Does power imbalance matter in corporate-nonprofit partnerships?

Nicola Mutch
“In the best possible way, I suppose, they lorded an amazing amount of power over us.”

Former nonprofit arts marketing manager involved in a partnership with a New Zealand corporation.

“Well, we wrote the cheques.”

Former corporate marketing manager of same partnership.
Abstract

A corporate social responsibility (CSR) activity for many companies has been to enter into partnerships with nonprofit organisations. As the practice has grown in prevalence, questions have been raised regarding the fairness of the exchanges underpinning the partnerships. Such concerns are generated in relation to potential power imbalances of the partnership, widely perceived to favour the corporate partner. Despite fears that such power imbalanced partnerships have the potential to lead to abusive or opportunistic behaviour on the part of the more powerful partner, and may undermine the institutions of CSR altogether, there is an absence of empirical research that critically examines how power and justice are experienced in corporate-nonprofit partnerships. This problem is the central focus of this study. Drawing upon social exchange and power-dependency theories and organizational justice literature, a qualitative, case study methodology is developed, enabling the implications of power imbalances in partnerships to be explored through participants’ appraisal of justice outcomes in a CSR context. Participants’ experiences of power and dependency, justice, and perceptions of CSR as informing power dynamics and exchange outcomes are analysed. The results indicate that CSR complicates the environment for exchanges, is based on inconsistent ethical principles and breeds uncertainty in partners’ expectations. Against this background, the partners’ dependency and ability to effect change is examined, with the study generating a new model for understanding useable power as a subset of partner dependency, as power use is moderated by perceptual, social and practical barriers. Experiences of justice are explored in terms of satisfaction with distributive, procedural and interactional justice outcomes. This reveals a range of criteria participants invoke to judge justice outcomes, and argues for greater integration of justice and value theories. In drawing together power and justice experiences, the study finds that where power is significantly imbalanced, perceived justice is high; conflict and perceptions of injustice increase as power equalises in the partnerships.

Key words

Corporate social responsibility (CSR), power, dependency, justice, nonprofit, exchange
Acknowledgements

Firstly, I am in debt to each of my interviewees, who opened their worlds and shared their experiences with me, motivated by nothing more than the belief it would help create knowledge in an area that was important to them. Thank you all. Your words are this thesis.

To my supervisors, Dr Robert Aitken, Professor Rob Lawson and Professor Brendan Gray, thank you. You have supported me in distinct and important ways, each providing a different voice to sit on my shoulder and speak to me throughout this adventure. I am deeply grateful for your collective efforts and it has been an honour to become closer colleagues with each of you. I acknowledge also the encouragement of Professor Phil Harris as I embarked on this journey.

To my car pool buddies who have had as much of a blow by blow account of my progress as anyone in 20-minute twice-daily instalments, thanks for listening.

Every day, I am humbled by the support of my wonderful family: my parents Robin and Paul; my siblings Stefan, Rowan and Brechon; my mother-in-law Jan; and all my wonderful others-in-law, nieces and nephews. Every one of you has contributed to this achievement, through your practical support (computers, child care, wine), your encouragement and your (at times seemingly unfathomable) belief I would get there in the end.

But mostly, I owe everything to the most precious people in my life, Chris, Eva and Fern. I love you so much. You can have me back now.
7.9.3 Interview strategy............................................................................................................ 97
7.9.4 Question development....................................................................................................... 98
7.9.4.1 Indirect questioning...................................................................................................... 98
7.9.5 Ethical approval................................................................................................................ 99
7.10 Analysing and interpretation ............................................................................................. 100
7.10.1 Guidelines for analysis.................................................................................................. 101
7.10.1.1 The context of CSR................................................................................................. 101
7.10.1.2 Analysis of power ................................................................................................. 101
7.10.1.3 Dividing dimensions of justice.............................................................................. 102
7.11 Presentation of findings .................................................................................................... 103

PART TWO:

SUMMARY OF DATA ANALYSIS......................................................................................... 102

8.0 Summary: Preliminary interviews...................................................................................... 106
8.1 Précis ................................................................................................................................. 106
8.2 Summary: Interview two; corporate referent expert ....................................................... 107
8.2.1 Context of CSR for exchange ....................................................................................... 107
8.2.2 Impact of power on justice........................................................................................... 108
8.3 Summary: Interview two; nonprofit referent expert ...................................................... 110
8.3.1 Context of CSR for exchange ....................................................................................... 110
8.3.2 Impact of power on justice........................................................................................... 111
8.4 Summary: Preliminary dyad ............................................................................................. 112
8.4.1 Context of CSR for exchange ....................................................................................... 112
8.4.2 Impact of power on justice........................................................................................... 114
8.5 Preparation for case studies.............................................................................................. 114
8.5.1 Feedback from interviewees ......................................................................................... 114
8.5.2 Differences in organisational scale – implications for case studies ......................... 115
8.5.3 Moving from key decision-makers to other members of organisations ................... 115
8.6 Case Study One ................................................................................................................ 116
8.6.2 Précis .......................................................................................................................... 116
8.6.2 Summary of Case Study One ................................................................. 118
  8.6.2.1 Context of CSR for exchange ................................................................. 118
  8.6.3.2 Impact of power on perceptions of justice ........................................ 120
8.7 Case Study Two ......................................................................................... 123
  8.7.1 Précis ................................................................................................................. 123
  8.7.2 Summary of Case Study Two ................................................................. 125
    8.7.2.1 Context of CSR for exchange ................................................................. 125
    8.7.2.2 Impact of power on justice ................................................................. 126

PART THREE: DISCUSSION ................................................. 129

HOW THE CONTEXT OF CSR INFLUENCES
EXCHANGES........................................................................ 127

9.1 Distancing ........................................................................................................ 130
  9.1.1 Distancing through objecting to definition of CSR ................................. 130
  9.1.2 Less distancing where commercial outcomes are associated with CSR.  131
  9.1.3 Ambivalence, cynicism and defensiveness ............................................. 131
  9.1.4 NPO distancing from ‘altruistic’ CSR ...................................................... 133
  9.1.5 From philanthropy to exchange – results and respect ............................ 134
9.2 Inconsistency .................................................................................................... 135
  9.2.1 Corporate descriptions of partnerships .................................................. 135
    9.2.1.1 Lack of communication and efforts to establish shared meanings 135
    9.2.1.2 Public relations versus partnership management contexts ............. 135
  Table 4: Attitudes towards CSR in relation to objectives sought .................. 136
  9.2.2 Strategy and subjectivity ......................................................................... 137
9.3 Changing CSR landscape ............................................................................ 139
  9.3.1 Loss of brand differentiation .................................................................. 140
  9.3.2 Higher standards of awareness expected ............................................. 140
  9.3.3 Increased power to NPOs .................................................................... 141
9.4 Stereotyping ......................................................................................... 142
  9.4.1 Corporate stereotyping of nonprofit ............................................... 142
  9.4.2 Nonprofit stereotyping of corporation ........................................... 142
  9.4.3 Stereotyping and rationalising failure ........................................... 143
9.5 Taking responsibility for exchange ....................................................... 143
  9.5.1 Value-based criteria for determining exchange ............................. 144
  9.5.2 Providing extras – gifts and expertise ........................................... 145
9.6 Summary ............................................................................................. 146

EXPERIENCES OF POWER AND DEPENDENCY ...................................... 148
10.1 Dependency ......................................................................................... 148
  10.1.1 Limited ability to influence dependency ...................................... 149
  10.1.2 Perceptions of dependency ......................................................... 151
    10.1.2.1 Gap between perceived and real dependency ...................... 151
    10.1.2.2 Differing perceptions among members .................................. 152
  10.1.3 Degrees of dependency ............................................................... 152
    10.1.3.1 Changes in dependency over time ........................................ 152
10.2 Experience of power ......................................................................... 153
  10.2.1 Perception of partner’s dependency ............................................. 155
  10.2.2 Ability and willingness to explore limits of partner’s dependency .... 155
  10.2.3 Capacity – potential and perceived – of partner to enact changes .... 156
  10.2.4 Ability and willingness to capitalise on the opportunities enabled by partner .................................................. 158
10.3 From dependency to power ............................................................... 158
  10.3.1 Applying data to the models ....................................................... 160
    Figure 3: Power as smaller of partner dependency or capacity .......... 160
      10.3.1.1 Dependency evaluations .................................................... 161
      10.3.1.2 Exploring limits of partnership ......................................... 161
      10.3.1.3 Capacity to achieve outcomes through partnership ............. 161
      10.3.1.4 Limitations of qualitative model ....................................... 162
    Figure 4. Corporation One: Real Power and Partner Dependency ......... 163
Figure 5. Nonprofit One: Real Power and Partner Dependency .......................................................... 164
Figure 6. Corporation Two: Real Power and Partner Dependency ..................................................... 165
Figure 7. Nonprofit Two: Real Power and Partner Dependency ........................................................ 166
10.3.2 Acknowledgement of mutual dependency .............................................................................. 166
10.4 Summary .................................................................................................................................. 167

EXPERIENCES OF JUSTICE ............................................................................................................. 168
11.1 Criteria for perceiving fairness ................................................................................................. 168
Table 4: Criteria for evaluating fairness ........................................................................................... 169
  11.1.1 Feeling valued ....................................................................................................................... 170
  11.1.2 Capacity of partner to provide more .................................................................................... 171
  11.1.3 Perception that charity should get more .............................................................................. 172
  11.1.4 Role of history ..................................................................................................................... 172
  11.1.5 Reward and comparative fairness ....................................................................................... 173
11.2 Role of indirect and extra benefits ............................................................................................. 174
11.3 Expectation of gratitude ............................................................................................................ 175
11.4 Subjectivity and measurement .................................................................................................. 176
11.5 Potential versus reality as a measure of satisfaction ................................................................. 178
11.6 Justice and value ....................................................................................................................... 178
Figure 8: Justice as confirmation of self-value ................................................................................. 181
11.7 Summary .................................................................................................................................. 181

CONCLUSION .................................................................................................................................... 183
12.1 Power imbalance and positive perceptions of justice ............................................................... 184
12.2 Power balance and the road to conflict .................................................................................... 185
12.3 Power, outcomes and the structure of the exchange ................................................................. 188
12.4 Power as the control of process ................................................................................................. 189
Table 5: Satisfaction in relation to power and dependency .............................................................. 191
12.5 Balance and legitimation ................................................................. 191
12.6 Legitimacy, and power’s hidden effects ...................................... 192

CONTRIBUTIONS, IMPLICATIONS AND LIMITATIONS ...................... 194
13.1 Contributions of research ............................................................... 194
13.1.1 Contributions to CSR ................................................................. 194
13.1.2 Contributions to power literature .............................................. 195
13.1.3 Contributions to justice literature ............................................. 196
13.1.4 Contributions to power-justice theories .................................... 196
13.2 Managerial implications ................................................................. 197
13.2.1 Acknowledging CSR as context ............................................... 197
13.2.2 Defining nature of relationship ............................................... 198
13.2.3 Reflecting nature of relationship in strategies and calculations ........... 198
13.2.4 Importance of corporation leveraging partnership ....................... 199
13.2.5 Nonprofit developing abilities to demonstrate value ..................... 199
13.2.6 Understanding power ................................................................. 200
13.2.7 Forming bonds ........................................................................ 200
13.3 Limitations and opportunities for further research ....................... 201

References .......................................................................................... 204

APPENDIX 1: DATA ANALYSIS
1.1 Interview One: Corporate referent expert ...................................... 219
1.1.1 Context of CSR ........................................................................ 219
1.1.2 Dependency ............................................................................. 222
1.1.3 Perception of partner dependency ............................................ 222
1.1.4 Ability to achieve desired outcomes (power) ............................... 223
1.1.5 Distributive Justice .................................................................. 225
1.1.6 Procedural Justice .................................................................. 226
1.1.7 Interactional Justice .......................................................... 226
1.1.8 Equity .................................................................................. 227

1.2 Interview Two: Nonprofit referent expert ....................... 228
1.2.1 Context of CSR ................................................................. 228
1.2.2 Dependency ........................................................................ 229
1.2.3 Ability to achieve desire outcomes (power) .................. 231
1.2.4 Distributive Justice .............................................................. 232
1.2.5 Procedural Justice ............................................................... 234
1.2.6 Interactional Justice ............................................................. 237
1.2.7 Equity .................................................................................. 240

CORPORATE-NONPROFIT PARTNERSHIP – PRELIMINARY DYAD ........ 243
1.3 Preliminary dyad: Corporate perspective ....................... 243
1.3.1 Context of CSR ................................................................. 243
1.3.2 Dependency ........................................................................ 245
1.3.3 Ability to achieve desire outcomes (power) .................. 246
1.3.4 Distributive Justice .............................................................. 247
1.3.5 Procedural Justice ............................................................... 249
1.3.6 Interactional Justice ............................................................. 237
1.3.7 Equity .................................................................................. 240

1.4 Preliminary dyad: NPO perspective ............................... 255
1.4.1 Context of CSR ................................................................. 255
1.4.2 Dependency ........................................................................ 257
1.4.3 Ability to effect desired outcomes (power) .................. 257
1.4.4 Distributive Justice .............................................................. 259
1.4.5 Procedural Justice ............................................................... 260
1.4.6 Interactional Justice ............................................................. 262
1.4.7 Equity .................................................................................. 262
2. CASE STUDY ONE ........................................................................................................ 264

2.1 Context of CSR: Corporate perspective ................................................................. 264

2.2 Context of CSR – NPO perspective ......................................................................... 277

2.3 Dependency of corporation (NPO power) ............................................................... 280

2.4 Dependency of NPO (Corporate power) ................................................................. 282

2.5 NPO assessment of partner’s dependency ............................................................... 283

2.6 Corporate assessment of partner’s dependency ....................................................... 284

2.7 Ability to effect outcomes (Power) - NPO perspective ......................................... 285

2.8 Ability to effect outcomes (Power) – Corporate perspective ............................... 293

2.9 Distributive Justice .................................................................................................. 295

2.11 Distributive justice – Corporate perspective ....................................................... 302

2.12 Procedural justice – NPO perspective .................................................................... 306

2.13 Procedural justice – Corporate perspective ......................................................... 312

2.14 Interactional justice – NPO perspective ............................................................... 315

2.15 Interactional justice – Corporate perspective ....................................................... 319

2.16 Equity – Nonprofit perspective ............................................................................. 322

2.17 Equity – Corporate perspective ............................................................................ 326

3. CASE STUDY TWO ..................................................................................................... 333

3.1 Context of CSR – NPO Perspective ....................................................................... 333

3.2 Context of CSR – Corporate perspective ............................................................... 335

3.3 Dependency of corporation (NPO power) ............................................................. 340

3.4 Dependency of NPO (Corporate power) ............................................................... 341

3.5 NPO assessment of partner’s dependency ............................................................. 344

3.6 Corporate assessment of partner’s dependency ..................................................... 344
3.7 Ability to effect outcomes (power) – NPO perspective ....................... 345
3.8 Ability to effect outcomes (power) – Corporate perspective .............. 347
3.9 Distributive justice – NPO perspective ............................................. 351
3.10 Distributive Justice – Corporate perspective .................................... 355
3.11 Procedural Justice – NPO Perspective ............................................. 356
3.12 Procedural justice – Corporate perspective ...................................... 363
3.13 Interactional Justice – NPO Perspective ......................................... 371
3.15 Equity – NPO experience ................................................................. 380
3.16 Equity – Corporate perspective ......................................................... 387

APPENDIX 2: TABLE OF FINDINGS ....................................................................... 394
PART ONE

Background to the research

What kind of a problem is power in CSR partnerships?
Chapter One
ORIENTING THE QUESTION

1.1 Introduction

Since 1982, when American Express attached a donation to restore the Statue of Liberty to every transaction made with its card and called it a marketing campaign, corporate-nonprofit partnerships have been a growth area both in practice and academic consideration (Varadarajan and Menon 1988; Marx 1999; Austin 2000; Andreasen and Kotler 2003; Docherty and Hibbert 2003; Wymer and Samu 2003, p247; Berger, Cunningham et al. 2004). Such highly visible, high-value partnerships include cause-related marketing initiatives – such as the American Express-Statue of Liberty example – as well as sponsorship and visible joint venture programmes (Wymer and Samu 2003). In Australasia they include New Zealand’s long-running alliances between World Vision’s 40-Hour Famine and Just Juice (Frucor), and the Australian Rugby Union and the Prostate Foundation of Australia. Corporate-nonprofit partnerships are now well established as among corporate organisations’ marketing strategies and broader corporate social responsibility (CSR) programmes, and feature extensively among nonprofit organisations’ (NPOs) approaches to fundraising and stakeholder engagement.

Despite the considerable variety in how corporate-nonprofit collaborations are structured, cross-sector partnerships differ from corporate philanthropy in that, at their heart, they involve largely negotiated exchanges (Emerson 1976; Himmelstein 1997; Austin 2000). The corporate partner very often delivers funds or resources in-kind, while the nonprofit organisation provides access to the moral and social values it may be seen to stand for. Yet, as a form of exchange, corporate-nonprofit partnerships contain important and distinctive characteristics. They occur within a context of corporate social responsibility – and latterly, sustainability – whereby the businesses are expected to acknowledge and positively address their broad social and environmental impacts, partly in recognition of the considerable social power held by the corporate sector (Bendell 2000; Stanfield and Carroll 2004; Jones 2007). This creates something of a paradox for corporate-nonprofit partnerships: while corporate power provides the rationale for many CSR relationships, it has also generated concerns about the underlying relationship dynamics (Parker and Selsky 2004; Seitanidi and Ryan 2007; Selsky and Parker 2005) and the fairness of exchange agreements corporations may reach with their nonprofit partners (Webb and Mohr 1998). These are supported by empirical studies...
into corporate-nonprofit partnerships that acknowledge the potential for, and experiences of, imbalanced power dynamics (Austin 2000; Berger, Cunningham et al. 2004; Seitanidi and Crane 2008). Indeed, this dynamic has led to some fundamental questioning of the concept and principles of CSR (Banerjee 2008), with scholars calling for power and participation to be brought to the centre of the CSR research agenda (Blowfield and Frynas 2005; Prieto-Carron, Lund-Thomsen et al. 2006). But while concerns may be expressed about corporate power, what kind of problem it poses is not always clearly explained. Issues of justice, however, are frequently implicit. These may be based on varying perspectives of justice, and encompass issues such as the outcomes of the exchanges, the processes for reaching these outcomes, and interpersonal behaviours and treatment (Berger, Cunningham et al. 2004; Parker and Selsky 2004).

This thesis contributes to this debate by taking power within corporate-nonprofit partnerships as its focus. Thus it aims to examine the concerns which are feared and highlighted, but little examined, in CSR literature. In doing so, it goes beyond previous empirical studies in which power issues are noted within broader descriptions of partnership experiences and value creation processes, but neither defined nor analysed as a central critical concern. This requires a study of the theoretical concepts of exchange and power. Understanding the significance of power in a CSR context, however, requires more than exploring how participants experience power and dependency. This study argues that to evaluate the relevance of power balance and imbalance, it needs to be regarded in terms of outcomes achieved by participants and an understanding of justice in the context of CSR. This helps examine the perhaps more important question of ‘Does power imbalance in CSR partnerships matter?’

1.2 Relevant literature

To critically examine experiences of power in CSR partnerships, it is necessary to consider several fields of literature that inform this discussion, which are explored in turn throughout the literature review. These are:

1. Corporate social responsibility
2. Exchange, partnerships and power
3. Justice
1.2.1 Corporate social responsibility

While CSR provides the context for this thesis, an examination of the literature reveals a wide-reaching, non-unified discipline that means different things to different scholars and practitioners. This chapter outlines the history of CSR and the competing agendas that have arisen within the discipline. It highlights contrasting literature streams, informed by different fundamental ambitions for CSR. It concludes that current understandings of CSR in practice provide little guidance on how power is exercised in this context, revealing a distinct gap in the literature. The chapter then considers the use of CSR as a corporate reputation tool within the discipline of marketing. This introduces stakeholder theory and legitimacy theory as underpinning this approach, and recognises that these theories depend on the perceptions of external stakeholders, such as consumers. This perspective further justifies the research area by arguing that the legitimacy of partnerships as a corporate-reputation enhancing mechanism requires stakeholders to perceive corporations as not exploiting their positions of power.

1.2.2 Exchange, power and dependency

This thesis aims to extract corporate-nonprofit partnerships from the sometimes emotive and rhetorical dialogue in CSR literature and examine them via an empirical process. To do so, the fundamental theoretical constructs underpinning the partnerships are considered: exchange, power and dependency. It draws upon business-to-business and supply chain literature to consider how power and dependency is understood in other market contexts. It provides theoretical reasons for why power may be imbalanced in a corporate-nonprofit context, as well as why the exercise of that power may be mitigated.

1.2.3 Justice

While concerns are raised in CSR literature about the implications of power imbalance, it is rarely specified precisely in what terms this is a problem: any negative consequences are largely left to the readers to infer, and not presented in a format by which they can be critically examined. This chapter explores justice literature to provide a framework against which to assess the implications of power imbalance. To do so, it draws from organizational justice literature, which focuses on
perceptions of justice as opposed to prescribed normative criteria. Organizational justice categorises justice as distributive (outcomes), procedural (processes by which the outcomes were achieved) and interactional (interpersonal behaviours). Literature examining the relationship between power and justice is reviewed, and calls for qualitative research into this subject are highlighted.

1.3 Research questions

The literature examined throughout this review leads to a fundamental theoretical question:

**What is the relationship between power and perceived justice in corporate-nonprofit partnerships?**

In order to answer this question, three sub-questions must be explored:

- How is CSR understood as a context for corporate-nonprofit partnerships, and what effect does this have on the exercise of power and experience of justice?
- How is power exercised and experienced in corporate-nonprofit partnerships?
- How is organizational justice experienced in corporate-nonprofit partnerships?

Addressing these questions provides the direction for the methodological approach, data analysis and discussion in the following study – and enables us to understand the driving concern: does power imbalance matter in corporate-nonprofit partnerships?

1.4 Methodology

This study employs a qualitative case study methodology, explained fully in Chapter 7. This comprises four preliminary interviews with selected participants, followed by two full case studies, each involving several interviewees (13 in total) and reference to supporting documentation and materials. Each interview is structured around a series of open-ended questions designed to understand participants’ experiences in three main areas: attitudes towards CSR; power; and perceptions of distributive, procedural and interactional justice. The results were examined initially using the software programme NVivo, and later organised into Microsoft Word tables, with participants’ responses categorised under each of the headings above. These perspectives were then
collapsed under the theoretical principles they support, and reported in this format (see Appendix). Summaries of this analysis are presented in the body of the thesis, followed by discussion chapters that address cross-case insights. From this, a range of theoretical issues are advanced.

### 1.5 Analysis

Each case is analysed individually (see Appendix), leading to overall summaries regarding how CSR is understood as a context for the exchange, and how power influences justice outcomes. Following the individual case analyses, cross-case discussions are presented addressing the themes of the context of CSR; power and dependency; and justice. From these, a concluding chapter suggests overarching conclusions on how power influences perceived justice in a corporate-nonprofit context, enabling a richer understanding of whether power imbalance matters.

### 1.6 Contribution

The study makes contributions to several fields of literature, in the areas of corporate social responsibility, power in exchange, and justice. Aspects of these have been acknowledged through the following peer-reviewed publication and conference proceedings.

