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I Background

The business landscape is changing. Our natural environment is being exploited and contaminated above a sustainable level (Hart, 1997). In 2011, approximately 15% of the world's population was living below US \$1.25 a day (World Bank, 2015) and human rights are frequently violated across the globe (UNICEF, 2014). As a consequence of today's information society and the globalization, businesses are frequently in the spotlight for exploitation of people and the environment. Due to these recent malpractices, a wider agreement has been established regarding the need of a more holistic view of how to conduct business - a paradigm shift is currently happening.

In accordance with the paradigm shift, companies are on an exponentially increasing scale extending the responsibilities of their business. That is to say, expanding the scope of their business from only concerning financial profit, to social and environmental issues as well. This extension of the bottom line is widely referred to as the Triple Bottom Line (TBL) (Elkington, 1997). The TBL¹ is by some businesses only partly adopted, and by others fully embraced. Extending the responsibilities of the business is in some corporations initiated by external pressure (Campbell, 2007), and in others by internal pressure (O'Rourke, 2003). Independently of the reason behind adopting a TBL, finding an economically-, socially-, and environmentally sustainable business model is critical for future success of businesses. According to a UN study: "93% of CEOs believe that sustainability will be important to the future success of their business" (Lacy & Hayward, 2013, p. 21). Thus, striving for a sustainable development is unavoidable as there are clear trends implying that a change is required and that businesses need to act accordingly.

When a firm implements the TBL and commits to a sustainable business approach, the responsibilities begin to stretch beyond the firm's financial profit. That is because social and environmental issues incorporate a broader set of actors. In contrast to Friedman's (1962) assertion "there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game" (p. 133), many companies today engage in responsibilities beyond what is required by laws and

¹ Full list of abbreviations in Appendix 1.

regulations. Accordingly, the central aspect of the paradigm shift is that social and environmental value creates economic value, and vice versa (Austin & Seitanidi, 2012b).

In contrast to the firm's profit other actors' stakes in social and environmental issues are as legitimate as the firm's, if not even more. Therefore, the firm ceases to be the most central aspect of decision-making (Frooman, 2010) as value is to be created on all three aspects of the TBL. Consequently, as businesses strive to create value across the TBL simultaneously, new and innovative ways to achieve a sustainable development has emerged; one of them being cross-sector collaboration. A cross-sector collaboration is collaboration between a business and a non-profit organization (NPO). This type of collaboration has evolved into being a key issue as it leads to co-creation of value across the TBL (Ählström & Sjöström, 2005; Weiser, Kahane, Rochlin, & Landis, 2006; Austin, 2007; Arenas, Lozano, & Albareda, 2009; Seitanidi & Lindgreen, 2010; Porter & Kramer, 2011; Austin & Seitanidi, 2012a; Murphy, Arenas & Batista, 2014). Historically, the relationship between businesses and NPOs has mostly been adversarial in nature (Arenas et. al, 2009). This adversary origin from when firms' main concern was economic profit, as NPOs often perceived them as amoral. Therefore, NPOs have actively worked against businesses, rather than collaborating with them towards a common goal. As a consequence, NPOs have often been considered as secondary stakeholders and thus, have received minimal effort from corporations to be kept satisfied. However, as businesses are on an increasing scale searching for a way to incorporate sustainable development in the business model, the knowledge of NPOs becomes an important resource. Simultaneously, NPOs gain from businesses adopting a sustainable approach. Hence, relationships between businesses and NPOs are currently moving from being adversarial in nature, towards mutually beneficial strategic collaborations (Austin & Seitanidi, 2012a).

2 Problem

As discussed above, companies are on an increasing scale striving for a sustainable development by implementing a more sustainable business approach. This is partly due to a genuine will to undertake responsibilities beyond solely making economic profit, and partly due to the financial gain generated through enhanced social and environmental value creation. The tool to reach sustainable development is most commonly referred to as Corporate Social Responsibility (CSR). These CSR practices often incorporate stakeholder engagement as there is a natural fit between CSR and an organization's stakeholders (Carroll, 1991). In congruence with Friedman's (1962)

assertion stated above, CSR was initially perceived as solely moral in nature, e.g. engaging in voluntary activities such as donations to unrelated charitable causes (Carroll, 1991). However, as the pressure on corporations' unsustainable business practices has increased, stakeholder engagement has evolved into being a key strategic issue of the business (Greenwood, 2007) where "Sustainability has moved from something that is feel-good, to something that's far more integrated with what is required for our future success" (Lacy & Hayward, 2013, p. 34). Consequently, corporations can implement different stakeholder engagements strategies, and enter into different types of collaborations, in order to achieve sustainable development. This thesis investigates cross-sector collaborations as a type of collaboration to create social betterment. The organizations constituting the collaborations are from the business sector and the non-profit sector.

Thus, considering the literature on cross-sector collaboration in the light of sustainable business, one problem has emerged. The assumption underlying the classical stakeholder theories (i.e. that the firm is the central aspect in stakeholder analysis) complicates the practical aspect of managing stakeholders when accounting for social and environmental impacts. Centralizing an issue in stakeholder analysis facilitates the process of identifying other organizations working for improvement on the same issue. As a result, NPOs emerge as key strategic partners for businesses to solve the issue in question. However, relatively little is known about how stakeholder theory and cross-sector collaboration can be used for improving firms' value-creation strategies (Tantalo & Priem, 2014; Austin & Seitanidi, 2012a). Hence, further documentation is needed in order to explain how cross-sector collaborations function. Additionally, the terminology in the existing analyzes on cross-sector collaborations have been spread out and inconsistent. Thus, the literature stream on cross-sector collaboration lacks empirical research and consistency. As a result the problem statement underlying this thesis is:

Relatively little is known about cross-sector collaboration as a strategy when businesses aspire to achieve economically, socially and environmentally sustainable development.

The identified problems will be studied from a manager's perspective, as the results intend to be useful in managers' development of a sustainable business strategy.

3 Purpose

The literature is in need of documentation of cross-sector collaborations since relatively little is known about cross-sector collaboration as a strategy when businesses aspire to achieve economically, socially and environmentally sustainable development. As a consequence, the purpose of this thesis is to *investigate how business-NPO collaborations increase the potential for enhanced value creation*. Thus, this research aims to explain how cross-sector collaborations can increase the potential for enhanced value creation. Investigating and documenting the underlying dynamics of the collaboration will make theoretical contributions to the field of cross-sector collaboration, which is a relatively young field of studies. Furthermore, as the study aims to explain the relationship between the underlying dynamics of cross-sector collaborations and enhanced value creation, the results will also seek to help managers in their development of a sustainable strategy.

4 Definitions of key concepts

This section intends to explain key concepts covered in this thesis to ensure consensus and prevent possible confusion regarding the terminology. The concepts covered are: *Sustainability, Corporate social responsibility, Stakeholder, Cross-sector collaboration, Triple bottom line, and Value*.

Sustainability: When sustainability is discussed it refers to the long-term maintenance of systems according to environmental, economic and social considerations (Crane & Matten, 2010).

Corporate Social Responsibility: When Corporate Social Responsibility (CSR) is discussed in general terms, it refers to the economic, legal, ethical, and discretionary *responsibilities* a corporation has to the society. These responsibilities are based on the *expectations* the society has on the corporation at a given point in time (Carroll & Buchholtz, 2003). When CSR is discussed in terms of activities, programs or initiatives, it refers to the *actions* that corporations undertake to meet the responsibilities that stretch beyond what is required by laws and regulations (Austin & Seitanidi, 2012b).

Stakeholder: When a stakeholder is discussed it can refer to two different kinds of stakeholder. It is (1) either an individual or group that has a stake in a corporation, or it is (2) an individual or group that has a stake in an issue. A stakeholder of a corporation is an individual or a group that either is harmed by, or benefits from, the corporation. A stakeholder of an issue is an individual

or a group that either is harmed by, or benefits from, the issue (Freeman, 1984). In this thesis, an issue refers to a matter of public concern with regards to environmental, economic and/or social aspects.

Cross-sector collaboration: When a cross-sector collaboration is discussed it refers to the unified efforts between two organizations, one from the for-profit sector (e.g. a business) and one from the non-profit sector (e.g. an NPO or a social enterprise), with the intention of creating shared value with regards to environmental, economic and/or social considerations (Austin & Seitanidi).

Triple bottom line: The extension of businesses' bottom line from solely focusing on economic profit to including social and environmental values as well (Elkington, 1997).

Value: When value is discussed it refers to the transitory and enduring benefits, relative to the costs, that accrue to organizations, individuals, and society. Hence, *enhanced value creation* within the framework of a cross-sector collaboration refers to the enhanced transitory and enduring benefits relative to the costs that are generated due to the interaction between a business and a NPO and that accrue to organizations, individuals, and society. The transitory and enduring benefits on a societal level are considered with regards to environmental, economic and/or social aspects (Austin & Seitanidi, 2012a).

5 Frame of reference

As cross-sector collaborations is a relatively young field of studies, literature on sustainability, CSR and stakeholder theory are covered in order to enhance the understanding of cross-sector collaborations and why it is an important phenomenon to study. Additionally, the Collaborative Value Creation (CVC) framework is covered under a separate heading as it has the functions of an analytical tool in this thesis.

The search by nonprofits and businesses for enhanced social, environmental, and economic value creation is fundamentally where the cross-sector collaborations originates (Austin & Seitanidi, 2012a). Thus, as mentioned above, the literature on both sustainability, CSR and stakeholder theory are important to incorporate in order to further understand the background to cross-sector collaborations and sense making of the study's results. Literature on sustainability and CSR

is important to study as the goal to attain sustainable development drives businesses to seek innovative solutions. Literature on stakeholder theory is of significance to study as well, in order to understand how the role of NPOs has evolved from adversarial secondary stakeholders to strategic partners. Furthermore, in the light of sustainable business, the literature on stakeholder theory provides normative theories on how the locus of salience should move from being firm-centric to being issue-centric (Frooman, 2010; Bundy, Shropshire & Buchholtz, 2013). Therefore, implementation of the TBL and the change of locus in stakeholder theory function as a foundation for the literature on cross-sector collaborations. Consequently, the Frame of reference starts off with a background to sustainability, CSR and stakeholder theory. Subsequently, with these two streams of literature as a foundation, the theoretical review covers research on cross-sector collaborations with a specific focus on business-NPO collaborations (Figure 5.1).

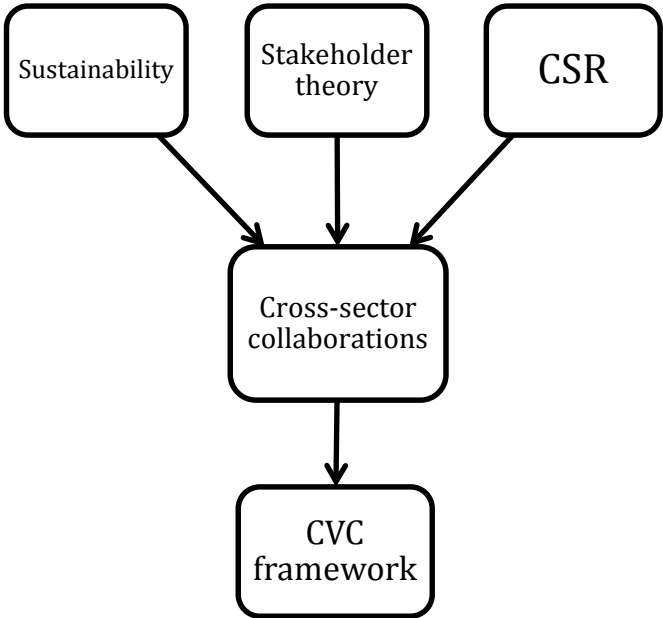


Figure 5.1 Illustration of the structure of the frame of reference.

Figure 5.1 is an illustration of the Frame of reference structure. In order to fulfill the purpose and understand where cross-sector collaboration originates and why it is an important phenomenon to study, literature on sustainability, CSR and stakeholder theory is incorporated. Subsequently, literature on cross-sector collaboration is covered. Lastly, CVC is treated in a separate heading as it has an analytical function in this research.

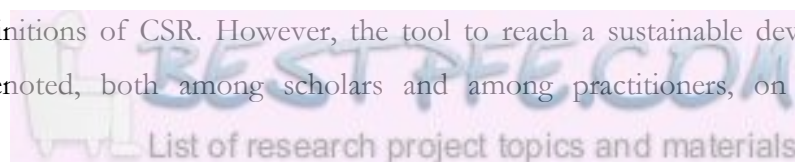
5.1 Sustainability

A cross-sector collaboration is only relevant if there is a mutually beneficial aspect to it. As profit only concerns one part in a cross-sector collaboration, the mutual goal of the collaboration concerns improving a social- and/or an environmental issue. By improving any issue through a cross-sector collaboration, the society moves towards a sustainable development and the different parties of the collaboration benefits in different ways. Therefore, in order to achieve a sustainable development, sustainability itself has to be a central aspect of a corporation's purpose, strategy, and operations (Porter & Kramer, 2011). Hence, sustainability is the foundation for the relevance of cross-sector collaborations.

The term *sustainability* is a holistic concept that is currently evolving, comprising of social, environmental and economic aspects (Publications, 2012). In accordance, Crane and Matten (2010) define sustainability as ‘the long-term maintenance of systems according to environmental, economic and social considerations’ (p. 34). The term *sustainable development* is mostly associated with the definition offered by the Brundtland Commission 1987: “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (European Commission). On the other hand, there is lack of consistency in how corporations define their commitment to social and environmental aspects. In the Rio Summit 1992, the Council of Sustainable Development watered down the concept of sustainability in order to create a more industry-friendly concept (Crane & Matten, 2010). Thus, giving rise to use the term inconsistently, which have generated different names and meanings of social and environmental responsibilities among practitioners. The lack of universal measurements, reporting standards, and consistency of what ‘sustainability’ implies complicate the achievement of a sustainable development on a macro level. Consequently, in order to avoid compromising the ability of future generations to meet their own needs, it is crucial for each part in a cross-sector collaboration to understand how they contribute to the long-term maintenance of systems according to environmental, economic and social considerations. Hence, the mutual vision of a sustainable development of the system in which the collaboration takes place is the foundation of cross-sector collaborations.

5.2 Corporate Social Responsibility (CSR)

There are many definitions of CSR. However, the tool to reach a sustainable development is most commonly denoted, both among scholars and among practitioners, on a relatively



consistent basis as CSR programs/activities/initiatives. Cross-sector collaborations, particularly between business and NPOs, have increasingly by academics and practitioners been considered a powerful and unavoidable tool for implementation of successful CSR programs (Austin & Seitanidi, 2012a; Porter & Kramer, 2011). Thus, to further enrich the background to cross-sector collaborations and how it can enhance the potential for value creation, this section incorporates the role of CSR.

The first real academic research on CSR was conducted in the early 50's and has since evolved into CSR as we know it today. In the early works, the subject was denoted Social Responsibility (SR), as its salience in the business community was not as evident as it has come to be later on (Carroll, 1999). Howard R. Bowen (1953) asked in his, at the time very prominent work *Social Responsibilities of the Businessman*; "What responsibilities to society may businessmen reasonably be expected to assume?" (p. xi). Later on he argued that the responsibility laid with the businessmen to implement the desired values, policies and standards of society as their impact on society was vast. On the other hand, Friedman (1962) stated, "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game" (p. 133). Several researchers have since contributed to the subject and attempted to define what CSR is as it evolved through the years (Heald, 1970; Davis, 1960). More recent research defines CSR as the "economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (Carroll & Buchholtz, 2003, p.36), while the European Union's definition of CSR refers to "...companies taking responsibility for their impact on society" (European Commission), which is more general in nature. Nevertheless, CSR has evolved from solely being moral in nature, into being a key strategic aspect of corporations' strategy in gaining competitive advantage.

To begin with, implementing CSR activities in order to achieve a sustainable development can intuitively be associated with enhanced costs. However, the central aspect of the paradigm shift is that social and environmental value creates economic value, and vice versa (Austin & Seitanidi, 2012b). Accordingly, there are scholars stressing the importance of CSR activities as a key factor to enhanced Corporate Financial Performance (CFP) (Carroll & Shabana, 2010; Orlitzky, Schmidt, & Rynes, 2003). In addition to increasing CFP, CSR activities can increase competitive advantage by e.g. using CSR as a tool to command premium prices (McWilliams & Siegel, 2011) or enhance the image of a brand (Du, Bhattacharya, & Sen, 2010). Hence, CSR activities can increase the potential for enhanced value creation. On the other hand, Roman, Hayibor, & Agle (1999) concludes that the results on CSR-CFP are inconclusive, i.e. there are studies showing

positive links, negative links, as well as neutral links between CSR and CFP. Independent of whether there are empirical evidence that support a causal relationship between CSR and CFP or not, there are several cases depicting CSR activities as a source for creating internal value, as well as external value (Austin & Seitanidi, 2012b). As discussed above, when companies commit to social and environmental issue, creating value beyond the maximization of CFP begins to matter. That is to say, performing financially while developing sustainably. Austin (2007, p. 49) argues that: “sustainable development requires concerted collaborative actions at all levels from macro to micro and across all sectors.” Cross-sector collaborations, particularly between business and NPOs, have increasingly by academics and practitioners been considered a powerful and unavoidable tool for implementation of successful CSR programs (Austin & Seitanidi, 2012a; Porter & Kramer, 2011). Hence, cross-sector collaboration is an important issue regarding increased potential for enhanced value creation, in the light of sustainable development.

