to summarise and distil these various definition and concepts into a new definition, Judge and Kammeyer-Mueller (2012, p759) define ambition as:

"A persistent and generalised striving for success, attainment and accomplishment."

Persistency indicates that ambition doesn't stop once a level of attainment is reached; while generalisation means ambition is not directed only in a particular sphere (p759) or towards single goals (p760). Ambition is an "habitual level of striving" or a desire for accomplishment, which differentiates it from "aspiration", which is focused on specific targets (p760). This example illustrates the point:

One may have an aspiration to go to college to study journalism and an aspiration to enter the journalism profession; but one then has ambitions to become the best journalist in one's field.

This raises a challenge for ambition in respect of CCPs, since it would appear that an organisation would not have an 'ambition' for a particular type of partnership, only an 'aspiration' for a particular type of partnership, which is a specific goal. This challenge evaporates, however, if we think of ambition as focused on value creation as the end goal, rather than partnership type as an end; the partnership is actually the means to the end. There is thus an habitual desire on the part of ambitious charities to realise more value from CCPs.

Ambition in CCPs is the ambition to create ever more value, which is realised through aspirations to put in place various types of partnerships (more on what these types of partnerships are in s4.2.1)

Judge and Kammeyer-Mueller (2012, p760) also differentiate ambition from "achievement motivation".

Whereas ambition is about *what* is achieved, achievement motivation is about *how* that thing was achieved.

A person high in achievement motivation desires to be skilled and competent at the tasks they undertake, whereas an ambitious person more strongly desires the rewards this competence brings; a person high in achievement motivation values a job well done irrespective of whether this brought the rewards that an ambitious person might desire, such as higher status or a pay rise.

One team of American psychology scholars in the 1950s defined achievement motivation as "success in competition with some standard of excellence" (McClelland et al 1953, via Judge and Kammeyer-Mueller 2012, p760). But ambition can be realised independently of superior performance – one can get that higher status without performing well or exceeding McLellan et al's "standard of excellence" to get it. Ambition need not just be measured against a standard of excellence, whereas excellence *is* required for achievement motivation. However, the two are probably closely correlated, and ambitious people are also likely to have high achievement motivation

Perhaps one way to look at this is that ambition only focuses on the end result, and skills and competencies are merely means to get that end results; whereas achievement motivation views the application of skills and competencies as an end in itself, not just the means to an ambitious end.

This raises some important questions for how we consider ambition in CCPs. Are we talking about ambition or achievement motivation?

Judge and Kammeyer-Mueller (2012) talk about the two being correlated. We will postulate that in terms of CCPs, ambition will not be realised without achievement motivation. In other words, ambitious charity-corporate partnerships will have to be judged against a standard of excellence, because a standard of excellence is required to achieve them. And it is individual corporate fundraisers/partnerships managers and CSR practitioners who will need to have the knowledge and skills to achieve this standard of excellence.

Charities and companies cannot simply hope to create more value (our definition of ambitious CCPs – see s4); they will have to know *how* to create more value, and this requires specialised knowledge applied excellently.

There are some further insights into personal ambition described by Judge and Kammeyer-Mueller (2012) that may have some bearing on how we conceptualise ambition in CCPs.

Ambition is partly conditioned on a realistic appraisal of the likelihood of success (ibid, p770), and, according the 'investment model of personality' people put most effort into areas of their lives where they will have the greatest likelihood of success (ibid).

This is a potential BARRIER to ambition in CCPs. If charities or companies think they are not likely to succeed in achieving more, then they are unlikely to try to achieve more. We'd hypothesise here that the biggest BARRIER to ambition might therefore be ignorance.

First, there might be ignorance of the value that CCPs can deliver; fundraisers may simply not be aware of the types of partnerships they could enter into with companies and the types of value that would deliver (this value is described in s4.1).

Second, even if there is awareness of the greater type of value that could be created, so that charities could be ambitious for that value, they are ignorant in how to create or realise that value. They lack the skills and knowledge they need.

Hypothetically, this ignorance BARRIER could be one reason why many partnership are predicated around transactional or philanthropic models (see s4.2.1) such as Charity of the Year: charities either don't know there are different partnership models or they don't know how to create and access those other models.

Judge and Kammeyer-Mueller (2012, pp769-70) also say that research from the field of goal setting suggests that setting high expectations can produce initial dissatisfaction,

although once one succeeds in achieving initial goals, this success leads to setting increasingly higher goals.

So we can probably issue a warning to charities not to be too ambitious, at least initially, in their goal setting around CCPs. If a charity that is engaged in Transactional Charity of the Year type partnerships decides it wants to move to a world-changing Transformational partnership in one step, it is likely to be disappointed.

Ambition in CCPs – i.e. how much of what type of value charities want to realise – will be predicated on a realistic assessment of what they might achieve. Success in achieving these goals, even if they result in some initial dissatisfaction (because they are difficult to realise) will ultimately lead to higher goals, more ambition, and greater value created.

3.3 Organisation *vs* individual ambition in CCPs

'Ambition' in the psychology literature is a personality trait. However, when we adapt this to, or talk about, organisational ambition, or the 'collective' ambition of a company, it is not the same thing. Non-sentient corporate bodies do not have literal personalities, and they thus do not have personality traits such as ambition.

Ambition in this organisational context is therefore an attitude and a set of behaviours, and/or a structure or organisational set up that encourages and facilitates these attitudes/behaviours. The attitude in respect of CCPs is a desire to create more value through the CCP (which we are calling ambition), and the associated attitudes (such as the belief that corporates are appropriate partners with whom to create social value) that support that; and the behaviours are those that facilitate the creation of the greater value.

However, just as an organisation cannot have personality traits, neither can it have attitudes. The attitudes are therefore held by the people who make up the staff of the organisation. The behaviours are the exercise of these attitudes in practice.

This means that to make a charity or company more ambitious in respect of their CCPs, we can take two approaches.

Fist, we can attempt to change the attitudes of the people working at organisations to help them see how they can derive more value from their CCPS – i.e. to be more ambitious in their CCPs.

Second, we can change some of the organisational behaviours to better facilitate the creation of more value in CCPs.

Hopefully we will do both, and if we can change the attitudes of staff to be more ambitious in respect of CCPs, then that will lead to a change in the organisational behaviours that lead to more ambitious CCPs.

However, changing the behaviours is a structural change that doesn't necessarily require a great shift in attitude. This means that we can encourage more ambitious CCPs and

thereby create more value simply be recommending some changes to what the organisations (both charities and corporates) do.

But this does raise the question of whether the people who are involved in CCPs need to be 'ambitious', in the sense of possessing the personality trait of 'ambition'. And if they do, there is the further question of how we recruit ambitious people to these roles.

We would suggest however, that the quality required by partnership managers and corporate fundraisers is not ambition, but achievement motivation. To create and realise more value from CCPs, what we need are knowledgeable fundraisers who will set the bar in managing CCPs against a standards of excellence.

3.4 Collective ambition

The attitudes that we would be trying to shape and shift have been described as "collective ambition" in an article in the *Harvard Business Review* by American organisational management theory scholars Douglas A. Ready and Emily Truelove, which they define as (2011, p97):

"A shared sense of purpose, how a company will fulfil it and track progress and how leaders and others will behave every day as they achieve and sustain excellence."

The authors argue that companies that pursue a collective ambition don't fall into the trap of pursing a single ambition, such as profit. Instead, employees "collaborate to shape a collective ambition that supersedes individual goals and takes into account the key elements required to achieve and sustain excellence" (ibid, p97).

To relate this to our concept of ambition in charity-corporate partnerships, the collective ambition would be to create and realise value, of which there are many types that can be realised in many ways (see s4.1). Value is thus a multifaceted and not a single ambition. Following our concept of ambition in CCPs, the "trap" of a single goal that fundraisers could fall into would be to pursue a particular type of partnership, such as Charity of the Year or unsolicited sponsorship application. This would fixate efforts on a single (relatively unambitious) goal, with the potential pitfall of leaving much of the potential value of a partnership unrealised. However, the trap could equally be tripped going the other way, by being too ambitious. Charities could pursue a highly ambitious Integrative of Transformational (see s4.2.1) partnership, because, say, they think this is normatively the right thing to do (i.e. they think all CCPs should be 'transformational'), or they have seen a case study of a (purported to be) 'transformational' partnership at a conference. It could be that in a case such as this, the single ambition becomes to emulate what might be a totally inappropriate (because it is too ambitious) Transformational or Integrative partnership. If this partnership fails or falters because the charity does not have the knowledge or skills to pull it off, it is possible that value could be left unrealised because the charity lost sight of a collective ambition to create the most value and instead got side-tracked into a single ambition to build a particular type of partnership. This is again mixing up ends (value) with means (partnership) and views the partnership as the end in itself.

Ready and Truelove describe seven "elements" of collective ambition, which they argue must be carefully integrated to create a "compelling story"[4] of the company's future (Ready and Truelove 2011, p97):

1. Purpose
2. Vision
3. Targets and milestones
4. Strategic and organisational priorities
5. Brand promise
6. Core values
7. Leadership behaviours.

If clearly defined, Ready and Truelove (2011, p97) say these elements can help business leaders spot areas of misalignment and put in place interventions to put them right. They use these seven elements to create a scale by which a company can audit (i.e. measure and assess) its collective ambition and progress towards the goals of its collective ambition (ibid, p98) (see Fig 1).

It will be our aim during the course of this project (though not necessarily during this initial literature review and early concept development stage) to create a similar tool for auditing ambition in CCPs, based on and/or adapting Ready and Truelove's design.

Incidentally, Ready and Truelove state that the misalignments this auditing process throws up can be fixed by initiatives designed to put them right. This reinforces our previously-stated objective to suggest measures that can be used to change the behaviours of organisations in being more ambitious in their CCPs.

Use of the term 'collective' ambition suggests one other consideration. That the ambition is collective strongly suggests that it is not just the corporate fundraising team, nor even just the fundraising department, that must be ambitious in CCPs. It is the entire organisation. As it is often proclaimed, everyone is a fundraiser. Or in this case, everyone should be ambitious to create more value from their corporate partnerships.

And one final point before we close this first section of this review. Collective ambition is the ambition of the whole organisation. And the ambition is to create greater value than is currently being created. That value is not only monetary, and need not be just monetary. In this sense, it may well be that in the context of developing greater collective ambition in CCPs, the term 'fundraiser' is obsolete and does not convey the totality of the roles the team tasked with managing corporate partnerships is faced with. While not a major objective of this project, we will nonetheless give some consideration to more appropriate nomenclature for the job roles that currently fall to 'corporate fundraisers'.