Chapter Two
Philosophical underpinnings

2.1 Ontology

The ontological viewpoint I bring to this research belongs to the tradition of critical realism (Guba and Lincoln 2000). Essentially, this acknowledges the existence of an external physical world, and understands that the way in which it is apprehended and interpreted by individuals will vary. These interpretations are shaped by the personal traits and social contexts which have played their part in creating the idiosyncratic lenses through which each of us engage with the world and society in which we inhabit. Significantly, however, the phenomena under investigation within this study are not concrete items that exist in the world, but rather the highly relational concepts of power and justice. Their meaning is derived by how they are understood by those using the terms. Those meanings are created through a range of social processes (Wittgenstein 1967). Therefore, while my ontological position accepts a shared external world, the subject of enquiry demands attention to the social construction of relational concepts. To this extent, I acknowledge the work of Habermas (cited in Sitton 2003, p61) who posits that ontological paradigms evolve in response to disciplines of study and develop frames and lenses appropriate to their own endeavour. Further, I am uncomfortable with a “paradigm mentality”, which risks impeding dialogue across disciplines and perspectives and may create barriers to knowledge and tolerance (Lewis and Grimes 1999, p672).

2.2 Epistemology

The question of epistemology asks what the relationship is between the knower, and what can be known (Guba and Lincoln 2000, p108). In this context, it is necessary to acknowledge the interpretivist frame demanded of my enquiry, which recognises the social, political and cultural forces acting upon the shaping of shared understandings of the concepts under investigation. Epistemologically, this places me within a critical theory tradition (Guba and Lincoln 2000). However, I reject the position of the more fundamentalist relativists, who may argue that power is a purely subjective term that can only be defined individually by those who experience it: indeed, I believe
such a reductive approach risks rendering such terms meaningless and precludes critical examination of social structures. To accept that individuals have the authority to define power on their own terms risks simply institutionalising self-serving positions (see discussion of Schmitt in Turner 2002). This subject has been well traversed in other disciplines, exploring topics ranging from the rise of Hitler (Turner 2002) to finding association between men’s attitudes around their perceived entitlement to exercise power through violence against women (Busch, Bell et al. 2002). It is further recognised that very apparatus of power and power imbalance in a social structure may place those in a vulnerable situation, such as at-risk women, as potentially unable to identify this weakness (Ehrensaft and Vivian 1999).

Guba and Lincoln (2000) are similarly quick to dismiss the notion that constructivism must “doom us to a radical relativist posture” (Guba and Lincoln 2000, p.108), while Smith and Deemer similarly reject such an “anything goes” conclusion to the problem of working within a relativist paradigm (Smith and Deemer 2003, p.428). Here I concur with Schwandt, when he summarises the non-foundationalist view of relativism:

We must learn to live with uncertainty, the absence of final vindications, without the hope in the form of epistemological guarantees. Contingency, fallibilism, dialogue and deliberation mark our way of being in the world. But these ontological conditions are not the equivalent of eternal ambiguity, the lack of commitment, the inability to act in the face of uncertainty. (Schwandt 1996 cited in Smith and Deemer 2003, p.438).

My proposed solution is to submit that while the concepts of power and justice may be socially defined, they should not be individually defined. Philosophically, individual definitions of terms hold resonance when they conform to shared social understandings (Wittgenstein 1967). The process of developing shared social meanings is ongoing and constantly negotiated. This is not a neutral process; it is identified that more powerful voices are influential in determining meaning within a specific context, including within partnership settings (Cast 2003). Indeed the study of hegemony (see Chapter 4) considers this as its central problem (Molm, Quist et al. 1994; Lukes 2005; Hauggard and Lentner 2006). Therefore researchers must be continuously critical of proposed definitions and look at a wide variety of processes by which they are arrived at. These shared social meanings can be gleaned from process-driven mechanisms such as international law, as well as the peer review process of academic research. They demand more than simply a head-count of how
many people support any given definition, but an appraisal of the conceptual rigour underpinning the position.

The requirement to reflect consciously and critically on socially determined concepts is relevant for two reasons. As noted above, in terms of my research, it relates to our ability to know. Secondly, and by implication, it relates to our motivation to act. Thus my understanding of the nature of knowledge drives my moral position, whereby I believe that ensuring justice – in areas such as upholding human rights within social structures – is a society-wide duty. I believe the private sector, government and nonprofit organisations each has a role in building and ensuring a healthy, functioning, sustainable society in which people are able to live in peace and dignity. I am seeking an answer to a question that will enable nonprofit organisations and corporations to make the best decisions possible in pursuit of the social and environmental goals they wish to pursue. To this extent, I also identify with the pragmatic school of research (Creswell 2009). The question I am seeking to answer in this study is aimed at helping answer a practical problem faced by organisations. My methodology is designed to achieve this goal.

2.3 Researcher as an instrument: A personal statement

The choice to pursue a qualitative study is discussed in detail in Chapter 7. Denzin and Lincoln recognise that interpretation of qualitative research is, by its nature, constructed (Denzin and Lincoln 2003, p37). The researcher drives the process, and is inextricably informed by their experiences. This will influence, even create, virtually every decision and action taken as a researcher, from the selection of the theoretical framework, to the wording of the research questions to the manner in which one engages in small-talk with the interview candidates. It is well argued that this weight of experience with which researchers are imbued is, used well, their greatest tool (McCracken 1988). This is what gives us the rich cultural capability to understand the implications of what we hear, intuit salient lines of enquiry, exercise judgment and to “listen not only with the tidiest and most precise of one’s cognition but with the whole of one’s experience and imagination” (McCracken 1988, p18).

From this position, it becomes advisable to comment on myself as an “instrument” for conducting the research (McCracken 1988, p18; Denzin and Lincoln 2003). This asks how my worldview and experiences influence me as a researcher, the full extent of which I cannot be fully
cognisant. Even so, reflecting upon this provides an opportunity to consider how I as a researcher am perceived by the readers of my work. From the outset I wish to declare being genuinely perplexed by the question. I do not know whether corporate-nonprofit partnerships involve a harmful imbalance of power, nor whether the outcomes of the arrangement are unfair, nor what an appropriate conception of fairness might be. My very real interest in finding the answer drives this research endeavour. I have been struck, in discussing my work with others, by the extent to which others feel the need to warn me of my apparent bias. The implication is, my being motivated by the interests of social justice automatically assumes I will find corporations to be predatory and power to be inherently and thus harmfully imbalanced.

In my professional career, I have been largely a self-employed businessperson, with many SME corporate clients, who continue to impress me with efforts to achieve viable businesses that provide high quality services, good employment opportunities and that contribute to their communities. I have also held significant voluntary roles within the NGO sector. This has placed me in positions of both being very keen to secure funds from corporate partners; and taking a more worried view about our potential loss of financial autonomy and that the brand of our organisation could be at risk through doing so. In the process, I have witnessed a genuine level of confusion and fear among colleagues in nonprofit sector who do not know the best strategy for addressing this issue. When describing my research topic to colleagues in the sector, I am motivated and encouraged by their seemingly sincere responses of, “What a great research topic, I would really like to know the answer. Please let me know how you get on”. Through both my professional and voluntary work and my scholarly efforts, I have become deeply curious about the shifting institutions within society, which afford corporate entities considerable social power. In this context, I am greatly interested in how the market can support human rights and environmental outcomes and the creative possibilities that exist for doing so.
Chapter Three
LITERATURE REVIEW: PART ONE

THE CONTEXT OF CORPORATE SOCIAL RESPONSIBILITY

3.0 Introduction

This study is situated in the context of corporate social responsibility (CSR). Corporate-nonprofit partnerships fall within the ambit of CSR and are frequently promoted as CSR activities. Yet CSR is a famously fractured field, defying agreed definitions, principles and underlying theories. This chapter explores the kind of environment this broad and divided field provides for corporate-nonprofit partnerships. This begins with acknowledging CSR and civil society’s shared background as responses to the institutional power of the corporate sector. It then outlines the theoretical diversity found in CSR literature, and considers how this may generate differing perspectives of how power should be exercised in exchanges in this context. It presents legitimacy theory as providing a rationale for participants to look beyond their personal perspectives on how to conduct CSR exchanges, and acknowledge broader philosophies held by their stakeholders. It then examines studies of consumer responses to corporate-nonprofit partnerships, suggesting that concerns for sincerity and credibility may relate to a concern that power is not being abused.

3.1 CSR and civil society

While the practice of businesspeople contributing voluntarily and compassionately to the societies in which they operate has a history of hundreds, if not thousands, of years (Wulfson 2001; Hoffman 2007; Carroll 2008; Crane, Matten et al. 2008), the modern period of CSR is described as beginning around 1950 (Carroll 1999). This marked the beginning of an increasingly intensive phase of examining the moral obligations of business and ways in which this duty may be exercised. This discussion quickly invoked the issue of corporate power with Keith Davis in 1960 issuing an “Iron Law
of Responsibility”, that “social responsibilities of businessmen need to be commensurate with their social power” (Carroll 1999, p271). A challenge to such notions of obligations was swiftly made by Milton Friedman, with his now-famous dictate that businesses have no “social responsibility other than to make as much money for their stockholders as possible” (Friedman 1962, p131). This rift has not entirely abated: ethical arguments continue to circulate as to whether CSR is a justifiable managerial decision, or a misuse of shareholder funds (Wulfson 2001; Lantos 2002; van Marrewijk 2003). It is not irrelevant to note, however, that few, if any, early justifications for CSR envisaged purist altruism: long- and short-term benefits to the corporation were articulated, ranging from stronger brands and reputations, better government and other stakeholder relationships, and stronger, more stable societies in which to operate. Further, corporations’ primary duty to remain economically viable to produce wealth and provide jobs was not overlooked. Similarly, Friedman was clear that corporations’ duties needed to comply with law, which would defend against fraud and coercion and safeguard social values. To some extent, I would argue that the actual differences in these positions can be exaggerated, and there is a tendency for proponents of each position to produce simplistic caricatures of each other to pit their arguments against (Lantos 2002; Bansal 2005; Grossman 2005).

Nevertheless, a philosophical divide is widely perceived, and despite or because of it, CSR has proliferated in research and practice (Carroll 1999; Garriga and Mele 2004). Meanwhile, corporations have been furnished with plenty of strategic justification for investing in positive expressions of social responsibility. From Bhopal to Brent Spar, Ford Pinto to Ken Saro-Wiwa, South Asian sweat shops to the the oil spill in the Gulf of Mexico, reports of corporations’ demonstrating what seems like callous disregard for the welfare of the planet and its people have been legion (Ianonne 1989; Bendell 2000). Some have seen these problems not in isolation, but as systemic failings. Critics of the neo-liberal (Washington) consensus argued that the powers and freedoms afforded to corporations under this political climate have allowed them to abuse the society and environment that supports them (Salamon and Anheier 1999; Roberts 2003; Macleod and Lewis 2004; Sacconi 2006). Engagement in corrective action, or avoiding being tarnished with the same brush, has provided a compelling motivation for many corporations to present themselves as legitimate organisations and responsible corporate citizens (Bendell 2000; Zinkin 2004). Proactive engagement in CSR has witnessed an increasing shift from philanthropic partnerships to secure social capital (Himmelstein 1997; Marx 1999; Brammer, Millington et al. 2006) to strategically employing CSR strategies to progress public relations goals. An interesting theoretical contribution by Peter Drucker in 1984 was to argue it was
possible to actually make use of social problems as economic opportunities (Carroll 1999), heralding an era of financially calculated, income-generating initiatives, including cause-related marketing (Varadarajan and Menon 1988) and sponsorships (Seitanidi and Ryan 2007). These changes to patterns of corporate donations that increasingly appreciate their commercial potential have been described as a shift from the “responsibility-oriented paradigm” to “the opportunity-based paradigm” (Sargeant 2005, pp 236-237).

During a similar period as the rise of CSR in the world of business, the activities and membership of nonprofit organisations (NPOs) have also proliferated around the globe (Salamon and Anheier 1999). NPOs belong to growing sector of non-state, non-profit-distributing, voluntary, self-governing entities seeking to influence the values and wellbeing of the world in which they operate, known collectively as ‘civil society’ (Salamon and Anheier 1999). That CSR and civil society have arisen alongside each other over the past two decades is by no means coincidental; rather they may be seen as two faces of the same political and economic conditions. A dominant trend identified in the expansion of the civil society sector is the questioning of the neo-liberal consensus (Salamon and Anheier 1999). Responding to a sense that cultural diversity and social and environmental welfare was suffering under such economic policy, civil society organisations began to fill this breach. They have come to encompass a wide gamut of activities and service provision, from hospitals to environmental agencies, churches, sports clubs and arts organisations. Civil society organisations have also been among those who have led particular critiques on corporate activities (Harrison 2003; Roberts 2003; Porter and Kramer 2006).

The social and political forces that promoted the concurrent rise of corporations and civil society seem also to propel them together, leading to constructive forms of engagement to pursue social objectives (Brugmann and Prahalad 2007). Reducing levels of funding support from state sources, and a desire to diversify their funding streams have led some NPOs to explore new fundraising opportunities (Salamon and Anheier 1999; Campbell 2001; Kingston and Bolton 2004; Madden 2006; Brugmann and Prahalad 2007). A trend has emerged for nonprofit organisations to seek funds from corporate sources (Goerke 2003, Bednall et al 2001). In some circumstances this has been actively facilitated by government, such as Australia’s Community Business Partnership Scheme (Madden 2006).
3.2 CSR – Current definitions

Arising from such a philosophically diverse history, it is little wonder that definitions and shared understandings of CSR are lacking in the literature (van Marrewijk 2003; Garriga and Mele 2004; Blowfield and Frynas 2005; Pederson 2006; Whitehouse 2006). Indeed, it appears obligatory among most scholars to disclaim any clear understanding of the concept from the extant literature, a situation that risks becoming self-perpetuating and preventing meaningful advancements in the field (van Marrewijk 2003; McWilliams, Siegel et al. 2006). Approaches to characterising CSR range from the prescriptive, describing what corporate social initiatives ought to be achieving, to the descriptive, listing potential activities that might be classed as CSR (Moir 2001; Blowfield 2005; Graafland and van de Ven 2006).

Current definitions reveal differing perspectives on issues including the requirement to produce measurable results, whether activities must improve upon legal minimums, and the extent to which CSR activities should benefit the corporation, or go beyond their immediate interests. Some explicitly emphasise the economic contribution of a corporation as a social good and therefore include its own economic sustainability as a central, or lead, component of CSR; for example, the World Business Council for Sustainable Development (WBCSD) proposes that: “[CSR is] the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life” (2002, cited in Blowfield and Frynas, 2005, p501, see also Carroll, 1999). Others go further, stipulating that CSR activities are those that take place over and above that required to ensure their own financial strength. CSR is: “Actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (McWilliams, Siegel et al. 2006, p1); thus, if an activity supports a social goal but also advances the business’s own interests, it cannot be truly seen as ‘responsibility’ (Hussain 1999; Moir 2001). In neither case is there any requirement to actually make a difference: the WBDS is looking for a commitment from business rather than a result, while McWilliams et al only require an appearance of furthering social good.

Other definitions are more descriptive, reporting on activities that characterise how CSR is enacted. These include the very broad iteration of CSR as: “a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with stakeholders on a voluntary basis.” (Commission of European Communities, cited in Prieto-Carrón et
Blowfield and Frynas (2005) attempt to balance the lack of homogeneity in CSR activities with an agreement around some broad principles, describing CSR as:

An umbrella term for a variety of theories and practices all of which recognise the following: (a) that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals; (b) that companies have a responsibility for the behaviour of others with whom they do business (eg within supply chains); and that (c) business needs to manage its relationship with wider society, whether for reasons of commercial viability, or to add value to society.

(Blowfield & Frynas, 2005, p513)

Attempts to construct overarching definitions of CSR to inform scholarly debate do not ensure the concept is universally understood by practitioners, however. Arguing that businesses should each choose the concept and definition that suits them best, Jacques Schraven, chairman of the Dutch Employers’ Association, is quoted as saying: “There is no standard recipe: corporate sustainability is a custom-made process” (van Marrewijk 2003 p96). Despite this, CSR – in one form or another – has now moved from margins and into the mainstream orthodoxy of contemporary business practice, and is widely justified on commercial grounds (Bloom, Hussein et al. 1995; Moon 2002; Porter and Kramer 2006). This has led to discussions on how best to operationalise CSR (Pederson 2006), and considerable effort expended on research into whether CSR activities do yield financial and brand equity returns (Lichtenstein 2004; Haigh and Jones 2006; Wymer and Samu 2009).

### 3.3 CSR theories

The divergence among literature on CSR is provided by Garriga and Melé (2004, pp63-64), who summarise the dominant CSR theories as belonging to one of four categories: instrumental, political, integrative and ethical. The competing theories are driven by the worldviews of participants in the debate, and fundamentally different ambitions for the CSR agenda. This includes alternative perspectives on issues such as the nature of the institutional change taking place across corporate, NGO and public sectors; the role of CSR; and how organisations should execute their CSR programmes. As such, they suggest differing concepts of what may be considered an appropriate exchange between partners. Broadly speaking, instrumental and integrative theories have a strongly
managerial focus, and may include enthusiastic claims for win-win solutions (Bloom, Hussein et al. 1995; Adler 2006). Exchanges are understood through perspectives including resource dependence theory, which provides a functionalist account of power (Pfeffer and Salancik 1978). However, those espousing political theories would argue that the partnership needs to recognise the inherent social power that businesses hold (Hamann and Acutt 2003). Ethical theories, meanwhile, place a demand that actions are driving toward achieving betterment of society and the common good (Rawls 1972; Garriga and Mele 2004). By these views, it is inadequate for businesses to simply receive value through the partnership commensurate with the assets they provide. Thus businesses should operate in a way that is ethically correct, and this principle should override organisations’ tendencies to maximise gain from a partnership.

3.4 Confusion as part of the context

The purpose of addressing the definitional debate and theoretical diversity in this thesis is not to arrive at a preferred wording or theory. Rather it is to acknowledge that a wide range of activities, including strongly commercially-motivated ones, fall under many understandings of CSR. Indeed, although opponents of CSR tend to focus on an idea of non-strategic philanthropy (Lantos 2002), conceptions of either long- or short-term benefits have almost always underpinned CSR theory (Carroll 1999). Therefore, partnerships between corporations and nonprofit organisations, regardless of whether these are intended as reputation-enhancing, revenue-generating or relationship-building, can legitimately fall within the context of CSR. However, it also establishes that a level of confusion in some ways characterises the context of CSR. It needs to be acknowledged that practitioners operating in the field of CSR are working in a fractured and contested environment: they may not be abreast of the latest definitional and theoretical developments and are unlikely to be uniform in their perspectives. It is unclear how this confused context, beset with its competing ethical and legal claims, affects the exchanges that are negotiated and partnerships that are conducted. In this study, therefore, CSR is taken to incorporate all forms of corporate-nonprofit engagement, whether or not the organisations involved apply this label to it. However, their reasons for understanding an activity as CSR, or not, may inform how the context has influenced the partnerships that result.
3.5 Reactions to diversity – Legitimacy theory

Faced with the wide range of perspectives on CSR, Garriga and Melé make the point that, ultimately, “the global effect is of unabashed relativism: ‘If you are utilitarian you’ll do this, if you are Kantian you’ll do that.’” (Garriga and Mele 2004, p65). Legitimacy theory, however, may lead businesses to justify a different response. Legitimacy has been discussed as an organisational concern for many decades (Parsons 1970; Maurer 1971; Pfeffer and Salancik 1978). An early definition states that “legitimation is the process whereby an organisation justifies to a peer or subordinate system its right to exist” (Maurer 1971, p361). Galaskiewicz’s survey of literatures addressing interorganisational relations identifies that organisations will seek to associate with one another to enhance their standing in the eyes of stakeholders, referring to this phenomenon as legitimation (Galaskiewicz 1985). He lists the targets of these efforts as including “licensing boards, funding agents, intellectuals and public opinion” (Galaskiewicz 1985, p296). This external focus is of critical relevance to this discussion as it establishes the principle that the success of an organisation’s efforts are not judged by the organisation itself, but by the decision-makers, opinion leaders and others in community in which it operates. If organisations are seeking legitimacy, this is a status granted by others, not oneself.

Galaskiewicz’s call for an overarching theory to explain the practice of legitimation was picked up by further scholars. Crucially, legitimacy is understood as the conformation with social norms, values and expectations, “bestowed discriminately through a process of social endorsement” (Suchman 1995; Palazzo and Scherer 2006; Dacin, Oliver et al. 2007 p171). In organising the literature, Suchman identifies two main streams: strategic and institutional legitimacy. Strategic legitimacy considers the concept of legitimacy as a business resource, to be manufactured and upheld through managerial decisions. Institutional legitimacy, meanwhile, is described in more detached terms as a cultural process (Suchman 1995). Suchman goes on to identify three types of organisational legitimacy. In keeping with the role of the external party as the entity charged with judging legitimacy, the perspectives are considered from the perspective of the evaluator. Pragmatic legitimacy focuses on the immediate response of those most directly impacted by an organisation. Moral legitimacy, in contrast, focuses less on the immediate rewards to the evaluator, but a broader sense of whether any given activity is ‘the right thing to do’. Thus, it ties with the ethical stream of CSR literature noted by Garriga and Melé (2004) as acknowledged above. Suchman notes that moral claims can be undercut by even the appearance of cynicism. Within moral legitimacy, Suchman refers
its consequential, structural, procedural and personal dimensions. Finally, Suchman discusses cognitive legitimacy, which is the extent to which legitimacy is consciously evaluated, or simply taken for granted.

Legitimacy is now well integrated in CSR literature, which includes critical examinations of how companies may produce the illusion of legitimacy (Guthrie and Parker 1989; Elsbach and Sutton 1992; Palazzo and Scherer 2006; Long and Driscoll 2008). Taking the framework offered by legitimacy theory, aspects of this study come into focus. One conceptualisation is that entering into a partnership is an appeal to the pragmatic legitimacy that may be conferred by the nonprofit organisation. However, achieving pragmatic legitimacy in the eyes of the immediate benefactor is not the same as achieving moral legitimacy by some wider social standard, in which the evaluators include opinion leaders and members of the public. There is no advantage in being a utilitarian ethicist, if you live in a world of Kantians. In this regard, corporations and nonprofit organisations can seek no shelter from arguing that they are operating under an instrumental theoretical position with regard to their CSR if their consumers, members, regulators and supporters hold strongly to an ethical position. If businesses are pursuing CSR programmes to counter or pre-empt criticisms made of their conduct, they must at least acknowledge the philosophical framework of those levelling those criticisms. Failure to do so potentially leaves them surprised by the reactions of various stakeholders if their behaviour does not meet their expectations. More fundamentally, by ignoring external stakeholder perspectives, they will fail to achieve the goal of legitimacy for which they strive.

3.6 Stakeholder perceptions of corporate-nonprofit exchanges

Reactions to partnerships between corporations and nonprofit organisations are varied. Certainly, concerns around exploitation circulate freely. Examples include famed spoof news website The Onion ‘reporting’ that:

Though corporate America doubled its conspicuous good works during the third quarter of 1998, the increase was offset by a concurrent doubling of unethical and illegal acts, leaving the overall philanthropy-misanthropy ratio unchanged... “By tossing the occasional crumb to a worthy cause, I’m
able to feel much better about the rest of my vast fortunes,” Consolidated Chemicals CEO Patrick Farnsworth said. (Onion 1998)

MediaTrust concurs that a potential disadvantage of CSR for charities is “lack of equality or even exploitation within a partnership. Some companies, for example, stand accused of promoting an initiative more for their own benefit, to enhance credibility or profit, rather than to aid the charity or the community” (MediaTrust 2007). Feminist blogger Suzanne Reisman comments: “Because they know that this is as much about selling a variety of consumer goods as it is about breast cancer, many women who are living with the effects of breast cancer feel exploited by the pink ribbon push” (Reisman 2007).