5.3 Stakeholder Theory

As discussed above, the importance of stakeholder engagement in successful CSR programs is widely acknowledged among scholars and practitioners (Austin & Seitanidi, 2012a; Porter & Kramer, 2011). CSR practices often incorporate stakeholder engagement as there is a natural fit between CSR and an organization’s stakeholders (Carroll, 1991). Since the purpose is to investigate how a business and a NPO can collaborate to increase the potential for enhanced value creation, this section incorporates stakeholder theory to investigate the aspects of how businesses engage stakeholders to enhance value-creation.

Stakeholder theory, as it is widely accepted today, builds upon Freeman’s (1984) model where the firm is the center of the ‘mapping’ (Figure 5.2 on the next page) and the stakeholders are defined as “any group or individual who can affect or is affected by the achievement of the organization's objectives” (Freeman, 1984 p. 46). Pre-sequent to Freeman (1984), Stanford Research Institute, SRI, (1963) defined stakeholders as “those groups without whose support the organization would cease to exist” (Freeman, 1984 p. 31). It was also around this time that it was recognized that businesses had responsibilities to other individuals/groups than just the shareholders. However, Preston (1990) traces back the origin of the term “stakeholder” to The Great Depression and General Electric Company’s identification of four stakeholder groups; shareholders, employees, customers, and the general public. Later on, attention was given to the question regarding which stakeholders deserved the attention of the top management. Accordingly, Clarkson (1995)

classified stakeholders as primary stakeholders or secondary stakeholders based on the legal and economic ties to the firm and further argued that the primary stakeholders’ interests need to be addressed in order for the firm to survive - which relates back to SRI’s (1963) definition. Additional frameworks on classification of stakeholders comprise of e.g. Gardner, Rachlin, & Sweeny’s (1986) “Power-Interest Matrix” which is widely applied in business education today. The framework classifies stakeholders into four groups (Key players, Keep informed, Keep satisfied, and Minimal effort) based on the combination of their power and interest in the firm. This facilitates the managerial process regarding how to deal with the different groups. Further important research on the subject is Mitchell, Agle and Wood’s (1997) contribution to the literature, which was a theory of stakeholder identification and salience with power, interest, and urgency as the three crucial factors in stakeholder management. One of their conclusions was that: “Managers must know about entities in their environment that hold power and have the intent to impose their will upon the firm” (Mitchell et. Al, 1997, p. 882). Two common denominators in these theories and models mentioned above are the underlying assumptions that (1) the firm is central in the analysis and (2) stakeholders, particularly secondary stakeholders, are perceived as something that should be ‘dealt with’ or ‘managed’.

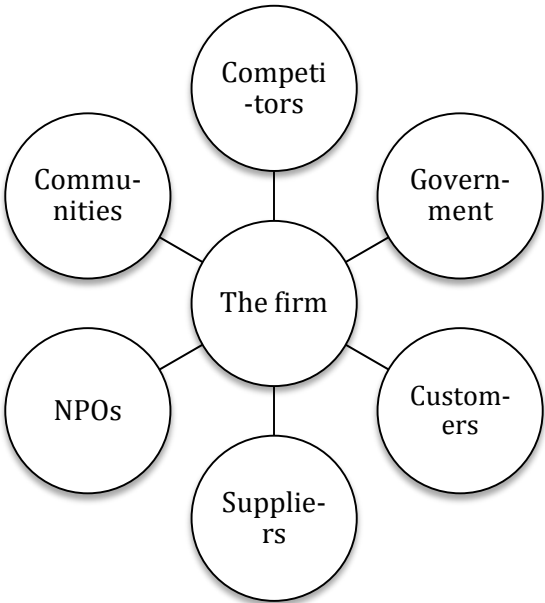


Figure 5.2 Firm-centric approach

Figure 5.2 illustrates the firm-centric approach, which is entailed by the assumption that the firm is central in the analysis. The stakeholders presented in Figure 5.2 have a stake in the firm. Based on their stake in the firm they are classified as primary and secondary, i.e. based on the legal and economic ties to the firm (Clarkson, 1995).

Historically, secondary stakeholders, i.e. stakeholders without direct economic or legal ties to the company (e.g. communities, environmental organizations, and social organizations), are the ones who have been categorized as minimal effort entities and has thus mostly been dealt with as a consequence of e.g. turbulent environments (Savage, Nix, Whitehead, & Blair, 1991). As stakeholder theory grew in its importance among scholars, it developed into a matter of justice and ethics in corporations (Freeman, 2010). Subsequently, Freeman (2010) argues that the proceeding step is to see stakeholder theory as a way to think about value creation. Accordingly, recent studies transcend the assumption of stakeholder engagement as solely moral in nature but rather a strategic tool to reach firm objectives (Greenwood, 2007; Tantalo & Priem, 2014). This is congruent with Noland and Phillips’s (2010) review on the existing body of literature, where they recognized a group of scholars (whom they referred to as Ethical Strategists) arguing: “...the engagement of stakeholders must be integral to a firm’s strategy if it is to achieve real success” (Noland & Phillips, 2010, p. 40). When companies’ operations account for social and environmental impacts, the firm ceases to be at the center, as social and environmental issues concern a broader set of players - in contrast to the firm’s profit. Therefore, scholars have suggested an issue-salient (or issue-centered) approach to stakeholder theory (Frooman, 2010; Bundy et. al, 2013) to better under- stand firm outcomes from strategic decisions (Bundy et. al, 2013).

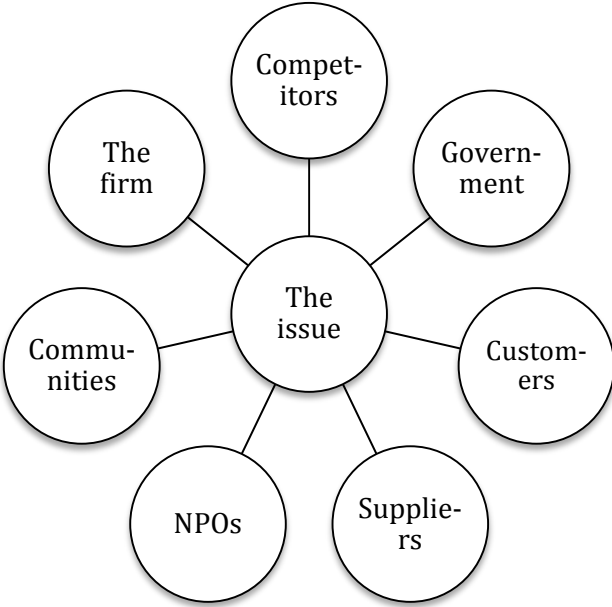


Figure 5.3 Issue-centric approach.

Figure 5.3 illustrates the issue-salient approach where an issue is the central aspect of an analysis. The issue itself can concern any social and/or environmental issue that the firm takes responsibility for. In contrast to the firm’s profit, other actors’ stakes in social and environmental

issues are as legitimate as the firm's. Thus, the firm ceases to be the most central aspect of the stakeholder analysis (Frooman, 2010).

In the issue-salient approach, the focus shifts from which stakeholders are salient to the firm (Mitchell et. al, 1997) to which stakeholders are salient to a particular issue. According to Freeman (2010, p. 7) "The idea that one particular group always gets priority is deeply flawed. The very nature of capitalism itself is putting together a deal, or a contract, or a set of relationships among stakeholders so that all can win continuously over a long period of time." Thus, reinforcing the argument that the issue should be central in the stakeholder analysis rather than the firm. Consequently, the key question in determining which stakeholder that should be considered in a strategic analysis therefore becomes: "Who is a stakeholder to the issue?" (Frooman, 2010, p. 164). When corporations intend to create value across the TBL, addressing the question of "Who is a stakeholder to the firm?" complicates the process of identifying the most relevant stakeholders. Instead, managers should address "Who is a stakeholder to the issue?" in order to better understand outcomes of strategic decisions (Bundy et. al, 2013). This change of locus in stakeholder theory increases the importance of NPOs, who earlier had been perceived as adversarial in nature (Dill, 1975).

The change in understanding stakeholder management as solely moral in nature accompanies the paradigm shift, transiting the view of secondary stakeholders as something to be 'dealt with' or 'managed' into using stakeholder engagement as a strategic tool to create value (Harrison, Bosse & Phillips, 2010; Freeman, Harrison, Wicks, Parmar & de Colle, 2010) - or even further - creating shared value (Porter & Kramer, 2011; Tantalo & Priem, 2014). The notion that stakeholder theory requires a shift towards an issue-centered approach, in order to understand how to maximize internal and external value creation, is a foundation for the importance of cross-sector collaborations.

5.4 Cross-sector collaboration (CSC)

Nonprofit organizations (NPO) and businesses can and do create both economic, social and environmental value on their own; however, cross-sector collaboration (CSC²) is the organizational vehicle of choice for both types of organizations to create more value together

² From now on, cross-sector collaboration will be addressed under the abbreviation CSC

than they could have done separately (Austin & Seitanidi, 2012a). This section incorporates CSC as tool to increase the potential for enhanced value creation in the light of sustainable business.

NPOs have to a large extent, in the past, been considered secondary stakeholders (Clarkson, 1995) who are generally adversarial in nature (Dill, 1975). Many NGOs have emerged as a response to business malpractices on a global scale. They monitor the behavior of corporations and, when necessary, pressure corporations to behave in more responsible ways (Campbell, 2007). As a consequence of corporations seeking more sustainable practices, the importance of CSCs in creating value across every aspect of the TBL is increasing (Ählström & Sjöström, 2005; Weiser et. al, 2006; Austin, 2007; Arenas et. al, 2009; Seitanidi & Lindgreen, 2010; Porter & Kramer, 2011; Austin & Seitanidi, 2012a; Murphy et. al, 2014). Thus, many of the CSCs have evolved from initially being confrontational in nature into strategic partners (Arenas et. al, 2009). Furthermore, the increasing importance of CSCs in achieving sustainable development has also been acknowledged from practitioners' perspective, as Ecopetrol's CEO Javier Genaro Gutiérrez Pemberthy asserted: "Engaging with the communities in which we operate is the only way to be sustainable in the future." (Lacy & Hayward, 2013, p. 33). The search for enhanced value creation by organizations in both sectors, i.e. NPOs and businesses, is basically the underlying force for the increase in CSCs (Austin & Seitanidi, 2012a). In a recent study by Burtch (2012), 74% of the NPOs said to have partnerships with corporations and 88% of the corporations said to have partnerships with NPOs (cited in Austin & Seitanidi, 2012a). Furthermore, the study found that more than half of both the NPOs and the corporations had more than five different partnerships. Congruently, tendencies are pointing towards changing perceptions among businesses and NPOs (Arenas et. al, 2009; Austin & Seitanidi, 2012a). Arenas et. al (2009) concluded in their research that practitioners' perception of NPOs are changing, i.e. not only perceiving NPOs as secondary stakeholder who are adversarial in nature, but rather as potential partners. In addition to finding the changing perceptions, they also point out evidence in the business world that companies are more frequently entering in strategic partnerships with NPOs in order to e.g. "promote social and environmental actions, provide technical assistance to corporations, elaborate commonly agreed certification schemes, promote and design CSR, standards as well as management and reporting processes, and participate in CSR monitoring and auditing" (Arenas et. al, 2009, p. 176). Hence, CSCs are likely to continue to accelerate and become the organizational modality of choice in this century (Austin & Seitanidi, 2012a).

However, an important dimension to consider is what underlies civil society organizations' approaches for interaction with corporations, i.e. that there are different types of NPOs. Ählström and Sjöström (2005) classifies them in four categories depending on their strategies for interaction with businesses; Preservers, Protesters, Modifiers and Scrutinizers. The Preservers are the only type that has partnership as an underlying strategy. "The Preservers are the ones whose goals are not inherently conflicting with joint action with business" (Ählström & Sjöström 2005, p. 239). Hence, it is important to evaluate the strategy of an NPO since businesses are confined to NPOs that fall in the category of Preservers. Furthermore, the term 'partnership' has been questioned in the light of CSCs and sustainable development (Ählström & Sjöström, 2005). Thus, what does a partnership between a NPO and a business imply? Austin and Seitanidi (2012a) have classified collaborations between NPOs and businesses in four stages: *philanthropic* → *transactional* → *integrative* → *transformational* (also know as The Collaboration Continuum). As seen in Figure 5.4 below, the stage of the collaboration is determined by the nature of the relationship. The relationship builds on the intensity and form of interaction between the parties in collaboration. The collaboration continuum (CC) is a part of the CVC framework and further elaborated on in section 5.5.2 Collaboration stages.

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

Figure 5.4 The collaboration continuum (CC). Source: Austin & Seitanidi (2012a)

As most companies have already incorporated a sustainable approach and acted to achieve social and environmental goals, their efforts have not been as productive as they could have been (Porter & Kramer, 2006). Recently, research has been conducted in order to enhance the understanding of why some collaborations are successful and some not. Failures in providing a

solution are, according to Porter & Kramer (2006), partly due to the strategic aspects of CSR. Companies are pressured to think of CSR as generic strategies rather than in ways that are most appropriate to the firm's strategy. There is a lack of theoretical understanding due to the fact that models limited to stakeholder and environmental features offer insufficient explanation for why some issues receive support while others provoke fierce battles (Bundy et. al, 2013). As joint equity investments are less common in CSCs due to significant differences in the capital bases of companies and NPOs (Murphy et. al, 2014) managers are more inclined to give primacy to issues (Bundy et. al 2013) and NPOs (Murphy et. al, 2014) that are congruent with a firm's strategic objective and organizational values and beliefs. Accordingly, finding the correct partner is crucial to achieve successful collaborations (Weiser et. al, 2006).

A major problem in the literature on CSCs is the lack of a common language. There is an inconsistency regarding the definitional precision of the value creation processes in CSCs. In order to deal with the inconsistency in question, Austin & Seitanidi (2012a & 2012b) have developed an analytical framework for CSC researchers - the Collaborative Value Creation (CVC) framework. The Collaboration Continuum illustrated in Figure 5.4 on the previous page is a part of the CVC framework, which will be the main analysis tool in this thesis.

5.5 Collaborative Value Creation (CVC) Framework

In order to address the issue of inconsistency, the CVC framework developed by Austin and Seitanidi (2012a & 2012b) will serve as an analytical framework for assessing value creation in this thesis. In addition, the framework will also function as a conceptual framework. How the framework is applied in this research is further elaborated in section 7.2.3 Method for data analysis (on p. 34).

The CVC framework is comprised of four components (Figure 5.5 on the next page); (1) the *value creation spectrum*, which provides new reference terms for defining the spectrum of value creation, (2) the *collaboration stages*, which reveals how value creation varies across different types of collaborative relationships, (3) the *partnering process*, which reveals the value creation dynamics in the formation, selection, and implementation stages, and (4) the *collaboration outcomes*, which categorizes the values generated internal and external to the collaboration, i.e. the outcomes on a micro (individual) level, on a meso (organizational) level, and on a macro (societal) level (Austin & Seitanidi, 2012b, p. 2-3).

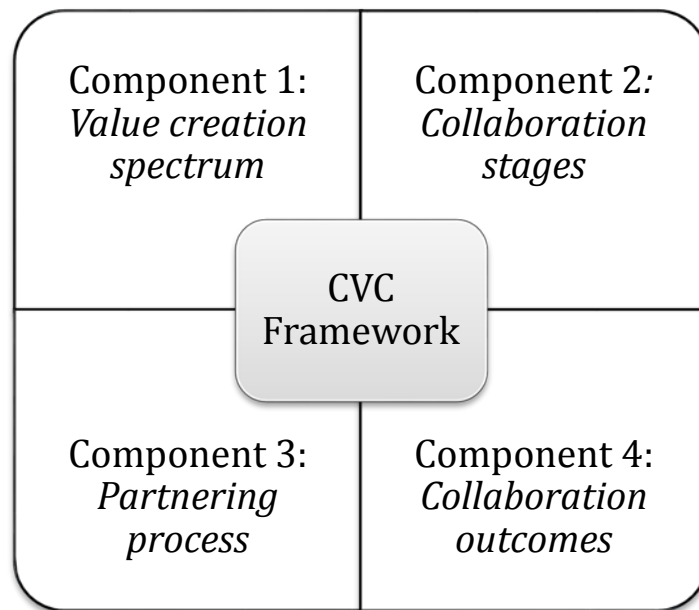


Figure 5.5 The Collaborative Value Creation framework.