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[4] The importance of telling this compelling story internally to ensure the success of the CCP, particularly at the charity, is described in s5.2.

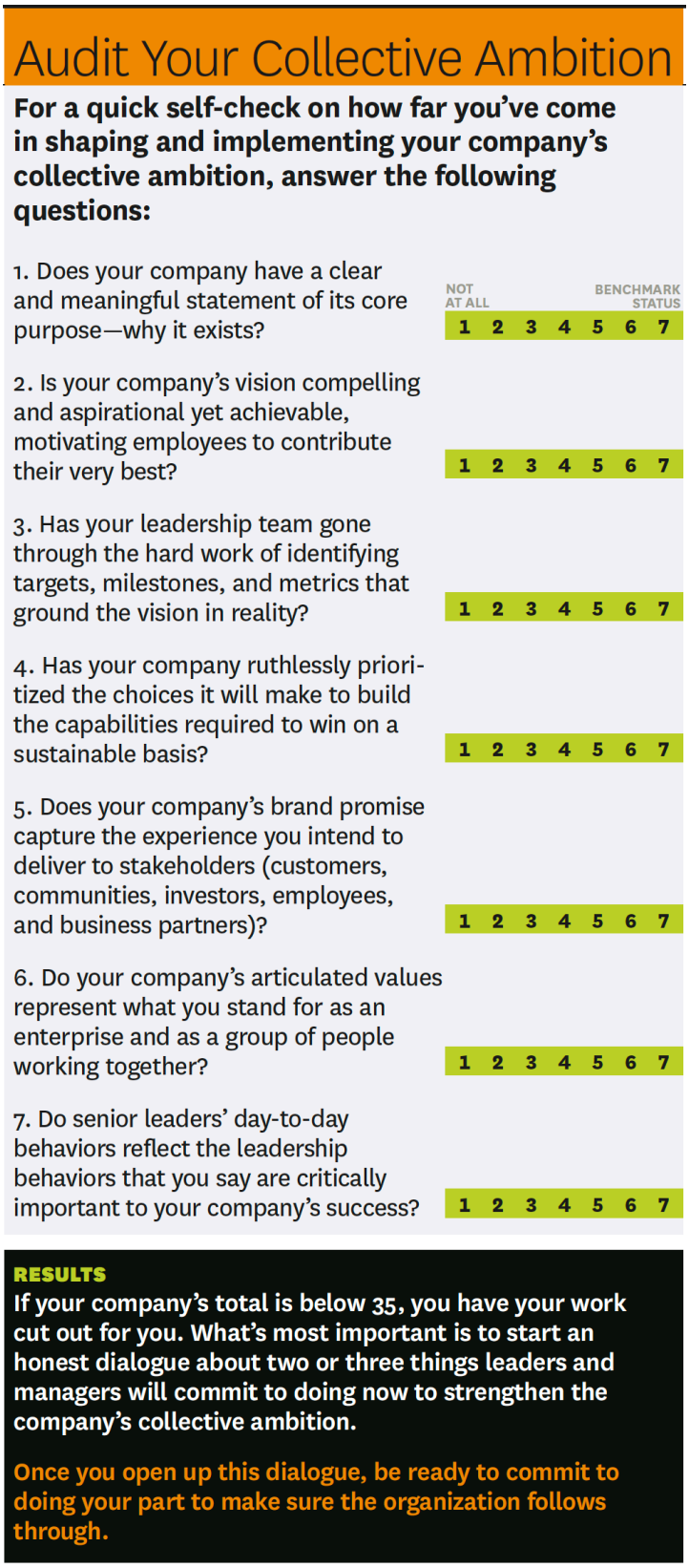

Fig 1. Ready and Truelove's (2011) scale for measuring organisational collective ambition.

4. Value creation through charity-corporate partnerships

It is quite generally accepted that collaboration between businesses and nonprofits is a value creation process (Al-Tabbaa et al 2014, p657), and this is the central theme of the work of Harvard University professor James E. Austin, stretching back around 20 years, and since 2010, for his collaborations with Kent University's May Seitanidi, which they have turned into a book (Austin and Seitanidi 2014).

Creating value, Austin and Seitanidi (2012a, p728) say, is the "central justification for cross sector partnering". And it is the search (by charities and corporates) for greater value creation that has "given rise to…ever more robust cross-sector partnerships" (ibid, p731)

But as Austin and Seitanidi (2012a, p733) say, there have been few attempts to deepen the analysis in terms of the types of value created and the location of that value.

This is what Austin and Seitanidi (2012a, 2012b[5]) attempt to do with a framework they call the Collaborative Value Creation (CVC) Framework – building on the earlier work of Austin (2000), which analysed in depth five NPO-corporate partnerships (ibid, p70) – and it is Austin and Seitanidi's framework that we will use as the basis for developing our ideas for ambitious CCPs, since this appears to us to be the most nuanced framework, and captures the essences of many other types of framework.[6]

They start by defining what they term "collaborative value", which is the "transitory and enduring benefits relative to the costs that are generated due to the iteration of the collaborators, and that accrue to organizations, individuals, and society." (Austin and Seitanidi 2012a, p728)

Therefore we are considering ambition in CCPs as:

a. Those that aim to create most value
b. Those that aim to create more value than they currently realise.

Our starting premise/hypothesis will be that more ambitious partnerships create more value. (Or phrased differently: More value will be created in more ambitious partnerships.)

The two challenges for us are:

a. How to measure or assess that ambition
b. Whether ambition in the CCP is actually appropriate or necessary (as we do not consider 'ambition' to be a completely normative concept in respect of CCPs, it is perfectly possible that there will be some – perhaps many – cases where both partners

[5] *This review draws from these two papers rather than their 2014 book.*

[6] *A review of some other partnership models can be found in Austin and Seitanidi 2012a, p737. These often take two approaches: 1) a chronological process of how the CCP delivers its objectives; 2) how businesses can use the CCP to implement social responsibility programmes (Al-Tabbaa et al 2014, p659). But they rarely explore CCPs from the perspective of NPOs (Harris 2012, p897; Al-Tabbaa et al 214, p657).*

are content with the value they create and have no need nor desire to be more 'ambitious').

There is also a second question about how we define, assess and measure value, but fortunately most of that work has been done by Austin and Seitanidi (2012a, 2012b) using the CVC Framework, which they deploy to find and answer to this question (2012a, p727):

"How can collaboration between businesses and NPOs most effectively co-create significant economic, social, and environmental value for society, organizations, and individuals?"

Collaborative Value Creation (CVC) Framework[7] (Austin and Seitanidi 2012a, 2012b)

The CVC Framework contains four components:

1. Value Creation Spectrum
2. Collaboration stages
3. Partnerships processes
4. Collaboration outcomes [creation of new value].

4.1 CVC Component 1: Value Creation Spectrum (Austin and Seitanidi 2012a)

There are two ways in which value can be created (Austin and Seitanidi 2012a, p729) (see also Fig 2):

- Sole creation – value created by independent actions of one of the partners
- Co-creation – value created by "conjoined actions" of collaborators.

Austin and Seitanidi's hypothesis is that greater value is created as one moves from sole to co-creation. Therefore this is the direction of ambition. Greater ambition in CCPs is for co-creation because this brings greater value. But remember, the ambition is for greater value; co-creation is the vehicle by which this greater value is realised. As an example of this, greater value is created by both partners "comingling" their resources (see *resource directionality and use* below), so a more 'ambitious' CCP would, arguably, seek to comingle resources to create new services or activities that neither could provide on their own. However, neither partner may actually need those new services/activities.

There are three overarching categories of value (Austin and Seitanidi 2012a, p730):

1. Economic
2. Social
3. Environmental.

[7] *Austin (2000) originally called this the Collaboration Value Construct.*

This is now Austin and Seitanidi (2012a, p731) relate/combine this three categories of value:

"Collaborative creation of social or environmental value can generate economic value and vice versa, sequentially or simultaneously, thereby creating a virtuous value circle."

There are four sources of value (ibid, p729-30) that will allow nonprofits, through their partnerships with businesses, to "increase their ability to pursue more effectively their missions by tapping into the four sources of value" (ibid, p735).

1. **Resource complementarity** (p729) – access to the resources that one partner doesn't already have but that the other can provide, e.g. money from a business and reputation from a charity. But Austin and Seitanidi say there needs to be "organisational fit" – resource complementary is dependent on achieving organisational compatibility – (Austin and Seitanidi 2012b, p932) and that the "multitude of difference between nonprofits and businesses are impediments to collaboration and value creation". Opportunities for resource complementarity "abound" (Austin and Seitanidi 2012a, p734) (see Table 3).

2. **Resource nature** – what resource is beings supplied, of which there are two types:
   Generic resource – a resource that all potential partners could bring, e.g. all corporates could offer money; all (mostly) nonprofits can offer reputational enhancement.
   Organisation-specific resource – something that only one of the partners can provide, such as specialist knowledge or expertise, or access to key relationships.

3. **Resource directionality and use** – this is how resources contributed by both partners are used and deployed.
   Unilateral – comes mainly form one partner, with the most common form of contemporary CCPs being those in which businesses transfer resources to nonprofits (Ellis 2012, p894)
   Bilateral/reciprocal – resources flow both ways, as in cause related marketing or sponsorships.
   There's also a difference between parallel flows (e.g. money goes to charity and reputational association goes to company) and "conjoined" or "comingling" of resources from both partners to produce new services or activities that neither could have created on their own.

4. **Linked interests** – the self-interest of organisations is linked to the value they create for the other partner. In other words, helping the other partner helps you. This can be linked to the widening of business activities beyond stockholder theory – that the only duties companies have are to their stockholders (Freidman 1970) – and opens the door to the type of value described below (Austin and Seitanidi 2012a, p732). Many NPOs that were antagonistic to corporations have discovered they have common ground through linked interests that have allowed them to tap into complementary, *organisation-specific* resources that might otherwise have been closed off to them (ibid, 733). There are three steps to maximise linked interests (ibid, p730):

i. Understand how the prospective partner views value

ii. Reconcile differences

iii. Ensure the value exchange is fair.

We can hypothesis here that ambition would flow towards CCPs between organisations with linked interests that can provide complementary, organisation-specific resources in at least a bi-lateral/reciprocal transfer, and at best conjoined or comingled to produce new services or activities (see Fig 3). But this is always bearing in mind that some organisations will be content or satisfied with unilateral, generic resources simply to fill a resource complementarity hole.

Ambition could also mean the NPO being prepared to change the way it thinks about the corporate and dropping or changing some of its attitudes about it. The Greenpeace-Shell collaboration to dismantle and dispose of the disused Brent Spar oil rig in the North Sea (see e.g. Harris 2012, p895) could be seen as the type of CCP that would not have been possible without ambitious thinking by both partners, thinking that allowed them to conceive of a collaboration that might otherwise have seemed inconceivable.