Such scepticism is readily fuelled by reports that may cause some readers to question the sincerity and motivations of corporations’ commitment to CSR. For example, John Roberts recounts his experience of working with corporations whose lip-service to CSR might extend to creating codes of ethics and even marketing campaigns in an attempt to look good, without addressing what it means at heart to be a responsible organisation. Commenting on one oil company’s publication Profits and Principles: Does there have to be a Choice?, he notes “the concern expressed is not for the other but for how the other sees the corporation” (Roberts 2003, p256). Other researchers have found that that improved reputation and publicity are identified as primary motivating factors, ahead of a desire to contribute to social goals (Docherty and Hibbert 2003). It has been identified that total corporate philanthropy increases following period of negative publicity – supporting perceptions that organisations use their good deeds as a means to “buy their way out of a negative situation” (Brønn and Vrioni 2001, p217). In other cases, inaction may speak louder than words: the American Society for Quality reports that while 96 per cent of business leaders in a survey reported social responsibility to be important to the future of their country, 40 per cent have no plans to actually implement such policies (Sebor 2006). Further, it is widely acknowledged that some corporations’ moves towards strengthened corporate social responsibility programmes have not been entirely voluntary – Nike, Shell and Nestlé are among those who have had to counter strong negative publicity around their international activities (Porter and Kramer 2006). Defensive use of CSR has, to a considerable degree, been the result of the activities of civil society pressure groups (Harrison 2003; Haigh and Jones 2006), enabled through activist media (see for example Achbar, Abbott et al. 2004).

This is set against – and no doubt contributes to – a backdrop of general distrust of corporations (Swift 2001). In 2001, the famously corrupt dealings of US firm Enron scandalised the
business community, leading many business leaders to seek to demonstrate greater levels of honesty and goodwill in their communities (Adler 2006). A Business Week/Harris poll had previously reported that 66 per cent of respondents thought companies cared more about making large profits than selling safe, reliable, quality products (Mohr and Webb 2005). A further study by Cone Inc and AMP found that, while 89 per cent of young Americans supported cause-related initiatives, only 24 per cent believed the partnerships benefited the cause they were claiming to support (Panepento 2006). Reports such as that of a nonprofit accepting $50,000 from a corporate partner, which then spent $1million promoting the partnership, do nothing to quell this cynicism (Goerke 2003). Suspicion of corporate motives has led to a questioning by some of the integrity of the partnerships being developed (Webb and Mohr 1998). Within the cynicism directed towards corporations, the business division that comes under perhaps the strongest criticism is the area of marketing (Hunt, Chonko et al. 1984; Vitell, Paolillo et al. 2003; Jones 2007). This is the corporate division most likely to be associated with corporate-nonprofit partnerships, which frequently fall within the marketing remit of sponsorship and cause-related marketing. Questions around the sincerity of CSR activities have led to studies and commentaries examining CSR initiatives in terms of their strategic or altruistic intentions (Bednall, Walker et al. 2001; Docherty and Hibbert 2003; Graafland and van de Ven 2006; Porter and Kramer 2006; Wan Saiful 2006; Ringov and Zollo 2007). Others warn of potential for CSR to lose its integrity as an institution, as its seemingly worthy aims are let down by patchy implementation and increasingly predictable commercial agendas (Windsor 2001; Jones 2007; Seitanidi and Ryan 2007; Banerjee 2008).

Despite the scepticism towards corporations highlighted above, research into consumer attitudes towards corporate-nonprofit marketing programmes such as cause-related marketing finds largely positive views of the practice (Chaney and Dolli 2001; Mohr, Webb et al. 2001; Dean 2003/4; Basil and Weber 2006). However, studies have confirmed that credibility and integrity are important to their acceptance (Gupta and Pirsch 2006), and that a company’s existing reputation is used to inform this judgment (Barone, Miyazaki et al. 2000; Bednall, Walker et al. 2001; Strahilevitz 2003). Within the stakeholder group of consumers, a range of levels of interest and awareness around broader issues of ethical practices and corporate social responsibility is revealed. The studies conclude that for a small but not insignificant group of highly motivated and informed consumers, the issue is of critical importance (Mohr, Webb et al. 2001; Basil and Weber 2006). Such consumers tend to have higher expectations for corporations’ ethical behaviour (Golob, Lah et al. 2008).
Several studies on consumer responses to CSR have addressed the strategic versus altruistic motivations of companies (Barone, Miyazaki et al. 2000; Dean 2003/4). While consumers identify this as an issue, empirical studies as to the effect of this have returned mixed results. In some cases it is found that partnering with a nonprofit working in an area with little relationship to the corporation’s business held less credibility to consumers, because the strategic advantage of the partnership was not clear (Menon and Kahn 2003; Ellen, Webb et al. 2006). One study found that strategic intention itself was accepted, but perceptions that companies were trying to mislead them about their intentions could damage their credibility (Forehand and Grier 2003). Consumers held more positive views of partnerships where a level of commitment was demonstrated (Webb and Mohr 1998; Ellen, Webb et al. 2006). It could be argued that the concern around strategy, altruism and commitment are really concerns for justice: in the absence of knowledge about how the nonprofit organisation is treated, these are the conditions that indicate to consumers that the partnership is sincerely and properly founded, and likely to be just (Mutch and Aitken 2009).

Webb and Mohr use the term “suspended skepticism” (Webb and Mohr 1998, p236) to explain the phenomenon whereby consumers are prepared to support the partnerships on the basis they ultimately led to socially beneficial results, even though it was clear the corporation was capitalising on the good name of the charity they supported. This acceptance held, so long as the corporate partner was seen to be honest in its dealings, and non-exploitative in terms of giving more than a trivial amount to the nonprofit in return for their association (Webb and Mohr 1998). In interpreting the studies relating stakeholder responses to CSR activities, a word of caution should be sounded in light of Suzanne Beckmann’s critical review of the literature on the subject. She finds the most positive views of CSR to be elicited from quantitative studies while qualitative studies yield far greater evidence of equivocation, criticism and scepticism. Her (rather cynical) conclusion is that if one wants to mount a business case to encourage their organisation to develop a CSR campaign, back it up with a quantitative study. If you want your organisation to avoid getting involved with CSR, go qualitative (Beckmann 2008).

Therefore, a situation exists whereby CSR programmes are developed by corporations, at least in part as a response to a critical stakeholder community, in effort to improve their standing and legitimacy – their reputation – in the eyes of the stakeholders who matter to them. The response among consumer stakeholders is largely positive, if a bit sceptical, but rests on a perception that the partnerships are fair and not an attempt to exploit the nonprofit partner. However, as the behind-
the-scenes details of the partnerships are rarely made public, there is little realistic way for stakeholders to evaluate how the partnerships have been negotiated or conducted. It is argued that reassuring stakeholders through greater transparency of this process benefits businesses by enabling them to avoid accusations of unfair treatment (Moon 2002).

The atmosphere of cynicism towards the corporate sector as a whole presents issues for nonprofit organisations when facing the decision of whether to enter into a partnership with a corporate organisation. Despite brand credibility and trust identified as a key asset to nonprofit organisations, research suggests that the level of trust towards voluntary groups may be low, especially among stakeholders who do not donate regularly, with worrying implications for the nonprofit sector (Sargeant and Lee 2002; Faircloth 2005; Madden 2006). Although corporate funding is widely sought by NPOs, the desire to safeguard their reputation and independence has generated examples of high profile nonprofit organisations avoiding or limiting exposure to corporate funding (Greenpeace 2007, retrieved 15 January). Themes behind the reticence of some charities to partner with corporations include fear at losing financial and decision-making autonomy (of becoming beholden to another organisation), concern at losing reputation for impartiality and independence and thus credibility, weakening their direct relationship with donors and a belief that developing brand association with corporate entities might de-value the organisation’s brand (Caesar 1987; Wagner and Thompson 1994; Martinez 2003; Parker and Selsky 2004). Indeed, the fact that nonprofit organisations stay true to their dearly-held missions in the face of commercial interests is the very quality that contributes to strong nonprofit brands (Stride 2006). While some studies have found nonprofits’ greater public profile achieved through cause-marketing associations improving attitudes towards their brands (Lafferty, Goldsmith et al. 2004; Wymer and Samu 2009), there is evidence of nonprofit organisations having their reputations badly tarnished by their reported pursuit of multimillion dollar corporate deals (Parker and Selsky 2004). It is argued that the increasing commercialisation of the nonprofit sector, as organisations orient their work towards preferences of potential donors rather than the needs of the cause, while providing some short-term gains, can damage the long-term integrity of nonprofit organisations, and ultimately become harmful to principles of democracy and citizenship (Gurin, 1987, cited in Varadarajan and Menon 1988; Eikenberry and Kluver 2004). Nonprofit organisations are also faced with handling the reactions of their members and donors, with concerns evident in articles asking: “Winning the argument and losing the members?” (Jordan and Stevenson 2000, p44).
3.7 Summary

This review of the background of CSR outlines the distinct positions occupied by civil society and corporations in a market economy. It highlights the dynamic whereby civil society groups have evolved in part of address market failures to ensure various aspects of social and environmental health, and where corporate motivations to engage in CSR activities have been, at least in part, triggered by critiques levelled by civil society organisations. Meanwhile, many such organisations face ongoing funding challenges, incentivising them to consider new and constructive ways of engaging with the corporate sector. This complex relationship between business and civil society has generated several streams of literature in CSR. Some focus on the business case for CSR, either through specific revenue-enhancing initiatives or broader reputational and corporate citizenship goals, while others critically examine CSR from ethical and political standpoints. This complex context for corporate-nonprofit partnerships is also reflected in stakeholder perspectives. Despite widespread scepticism of corporate motivations, studies find consumers broadly supportive of the partnerships. However, literature reveals concerns for credibility and integrity, which may be regarded as a concern that the partnerships are fair and that power is not being misused. Currently, however, little information exists on how partnerships are conducted behind closed doors.

Acknowledging the various tensions and perspectives within CSR literature and practice, legitimacy theory is invoked. It provides a rationale for why corporations need to acknowledge stakeholder perspectives on justice if their CSR activities are to achieve corporate reputation goals.

This chapter therefore highlights two critical issues for this study. Firstly, it asks how the contested context of CSR influences the negotiation and conduct of corporate-nonprofit partnerships. Secondly, it identifies that how power is exercised in corporate-nonprofit partnerships to support fair and just outcomes therefore becomes a pivotal issue. It is central to whether stakeholders can have confidence in supporting such partnerships. It is important for both corporate and nonprofit managers in understanding how to conduct the terms of the partnership. Furthermore, it has implications for the ethical foundation of the corporate social responsibility agenda.
Chapter Four
LITERATURE REVIEW: PART TWO

PARTNERSHIPS AND POWER

4.0 Introduction

The previous section describes CSR as a context for partnerships, in which differing definitions and theoretical positions create alternative premises for collaboration between corporate and nonprofit organisations. Despite these philosophical divides, it argues that, if their aim is to achieve legitimacy, organisations cannot retreat to relativist standpoints to defend their approaches to CSR partnerships. Rather, legitimacy is a quality bestowed on an organisation by its stakeholders; therefore their interests and concerns need to be acknowledged. Stakeholders are revealed to largely support such partnerships, but regard them with a degree of scepticism. It is argued that ongoing questions around sincerity, integrity and altruism versus strategy in CSR literature is based on a concern that power is not being abused and that outcomes are just.

This thesis aims to contribute to CSR literature by providing a critical examination of how power is experienced by participants. To do so, it is necessary to orient this within an understanding of the underpinning constructs of exchange, power, dependency and partnerships. This chapter begins by outlining these concepts, and highlighting important theoretical issues to be addressed within an empirical examination of the topic. It recognises a wide range of forms of partnerships between corporate and nonprofit organisations, with their shape and labels influenced by participants’ social and commercial ambitions. The discussion enables understanding of how power imbalances can arise, and why nonprofit organisations may be predicted to be the weaker party in such partnerships. After examining these concepts, managerial literature on corporate-nonprofit partnerships is acknowledged to confirm perceptions of the potential vulnerability of nonprofit partners. Several empirical studies looking at corporate-nonprofit partnerships are reviewed, and their limitations in critically evaluating the power dynamics of the relationships are identified. Consequently, by the end of this chapter, we can better understand the theoretical potential for
power imbalance in corporate-nonprofit partnerships, and have some evidence for believing that power imbalance results in negative outcomes in practice.

4.1 Social exchange and power

Social exchange theory is a foundational concept underpinning human interaction and cooperation, within the business world and beyond (Homans 1958; Blau 1964; Emerson 1976). The concept of social exchange has contributed to the cross-fertilisation of economic and sociological disciplines, enabling both economic explanations for non-economic activity, and vice versa. It provides therefore an appropriate lens for considering how corporate and nonprofit partners may conduct their exchange-based relationships within the commercially, socially and ethically driven context of CSR.

Social exchange theory articulates the premise that all social interactions are a process of exchange of material and non-material items, encompassing dimensions from money to status to a sense of belonging. Participants continually evaluate costs, benefits and alternatives in deciding whether to engage in, persist with or withdraw from an exchange relationship. The process is governed by ‘exchange rules’, determined by the specific characteristics of individual decision-makers, and may include such concerns as altruism, competition, reciprocity, status consistency and equity (Bagozzi 1974; Emerson 1976)1. In examining social exchanges, a distinction is drawn between reciprocal and negotiated exchanges (Molm, Peterson et al. 1999), or social and economic exchanges (Blau 1964). Negotiated (economic) exchanges are agreements reached as the result of a bargaining situation. Both parties agree to the terms and receive benefits through the exchange. Such exchanges typically characterise economic trades and agreements. Reciprocal (or social) exchanges, in contrast, dominate much of our social lives. These are non-negotiated assistances we often perform for one another, with no specific knowledge of whether, or how, they may be reciprocated. Rather they are performed on trust, with – perhaps – an expectation that should we need assistance, we are likely to receive it from those we have benefited. Eventually, where the benefits of being in such a relationship are outweighed by the costs, participants may withdraw (Molm, Peterson et al. 1999; Molm 2009).

1 Despite using the phrase “exchange theory”, Emerson is quick to emphasise that it is, in fact, no theory, but a frame of reference that focuses on “the movement of valued things (resources) through a social process”
4.2 Power

Power has a long history in the study of human relations and society (Clegg and Hauggard 2009). As well as its extensive treatment in economic and political theory (Max Weber, cited in Beetham 1974; Galbraith 1983) and social psychology (Ng 1980), power has been identified as pivotal to – and some have argued the most critical element of – behaviour science and social exchange (Emerson 1976; Cook and Emerson 1978; Gaski 1999; Flyvbjerg 2006; Clegg and Hauggard 2009). That power balance goes hand in hand with issues of exchange was acknowledged early (Blau 1964; Emerson 1976; Cook and Emerson 1978; Molm 1997). Indeed, Blau entitled a book *Exchange and Power in Social Life* (Blau 1964), while Emerson would rhetorically ask, “Is it any wonder, then, that the two most prominent research topics in social exchange theory are power and justice? Can there be any more important topics for study in sociology?” (Emerson 1976, p339). Similarly, power-dependency theory is based on the premise that social relations generally involve “ties of mutual dependence” between parties, making it critical that parties are able to influence one another’s actions (Emerson, 1962, p32).

4.2.1 Definitions of power

In a context of social exchange, power has been defined broadly, including “the potential to act” (Buchanan and Badham 1999, p52), and “the potential to influence others’ action” (Emerson 1976, p354). While such perspectives are difficult to refute, they risk making a definition of power so broad as to be meaningless.

It is possible to interpret every instance of interaction and every social relationship as involving an exercise of power, because actors clearly affect one another all the time they are interacting. But this very pervasiveness tends to make the concept of power elusive and redundant, for it begins to have no meaning apart from the ideas of social interaction and organization.


Within marketing channel literature, however, a degree of definitional consistency has been achieved, centring on the conceptions of power presented by Robert Dahl. With a key interest in
processes for social participation and influence (Dahl 1961), Dahl defined power as the ability to cause someone to do something he or she would not have done otherwise (Dahl 1957). This, and a simplified iteration of power as the ability to control the behaviour of another, has underpinned several studies in channel literature (El-Ansary and Stern 1972; Lusch and Brown 1982; see also literature review in Gaski 1984; Gaski and Nevin 1985). Throughout these definitions, a key word is ability. That is, powerful parties do not need to actually exercise this potential; the point is that they could. The tendency to purport to study power relationships, but only examine its effects, has been criticised as the “exercise fallacy” (Gaski 1984; Morriss 2002, p.15).

To further understand the exercise of power within and between organisations, researchers have attempted to deconstruct the concept in a variety of ways. Their efforts have yielded appreciation of the multiple sources of power (Pfeffer 1992); bases of power (French and Raven 2001) and distinctions between coercive and noncoercive power (Hunt and Nevin 1974; Etgar, Cadotte et al. 1978). This has generated a body of ‘within-power’ research, focusing for example on influence tactics employed between firms or by those in leadership positions (Kipnis 1976; Wilkinson and Kipnis 1978; Kipnis, Schmidt et al. 1980; Yukl 1994). The focus of these studies is on the use of power, rather than the balance of power between parties.

Significant weaknesses exist with this approach, however. In particular, they tend only to concentrate on one party, and presume that those in leadership roles are automatically in a powerful position, without critically examining the relative dependency of the target of such power. For example, one study measures the “respondent’s” amount of power as “the effect their organization could have on the target organization’s plans, operations and success” (Wilkinson and Kipnis 1978, p.317). This approach confounds cause and effect, and does not verify this perception with the ‘target’ organisation. Further methodological problems have also been raised surrounding the validity of the measures relating to French and Raven’s typology due to domain sampling adequacy, the use of single item scales, attribution and desirability biases and data-analytic problems (Podsakoff and Schriesheim 1985; Yukl 1994). Other criticisms have focused on the broader problem of carving power up into constituent parts, arguing that it becomes construct- and measurement-focused, and defeats an understanding of the interwoven experience and overall theoretical concept (Clegg 1976; Hardy and Clegg 2006).

The overriding principle among many analyses, however, is that one’s power is drawn from resources and situations: “Even being downtrodden, voiceless and marginalized is to possess a power
source which can be exploited, if and where the circumstances allow” (Buchanan and Badham 1999, p49).

4.2.1.1 Hegemonic power

Other approaches to describing corporate power rely less on the characteristics of particular transactions, and more on the ability to shape societal beliefs, and the construction of meaning through hegemonic ideology (Mattelart 1979; Carragee and Roefs 2004; Atkinson 2005; Jones 2007). The concept of hegemonic power has long circulated in political theory literature, drawing upon Antonio Gramsci’s insight that domination occurs not only through violence and coercion, but also through consent (see also Hobbes’ understanding of subjects willingly lending their power to the state in a social contract tradition in Hampton 1986; Fontana 2006). Thus hegemonic power relates to social exchange as it is argued that it creates the conditions by which the exchanges occur, but leads weaker parties to acquiesce to, and even endorse the power structures to which they are subject. Therefore, hegemony contributes to a present, if not always visible, exercise of power. Both traditional and hegemonic concepts of power are invoked in discussions of corporate power (Atkinson 2005), and their combination underpin such definitions of corporate power as “the ability to issue an order with a reasonable expectation it will be obeyed” (Stanfield and Carroll 2004, p363). This conception is supported by the popular treatment of power provided by Steven Lukes, whose three-dimensional account of power appraises power in terms of (1) individuals’ behaviour in conflict; (2) their ability to participate in the decision-making that creates the conditions for conflict; (3) and how meaning is managed such that conditions are taken for granted and achieve hegemonic status (Lukes 1974).

4.2.1.2 Power over and power to

Common to the above approaches and definitions, and hence most studies addressing power in exchange, is the emphasis placed on affecting the actions of others. However, recent theorists have questioned this, arguing that affecting someone else’s behaviour is rarely the ultimate goal of powerful entities. Their aim is to achieve optimal outcomes for themselves. Exercising ‘power over’ another party is simply a means to another end; of greater importance is their ‘power to’ achieve the outcomes they desire (Morriss 2002; Gohler 2009). Integral to this shift in perspective is an understanding that the exercise of power need not be at the expense of the exchange partner; the
aim is not to damage the partner, but to achieve an outcome. Rather than categorising power into types, as in traditional or hegemonic, Morriss distinguishes between contexts of power, describing them as practical, moral and evaluative. The practical context addresses actors’ abilities to serve one another, including their actual ability to fulfil promises one may have persuaded another to make. Moral power addresses the concept of responsibility, and our ability – and in some cases duty – to exercise power. An evaluative context refers to how – and how well – power is distributed across social structures. However, he draws a sharp distinction between a society and its actors, and strongly refutes those who emphasise the “evils of contemporary capitalism” through highlighting the situations of powerless members of society. “[Such radicals] fail to achieve their aim, because they mistake their target,” Morriss claims (Morriss 2002, p41). “A radical critique of society requires us to evaluate that society, not distribute praise or blame to people” (Morriss 2002, pp41-42). In all contexts, he argues, the same definition of power holds: power is the capacity to effect outcomes (Morriss 2002).

In his revised edition (or, more accurately, a reprinting of the original text with extensive critiques of his earlier views), Lukes accepts the primacy of ‘power to’ in defining power, and acknowledges further developments in power discourse since writing his original text. These include perspectives in power discourses forwarded by Michel Foucault, that posit an indivisible relationship between power and its effects, and characterise power as a positive, productive phenomenon (Foucault 1982; Clegg, Courpasson et al. 2006). Taking these developments into account, Lukes argues that social life can only be understood through interplay of power and structure, and that power and powerlessness do not exist in simple opposition to one another. He proposes:

...a better definition of power in social life than that offered in [previous edition] is in terms of agents’ abilities to bring about significant effects, specifically by furthering their own interests and/or affecting the interests of others, whether positively or negatively. (Lukes 2005, p65).

Nevertheless, Lukes’ focus remains on the means by which entities attempt to achieve their desired outcomes. Therefore, his interest still remains with the ‘power over’. Under this revised understanding, Lukes perceives that:

2 Note that Morriss dismisses the contribution of Foucault in aiding an understanding of power. The idea of power as synonymous with its effects, as Foucault is often read, is to Morriss no more than an example of the “exercise fallacy”. However, Morriss believes a translation error has meant Foucault is wrongly regarded as describing “power”, when in fact he is expounding on the French concept of “puissance”, a concept of enacted, not potential, power – perhaps closer to the English use of “pressure” or “force” Morriss, P. (2002). Power: a philosophical analysis. Manchester Univ Pr.
The power of the powerful consists in their being capable of and responsible for affecting (negatively or positively) the (subjective and/or objective) interests of others. (p68)

I will have more (overall) power than you if I can bring about outcomes that are more ‘significant’ than those you can bring about. (p80)

This revision earned Lukes a stinging rebuke from Morriss who regarded him as failing to properly understand the distinction between ‘power over’ and ‘power to’. By insisting on emphasising ‘power over’, Morriss accuses Lukes of not studying power at all, but rather a different concept, such as domination (Morriss 2006). It is possible that this conflicted understanding of what power is can be traced to the semantic issue observed by Dahl, when he complained that ‘power’ does not have a convenient verb (compared with, say, influence or control). His definition of power, which came to underpin so much empirical study as noted above, was based on an “intuitive idea we are trying to capture” (Dahl 1957, p202).