Figure 5.5 illustrates the four different components of the CVC framework. These components are interrelated and each of them provides a different window through which to view the collaborative value creation process.

5.5.1 Component I: The value creation spectrum

The value creation spectrum provides new terms for defining the *sources* of value creation in CSCs. Austin and Seitanidi (2012a) have identified four different sources of value creation in CSCs. The first source of value creation is (a) *resource complementarity*, which includes organizations' strive to collaborate with those who can contribute with resources that one does not possess. Austin and Seitanidi (2012a) argue that the greater the resource complementarity and organizational compatibility between the partners, the greater the potential for co-creation of value. The second source of value creation is (b) *resource nature*, in which the organizations contribute to the collaboration through either generic resources, such as money and reputation, or organization specific resources for example knowledge, such as capabilities and relationships. Austin and Seitanidi (2012a) stress that the more partners mobilize their distinctive competencies, the greater the potential for value creation. The third source of value creation is (c) *resource directionality and use*, which incorporates how the resources are deployed and exchanged between the organizations, i.e. either unilaterally, bilaterally or reciprocally. Austin and Seitanidi (2012a) assert that the more both partners integrate their resources conjointly, the greater the potential for value creation. The fourth source of value creation is (d) *linked interests*, which covers aspects such as; what do the organizations perceive as value, if differing perceptions can be united, and

whether the exchange of value is perceived as fair. Austin and Seitanidi (2012a) argue that the more collaborators perceive their self-interest as linked to the value they create for each other and for the larger social good, the greater the potential for co-creating value. Hence, it is important to clearly understand how partners view value and reconcile any divergent value creation frames so that both partners perceive the value exchange to be fair.

These four sources of value creation produce, when combined, four different types of values (Figure 5.6). These values are *associational value*, *transferred value*, *interaction value*, and *synergistic value*.

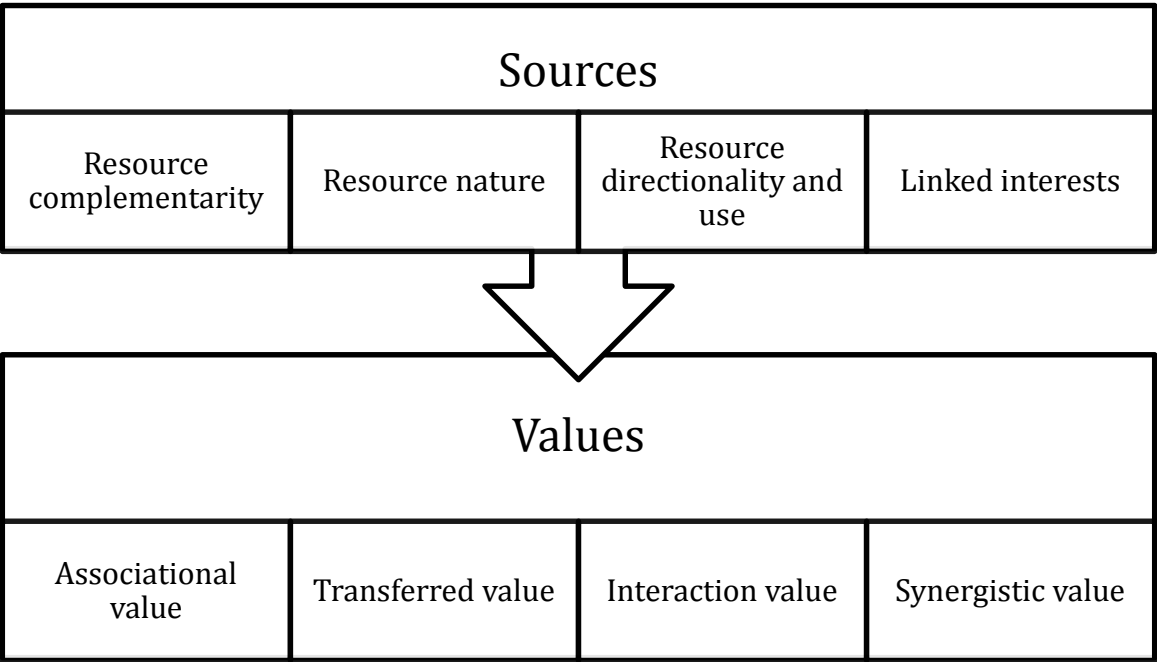
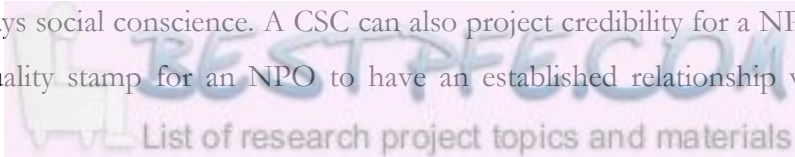


Figure 5.6 Sources of values and type of values.

Figure 5.6 is an illustration of the sources of value and the different types of values, which together comprises the value creation spectrum. The succeeding sections will outline these four types of values.

Firstly, *associational value* is the benefit generated from solely being in collaboration with another party. A global survey of public attitudes revealed that more than two thirds of respondents agreed with the statement: “My respect for a company would go up if it partnered with an NGO to help solve social problems” (GlobeScan, 2003). A CSC can project credibility as it may show how a business displays social conscience. A CSC can also project credibility for a NPO, as it can be perceived as a quality stamp for an NPO to have an established relationship with a well-



reputed business. Secondly, *transferred resource value* is the benefit generated from receiving a resource from the other partner. This can vary from products or monetary resources, to skills or certain competencies, i.e. any form of resource that can be utilized to improve the receiving party's operations. Thirdly, *interaction value* is the intangible benefit generated from working together. Co-creating value both requires and produces interaction value. These are intangible assets such as reputation, trust, relational capital, learning and knowledge. Fourthly, *synergistic value* is the benefit that arises in the collaboration, which none of the parties could have produced single handedly, by combining the parties' different and distinct resources. Synergistic value mainly refers to that economic value can be generated through creation of social and environmental value, and vice versa, which eventually produces a mutually beneficial circle of value creation (Austin & Seitanidi, 2012a).

5.5.2 Component 2: Collaboration stages

As the collaboration between companies progress the value creation process moves forth as well. The collaboration continuum (CC) conceptualizes how to analyze and narrate the changing value between collaborative partners as their relationship evolves (Austin & Seitanidi, 2012a). It consists of four relationship stages; (a) *philanthropic*, where the collaboration is largely unilateral in nature as the business gives charitable donations to the NPO, (b) *transactional*, where the relationship is more of a reciprocal exchange of valuable resources, such as cause-related marketing (CRM) or sponsorships, (c) *integrative*, as the organizations integrate their missions, values, strategies, personnel and activities to co-create value, and (d) *transformational* collaborations, which has a higher level of convergence than the integrative stage as it focuses on co-creation of transformative change on a societal level (Austin & Seitanidi, 2012a). An illustration of the CC is found in Figure 5.4 on p. 14.

5.5.3 Component 3: The partnering process

The partnership process analyze the value creation process through (a) *partnership formation*, where the potential for organizational fit is evaluated, (b) *partner selection*, where potential value and risk associated are taken into consideration, (c) *partnership implementation*, in which two levels of implementation, organizational and collaborative, are being evaluated, (d) *partnership design and operations*, which covers the processes that influences the execution, such as research on the procedural and substantive partnership processes. (e) *Partnership institutionalization*, a measure of

whether the partnership has accepted the partners' structures, processes, and programs, to see whether they are fully collaborating (Austin & Seitanidi, 2012b).

5.5.4 Component 4: The collaboration outcomes

The collaboration outcomes evaluates whether the value created took place on an internal or external level. As mentioned above, there are four sources of value that generate four types of values. However, the values mentioned above (i.e. *associational value*, *transferred value*, *interaction value*, and *synergistic value*) only concerns values internal to the collaboration on a meso (organizational) level. In addition, internal value can also be created on a micro level through increased value for the individuals internal to each organization in a CSC. These values can either be *instrumental values* or *psychological values*. Hence, values created internal to the collaboration can either accrue to a micro or a meso level. At the external level, i.e. values that are generated external to the collaboration, values can be generated on a micro level; where individuals outside the organizations benefits from the value created, on a meso level; where increased values furthers organizations outside the partnership, and on a macro level; where social, environmental, and economic value is generated for the community and society as a whole (Austin & Seitanidi, 2012b). A summary of the value that can be created on different levels is provided in Figure 5.7 below.

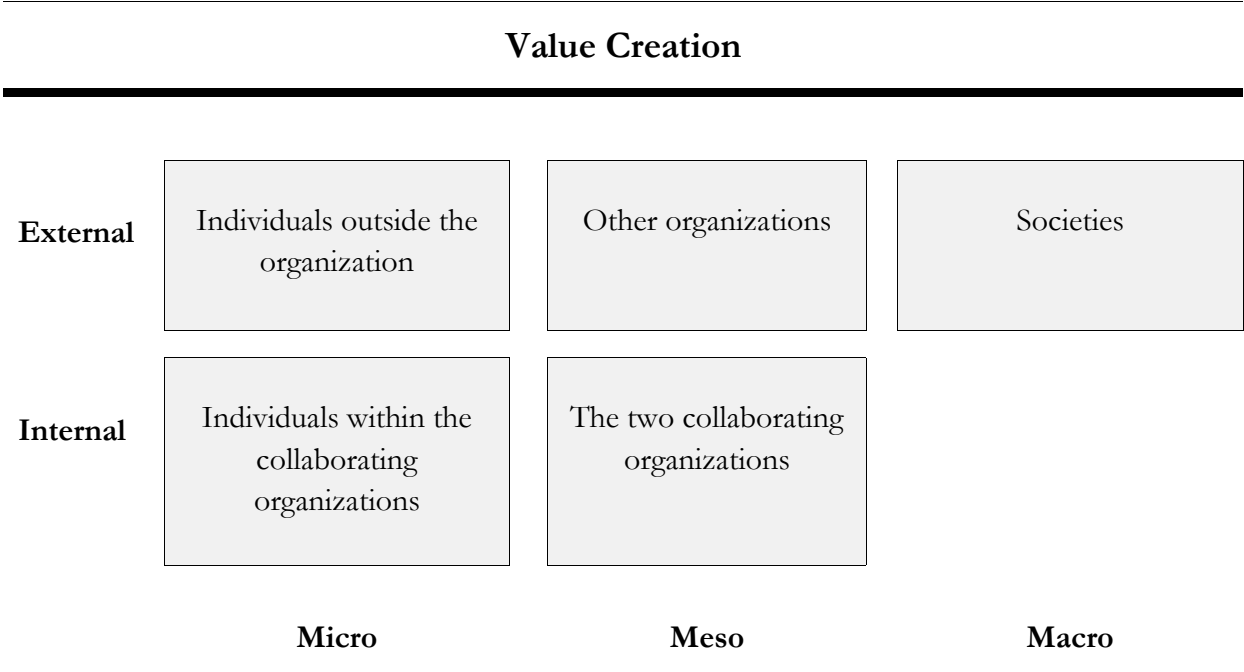


Figure 5.7 Collaboration outcomes on different levels.

In Figure 5.7 above, the value generated as a result of the collaboration is illustrated in different categories. It categorizes which type of value is generated as an outcome of a CSC dependent on if the value is internal to the organizations constituting the collaboration, or if it is external to the collaboration. It also categorizes which type of value dependent on if it is generated on a micro, meso, or macro level.

Moreover, value can be created as a result of independent actions by one party in a CSC, which Austin and Seitanidi (2012a) refer to as ‘sole-creation’ of value. The other alternative is when value is created as a result of actions where the parties are dependent on each other, i.e. ‘co-creation’ of value (Austin & Seitanidi, 2012a). Thus, different types of values are created differently in different types of collaborations. In this thesis, value is defined in accordance with Austin and Seitanidi’s (2012a) definition: “Value is the transitory and enduring benefits, relative to the costs, that accrue to organizations, individuals, and society”. Hence, *enhanced value creation* within the framework of a CSC therefore refers to the enhanced transitory and enduring benefits relative to the costs that accrue to organizations, individuals, and society. The transitory and enduring benefits on a societal level are considered with regards to environmental, economic and/or social aspects. Table 5.1 below provides examples of outcomes on a micro, meso, and macro level for both NPOs and businesses. Thus, Table 5.1 below functions as an extension to Figure 5.7 on p. 19. All the examples are obtained from Austin & Seitanidi (2012b).

Table 5.1 Collaboration outcomes.

Micro level (internal - individuals within the collaborating organizations)	NPO	Business
Instrumental	New strengthened managerial skills, leadership opportunities, technical and sector knowledge, broadened perspectives.	New strengthened managerial skills, leadership opportunities, technical and sector knowledge, broadened perspectives.
Psychological	New friendships.	Psychic satisfaction (self-actualization), and new friendships.

Meso level (internal - the two collaborating organizations)

NPO

Business

Associational

Credibility and visibility, increased public awareness, increase in support for organizational mission.

Credibility, brand reputation, increased sales, legitimacy, increased usage of products/services, improved media exposure, public support, increased stakeholder loyalty, stakeholder communication.

Transferred value

Financial support in cash or in kind; land, materials; increase of cash donations, of money, land, material from partner or others due to higher visibility; additional financial support; volunteer capital.

Acquire market intelligence, competitiveness, second-generation customers, strengthened CFP.

Interaction value

Opportunities for learning, development of unique capabilities, access to networks, technical expertise, increased ability to change behavior, improved relations with profit sector, exposure to different organizational culture, market intelligence.

Access to networks, technical expertise, improved community and government relations, decreased long- and short- term costs, speeding up approval for license to operate, exposure to different organizational culture, increased potential meeting government's and society's priorities, exert more political power within nonprofit sector, improved accountability.

Synergistic value

Opportunities for innovation, opportunities for improvement of processes, development of new partnerships increase in performance, sharing leadership, increased long-term value potential, increased ability to change behavior, exert more

Product and process innovation and learning, increased risk management skills, opportunities for innovation, opportunities for improvement of processes, development of unique capabilities, adaptation of new management practices due to the

political power within sector and society.

interaction with nonprofit organizations (increased long-term value potential), exert more political power within sector and society.

Macro (external)

Individuals external to partnership

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.

Other organizations

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.

Society

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.

Systemic changes

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.

5.6 Concluding remarks on the frame of reference and research question

The tendencies in the external environment, such as the climate change and human rights violations, have shed light on the responsibilities of businesses. External and internal forces have pressured businesses into striving for sustainable development, implementing CSR programs, and undertaking responsibilities beyond the financial profit. Independent of the motivation behind a sustainable business approach, CSR practices and stakeholder management has developed into being key strategic issues of corporations. Practitioners have realized the value and importance of becoming sustainable, despite the lack of evidence proving causality between CSR and CFP. Thus, new and innovative ways of being sustainable and creating value across the TBL are emerging; one of them being CSCs.

The firm-centric assumption complicates the instrumental aspect of stakeholder management when accounting for external individuals', communities', and organizations' stakes in social and environmental issues. Scholars have therefore suggested an issue-salient approach to stakeholder theory and analysis, in order to facilitate the understanding of the firm's role in a wider network. As a consequence, in the light of creating value across the TBL, secondary stakeholders have emerged as potential strategic partners. Furthermore, the notion that social and environmental value creates economic value and vice versa, has increased the acknowledgment of collaborative efforts as an essential and unavoidable tool in achieving sustainable development. The search by nonprofits and businesses for greater value creation is fundamentally where CSCs originate. Thus, CSC will probably be this century's ideal choice of organizational form. Thus, in congruence with the purpose statement in section 3, the research question of this thesis is:

"How do cross-sector collaboration between businesses and NPOs increase the potential for enhanced value-creation?"

6 Methodology

In this section of the thesis, the research positioning, the research approach, and the research strategy are presented.