Moving on, Austin and Seitanidi (2012a, p730-731) describe four types of value:

1. **Associational value** – benefits derived simply by being in a partnership, e.g. credibility

2. **Transferred resource value** – the benefit a partner gets from receiving a particular resource. Money is an obvious example. Some transferred resources are "depreciable" (get used up) such as money, whereas others are "durable" (they endure and can be reused/reapplied over again), such as a new skill that is learned (ibid, p731).

3. **Interaction value** – intangibles that derive from the processes of partners working together (i.e. the actual mechanisms and workings of the CCP, not just the fact that the CCP exists, which is Associational Value). These can include reputation, trust, learning, knowledge[8].

4. **Synergistic value** – arises from the "underlying premise" that "combining resources allows partners to accomplish more together than they would have done separately", (ibid 2012a, p730) which is often created at the societal level (Austin and Seitanidi 2012b, p932). In other words synergistic value is the new value that is *created* through the partnership, whereas the components of *associational*, *transferred resource,* and *interaction* values already existed and were *realised* through the partnership.

With ambition defined as the "habitual striving" to create more value than is currently being created, it is intended to use this project to help charities and companies identify

[8] *The full list of interaction values provided by Austin and Seitanidi (2012a, p731) is: reputation, trust, relational capital, learning, knowledge, joint problem solving, communication, coordination, transparency, accountability, and conflict resolution.*

what mix of the four types of value they want – *associational, transferred, interactional, and synergistic* – and what criteria they need to specify that would allow them to tap into the four sources of value – *resource complementarity, resource nature, resource directionality and use,* and *linked interests*.

4.2 CVC Component 2: Collaboration stages (Collaboration Continuum – CC)

This is based on and expands Austin's previous work (2000) on conceptualising a "Collaboration Continuum" (CC), which has formed the basis of much academic work on nonprofit and business partnerships[9]. The CC has four stages (Austin and Seitanidi 2012a, pp736-744):

1. Philanthropic
2. Transactional
3. Integrative
4. Transformational.

The first three of these stages were described by Austin in 2000 and have been well evidenced and documented in the literature, while the fourth – Transformational partnerships – was added in the paper co-authored with Seitanidi in 2012 as a "possible extension" of the continuum. The authors say (2012a, p736) that, as of 2012, although there were "emerging indicators" of transformational partnerships in practice, it is "more theoretical than empirically based". Before examining these stages in detail, it's worth spending some time considering why Austin and Seitanidi think the use of a continuum is important (ibid, p737):

- It recognises that collaborations are dynamic and not discrete points
- Partnerships and collaborations can shade from one into another, not just going up the continuum but also back down it. And partnerships don't automatically move from one stage to another – work (for which knowledge and skills are required) has to be done to move the partnerships up (and down) the continuum.
- Partnerships and collaborations are multifaceted, and actual partnerships may contain parts that are at closer to different stages on the continuum – an integrative partnership may contain transactional components, and probably will.
- It is not necessary to pass through each stage in the continuum in order reach a higher stage. It is possible to go from a Philanthropic to an Integrative partnership, missing out the Transactional stage (even though the integrative partnership it may contain transactional elements). Or more likely, charities will enter into a CCP at stage 2 (Transactional) or, more ambitiously, stage 3 (Integrative) without having had a Philanthropic stage at all. Of course, it is entirely possible that partnerships could evolve into higher stages along the CC.

[9] *See the citation list in Austin and Seitanidi 2012a, pp735-736*.

4.2.1 Stages of the Collaboration Continuum

1. Philanthropic collaborations (Austin and Seitanidi 2012a, pp738-39)

This first stage comprises a charitable corporate donor and a (passive) charity/nonprofit recipient in a largely unilateral *transfer* of *generic* resources, from corporate to charity, that allows the charity to create *social* value. Philanthropic collaborations comprise *transferred resource*, though the corporate is also likely to pick up *associational* value, with research showing that 14 per cent of US companies' reputation is attributable to its "citizenship efforts" (ibid, p738). This is an old-fashioned corporate donor that gives money or *pro bono* time (the classic day release to paint the charity's offices).

Value created is *solely-created*, with each partner creating inputs: the corporate providing funds (or time) and the nonprofit delivering a service using the transferred funds.

There is a degree of normative expectation around philanthropic partnerships, since research shows that many people expect and require companies to make philanthropic donations. For example, the ceo of the Directory of Social Change, Debra Allcock Tyler, is a regular critic of the paucity of corporate philanthropy and decries the more transactional approach (Allcock Tyler 2011). Attitudes such as this are a potential BARRIER to moving up to higher stages on the CC (see s5.3).

There is a possibility that charities could buy into this idea that companies *ought* to give them money. When they are in this "fundraising mentality", they come to suffer from "gratefulness syndrome" (Austin 2000, p73). This can act as a BARRIER to ambition (which is reinforced by anti-transactional partnership attitudes described above) by keeping the nonprofit stuck or trapped in the Philanthropic stage and never seeking higher stages on the CC. A possible RESEACH QUESTION is what would give charities more confidence to break out of this mindset.

There is much talk about corporates practising "strategic philanthropy", an idea introduced by Porter and Kramer in 2002. Yet the clue is in the title, and however much such philanthropy may be aligned with creating social value and enlarging the company's marketing environment, it is still *philanthropy*, which, as Porter and Kramer say (2002, p61), "can often be the most cost-effective way – and sometimes the only way – [for a company] to improve its competitive context".

There can be an asymmetry of value creation at the Philanthropic stage since charities receive some generic resource that helps them deliver their mission (but not radically or transformatively), but companies stand to gain proportionately greater value, particularly if they practise strategic philanthropy.

There could also be an asymmetry in ambition. Companies don't need to move to a higher stage collaboration on the CC since their collective ambition can be fulfilled at the Philanthropic stage (as Porter and Kramer say), even though their charity partner might be ambitious for more value for themselves, and thus desire to move to a higher stage partner (see s5.4). This potential 'ambition asymmetry' a therefore a potential BARRIER to ambitious CCPs and something we may need to address as a RESEARCH QUESTION.

2. Transactional collaborations (Austin and Seitanidi 2012a, pp739-742)

These are collaborations/partnerships with a *bilateral* reciprocal resource exchange of *transferred* value through specific activities, such as sponsorships and cause-related marketing (CRM), employee volunteer programmes (rather than a one-off day release to paint the charity's HQ), licensing agreements etc. The resources are often *organisation*-specific rather than *generic*, and the partners have *linked interests* in that creating value for one partner is dependent on creating value for the other.

There are many benefits to the corporate partner, particularly *associational value*, such as strengthening relationships with employees and investors, not to mention increased sales, which is the rationale for entering into Transactional CCPs from the company's perspective.

One well-cited benefit to companies from employee volunteer programmes is skills development (Austin and Seitanidi 2012a, p740); but one particular benefit that can result to nonprofit partners from employee volunteering programmes is if employees contribute their specialised skills (finance, marketing etc) to the nonprofit.

As with the normative arguments in favour of corporate philanthropy (and therefore against Transactional partnerships), there are normative arguments against various type of transactional collaboration. One such is that intiatives such as cause-related marketing act to "marketize" philanthropy (Eikenberry 2009). Were such attitudes to be ingrained or gain acceptance at charities, they too could act as a BARRIER to being ambitious for Transactional partnerships.

Austin and Seitanidi (2012a, p742) advance the argument that the resources generated through Transactional collaborations will be greater than through Philanthropic ones. This however is not necessarily true, since it depends on the size of the gift made under a Philanthropic collaboration. Big philanthropic donations that outweigh the value created during Transactional collaborations are good arguments for sticking with Stage 1 collaborations and being less 'ambitious'.

3. Integrative collaborations (Austin and Seitanidi 2012a, pp742-743)

Integrative collaborations are different form Stage 1 and Stage 2 collaborations in "fundamental" ways. The missions, strategies, values, and activities of both partners are integrated, or merged – even staff may be shared between partner organisation – to produce new value for each other that neither partner could create on their own which leads to greater *interaction value*. To evolve to this stage, potential partners need good *organizational fit* and *linked interests* and the partnership is seen as "integral to the strategic success of each organisation", which delivers *interaction value*, particularly for the corporate.

But beyond this, both partners place a greater priority on generating *societal value*.

Rather than just unilaterally or bilaterally exchanging discrete resources (say, the charity's reputational goodwill for a percentage of the product price, as in CRM) in *ad hoc* and

isolated ways, the partners combine their key assets and core competencies, so that the *resource directionality* is "conjoined". Rather than swap resources, new resources are created, which allow partners to create innovative solutions that neither could have achieved on their own, which is *synergistic value*.

Integrative partnerships are more ambitious because there is more of a focus on creating social value for the community, not just transactional benefits for both partners (while of course fully realising that the charity partner is *always* looking to create social value for the community).

It is also more ambitious because the solutions that are put in place, and the value that is created as a result, emerge as innovations out of the collaboration, and so this value could not have been created at lower stages in the CC by a simple of exchange of resources.

But if they are to be successful, Integrative collaborations require more hard work and the investment of far greater resource (such as management time) than is required to deliver successful Stage 1 (Philanthropic) and Stage 2 (Transactional) collaborations.

A potentially significant BARRIER to Integrative collaborations is that charities don't have the resource they need to invest in such a collaboration (see s5.10a).

Furthermore, a company needs to have sufficiently enlightened attitudes and thinking to enter into an Integrative partnership. As Austin and Seitanidi say (p743): "A company cannot undertake an Integrative collaboration until its CSR has achieved an integrative state." In other words, the company must genuinely desire to create social value in and of itself so that it become part of their own identity. Or one could say that the company has a collective ambition to create more social value. As IBM's ceo Sam Palmisano said of his company's Reinventing Education collaboration with schools: "It's who we are; it's how we do business; it's part of our values; it's in the DNA of our culture." (Austin and Seitanidi 2012a, p743.)

It is therefore a potential BARRIER if a company's thinking is not at this enlightened state and the desire to create social value is not part of the DNA of its culture (see s5.5).

Charites also need to have such an ambition. With companies, this ambition often stems from the leadership (as can be seen from quote from Sam Palmisano above), not just the marketing department. For a successful Integrative partnership, charities also need buy-in at all levels, particular from senior leadership (Austin 2000, p83). An integrative partnership is unlikely to be successful if it only involves the fundraising department – and this is even more true for Transformational partnerships. One way to ensure this buy-in from the rest of the organisation is to establish and internal marketing strategy (Sanzo et al 21015, p394).