4.2.2 Power-dependency theory

Power-dependency theory, postulated by Richard Emerson (1962), has become a foundational principle for examining power in an exchange context. It underpins studies of power in the interrelated areas of marketing channel literature (Provan and Gassenheimer 1994; Zhuang and Zhou 2004), resource dependence (Pfeffer and Salancik 1978; Casciaro and Piskorski 2005), networks and social exchange (Hegtvedt, Thompson et al. 1993; Wolfe, Meenaghan et al. 1997; Molm, Peterson et al. 1999; Skinner and Guiltinan 2001). Power-dependency theory inherently understands power as a relational concept (Dahl 1957; French and Raven 2001). Thus, power is seen as socially constructed, existing only insofar as it is perceived to exist by the parties involved. One’s bases of power – for example being seen as having expertise, the ability to bestow rewards or positional authority – are only effective to the extent they are believed by the party over whom this power is directed. By this view, power bases are interdependent and power balance is non-static (Buchanan and Badham 1999; French and Raven 2001). This approach is echoed by Emerson, who comments that “to say ‘X has power’ is vacant, unless we specify ‘over whom?’” (Emerson 1962, p32). That is to say, it is not possible to simply assert that one party has power: power is only bestowed on any party by virtue of the needs of others. Writes Emerson, “The power to control or influence the other resides in control over the thing he (sic) values... in short, power resides implicitly in the other’s dependency” (Emerson
In power-dependency theory, therefore, the power of Partner A is the inverse of the dependency of Partner B (Emerson 1962; Molm, Peterson et al. 1999; Casciaro and Piskorski 2005).

Focusing, as he does, on the relational qualities of power and dependency, Emerson’s theory regards power in terms of ‘power over’. This is sometimes, perhaps confusingly, expressed as ‘power to’ influence others. However, the critical factor is that it addresses a specific inter-actor relationship, the outcome of which is used to further an ultimate goal.

**Power** (\(P_{ab}\)). The power of actor A over actor B is the amount of resistance on the part of B which can be potentially overcome by A (Emerson 1962, p32, italics in original).

Although it is not spelled out in these terms, the matter of ‘power to’ is addressed within Emerson’s understanding of dependency, as it relates to actors’ abilities to achieve their goals:

**Dependence** (\(D_{ab}\)). The dependence of actor A upon actor B is (1) directly proportional A’s motivational investment in goals mediated by B, and (2) inversely proportional to the availability of those goals to A outside of the A-B relation (Emerson 1962, p32, italics in original).

Emerson’s definition of dependency has persisted in negotiation and supply chain literature, simplified into considering: the importance of the resources, or magnitude of the exchange; and the availability of alternatives to the exchange, including transactions costs of pursuing those alternatives (Pfeffer and Salancik 1978; Heide and John 1988; Fisher, Ury et al. 1991). Fischer et al. popularised the idea of knowing one’s BATNA (best alternative to a negotiated agreement) in any negotiation setting.

Despite the orthodoxy of power-dependency theory, empirical studies have not found strong relationships between the concepts (Reve and Stern 1979). Reasons given include methodological problems, with scholars warning of committing the exercise fallacy, and highlighting the importance of mutual dependency (Emerson 1962; Gaski 1984; Provan and Gassenheimer 1994; Gaski 1996; Zhuang and Zhou 2004; Casciaro and Piskorski 2005). Another way of framing these concerns may be to note the conflation of ‘power to’ with ‘power over’ in literature reviews and methodologies throughout exchange literature, with the concepts, and thus the interpretation of power, rarely clearly distinguished (see for example Hingley 2005).

Little guidance is available on how to reconcile these two interpretations of power, however. There is an absence of studies that examine power in exchange from a perspective that traverses (a) partners’ dependence in the partnerships, (b) partners’ abilities to seek desired changes in the partnership, and (c)
partners’ perceptions of achieving desired outcomes through the partnership. Conversely, current ideas on power to and power over are not regarded in terms of their relationship to traditional marketing thought. Despite its ubiquity in marketing and exchange literature, it is perhaps curious that power-dependency theory is unmentioned in several seminal works on power: neither Emerson nor the concept of dependency earn so much as an index entry in several comprehensive, mainstream texts on power (Buchanan and Badham 1999; Morriss 2002; Lukes 2005; Clegg, Courpasson et al. 2006; Clegg and Hauggard 2009). It is not that dependency is not recognised as fundamentally important; the premise that, for example, “The power holder always has at their discretion more than one alternative” (Clegg, 2006, p201) is peppered through the writing. However, the relationship between power and dependency is not organised in a way that easily informs our understanding of a dominant framework for examining power in marketing exchange literature.

### 4.3 Partnerships, exchange and power

From this context of social exchange and the principles of power, it is possible to consider the characteristics of partnerships in general, and corporate-nonprofit relationships in particular, that provide the focus of this study.

#### 4.3.1 Rationale for partnerships

Partnerships have a long legacy in organisational history. While specific motivations may be diverse, fundamentally they are recognised as an effective means for organisations to make their environments surer places to do business and pursue their goals. The greater the level of certainty an organisation experiences, the more able they are to plan. This increases day to day efficiencies and improves preparedness for the future (Harrigan and Newman 1990; Eisenhardt and Schoonhoven 1996; Todeva and Knoke 2005). The basis of partnerships in exchange theory to secure needed resources is thus widely recognised, and underpins many discussions of corporate-nonprofit partnerships (Austin 2000; Sagawa and Segal 2000; Seitanidi and Ryan 2007; Jamali and Keshishian 2009; Selsky and Parker 2005). The specific mechanisms of how resources influence exchange processes may be explained with reference to transaction cost theory (Ring and Van de Ven 1992), resource dependence theory (Pfeffer and Salancik 1978; Wood and Gray 1991; Cho and Gillespie...
Essentially, both of these resource-based perspectives argue that alliances are driven by each entity requiring resources in which another organisation is rich. Entering into a formal collaboration enables each party greater access to and control of their needed resources (Das & Teng, 2000). In doing so, resource dependence theory builds on the power-dependency concepts developed by Emerson (1962) and advanced by Pfeffer and Salancik (1978), highlighting issues surrounding the equity of the exchange process, and distribution of power within the relationship (Harrigan and Newman 1990; Cho and Gillespie 2006). The resource-based view of the firm, rather, emphasises a business’s quest for the holy grail of sustainable competitive advantage (Fahy 2000). In this context, alliances are seen as driven by their value-creation capacity (Das and Teng 2000), and the significance of social and strategic factors in exchange are recognised (Eisenhardt and Schoonhoven 1996). These priorities are contrasted with the cost-minimisation imperatives of more economics-derived approach of transaction cost economics, whereby organisations may safeguard their own resources by seeking the lowest cost for maximum benefit in an exchange (Hennart 1988; Eisenhardt and Schoonhoven 1996). While these resource-based perspectives have much in common, resource-dependence and transaction cost theories are oriented to consider how organisations’ relative need for resources influences their dependencies within an exchange process. Therefore, one party’s ‘power over’ another has significant salience in this process. The resource-based view of the firm, however, is more concerned with organisations’ ‘power to’ achieve their goals through collaborative activities.

### 4.3.2 Definitions of partnerships

A range of terms are used to describe activities and arrangements between two or more partners, including alliances, partnerships and collaborations. As will be seen, definitions of alliances frequently describe them as partnerships, and vice versa. In this study, the phenomenon under investigation conforms with the definition of alliances accepted by Todeva and Knoke (below). However, due to an emphasis in corporate-nonprofit literature on the term “partnership”, this is the preferred term throughout most of the study. Use of the terms ‘collaboration’ and ‘alliance’ should be read as interchangeable synonyms with ‘partnership’.

Alliances are subject to various definitional treatments, which can be as broad as Anderson and Narus’s “working partnerships in which there is a mutual recognition and understanding that
that the success of each firm depends in part on the other firm/firms” (cited in Iyer 2003, p43). By this definition, any relationship between any organisational stakeholders could be described as an alliance. However, the purpose of this investigation is to understand power relations and justice outcomes in strategically-motivated and voluntarily negotiated exchanges that include some level of formality. Therefore, it is consistent with Todeva and Knoke’s (2005) descriptions of strategic alliances as involving at least two partner firms that:

- Remain legally independent
- Share benefits and managerial control over the performance of assigned tasks
- Make continuing contributions in one or more strategic areas, such as technology or products.

By this understanding, alliances are relationships that fall between, and exclude, the outer extremes of acquisitions and mergers – where one organisation wholly takes control of another – and pure market relations, where a trade relationship is governed through service and price. It also excludes regulatory, compliance-based relationships. Rather, alliance formation occurs with an explicit agreement to secure one another’s resources for either a set or undefined duration, and distribute the benefits of doing so. They can range from joint ventures, in which two or more organisations create a jointly owned legal entity for a specific purpose, through to short-lived organisation coalitions or “action sets” (Hardy, Phillips et al. 2003; Todeva and Knoke 2005, p125).

### 4.3.3 Corporate-nonprofit partnerships: Definitions and scope

The conception of a strategic alliance matches closely the Prince of Wales Business Leaders’ Forum’s definition of a partnership as:

A cross-sector alliance in which organisations, groups and individuals agree to: work together to fulfil an obligation or undertake a specific task; share the risks as well as benefits; and review the relationship regularly, revising their agreement as necessary.


How such definitions are applied in practice has aroused some cynicism, however, demanding a closer examination of the activities that might take place under the banner of “partnership”.

49
Tuxworth and Sommer (2003, p4) raise questions about what might legitimately be termed a partnership, noting:

Partnership is now used to describe a wide range of spectrum of arrangements between and amongst organisations. At one end of the spectrum are relationships no different from a conventional business transaction, where the word partnership is used mainly as a device to change perceptions of the arrangement. At the other, partnership is used to describe multi-stakeholder arrangements where shared visions, objectives and budgets bring about changes that none of the players could have achieved alone.

The scope of what might constitute corporate-nonprofit partnerships has been canvassed by several writers (Table 1). Their approaches highlight differing categorisations of kinds of relationships, based on a different understanding of their underpinning principles.

<table>
<thead>
<tr>
<th>Table 1: Categorisation of corporate-nonprofit partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>According to:</strong></td>
</tr>
<tr>
<td>Social alliances</td>
</tr>
<tr>
<td>Cause-related marketing, incorporating:</td>
</tr>
<tr>
<td>• Corporate issue promotion</td>
</tr>
<tr>
<td>• Joint issue promotion</td>
</tr>
<tr>
<td>• Sales-related fundraising</td>
</tr>
<tr>
<td>• Licensing and co-branding</td>
</tr>
</tbody>
</table>

<p>| Austin (2000)                                            |
| Philanthropic                                           |
| • Corporate donations, may be solicited by nonprofit     |
| • Transactional                                          |
| • Cause-related marketing                                |
| • Sponsorship                                            |
| • Contractual service arrangements                       |
| • Integrative                                            |
| • Collective action                                      |
| • Integration of partners’ mission, people and activities|
| • Akin to joint ventures                                  |</p>
<table>
<thead>
<tr>
<th>Seitanidi and Ryan (2007)</th>
<th><strong>Forms of corporate community involvement:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Philanthropy/charitable donations</td>
</tr>
<tr>
<td></td>
<td>Benefaction (usually through corporate foundations)</td>
</tr>
<tr>
<td></td>
<td>Patronage</td>
</tr>
<tr>
<td></td>
<td>Sponsorship</td>
</tr>
<tr>
<td></td>
<td>• Commercial sponsorship</td>
</tr>
<tr>
<td></td>
<td>• Socio-sponsorship</td>
</tr>
<tr>
<td></td>
<td>Cause-related marketing</td>
</tr>
<tr>
<td></td>
<td>Partnership (defined as collaboratively addressing a social issue)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wymer and Samu (2003)</th>
<th>Corporate philanthropy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Corporate foundation</td>
</tr>
<tr>
<td></td>
<td>Licensing agreements</td>
</tr>
<tr>
<td></td>
<td>Sponsorship</td>
</tr>
<tr>
<td></td>
<td>Transaction-based promotion</td>
</tr>
<tr>
<td></td>
<td>Joint issue promotion</td>
</tr>
<tr>
<td></td>
<td>Joint venture</td>
</tr>
</tbody>
</table>

Although several writers include philanthropy as a kind of partnership, and while philanthropy may accrue benefits to the giver and serve as a relationship-building activity (Himmelstein 1997; Marx 1999; Brammer, Millington et al. 2006), it relies on, at most, a concept of reciprocal exchange. However, both the Prince of Wales Business Leaders’ Forum and Todeva and Knoke’s definitions of partnerships emphasise explicit agreements between parties. Further, through examining how power influences outcomes in an exchange context, the ability to understand both sides of an active exchange relationship is critical. Therefore, such philanthropy-only ‘partnerships’ fall outside the scope of this study. Focusing on more transaction-oriented partnerships – in which corporate and nonprofit organisations enter into explicit, negotiated and reciprocal, two-way agreements – finds a
wide variety of activities, with terminology not always consistently applied. These disparities highlight different levels of expectations for the partnerships to yield financial returns for the corporation and the importance of the benefit to the nonprofit organisation and the social cause they represent. This echoes the differences in definitions of CSR in the previous chapter.

Austin (2000) contributed to defining the scope of corporate-nonprofit partnerships by developing a typology that describes partnerships as belonging to a continuum based on three broad categories: philanthropic, transactional and integrative. The philanthropic stage refers to no-strings-attached acts of charitable giving. The transactional stage is more commercial in character, involving specific value exchanges between the two parties, and may commonly include cause-related marketing initiatives or sponsorship arrangements. The third, integrative, stage involves deeper integration of missions, organisations and strategies (Austin 2000). Essentially Austin is describing increasingly deep levels of engagement, and to that extent his typology represents a continuum. He also spells out helpful distinctions in the types of exchanges that may characterise different partnerships. However, he presents these stages of a relationship as a progression (though not necessarily a predictable one). In doing so, it suggests an inevitable movement from a philosophy of philanthropy as underpinning a partnership to a commercial rationale. As such, Austin’s typology does not address the underpinning principles of CSR that may inform different stages (or types) of relationships, nor the degree to which elements of philanthropy may still be built into a transactional exchange.

Differing perspectives on how commercial objectives should be incorporated within transactional exchanges with NPOs are evident throughout this literature. Cause-related marketing (CRM), for example, is widely utilised as a form of corporate-nonprofit partnership, and is defined by Varadarajan and Menon strictly in immediate, income-generating terms as:

... an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives.
(Varadarajan and Menon 1988, p60)

They specifically iterate that CRM should be differentiated from sales promotion, corporate philanthropy, corporate sponsorship and public relations, although acknowledge it may contain elements of these activities. However, in claiming to be “adapting the approach of Varadarajan and Menon” (Andreasen & Kotler, 2003, p249), Andreasen and Kotler in fact add to its dimensions
considerably, regarding CRM as “any effort by a corporation to increase its own sales in both the short and long run by contributing to the objectives of one or more nonprofit organisations” (Andreasen & Kotler, 2003, p249). They add that they intend a broad interpretation to be applied, noting that increased sales can occur indirectly and over a long time period, as a result of improved brand image and employee morale.

Similarly, sponsorships are defined as “an exchange between a sponsor and sponsee whereby the latter receives a fee and the former obtains the right to associate itself with the activity sponsored and the marketing of the association by the sponsor” (Cornwell and Maignan 1998, p11). Sponsorships have been studied primarily in terms of their benefits to the sponsoring parties (Cornwell and Maignan 1998; Olkkonen, Tikkanen et al. 2000). However, in reviewing the history of sponsorships as a form of community involvement, Seitanidi and Ryan (2007) draw attention to its roots in the more philanthropically oriented concept of patronage. They highlight a long-standing distinction between commercial and social sponsorships: the former focusing on pursuing brand development and sales goals; the latter addressing social needs. However, they argue that enormous pressure exerted by financial imperatives mean that this distinction is all but lost, and today the term sponsorship has come to be interpreted entirely as a commercial pursuit. They call for renewed attention on this sponsorship form in the context of current expectations for businesses to live up to their social responsibilities (Seitanidi and Ryan 2007).

4.3.3.1 Social alliances
The term ‘social alliances’ has been developed to provide some framework for understanding partnerships that are both commercial in character yet serving social purposes, yielding the following definition:

Any formal or informal agreement between a nonprofit organisation and one or more for-profit organisations to carry out a marketing program or activity over a significant period of time where:

1. Both parties expect the outcome to advance their organisations’ missions
2. The corporation is not fully compensated for its participation
3. There is a general social benefit expected.

(Andreasen and Kotler 2003, p247)
Andreasen and Kotler’s definition contains a corporate bias. It emphasises a marketing programme, which is likely to reflect the corporation’s primary goal for the programme, rather than the nonprofit’s direct motivation of securing funds. Furthermore, it suggests an unclear judgment surrounding what might constitute full compensation for the corporation’s participation. Andreasen and Kotler identify their definition as having been drawn from the work of Minette Drumwright and colleagues (2004). However, Berger, Cunningham and Drumwright’s description of social alliances is in fact considerably broader, and gives little direction in terms of how commercial and social objectives may be prioritised or rewards distributed. Their view of social alliances requires:

- The nonprofit and company both having strategic goals for the partnership
- Both embracing a non-economic objective focused on improving social welfare

(Berger, Cunningham et al. 2004).

While issues surrounding the objectives and underpinning principles of the partnerships can be contested, what this literature also shows is the scope and variety of partnering opportunities, and the imagination of those looking for new relationships to pursue their organisational goals (Sagawa and Segal 2000; Sagawa 2001; Parker and Selsky 2004).

4.3.4 Partnership definitions: Summary

This study focuses on corporate-nonprofit partnerships as a context to examine power and justice in exchange. With regard to the ways corporate-nonprofit partnerships are characterised in the literature, several disjunctions emerge that influence whether engagements are seen as properly representing a partnership or alliance. These include the level of integration achieved by partner organisations, and the extent to which their objectives address social goals, or are merely commercial transactions by another name. By applying definitions of partnerships from organisational literature, however, it becomes possible to better delimit the field of study.

Partnerships are relationships that incorporate some element of negotiated exchange – that is, where an explicit agreement has taken place (Todeva and Knoke 2005). Therefore, in relation to Austin’s typology, this does not include purely philanthropic relationships, but those engaged in more formal transactional or integrative arrangements. The objectives of these partnerships may be
commercially or socially motivated, or both. Recalling the discussion in the previous chapter regarding perspectives on CSR, the objectives of those engaged in corporate-nonprofit partnerships are not necessarily reducible to either/or commercial and altruistic categories. Indeed, echoing further the previous chapter, the discussion as to what constitutes a partnership draws attention to how underlying philosophies about CSR may inform the way in which exchange agreements are determined.

4.4 Power in corporate-nonprofit exchanges

The need for further studies into power – and its consequences – in the implementation of CSR in general and corporate-nonprofit partnerships in particular resonates throughout the literature (Blowfield and Frynas 2005; Seitanidi and Ryan 2007; Bondy 2008; Selsky and Parker 2005). In a partnership context, the importance of power and its application has been addressed from several perspectives. While resource-dependence theorists may regard power as a property to be exploited (Pfeffer and Salancik 1978; Pfeffer 1992), others also draw upon social exchange theory to argue that alliances are most successful where power is balanced or its exercise consciously restricted, as it aids trust, collaboration and conflict resolution (Hunt and Nevin 1974; Steensma and Lyles 2000; Muthusamy and White 2006).

4.4.1 Potential consequences of power imbalance

How power translates into practice in cross-sector partnerships has been the subject of speculation. In the broader context of CSR activities in society, power and dependence principles are used to envisage nonprofit organisations potentially wielding significant amounts of power (Abzug and Webb 1999). Despite this, in exchange relationships, nonprofits are widely perceived to be the weaker parties (Cunningham 1997; Goerke 2003; Martinez 2003; Seitanidi and Ryan 2007; Selsky and Parker 2005). Concerns are frequently expressed that as the partnerships evolve, there is potential for nonprofits to become increasingly reliant, and thus dependent, on corporate sponsors, further reducing their negotiating power within their partnerships (Polonsky and Wood 1999; Martinez 2003; Parker and Selsky 2004). Others argue that the power held by nonprofits may improve when they enter alliances with a corporation as compared with simply receiving charitable donations, as
partnerships require the nonprofit’s assets and expertise to be explicitly acknowledged (Tracey, Phillips et al. 2005). Open dialogue between partners and a focus on mobilising stakeholders around social goals may also enable agreements to be made despite power imbalances (Jonker and Nijhof 2006; Selsky and Parker 2005). Such views are treated with scepticism by Somers and Bradford (2006) however. They argue that the commonly-held attitude that partnerships are a means for redistributing power fails to appreciate the complexities of how institutional (in their case governmental) power works, and the nuances of social structures and practices (Somers and Bradford 2006). Seitanidi and Ryan (2007) analyse the various forms of partnership in terms of their symmetricality; a term that at times appears to relate to partners’ power and influence in the relationship, while elsewhere addressing their respective gains (Seitanidi and Ryan 2007).

Wymer and Samu (2003) posit a typology of business-nonprofit partnerships in which partnership types can be plotted on a graph where the axes represent (a) the degree to which the business has the social or commercial aims for the partnership, and (b) the proportion of power held by each organisation. They suggest that that “once [corporate] managers acknowledge the relative proportion of business returns they wish to receive, they can determine the level of control they wish to maintain” (Wymer & Samu, 2003, p17).
While Wymer and Samu note that the corporate manager may have to adjust his or her expectations along one of the dimensions if they are unable to find a corresponding relationship, their analysis very much positions the corporate entity as the main decision-making agent in the...
partnership, and thus makes a statement about the relative power assumed to be held by alliance partners.

### 4.4.2 Perceptions of power imbalance: Nonprofit management literature

Indications of a perception of power imbalance in corporate-nonprofit partnerships can also be found in publications aimed at managers of nonprofit organisations. The subject is addressed regularly in *Nonprofit World*, which has suggested a “lop-sided balance of power” in which the nonprofit is the more dependent partner and subject to corporations’ rules, timeframes and arbitrary management preferences (Mullen 2002, p8). Nonprofit organisations are advised to take practical steps to alter this power imbalance (Mullen 2002), and advice is provided for how nonprofits may make themselves attractive and valuable to their corporate partners (Ptacek and Salazar 1997; Anonymous 2001; Campbell 2001; Cockerham 2005). Elsewhere, guidelines are provided to help nonprofit organisations manage risks that may be driven by the power dynamics of the relationship, including:

- Smaller non profits may not have access to corporate partnerships; nonprofits may rely too much on corporations and become preoccupied with only popular concerns; and nonprofits may be influenced to take actions inconsistent with their missions.

  *(The Aspen, 2001)*

A pioneer in corporate-nonprofit collaborations, Shirley Sagawa, notes that while equality in partnerships is recommended, it is difficult to put into practice. Reasons for this may be as pragmatic as it being easier for the corporation to fulfil its end of the bargain, writing a cheque, than it is for the nonprofit manager to attend to their increasing workload created through the partnership on top of pursuing their social mission (Sagawa 2001).

### 4.4.3 Power in empirical CSR research

As well as the significant amount of theorising around power in CSR partnerships, some empirical studies into corporate-nonprofit partnerships acknowledge the potential for, and
experiences of, imbalanced power dynamics. Power is addressed indirectly in James Austin’s (2000) research to explore the construction of value in collaborative arrangements. Under the heading of “value balance”, Austin (2000, p80) argues that the more balanced the exchange of value the more stable and enduring the partnership will be. He concludes that “If the exchange gets significantly out of balance, it can erode the dominant benefit provider’s motivation to continue investing in the relationship or tempt it to exercise undue influence over the recipient partner” (Austin 2000, p80).

Implicit in this comment are concerns not only about the satisfaction with the outcomes, but also the equality of the outcomes. Dissatisfaction with one party’s ‘power to’ achieve goals through the partnership is described as resulting exercising power over another party.