6.1 Research positioning

A research guided by the philosophy of positivism seeks to create law-like generalizations about an observable reality (Saunders, Lewis & Thornhill, 2012). In contrast to the positivist philosophy is the philosophy of interpretivism. Researchers adopting the interpretivist philosophy argue that the complexity of the reality is lost through forming of theories by definite 'laws', i.e. in the same way physical science is founded (Saunders et. al, 2012). The purpose of this thesis is relatively complex in nature, as it aims to investigate: *"How do cross-sector collaboration between businesses and NPOs increase the potential for enhanced value-creation?"*. As a consequence, the philosophical positioning underlying the research is nearer to that of the interpretivist as the authors of this thesis believe that "...rich insight into this complex world are lost if such complexity is reduced entirely to a series of law-like generalizations" (Saunders et. al, 2012, p. 137). Seeking to create law-like generalizations about CSC would risk reducing the in-depth understanding of the dynamics behind it, which this thesis seeks to investigate. At the same time, it is important to consider the reality quite independent of one's mind. This is in line with the philosophy of realism (Saunders et. al, 2012). Accordingly, this philosophy is very much like the philosophy of positivism. In the philosophy of realism, there are two contrasting forms of realism; direct realism and critical realism. A direct realist argues that what you see is what you get, that the social world is relatively unchanging (Saunders et. al, 2012). On the other hand, a critical realist believes that the mind deceives us, i.e. that our knowledge of reality is a result of social conditioning (Saunders et. al, 2012). Hence, in accordance with the stance of a critical realist, the authors of this thesis believe that it is important to recognize that there is a world that is constantly changing and independent of human thoughts. This is important to recognize, as the phenomenon that is being studied (CSC) is dependent on external trends in the environment. Therefore, it is important to focus on explaining CSC within a context. Furthermore, understanding the phenomenon within a context is the precursor to recommending change, which is in line with business management research (Saunders et. al, 2012). Hence, explaining the phenomenon within a context is important as the results seeks to help managers in their development of a sustainable strategy.

In conclusion, the philosophical positioning underlying the research of this thesis is closer to the interpretivist's line of thought and critical realists as it is practical for the purpose of this research. As mentioned above, it is practical because (1) the in-depth understanding of CSC would be lost if the complexity was entirely reduced to a series of law-like generalizations and (2) recognizing that there is a reality independent of human thoughts is important in order to explain CSC within a context. Thus, the knowledge derived in accordance with the philosophical positioning taken in this research is value-bound, i.e. subjective, with focus on explaining CSC within a specific context. Accepting subjective interpretations enables rich insight into CSC. The data collected will therefore create sensations that are open to misinterpretation and, consequently, the results will not be able to generate law-like generalizations (Saunders et. al, 2012). However, the purpose is not to generate law-like generalized findings. The purpose is to gain in-depth understanding of how CSC can increase the potential for enhanced value creation, in order to guide future research and help managers in their development of a sustainable strategy.

6.2 Research approach

The research on CSCs is a relatively young field of studies and thus in need of field-based research that documents specific value creation pathways (Austin & Seitanidi, 2012a). Accordingly, the purpose of this thesis is to investigate how CSCs can increase the potential for enhanced value creation. The research question; *"How do cross-sector collaboration between businesses and NPOs increase the potential for enhanced value-creation?"*, therefore seeks to investigate the dynamics in the processes underlying a collaboration in order to be able to draw conclusions on value creation pathways. To be able to answer to the degree of complexity the research question imposes, i.e. *how* CSC increases the potential for enhanced value creation, qualitative data has been gathered. The data collected is used to explore the phenomenon of CSC and identify themes and patterns. These themes and patterns are subsequently used to explain how the potential for enhanced value creation is increased. In order to make sense of the findings, existing theory is incorporated where appropriate and new theory is generated where necessary. Hence, generalizing is done from the interactions between the specific and the general. According to Saunders et. al (2012), this approach is in accordance with the abductive reasoning.

The reason for incorporating an abductive approach to the research is mainly due to the following two aspects. (1) Despite the youngness of the research field, there are conceptual theories on CSCs that are important to acknowledge. Thus, the data collected indirectly seeks to

evaluate the existing theories concerning CSCs. Therefore, the nature of the research approach follows deductive reasoning (Saunders et. al, 2012). However, despite the existing conceptual theories regarding CSCs, (2) the youngness of the field implies a risk in solely and uncritically evaluating the existing theories. Thus, the data collected aims to identify themes and patterns that existing theories might be lacking due to the youngness of the research field. Therefore, in contrast to deduction, the approach is not characterized by reducing the problem to the simplest possible elements (Saunders et. al, 2012). As previously mentioned, the thesis does not intend to proclaim a set of definite laws about how CSCs can increase the potential for enhanced value creation. Rather, the research seeks to fulfill the purpose of evaluating existing theories as well as enriching the existing literature with new theoretical perspectives. As a result, the research is moving back and forth between inductive reasoning and deductive reasoning. In effect combining deduction and induction, which characterizes an abductive approach (Suddaby, 2006; Saunders et. al, 2012). Gathering of qualitative data enables a rich and detailed investigation of how CSC can increase the collaboration for enhanced value creation. Thereby, the existing conceptual frameworks are not neglected and, at the same time, the potential of new theoretical perspectives are not neglected either.

6.3 Research strategy

This section outlines the research strategy. A case study strategy was chosen as to best serve the purpose of the research. Moreover, a multiple and embedded approach to the case study strategy was applied, i.e. three cases (representing three CSCs) and two units of analysis (representing the two organizations constituting the collaboration). Data for each case was gathered both on a primary basis and on a secondary basis. Primary data was collected through interviews where each organization constituting each CSC was interviewed separately. Secondary data was gathered through material provided by the organizations, organizational websites, and news articles. The secondary data gathered served two purposes, (1) to gain additional information about the selected organizations and (2) triangulate the collected data. Similarly, interviewing both organizations in the selected collaboration also served the purpose of triangulating information.

6.3.1 Case studies as a strategy

Robson (2002, p .178, cited in Saunders et. al, 2012) defines case study as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence.”

As mentioned above, it is important for the purpose of the study to investigate CSC within its context. Accordingly, the case study strategy provides the researcher with good conditions for gaining a rich understanding of the context of the research and processes being attached (Adolphus, 2015; Eisenhardt & Graebner, 2007). As the literature revealed, CSCs are often a result of NPOs' and businesses' search for enhanced value creation (Austin & Seitanidi, 2012a) and the collaborations are therefore to a large extent dependent on the context.

In addition, a case study strategy is best applied when the research addresses descriptive or explanatory questions: i.e. what happened, how, and why (Yin, 2013), which is in accordance with the purpose and research question. Furthermore, a case study strategy can provide good conditions for evaluating existing theories while, at the same time, create good conditions for investigating new themes and patterns. Creating good conditions for both of these purposes is in line with the abductive approach of the research. Accordingly, Saunders et. al (2012) argue that a case study strategy is a worthwhile way of exploring existing theories. However, only if differences in the findings could be anticipated pre sequent to the collection of data, i.e. the case study is designed as such that it allows for theoretical replicated across cases (Saunders et. al, 2012). Hence, designing the research accordingly strengthens the evaluation of the existing theories. How the research was designed in order to create conditions for theoretical replication is elaborated in section 7.2.1 Sampling (on p. 29).

In conclusion, a case study strategy allows for gathering of qualitative data to gain a rich understanding of CSC as a relatively new phenomenon, i.e. through interviews. It also allows studying CSC as a phenomenon within its context, which is important as collaborations are to a large extent dependent on the context. Lastly, it allows for evaluation of existing theories when designed correctly, i.e. through theoretical replication. Hence, a case study strategy was chosen as the most appropriate strategy to fulfill the purpose of the thesis.



7 Method

To begin with, this part of the thesis incorporates a section that outlines how the Frame of reference section was designed. In that section, the methods for acquiring the literature constituting the Frame of reference are presented. Thereafter, a section that presents the design of the research follows. This section outlines the sampling method, the methods for data collection, and the methods for data analysis.

7.1 Design of the Frame of reference section

This section outlines the process of how data constituting the Frame of reference section has been collected.

The five categories constituting the Frame of reference section (i.e. Sustainability, CSR, Stakeholder theory, Cross-sector collaborations, and the CVC framework) comprise of secondary data collected from academic journals, books, Internet sources, and encyclopedias. The academic journals have primarily been obtained through, Scopus, Google Scholar, and the university library's search engine Primo.

In order to find key contributions within the four first categories (i.e. not the CVC framework), two primary methods of secondary data collection were used. On one hand, articles were obtained through specific search words (see Table 12.1 in Appendix 2) and delimitation methods in order to generate as relevant results as possible. Thereafter, these results were evaluated based on the number of citations the article had, and the impact-factor (ISI Web of Knowledge) of the journal it was published in. A summary of the journals, and their respective impact factor, in which articles were obtained can be found in Table 13.2 in Appendix 2. On the other hand, articles together with other types of publications were obtained through encyclopedias and handbooks. This method also enriched the literature review with general definitions regarding the concerned terminology. However, finding key contributions through these two methods was only applicable to publications on Sustainability, CSR, and Stakeholder theory. Given the relatively young and specific nature of the research on CSCs, other methods were used in order to find key contributions. Furthermore, as elaborated on in section 5, CSCs has emerged from stakeholder engagement as the interest in sustainability and CSR has increased. Consequently, key contributions within literature on stakeholder theory, sustainability and CSR are key contributions within the literature on CSCs as well.

A negative aspect of ISI Web of Knowledge's impact factor is that it promotes journals with a more general focus rather than specialized. Thus, given that the CSC category is a relatively young and specific field of studies, the method of evaluating an article based on the journal's impact factor was not completely suitable. Hence, the impact-factor of a given journal was not as influential in the evaluation process of an article as for the other categories. Consequently, the literature obtained through search words connected to cross-sector collaborations was evaluated with greater focus the number of citations, and with less focus on the impact factor of the journal.

In addition to establishing a background to the literature review through key findings, recent research and findings have enriched the review by making it relevant and up-to-date. These publications have primarily been obtained through two methods. The first method was conducted in a manner similar to the one in regards to the search for key findings. That is, articles have been obtained through specific search words and delimitation methods. However, this time, date of publication and the type of journal was emphasized in order to generate as relevant results as possible. Regarding the second method, articles were obtained through identifying prominent authors within the different categories. Subsequently, the publications of the selected authors were analyzed in terms of relevance to the subject of the thesis.

7.2 Research design

This section outlines the design of the research. The first part presents CSCs studied as well as how they were sampled. The following part outlines the methods for data collection. These two methods consisted of interviews and secondary sources. Each method is treated under a separate sub-heading. Lastly, the method for how the data has been analyzed is outlined.

7.2.1 Sampling

As mentioned in the research strategy section, the research is in the form of a case study strategy constituting of three cases with two units of analysis in each case. Each case represents a CSC consisting of one business and one NPO (See Figure 7.1 below).

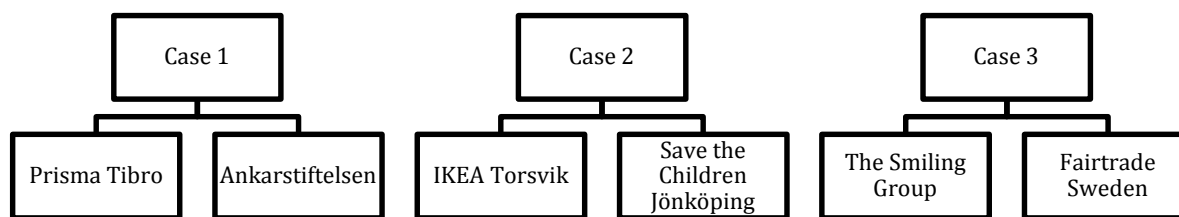


Figure 7.1. Illustration of the case studies.

Figure 7.1 is an illustration of the three case studies. Case 1 represents the collaboration between Prisma Tibro and Ankarstiftelsen. In this collaboration, Prisma Tibro is from the for-profit sector and Ankarstiftelsen is from the non-profit sector. Case 2 represents the collaboration between IKEA Torsvik and Save the Children Jönköping. In this collaboration, IKEA is from the for-profit sector and Save the Children Jönköping from the non-profit sector. Case 3 represents the collaboration between The Smiling Group and Fairtrade Sweden. In this collaboration, The Smiling Group is from the for-profit sector and Fairtrade Sweden from the non-profit sector.

As mentioned in the research strategy section, choosing different cases with anticipated differences allows for theoretical replications (Saunders et. al, 2012). Here, the differences refer to the dynamics underlying the collaboration. Hence, in order to generate conditions for a comparative case study, collaborations were selected based on anticipated differences in how they were designed. Consequently, generating conditions for a comparative case study also generates good conditions for evaluating the existing theories regarding CSCs.

Due to practical reasons, the sampling process was delimited to Swedish NPOs and businesses. Information about the selected cases was retrieved through consulting with individuals that possessed information about the collaborations. Moreover, information about the collaborations was retrieved through organizational websites and news articles. Based on this information, differences between the cases could be anticipated. Subsequently, contact was established with the selected cases and, later on, interviews were scheduled. The sampling process stretched from late mid-February to the late March.

The choice of having three case studies was based on the time and resource constraints underlying the research. Three case studies were enough to generate good conditions for evaluation of existing theories through theoretical replications across the cases. Furthermore, it generated good conditions for discovering of new patterns and themes regarding CSCs.

However, comparing more cases would have generated even better conditions but, as mentioned above, it was not possible due to time and resource constraints.

7.2.2 Methods for data collection

In this section, the methods for data collection are presented. The first part of this section outlines the logical and technical aspects of the interviews conducted. The second part outlines the logic and technical aspects of the secondary sources for data collection. The last section outlines the logical and technical aspects of the methods for analyzing the data.

7.2.2.1 Interviews

The main method by which data was gathered from the samples was interviewing. An interview is a purposeful discussion between two or more people (Kahn and Cannell, 1957) and due to the qualitative nature of the research question, such a discussion was considered the most appropriate approach. As the research question is explanatory, Saunders et. al. (2012) would argue that a semi-structured interview is the preferable method of choice. This allows researchers to more deeply probe the answers they are provided and ask the interviewees to explain or further elaborate on certain areas relevant to the purpose of the thesis. There may be potentially important dimensions to CSCs specific to particular cases that would require some flexibility in order to be explored. An interview format where the structure is absolutely predetermined before the meeting, or a method completely lacking direct contact with the interview subject, would not allow for these opportunities to the same extent. Another beneficial aspect of maintaining the interviews semi-structured is that it creates the opportunity to generate comparable results, which was the intention. Consequently, a semi-structured interview allows for theoretical replication across the cases, i.e. the themes and patterns observed in each case can be located in the CVC framework and compared against each other (the deductive part of the research). The semi-structured nature of the interviews also allows for subjective and unbiased answers, which fulfills the purpose of not neglecting the possibility of identifying new themes and patterns (the inductive part of the research).

The establishment of personal contact with the interviewees was of great significance for the researchers' purpose. It was also important because research has shown that managers prefer to be interviewed rather than filling in a questionnaire (North et al., 1983, cited in Healey, 1991) since it provides them with the opportunity to reflect on events without needing to write

anything down (Saunders et al, 2012). It also provides the interviewee to give feedback on how they want their answers to be used (Saunders et al, 2012).

Prior to each interview, the interviewees were provided with an email containing concepts, which would be touched upon during the interviews (Figure 13.1 in Appendix 3). The choice of distributing information before the interviews intended to (1) prepare the interviewees and (2) initiate a reflection process. Consequently, less time could be spent on creating a common understanding of the concepts and more time could be spent on reflecting on the concepts.

In order to answer the research question, several different types of questions required data (see Table 13.3 in Appendix 3 for the Interview template). To begin with, *general questions* about the company were asked to triangulate data from different sources. These questions concerned the interviewee and his/her role in the organization. It also incorporated questions about the organizations missions, visions, and values as well as the development of the organization. Secondly, *descriptive questions* were asked in relation to the questions sent out in advance. These questions intended to establish an understanding of how the interviewee thought of the key-concepts. Thirdly, *historical and contextual* questions were asked in order create an understanding of the background and foundation of the CSC in question, as this is of importance when comparing the results. Accordingly, the reason underlying how and why the collaboration was initiated was investigated. Subsequently, questions were asked on how the collaboration developed and what type of collaboration it is today. These types of questions are connected to *collaboration stages*, which is the second component of the CVC framework. The stage of the collaboration is important to determine as value creation varies across different types of collaborative relationships (Austin & Seitanidi, 2012a). Fourthly, the interviewee had opportunity to reflect on the other three parts of the CVC framework. Thus, reflective questions were asked on the *value creation spectrum* and *collaboration outcomes* combined since these two components are closely related. In this part of the interview, the interviewee had the opportunity to reflect openly on the question: “What type of values have been created for your organization as a result of the collaboration?” In combination, structured questions were asked on the different types of value, i.e. associational value, transferred resource value, interaction value, and synergistic value to generate comparable results. Furthermore, outcomes were examined on the different levels, i.e. the micro-, the meso-, and the macro level. In addition, the outcomes were examined in regard to internal value and external value. Fifthly, questions were asked on the *partnering process*, i.e. what are the dynamics in the relationship that generates value. This part of the CVC framework was given the most attention in the interviews since the increased potential for enhanced value

creation is generated in the actual dynamics of the collaboration. The partnering process deals with the dynamics in the formation and implementation stages of the collaboration, which provided a solid foundation for analyzing how the collaboration increased the potential for value creation. In this part of the interview, the interviewee had the opportunity to describe how the collaboration functioned and how it related to value creation. As mentioned above, open-ended question in combination with structured interview questions was posed. The combination was implemented in order to be able to establish a causal relationship between the underlying dynamics of each CSC and outcomes. Lastly, the interviewee had the opportunity to answer questions on the paradigm shift, i.e. if the CSC in question is a part of the sustainability movement. This section of the interview covered questions regarding the future of CSC and larger networks.