Lack of such buy-in as a barrier to the success of a partnership, but it is also a BARRIER to ambition since fundraising teams may considering more ambitious partnership not worth trying for if they think they won't have the support of the rest of the organisation in making them successful. A RESEARCH QUESTION could therefore be whether fundraisers and

CSR practitioners feel then have the support from the rest of the organisation they need to be more ambitious in their partnerships with companies.

NB – See the cautionary case study on p44 about an Integrative partnership that did not deliver for the charity.

4. Transformational collaborations (Austin and Seitanidi 2012a, p743-744)

This "most advanced" stage of the CC represents "collaborative social entrepreneurship". In a Transformational partnership, partners work together to co-create "transformative change" at a societal level for society at large, perhaps even through the creation of a new organisation. The aim of a Transformational collaboration is to create 'disruptive social innovations'[10] though a "shared leaning about social needs and partners roles in meeting those needs".

The effects of a Transformative collaboration are not only the creation *social*, *political* or *economic* value. Such a partnership would also "change each organisation and its people in profound, structural and irreversible ways".

Transformative collaborations would need as much, if not more, resource and hard work as Integrative collaborations, and so the availability of such resource and the willingness to deploy it is a potential BARRIER. Another BARRIER is attitudinal. Neither the nonprofit not the corporate may wish to undergo profound and irreversible change, nor relinquish the control over their own operations and destinies that goes with it (Simpson, Lefroy and Tasarenko 2011, p305; Al-Tabbaa et al 2014, p665).

[10] *A term first used by American business scholar Clayton M. Christensen in 1995, a 'disruptive social innovation' is: an innovation that creates a new market and value network and eventually disrupts an existing market and value network, displacing established market-leading firms, products, and alliances (Rodriquez and Da Cunha 2017, p389).*

	Sole-Creation----------→ Co-Creation
SOURCES OF VALUE	
Resource Complementarity	*Low----------→High*
Resource Nature	*Generic----------→Distinctive Competency*
Resource Directionality	*Unilateral----------→ Conjoined*
Linked Interests	*Weak/Narrow----------→Strong/Broad*
TYPES OF VALUE	
Associational Value	*Modest----------→ High*
Transferred Resource Value	*Depreciable----------→ Renewable*
Interaction Value	*Minimal----------→ Maximal*
Synergistic Value	*Least----------→ Most*
Innovation	*Seldom----------→ Frequent*
STAGES	*Philanthropic----→Transactional-----→Integrative-→Transformational*

Figure 2. The CVC spectrum, showing how sources and types of value change from sole to co-creation (from Austin and Seitanidi 2012a, p745)

	Stage I	Stage II	Stage III	Stage IV
NATURE OF RELATIONSHIP	***Philanthropic>Transactional>Integrative>Transformational***			
• **Level of Engagement**	***Low←----------→High***			
• **Importance to Mission**	***Peripheral ←----------→Central***			
• **Magnitude of Resources**	***Small←----------→Big***			
• **Type of resources**	***Money←----------→Core Competencies***			
• **Scope of Activities**	***Narrow←----------→Broad***			
• **Interaction Level**	***Infrequent←----------→Intensive***			
• **Trust**	***Modest←----------→Deep***			
• **Internal change**	***Minimal←----------→Great***			
• **Managerial Complexity**	***Simple←----------→Complex***			
• **Strategic Value**	***Minor←----------→Major***			
• **Co-creation of value**	***Sole----------→Conjoined***			
• **Synergistic value**	***Occasional←----------→Predominant***			
• **Innovation**	***Seldom←----------→Frequent***			
• **External system change**	***Rare←----------→Common***			

Figure 3. Stages of the Collaboration Continuum showing how differences in various types of value (from Austin and Seitanidi 2012a, p736)

In terms of ambition in CCPs, it looks very much like ambition relates to a desire to move a partnership up the Collaboration Continuum to a 'higher' stage.

As can be seen from the Figs 2 and 3, it appears that the more desirable and more valuable outputs and virtues are to be found higher up the CC.

However, Austin (2000, p72) states that this is not a normative continuum – it is not the case that one stage is necessarily better than another – but a descriptive one, meaning that this is not saying that charities ought to strive for higher stage partnership, and a nonprofit can decide that no further evolution along the continuum is needed (ibid, p92). If a charity is happy with their philanthropic partnership with a company, then the possible existence of Integrative partnership does not mean they must or should strive to move their Philanthropic partnership to an Integrative one.

Also, recall our conceptualisation of ambition as the desire to create or realise more value than is currently being created/realised. This is the end goal of ambition, but the type of partnership used to reach this goal is simply the means to that end.

So ambition in CCPs is not simply a desire to move from, say a Philanthropic to a Transactional collaboration; it is not simply a desire to move to higher stages on the CC.

This is particularly true since the value that a nonprofit is ambitious to create could be created at a lower stage on the CC, or it could be created using components of a partnership that are at different stages on the CC.

Ambition in CCPs therefore requires knowledge of the types of partnerships that are possible and the types of value they deliver.

A potential BARRIER to this ambition then, as we have already suggested, is a lack of knowledge/understanding of these collaboration stages (s5.1).

It is a pertinent RESEARCH QUESTION for this initiative to ascertain whether both charities and companies (but particularly charities) have and can use the knowledge that would allow them to be more ambitious in creating greater value in their CCPs.

4.3 CVC Component 3: Partnership formation

Choosing the right partner is a key factor in achieving a successful partnership: "Selecting the most appropriate partner is a decision that, to a large extent, determines the value creation potential of the partnership (Austin and Seitanidi 2012b, p934). And then the implementation the partnerships with the chosen partner is the "value creation engine" (ibid, p936)

This takes on more importance the higher one aims along the Collaboration Continuum.

At the lower stages (Philanthropic and Transactional), collaborations can be successful with lower levels of *linked interests* and *organisational fit*, along with lower levels of factors such as trust (see Figs 2 and 3). These lower stages also create/realise 'lower' levels of value, such as *unilateral transfer* of *generic resource* – more often than not just money.

Higher stages on the CC (Integrative and Transformational) create more *synergistic value* and *interaction value*, which are dependent on higher levels of *linked interests* and *organisational fit*, and the aim is to co-create value.

Even though Austin and Seitanidi (2012b, p932) say that *resource complementary* is "dependent on achieving organisational compatibility", it seems that some misalignment in *linked interest* and organisational fit might not be too detrimental to Stage 1 or Stage 2 collaborations (where you could effectively 'get away with' have not quite the right partner), but would be fatal to Stage 3 and Stage 4 partnerships. However, if one is entering to enter into a partnership at the Integrative stage, choosing a partner with the right organisational fit and *linked interests* is imperative.

The process of *how* to choose a partner – such as how you assess how your interests are linked – is beyond the scope of this project. Choosing the right partner is a factor in achieving a successful partnership/collaboration, irrespective of how ambitious one is being in creating value through that partnership, although as we have just said, some misalignment at lower stages of the CC might not be fatal.

This project is about how to be more ambitious in CCPs. Therefore it is about the knowledge and understanding that corporate fundraisers and partnership managers need to have in being able to choose the right partner. It is the understanding that ambition in CCPs requires the knowledge that *organisational fit* and *linked interests* are key to achieving the success of an Integrative partnership.

As we have said before, lack of this knowledge could present a BARRIER to ambition in CCPs as much as it could present a barrier to success in CCPs.

As Austin and Seitanidi say (2012b, p931): "Underestimating the costs and negative effects of poor organizational pairing can be the result of insufficient experience in co-creation of value, planning, and preparation."

Let us again take some time to clarify the distinction between ambition in CCPs and success of CCPs, and the barriers to the same.

- The success of a CCP is whether it creates the value that it set out to create.
- Ambition in relation to CCPs is an habitual desire to create more value than is currently being created.

Choosing the right partner is key to both of these and choosing the wrong partner is a barrier to success in both cases.

But the difference is that the barrier to the success of the CCP is that the charity knows what type of partner it needs to create the value it wants, and how to choose that partner, but it executes the process badly (or not at all) and so chooses the wrong partner and the partnership fails or is not as successful as it could/should have been (doesn't create the value is could/should have done).

The BARRIER to ambition in CCPs is that the charity doesn't know what type of partner it needs to create the value it wants. For example, the nonprofit doesn't understand that it needs a partner with *linked interests*, or the nonprofit doesn't understand that it needs a partner with whom it can co-create *synergistic value*, and so on.

Take *linked interests*. For an Integrative collaboration, lack of linked interests is a barrier to success (Austin and Seitanidi 2012b, p932). A nonprofit with knowledge of value creation in CCPs will understand this and not try to create a collaboration with an organisation with which it does not share *linked interests*. An organisation without this knowledge might try to embark on an Integrative partnership with an organisation with whom it does not share *linked interest*. Lack of *linked interests* are thus a barrier to success, not ambition.

The BARRIER to ambition is the charity not knowing that it should seek a partner with *linked interests*, because this is a barrier to a desire to create more value.

It is the difference between 'having' and 'knowing'. The two cases are closely linked and porous, but they are distinct nonetheless.

To gain this knowledge, corporate partnership managers at nonprofits could do worse than read Austin and Seitanidi's second paper (2102b), pages 931-43, or Al-Tabbah et al's 2014 paper (both of which are available on ResearchGate).

There are many processes that organisations should do to successfully choose the right partner– such as conduct at risk assessment (Austin and Seitanidi 2012b, p935) and thus many barriers to this, but we have decided to steer clear of a practical guide to selecting the right partner.

This also goes for the implementation of the partnership (the "engine of value creation" – Austin and Seitanidi 2012b, p936). Having selected their partners, we have not focused on how organisations should design and operationalise those partnerships – creating value through the value creation engine – except where they impact on ambition (the desire to create more value than is currently being created).

As we have repeatedly said, the main thing that impacts on a lack of ambition is lack of knowledge, awareness or understanding, of what these selection/implementation processes are (s5.1).

Instead – and also as we have previously said – 2ith ambition defined as the "habitual striving" (see below) to create more value than is currently being created, it is intended to use this project to help charities and companies identify what mix of the four types of value they want – *associational, transferred, interactional, and synergistic* – and what criteria they need to specify that would allow them to tap into the four sources of value – *resource complementarity, resource nature, resource directionality and use,* and *linked interests*.

4.3.1 Partnership institutionalisation

According to Austin and Seitanidi (2012b, p939) a partnership has reached "institutionalisation" when its "structure, processes and programs [sic] are accepted by their partner organisation and are embedded with the existing strategy, values, structures and administrative systems of the organisations".