In their exploration of participants’ experiences in social alliances, Berger and colleagues find evidence of mismatches of power and failure to fully acknowledge the contributions of each party (Berger, Cunningham et al. 2004). While power is identified as an issue, it is not clearly defined, except to say “Power, of course, is closely correlated to the assets that a partner brings to the table” (Berger, Cunningham et al. 2004, p6). Examples are then given to describe ways in which power is expressed. These include the dominant partner asserting their priorities, structures, timeframes and processes; stepping outside of their field of expertise; and issues around ownership and exclusivity. While Berger et al affirm predictions from the literature that the nonprofit partner generally holds the weaker position, they note that this is not always the case: in two of the 11 cases studied, greater power was seen to rest with the nonprofit (see also Cunningham 1997). Misuse of power was attributed to both parties. For example, a company would insist on working with two “competing” nonprofits, while vetoing any “remotely” similar behaviour from their nonprofit partner. A nonprofit manager was reported as warning of “the field day” the media would have if they found out about the company refusing to support yet another sponsorship request (Berger, Cunningham et al. 2004, p7). Again, power is not clarified as a concept, and discussions of power relate mainly to the outcomes of that power imbalance being exercised, incorporating concerns with the equity of the outcomes for partners, the processes by which these outcomes were achieved, and the interpersonal behaviour between participants.

In examining the culture and dynamics of cause-based partnerships, Parker and Selsky (2004) also identify power as an important but under-explored area. They regard large power imbalances as problematic, potentially leading to opportunistic behaviour and resentment, while attempts to address power asymmetry may create instability. They suggest examining power balance by
observing partners’ influence over resources, decision-making and understanding “who defines or controls meaning of the project” (Parker and Selsky 2004, p468). Findings from their study describe evidence of power differentials created by the nonprofits’ dependence on market conditions and the corporation’s performance, and leading to the nonprofit organisation making greater compromises in their relationship. They suggest that transactional relationships, governed by contracts and clearer work plans, may provide protection against power imbalances and becoming overwhelmed or feeling owned by a dominant corporate culture. Their study warns of collaboration slipping into compliance if the relationship becomes too one-sided “because of resource asymmetries or other forms of compliance” (Parker and Selsky 2004, pp479-480).

Despite the emphasis placed on power balance for promoting long-term partnerships (Austin 2000), this does not seem to be consistently supported by empirical research. For example, nonprofits are found to persist with asymmetrical partnerships because of the value they place on their outcomes, and report actively seeking to reduce asymmetries and pursue balance through adopting organisational guidelines or codes of conduct to help determine the conditions by which they will accept a partnership relationship (Martinez 2003). Elsewhere, asymmetrical relationships are described as failing to fulfil their potential (Seitanidi 2008; Jamali and Keshishian 2009) yet, despite vastly unequal inputs of time and energy, can prove surprisingly sustainable “as long as it continues to meet basic efficiency and equity norms of exchange and outcomes” (Jamali and Keshishian 2009, p292).

These studies confirm that power imbalance is a genuine concern within corporate-nonprofit partnerships. However, in these studies, issues regarding power emerged during investigations of another core interest, such as value creation (Austin, 2000), cultural interfaces (Parker and Selsky, 2004) or partnership experiences (Berger et al, 2004). Power is not used as a central lens, and as such is neither well defined nor critically analysed. It is not explicit whether concerns around power relate to one party behaving coercively, as in a ‘power over’ situation, or whether the parties’ ‘power to’ achieve positive outcomes of the partnerships are perceived as unfair. Further, that discussions of power in the literature morph into descriptions of equity, outcomes and behaviours highlights a critical question: if power is an issue, then in relation to what? Why does power imbalance matter?
4.5 Summary

This chapter has developed the theoretical underpinnings of an examination of power in an exchange partnership. It delimits the field of study to partnerships characterised by negotiated exchanges, which may be transactional or integrative in nature. In this context, concepts of exchange, power and dependency are noted to explain how, in the quest to secure needed resources, power imbalance between partners can arise – a perspective that has underpinned much exploration of power within marketing and exchange literature. However, taking a wider view of power theories challenges the emphasis on power as the inverse of dependency. Rather, power is understood less in relational terms, but as the ability to achieve one’s goals: influencing another party may simply be a means to this end. This raises a theoretical issue that is not well resolved in power, partnership or exchange literature: how does one’s ‘power over’ another in a relationship dyad relate to their ‘power to’ achieve an outcome through that partnership? This emphasises the important role of outcomes in understanding the theoretical concept of power. Further, and related, this analysis recalls the philosophical divisions highlighted in the previous chapter. Different understandings emerge as to what should rightfully be described as a CSR partnership, and how these exchanges should reflect social and commercial objectives. This suggests differing views for how power may be exercised and the outcomes of the partnership determined. Therefore, the way in which power is exercised and outcomes decided needs to be understood in relation to participants’ perspectives on CSR.

In examining the treatment of power in empirical literature addressing corporate-nonprofit partnerships, it appears that power imbalance is equated with an exercise of that power. This, too, is described in terms of outcomes, whether these are unfair rewards or rude treatment. Therefore, when appraising the consequences of power, it becomes necessary to ask, in terms of what? As well as the ability to achieve one’s goal, what other outcomes might arise through the exercise of power? Questions around the perceived fairness of outcomes are examined in justice literature, which provides a framework for understanding various criteria for evaluating fairness, and exploring perspectives on a wide range of outcomes – including the distribution of rewards, the processes for achieving those results, and the interpersonal behaviour demonstrated during those processes. Justice, which is examined in the following chapter, therefore provides an important piece of the puzzle in understanding the central problem of this thesis: what are the implications of power imbalance in a corporate-nonprofit context? Does power imbalance matter?
Chapter Five
LITERATURE REVIEW: PART THREE

JUSTICE

5.0 Introduction

Like power, justice is a concept that is regularly and casually invoked, but not always critically reflected upon: when a child, social justice advocate – or CSR critic – cries “that’s not fair”, the underlying philosophical principles of justice are not always well articulated. Issues of justice are regularly raised when considering CSR and corporate-nonprofit partnerships, prompting examinations of whether cause-related marketing is ethical or exploitative (Baylin, Cunningham et al. 1994), or whether non-strategic distribution of corporate funds to charitable ends is a defensible use of shareholder funds (Lantos 2002). It may be that some responses to CSR partnerships – in which the corporation’s strategic motivations and potential dominance in their partnerships are accepted due to the ultimate benefit derived for the charities involved (Webb and Mohr 1998) – draw upon an intuitively utilitarian approach to ethics and justice. Elsewhere it is argued that CSR programmes fall short of deontological principles as they use needy organisations as means to their own reputation-enhancing ends, and are motivated from self interest rather than righteousness (L'Etang 1995).

This chapter aims to develop an approach to examining justice in a corporate-nonprofit context, as a way of understanding the consequences of power imbalance. This begins with outlining the dominant ethical paradigm of deontology, upon which contemporary justice theories are based. It then discusses rival interpretations of deontological principles in practice. These underpin alternative political worldviews in society, and reflect the competing CSR paradigms. From this context, organizational justice is presented as a useful framework for exploring experiences of justice in corporate-nonprofit partnerships. Literature exploring the relationship between power and organizational justice is reviewed, with alternative explanations for the relationship between these concepts considered.
5.1 Ethical basis for justice theories

Justice – fairness – is so intuitively sensed, deeply felt and passionately defended, it is little wonder it features as a guiding philosophical framework of the world’s institutions throughout history, in religion, politics, family, commerce, and of course, law (Solomon and Murphy 2000). Indeed, concepts of fairness and equality appear in every known human society (Sherer 1992). But while the idea of justice may be innate, answering the question, ‘What is justice?’ is both considerably more vexing (Solomon and Murphy 2000) and potentially unachievable (Tornblom 1992).

Like power, the ancestry of philosophies of justice is grounded in explorations of overarching social systems and structures and ethical frameworks. While this history is vast, a useful starting point for this discussion – and indeed a popular departure point for the field of business ethics (Jones, Parker et al. 2005) – is the increasing acceptance of deontological ethics as a dominant framework for understanding justice in social relations. Deontology may be viewed in contrast to utilitarian ethics, the dominant perspective through the eighteenth and nineteenth centuries, represented by thinkers such as David Hume, John Stuart Mill and Jeremy Bentham. Utilitarianism understood a fair and ethical society as one in which the greatest good for the most people is achieved. It is a perspective that accepts a degree of collateral damage in pursuit of these aims, and occasions where the end will justify the means (Jones, Parker et al. 2005). For these philosophers, working in the context of a barbaric penal system and the ruling class’s cavalier disregard for the property rights or social mobility of the poor, utilitarianism enabled a moral philosophy based on a concept of equality and offered a justification for why individuals’ rights should be respected: this would, long term, support a more productive and stable society (Solomon and Murphy 2000). However, utilitarianism has been criticised for its potential for social abuse. Interpretations of the greater good enable individuals to be regarded as units within a system, to which they are subservient. Protecting the system is more important than the welfare of any specific candidate within it.

The work of Immanuel Kant, produced towards the end of eighteenth century, stood in contrast to this and presented an ongoing challenge to utilitarians (Solomon and Murphy 2000). For Kant, morality should be judged not by consequences, but by intentions (Heller 1987; L’Etang 1995;
The rightness of one’s actions is not proved by external measures, such as a particular benefit that arises from it, but from the worthiness of its motivation. Humans are highly fallible in predicting consequences, Kant argued, and this in some ways is the point: were we omniscient, we would not need to go to the trouble of developing a system of morals to guide our behaviour in the absence of certainty. Kant’s ‘universality principle’ therefore conceives of ethics that transcend individuals, circumstances, or consequences, but rather recognise the inalienable rights, equality and moral capacity of all people (Jones, Parker et al. 2005). In this light, Morriss’s insistence that power over another party is a means towards one’s power to achieve a greater goal, could be seen as an inherently utilitarian perspective and thus questionable by modern ethical standards (L’Etang 1995).

Therefore, while both utilitarianism and Kantianism provide arguably the only systematic attempts to answer the moral question of ‘How should I act?’, Kant’s work is argued to succeed through his ability to keep the concepts of ‘good’ and ‘benefit’, as well as ‘theoretical’ and ‘practical’ reason, conceptually distinct (Heller 1987, p94). A critical contribution of deontological moral philosophy, therefore, is to unite the concepts of justice and fairness, with fairness providing a more universal criteria of whether an outcome is just than that of ‘good’ (Knight 1998). Contemporary philosopher John Rawls influentially fused the concepts with his claim that “justice is fairness”, arguing that when individuals meet under conditions of fair equality of opportunity, the principles they agree upon will be regarded as just (Rawls 1958; Rawls 1972, see section 5.2.1 below). While Rawls regarded fairness in terms of an equal and disinterested relationship, contemporary justice researchers have widely explored perspectives of fairness as a means for understanding the concept of justice in a variety of circumstances. Thus, the terms ‘justice’ and ‘fairness’ are used essentially interchangeably in contemporary organizational justice literature, with fairness tending to be used in reference to specific situations, while justice may describe the overarching principle or system at issue (Sashkin and Williams 1990; Fortin 2008).

Deontological moral philosophy therefore – integrating concepts of fair systems to produce just outcomes – has been central to the development of jurisprudence, justice systems and social institutions of markets and exchange. It is a perspective that has enabled the development of institutions such as universal human rights, which underpin national constitutions, bills or rights and legal frameworks throughout much of the Western world (Gordon Lauren 2003). Justice theorists may be concerned with distributive justice, relating to the positive allocation of (scarce) resources
across members of those societies, or retributive justice, focusing on withholding and denial of resources. This may incorporate mechanisms for compliance with fair systems and ensuring transgressions are accurately identified and proportionately addressed (Heller 1987; Tornblom 1992).

### 5.2 Distributive justice and exchange

Distributive justice (DJ) in a marketing context examines “how the marketing system, in terms of its structure, policies or practices, fairly apportions the rewards and penalties among the parties affected by the market exchange process” (Laczniak and Murphy 2008, p5). Openly in debt to Kant, the work of two contemporary philosophers – John Rawls and Robert Nozick – have provided influential frameworks for modern understanding of distributive justice, with applications to a marketing and exchange context. They locate their understandings of justice within the social contract tradition to which Kant, Hobbes and Locke contributed (Rawls 1972; Hampton 1986). Both deontologists, they subscribe to the Kantian principle that individuals have inherent value, and one party’s wellbeing should not be sacrificed for someone else’s. However, their expression of this as a guiding belief reaches very different conclusions. Their perspectives help frame some of the divisions in understanding justice in a CSR context.

#### 5.2.1 John Rawls

Rawls’s advances his view of justice as fairness in his well-traversed work, *A Theory of Justice* (1972). His concept of fairness is based on the idea of an “initial position of equality” (Rawls 1972, p11): justice, therefore, is the system that would be supported if it were developed in fair circumstances, that is, by free and rational people, unswayed by whether they would be personally served by the system relative to others. His point of departure is a thought experiment, in which one is asked to divine a theory of justice from behind a “veil of ignorance” (Rawls, 1972, p136); that is, without knowing where in that society one is positioned in terms of social status, talent or wealth. Through this process, he argues, it is possible to divine a theory of justice that is devoid of self-interest and which can be universalised. Such a theory would underpin all further social interactions and what kinds of government could be established. Pursuing this approach, Rawls contends that a
just society is one in which individual freedoms are respected, and where the worst outcomes for each of its members are prevented (Rawls 1972).

These are expressed as two key principles of justice, in order of importance:

- The liberty principle – that each person is to have equal rights to the most extensive liberty compatible with a similar liberty for others
- The difference principle – that social policies are arranged such that any inequalities benefit the least advantaged members of society (Rawls 1972, p302).

The first principle is designed to protect the same basic rights for all citizens, while the second addresses the distribution of wealth and resources. Importantly, by ordering the principles in this way, Rawls makes explicit that departing from the institutions of equal liberty in the first principle can in no way be “justified by, or compensated for, by greater social and economic advantages” described in the second (Rawls 1972, p61). This stipulation is critical to ensuring the theory is consistent with the deontological perspective of equating justice with fairness among individuals, rather than outcomes or ‘good’. It may further be noted that the difference principle offers a means for distinguishing between fairness and equality, making allowances for “fair differences” (Knight 1998, p436).

These principles may be seen in relation to the findings from Lacznia and Murphy’s (2006) distillation of marketing ethics literature, which draw out the following central concerns:

1. People first
2. Nonmalfeasance
3. Nondeception
4. Protecting vulnerable market segments
5. Distributive justice

Point five – distributive justice – could be argued to constitute an overall category for all aspects of how the outcomes of exchange agreements are determined; beyond this, points four and six are of further interest to this inquiry. While “vulnerable market segments” are specifically concerned with “children, the elderly, the mentally feeble and the economically disadvantaged” (Lacznia and Murphy 2006, p20), the point is made that exchange participants have uneven
bargaining power, and some may be easily exploited by the marketing system. Legal scholar Rick Bigwood, in his work on exploitative contracts, also identifies particular categories where the strategy of playing for advantage is wrong, including where the partner is in a special sort of relationship with an agent, perhaps a dependent, who has, for some reason, “let their guard down” (Bigwood 2003, p199). This includes long-term business partners as examples whereby it can be argued that a special relationship has developed; and those who are unable to properly advocate for their own position, including for example individuals who are outmatched in size, skill and knowledge against their bargaining opponents (Wood 1994; Bigwood 2003). Corporate-nonprofit partnerships could conceivably fall into these categories.

‘Stewardship’, meanwhile, recognises that firms ought to act for the betterment of their environments and community. This principle offers a rationale for why exchange between corporations and nonprofit organisations should not simply reflect the power positions of the partners. If the aim of the exchange is a more effectively distribute the outcomes of corporate power to support disadvantaged sectors of society, then the exchange should be geared to disproportionately benefit the nonprofit organisation. This is not only because the nonprofit organisation itself may be in the weaker bargaining position; it is also because those the nonprofit serves are among those who need to be assisted through the marketing process.

Rawls further argues that acting unfairly is less about the breaking of particular rules, but acting in a way that fails to support the intention of a social institution (Rawls 1972). Such behaviour is described as the exploiter “failing to have a sense of occasion by misusing, or abusing, the processes of bargaining, using either the institution of free bargaining or a particular bargaining occasion in ways or for purposes contrary for the underlying ethos, assumptions, intentions or true purposes of such an institution or occasion” (Bigwood 2003, p198). In this context, the institution under question is not only that of a free exchange, but also corporate social responsibility; the argument being that this is betrayed through excessively harsh negotiations of the partnerships which purport to uphold this practice. By Rawlsian principles, failure to observe the intent of a social institution is, in fact, unfair and a denial of justice.

In the context of marketing and exchange, therefore, Rawls’s difference principle may be invoked to call for a form of affirmative action on the part of the corporation, in order that their actions take into account their impact on a broad range of stakeholders and facilitate greater benefit accruing to the less advantaged (Ferrell and Ferrell 2008). This might include developing codes of
ethics as a form of self-constraint against temptation, and as a means of modelling high standards to all exchange partners (Muskin 2000; Boyd, Spekman et al. 2007; Long and Driscoll 2008), taking responsibility for the welfare of others in the supply chain, for example through adopting fair trade practices (Witkowski 2005), or addressing social and environmental issues in the communities in which one operates (Utting 2007). It should be noted, however, that despite the attention paid to Rawls’s difference principle, he specifically called for the liberty principle to take precedence – that was why he listed it first (Rawls 1972). Rawls also deliberately avoided referring to such specific exchange contexts; he was not interested in justice in interactions, but in an overarching system of justice by which a society might operate. Further, he did not (as is sometimes assumed) argue that a system of justice should be manipulated to support the disadvantaged; simply that if such a system existed and the consequence disproportionately benefited the vulnerable, it would be fair. Nevertheless, the potential for positive interventions within a system of distribution in pursuit of social justice provided moral weight to those on the political left, who perceive the state as responsible for redistribution of wealth and the regulation of unfettered corporate activities, to avoid the worst outcomes for vulnerable members of society and environmental damage.

5.2.2 Robert Nozick

Robert Nozick, in contrast, offers a philosophy of justice that made him the darling of libertarian politics. Fundamentally, Nozick eschews a simple, monolithic idea of society. Rather, he sees society as the product of all the individuals and actions within it, and believes that (with few exceptions) all individuals must be regarded by law as autonomous, competent decision-makers with the inherent right to pursue their destinies as they desire. Furthermore, he points out that resources to be distributed do not just arrive “as manna from heaven”, but are produced or claimed through a process of legitimate entitlement (Nozick 1974, p308). For Nozick, the fairest society is one that enables individuals to discharge their business with as much freedom, and as little intervention from the state, as possible. He presents entitlement theory to argue that the distribution of resources is fair if the process by which parties come to hold those resources is just – through the free, noncoercive, voluntary exchange of items one is legally entitled to exchange (Nozick 1974). Nozick’s relativist approach to exchange, therefore, harks back to the Aristotelian notion of commutative justice, emphasised also in the work of Thomas Aquinas and Adam Smith (Young and Gordon 1992; Young and Gordon 1996). This is primarily concerned with just relationships between individuals in
an exchange, rather than responsibilities to a wider society. It is this Hobbes sympathises with when he argues “the value of all things contracted for is measured by the Appetite of Contractors: and therefore the just value is that which they may be contented to give” (cited in Hampton 1986; Bigwood 2003, p181). This position highlights the absence of an independent standard for measuring value beyond that which exchange partners mutually agree to give, and receive. Justice is ensured when one fulfils their promises in a freely made exchange agreement. The freedom to make bad, as well as good, decisions is a cornerstone of an open market system. The important thing is that “in a free society, is that the bargain was the parties’ to make” (Bigwood 2003, p181). Bigwood cites legal scholar Rosenfeld’s comment that, “if a bargain resulting from an arm’s length contract seems unbalanced, it is probably because the person making that judgment is substituting his or her own values for those of the contracting parties, thereby failing to respect their choices” (Rosenfeld, cited in Bigwood 2003, p181). This position acknowledges that imbalance of power may exist between partners. However, this is not rejected, but regarded as a necessary dynamic to ensure accountability and competition within a society. A fair exchange, therefore, requires nothing more than having the freedom from violence and coercion to act as you wish, and that parties make good on their promises. Distributive justice will be achieved, therefore, through fair processes.

Nozick’s approach to justice aligns with Milton Friedman’s assertion that businesses’ only objective need be the pursuit of profits within the legal context in which they operate (Friedman 1962). The values of members of a society are reflected in their exchange choices. To succeed, businesses inherently require the support of the market – so whether a business survives will be the proof of whether what it offers and stands for is supported by those in its wider community. What could be more democratic or immediate? To Friedman and Nozick, justice is not about outcomes. Freedom is justice and justice is freedom.

Calls have been made for greater examination of distributive justice in a marketing context, with a special issue of the Journal of Macromarketing (2008, 28, 5) devoted to this exercise. Lacnziak and Murphy argue that judgments about distributive justice “should be anchored in moral theory, as opposed to idiosyncratic rules, perceptions or randomness” (2008, p8). They and others believe analyses of justice are best based on Rawls’s framework (Hill 2005; Marens 2007; Klein 2008; Lacnziak and Murphy 2008). Elsewhere, attempts are made to create normative rules for fair exchange, for example, by seeking to establish a hypothetical market price against which exchanges could be regarded as fair or exploitative (Wertheimer 1996; Eligado 2009). Attempts to examine
distributive justice frequently become tangled, however. Researchers are faced with participants’ differing understandings of fairness (Klein 2008); and by basing evaluations of justice on individual perceptions, research may not actually answer the question of how fair the exchanges are by some external criteria, but how fair the exchanges are perceived to be by those involved (Beji-Becheur, Diaz Pedregal et al. 2008). Such frustrated efforts reflect the recommendation to abandon distributive justice as a normative framework altogether (Wegener 1987).

5.3 Organizational justice

Although the above discussion acknowledges concerns regarding fairness in exchange, it highlights also that attempts at empirical studies confront a fundamental difficulty: the subjective nature of justice. It is instructive, therefore, to turn to a branch of justice literature which has developed specifically to address subjective experiences of fairness. Organizational justice is not concerned with normative evaluations; rather it explores perceptions of fairness (Colquitt, Greenberg et al. 2005). A critical contribution from organizational justice literature as been to identify and explore types of fairness, categorised as distributive, procedural and interactional justice (Colquitt, Greenberg et al. 2005).

Although it shares a name with the theories of how resources should be allocated in a society, as discussed above, distributive justice in an organizational justice context focuses on perceptions of fairness arising from the outcomes of exchanges. Drawing from early explorations of exchange (Homans 1958; Blau 1964), early attempts to theorise perceptions of distributive justice are based on the notion of equity (Adams 1965), by which exchanges are perceived as fair where inputs are proportionate to outputs. Further rules to evaluate the fairness of exchange outcomes have since been developed, including equality and need (Leventhal 1976; Wood 1994). Indeed, in the heyday of this literature, some 17 exchange rules were identified. There now appears to be a level of agreement that while equity is the dominant criterion for judging exchange outcomes as fair, multiple allocation goals have yielded multiple allocation norms (Colquitt, Greenberg et al. 2005).