All of the interviews were conducted over a span of two weeks, on locations to the preference of the interviewees. Most of the times the meetings were held at their offices, for their convenience. For the same reason the interviews were conducted in Swedish. The duration of each interview spanned from 32 minutes to 1 hour and 26 minutes, as can be seen in Table 7.1 (on the next page). The difference in duration of the interviews was to the most part a result of the interviewees' abilities to answer questions precisely and concisely, and not due to any major difference in the general interview contents.

The interviewees for Case 1 were: Pelle Bäckrud, CEO Prisma Tibro; and Börje Erdtman, President and founder of Ankarstiftelsen. The interviews took place in Tibro and Mölltorp and were conducted by all three authors. In Case 2, the interviewees were: Samuel Johansson, Sustainability Developer at IKEA DS North Europe; Inger Kallings, President Save the Children Jönköping; and Lis-Britt Carlsson, Coordinator of Låxhjälpen at Save the Children Jönköping. They took place in Torsvik and Jönköping. All of the authors conducted the interview in Torsvik, while the interview in Jönköping was conducted by only two of the authors. The interviewees for the case 3 were: Oscar Carlsson, CEO The Smiling Group; and Daniel Sommerstein, Product and customer responsible at Fairtrade Sweden. Both interviews took place in Stockholm and were conducted by all the authors. All interviews were held in Swedish and recorded through iPhones voice-memo function. A summary of the interviews is provided in Table 7.1 on the next page.

Table 7.1 Interview summary

	Case 1		Case 2		Case 3	
Organization	Prisma Tibro	Ankarstiftelsen	IKEA Torsvik	Save the Children Jönköping	The Smiling Group	Fairtrade Sweden
Date(ddmmyy)	070415	070415	080415	170415	090415	090415
Location	Tibro	Mölltorp	Torsvik	Jönköping	Stockholm	Stockholm
Duration	0:47:56	1:26:30	0:32:42	0:46:25	0:39:23	0:32:14
Recording device	Iphone	Iphone	Iphone	Iphone	Iphone	Iphone
Language	Swedish	Swedish	Swedish	Swedish	Swedish	Swedish

7.2.2.2 Secondary sources

In addition to using interviews, secondary sources were also used as a data collection method. As mentioned in section 7.2.1 about sampling, information about the collaborations was retrieved through organizational websites and news articles as a sampling method. Consequently, these sources were also used in the research as a data collection method. In addition to using the selected organizations' websites and news articles, corporate documentation and brochures were used as sources for data collection. As mentioned in section 6.3 about the design of the research, the secondary data gathered served two purposes, (1) to gain additional information about the selected organizations and their respective collaboration and (2) triangulate the collected data. Hence, the secondary data sources served the purpose of enriching the authors' understanding about each organization and the collaborations by complementing the data gathered in the interviews. It was also used to triangulate the information gathered in the interviews. All the secondary sources are included in the reference list.

7.2.3 Method for data analysis

In this section, the design of the analysis is outlined. That is, the reasoning behind the structure of the analysis is presented. The analysis includes two parts. The first part is a *categorization* of the findings and the second part is a *comparison* between the cases.

Thus, the analysis begins with a categorization of the findings. As the underlying intention is to compare the different cases, the categorization is important to create well-structured conditions for doing so. In the categorization part of the analysis, two types of categorizations were conducted. The first type of categorization concerns the *collaboration stages* and the second type of categorization concerns the *collaboration outcomes*. The categorization of the collaboration stages incorporates component 2 of the CVC framework. It functions as base for generating consistent terminology regarding what types of collaboration that are being studied, i.e. a *philanthropic* collaboration, a *transactional* collaboration, an *integrative* collaboration, or a *transformational* collaboration (the collaboration continuum). The second type of categorization incorporates component 4 of the CVC framework. This type of categorization is structured in accordance with Figure 5.7 on p. 19, i.e. whether the outcomes are internal or external and whether the outcomes are accrued to a micro-, a meso-, or a macro level. Furthermore, each outcome is categorized in accordance with Table 5.1 on p. 20-22. That is, all the value created as a result of the collaboration is labeled in accordance with Table 5.1. Generating a consistent terminology of the outcomes facilitates the comparison of the cases.

In the following section, the categorizations are *compared* to each other. The comparison serves as the foundation for answering the research question: *how cross-sector collaboration between businesses and NPOs increase the potential for enhanced value-creation*. By comparing the cases, differences and similarities in the cases will function as a foundation for answering what factors in a CSC that increases the potential for enhanced value-creation. Therefore, this section will include the existing theories that are presented in the Frame of reference-section. Regarding the CVC framework, component 1 and component 3 will be incorporated, as they are more conceptual in nature than component 2 and 4. Component 1 and 3 include the *value creation spectrum* and the *partnering process* respectively. Hence, the existing theories that are important to CSCs are evaluated in the comparison section. In summary, the comparison facilitates the explanation of how CSCs can increase the potential for enhanced value-creation. Furthermore, the comparison functions as the base for helping managers in their development of a sustainable business strategy.

8 Findings and Analysis

This section presents the findings from the research, as well as the analysis of the findings. This section will therefore be divided in three main parts (See Figure 8.1 below). The first part is labeled 'Background to each collaboration'. This part includes three sections incorporating the background to each case. In each case, each partnering organization is described separately, as well as the collaboration between them. This part is objective in nature and does not include any analysis.

The second and third parts are more analytical in nature than the first part. As mentioned in section 7.2.3 Method for data analysis. The second part is comprised of two sections where each section represents two types of categorizations. Furthermore, the third part concerns the comparative analysis. Hence, themes and patterns are identified and theories on CSC are evaluated to generate a solid foundation to serve the purpose of the thesis.

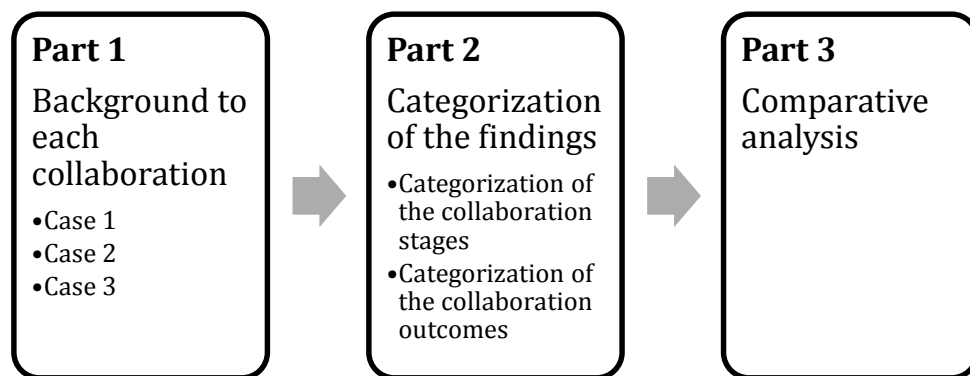


Figure 8.1 Structure of the Findings and analysis section.

8.1 Background to each collaboration

8.1.1 Case 1: Prisma Tibro & Ankarstiftelsen

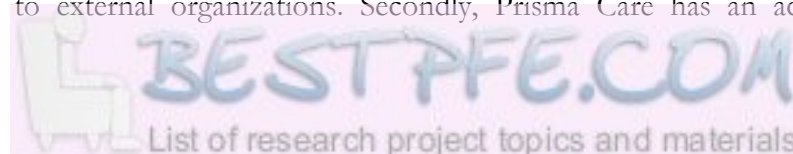
This section presents the collaboration between Prisma Tibro and Ankarstiftelsen where Prisma Tibro is the business and Ankarstiftelsen is the NPO. The interviewees were Pelle Bäckrud, Prisma Tibro; and Börje Erdtman, Ankarstiftelsen.

Prisma Tibro is a collective name that represents three companies, which are privately owned by three Swedish persons. The companies constituting Prisma Tibro are: Prisma Teknik, Prisma Light and Prisma Care. They are mainly focused on technology and mechanics in the service of traffic security. In addition to the three owners (who also forms the management), Prisma Tibro has 24 employees. Tibro is the town where the companies are located.

Prisma Teknik is the dominating market leader in Scandinavia with regard to pedestrian passing signals at road crossings. Prisma Teknik's products are present in close to 100 countries. Prisma Light work to develop streetlights with LED-technology, which is later sold to municipalities, real estate owners, the government's traffic office and more. These two companies aim, to the greatest possible extent with regard to rules and regulations, make a financial profit. They are businesses where profit is only part of the bottom line. However, they aspire to channel out 50% of their profits to charity organizations and CSR efforts through their third company – Prisma Care. Regarding CSR, Prisma Tibro believes that:

- Actively engaging in CSR work enhances commitment and enthusiasm among the employees.
- Actively engaging in CSR work enhances Prisma Tibro's competitiveness on the market regarding daily activities.
- Actively engaging in CSR work implies that Prisma Tibro is a part of a sustainable development that generates job opportunities, both within Prisma Tibro as well as in other context where their CSR projects make a difference.

Prisma Care has two main functions. Firstly, Prisma Care functions as a HR department at Prisma Tibro. That role includes handling internal HR-related issues as well as selling HR-related consultancy services to external organizations. Secondly, Prisma Care has an active role in



different CSR projects. Today, Prisma Tibro is mainly engaged in four projects whereof three are on a local scale and one is on a global scale.

The projects that are carried out on a local scale include provision of financial support to an anti-bullying project in a local school. It also includes provision of financial support to local sports organizations. In these projects Prisma Tibro also coach and educate young practitioners as well as people in charge of young practitioners. The third project on a local scale concerns elimination of youth unemployment in Tibro. In this project Prisma Tibro works on a program developed together with the municipality, the employment agency, and other businesses. The fourth project is on a global scale and in collaboration with the NPO Ankarstiftelsen.

Ankarstiftelsen is a charity foundation that was initiated in 1996. The organization's first project included child sponsorships in Brazil. Since then, Ankarstiftelsen has quickly developed into an organization whose primary work focuses on four main areas: education, water, prisons and football schools. The board of directors operates in Sweden and they have several work groups in support of local cooperative organizations. These collaborations have been going on for 15-20 years. Voluntary tasks are continuously developed where they strive to involve several different working groups. Ankarstiftelsen's operations are sponsored by businesses, artists, universities and churches, and, at times, engaged private persons.

Ankarstiftelsen operates on Christian values even though they are religiously and politically unbound. All operations are based on voluntary efforts and thus, Ankarstiftelsen has one of the lowest administrative costs in Sweden relative to their turnover. They are most active within Colombia, but also they also have operations in Brazil, Bolivia, Peru, Costa Rica, Afghanistan, Kenya Nepal, and Pakistan.

The collaboration. The activities of Ankarstiftelsen are completely financed by external parties through sponsorships. One of these sponsors is Prisma Care. Though Prisma Care donates to other causes as well, Ankarstiftelsen is the main recipient of their donations.

While the main aspect of the partnership between Ankarstiftelsen and Prisma Tibro is the financial contributions, attempts are made to further involve the staff of Prisma Tibro's subsidiaries, and their families, as godparents of Colombian children. Börje, the head of Ankarstiftelsen, tends to appear at the Prisma office on a regular basis to present what he and the foundation are doing, and how Prisma Care's donations are being spent. This has a positive effect

on the working environment and the motivation and attitudes of the people working at Prisma Tibro. The collaboration between Prisma Tibro and Ankarstiftelsen started in 1996. The collaboration started because Börje Erdtman was a close friend to the founder and former CEO of Prisma Tibro. The former CEO was deeply religious with strong Christian values and a firm belief in helping people, which was the foundation for the initiation of the stream of donations from Prisma Tibro to Ankarstiftelsen.

8.1.2 Case 2: IKEA Torsvik & Save the Children Jönköping (SC)

This section presents the collaboration between IKEA Torsvik and Save the children Jönköping (SC) Jönköping where IKEA Torsvik is the business and SC Jönköping is the NPO. The interviewees were Samuel Johansson, IKEA Torsvik; Inger Kallings, Save the Children Jönköping; and Lis-Britt Carlsson, Save the Children Jönköping.

IKEA is a multinational corporation who sells and designs ready to assemble furniture as well as appliances and home accessories. IKEA has several collaborations with organizations such as Save the Children, WWF, UNICEF and Naturskyddsföreningen that have lasted for many years. In 2013, IKEA formed an operations strategy called “People and Planet Positive” (PPP). The PPP consists of three parts: (1) IKEA wants to help customer live a more sustainable life at home by being aware of recycling, energy- and water consumption, (2) IKEAs awareness of their own energy and resource independence, what kind of resources and types of energy they use as well as the amounts, and (3) create a better everyday in the societies where IKEA is present.

IKEA Torsvik is one of IKEA’s distributions centrals. IKEA Torsvik distributes IKEA’s range of products to customers and retailers in Northern- and Eastern Europe. IKEA Torsvik supports different organizations and projects every year, and the projects chosen must concern children’s development in the surrounding area. Usually this support has been in terms of financial support or furniture.

Save the Children Jönköping is a NPO where all the work is conducted on a voluntary basis. Their work is aimed at children on an international, a national and a local level, where the Children’s Conventions directions guide their work in their campaign for children's rights. Their work also includes being seen in different context, communicating and teaching the importance of the Children’s Conventions values. However, they first and foremost work concern the improvement of situations for children in underprivileged positions. One very prominent group

in SC's work in Sweden today are the refugee children who come alone, without any family, and those who come with their families to a new country. SC's role is to facilitate their acclimatization and integration into the country.

The collaboration between IKEA and SC is a collaboration that has been going on for many years, both in Sweden and especially in countries where children are particularly exposed and vulnerable. Consequently, the collaboration between IKEA Torsvik and SC Jönköping is long running as well, but has intensified and evolved during the past three years as IKEA Torsvik has become more involved and integrated in the operations conducted by SC Jönköping.

SC has many ongoing programs and one of them is the 'Ellen och Allan' program, where girls and boys in class 8 has the opportunity to talk to and discuss questions and topics concerning their lives and role in society with a discussion moderator. These discussion groups are still ongoing and are to large extent funded by IKEA. IKEA also sells stuffed animals where the profit goes to SC.

IKEA Torsvik initiated the more integrated collaboration with SC three years ago. The reason behind the more integrated collaboration with SC was that IKEA Torsvik wanted to do more than just contribute with financial support. In addition, the incentive to do more is a part of the PPP strategy. IKEA Torsvik chose SC since they already had a well-established relationship, good contacts and common values. Subsequent to the decision to collaborate more intensely, SC visited IKEA Torsvik in order to hold informative lectures for the employees as IKEA. The lectures included information about SC's work and the values that they represent. Today, IKEA Torsvik is highly active in the 'Läxhjälp' project that SC organizes once a week at a local school. During the sessions, two volunteers from IKEA Torsvik and at least one volunteer from SC is present. Before being able to participate as a volunteer at Läxhjälp, every volunteer from IKEA has to participate in an educative course at SC. This course teaches the volunteers the ethical aspects of interacting with the children.

The employees at IKEA Torsvik were initially active at an asylum housing where several children resided, as well as with the Läxhjälp project. As many of the active volunteers from IKEA had a foreign background, they could communicate with the children in a way that the SC volunteers could not, which was very appreciated. Despite the success of the project and positive response from both the children and volunteers from IKEA, the problem could not continue. The project was dependent on representatives from SC to be present, which caused difficulties since SC

lacked organizational structures and resources. Hence, it was impossible for SC to set a fixed schedule that compatible with IKEA's working schedule. In contrast asylum housing project, the Låxhjälp project is more structured, which facilitates an integrated collaboration with SC and IKEA. In summary, the collaboration has evolved from solely including financial support, to more integrated activities.

8.1.3 Case 3: The Smiling Group (TSG) & Fairtrade Sweden

This section incorporates the collaboration between The Smiling Group (TSG) and Fairtrade Sweden where TSG is the business and Fairtrade is the NPO. The interviewees were Oscar Carlsson, The Smiling Group; and Daniel Sommerstein, Fairtrade Sweden.

The Smiling Group. The business idea behind TSG was generated as a result of a bachelor thesis research project in Gambia. The problem encountered by the founders of TSG was, at that time, the existing market conditions for cashew nuts. It was a buyers market where farmers were exploited and the nuts refined under loathsome conditions in other parts of the world. The supply chain consisted of seven intermediaries before reaching the intended market, which was Scandinavia. Consequently, the market's prerequisites influence on the Gambian farmers posed the following question: "How can we put people in Gambia to work while being profitable?"