They are describing how at the Integrative (stage 3) and Transformational (stage 4) stages of the Collaboration Continuum the two partner organisations become ever more closely aligned so that at the end of the process they are speaking the "same language" (Austin and Seitanidi 2012b, p940). Through the institutionalisation process, there is an accumulation of *interaction value* – recall that this includes things such as trust and reputation that arise from the processes of the partners working together – that progresses to *synergistic* value (the collaborative co-creation of social, economic or environmental value).

An important insight that Austin and Seitanidi describe (2012b, p940) is how the accumulation of *interaction* value (which comes from the partners actually working together) moves from 'information' to 'knowledge'.

At the start of this partnership, the partners have only 'information' about each other, such as what they do and what their values are. But as they work together, this information grows into 'knowledge' (ibid 2012b, p940). Information is simply facts and those facts could just be 'noise' if there is no way to interpret and understand this facts. That is what 'knowledge' supplies. Knowledge is understanding and knowing how to use the information once you have it. Information is a component of knowledge; but knowledge is much more than mere information.

It is this 'knowledge' about the partner that "locks in the emotional engagement" of partners (Austin and Seitanidi 2012b, p940). And so a higher degree of knowledge is "integrated with enthusiasm, pride, trust, and with the explicit aim to share the unique resources of the organisations".

Ultimately, knowledge turns into a 'capability' (ibid) that allows the partners to co-create innovative solutions that can be applied in the context of both partners.

And so information and knowledge are both key factors in successful partnerships, particularly higher order partnerships.

- Information is needed in order to choose a partner and begin the implementation of a partnership.
- Knowledge is required to create maximum value from the partnership.

And so lack of information and knowledge are also barriers to successful partnerships.

But are they also BARRIERS to ambition in CCPs? That is, are lack of information and knowledge BARRIERS to an habitual desire to create more value from CCPs than is currently being created? The answer to this is probably yes, and will be driven by attitudes about CCPs (see ss5.2, 5.3, 5.5). To want to create more value through an Integrative or Transformational partnership, charities (particularly, but also corporates, of course) will have to want to gain more information about potential partners, and they will have to want to turn that information into knowledge. So it seems plausible that there are actually BARRIERS to gaining information and knowledge about potential partners that need to be removed first, and those BARRIERS are ingrained attitudes about the how CCPs ought to function (ss5.2, 5.3, 5.5).

4.4 CVC Component 4: Collaboration outcomes (Austin and Seitanidi 2012b, pp944-955)

There is yet a further aspect to value creation, and that is where value is created, or the locus (plural: loci) of value location. This can be either internal (within the collaboration) or external, and can be created at three different levels: micro, meso and macro. The relationship between them showing who benefits at each level is shown in Table 1, though of course many partnerships create value at many levels and at both loci simultaneously; these are not hard and fast and mutually exclusive boundaries.

	Locus of value creation	
Level of analysis	**Internal (within collaboration value)**	**External**
Micro	Individuals at partner organisations (e.g. staff and volunteers)	Individual stakeholders (e.g. beneficiaries, customers, donors)
Meso	Partner organisations	Other organisations
Macro	NA	Systemic societal change

Table 1: Locus and levels of collaboration outcomes on the CVC

We have already argued that these higher stages on the CC represent more ambitious partnerships because of the type of value they create – *interaction value* and *synergistic value*. This level/locus provides further support for that contention. While lower level Philanthropic and Transactional partnerships will clearly bring benefits to a charity's beneficiaries (which is the whole point of embarking on them), these benefits are incremental, and relatively small increments at that.

It is Integrative (stage 3) and Transformative (stage 4) collaborations that produce systemic societal change at the macro level beyond what the partners could achieve on their own, or as Austin and Seitanidi say (2012b, p952): "Societal betterment that benefits others beyond the collaborating organisations and happens only with the joint actions." The value created is located outside the partner organisations, but it is done so by first creating great value with the collaboration at the meso level.

This is where radical and transformative change can occur that goes beyond the change to beneficiaries' lives that can be delivered by an extra couple of thousand pounds donated through by a Philanthropic partnership or the tens of thousands provided by a cause related marketing arrangement.

We can therefore add to our definition of ambition in CCPs:

Ambitious CCPs aim to create systemic social change.

Or

The more ambitious a CCP is, the more it aims to create systemic social change.

Or

To create systemic social change, those embarking on CCPs need to be ambitious to create the greatest amount of value.

As we have repeatedly said, there is nothing inherently wrong with corporate philanthropy nor Transactional CCPs such as CRM. Neither is there anything inherently wrong in only wanting this level of partnership or collaboration. It is perfectly fine, ethical and moral to set out to make incremental change to benefit your closest stakeholders.

However, the type of change that will have the most dramatic, transformational effect on the lives of individual beneficiaries will come from the systemic social change that can only be delivered through the *interaction value* and *synergistic value* created in Integrative and Transformational partnerships. If charities (and to a lesser extent companies) want to bring about this kind of change, then they *must* be ambitious to create this kind of value.

Incidentally, in this project we have chosen to disregard (partly for reasons of space, partly because they are underexplored in the literature – Austin and Seitanidi 2012b, p948) the benefits of value creation at the internal micro level, which include things such as personal growth and developing new skills. While it is a good thing to be mindful of and care for the well-being and professional development of your staff, our starting position is that it is the value created for beneficiaries and society that is more important, even though, of course, these benefits to individuals will contribute to organisational success. In any case, Austin and Seitanidi (ibid, p952) argue that benefits within the collaboration, both to individuals and organisations, are ultimately due to the value created externally to it.

Finally, it would help to provide a list of the types of benefits that accrue from the different types of value at different levels. This will give readers, we hope, a better understanding of how value translates into practice.

Table 2 shows internal benefits and costs at the meso (organisational) level. Table 3 shows external macro benefits and costs. Both these tables are adapted from (Austin and Seitanidi 2012b, pp945-51). At this stage for this literature review, these tables are populated only with findings from the academic literature, which in terms of organisational (meso level) benefits "abounds with a confusing array of benefits" (ibid, p945), while external value creation, arguably the whole *raison d'être* for collaborations, is the "least thoroughly dealt with in the literature and practice" (ibid, p952).

These two tables are thus a direct transfer of what Austin and Seitanidi's review revealed. As previously stated, we use this only indicatively to show the types of benefits and costs that can arise, but we're making no argument about their validity or otherwise. It may be that during the course of this project we adapt these table to provide more input from practitioners from their day-to-day experiences, and other practitioner sources.

	Charity		Business	
Type of value	**Benefits**	**Costs**	**Benefits**	**Costs**
Associational value	• Higher visibility • Increased public awareness • Greater support for mission	• Increased management costs • Decrease in donations due to high profile of wealthy partner • Increased need for resource allocation • Increased need in skills • Decreased volunteer support • Public criticism • Media criticism • Decrease in support from other nonprofit organisations • Decrease in trustee support • Decrease in employee productivity • Decreased volunteer support • Decreased credibility • Decreased reputation • Internal & external skepticism • Increased cost due to unforeseen exit of partner organisation • Accusations of legitimizing 'greenwashing' • Effectiveness and enforceability of developed mechanisms	• Credibility • Company, brand reputation & image • Legitimacy • Increased sales • Broader usages of products and services • Improved media exposure • Greater stakeholder loyalty • Stakeholder communication & accountability	• Increased management costs • Increased management costs • Increased costs for the development of new markets and new products, • Increased need in resource allocation • Increased need in skills • Increased risk of losing exclusivity in social innovation • Internal and external scepticism • Potential for reduced competitiveness due to open access innovation • Increased credibility costs in case of unforeseen exit of a partner from partnership

Transferred value	• Financial support
	  ○ Cash
	  ○ Gifts in kind
	• Increased volunteer support
	• Assets
	  ○ Land
	  ○ Materials, etc.
	•
			• Market intelligence
			• Competitiveness
			• Second-generation customers	

Interaction value	• Opportunities for learning • Development of unique capabilities and knowledge creation • Access to networks • Greater technical expertise • Increased ability to change behaviour • Improved relationship with corporate sector • Market intelligence • Exposure to different organisational cultures		• Access to networks • Technical expertise • Community and government relations • Corporate values • License to operate • Decreased costs • Meeting government and society's priorities • Employee benefits e.g. increased morale, motivation, skills, recruitment etc	
Synergistic value	• Innovation • Organisational change • Leadership opportunities • Increased ability to change behaviour • More political power within sector and society		• Product and process innovation & learning • Better risk management • Adaptation of new management processes • Increased long-term value potential • More political power within sector and society	

Table 2. Costs and benefits to charities and business of each type of value.

	Benefits	Costs
Individuals	• Increased disease/illness awareness and prevention • Reduced death rates • Increased life expectancy • Reduced substance abuse • Improved health, • Improved well-being • Improved social inclusion • Improved independence and responsibility • Reduced asymmetry between consumers and business • Improved literacy • Increased disposable income.	• Potential accountability, credibility and implementation problems.
Other organisations	• Adoption of technological advantage through available open innovation/intellectual property • Adoption of social innovations • Improved standards • Reduced social costs • Increased profit margin • Increased long-term value potential • Increased potential to meet government's and society's priorities • Development of new markets	• Costs for the development of new markets • Appropriateness of the standards developed
Society (including outcomes to the environment)	• Decreased pollution, deaths • Increased recycling, improved adoption rates of new practices; improved environmental standards • Improved global governance mechanisms • Reduced social costs • Increased capacity of societies to create social well-being • Increased values • Increased long-term value potential • Improved social standards • Enabling societies to take charge of their own needs, interacting with • Government and jointly designing welfare provision	• Decrease in the credibility of the institution of partnership to deliver in case of rhetorical claims • Increase in cynicism • Potential decrease in institutional trust in business and nonprofit • Organizations • Diluting ethical and emotional dimensions of social problems and replacing with • Instrumental perceptions • Appropriateness of the • Standards developed
Systemic change	• Introduction and adoption of new technology by industries • Reduced social costs through interaction effects of social problems • Improved cross-sector relations • Increased global value • Improved health • Improved well-being • Improved social inclusion • Improved independence and responsibility	• Decrease of trust across sectors in case of mis-matched partners • Negative publicity • Inability to deliver

Table 3. Benefits and costs of CCPs to stakeholders.

CASE STUDY

Yad Sarah and the drug company – a cautionary tale of a 'draining' Integrative partnership

It may seem that it is always better to move along the Collaboration Continuum from Philanthropic to Integrative (and beyond that to Transformational) partnerships. But some warning bells ought to sound for this approach.

First, as we have reported (s4.2.1), the inventor of the continuum, James Austin, says this is not a normative concept in that successive stages are not necessarily better, nor more desirable, than preceding stages.