Procedural justice, meanwhile, refers to perceptions of the fairness of processes that contribute to outcomes in exchanges (Thibaut and Walker 1975; Leventhal 1980; Lind and Tyler 1988). Criteria that represent fair processes include: consistency, accuracy, ethicality, correctibility and control of process (Colquitt, Greenberg et al. 2005). The differences, and relationship, between
distributive and procedural justice have also been explored (Cropanzano and Ambrose 2001; Ambrose and Arnaud 2005). The “voice” effect procedural justice is recognised, whereby having had one’s say during decision-making processes improves people’s acceptance of the outcomes (Folger 1977, p108; Shapiro and Kirkman 2001). However, the potential for this to be abused is also noticed, leading some scholars to call for greater attention to how justice mechanisms are used to serve the aims of more powerful parties (Fortin and Fellenz 2008).

A third dimension of organizational justice is interactional justice, relating to the quality of interpersonal behaviours in exchanges between parties. This was introduced as a dimension of justice by Robert Bies, and reflected concerns for truthfulness, justification, respect and propriety (Colquitt, Greenberg et al. 2005). Conversely, Bies also identifies perceptions of interactional injustice as crystallising around derogatory judgments, deception, invasion of privacy and disrespect (Bies 2001). A focus within the literature has been to distinguish interactional justice from procedural justice (Bies 2005; Colquitt, Greenberg et al. 2005).

Although organizational justice has long focused on understanding the constructs of justice in ever-more-nuanced detail, some scholars in the field have focused less on the differences between distributive, procedural and interactional justice, but rather on their commonalities. Large areas of overlap in each area are recognised, and calls made to examine the overall phenomenon of justice as a monistic concept (Cropanzano and Ambrose 2001), rather than the within-justice issues that have dominated much organizational justice research (Fortin 2008). This has promoted what has become known as the integrative wave of justice research (Colquitt, Greenberg et al. 2005). Further, while organizational justice scholars have developed the field of justice research considerably in the context of intra-organisational and employment relationships, it has also informed research on business-to-business supply-chain partnerships (Brown, Cobb et al. 2006; Luo 2007), with findings that partnerships sustain under conditions of “interorganizational equilibrium” that conform to participants’ sense of justice in outcomes and processes (Kumar and Nti 1998, p356). It is argued its application could be broadened further, addressing all stakeholder relationships (Husted and Folger 2004; Hosmer and Kiewitz 2005; Fortin 2008; Hornibrook, Fearne et al. 2009). It is further noted in organizational justice literature that context plays an important role in evaluations of justice, although the lack of investigation into this variable is lamented (Ambrose and Schminke 2003; Fortin 2008). As experiences of power and justice are explored in corporate-nonprofit partnerships, the
framework provided by organisational justice enables an approach for addressing questions of marketing and exchange.

5.3.1 Justice and satisfaction

Satisfaction and justice have long been closely related concepts. Indeed, in distributive justice literature, proponents of theories of justice that centre on “equality of life chances” are then faced with determining whether this should be appraised on “equality of resources” or “equality of satisfaction” (Heller 1987, p183). From an organizational justice perspective, while it is affirmed that satisfaction and perceptions of fairness are different theoretical constructs, the concepts are closely associated throughout the literature. Indeed, the concepts appear to be used interchangeably in some research: satisfaction is taken as a direct indicator of fairness (Near, Dworkin et al. 1993), and questions around satisfaction are intermixed with questions around perceptions of fairness in seeking an overall understanding of whether a process was considered fair (Lauber 1999). Another study asks whether participants found alliance partners “honest” or “respectful” – essentially probing satisfaction with aspects of their partner’s behaviour – to establish whether their behaviour was judged as fair (Luo 2007, p664). Justice and satisfaction are not simply conceptually conflated, however; satisfaction and a positive sense of justice are shown to correlate strongly (Molm 1991). In a supply chain context, procedural and distributive justice are associated with a strong sense of satisfaction (Griffith, Harvey et al. 2006); while consumer behaviour research has also found a positive relationship between satisfaction and perceptions of equity (Oliver and DeSarbo 1988; Oliver and Swan 1989; Oliver and Swan 1989). One organizational justice study into employee payscales found the data for fairness and satisfaction overlapping to such an extent that they were seen not to be differentiated by participants in any meaningful manner (Scarpello & Carraher, 2007).

The well-documented relationship between outcome favourability and fairness that is found in organizational justice literature (Greenberg 2001) relates not only to the “obvious, indeed mundane” insight that people react better to outcomes and procedures that favour them (Brockner and Wiesenfeld 2005, p527). Rather it is argued that high levels of procedural justice and outcomes that are interpreted as pleasing interact with one another to become mutually reinforcing concepts. The relationship between the various dimensions of justice and the extent to which they predict satisfaction in specific contexts has also generated focused research efforts (McFarlin and Sweeney
In turn, satisfaction in interactions, processes (and ethics) and outcomes are found to relate to overall positive relationships (Bejou, Ennew et al. 1998). Within satisfaction literature, scholars also seek to divide its elements in ways that echo the differences within distributive, procedural and interactional justice, drawing distinctions between economic and social value and satisfaction (Gassenheimer, Houston et al. 1998; Geyskens and Steenkamp 2000). Therefore, when examining the implications of power on justice, studies examining its relationship with satisfaction are also considered relevant. The association between satisfaction and justice will also have methodological implications in a case study context.

5.4 Power and perceived justice

The links between power and justice are widely seen as axiomatic. Discussions of justice – either directly or indirectly – invariably invoke the concept of power, and vice versa (see for example Molm 1997; Hingley 2005; Muthusamy and White 2006). Despite their shared legacy, theoretical explorations of the relationships between power and perceptions of justice are acknowledged to be poor, however (Fortin, 2008). Some efforts have been made to invoke a justice framework to help advise powerful parties on ethical decision-making (Cavanagh, Moberg et al. 1981). However, few studies examine in depth how power and justice are exercised and interpreted in practice, and calls are made for research in this area of power and dependency and organizational justice. (Molm, Quist et al. 1994; Fortin 2008; Fortin and Fellenz 2008). This section outlines scholarship examining the relationship between power and justice. Drawing upon social exchange literature, two rival explanations are then presented to explain how power influences perceptions of justice: the balance hypothesis and the legitimation hypothesis. Reviews of empirical studies examining their underpinning theories illustrate the inadequacy of extant literature in this area.

In their review of organizational justice literature, Fortin and Fellenz (2008) make a strong case for power to be centrally positioned within their discipline. In particular, they are highly critical that the subjectivism that essentially defines organizational justice literature has led to too simplistic a view of interpretations of justice. They are concerned that this approach to justice, combined with its strongly managerial orientation, has been used to reinforce dominant power structures within organisations, and indeed, to perpetuate injustice in the workplace. They warn of the “hypocrisy of justice”, whereby the subjective definition of justice used in organizational justice research strips the
discipline of the need to recognise and attend to its moral responsibilities (Fortin and Fellenz 2008, p428). By the same token, Fortin and Fellenz suggest that normative justice theories, such as utilitarianism and deontology, have largely avoided detailed discussion of context and process. Organizational justice approaches may therefore have a role in contributing to an understanding of how overarching justice theories are applicable in real-life settings.

In highlighting the weakness of a simplistic, subjectivist account of justice, Fortin and Fellenz note that the ways in which justice judgments are influenced by power and ideologies have barely been studied. They argue that while the antecedents and outcomes of justice judgments dominate the literature, little is said of how fairness perceptions are created. They apply Lukes’ three dimensions of power as a means for imagining contrasting outcomes by taking a progressively more sophisticated understanding of power relations. In their discussion of the second dimension of power – addressing not only observable conflicts, but deeper understandings of participants’ willingness and ability to exercise power – directions for new research are proposed. These include the recommendation to explore the circumstances under which the more powerful party (which they consider to be organisational managers) take moral considerations into account when dealing with less powerful members (employees). As discussed, the ethically-sensitive context of CSR provides a salient opportunity to explore moral considerations in power dynamics. Fortin and Fellenz specifically call for qualitative research in this context, to enable an understanding of “not only which decisions are made, but which decisions are avoided” (Fortin and Fellenz 2008, p423).

The implications of power on justice outcomes have been studied in the context of business-to-business (B2B) partnerships, although arguably inadequately (Blois 2005). There appears to be a presumption that power balanced partnerships are more stable and thus associated with more satisfying long-term outcomes (Reve and Stern 1979; Gassenheimer, Houston et al. 1998; Yavas 1998; Molm 2009). However, empirical studies paint an unclear picture (Reve and Stern 1979; Gaski 1984). Kumar, Sheer & Steenkamp (1995) claim that channel relationships that are asymmetric in dependence are “more dysfunctional, less stable and less trusting than symmetric relationships” (Kumar, Scheer et al. 1995, p348). They find that as power imbalance increases, trust and commitment declines, while conflict increases. Indeed, power imbalance is argued to work against creating trust, through partners’ unequal ability to fulfil their commitments to the partnership (Todeva and Knoke 2005). Rodrigue and Biswas (2004), also find a positive relationship between power balance and the success of an alliance in a commercial branding context, yet, like others, note
also that the ally with greater dependency on the partnership can gain significantly through alliance partnerships through association with more dominant partner (Martinez 2003; Rodrigue and Biswas 2004; Hingley 2005). Further, conflict resulting from power need not be damaging, but may be constructive (Moore, Birtwistle et al. 2004). Franchisees in a supply chain are found to express positive satisfaction in a relationship where the dominant partner exercises noncoercive power, for example through providing assistances in the form of training and advertising, but avoids coercive use of power (Hunt and Nevin 1974; Reve and Stern 1979). However Yavas finds neither coercive or non coercive power related to conflict, leading him to question the applicability of Western-derived power theories in a Saudi context (Yavas 1998).

Concerns with investigations of power balance include that B2B literature has emphasised positive relational factors of trust, commitment and cooperation over more problematic characteristics such as power, partly as a result of commentators’ “zealous support of relationships” (Blois 2005, p859). Blois calls for investigation into equity as a means for usefully advancing research into power dynamics in partnerships. It is suggested that the negative connotations of dependency may reflect Western attitudes, rather than the desirability of protective, deferential relationships in a guanxi context (Zhuang and Zhou 2004). The studies mentioned focus on a commercial, supply chain negotiations, where the social contribution of the exchange is a less prominent concern than in a CSR context, leaving unanswered questions around how power is exercised in a more ethically-sensitive environment. In a variety of exchange contexts – including political, consultancy and sponsorship realms – the importance of recognising internal dynamics within an organisation, as well as the negotiating dynamics between organisations, is also highlighted (Burton, Quester et al. 1998; Farrell and Heritier 2004; Levina and Orlikowski 2009).

A body of research on relationships between power and perceived justice was produced by Linda Molm and colleagues at the University of Arizona (Molm 1990; Molm 1991; Molm, Quist et al. 1994; Molm 1997; Molm, Peterson et al. 1999). They found that structural power has a direct relationship to the magnitude of the reward exchange. However, they also found that parties in a powerful position will not necessarily use their power resource strategically to maximise gains (Molm 1990). Further, punishment-based strategies for exercising power were perceived as less fair than reward-based strategies (Hunt and Nevin 1974; Molm, Quist et al. 1994). Molm et al claim that a strength of their experimental research design is their ability to isolate structure from strategy. Where previous studies had found participants judging strategies they had been subject to as unfair,
Molm et al argue that those strategies were created by the imbalanced power dynamic in the first place (Molm, Quist et al. 1994). Overall, Molm concludes that, over the past three decades, empirical research has confirmed the predictions of power-dependence theory, in that

...networks that create imbalances in structural dependence produce unequal distributions of benefit, in favor of the less dependent actor, while those in which power and dependence is balanced produce equal distributions of benefit. (Molm 2009, p157)

Further, she reports that when actors are advised that inequalities are emerging in an exchange, this may inhibit power use (Molm 2009).

It appears, therefore, that there exist differing interpretations of justice, and differing conclusions drawn from studies examining the consequences of imbalances of power from a justice or satisfaction perspective. In this context, alternate propositions have been made regarding how power balance converts to justice outcomes in exchange relationships. One view posits that justice norms serve to counter structural power in a relationship. That is, participants’ sense of justice overrides their tendency to maximise gains from the partnership. This is what Molm et al refer to as “the balance hypothesis” (Molm, Quist et al. 1994, p103). A contrasting perspective is that structural imbalance of power legitimises exercise of that power, referred to as “the legitimation hypothesis” (Molm, Quist et al. 1994, p103). The literature supporting each of these perspectives will be examined in turn. Reasons are suggested for why alternative scenarios may be applicable in a CSR context.

5.4.1 The balance hypothesis

The balance hypothesis draws upon insights from a range of social exchange theorists. The following arguments identify that pursuing balance in a partnership can result from both principled perceptions of restoring justice, and strategic considerations regarding maintaining a positive relationship.
5.4.1.1 Equity theory

Equity theory holds that inequity in interorganisational relationships, whether negative or positive, has detrimental effects for both partners – if one feels they are unfairly advantaged they may experience guilt; those feeling disadvantaged may experience hostility and lack of trust (Adams, 1965). This principle has resonance with insights from consumer behaviour literature, which finds that the concept of equity is central to that of successful and satisfying exchange (Oliver & Swan, 1989). Empirical studies to test equity theory in an exchange context have yielded mixed results, however. In their experimental research, Cook and Emerson (1978) find that concerns for equity and justice do constrain power use. Austin and Walster found that while equity produced the most comfortable results for participants, they were considerably more upset if they found themselves under-rewarded than over-rewarded (Austin and Walster 1974), and, in a retail context, more bothered by high price inequity than low price inequity (Huppertz, Arenson et al. 1978). Elsewhere, alliance studies have revealed that not all parties respond negatively to positive inequity (that is, receiving perceived unfair reward). For example, a quantitative survey-based examination of Dutch-US corporate partnerships found that while Dutch firms responded negatively to positive inequity, US firms did not. This finding was interpreted as relating to fundamental differences within the nations’ cultural norms (Sheer et al, 2003). This may have implications for corporate-nonprofit partnerships. It is possible the ethically-sensitive nature of the exchanges increase companies’ likelihood of self-regulating against any excess of power.

5.4.1.2 Informal drivers in social exchange

Other approaches also provide some evidence for the balance hypothesis. Muthusamy and White (2006) surveyed participants from strategic alliances, concluding that an organisation’s ability to influence the partnership was not coaligned with their structural power. They argue that informal aspects of the relationship are successfully used to establish power dynamics in ways that are ultimately more meaningful than those enshrined in formal agreements: “Through informal relations, partners may be able to exert greater influence on their counterpart and gain more decision-making power than their proportion of equity holdings would suggest” (Muthusamy & White, 2006, p813). They identify that parties may consciously restrict their use of the power available to them, in the interests of upholding goodwill and achieving long-term results from their partnerships. This echoes findings from researchers in the field of interorganisational trust. Trust is identified as substituting
more formal control mechanisms within an alliance, thus reducing transaction costs (Razzaque and Boon 2003; Todeva and Knoke 2005). Trust is enabled by forming relationships with others with compatible values and ethical approaches, and those with a reputation for honest and ethical behaviour are likely to become more desirable exchange partners (Vermillion, Lassar et al. 2002). Limiting one’s exercise of power and ensuring both parties achieve satisfying outcomes may aid in building trust and thus support the balance hypothesis.

5.4.1.3 Visibility

In their examination of resource dependency theory, Pfeffer and Salancik comment that excesses of power are more likely to be demonstrated where this can occur away from the public eye (Pfeffer and Salancik, 1978). This provides a possible rationale for the exercise of power to be mitigated in a corporate-nonprofit partnership. As discussed, corporate-nonprofit partnerships are frequently motivated by corporate reputation goals. By their nature, therefore, the existence of the partnership is designed to attract attention. While this does not ensure that all discussions and negotiations that occur in private involve restricted use of power, it is possible that the high visibility of the partnership provides an incentive for parties to conduct their interactions in a manner that would withstand public scrutiny.

5.4.2 The legitimation hypothesis

The legitimation hypothesis provides an alternative scenario for how power imbalance influences the exercise of power in a partnership. Whereas the balance hypothesis imagines power and justice as separate constructs that operate independently of one another, legitimation regards justice as inherently defined by the power relations that create it. In other words, when an outcome is judged as fair, this judgment is shaped by the authority of the entity that has delivered the outcome. This creates social and cognitive conditions that legitimate the actions of the more powerful party (Molm, 1994, p103). Thus power imbalance leads to the more powerful party exercising their power, a process which is accepted as legitimate by the weaker party. Theories that support legitimation parallel Lukes’ three-dimensional view of power (Lukes, 2005). These include resource-dependence perspectives, whereby the more powerful organisation has greater means at
their disposal to convince others of the rightness of their judgments (Pfeffer 1992), aligning with Lukes’ second dimension of power, the ability to participate in the activities that shape the understandings of power. Lukes’ third dimension of power, meanwhile extends the consequences of such use of power further, whereby power structures acquire hegemonic status and are thus accepted and unchallenged (Lukes 2005).

Further theories identified by Molm concern the way in which processes of legitimation support individuals’ sense of self. For example, she highlights theories of self-perception which explore how individuals develop self-evaluations that reflect the rewards they receive in their social context. Similarly, Molm points to theories whereby individuals tend to expect consistency between individuals’ status and the rewards they receive by society (Molm, 1994). When applied to the perception of power strategies, the legitimation perspective suggests that individuals will develop expectations of an exchange partner’s behaviour toward them that are consistent with the structural position of the partner relative to their own (Molm, 1994, p104).

As with the theories underpinning the balance hypothesis, theories supporting legitimation have revealed inconsistent results when tested empirically. Molm and colleagues’ own research supports the legitimation hypothesis: their laboratory-based experiments found that norms of justice support behavioural inequities that favour the more powerful party. In other words, where the more powerful partner behaved in a way leading to inequities, this was accepted and regarded as the legitimate consequence of their advantaged position (Molm et al 1994). Hegtvedt and colleagues, meanwhile, failed to find a relationship between perceived power and attributions of equity in exchange outcomes (Hegtvedt, Thompson et al. 1993) blaming their experiment design for not allowing any long-term effect to be shown. However, qualitative studies into corporate-nonprofit partnerships feature individuals who identify themselves in positions of weak power and express frustration at the consequences of this (Martinez 2003; Berger, Cunningham et al. 2004), suggesting their experiences were not negated by the systemic effects of legitimation.

**5.5 Summary**

Justice, therefore, has been introduced to this study to provide a framework for understanding the perceived consequences of power imbalance. This is directly relevant to a CSR context, as the issues of power and justice in exchange address central concerns regarding how the marketing
system impacts upon society at large. A critical issue is the difficulty of establishing both principles and measures of justice and fairness, generating alternative theories of justice which are reflected in corporate social responsibility literature. Rawls, whose approach to justice is preferred by some macromarketing scholars (Hill 2005; Klein 2008; Laczniak and Murphy 2008) may be interpreted in terms of an affirmative action principle, to ensure any inequities in the process benefit the most needy (Rawls 1972). It recognises that it is possible to treat the question of justice from a broad society-wide perspective, asking how powerful agents, such as corporations, should do business with those in weaker institutional positions and/or in pursuit of social or environmental missions. Other conceptions of justice focus on ensuring fair processes, and accepting any results that derive from noncoercive negotiations (Friedman 1962; Nozick 1974).

Recognising this ambiguity, organizational justice is introduced as a framework for examining perceptions of fairness in terms of three critical categories: distributive justice (achieving satisfying returns for each party), procedural justice (the processes by which these outcomes are achieved) and interactional justice (interpersonal behaviour that is demonstrated throughout these processes). The correlation between justice and satisfaction is acknowledged, and literature examining the relationship between power or dependency and variables such as conflict and satisfaction is addressed in a supply chain context. These find inconsistent results, and suggest that while power-balanced partnerships are regarded as desirable, power-imbalanced relationships are not necessarily negative. Alternative explanations – the balance and legitimation hypotheses – are posited for why the exercise of power is interpreted as being just.

Questions remain, therefore, for evaluating the exercise of power in a CSR context. How is justice experienced at procedural, distributive and interactional levels? Do the perspectives of justice held by CSR participants influence how power is exercised in the partnership? Does it influence what is perceived as a positive outcome? Is there evidence to support the balance or legitimation hypotheses in interpretations of justice in a corporate-nonprofit context? In pursuing these questions, this study addresses the critical gap recognised by Fortin and Fellenz (2008) by explicitly drawing together an exploration of power structures and organizational justice appraisals. Therefore, just as a justice framework helps understand the consequences of power, considering the role of power may help understand how justice evaluations are made.
Chapter Six
SUMMARY, QUESTIONS AND CONTRIBUTIONS

The following section aims to provide an overall summary of the literature covered in the previous chapters. From this context, the research questions under examination in the qualitative study are defined, and the contributions to literature, theory and practice are identified.

6.1 Summary of literature

Over the past decades, corporate organisations have come to appreciate the potential of CSR in enriching their brand and forging stakeholder relationships (Carroll 1999; Marx 1999; Docherty and Hibbert 2003). Meanwhile, the nonprofit sector has grown significantly, become increasingly professionalised, and been active in pursuing diverse funding streams. The result has been the blossoming of exchange partnerships between corporate and nonprofit organisations. These have taken on a wide variety of forms, including sponsorship, cause-related marketing programmes, joint ventures and social alliances (Wymer and Samu 2003). Critically, however, they involve some sort of exchange, as distinct from philanthropy.

It must be recalled, however, that the rise of CSR has occurred within a charged stakeholder context. Consumers, activists and the media have called upon companies to contribute positively to environmental and social wellbeing, to responsibly reflect the institutional power held by corporations in modern society (Bendell 2000; Stanfield and Carroll 2004; Jones 2007). This creates something of a double-edged sword: while corporate power provides the rationale for partnerships with nonprofits, concerns have arisen regarding perceived power imbalances and the fairness of the exchanges (Webb and Mohr 1998; Parker and Selsky 2004; Seitanidi and Ryan 2007). This carries implications for managers, where alliance participants can be “overwhelmed by the fear of a partner’s opportunism” (Luo 2007, p.644). Further, the self-serving interests of corporations, combined with their institutional power, has given rise to some serious questioning of the integrity of corporate social responsibility as an
institutions (Windsor 2001; Blowfield and Frynas 2005; Banerjee 2008). These concerns demand a critical examination of power and justice in this context.

This perception is endorsed by empirical studies that identify power imbalances in corporate-nonprofit partnerships (Austin 2000; Martinez 2003; Berger, Cunningham et al. 2004; Parker and Selsky 2004). These studies affirm predictions from the literature that the nonprofit partner generally holds the weaker position, but note this is not always the case (Berger, Cunningham et al. 2004). While power imbalances are noted in these studies, they are discussed in a broader context of overall experiences and value creation processes of the partnerships, rather than used as a central lens. Thus, the question of why it matters – what role power plays in shaping the outcomes of the partnerships – remains unanswered.

Although concerns regarding fairness in exchange are acknowledged, attempts at empirical studies confront a fundamental difficulty: the subjective nature of justice. Some writers have attempted to create normative rules for fair exchange. These include calls to base analyses of justice on Rawls’s framework (Laczniak and Murphy 2008), or to apply problematic concepts such as a hypothetical market price (Wertheimer 1996). Other efforts have resulted in the recommendation to abandon distributive justice as a normative framework altogether (Wegener 1987). Organizational justice scholars have developed the field of justice research considerably in the context of intra-organisational and employment relationships. Organizational justice is not concerned with normative evaluations; rather it explores perceptions of fairness. Research has explored distinctions between experiences of distributive, procedural and interactional justice. Respectively, these examine perceptions of fairness of outcomes, processes and the interpersonal behaviour in the exchange. It includes rules used by individuals to evaluate fairness, including equity (Adams 1965), equality and need (Leventhal 1976). Satisfaction is interpreted as an indicator of perceived justice, although it is acknowledged as an imperfect measure (Molm 1991).