As a result of the research in Gambia, TSG was founded in 2013. Today, two fulltime employed and one part-time employed work under the assumption that fair trade generates long-term development where it is needed the most. The initial idea was to produce and refine the cashew nuts in Gambia, which would reduce the number of intermediaries from seven to one. As a result, TSG could compete with price and at the same time offer cashew nuts that are produced and refined under fair conditions. Today, TSG offer organic cashew nuts, as well as other products, produced under fair conditions at the same price as the conventional cashew nuts produced under loathsome conditions. In accordance, TSG believes that being profitable is as important as creating social value and that they are not two contradicting aspects that have to be balanced. Being profitable and creating social value are two interdependent aspects that are critical for the future success of the organization.

Fairtrade Sweden. The international Fairtrade system includes three producer networks, 25 Fairtrade organizations, Fairtrade International, and FLOCERT, which is the independent certification body of the global Fairtrade system. Fairtrade Sweden is one of the 25 Fairtrade

organizations. Fairtrade works towards a world in which all producers can enjoy secure and sustainable livelihoods, fulfill their potential and decide on their future. Accordingly, Fairtrade's standards are designed to support the sustainable development of small producer organizations and agricultural workers in the poorest countries in the world.

Fairtrade Sweden is composed of one association and one company. Their joint mission is to increase the range and demand for Fairtrade-labeled products through:

- License the Fairtrade-label to corporations whose products are certified according to international Fairtrade standards and create additional value for them.
- Affect the retail industry, resellers, and wholesalers to develop, expand, and market their range of Fairtrade-labeled products.
- Form public opinion and share information intended to enhance consumers' awareness and knowledge about Fairtrade.

The collaboration. As fair trade is a prerequisite for TSG's business model, contact with Fairtrade was established in the evaluation process of the idea. TSG needed information regarding the requirements constituting the process of being Fairtrade-labeled in order to assess the feasibility of the business model. Consequently, the collaboration between TSG and Fairtrade was initialized before TSG was officially founded as a corporation. From TSG's perspective, the collaboration is fulfilling the main purpose of the organization: being profitable by creating fair working conditions and local job opportunities throughout the supply chain. From Fairtrade's perspective, collaborations with corporations in general are the foundation for achieving the vision of the organization, i.e. a world in which all producers can enjoy secure and sustainable livelihoods, fulfill their potential and decide on their future. Hence, collaborating with TSG is one part of fulfilling the purpose of the organization.

In accordance with the underlying purposes, the collaboration has four main functions. Firstly, the collaboration works as such that Fairtrade introduces TSG to new suppliers of products constituting TSG's existing product range. The introduction to a new supplier can be initialized from both organizations, i.e. either Fairtrade contacts TSG with a proposal or TSG contacts Fairtrade with a request. Thereafter, they collaborate to integrate the new supplier in the supply chain. Thereby, TSG can source the same product from several suppliers, which would minimize the impact on supply in the event of e.g. a bad harvest or a natural disaster.

Secondly, Fairtrade introduces TSG to suppliers of new products intended to extend the existing product range. For example, the decision to extend the product range can either be initiated internally or by suggestion from a retailer. Subsequent to the decision to extend the product range, contact is established with Fairtrade to present the product of choice. Thereafter, TSG and Fairtrade work to develop the supply chain in order to make it economically feasible while simultaneously meeting the social requirements.

In both of the above functions, the contact between TSG's CEO and Fairtrade's product manager (who is responsible for, inter alia, nuts) is ongoing and close. However, the process does not end subsequent to the integration of a new supplier or the launch of a new product. TSG is on a continuous base audited by FLOCERT commissioned by Fairtrade.

The third function concerns labeling, by using the suppliers sourced by Fairtrade, TSG can label their products with the Fairtrade logo. However, in order to do this, they have to comply with Fairtrade's requirements regarding minimum purchase price, minimum salary (does however not apply to TSG), and pay the Fairtrade premium. The premium is subsequently invested in the community producing the products, in this case nuts. According to TSG, this is perhaps the most important function of the collaboration as it has a significant influence on the retail stores decisions to purchase TSG's products.

Lastly, Fairtrade also introduces TSG to new retail stores and other networks. For example, if Fairtrade has a collaboration with a hotel that introduces a 'fair breakfast'. Fairtrade advises TSG to go there, as TSG's potential to acquire the hotel as a customer has increased.

8.2 Categorization of the empirical findings

This part includes two sections where each section represents two types of categorizations of the findings. The first section concerns component 2 of CVC framework, i.e. the collaboration stages. The second section of the second part concerns what type of values that have been created as a result of the collaboration. This section categorizes the findings in accordance with component 4 of the CVC framework, i.e. the collaboration outcomes. A summary of the categorizations can be found in Table 8.1 on p. 55-56.

8.2.1 Categorization of the collaboration stages

Part one of the categorization of the data concerns component 2 of the CVC framework, i.e. the collaboration stages. This component functions as base for generating consistent terminology regarding what type of collaboration it is, i.e. a *philanthropic* collaboration, a *transactional* collaboration, a *integrative* collaboration, or a *transformational* collaboration (the collaboration continuum). Accordingly, Figure 5.4 on p. 14 will function as a base for determining the collaboration stage.

8.2.1.1 Case I

The collaboration between Prisma Tibro and Ankarstiftelsen fits well into the classification of a *philanthropic* collaboration, as presented by Austin and Seitanidi (2012). Hence, the directionality of the resource flow is mainly unilateral. Financial support is flowing from Prisma Care to Ankarstiftelsen, which is a common trait characterizing philanthropic collaborations. The first and foremost purpose of the collaboration is to contribute to Ankarstiftelsen in pursuing their mission to create social value in Colombia, which does not directly serve the business activities of Prisma Tibro. Just like Austin and Seitanidi (2012) argue is the case with traditional philanthropic collaborations, this partnership largely involves sole-creation rather than co-creation of value.

Pelle Bäckrud, CEO and part owner of Prisma Tibro, emphasizes the fact that they themselves do not engage directly in any of Ankarstiftelsen's activities by saying: "We are very clear, as owners, to say that Prisma Teknik AB and Prisma Light AB are profit making businesses. We try to optimize good production, and by profit I mean that if we can generate as much profit as possible, then we can continue to be a competitive force, we can continue to enter into new markets, work with product development which demands much time, much energy and much money, so we have to have profit as the bottom line. We are clear in that we are no foundation, but we are a profit making business."

When observing Figure 5.4 on p. 14, one can observe that Pelle's statement above indicates a low level of engagement and interaction. This is in accordance with Austin and Seitanidi's (2012) mapping of a philanthropic collaboration. In this case, however, the collaboration differs from what Figure 5.4 depicts regarding the trust dimension. Pelle claims that they choose to sponsor Ankarstiftelsen because they can be certain that the vast majority of their donations reach the end cause. Had Prisma Tibro not been able to trust Ankarstiftelsen to that extent, the collaboration would not exist. Pelle conveys this by saying: "What drives us, all three owners, is that the profits

we make can be reinvested in the business. However, we want to use a large part of the profits for something that does not benefit us as owners. This could be by backing up Ankarstiftelsen, because we believe in the importance of what they do. (...) And though I don't have the exact numbers in my head, I think it is about 95% of the donations, that we can be sure goes directly to that cause". Börje Erdtman, Founder and President of Ankarstiftelsen also argue this claim.

Furthermore, the collaboration requires no real internal change for any of the parties involved, as the managerial complexity is very low. As mentioned above, the type of resources exchanged is, for the most part, money. Thus, observing Figure 5.4, one can assert that the collaboration is philanthropic in nature. However, the exchange of the partnership does, to a small degree, extend beyond solely monetary donations. That is because Börje frequently visits the offices of Prisma Tibro, showing both the owners as well as the staff exactly what their donations do and the difference it makes. This has a very positive effect on the working attitude among Prisma Tibro's employees according to Pelle.

8.2.1.2 Case 2

Initially the collaboration consisted primarily of a resource flow that was largely generic in form (cash and furniture), and unilaterally directed from IKEA to SC, which falls in line with Austin and Seitanidi's (2012a) definition of a *philanthropic collaboration*. IKEA donated money and furniture to SC who subsequently utilized them for social betterment. Hence, sole-creation of value was the prominent way of value creation in the collaboration.

By studying Figure 5.4 on p.14, the initial collaboration between IKEA and SC was characterized by a low level of engagement and interaction. Furthermore, the type of resources that were transferred was mainly monetary and the value was sole-created by SC. Hence, it can be deduced that the collaboration relationship was clearly philanthropic in nature.

As the collaboration evolved over the years it developed into what Austin and Seitanidi (2012a) would call a *transactional collaboration*. Following the development of the collaboration, the financial support evolved into voluntary activities at the immigration housing, and later on Läxhjälpen, IKEAs voluntary program has increased the level of engagement between the organizations. Furthermore, the level of interaction between them is higher, as the voluntary workers from IKEA actively participate in SC's Läxhjälpen program twice a week.

Furthermore, as SC educates all the volunteers from IKEA, the flow of resources alters from being purely unilateral to being bilateral. In addition, the resource exchange is no longer purely generic, but has transcended into specific competencies. After the launch of IKEA's PPP strategy in 2013, the linked interests between the organizations have been further enhanced and in line with each other. Thus the collaborations' importance to IKEA's mission is higher. As SC volunteers and IKEA employees work actively together in the L axhj alpen project, the co-creation of value has increased. Additionally, as mentioned above, the more integrated collaboration initially resulted in difficulties in structuring activities due to large differences in organizational structures and resources. As a consequence, the collaboration has resulted in internal change and a higher degree of managerial complexity in order to solve this issue.

However, the collaboration is still on a very small scale and still relatively far away from the core activities of IKEA Torsvik. However, the partners have linked interests in that creating value for oneself is dependent on creating it for the other. Accordingly, the collaboration is a *transactional collaboration*.

8.2.1.3 Case 3

As previously mentioned, the collaboration continuum does not illustrate a fixed development curve, where every collaboration has to start in a philanthropic stage. The collaboration between TSG and Fairtrade is a good example of not starting the collaboration with solely philanthropic activities. The collaboration possessed characteristics from the *transactional* stage already in the initialization process. For example, in a collaboration at a stage beyond a philanthropic stage, one characteristic is that the directionality of the resource flow is bilateral. Accordingly, TSG and Fairtrade are both providers and recipients of resources. In the initialization process, Fairtrade provided TSG with knowledge and information about how to conduct business in the region. Furthermore, name and logo licensing agreements was established before the release of the first product, as well as certification arrangements. Thus, in accordance with the description of the transactional stage, the partners have linked interests in that creating value for oneself is dependent on creating it for the other.

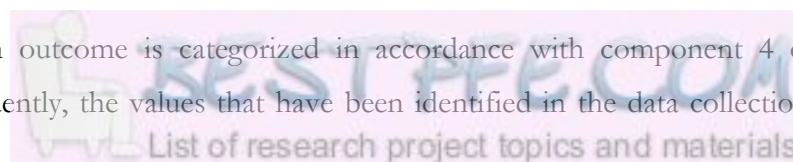
However, the collaboration possesses characteristics that go beyond the transactional stage, i.e. to the integrative stage. A characteristic of the integration stage is that "the collaboration is seen as integral to strategic success of each organization, but beyond this, greater priority is placed on producing societal betterment" (Austin & Seitanidi, 2012a p. 17). In accordance, Fairtrade success

is determined by the amount of companies acquiring the Fairtrade-certification and undertaking social responsibilities. Furthermore, Oscar asserts that: “Without Fairtrade, we would not have been able to enter [the market]”. Hence, the collaboration is seen as integral to strategic success of both organizations. As a result, when studying Figure 5.4 on p. 14, it is possible to conclude that the importance of the collaboration is central to the mission of the two organizations. Furthermore, both are placing greater priority on producing societal betterment. Daniel emphasizes that it does not matter which company that acquires the Fairtrade-certification, as long as social betterment is produced. He says that: “I would not mind if TSG outcompetes OLW [one of the market leaders]”, at the same time he says that: “I also see a scenario sometime in the future where OLW acquires at least one [Fairtrade-certified] product”. Regarding TSG, it started with an issue as one of the central aspects of the business, i.e. “How do we create job opportunities for the people in Gambia?”. Accordingly, Oscar emphasizes that organizations such as Fairtrade should not have to exist, as fair trade should be a prerequisite for every business. Thus, both organizations put greater priority on producing social betterment (i.e. better condition regarding fair trade) than they do on their own profit from the collaboration.

As conditions for fair trade is a prerequisite for TSG’s business model and that the social impact of their business is as important as being profitable, the strategic value of the collaboration is of relatively high importance (Figure 5.4 on p. 14). Furthermore, another dimension of the interactive stage is that the collaboration is highly intensive. Accordingly, Oscar asserts that: “We [Oscar & Daniel] have a very close contact” which has been ongoing since the start. Putting the issue in the center was a key aspect in realizing the importance of having Fairtrade as a partner. Oscar said that Fairtrade was the first step in evaluating the business idea. Moreover, the functions of the collaboration mentioned in section 8.3.3, indirectly demands a high level of engagement, which explains the close contact between TSG and Fairtrade. Thus, studying Figure 5.4 on p. 14, it is possible to conclude that the level of engagement is relatively high and the interaction level is relatively intensive. Furthermore, the type of resources exchanged includes more than just money. As mentioned above, knowledge about the market and access to different networks are exchanged as well. In conclusion, TSG and Fairtrade have an *integrative collaboration* where the creation of value is more conjoined than it is sole-created.

8.2.2 Categorization of the collaboration outcomes

In this section each outcome is categorized in accordance with component 4 of the CVC framework. Consequently, the values that have been identified in the data collection have been



located in Table 5.1 (on p. 20-22). The outcomes are highlighted in *italics*. A summary of the outcomes in each collaboration is provided in Table 8.1 on p. 55-56.

8.2.2.1 Case I

Micro. The collaboration between Prisma Tibro and Ankarstiftelsen has shown to be valuable for Prisma Tibro on the individual level, as it has produced psychological benefits. Börje's presence in the workplace makes employees more aware of the contributions Prisma Tibro is making in Colombia and elsewhere. Börje also offers them the opportunity to contribute on an individual level by becoming child sponsors to South American children, which brings further purpose and a more positive working attitude to the Prisma Tibro personnel. Thus, *psychic satisfaction* is produced as result of the collaboration. Accordingly, Pelle claims that the impact is substantially positive on an individual level.

Meso. Both Prisma Tibro and Ankarstiftelsen have benefits to gather on the meso level from the collaboration. Regarding *associational value*, Prisma Tibro benefits from the collaboration in terms of enhanced *brand reputation*. Even though Prisma do not excessively market their affiliation with Ankarstiftelsen, their website shows their donation's impact on the Colombian society. As for Ankarstiftelsen, they benefit from the affiliation as well. Börje emphasizes that when a company chooses to sponsor a charitable foundation, not only does the NPO benefit monetarily, the sponsorship is also a vote of confidence. It is a quality stamp to be associated with a well-established business, which improves Ankarstiftelsen's *brand reputation*. Furthermore, Ankarstiftelsen also gains *credibility* and *visibility* from the collaboration. When one larger company shows belief in an NPO, others are likely to follow. Thus, *public awareness* of the social cause is also increased by the collaboration.

Furthermore, since this specific collaboration is of such a philanthropic nature, the main identifiable *transferred value* is the financial support Prisma Tibro provides Ankarstiftelsen with. Thus, the collaboration does not extend much further than a corporate sponsorship. However, the collaboration has also created a certain degree of *competitiveness* for Prisma Tibro. The work in Colombia has generated large local interest reaching governmental level. Accordingly, Prisma Tibro has through the collaboration been able to gain competitive advantage in communities in Colombia who has the need of Prisma Tibro's products.

As for *interaction value*, one of the foremost values to have been created for Prisma Tibro is their *access to networks*. As mentioned above, Prisma Tibro has been able to access communities in Colombia as a result of collaborating with Ankarstiftelsen. Hence, the collaboration has generated *improved community and government relations* for Prisma Tibro. As a result, Prisma Tibro is currently working on establishing other products on the Colombian market.

Macro. The macro level values created by the collaboration are quite substantial and generated in the communities where Ankarstiftelsen works toward social betterment. As Prisma Tibro provides financial support to Ankarstiftelsen, more Colombian children can go to school. Thus, the collaboration indirectly creates a vast amount of social values due to Ankarstiftelsen's extensive work, they are comprised of *improved literacy, improved social inclusion, increased disposable income* as well as *improved independence and responsibility*. Since it is common for children to turn to a life of crime, drugs and prostitution, Ankarstiftelsen's impact on Medellín's children also includes *reduced death rates and increased life expectancy, reduced substance abuse and improved well-being*. On a societal level, one could argue that Ankarstiftelsen provides both *improved social standards, and increased long-term value potential*, in Medellín, as more children get educated and crime rates decrease.