We have also described throughout this report a number of potential barriers/BARRIERS to higher level partnerships, such as a lack of knowledge of the processes involved (s5.1), or that neither companies nor charities may wish to 'surrender' part of their control to or merge their identity with their partner (s4.2.1).

In 2013, Ruth S. Schiller and Michal Almog-Bar of the Hebrew University of Jerusalem wrote a case study of a failed Integrative partnership that should serve as a warning to anyone who would view the higher stages on the Collaboration Continuum as the types of partnerships they want to strive for simply of the sake of having those higher stage partnerships.

Schiller and Almog-Bar (2013) describe the three-year partnership, starting in 2006, between Israeli nonprofit Yad Sarah[11] – which provides medical and rehabilitative equipment and other services for homebound, sick, disabled and elderly through a 6000-strong national volunteer network – and an unnamed pharmaceutical company.

The problems began with Yad Sarah and their corporate partner wanting different things from the partnership. Yad Sarah needed "added value", which would derive from the strengths of the business partner that Yad Sarah did not possess but needed to implement (Schiller and Almog-Bar 2013, p949). However, the drug company was more interested in creating "meaningful" volunteering opportunities for its own employees, and so established a channel of operations within the charity to satisfy this requirement ibid, (p945), "insisting" on tailoring a project that would meet the needs of *every* employee, even though it was of little value to the charity; what Yad Sarah really needed was marketing access to the company's medical expertise, knowledge and connections. Servicing the unwanted and unneeded project "wasted" (ibid, p953) Yad Sarah's resources without bringing and substantial concomitant benefits – i.e. provided no added value.

The problems experienced at Yad Sarah exemplify the power imbalances that can exist in CCPs (see s5.4), in this case with the corporate "insisting" on value for its own staff but contributing little of value in return; while Yad Sarah accepted its position as the "inferior partner" (ibid, p953) because to get the benefits it *did* want, it thought it had to accept

[11] *http://www.yadsarahnewsenglish.022.co.il/BRPortal/br/P100.jsp*

(get "saddled with" [ibid, p954]) the volunteering part of the partnership as part of a "package" (ibid, p953).

It also illustrates a lack of knowledge (see s5.1). As Schiller and Almog-Bar say (2013, p954): "Yad Sarah rushed into an Integrative collaboration without a clear understanding of the different areas the collaboration would serve and the resources it would require."

Schiller and Almog-Bar conclude that charities should "cautiously assess" wither Integrative collaborations will answer their needs (ibid, p958); on many occasions, it will be more worthwhile for a charity to engage in Philanthropic and Transactional partnerships (ibid, p943).

Tensions in the partnership almost cause it to fall apart completely, but it was rescued when new staff on both sides came in, who, effectively, restarted the partnership, revisiting the process of value exchange and expectation, building new relationships, and opening new lines of communication. It was only at this stage that Yad Sarah became more active and a more equal, rather than "inferior", partner. (ibid, p948).

Schiller and Almog-Bar use the case study to develop a new typology of CCPs, which they call the Fields of Action typology (ibid, pp954-957), listing five types of collaboration based on what they do, rather than a classification of how they operate:

- Mission related – relating to the charity's core activities that serve its beneficiary group
- Marketing – providing marketing support, functionality, skills and knowledge by adverting/promoting the charities' services and building its brand and reputation[12]
- Learning – contribute to organisational learning and capacity building
- Infrastructure – helps to procure, develop and maintain infrastructure, such as buildings and computer systems
- Political – promote and further NGO's political agenda
- Marginal – anything that isn't directly connect to the NPOs core activities or achieving its mission.

This typology is not included in detail in the main body of the report (as neither are many other typologies that have been described in the academic literature – see s4), since it is largely about the type of partnership to create, rather than ambition to create more value, and is thus beyond the remit of this review. However, it could be used to help charities refine the specific area in which they want to create more value notwithstanding that for our purposes as set out in this review, those values are *associational, transferred resource, interaction* and *synergistic* (s4.1).

The Fields of Action typology can therefore help charities identify which domain they wish these added values to support, rather than charging in blindly with no real plan, as did

[12] *Interestingly, Schiller and Almog-Bar do not mention fundraising as part of a marketing collaboration.*

Yad Sarah. Companies could also use this typology to help them better understand the kinds of support a nonprofit might need.

One thing to note about this typology however, is that it is predicated on the value that goes from the company to the nonprofit: each of these six collaboration areas serves to advance the nonprofit's agenda, but not the company's.

5. Barriers to ambition in charity-corporate partnerships

5.1 Lack of knowledge/understanding

One of the biggest BARRIERS to ambition is lack of knowledge or understanding, in various guises. This comes through from this literature review strongly.

As recently as 2012, British academic Margaret Harris, of Aston University, wrote that the field of nonprofit studies "is far from having a body of knowledge about the interactions between businesses and [the nonprofit sector]" that would stand alongside the bulk of knowledge about relationships between the nonprofit sector and government (Harris 2012, p893).

Lack of knowledge of the Collaboration Value Creation (CVC) Framework and Collaboration Continuum (CC) will be a massive BARRIER to ambition because charities (and to a lesser extent companies) will not understand that they *can* create more value, or even if they understand this, they will not know *how* to do it. For example, a charity would not know that to create an ambitious partnership (to create more value), it needs to seek a corporate partner with *linked interests*.

If charities or companies think they are not likely to succeed in achieving more, then they are unlikely to try to achieve more (see s3.2). This could be driven by a lack of understanding or knowledge about what they could achieve. In a similar vein, those charities that do have more knowledge in and about CCPs could be a BARRIER to ambition in other charities in that they are a barrier to entry to the marketplace, because some charities are simply better at forging more ambitious partnerships with business (or even if they are not more 'ambitious' for more value, they are better at realising their aspirations for higher level Integrative collaborations).

Generally information (facts) and knowledge (how to use those facts) are requirements of successful partnerships, and so lack of these are also barriers to successful partnerships. Knowledge is required to create maximum value from the partnership. And so lack of information and knowledge are also barriers to successful partnerships.

But are they also BARRIERS to ambition in CCPs? That is, are lack of information and knowledge BARRIERS to an habitual desire to create more value from CCPs than is currently being created?

The answer to this is probably yes, and will be driven by attitudes about CCPs. BARRIERS to gaining information and knowledge about potential partners need to be removed first, and those BARRIERS are ingrained attitudes about the how CCPs ought to function (ss5.2, 5.3, 5.5).

Some solutions do suggest themselves to the knowledge BARRIER. One would be to recruit more knowledgeable fundraisers who are high in achievement motivation to exceed whatever standard of excellence in corporate partnerships fundraising is considered the benchmark (see s3.2).

This could require new resources, such as educational/training/reference materials or short courses, on building and maintaining successful corporate partnerships. But it could also mean becoming more knowledgeable more widely, for example, by better understanding the strategies by which to differentiate themselves in a crowded and competitive marketplace (Saxton and Guild 2010).

If there is a lack of knowledge/skills at nonprofits, then this could be a BARRIER to more ambitious partnerships from the corporate perspective, because companies may distrust the qualities or abilities of nonprofits to deliver on higher stage Integrative partnerships, let alone Transformational ones. This is a possible RESEARCH QUESTION for this project.

5.1.1 Barriers to success

We stated relatively early on in this review that barriers to the success of CCPs were not the same thing as BARRIERS to ambition in CCPs. Barriers to success are the factors that prevent a CCP from succeeding, such as the failure for internal advocacy/marketing at the nonprofit to champion the partnership (Sanzo et al 2015). Al-Tabbaa et al (2014) present a framework for building CCPs, so any deficiency in any of the components of this framework is a potential barrier to success, as would be deficiencies in Austin and Seitanidi's (2012b, pp930-943) recommendations on how to select partners and implement partnerships, such as a failure to conduct a robust risk assessment.

These factors can result in any CCP not being as successful as it could have been, irrespective of how ambitious in terms of creating value it was or was not.

However, taken collectively, the barriers to success can thought of as a BARRIER to ambition. If a nonprofit organisation is aware of all the factors that stand in the way of the success of an ambitious partnerships (which might require more work than a less ambitious one), this could lead it not to desire the more ambitious partnership, since it is just too hard work. These BARRIERS to ambition almost certainly relates to size and the 'not for us' attitudes described below (ss5.2, 5.3, s5,10a); and reduce to the issue of knowledge (or the lack of it) – the more knowledge a fundraiser has about CCPs, the more likely they are to be successful.

5.2 Negative attitudes to corporate partners/Antipathy to working with corporates

There is a strong current of thought that working with companies is not something that charities ought to do. In part this stems from particular normative attitudes to corporate philanthropy: that companies ought to give rather than make nonprofits work for their support through partnerships (this is elaborated upon in s5.3).

But there is also the sense that charities and companies are so far opposed in their objectives and value systems that there ought not be common ground for collaboration, and doing so would be "sleeping with the enemy" (Rondinelli and London 2003, p63). For example, many advocacy nonprofits see themselves as opposing corporations and fighting against practices that are detrimental to society (Austin and Seitanidi 2012a,

p733). Collaborating with business could be seen as a "step change" in a charity's values (Al-Tabbaa et al 2014, p664).

Further, there is the question of the "social appropriateness" of the CCP, which is how much the partnership conforms to the values and expectations of its stakeholders (Simpson et al 2011, p300). Where social appropriateness is low – which may be for 'ideological' reasons about the appropriateness of working with charities (see s5.3) – charities will prefer to maintain an "ideological distance" (ibid). Such negative attitudes would be a BARRIER to Integrative and Transformational partnerships, where the ideological distance is reduced and both partners merge their values and objectives.

The antagonism comes from companies too, with leaders on both sides having focused too much on the friction between them and not enough on "points of intersection" (Porter and Kramer 2006, p5). However many previously antagonistic organisations have since found common ground through *linked interests* (Austin and Seitanidi 2012a, p733). One Dutch study (Heugens 2003, p300) found that even from adversarial relationships with NGOs a company could develop "integrative and communication skills."

So this doesn't *have* to be a barrier. For example, one company ceo said how he had once perceived NPOs as "enemies", but is now of the opinion that "the best way to argue with your opponents is to completely understand their point of view"; while another said: "You may not agree with their tactics, but they may be asking legitimate questions you should have been asking yourself. And if you can find at least one common goal…you've also found at least one reason for working *with* each other, not against." [Emphasis in original.]" (Austin and Seitanidi 2012a, p734);

Where these attitudes are a BARRIER to ambition in CCPs, it is because they are a barrier to having the CCPs in the first place. They are thus the most fundamental barrier to ambition that nonprofits need to overcome – the sense that companies are not (necessarily) the bad guys.