Despite the links – acknowledged and otherwise – between power and justice, their relationship in exchange partnerships is not well understood, and is barely examined in a corporate-nonprofit context. This study looks to power-dependency theory as an approach for studying power (Emerson 1962). This affirms the inherently relational nature of one party’s power over another (French & Raven, 1959) in which the power of actor A over actor B is the inverse of B’s dependence and vice versa (Emerson 1962; Pfeffer and Salancik 1978; Casciaro and Piskorski 2005). However, it also recognises that this ‘power over’ relationship is a means to another end: of greater interest to actors is their ‘power to’
pursue a goal (Morriss 2002). Nevertheless, resource-dependence theory and transaction cost theory argue that, while partnerships may be the means that enable resources to be secured, actors will protect their existing resources by seeking to minimise their costs in the exchange process, thus incentivising them to exercise power over others in this negotiation process.

This study aims to explore the relationship between power and organizational (perceived) justice in the ethically-sensitive context of CSR. It examines participants’ ability to effect outcomes (power) (Dahl 1986) and availability of alternative options (dependency) (Pfeffer and Salancik 1978; Heide and John 1988). These experiences of power are considered in relation to perceptions of distributive, procedural and interactional justice.

6.2 Research questions

To answer the question of whether power imbalance matters in corporate-nonprofit partnerships, an underlying theoretical question, derived from the study of the literature, is therefore phrased as:

What is the relationship between power and perceived justice in corporate-nonprofit partnerships?

This is explored in terms of three sub-questions:

- How is CSR understood as a context for corporate-nonprofit partnerships, and what effect does this have on the exercise of power and experience of justice?
- How are power and dependency exercised and experienced in corporate-nonprofit partnerships?
- How is organizational justice experienced in corporate-nonprofit partnerships?

Drawing from the issues identified throughout the literature review, answering these questions requires the separation and examination of the following issues:

1. How is CSR understood as a context for these partnerships?
2. What effect does the context of CSR have on the exercise of power and experience of justice?
3. How is dependency experienced in corporate-nonprofit partnerships?
4. How able are participants to achieve their desired outcomes through corporate-nonprofit partnerships?
5. How is justice (including the dimensions of distributive, procedural and interactional justice and overall perceptions of fairness) experienced in corporate-nonprofit partnerships?
6. What is the relationship between power and perceived justice?

The approach for answering these questions will be outlined in the Methodology section of the thesis, in Chapter 7.

### 6.3 Contributions

Answering the above questions makes contributions to several areas of literature, theory and managerial practice.

#### 6.3.1 Contributions to CSR literature

This study makes a direct contribution to CSR partnerships literature. It addresses concerns raised by CSR researchers who have predicted, identified and worried about power imbalances in cross-sector partnerships (Berger, Cunningham et al. 2004; Parker and Selsky 2004; Seitanidi and Ryan 2007). These concerns have implications for the perceived legitimacy of CSR activities (Windsor 2001; Banerjee 2008). This study moves this discussion forward by presenting a picture of how power is actually exercised in corporate-nonprofit partnerships, and what impact this has for justice outcomes. It therefore provides information to help CSR theorists better describe the credibility and legitimacy of CSR. Further, it brings an important perspective to CSR discussions, by relating theories of justice to the lived reality of CSR actors. It better enables us to understand how exchange agreements are formed and experienced in terms of participants’ own perceptions of fairness.
6.3.2 Contributions to power literature

The lack of integration of ‘power to’ and ‘power over’ in power and exchange literature is reflected in a lack of guidance for how to draw these constructs together in an empirical context. This study aims to bring together these dimensions of power, in seeking to understand how dependency affects one’s ability to achieve desired outcomes. It therefore explores ‘power through’ a partnership context.

6.3.3 Contributions to power-justice theory

This study also addresses theoretical issues posed by scholars of power and justice. It reacts to the paucity of literature exploring the relationship between power and organisational justice, and aims to draw insights as to the nature of this relationship. This includes considering evidence to support the balance or legitimation hypotheses, and further suggestions for how this relationship may be conceptualised.

The qualitative nature of the study meets calls by various scholars to address relationship dynamics (Salk 1995), organizational justice (Fortin 2008) and power in exchange (Molm, 2009) through this approach.

6.3.4 Contributions to practice

The fear of being taken advantage of can be overwhelming for participants in inter-organisational partnerships (Luo, 2007). This anxiety may be intensified where there is a perception of power imbalance and ruthless corporate motives at play. In seeking to provide a reality-check around theorised concerns regarding power imbalance, the study provides practical value to corporate and nonprofit managers alike. It aims to help illustrate how power is exercised, and the extent to which this matters in terms of the outcomes of the partnership. This may help managers understand the critical issues around power and dependency in partnerships, and assist in enabling them to make decisions that are right for their organisation. While the advantages to practitioners focus on those in a corporate-nonprofit context, issues regarding power, dependency and justice are applicable to many interorganisational, and interpersonal, relationships.
7.1 Purpose of methodology

The purpose of the methodology is to uncover how power and dependency are experienced in partnerships within the ethically sensitive context of CSR. It explores the consequences of power imbalance via the key areas of distributive, procedural and interactional justice: that is, the outcomes of the partnership (for example, the monetary value of a sponsorship package), the processes by which these outcomes were achieved and the interpersonal dynamics through which the partnership is enacted. It further examines how partners understand their own dependency in the partnership and how they experience their ability to effect change and achieve their desired results (power). The research explores how the power held and exercised by each of the partners is associated with perceptions of justice. The study will lead to a better understanding of the relationship between power and justice in CSR relationships.

In reviewing the literature which examines the distribution of power in a relationship, a feature that stands out is the predominance of quantitative approaches to studying both power and justice (Hunt and Nevin 1974; Lusch and Brown 1982; Yavas 1998; Skinner and Guiltinan 2001; Luo 2007). This leads to studies that explore concepts of fairness and power, without contextualising any of the results in terms of participants’ own understanding of those concepts. Instead, questions are asked via a survey method, which the researchers then analyse in keeping with their own predefined framework of what constitutes power and power balance (Hunt and Nevin 1974; Lusch and Ross 1985; Skinner and Guiltinan 1986). Elsewhere the researcher provides the definition of justice to the participant and asks how their experiences conform to that definition (Luo 2007).

Such an approach, however, is inappropriate for a study into power and justice in a corporate-nonprofit context. As noted in the literature review, both the concepts of CSR and justice are highly contested, and appear unclear to business ethics theorists and CSR practitioners alike. It is therefore impossible to be confident that these terms, if used in a survey without the opportunity for
qualification or explanation, would have been consistently understood by participants, which could lead to misleading results. Further, a goal of the research is to apply or develop theory that explains how power is experienced in corporate-nonprofit partnerships. This requires understanding the motivations and behaviours of participants, and relating this information to existing theory. It is therefore fundamental to this pursuit to appreciate how participants in corporate-nonprofit partnerships understand an appropriate exchange between them.

Therefore, a methodology is needed that:

- Supplies data enabling power and fairness to be seen in relation to literature-derived understanding of these concepts.
- Supplies data enabling power and fairness to be related to participants’ own understanding of these concepts.

Qualitative research provides the opportunity to elicit rich and detailed understandings, appropriate to such exploration (Denzin and Lincoln 2003). In describing the broad scope, conceptualisations, application and theoretical underpinnings of qualitative research, Denzin and Lincoln arrive at the following overall characteristics. Qualitative research involves:

- Some version of the naturalistic, interpretive approach, exploring questions around how social experience is created and given meaning
- Ongoing critique of the politics and methods of postpositivism.

(Denzin and Lincoln 2003, p13)

Given my sympathy for Habermas’s perspective on discipline-derived epistemologies (Habermas, cited in Sitton 2003), concern regarding the nihilistic endpoint of moral relativism, and belief in the capacity for dialogue across paradigms (see Chapter 2), I would minimise the emphasis on the latter point. Rather I would reiterate that the nature of the research endeavour – focusing on how participants of a partnership experience social concepts of power and justice from a critical realist perspective – drives the motivation to pursue a qualitative study. This places me in the category that Denzin and Lincoln would call “tolerant” (Denzin and Lincoln 2003, p15), viewing postpositivism as providing one way of telling us about the world, but not the only way. In this instance, it would not be the most appropriate way.
7.2 Criteria for case study methodology

The discussion above highlights the appropriateness of a qualitative enquiry, due to the contested meanings of key terms, the context-specific nature of the study and the nuanced understanding of interpersonal relationships that are required. Among the qualitative methods possible, a case study methodology was selected as best serving the needs of the research question. Case studies are defined as “an in-depth, multifaceted investigations, using qualitative research methods, of a single social phenomenon” (Feagin, Orum et al. 1991, p2). The particulars of this study conform squarely with recommendations in Yin’s definitive text on case study methodology (Yin 2003). His work opens with the generalisation that “case studies are the preferred strategy when ‘how’ or ‘why’ questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within a real-life context” (Yin 2003, p1). This study comfortably meets all of these criteria. Yin further comments that case study methodology is appropriate for generalising to theoretical propositions, rather than to entire populations (Eisenhardt 1989; Yin 2003). This is suited to the aims of this study, which seeks to identify or develop appropriate theories that would assist in understanding how power and justice are enacted in CSR partnerships. Additionally, case study methodology is recommended where the researcher is deliberately seeking to capture contextual conditions, believing these may be pertinent to the subject under investigation (Freebody 2003; Yin 2003; Flyvbjerg 2006). As has already been discussed, the particular qualities of individual partnerships, along with the context of corporate social responsibility, are central to understanding the power and justice in corporate-nonprofit partnerships.

7.3 Calls for case study methodology

Case study methodology has been identified as particularly relevant for this type of research. The inadequacy of studying individual transactions to understand social exchange dynamics has long been recognised, with Emerson recommending longitudinal studies to examine the concept empirically (Emerson 1976). Despite this, and as has already been noted, quantitative studies have dominated explorations of power in relationships. While some alliance researchers emphasise reasons to study alliance structure (Hennart 2006), or processes (Doz 1996; De Rond and Bouchikhi
2004), others argue that is not the underlying questions that have created inadequacies in alliance literature, but the methodologies used to investigate these (Contractor 2005; Salk 2005). Salk bemoans the preoccupation with large-scale samples mining secondary data sets, arguing these fail to capture richer, more interesting, and more useful information (Salk 2005). Others criticise existing studies for their focus on minute aspects of the relationships, examining only one level of analysis (usually the firm), adopting cross-sectional rather than longitudinal research designs, using only one respondent to appraise the partnership, and even only collecting data from one of the partners (Bell, den Ouden et al. 2006).

In her invited contribution to a European Management Review special section on alliance research methodology, Salk regards case study as “the gold standard” for research on alliances processes (Salk 2005, p121). This perspective is echoed by researchers in the field of power and organizational justice. Qualitative research is called for to ensure the laboratory experiment and survey based studies remain embedded in the realities of exchange contexts (Fortin, 2008; Molm, 2009), and case study research in particular has been claimed as critical to the valid examination of concepts such as power and values in applied social and organisational contexts (Flyvbjerg 2004; Flyvbjerg 2006). These contributors emphasise the value of qualitative research at both ends of an inquiry into a subject. In an area that is not well explored, it enables lines of inquiry to be generated. Meanwhile, it can be used reflexively, to provide a reality check against other quantitative methods that predominate in the literature.

### 7.4 Delimiting case study methodology

In employing case study methodology in this study, the unit of analysis of each case is defined as a partnership. The boundaries of each partnership are defined as the period between the negotiation and termination of the partnership agreement. Examining each case therefore requires an ability to canvas a partnership throughout its history and from the perspectives of both parties. This was achieved through an interview process, asking participants to recall events from the past. I also sought and received current and historical documents. Using such historic case study methods involve risks that participants’ memories may fail them, and care must be taken when interpreting information gained via this method. However, the risks were mitigated by interviewing multiple participants from each case as well as gathering documentary evidence where possible, improving
the ability to triangulate results. Where interviewees admitted their memories were unclear, this is reported in the quoted data in Appendix 1. While alternative methodologies, such as longitudinal ethnographic research, may have enabled historical data to be gathered in real time (Silverman 2006), this would have had further limitations which would have been more detrimental to answering the research question. Firstly, ethnographic research is normally achieved through immersion within the research context: this may be possible within a single organisation, but difficult in a partnership, requiring engagement with both parties concurrently. Secondly, it would have limited the study to those partnerships that began and ended within the research window available. This would have narrowed the diversity of partnership experiences eligible for the study, and excluded longstanding arrangements, such as that explored in Case Study Two.

Further limitations of the case study method were considered, including the potential for candidates to present themselves favourably, and be selective in the documentary evidence they were willing to disclose. Once again, these issues were mitigated through interviewing multiple participants, seeking further information from a variety of sources, and noting areas where, as an interviewer, I felt unconvinced by the explanations provided in the quoted data (Appendix 1). The interview protocol was also developed with these issues in mind (see below): an indirect questioning style was adopted; and more challenging issues addressed only where rapport and trust had been established. Further, the interviews placed greater emphasis on participants’ experiences and emotions, rather than asking them to relay specific historic events. Therefore, the accuracy of the recall was less important than how they felt as a result and why. As such, their personal, subjective responses were precisely the information that was valuable in answering the research questions. It is also relevant to note that the material received was by no means always flattering to the participant who provided it: I was surprised by and grateful for the candour with which the participants engaged with the study.

7.5 Exploratory case study approach

An exploratory, multiple case study design was identified as the most appropriate methodological strategy for this research. Yin distinguishes between several purposes of case study research: explanatory, exploratory and descriptive (Yin 2003). He identifies exploratory case study research as being appropriate where little theoretical development has occurred in the specific area
under study (see also Eisenhardt 1989). This describes the situation facing investigation into power and justice in nonprofit partnerships. While this study is informed by theories, perspectives and empirical research identified in the literature, this prior scholarship is neither integrated, nor in the context under investigation. Further, the empirical approaches that have been used have tended to be drawn from large-sample quantitative projects, where qualitative study provides a useful opportunity to probe confusing results. The following table (Table 2) provides a brief recap of various theories identified in the literature that guide this study.

**Table 2: Theories guiding exploratory case study**

<table>
<thead>
<tr>
<th>THEORY</th>
<th>KEY CONTRIBUTORS</th>
<th>GAPS FOR RESEARCH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power-dependency theory</td>
<td>Emerson, 1962</td>
<td>Not well supported empirically; not well integrated into “power to” or justice frameworks.</td>
</tr>
<tr>
<td>Legitimacy theory</td>
<td>Suchman (1995)</td>
<td>Theories follow an “ought, not is” line of analysis. Thus they do not explain actual behaviour. Empirical research may be required to understand how behaviour of firms relates to justice theories and characterisations of legitimacy.</td>
</tr>
<tr>
<td>Justice theory</td>
<td>Rawls (1972)</td>
<td></td>
</tr>
<tr>
<td>Entitlement theory</td>
<td>Nozick (1974)</td>
<td></td>
</tr>
</tbody>
</table>
Following Yin’s instructions for structuring exploratory case study research, the research design encompasses:

a. What is to be explored

b. Purpose of exploration

c. Criteria by which exploration will be successful (Yin 2003).

Respectively, these are achieved through exploring:

a. Participants’ experiences of power and dependency in corporate-nonprofit partnerships, and their understanding of the outcomes of the partnership

b. How CSR influences power and dependency and perceptions of fairness in the exchange

c. The exploration is regarded as successful where data is yielded in key areas, such that relationships between these aspects may be interrogated. Areas include:

- Goals of participants to enter partnership, including desired outcomes and CSR motivations
- Assessment of participants’ dependency in partnership
- Participants’ abilities to seek and achieve outcomes
- Participants’ conceptions of fairness
- Participant appraisal of fairness in partnership
- Description of outcomes, processes and behaviours within partnership.
7.6 Case study design

This study seeks to develop an in-depth picture of corporate-nonprofit partnerships from both the corporate and nonprofit perspectives, and from multiple participants within each organisation. Data gained from in-depth interviews is looked at alongside documentary evidence such as formal contracts and marketing materials. This methodology is similar to other qualitative research examining aspects of social exchange within strategic alliances (Lane & Bachmann 1997; de Rond & Bouchikhi, 2004). Incorporating multiple stakeholder perspectives and other sources of evidence is noted by Yin (2003) as a means for increasing the construct validity of a case study method.

7.6.1 Case study development and case selection

The case study methodology was developed in several steps. In order to gain a thorough grounding in issues surrounding corporate-nonprofit partnerships, two preliminary interviews were undertaken with ‘referent experts’, from each of the corporate and nonprofit sectors, who had significant experience in being engaged in such partnerships. Following this, I carried out a ‘preliminary dyad’, which sought the experiences from two managers, one from each side of the same partnership. This process enabled a testing of the interview methodology, and to develop my skill set as I embarked on a full case study process. Reflecting on these interviews, I judged that they provided interesting material that enriched the overall data and therefore elected to include them in the final study. Two full, in-depth case studies, focusing on the experiences of high-profile corporate-nonprofit partnerships operating in New Zealand, were also conducted.

Selection of preliminary interviews and cases is purposeful, bearing in mind Yin’s recommendations as to theoretical and literal replication (Yin 2003). This aims to ensure that selected cases incorporate variety among a range of identified dimensions, enabling a full picture to be explored, in the manner proposed by Gerring’s “diverse” case study type (Gerring 2007, p89). Regarding this approach as appropriate for a study aimed at either hypothesis testing or hypothesis generating, Gerring describes its level of representativeness as “minimal”, in that it represents something of the variation of the population, if not the distribution across that population (Gerring 2007, p89). Yin and Gerring would be likely to disagree over some of each other’s use of terminology: Gerring refers to cases as samples across a population, while Yin explicitly rejects “sampling logic”, arguing for cases to be seen akin to experiments and thus more appropriately subject to “replication
logic” (Yin 2003, p47). However, their concerns for purposeful selection of theoretically-discriminate cases echo with one another. A diverse case study type enables what Yin terms “theoretical replication” whereby contrasting results may be predicted for theoretical reasons (Yin 2003, p47). Such purposeful selection of diverse cases avoids the risk associated with multiple case study research of selecting some situations with a range of features in common, and a few instances which represent very different circumstances. This can lead to a dominant model emerging from the data set, with the atypical examples becoming outliers (Gerring 2007, p100). In order not to weight the findings towards a dominant model, participants in the cases selected either needed to have unique characteristics from one another, or characteristics in common with all other participants. This has led to the development of the following inclusion and exclusion criteria.

Variance on key dimensions:

- Longevity of partnership (theoretical issues: potential reliance on, and reliability of, partnership, with dependency implications; indication of satisfaction with partnership)

- Type of partnership: sponsorship, joint activities, cause-related marketing (theoretical issues: partnership structure as a result of goals, motivations and negotiations)

- Sectors: social, environmental, arts; commodity, finance, industry (theoretical issues: brand, relationship with stakeholders)

- Size/scope of organisation: regional, national, international (theoretical issues: locus of decision-making, organisational scale).
Table 3: Preliminary interview and case study selection

<table>
<thead>
<tr>
<th></th>
<th>Longevity</th>
<th>Partnership type</th>
<th>Sectors</th>
<th>NZ/International</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preliminary Interview 1</strong></td>
<td>Long (18 years)</td>
<td>Cause-related marketing</td>
<td>Commodity</td>
<td>National - national</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Environment</td>
<td></td>
</tr>
<tr>
<td><strong>Preliminary Interview 2</strong></td>
<td>Medium (3-4 years)</td>
<td>Research funding</td>
<td>Energy</td>
<td>International - NZ</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Social welfare</td>
<td></td>
</tr>
<tr>
<td><strong>Preliminary dyad</strong></td>
<td>Short (one year)</td>
<td>Sponsorship</td>
<td>Arts</td>
<td>Regional - regional</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Professional services</td>
<td></td>
</tr>
<tr>
<td><strong>Case Study One</strong></td>
<td>Medium (3-4 years)</td>
<td>Mixed activity</td>
<td>Energy</td>
<td>International - NZ</td>
</tr>
<tr>
<td></td>
<td>Recently terminated</td>
<td></td>
<td>Health</td>
<td></td>
</tr>
<tr>
<td><strong>Case Study Two</strong></td>
<td>(Long – 12 years. Renewed yearly)</td>
<td>Sponsorship</td>
<td>Finance</td>
<td>International - regional</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Arts</td>
<td></td>
</tr>
</tbody>
</table>

As well as ensuring variation across the cases, several features were sought in common. Inclusion criteria are that the partnerships have a reasonable degree of visibility. Visibility was identified through the literature review as an area that could mitigate the abuse of power. Therefore, I was interested in exploring this area among multiple respondents. In addition, having visibility identified as an inclusion criterion prevented selection bias to have unwittingly prioritised such partnerships. To be considered as a potential candidate, each partnership had a public profile supported by marketing and communications activities.
A longitudinal study has not been practicable in the timeframe available for this study. However, methodological issues also suggest limitations with studying partnerships over a lengthy period: the presence of repeated, long-term interactions is frequently raised as a measure of success of a partnership (Ring and Van de Ven 1992; Kumar and Nti 1998). Therefore, limiting studies to ones where a prescribed, appropriately lengthy period has been achieved may place inappropriate emphasis on successful partnerships. Furthermore, alliance researchers have called for rethink of how time is treated in alliance research, suggesting that subjective views of time, expressed through concepts such as speed, development and maturity may be more telling than simply a record of how many events occur within a particular timeframe (Salk 2005). Consequently, this study is interested in longevity, but as a variable. This is examined through participants’ reflections across the history of the partnership.

7.6.2 Interview candidate selection

The process of recruiting interview subjects is by approaching key participants. The candidate group is then augmented via a snowball method of recruiting further participants to fulfil broader stakeholder perspectives. These extra candidates were recruited by the gatekeepers whom I knew personally and who were able to recommend others in their organisations relevant to the study, ensuring I covered the desired range of participants. I invoked my relationship with the gatekeepers in seeking an audience with other interview candidates to help establish my credibility. The risk of being unable to secure the most relevant candidates was not troublesome in this study: of those I asked to interview for the study, only one declined (as discussed in section 8.7). In any event, this participant had not held the role long and soon resigned from the position, and may have been unlikely to provide the detail of the interactions required for the study.

The stakeholders sought were:

- Key decision-makers who enabled the partnership (CEO, board chair, senior managers)
- Individuals involved in establishing the partnership (marketing manager, programme managers)
- Individuals whose responsibility it is to manage and implement the relationship in an ongoing fashion (marketing managers, programme managers, administrative staff).
In each of the major case studies I was satisfied that the interview candidates enabled the full history of the relationship to be covered, with critical decision-makers from each period and encompassed a range of positions within the organisational hierarchies.

Participants were required for semi-structured one-on-one interviews. These were mainly held at their place of work to minimise inconvenience to them, although circumstances required that two interviews were held at the participants’ homes, two at cafés and another by telephone. Interviews were audio recorded. Each interview was approximately one hour in length. Names, telephone and email contacts were collected only for the purposes of coordinating the research. They are not published and will be destroyed after completion of the research in accordance with the ethical guidelines of the University of Otago.

7.6.3 Interview strategy

Denzin and Lincoln recognise that an interview is always, to some degree, a negotiated text, involving input of both interviewer and participant (Denzin and Lincoln 2003). They indicate a spectrum along which a questioning strategy may sit, ranging from very formal and pre-directed, through to entirely informal and spontaneous. By this understanding, the questioning strategy used for this study sits between semi-structured and structured interview, or what Yin labels a focused interview (Yin 2003). Questions were set in advance, but conducted in a somewhat conversational manner providing scope for flexibility to pursue unscripted ideas should the opportunity emerge, and enabling the researcher to respond to the requirements of the specific interview situation (Denzin and Lincoln 2003).