Furthermore, in Medellín as well as in Peru, Ankarstiftelsen provides clean drinking water. As the drinking water improves in communities, *reduced death rates and increased life expectancy* occur through *increased disease/illness awareness and prevention*. Ankarstiftelsen's sponsorship program for Brazilian children and their families is another operation which leads to *increased disposable income* for those families, which in turn leads to an *increase in social standards*.

8.2.2.2 Case 2

Micro. On an individual level, the values created for IKEA are mainly psychological in nature. According to Samuel, the workers at IKEA Torsvik who volunteer at SC have more energy, are more inspired and motivated. Several of the volunteers also chose to volunteer outside their working hours after having been active within the collaboration. This can be categorized as *psychic satisfaction* on an individual level. Furthermore, many *new friendships* are also formed through the collaboration between the children and the volunteers.

For SC on the other hand, the values created on an individual level differ remarkably from those of IKEA. According to Inger, the collaboration challenges the leadership of those responsible at SC as the volunteers demand a certain level of structure in SCs work. Hence, on an instrumental

level, *leadership opportunities* and *new strengthened managerial skills* are two outcomes of the collaboration. Furthermore, on a psychological level *new friendships* have been formed between the volunteers from IKEA, SC and the children active in the project, which both Inger, Lis-Britt and Samuel deliberate origins from the active collaboration.

Meso. As previously mentioned, IKEA's awareness of their values and brand as such has made them very selective regarding whom they choose to collaborate with. Therefore, the associational value generated for IKEA as a result of the current collaboration increases their *credibility* and *brand reputation*. It also advocates the *legitimacy* behind their intentions, which Inger, Lis-Britt and Samuel states. According to Inger and Lis-Britt, the associational value that accrues to SC from the collaboration mainly concerns enhanced *visibility*, *credibility*, and *public awareness* of their work. That is because the collaboration as such has received positive press, and IKEA as a collaborative partner has a positive reputation.

Regarding transferred value, Inger and Lis-Britt explains how SC receives *financial support* in cash from IKEA, as well as furniture. The collaboration also generates *increased cash donations* through the collections organized outside IKEA by SC and inside the IKEA stores. Furthermore, since IKEA workers contribute with their presence, SC receives *volunteer capital*. When considering interaction value, both IKEA and SC mainly gains *exposure to a different organizational culture*, as SC's organization is built on completely disparate foundations. As mentioned above, some of the programs did generate difficulties due to differences in organizational structures and resources. That is because IKEA demands a certain structure that SC, as a voluntary based organization, cannot have. As described by Inger, this has created the possibility for them to expand their *opportunities for innovation (synergistic value)*, as the partnership increases their opportunities to engage in new projects and further their mission. Hence, the collaboration also enables SC to be more active within their field, which in turn *increases their long-term value potential*.

Macro. Individuals external to the collaboration are the students and individuals who participate in the projects organized by SC. They experience *improved literacy* as a direct outcome of the collaboration, since the students involved in the Låxhjälp project receive additional help with their schoolwork. Furthermore, knowledge and guidance is provided to students through the discussion groups on issues relevant to their age, which creates increased *awareness of diseases and illnesses* as well as *social inclusion*. Indirectly this has an effect on reduced future *substance abuse*, *improved health* and improved *well-being*.

Indirect value created for the society as a whole as a consequence of the collaboration could be the potentially *reduced social costs*, as well informed and aware citizens make up a more stable society. Furthermore, the *long-term value potential* could increase as more informed and well-being citizens are beneficial to the society in the long run.

Inger and Lis-Britt discussed how the projects they lead increased the general *well-being* and *social inclusion* that their different programs bring, as the attention from adults and possibility to express their feelings is very beneficial for the students that are involved in the programs. Moreover, they express their wish that this collaboration is to be viewed as a good example, which others hopefully are to follow, so that this sort of cross-sector collaboration will be seen as less controversial, and more of a norm.

In conclusion the collaboration has generated *reduced social costs through interaction effects of social problems*. Thus, systemic changes can indirectly be actualized as an outcome of the collaboration since the collaboration can function as a benchmark for future organizations that aspire to create social betterment.

8.2.2.3 Case 3

Micro. From TSG's perspective, outcomes on an individual level are mostly instrumental and concerns mainly *sector knowledge*, i.e. by collaborating with Fairtrade, new knowledge about the sector is created on an individual level. For example, Oscar stresses that e.g. Fairtrade helps TSG to find organically produced peanuts, which is basically impossible. Therefore, the individuals in TSG gain personal value in enhancing their knowledge about the sector. Moreover, Oscar asserts that the individual motives in the company are very diversified. For some persons in the company, *psychic satisfaction* is an outcome as the collaboration generates social betterment. Hence, the outcomes on an individual level are also psychological.

From Fairtrade's perspective, outcomes of on the individual level are mostly psychological. Daniel says that: "People here [at the office] are happy to hear about Smiling's progress". Hence, the collaboration is indirectly contributing to enhance the outcomes on an individual level in terms of *psychic satisfaction*.

Meso. As mentioned above, one of the most important types of value created through the collaboration for TSG is *associational value*. According to Oscar, being associated with Fairtrade is crucial for their success. To begin with, Fairtrade was the underlying reason to why they got

access to the market. Thus, being associated with Fairtrade generates *increased sales*. Furthermore, it generates *credibility*, *brand reputation*, and *legitimacy* due to the standards a Fairtrade-certified product implies. Accordingly, Oscar emphasizes that: “It is very valuable to print this [Fairtrade’s] logo, it makes people buy our product”. For Fairtrade, Daniel asserts that: “It is very favorable for us to be associated with young, ambitious, and not least, committed companies. Committed in the sense that they do not only want to sell nuts, they want to do it better [social betterment]”. Hence, the collaboration generates *credibility* and *visibility* for the Fairtrade as a brand (i.e. enhanced *brand reputation*), it generates *increased public awareness* when Fairtrade’s logo is visible in TSG’s marketing campaigns, and it generates *increase in support for organizational mission* as it provides an opportunity for people to make an active decision to support Fairtrade’s mission.

In addition, regarding the second type of value (i.e. *Transferred value*), TSG *acquires market intelligence* from Fairtrade. For example, if Fairtrade learns that a hotel has introduced a ‘fair breakfast’ (i.e. the only products that are served are sourced from productions with fair conditions), Fairtrade spreads that information to TSG. Furthermore, as mentioned above, Fairtrade provides market intelligence through e.g. informing TSG where to find producers of organic peanuts. In that way, TSG indirectly acquires *competitiveness* through the acquisition of market intelligence. Through the generated competitiveness TSG receives the opportunity to *strengthen CFP*. Fairtrade, on the other hand, acquires *financial support in cash* through the premium that TSG is required to pay in order to acquire the certification. Additionally, Fair trade also receives products (e.g. boxes of cashew nuts), which they can distribute at, for example, a festival or any kind of event intended to promote Fairtrade as a brand.

The third type of value (i.e. *Interaction value*) is also generated as a consequence of the collaboration. For example, as mentioned in the empirical findings, Fairtrade introduces TSG to suppliers of both products in the existing product range as well as new products. Regarding the sourcing of cashew nuts, Oscar says that: “Fairtrade Sweden has introduced us to a factory in the Ivory Coast and a factory in Burkina Faso (...) and also one in Northeastern China”. Hence, Fairtrade provides TSG with *access to networks*. Obtaining the required market intelligence and finding appropriate producing networks would demand a lot of time and resources. Thus, collaborating with Fairtrade indirectly leads to *decreased long- and short-term costs* for TSG. This function is particularly important in TSG’s case since they are a relatively new and small organization and thus, have limited resources and time to exercise these practices. Interaction value is also generated for Fairtrade. Oscar stresses that Daniel knows a lot more about TSG than for example the customers. “He [Daniel] is involved now in our [TSGs] products that we intend

to launch in a year”. Hence, the collaboration provides Fairtrade with *market intelligence* as well and thus, it goes both ways. Furthermore, Daniel says that: “If I am to meet someone who wants to produce coconut milk, or anything really, I can mention TSGs story [i.e. that they would not have been able to enter the market without Fairtrade’s certification]. That is, if you have two equal products, our logo might be the difference between being able to enter the market, or not being able to enter the market”. Consequently, the collaboration generates an *increased ability to change behavior* for Fairtrade.

Moreover, the fourth type of value (i.e. *synergistic value*) is also generated as a consequence of the collaboration. Oscar emphasizes that it is as important to have different customers, as it is to have different suppliers in order to spread out the risk. Thus, when Fairtrade introduces TSG to new suppliers and supplier networks, TSG acquires *opportunities for improvement of processes*. Hence, through the collaboration, TSG acquires a larger base for strategic decision making as the alternatives increases, e.g. through enhanced market intelligence and access to new networks. Fairtrade on the other hand, acquires *increased long-term value potential* through the increased ability to change behavior. Daniel stresses that: “Given that they continue to grow in the current pace, the big players on the market have to position themselves in accordance to TSG, and in accordance to Fairtrade in general”. Thus, collaborating with TSG increases the potential of other companies acquiring a Fairtrade-certification, which in turn increases the long-term value potential.

Macro. The value of the organization stretches beyond the individuals directly tied to Fairtrade and TSG. The producers’ possibility to improve the quality of their lives is improved as a result of the premium paid by TSG. The distribution of the premium is democratically decided within the producers’ community. It is a requirement that small farmer groups must have a democratic structure and transparent administration in order to be certified. Hence, the collaboration directly generates *improved social inclusion* and *improved independence and responsibility* for individuals that are external to the collaboration. In accordance, Oscar stresses the importance of empowering the farmers to achieve real change. Moreover, the premium is typically invested in education, healthcare, farm improvements or processing facilities to increase income. Hence, the collaboration indirectly generates *improved health, improved well-being, improved literacy, and increased disposable income*. In addition, as mentioned above, differentiating through Fairtrade creates the opportunity for the consumer to make an active choice in line with their values and principles. Thus, the collaboration generates *reduced asymmetry between consumers and business*.

In addition, values are also generated for society as a whole as a result of the collaboration. As mentioned above, Daniel asserts that the market leaders have to position themselves in accordance to TSG (given that they continue growing in the current pace), and in accordance to Fairtrade in general. Hence, the collaboration generates potential for *improved adoption rates of new practices*. Accordingly, Fairtrade grew with 29%³ in 2013. In addition, Daniel asserts that the growth rate in 2014 was in close proximity. Furthermore, by empowering the producers the *global governance mechanisms are improved* in terms of improving the conditions for independence and social inclusion. As a result, the societies affected by the collaboration (i.e. first and foremost the societies where production is located) experience *reduced social costs* and therefore benefits from *increased capacity to create social well-being* on their own, which includes for example *improved social- and environmental- standards*.

³ The growth rate refers to the value of Fairtrade products sold on the market where all sales are recalculated to the average price in a retail store.

Table 8.1 Summary of the categorizations

	Case 1		Case 2		Case 3	
Organizations	Prisma Tibro	Ankarstiftelsen	IKEA Torsvik	Save the Children Jönköping	The Smiling Group	Fairtrade Sweden
Collaboration stage	Philanthropic		Transactional		Integrative	
Collaboration outcomes (Micro)	Psychic satisfaction,		Psychic satisfaction, new friendships	Leadership opportunities, new strengthened managerial skills, new friendships	Psychic satisfaction, sector knowledge	Psychic satisfaction
Collaboration outcomes (Meso)	Brand reputation, competitiveness, access to networks, improved community and government relations	Brand reputation, credibility, visibility, public awareness, financial support	Brand reputation, credibility, legitimacy, exposure to a different organizational culture,	Visibility, credibility, public awareness, financial support, increased cash donations, volunteer capital, exposure to a different organizational culture, opportunities for innovation, increased long-term value potential	Increased sales, credibility, brand reputation, legitimacy, acquired market intelligence, competitiveness, strengthened CFP, access to networks, decreased long- and short-term costs, opportunities for improvement of processes, increased long-term value potential	Credibility, visibility, brand reputation, increased public awareness, increased support for organizational mission, financial support, market intelligence, increased ability to change behavior,

<p>Collaboration outcomes (Macro)</p>	<p>Improved literacy, improved social inclusion, increased disposable income, improved independence and responsibility, reduced death rates, increased life expectancy, reduced substance abuse, improved well-being, improved social standards, increased long-term value potential, increased disease/illness awareness and prevention</p>	<p>Improved literacy, awareness of disease and illness, social inclusion, substance abuse, improved health, well-being, reduced social costs, long-term value potential, reduced social costs through interaction effects of social problems</p>	<p>Improved social inclusion, improved independence and responsibility, improved health, improved well-being, improved literacy, increased disposable income, reduced asymmetry between consumers and business, improved adoption rates of new practices, improved global governance mechanisms, reduced social costs, increased capacity to create social well-being, improved social- and environmental- standards</p>
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8.3 Comparative analysis

As previously mentioned, differences in each case could be anticipated on beforehand. Accordingly, the theoretical replication of the CVC framework, i.e. the categorization of the findings, resulted in each case representing a different stage in the collaboration. Thus, the collected data proved to be congruent with the anticipated differences. As seen in table 8.1 above, Case 1 is categorized as a *philanthropic* collaboration, Case 2 as a *transactional* collaboration, and Case 3 as an *integrative* collaboration. The different collaboration stages imply differences in whether the values are sole-created or co-created (Austin & Seitanidi, 2012). In contrast to Case 2 and Case 3, most of the values (the outcomes) in Case 1 are created solely. In Case 2, the collaboration has moved from a philanthropic stage to a transactional stage, which implies that the collaboration is moving towards co-creation of value on a greater scale (Austin & Seitanidi, 2012). Unlike the other cases, Case 3 has never been in stage where value was mostly sole-created.

Austin and Seitanidi (2012a) argue that greater value is created at the micro, meso, and macro levels as collaboration moves across the value creation spectrum from sole-creation toward co-creation. Regarding value created internally, Austin and Seitanidi's (2012a) argument align with the results. That is, Table 8.1 depicts that the greatest amount of different types of values have been created in Case 3 and the least amount of different types of values in Case 1. However, more types of values have accrued to Prisma Tibro, in comparison with IKEA. That is due to the fact that the collaboration with Ankarstiftelsen has led to Prisma Tibro gaining *access to networks*, which IKEA has not. However, more types of values have accrued to SC in comparison with Ankarstiftelsen. Thus, the total amount of types of values is greater in Case 2 than in Case 3.

Furthermore, regarding the value created externally, Austin and Seitanidi's (2012a) argument does not align with the results. That is, the amount of different types of values on a macro level does not differ significantly between the cases. The only exception is Case 2 where the lowest amount of values is created. Nevertheless, a greater amount of the values created externally are to larger extent connected directly to the collaboration as it moves from sole-creation toward co-creation. In Case 1, all the values created external to the collaboration are independent of the collaboration per se. Since Ankarstiftelsen is the sole contributor to the outcome on an operational level, the outcomes are an indirect effect of the specific collaboration between Prisma Tibro and Ankarstiftelsen. Hence, the values created external to the collaboration in Case 1 are indirect outcomes of the collaboration. In contrast to Case 1, the values created external to the

collaboration in Case 2 and Case 3 are to a larger extent dependent on the collaboration, i.e. some of the outcomes are a direct result of the collaborations. For example, in Case 2, improved literacy, awareness of diseases and illnesses as well as social inclusion (Table 8.1) are direct outcomes of the collaboration as those values are generated from the specific collaborative efforts between IKEA and SC. In Case 3, improved social inclusion, improved independence and responsibility, increased disposable income, reduced asymmetry between consumers and business, improved global governance mechanisms, increased capacity to create social well-being, and improved social- and environmental- standards are examples of direct outcomes of the collaboration as they are generated as a result of the collaborative efforts between TSG and Fairtrade.

Succeeding sections will investigate the underlying reasons for (1) why the types of values created internally differs in amount and (2) why the values created externally differs in whether they are a direct or an indirect result of the collaboration. These reasons will enable answering the research question of how cross-sector collaboration increase the potential for enhanced value creation.

8.3.1 Importance of the issue-salient approach

When aspiring to create social or environmental value, beyond economical, all three business embrace an issue-salient approach to stakeholder mapping, which is in line suggestions from recent findings (Frooman, 2010; Bundy et al, 2013). Moreover, Murphy et. al (2014) argue that managers are more inclined to give primacy to NPOs that are congruent with a firm's strategic objective and organizational values and beliefs. Accordingly, all three businesses have given primacy to an NPO that they share an issue with as well as organizational values and beliefs.