Such attitudes could also be a BARRIER to ambition in CCPs if they close off avenues to creating value through CCPs that would otherwise be created. Many small organisation only engage in Philanthropic and Transactional partnerships because these type of collaborations meet their immediate urgent need (usually for *transferred resource* and usually money) (Al-Tabbaa eet al 2014, p670). Since it is the larger NGOs that often engage (and often quite visibly so) in higher level partnerships (Integrative and Transformational) (ibid), there could be a sense among smaller NGOs that such partnerships are 'not for us'. This points to the size of a nonprofit organisation as a BARRIER to ambition in CCPs (see s5.10a)

However, negative attitudes are less of a BARRIER to ambition if the nonprofit and the corporate have no *linked interests* and/or can derive no or little *associational* value from a partnership. Just because an NPO could think more ambitiously about the types of organisation it could partner with doesn't mean it has to, particularly if any value created in one or some of the types is totally cancelled out by loss of value in another (e.g. the *transferred resource*, say, money, is totally outweighed by loss of an *associational* value,

say trust); or that the moral values of the corporate and NPO are so divergent that neither side desires a closer relationships.

One solution to overcoming negative attitudes would be to ensure that charities advocated and marketed their partnerships internally by establishing an "internal marketing strategy" to champion such partnerships to the rest of the organisation, which was has been shown to be a significant factor in successful partnerships (Sanzo et al 2015, p394).

It could therefore be a RESEACH QUESTION to ask if charities have such internal marketing, and how successful they think this approach is.

And since we have heard (s4.2.1) that successful partnerships need the support of leaderships and management, a further RESEARCH QUESTION could therefore be whether fundraisers feel then have the support from the rest of the organisation they need to be more ambitious in their partnerships with companies.

5.3 Normative ideas about corporate philanthropy

There seems to be an expectation that companies ought to engage in corporate philanthropy; that they ought to donate some of their profits to charity and that this should not be conditional on any kind of reciprocal value. One American survey conducted by Deloitte in 2004 (Austin and Seitanidi 2012a, 738) found that 92 per cent of Americans thought it important to make charitable contributions. Much of the scholarship on CSR also champions the moral superiority of philanthropy (Liket and Simaens 2015, 286)

As previously noted, Debra Allcock Tyler, the ceo of the UK's Directory of Social Change, has been a strong critic of the relative paucity of corporate philanthropy, and an even stronger critic of the idea that corporates would rather make charities work in partnership for this their support rather than just give it. For example (Allcock Tyler 2011):

"I…find it profoundly depressing that although millions of people in the UK give freely of their time, money and effort simply because it's the right thing to do, for companies it's all too often about cashing in on a charity's brand. If there's nothing in it for them, they don't bother."

This raises an interesting side point. Companies engaged in partnerships attract strong normative criticism in a way that few other donors – apart from perhaps the super-rich – who chose not to give would do (recall our brief discussion of the supererogatory nature of charitable giving in s3.1), which appears to fly in the face of the fundamental tenets of donor-centred fundraising. The majority of fundraising to individuals (both in mass market direct fundraising and with major donors and high net worth individuals) focuses on meeting donors' needs (Sargeant, MacQuillin and Shang 2016) and there is a school of thought that considers this to be a paradigm of ethical fundraising (MacQuillin 2016, p14). And yet it seems perfectly right to expect companies to give out of a sense of obligation with no regard to fulfilling their needs in a way we would never do with individuals.

If these attitudes are ingrained and held by people at charities, they could serves as an anchor keeping charities attached to Philanthropic partnerships (Stage 1), reinforcing the "gratefulness syndrome" (Austin 2000, p73) that is already keeping many charities at this stage.

It is a valid RESEARCH QUESTION for this initiative to ascertain how ingrained such an attitude at charities is and whether this does act as a barrier to higher stage partnerships.

A further RESEACH QUESTION is what would give charities more confidence to break out of this mindset.

This is a potential BARRIER to ambition, because it prevents charities understanding that they could create more value through their partnerships. If true, then an attitudinal shift may be required.

5.4 Asymmetry in value creation/power imbalance in the partnership

It is possible that companies stand to gain proportionately greater value, particularly in Philanthropic or Transactional partnerships. This can also lead to "power imbalances" in the partnerships (Seitanidi and Ryan 2007; Harris 2012, p896; Al-Tabbaa et al 2014, p667), with nonprofits traditionally perceived as holding less power (ibid).

Companies do not need to produce social value (it is a choice they make), whereas charities do, and are, in the UK, legally obliged to do. Charities are therefore inherently more ambitious than companies, resulting in an asymmetry in ambition. Companies don't need to move to a higher stage collaboration on the CC since their collective ambition can be fulfilled at the Philanthropic stage (as Porter and Kramer [2002, p61] say), even though their charity partner might be ambitious for more value for themselves and thus desire to move to a higher stage partner.

Such an asymmetry can also come about not just because of the difference in social value, but in the difference of *transferred resource value*: the power imbalance in CCPs often results from an unequal – or "imbalanced" – flow of resources (Harris 2012, p894; Al-Tabbaa et a 2014, p667) and in many CCPs, the main direction of resource flow is *unilaterally* from business to nonprofit (Harris 2012, p894). Because the company is providing the resources the charity needs, it holds more power, and much of the criticism that companies attract is because of the power they appear to exert over charities (Harris 2012, p898),

This is a potential barrier to delivering a successful partnership, since the nonprofit could be subject to unreasonable demands from the commercial partner, and early indications from Rogare's investigation of so-called 'donor dominance' issues are that fundraisers feel corporates are a particular source of donor dominance (Hill and MacQuillin 2019).

Having said this, the power imbalance is often weaker in lower level Philanthropic (Stage 1) and Transactional (Stage 2) partnerships, because the business might not appreciate the value of the nonprofit partner as much as it would in a higher level collaboration (Al-Tabbaa et al 2014, p667), and so they don't seek to exploit/dominate the partnership as

much as in higher level collaborations where they could, if they tried, extract more value. By the same token, this is a potential threat to the success of lower level partnerships, since the more powerful (usually commercial) partner doesn't fully recognise and utilise the nonprofit's skills.

Such a power imbalance can thus be a barrier to the success of CCPs by preventing them reaching their full potential (Al-Tabbaa et al 2014, p667), and it has been proposed that charities that recognise that power imbalances exist and take steps to mitigate them in their corporate partnerships strategy will have more successful partnerships than those that do not (ibid).

But a power imbalance should also be considered as a BARRIER to ambition in CCPs in cases where nonprofits are aware that they exist, but come to the conclusion that they cannot mitigate them. This might have the effect of preventing charities from exploring higher level partnerships that could have delivered more value.

This is not the same thing as saying there is an asymmetry in the ambition in value creation, so that the nonprofit and business need to find common ground. Rather, any power imbalance could inhibit or prevent any conversation about how to find that common ground around value creation in the first place.

Unsurprisingly, charities want more symmetrical relationships with a "roughly equal division of control and governance" (Cho and Kelly 2013, p697).

This potential 'ambition asymmetry' a therefore a potential BARRIER to ambitious CCPs and something we may need to address as a RESEARCH QUESTION.

5.5 Companies' 'unevolved' mindsets about CCPs

According to two of the most influential thinkers on corporate social responsibility, professor Michael E. Porter of Harvard University, and his business partner and academic colleague Mark R. Kramer, companies are "trapped in an outdated approach to value creation" that "optimises short-term performance in a bubble" (Porter and Kramer 2011, p64).

Porter and Kramer's solution is a concept they call 'shared value', which they define (ibid, p66) as "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates". Or more succinctly: "Companies can create economic value by creating social value" (ibid, 67). This brings it very much in line with the consensus that CCPs are about value creation, particularly the three categories of value created by CCPs – economic, social and environmental – described by Austin and Seitanidi (2012a, p730) (see s4.1).

But, and it's an important but, the concept of shared value does not require the sharing of value that companies have already created (ibid, p65), i.e. via Philanthropic or Transactional partnerships. Rather, it is about "expanding the pool" of economic and social value (ibid). Porter and Kramer also say that shared value "blurs the line" (ibid,

pp67-68) between commercial and nonprofit organisations. However, creating economic and social value through shared value is not contingent on an Integrative or Transformational partnership with an NPO: companies are more than capable of doing this themselves, as the many examples in Porter and Kramer's article testify.

This is how Porter and Kramer's shared value differs from Austin and Seitanidi's 'collaborative value' (see s4.1) – "transitory and enduring benefits relative to the costs that are generated due to the iteration of the collaborators, and that accrue to organizations individuals, and society" (Austin and Seitanidi 2012a, p728) – which obviously *is* contingent on two partners working together. 'Shared value' should thus not be confused nor conflated with 'collaborative value'.

Research by Seitanidi (Seitanidi, Koufopoulos and Palmer 2010, p140) looked at the "social change potential" within partnerships, and the factors that determine this. She says partners (and this particularly applies to corporates) need to "move away from their limiting predefined roles" – those that could be defined by the radius of Porter and Kramer's short-term profits bubble. This, Austin and Seitanidi say (2012b, p938), reinforces those authors' joint contention that a company's CSR and its "perception of its responsibilities", needs to "evolve to higher levels to co-produce [i.e. co-create] *synergistic* value".

One evolutionary route could well be to embrace the concept of shared value, which Porter and Kramer (2011, p77) argue is the "next evolution in capitalism" – and as we have seen in ss5.2, 5.3 and 5.4, there is an expectation that companies should change their behaviour. But we would hope they would build shared value into collaborative value created with a charity or other nonprofit.

A BARRIER to greater ambition is thus an 'unevolved' mindset at a company. This is a BARRIER to their own ambition (though they perhaps have no such desire, because their collective ambition can be fulfilled through Philanthropic or Transactional partnerships). But it is also a BARRIER to the ambition of potential charity partners because charities cannot realise their own ambitions to create more value until companies have evolved a similar mindset, notwithstanding that Porter and Kramer's notion of shared value does not require a partnership with a nonprofit organisation in order to be realised.

This again points to an asymmetry in ambition in CCPs (as we pointed out in s5.4), since it seems that it is easier for charities to want to be ambitious than it is for companies, because charities exist to create social value, whereas companies do not.

Because of the unevolved mindsets of companies and the lack of a driving imperative for them to be ambitious:

In terms of ambitious value creation, it may be the case that leading the charity horse to the ambitious water is enough, but the real challenge is in trying to make the corporate horse drink from the ambitious water.

5.6 Companies are 'doing it for themselves'

Notwithstanding, and in contrast to, the comments about companies' "unevolved mindset" in s5.5, the past decade or more has undoubtedly seen the rise of a new set of attitudes about the power of businesses to effect social change. This is epitomised by the emergence of a new form of incorporation, the B-Corp, which collectively have the "simple yet ambitious" vision to "create a new sector of the economy that uses the power of business to solve social and environmental problems" (Marquis, Klaber and Thomason 2011, p1).

B-Corps are: "Businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy."[13]

B-Corps' UK website states: "Society's most challenging problems cannot be solved by government and nonprofits alone. By harnessing the power of business, B Corps use profits and growth as a means to a greater end: positive impact for their employees, communities, and the environment. The B Corp community works toward reduced inequality, lower levels of poverty, a healthier environment, stronger communities, and the creation of more high quality jobs with dignity and purpose."

This new 'sector of the economy' – by 2016 there were more than 1,700 in more than 50 countries (Whitman 2016) – does not necessarily pose a threat to nonprofits, and presents an opportunity for increased revenue and further partnerships. For example, the clothing firm Patagonia (a B-Corp) makes donations to more than 700 environmental organisations, while Ben and Jerry's (also a B-Corp) runs a 'PartnerShop' programme through which community nonprofit organizations can open ice cream shops without paying franchise fees (ibid).

Yet as the previous section (s5.5) stated, Porter and Kramer's notion of shared value blurs the line between nonprofits and companies to the point that companies can create social value and bring about the type of social change an Integrative partnership would do, but without the rigmarole of going through such a partnership, and surrendering some of its control to the NGO. There may be times when the line is not just blurred, but practically undetectable.

A putative example of this is Kenco's Coffee vs Gangs campaign, which for all the world looks like something a fully-fledged NGO would do (Kemp 2014). As the UK's advertising trade magazine, *Campaign*, wrote at the time of the campaign's launch: "Increasingly brands are in the business of selling ideas bigger than their brands and Kenco is taking this concept to the next level with its Coffee vs. Gangs project." (Ibid.)

"We are trying not to do things that are just a badging exercise. It's about trying to do what is right. Consumers are looking for brands that are there for a reason, linked to a real

[13] *https://bcorporation.uk/about-b-corps – accessed 17 December 2019.*

purpose," the marketing manager for Mondelez, Kenco's parent company, told *Campaign*.

Another example could be Timberland's current Nature Needs Heroes campaign, which aims to "inspire a global greening movement, one small action at a time".[14]

If not running their own social campaigns, companies are increasingly establishing their own charitable foundations, or even their own charities (Coleman 2013), which would do the work and create the value that would otherwise have been created through an Integrative partnership. For example, in 2013, Performance Telecom set us its own charity ContactAbility,[15] with the aim of increasing the number of people with disabilities working in the contact centre industry (ibid).

This is a potentially massive BARRIER to ambition in CCPs because the company can realise its ambition to create value without the need of a charity partnership at all.

5.7 Role of giving managers and pushback from shareholders/senior management

Stockholder theory states that a company's only duty is to maximise profits for shareholders (Friedman 1970). The fear that charitable activity would impact negatively on a company's profits and shareholder dividends could thus act as a serious barrier to engaging in any type of charitable activity.

While received wisdom says that charity-corporate partnerships deliver significant benefits for companies and their shareholders (which we have assumed in this paper), there is a counter-argument that corporate giving represents a conflict of interest between shareholders and company managers, who are supporting their own preferred causes, possibly at the expense of and detriment to their company's best interests, and often because they serve the manager's interests by enhancing their personal status or reputation (Marsulis and Reza 2014, pp592-593; Werbel and Carter 2002).

Opposition from shareholders could thus present at BARRIER to all partnerships, including more ambitious Integrative partnerships, which require the alignment of a company's interests with the NGO, if shareholders perceive this to be the personal agenda of company managers rather than benefiting them. However, this perception is allayed by the counter-argument from research that shows that the moral capital engendered through partnerships with charities – by acting as "insurance-like protection" for a company's relationship-based intangible assets – contributes to shareholders' wealth (Godfrey 2005, p777).

But this can also be a BARRIER as the company manager's interests in giving to charity might be served by relatively low level partnerships that provide the enhancement to their

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[14] *https://www.timberland.com/nature-needs-heroes.html – accessed 17 December 2019.*

[15] *ContactAbility is still registered with the Charity Commission as of December 2019, but the URL is a deadlink - https://beta.charitycommission.gov.uk/charity-details/?regid=1153132&subid=0*

status and reputation they seek, without the need to expend further resources in developing more ambitious partnerships.

This BARRIER receives further support from research that shows that corporate managers don't only base giving decisions on economic rationales but are also influenced by moral and social norms, such as a desire for justice (Valor 2006). However, this is also a motivator for companies to engage in charitable activity, and the same research suggests companies are likely to make more donations (the research was about giving, not partnerships) if they are based in communities where large numbers of NGOs are located, their competitors are making donations, or they have staff with connections to nonprofit organisations.

There could also be a further BARRIER to more ambition on the part of companies if the company views its corporate giving as a discrete function that serves only as a way of delivering the most basic transactional value (such as improved reputation by satisfying the public's minimum expectation for pro-social behaviour) – in other words companies see their engagement in CCPs simply as a compliance measure (Zadek 2004, p126). If such low level, compliance needs are met, then there is no requirement for more ambitious partnerships. The BARRIER to ambition is therefore if companies view CCPs merely as a matter of compliance to meet their social obligations, and the solution is to develop a more evolved mindset (s5.4).

Giving managers have traditionally held considerable power as they are the only company staff members who are in contact with all stakeholders to a CCP (Cantrell, Kyriazis, Noble and Algie 2009). So, coming back to the BARRIER we have previously identified, there is a question of how much knowledge giving (or partnership) managers have about the different types of partnerships and the value they can realise. But there are further issues about a different type of knowledge – knowledge about their companies' CSR policy and whether they have interpreted these correctly, and whether this interpretation influences their choices of charity partners (ibid, p204). Though not suggested by the aforementioned paper, this could also influence the type of partnership they choose. A BARRIER to more ambitious CCPs is thus how company partnership managers interpret the CSR policy.

5.8 Misperceptions between charities and companies

A potentially significant BARRIER to ambition in CCPs is that charities and companies may differ in how they think about and perceive the partnership, particularly whether it is or is not a transactional relationship based around exchanges. Fundraisers consider Transactional partnerships to be exchange relationships and think that their corporate counterparts see it in the same way. But many company giving managers do not consider their association with their charity partner to be based on an assumption of *quid pro quo* (Cho and Kelly 2014, p709) and "strongly disagree" that they are in an exchange relationships (ibid, p706) – even though they are! There is thus a false consensus regarding transactional partnerships, with both charities and companies thinking they understand the motives of the other and thinking they agree on why they exist, but are actually in disagreement

However, there is consensus (both sides accurately perceive the motives and intentions of the other) around Philanthropic and Integrative relationships, in the latter case each seeing the other as strategic partners with mixed motives (ibid, p706).

This means that, at least regarding Transactional partnerships, charities and companies could be speaking different languages. This could present a BARRIER to ambition if charities are aiming to show companies the different types value they could co-create, but the company perceives that the main value is being 'given' to the charity in a *unilateral* flow. But this is speculation and any hypothesis exploring this needs to be constructed carefully.

Such a disconnect is given further support from a finding in the 2017 *Corporate NGO-Partnerships Barometer,* which found that while 79 per cent of companies categorise their partnerships as "strategic", only 32 per cent of charities did (C&E 2017, p11). However, we should treat this finding with caution, since this Barometer does not define 'strategic' nor does it relate the idea of 'strategic' to the types of partnership to be found on the Collaboration Continuum (or any similar model). It does nonetheless show how perceptions of charities and companies can be out of step, and if charities have an 'aspiration' (but not ambition) for a strategic partnership, they may not realise that their corporate partner thinks they already have one.

5.9 Risk

Charity-corporate partnerships are not risk-free (al-Tabbaa et al 2014, p671), and can be considered under three categories (ibid, p672):

1. Collaborative failure – the partnership fails to deliver planned outcomes, a major cause of which is often a lack of fit between the partners' values.

2. Collaboration costs – the transaction costs of implementing the partnership outweigh the benefits of the desired outcomes, including intangible costs such as loss of credibility.

3. Damage of image – the reputational risk of "sleeping with the enemy" (see s5.2).

Clearly, risk is a barrier to a successful partnership and all three categories of risk are serious considerations for any NPO embarking on a partnership. But the perception of risk is also a BARRIER to ambition. Just considering all the things that could go wrong with the partnership, especially if the risk analysis is being informed by negative attitudes about working with companies (s5.2) might simply put some NPOs off wanting to collaborate with companies.

A pertinent RESEACH QUESTION is to ask how charities perceive risk in CCPs and whether this retards their thinking in the types of partnerships they could embark upon.

5.10a Size – charities

Smaller nonprofits have smaller, more restricted budgets and smaller capabilities than larger organisations (Al-Tabbaa et al 2014, p665). It's a simple fact of nonprofit life. This means they may simply not have the capability or the resource to engage in higher levels of partnerships (Integrative and Transformational), while even Transactional collaborations may be beyond them. The risk of failure (s5.9) may also just be too great and too costly.

Size is therefore BARRIER to ambition in CCPs.

It is also possible that smaller charities have a sense that higher level Integrative and Transformational partnerships are the proper preserve of larger NPOs, because this is how they see these partnerships presented in the sector press and at conferences. And so the 'not for us' mindset takes hold: 'Ambitious' partnership that create the most social value are for the 'big boys', but not for us small organisation.

However, small charities have a need for cash. A charity without a corporate partner may desire one because of the value they can create with the money the partnership provides. It is therefore more than acceptable for charities to be ambitious for the type of value that Philanthropic (and Transactional) partnerships can create, if that is where their ambition genuinely lies.

Finally, it is possible that (some) smaller NPOs hold particular ideological and negative attitudes about partnering with business (as described in s5.2), but at this stage this is conjecture.

5.10b Size – companies

The size of a company obviously is a limiting factor – and thus a BARRIER – in the type of partnership it can engage in: small companies simply do not have the resources for Integrative partnerships – study of CCPs using small partnerships in the USA found that most small business engaged in Philanthropic and Transactional partnerships (Zatepilina-Monacell 2015). But the same study also found that many of these Stage 1 and 2 partnerships did not satisfy the company's expectations, which were to be recognised for their community involvement and endorsed by their charity partners as being socially responsible (ibid, p233).

This could become a barrier to engaging in partnerships in the first place, were it to become widely known though the company's networks that low-level partnership were failing to deliver expected benefits. But it is also an opportunity for nonprofits to improve how they communicate the type of value that can be generated from partnerships and perhaps encourage greater ambition in companies.

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