In Case 1, Prisma Tibro's issue is to spend approximately half of their profits in different CSR projects, in order to contribute to a sustainable development. Hence, the issue is very broad in nature. The underlying reason for the financial support that Prisma Tibro provides Ankarstiftelsen with is due to an already established relationship, i.e. Prisma Tibro trusts Ankarstiftelsen to do good. Notwithstanding, Prisma Tibro sees themselves as a stakeholder to issues around them and thus, they have an issue-salient approach to stakeholder engagement. In Case 2, the central issue that brings IKEA and SC together is to act in the best interest of children and support human rights. In comparison with Prisma Tibro, IKEA Torsvik has a more narrow definition of the issue. This has led to collaborating with a partner that they have realized can generate the greatest outcome. As for case 3, the business actually arose from the issue. TSG

was founded with an underlying intention of creating job opportunities in Gambia. The issue is also closely integrated with their business model. Consequently, the issue led them to collaborating with Fairtrade.

Looking at the component 3 in the CVC framework (the *partnering process*), *partnership formation* and *partnership selection* are the two first stages in the process (Austin & Seitanidi, 2012b). As finding the correct partner is crucial to achieve successful collaborations (Weiser et. al, 2006), the comparison between the cases shows that an issue-salient approach facilitates finding a partner that can compliment resource-wise and be compatible organizational-wise. Complimenting resource-wise and being compatible organizational-wise are two conditions for mutual dependency (Austin & Seitanidi, 2012a), which in turn, is important regarding co-creation of value. Furthermore, as joint equity investments are less common in CSCs due to significant differences in the capital bases of companies and NPOs (Murphy et. al, 2014), finding a complementing and compatible partner is crucial. In Case 2, where value has been co-created on a larger scale than in Case 1, the difference in capital and resource base of the organizations have showed to be a problem initially. In Case 3 on the other hand, there is not a significant difference in the capital bases between TSG and Fairtrade. As mentioned above, this has shown to be one of the reasons to why TSG and Fairtrade are so compatible and, as a result, can create (1) more types of values internal to the collaboration and (2) external values directly tied to the collaboration. Thus, defining a clear issue will facilitate the stakeholder mapping and thus, finding the right partner.

8.3.2 Importance of mutual dependency

A major difference between the cases is the role of the organizational structures and implementation of the collaboration. As mentioned in the frame of reference section, four sources (i.e. *resource complementarity*, *resource nature*, *resource directionality and use*, and *linked interests*) create, when combined, *associational value*, *transferred value*, *interaction value*, and *synergistic value* (Austin & Seitanidi, 2012a). Following sections evaluate the organizational structures and implementation of the collaboration as a condition for utilizing these four sources of value. How the organizations utilize these sources determines the mutual dependency, which in turn, determines the co-creation of value (Andrioff & Waddock, 2002).

Considering Case 1, Prisma Tibro's CSR activities are separated from the core activities of the business. The CSR department is technically an individual company. In combination,

Ankarstiftelsen's work is almost entirely based on voluntary efforts. Consequently, the Prisma Tibro's choice to solely contribute with financial support to Ankarstiftelsen who operates on a voluntary basis limits the possibilities to co-create value as the *resource nature* is mostly *generic resources* (i.e. financial support). Furthermore, the *resource directionality and use* is mostly unilateral, which results in a low degree of *resource complementarity*. Hence, the mutual dependency is relatively low and therefore the co-creation of value is relatively low. The relatively low co-creation of value results in (1) a low amount of types of values created internally and (2) a low amount of values created externally that are directly tied to the collaboration.

On the other hand, regarding Case 2, IKEA had the issue as a central aspect in deciding whom to collaborate with. Consequently, the issue-centric approach contributed to good conditions for organizational fit between IKEA and SC, which is one of the underlying reasons to why the collaboration is transactional rather than philanthropic. However, similar to Case 1, SC also operates on a voluntary basis, which limits the possibility to co-create value on a larger scale. The culture clash that arose between IKEA and SC has complicated the exchange of resources. Nevertheless, in contrast to Case 1, the issue is closer to the core strategy of IKEA, which is to "Take a lead in creating a better life for the people and communities impacted by our business. Extending our code of conduct throughout our value chain; be a good neighbor, act in the best interest of children and support human rights" (part of the PPP-program). As a result, this has led to the *resource nature* and *resource directionality and use* stretching beyond a unilateral financial support, which is the case in Case 1. In Case 2, *resource directionality and use* is unilateral and the *resource* is concerning both *generic resources* (i.e. financial support) and *organizational-specific resources*. Changing the resource nature enhances the *resource complementarity*, which creates mutual dependency. In comparison with Case 1, the mutual dependency is relatively high. Therefore, the co-creation of value is relatively high. The relatively high co-creation of value results in (1) medium amount of types of values created internally and (2) a medium amount of values created externally that are directly tied to the collaboration. In total, the co-creation of value is higher in Case 2 than in Case 1.

Case 3 is similar to Case 2 regarding one aspect, i.e. the issue-salient approach. The social betterment and being profitable are two interdependent factors for TSG and thus, the collaboration with Fairtrade is essential to the core-strategy of the business. In accordance with Austin and Seitanidi (2012b) and the paradigm shift, TSG believes that social value creates economic value, and vice versa. Moreover, in contrast to Case 1 and Case 2, Fairtrade is a NPO that has the organizational structure of the business. Fairtrade achieves their missions through

cross-sector collaborations, which means that Fairtrade has is better equipped to manage collaborations with businesses. Literature has emphasized the problem of the difference in capital bases between business and NPOs as main barrier for successful collaborations (Murphy et. al, 2014). Hence, the similarity in capital bases between TSG and Fairtrade lower the barriers between the different sectors. Similar to Case 2, the *resource nature* is both *generic* and *organizational-specific*. Nevertheless, due to Fairtrade's organizational structure, *resource directionality and use* can be integrated to a higher extent than in Case 1 and Case 2, which results in the *reciprocal* exchange of resource. Hence, the *resource complementarity* is highest in Case 3, which also implies a high mutual dependence. In total, Case 3 has the highest mutual dependency, in comparison with Case 1 and Case 2. Therefore, the co-creation of value is highest in Case 3. The high degree of co-creation of value results in (1) the highest amount of types of values created internally and (2) the highest amount of values created externally that are directly tied to the collaboration. Consequently, the potential for enhanced value creation is highest in Case 3.

Regarding *linked interests*, both organizations in all three collaborations have a genuine will to create social betterment. Austin and Seitanidi (2012a) argue that the more collaborators perceive their self-interest as linked to the value they create for each other and for the larger social good, the greater the perceived fairness in the sharing of that value, the greater the potential for co-creating value. However, the results did not show any differences in how much the organization's perceived their self-interest as linked to the value they create for each other and for the larger social good. Therefore, the results did not indicate that *linked interests* is increases the potential for co-creation of value. On the other hand, it is hard to measure someone's perception in a study like this one. Consequently, the results could not evaluate whether *linked interests* increases the potential for co-creation of value and thus, it could not contribute to answering the research question of the study.

8.3.3 Importance of organizational purpose, strategy and operations

In order to achieve a sustainable development, sustainability itself has to be a central aspect of a corporation's *purpose*, *strategy*, and *operations* (Porter & Kramer, 2011). A common denominator in all three businesses is that a genuine will exists to contribute to a sustainable development. All three cases show that stakeholder engagement is an effective strategic tool to create value (Harrison, Bosse & Phillips, 2010; Freeman, Harrison, Wicks, Parmar & de Colle, 2010). That is partly due to the fact that all three businesses have sustainability as a central aspect of the *purpose*. However, the results have showed different integration of sustainability in *strategy* and *operations*.

Prisma Tibro's contributions to a socially sustainable development are a separate part of their core strategy and operations. In contrast to Prisma Tibro, IKEA Torsvik has sustainability as a central aspect of the strategy, even though it is not a central part of their core operations. On the other hand, TSG has sustainability itself as central aspect of both strategy and operations. As mentioned above, the social betterment and being profitable are two interdependent factors for TSG. This has shown to be one of the reasons to why TSG and Fairtrade can co-create value to a larger extent. Hence, the analysis showed, in accordance with Noland and Phillips (2010), that the engagement of stakeholders must be integral to a firm's strategy if it is to achieve real success. As a result, they can create (1) more types of values internal to the collaboration and (2) more types of external values that are directly tied to the collaboration, which increases the potential for enhanced value creation.

9 Conclusions

The categorization of the findings showed differences in collaboration stages and collaboration outcomes. On an internal level, greater value was created at the micro and meso levels (outcomes) as collaboration moved from sole-creation toward co-creation (stages). On an external level, value was to a larger extent directly tied to the collaboration at the micro, meso, and macro levels (outcomes) as collaboration moved from sole-creation toward co-creation (stages). That was because (1), when value was co-created to a larger extent, more types of values were created internal to the collaboration. When more types of values were created, the potential for enhanced value creation increased. Furthermore (2), when value was co-created to a larger extent, the values created external to the collaboration were more directly tied to the collaboration. When outcomes are a direct effect of the collaboration, the potential increases. Thus, the study found that *the potential for enhanced value creation increases* when value is co-created to a larger extent.

Furthermore, the analysis showed that co-creating value to a larger extent was facilitated by (1) an issue-salient approach, (2) through mutual dependency, and (3) having sustainability as a central aspect of a business' core purpose, strategy, and operations. An issue-salient approach facilitated the process of finding a partner that could compliment resource-wise and is compatible organizational-wise. Complimenting resource-wise and being compatible organizational-wise are two conditions for mutual dependency, which in turn is important for co-creation of value. Having sustainability itself as a central aspect of a corporation's purpose, strategy, and operations

also showed to be important for co-creation of value. Hence, the study found that *the potential for enhanced value creation increases* when business has an issue-salient approach to stakeholder engagement. The study also found that *the potential for enhanced value creation increases* when there exists mutual dependency between the two organizations in a CSC. Lastly, the study also found that *the potential for enhanced value creation increases* when sustainability is a central aspect of a business' purpose, strategy, and operation.

10 Reflections

The study has shed light on co-creation of values as a crucial aspect in increasing the potential for enhanced value creation in CSCs. Furthermore, the study found that co-creation of value is facilitated by three important aspects, i.e. issue-salience, mutual dependency, and sustainability as a central aspect of a business purpose, strategy, and operations. A central contribution of our study is that managers' can consider these three aspects when entering into collaborations with NPOs. It is established that, if we continue in the current pace, the world's resources will not last. Our documentation of CSCs, within the framework of sustainable development, has therefore contributed to the discussion of sustainable business practices. The study has increased the understanding of CSCs as a powerful tool for creating environmental, social, and economical value simultaneously.

Anticipating differences between the cases on beforehand generated good conditions for a comparative case study. Thus, the sample served the purpose well of drawing conclusions based on the differences and similarities of the cases. However, the conclusions that have been drawn from the study are only generalizable to a certain extent. To begin with, the selected organizations are Swedish and therefore probably highly influenced by the conditions on the Swedish market. Secondly, we believe that more cases would have enriched the analysis with more deepened understanding of the underlying dynamics. Thirdly, every collaboration is unique and very context-dependent, which makes it more difficult to generalize the findings. Nevertheless, the CVC framework served the purpose well of categorizing the results, which generated good conditions for a comparative analysis. In that way, our study has contributed to enhanced consistency in the documentation of CSCs, and how they can increase the potential for enhanced value creation.

Regarding the method, we concluded that it would have been advantageously to combine the interviews with surveys. As the findings were categorized in accordance with the CVC framework, a survey would have fulfilled the purpose of letting the subject categorize the outcomes. This would probably have enabled a more correct categorization of the outcomes. In addition, it would have created more time in the interviews to investigate the underlying dynamics of the collaboration.

However, the study can serve as a stepping-stone into future research of both quantitative and qualitative nature. An important aspect of CSCs that we found was the influence of individuals. As every collaboration is unique, the study found that individuals play a huge part in determining the success of a CSC. Thus, an interesting research field could be individuals' role as key contributors to enhanced value creation within CSCs. Furthermore, the study brought forward the aspect of NPOs as a supporting institution for new ventures. We found that NPOs can function as a mentor, a source of knowledge and information, and as a consultant for new ventures who seek to develop sustainable business models. Thus, another interesting research field could be NPOs' role as mentors for new ventures. In addition, the study brought forward the issue of culture clashes between businesses and NPOs. Hence, a third interesting research field could be to enhance the knowledge of how cultural differences affect the value creation in CSCs.

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12 Appendices

12.1 Appendix 1 – Abbreviation list

- CC: Collaboration Continuum
CFP: Corporate financial performance
CRM: Cause-related marketing
CSC: Cross-sector collaboration
CSR: Corporate social responsibility
CVC: Collaborative value creation
NGO: Non-governmental organization
NPO: Non-profit organization
TBL: Triple bottom line
TSG: The Smiling Group
SC: Save the Children Jönköping

12.2 Appendix 2 – Search words

Table 12.1 Search words.

Category	Search words
Stakeholder Theory	stakeholder, stakeholder engagement, stakeholder management, stakeholder theory, stakeholder influence, stakeholder relationships, stakeholder csr
CSR/Sustainability	CSR, corporate social responsibility, corporate social responsibility in non governmental organizations, CSR strategy, strategic management, sustainability, sustainable development, CSR, CFP
Cross-sector Collaborations	cross-sector collaborations, CSC, cross-sector partnerships, partnership csr, collaborative csr, NGO collaboration, NPO collaboration, creating shared value, CSV
Value creation	value creation, social value, environmental value, Triple Bottom Line

Table 12.2 Journals and Impact factor.

Subject	Journal name	Impact factor	Number of articles
Sustainability/CSR			
	Business & society	1.804	2
	California Management Review	1.944	1
	International Journal of Management Reviews	2.673	2
	Journal of Management	6.862	1
	Harvard Business Review	1.831	1
Stakeholder theory			
	Academy of Management Review	7.817	3
	Business Horizons	1.284	1
	Canadian Journal of Administrative Sciences	0.547	1
	International Journal of Management Reviews	2.673	1
	Journal of Behavioural Economics	-	1
	Journal of Business Ethics	1.552	2
	Long Range Planning	2.111	1
	Strategic Management Journal	2.993	2
	The Executive	-	1
Cross-sector collaborations			
	Academy of Management Review	7.817	1
	Business Strategy and the Environment	2.877	1
	Journal of Business Ethics	1.552	3
	Nonprofit and Voluntary Sector Quarterly	1.837	2
	Partnerships, governance and sustainable development: reflections on theory and practice	-	1
	Harvard Business Review	1.831	1
Total			29

12.3 Appendix 3 – Interview material

Table 12.3 Interview template.

Type of question	Selected interview question
General questions	<ul style="list-style-type: none"> • Tell us about your organization and your role in it. • What is the mission, vision and most important values? • Where is your organization in its development? • Where does the organization aims to be in the future?
Descriptive	<ul style="list-style-type: none"> • What are your thoughts on the conceptual definitions provided in the material that we previously sent you. Do they differ? If so, in what ways? • How does your organization work with the selected concepts?
History/Context	<ul style="list-style-type: none"> • How and why was the collaboration initiated? • How has the collaboration developed and what type of collaboration is it today?
Reflective - on value creation	<ul style="list-style-type: none"> • What types of values have been created for your organization as result of the collaboration? • Associational value <ul style="list-style-type: none"> • Values from being associated with the other partner • Transferred resource value <ul style="list-style-type: none"> • Values received from the other partner • Interaction value <ul style="list-style-type: none"> • Intangible resources created together • Synergistic value <ul style="list-style-type: none"> • Value that they only could have produce together.
Reflective - on partnering process	<ul style="list-style-type: none"> • How was the partner selected and the collaboration formed? How has that increased the increased potential for value creation? <ul style="list-style-type: none"> • Organizational fit • How was the collaboration implemented? How has that increased the increased potential for value creation? <ul style="list-style-type: none"> • Emergent vs. Planned?
Reflective - on partnering outcomes	<ul style="list-style-type: none"> • What are the outcomes of the collaboration?
Broader Movement	<ul style="list-style-type: none"> • Do you see the collaboration as a part of the paradigm shift? I.e. do you see CSC, in the future, as a natural choice for organizations in achieving a sustainable development?

Table 12.4 Document sent out prior to interview (translated).

Here is some background information to the upcoming interview on [day/date],

Our purpose with the interview is to find out how your collaboration with [NPO/Business] has increased the potential for enhanced value creation. Thus, focus will be on the dynamics underlying the process of your collaboration, i.e. if and how you can create more value together than on your own.

In the interview, we will ask question on the themes presented below. We ask you to reflect on the conceptions (point 2) on beforehand.

- General question about your company
- Conceptions:
 - What does 'CSR' imply for you?
 - What does 'Sustainability' imply for you?
- Background to the collaboration and its development
- Value creation spectrum
 - Types of values and its sources
- The process, i.e. how the collaboration functions (largest focus)
 - Underlying dynamics
- Outcomes on:
 - an individual level,
 - an organizational level, and on
 - a societal level.
- Sustainable development as a border movement