This approach relates closely to McCracken’s description of the long interview technique (McCracken 1988). This is identified as a highly appropriate technique when the scope of the interview is well understood, and it is not possible to directly observe participants in the context under examination. It involves preparing, in some detail, the topics one wishes to traverse during an interview. McCracken recommends eliciting information from respondents through scripted, open-ended questions, employing further prompts as appropriate to ensure the desired terrain is covered. The long interview differs from open interviewing technique through providing considerable structure to the interview process. This ensures all the required information is covered, and in a reasonably consistent order, among all participants (McCracken 1988; see also Harris 2000 for a
discussion of a similar approach in reconciling contrasting research paradigms; Yin 2003). This methodology also ensured the required areas of inquiry could be covered in the limited amount of time the interview candidates – all busy professionals – had generously made available to me.

7.6.4 Question development

Questions were developed to cover the key areas identified in the criteria for successful exploration noted previously and below. In terms of the partnership under investigation, these examined participants’:

- Understandings of CSR as a context
- Goals and motivations
- Dependency, in terms of importance of exchange and availability of other options
- Sense of their own power in relation to their partner’s dependency
- Ability to seek desired changes and outcomes
- Satisfaction with outcomes, processes and behaviours (justice)
- Understandings of a fair exchange
- Perception of fairness of this exchange.

In addition, further written documentation and material was sought from participants, including formal contracts, board papers, policy documents, promotional material, internal board and management papers and emails between participants.

7.6.4.1 Indirect questioning

The interview schedule sought to understand participants’ experiences of power and justice. To achieve this, an indirect style of questioning was adopted. The reason for doing so was drawn from several sources. My early experiences discussing my research with colleagues in the corporate
and nonprofit sectors made me aware of a bristling reaction associated with questions of ‘power balance’ and ‘fairness’. It seemed that people were happy to discuss their experiences, but became defensive when notions of fairness were introduced. It appeared to be seen as an implicit criticism of their decision to enter into the partnership, or of their treatment of the charitable partner. A memorable response was of an acquaintance despairing, “Can you not get over it, when can a corporate do anything right!?” However, I also met people who were quick to raise issues regarding power imbalance and inequity without prompting, where this was a concern for them, providing a natural entry point to conversations on this topic. I believed that, had I asked “How much power did you feel you had?”, “How fair were the outcomes?”, “How fair were the processes?”, “How fair was the behaviour at an interpersonal level?” I would have been perceived as obsessively interested in framing participants’ experiences in this context. I believed that, to my interview subjects, I would have been seen as negative and perhaps bringing an unhelpful agenda or bias to the conversations. Moving from simple, non-threatening questions to opportunities for participants to reflect more deeply follows recommendations for conducting qualitative interviews. It helps create “face safety” for interviewees, potentially producing more honest and open answers (McCracken 1988, p38).

That satisfaction has a high correlation with justice was discussed during the literature review. Therefore, an indirect questioning style, where language around satisfaction was used to frame discussions of outcomes, processes and interactions was adopted. Where interviewees raised issues of perceived justice or injustice, these were probed through additional questions where necessary. Towards the end of the interview, once appropriate rapport had been built with the participant, and a context of a broad ranging discussion in which I was genuinely curious about their experiences had been established, I introduced a general, direct question, “So in your view, was/is it a fair partnership?” In analysing the data, comments regarding satisfaction and dissatisfaction were categorised as perceptions of justice and injustice.

7.6.5 Ethical approval

Ethical approval (Category B) was sought and gained from the University of Otago in May 2008 to conduct a study as per the case study methodology outlined above.
7.7 Analysing and interpretation

Each interview was transcribed in full. The data was analysed using qualitative analysis software NVivo, with the results later converted into Microsoft Word tables. For each participant in the case study, the responses were assigned to nodes relating to key dimensions under study. These were:

- CSR
- Dependency
- Perception of partner dependency
- Ability to effect change (power)
- Partner’s ability to effect change (demonstrations of partner power)
- Distributive justice
- Procedural justice
- Interactional justice
- Value and equity
- Perceptions of fairness

Not every comment was assigned a node, while some items were assigned more than one node. Then, the comments under each node were interrogated further to highlight the particular points being made. In the within-case analysis these were addressed separately. In the cross-case analysis, they were organised into themes which captured both agreement between participants, and their differences in perspective.

Individual participants’ responses were interpreted separately, with sensitivity to their respective roles and experiences in the organisation. For example, those who oversaw decisions at CEO or governance level were more informed regarding the philosophy of CSR and strategic drivers
behind the decision-making, but may have had little appreciation of how the partnership dynamic operated in practice. Similarly, those in junior and administrative roles were valuable in describing the interactional dimensions of the partnership. However, their perceptions of issues outside their expected knowledge and authority, such as how able their organisation would be to find an alternative partner, were afforded less weight. The quotes used to illustrate each point in the data analysis have been selected on the basis of participants’ authority to speak on each matter.

7.7.1 Guidelines for analysis

7.7.1.1 The context of CSR

While CSR is the focal context of this study, it was identified in the literature review that the domain of corporate social responsibility defies simple definitions. Therefore, for the purposes of this analysis, the context of CSR refers to the particular qualities of making an exchange with a corporate or charitable organisation. It can relate to the motivations for entering into the agreement, any philosophies around cross-sector interactions, expectations of their other-sector partner and any other comments or evidence referring specifically to this context. Comments relating to any of these aspects were regarded as contributing to an understanding of the overall context of CSR. Particular attention was placed on how the understanding of CSR influenced participants’ exercise of power and perceptions of justice. In the cross-case analysis, comments regarding the context of CSR were organised under key themes.

7.7.1.2 Analysis of power

Emerson’s concept of power-dependence, in which he argues that the power of one entity is a function of their partner’s dependency, has continued to inform the study of power in an exchange context (Emerson 1962). Understanding one party’s power, therefore, requires an examination of their partner’s dependency. At the same time, the experience of power in the partnership does not only relate to one’s power over another party, but one’s power to achieve an outcome (Morriss, 2002). However, the relationships between these concepts are not well explored in the literature. It is unclear how one’s ability to achieve an outcome occurs through a partnership arrangement. In accordance with these principles, three frames are used to analyse power in this partnership. These
involved, (1) exploring power as the inverse of their partner’s dependency in the partnership; considering participants’ perceptions of their own power in terms of (2) their perception of their partner’s dependency, and (3) their experiences in attempting influencing the partnership in pursuit of their goals.

7.7.1.3 Dividing dimensions of justice

Dividing organizational justice into its composite parts is a little like trying to slice a trifle. At one level its components seem clear. Intellectually, one can understand the differences between them. They appear able to be divided up. If you were trying to explain a trifle, you would appeal to your audience’s appreciation of the distinction between jelly, fruit, custard and alcohol-soaked sponge-cake. It makes sense until you try and do it. As soon as incisions are made, the boundaries become unclear, and strong forces seem to want to pull them together as a whole again. Despite these difficulties, our understanding of the whole is still enriched by recognition of the composite parts. Within research into organizational justice, some scholars have sought to pick apart, with increasing nuance, the different components of justice, while others have highlighted the commonalities and interdependence between the forms of justice and prefer to examine it as a global construct.

The approach one takes to the dimensions of justice depends on the goals of the research. This study aims to understand how the experience of power in a partnership relates to a perception of fairness of its outcomes. Organizational justice provides a framework for understanding outcomes across a range of dimensions that incorporate interpersonal relationships and treatment as well as tangible results. This study does not aim to draw out characteristic differences between the forms of justice or make a theoretical contribution to their specific constructs. The important insights relate to the experiences of participants, not whether the experience is appropriately labelled in terms of its manifestation of justice. Therefore, for the purposes of this research, the divisions between distributive, procedural and interactional justice are intended as a useful organising framework, rather than boxes for strict categorisation. The decision to retain them for purposes of analysing the data was a pragmatic one, therefore, as it enabled similar information regarding participants’ appraisals of the partnership to be effectively clustered. While these divisions are upheld in the
individual case analyses, they are not a strong feature of the subsequent cross case analysis and theoretical constructs being developed.

The criteria used to assign experiences are as follows:

- **Distributive justice**: Practical outcomes, with an emphasis on resources
- **Procedural justice**: Formal and informal mechanisms for achieving results
- **Interactional justice**: Interpersonal relationships and emotional responses; includes cultural differences between organisations.

Throughout the interviews, discussion addressed how the exchanges were determined and agreed upon, as this explored both issues of power and perceived justice. This generated numerous responses relating to perceived value, the relationships between inputs and output and how these were measured. Comments around fairness and value were therefore organised under a heading of equity.

### 7.8 Presentation of findings

The case studies and preliminary interviews were analysed individually as follows. Please also note the abbreviations used to refer to each case in the analysis and discussion sections.

- Corporate referent expert (Prelim 1)
- Nonprofit referent expert (Prelim 2)
- Preliminary corporate-nonprofit dyad (Prelim dyad)
- Case Study One (CS1)
- Case Study Two (CS2).

In each individual case analysis, key themes for each category of CSR, power, dependency, distributive, procedural and interactional justice and overall fairness are highlighted. A detailed analysis of each case is presented in the Appendix. One of the challenges for representing qualitative research is the extent of supporting quotes. While several quotes were often available to support individual points, it is impracticable to include them all. Therefore, in the main, just one or two of the most salient, representative and interesting quotes have been included. A table of key findings from across the case studies is also included in the Appendix.
Summaries of each case study are presented below in the body of the thesis. Rather than listing findings in each of the categories of analysis – as per the presentation of qualitative data and key findings table in the Appendix – these summaries return the focus to the key research questions under examination. Therefore they concentrate on how the context of CSR influences the exercise of power and perceptions of justice in corporate-nonprofit partnerships.
PART TWO

Case studies of New Zealand corporate-nonprofit partnerships
Chapter Eight
CASE STUDY SUMMARIES

8.0 SUMMARY ONE: PRELIMINARY INTERVIEWS

8.1 Précis

Formal preliminary interviews were undertaken with participants in cross-sector partnerships.

Interview One involved a former marketing manager from a corporate organisation, who had established one of New Zealand’s first and most successful corporate-nonprofit partnerships some 18 years previously. His career has since spanned several further high profile corporate positions, which included relationships with nonprofit organisations. This provided an expert opinion from a leader in the area of corporate-nonprofit partnerships in New Zealand. The interview focused on the seminal historic partnership he had established.

Interview Two was a member of a government-owned research organisation, who received funding from numerous sources. The interview covered her relationship with a corporate funder – the same corporation as in Case Study One – which had made a significant contribution to a major research project. Excluding this interviewee from the study was considered, due to a danger of giving disproportionate weight to the behaviour of one corporation, and the fact her organisation is government owned. However, her contribution was seen as relevant for several reasons. Like nonprofit organisations, she operated to a mission that was not primarily focused on shareholder value, but addressed a critical social issue. Although the organisation she works for is government owned, her area operated at significant arm’s length from the government. The organisation is autonomous and self-governed, and her research project was not funded by her organisation, but relied on fundraising from numerous areas. The participant exemplified a recipient of corporate funds within a complex stakeholder environment. The corporation’s investment in her research was considerably greater than with the NPO in Case Study One and functioned at a more senior level of
the organisation, thus involved a more significant ‘magnitude of exchange’. Further, her interview revealed interesting perspectives on power and perceptions of justice that would otherwise have been lost to the study.

Interviews One and Two enriched the study through the perspectives of referent experts in the areas of corporate funding of nonprofit activities. Interviews Three and Four were a preliminary exploration of a dyadic study. They involved a corporate and nonprofit participant respectively from each side of a small-scale, local, recent sponsorship agreement in the arts sector. The participants were the key decision-makers from each side of this partnership. Their contributions informed the case study approach, developed further with the two major case studies.

8.2 SUMMARY:

INTERVIEW ONE; CORPORATE REFERENT EXPERT

8.2.1 Context of CSR for exchange
The interviewee’s comments centred on:

- Primacy of commercial success as motivating engagement, yet providing evidence of strategy and altruism as not easily distinguishable
- The historic potential of CSR to support brand personality, with suggestion that this is no longer the case.

The interviewee’s strong views around the commercial rationale of corporate-nonprofit partnerships were clear. This created a strong expectation for a partnership that was transactional and results-oriented. However, despite disclaiming altruism as motivating the partnership, the benefits to the cause appear to have influenced the decision to choose this cause over others, due to the opportunity to make a difference for this environmental issue. It also engendered positive experiences of the partnership, evidenced through the enthusiasm of staff and the morale enjoyed by all participants. This appears to have produced strong affective bonds towards the partnership. The positive feelings supported the corporation’s organisational culture, and were legitimised from a business perspective by the high perception of distributive justice. Therefore, while the altruistic dimensions of the partnership could be justified on commercial grounds, this experience also
suggests a difficulty in disentangling the strategic and altruistic elements of CSR partnerships. In this instance, they became interwoven and reinforcing aspects of the partnership.

The context of CSR was also considered important in terms of the corporation’s ability to differentiate themselves from their competitors by creating an interesting and surprising brand personality. It is noted that the rise of CSR may have eroded this area of potential competitive advantage. Further, the interviewee perceived that CSR activities have placed more power into the hands of nonprofit organisations, suggesting that this has not always led to positive interactions. Rather, he saw CSR activities today as more cumbersome, and less fun, than in the past.

8.2.2 Impact of power on justice
Key features of this discussion include:

- Noncoercive versus coercive power
- Little desire to explore maximising value of exchange
- Dependence not absolute, but matter of degree
- Interrelationship of distributive, procedural and interactional justice
- The value of ‘extra’ non-contracted activities
- Imprecise calculation of exchange.

The interviewee describes the corporation as having positioned itself as the more powerful, less dependent, partner from the outset. This was reflected in the processes undertaken to select their partner, which ensured they could make decisions with the knowledge of their alternative options. From this position, the corporate partner strongly directed the shape and activities of the partnership, including the cause-related marketing framework that underpinned the relationship and the advertising campaigns that were pursued.

The corporation’s exercise of power was described primarily in noncoercive terms, with a high degree of cooperation from the NPO partner. This was not a matter of overcoming the resistance of their partner, therefore, but leading their partner in activities that benefited both parties. With positive appraisals of the dimensions of justice in the partnership, there appeared no further need for the corporation’s potential power to be exercised coercively in an effort to secure greater value from the partnership. One example of coercive power was given, however, where the nonprofit
partner was persuaded to pursue a course of action that could have had negative consequences for them, in the interests of a creative advertising objective. While the outcome was reported as positive, evidence from the NPO partner would be required to verify this.

Beyond this example, however, the emphasis is placed on the corporation exercising its power in the pursuit of mutually beneficial goals. Their efforts were rewarded with positive perceptions of distributive, procedural and interactional justice. This suggests that the exercise of power over their partner may be mitigated by motivation to exert power. Imbalance of power is a necessary, but not sufficient, condition for power to be exercised coercively; disagreement or dissatisfaction with the outcomes of the exchange may trigger more coercive exercise of power.

In the presence of high distributive justice, the corporation demonstrated little interest in increasing the gains from the partnership. The amount that was offered was not based on a negotiation, or a strict process of seeking to minimise costs and maximise profits, but rather was an amount that “sounded like enough”. There is a theoretical implication here in terms of how exchanges are agreed. While rational choice theory suggests actors seek maximum gain for minimum cost, we see the more powerful agent neither attempting to achieve the greater returns for the partnership, nor minimise their financial contribution. Rather, the corporate manager was content to enjoy the benefits of the partnership. The judgment of satisfaction with the exchange is based on perceiving the returns to be adequate, rather than as great as possible.

In this example, dependency does not appear to adequately describe the inverse of power. The presence of the partnership was positive. However, imagining its absence is not envisaged as disastrous, but rather a lost opportunity for an organisation to pursue specific objectives. This suggests dependency needs to be recognised as a matter of degree, rather than in absolute terms.

The corporate participant’s perspective of the justice outcomes of the partnership was very high, with distributive, procedural and interactional justice presented as strongly interrelated and mutually reinforcing concepts. It was noted that the partnership was strongly based on personalities. However, the relative importance of personalities in developing a partnership and a more dispassionate, strategic perspective is not always addressed consistently. Whilst asserting that strong interpersonal relationships are critical, it was also recognised that personality-based partnerships may be vulnerable to staffing changes over time. This partnership demonstrates that longevity of
Partnership may be protected where the distributive justice is greater than the combined impact of interpersonal relationships and subjective strategies.

The importance of additional, non-contracted activities that can be enacted spontaneously to please one’s partner and help nurture the relationship was emphasised. This suggests partners would be wise to ‘keep some value up their sleeves’, and hold it in reserve for relationship-building purposes. Therefore, while such a measure may enhance interactional justice, there exists the possibility it may devalue the formal aspect of the partnership. The imprecise process for arriving at the figure agreed for the cause-related marketing initiative upon also highlights the difficulty of knowing exactly how much a partnership is worth. Despite this, the speed of improved results and the clarity of causality between the cause-related marketing programme and improvements to the corporation’s brand and profits led to positive impressions of the distributive justice of the partnership.

8.3 SUMMARY:

INTERVIEW TWO; NONPROFIT REFERENT EXPERT

8.3.1 Context of CSR for exchange

The context of CSR created both opportunities and difficulties in the exchange relationship for the nonprofit interviewee and her corporate partner. These focus on:

- Marketability of CSR product
- Scepticism within NPO
- Potential to leverage perception of corporate self-interest
- Association of charity and weakness.

The interviewee perceived her area of social concern as not being attractive to corporate sponsors, increasing her dependency on the given partnership. Further, the sensitive stakeholder environment alongside some problematic aspects of the corporation’s operations meant she faced a level of reputational risk. Pursuing a CSR partnership, particularly in a field unused to seeking corporate funding, is an act of faith in the potential for collaborations with business to help address
social concerns. These conditions surrounding CSR, therefore, placed her in a low-power position, with quite a lot resting on a successful partnership in reputational terms.

This qualifies the assertion made by the previous corporate participant (Prelim 1) that the rise of CSR has placed more power in the hands of the nonprofit community. Rather, it suggests that the rise of CSR may place power into the hands of charities with a marketable product and a progressive stakeholder community.

Despite this, The NPO interviewee’s comment that having secured the corporation as a partner enabled her to shame government departments into contributing to her research is interesting. This perspective relies on a perception that the corporate sector in general is an incongruous partner, motivated by self-interest. Its entry into CSR and addressing social needs suggests inadequacy on the part of the government in ensuring the wellbeing of its citizens. The nonprofit interviewee has identified she is able to leverage this tension for her needs. Therefore, while she may be in a low-power relationship with the corporation, she has used this to increase her influence with other funders.

There is evidence of the interviewee seeking to distance herself from some aspects of being in a charitable role. In terms of influencing the outcomes of the exchange, she reveals a perception her contribution was devalued due to her charitable status. She also expresses sensitivity around being placed “in charity mode”, which she associates with low-status activities such as begging for attention and funds.

### 8.3.2 Impact of power on justice

Critical issues surrounding how the power dynamic of the partnership influenced results included:

- Failure to fulfil potential of partnership
- Reliance on corporation leveraging potential of partnership.

The key issue for how power influenced perceived justice appears to surround the ability to control the processes underpinning the partnership. While the importance of the exchange led the nonprofit interviewee to experience positive distributive justice, she detected her corporate
partner’s dissatisfaction with their returns. However, she appeared unable to affect the processes of the partnership that might have led to improved results and increased their satisfaction.

This related to structural issues within the organisation. Ideas she had for increasing outputs would have involved working with a different area of the corporation, which proved impossible. High turnover of staff and the authority of the staff with whom she was interacting to make critical decisions created further barriers to improving outcomes. Elsewhere, she perceived her inability to effect change as relating to inaction and lack of commitment on the part of her corporate partner. She reported taking the initiative on activities, including providing material to the corporate partner that was not utilised, and making offers to provide advice and assistance that were not taken up.

As well as failing to influence specific activities, the nonprofit participant reported difficulty in developing a shared understanding of what would have been deemed acceptable. Therefore, she felt herself in a frustrating situation of never quite achieving enough for her partner, without ever understanding what ‘enough’ was.

This highlights an interesting aspect of distributive justice. Her disappointment was not with the returns she achieved from the partnership, but with her ability to achieve positive returns for her partner and to increase their satisfaction and perception of justice. This may have led to long-term improvements in the outcomes achieved by the nonprofit, in that the corporation might have had increased motivation to renew the agreement.

8.4 SUMMARY: PRELIMINARY DYAD

8.4.1 Context of CSR for exchange
- Emphasis on value in transaction
- Corporation controlling negotiation process
- Stereotyping

The context of CSR is downplayed by both the corporate and nonprofit participants. The NPO manager expresses no expectation they should receive a premium for their work due to their
charitable status, and the corporate manager focuses firmly on the business case for the sponsorship arrangement. Therefore, the exchange can be perceived as any other business transaction.

It is interesting that the corporate manager reports philanthropic practices in working with other local organisations to support their charity functions. To use Austin’s typology, these are ‘partnerships’ of a philanthropic nature (Austin, 2000), in which the corporation expects no direct return. However, when interacting with the arts organisation in this study, the introduction of an exchange shifts this partnership as being understood as a business arrangement and strategic considerations and strict calculations for determining value apply. In some ways this echoes comments from the previous interview (Prelim 2), where the introduction of an exchange context risked the NPO participant finding herself “in charity mode”. This was characterised as a position of weakness, not experienced when receiving philanthropic donations (see also CS1).

The main area in which the charitable role of the arts organisation becomes relevant is in how the corporate participant describes his style of negotiating. He claims not to have used his position of power relative to the nonprofit’s dependency as a criteria for trying to drive the price down. Rather, he describes himself as taking responsibility for determining the appropriate fee given the value they would achieve from the agreement in the timeframes available. This is a value-based, rather than a negotiation-based, rationale for agreeing a price. It is obviously impossible to know whether this mindset has been honestly reported by the corporate participant. However, it conveys a plausible explanation.

Both parties engage in making stereotyping statements regarding their partner’s sector. The corporate partner characterises nonprofit staff generally, and the staff of this arts organisation in particular, as being passionate and enthusiastic, but not necessarily having a high degree of business acumen. He then comments that the manager of this NPO was probably better than most. The NPO manager also made some remarks that suggested general characteristics of a corporation, such as being “officious” and not “beating around the bush”. This appears to have had an impact on the ways in which interactional justice elements were interpreted.
8.4.2 Impact of power on justice

- Partner dependency influencing exchange outcomes
- NPO perception of devaluing organisation
- Perception of costs to partner influencing perception of fairness
- Partnership structure a disincentive to pursuing other options.

In this preliminary dyad, a clear narrative emerges whereby the corporate participant’s low levels of dependency on the partnership relative to the NPO partner enabled him to define the level of exchange. While he claims this was motivated by his calculations of how to derive value from the partnership, rather than his position of power, it is evident that the NPO manager was in no position to argue about this. Therefore, the corporate participant’s ability to effect change demonstrably influenced the exchange outcomes.

The distributive justice outcomes were perceived as fair by the corporate participant, but not wildly satisfying, rather they were “just OK”. The NPO participant was left with a poor perception of distributive justice. Specifically this relates to his perception of having devalued his offerings through accepting a lower-than-desired deal.

This highlights an issue for understanding the outcomes of an ‘exchange’ between corporations and nonprofits in a sponsorship context. It is perceived that what the NPO brings to the exchange does not cost the NPO anything. Therefore the value is determined by its benefit to the corporate partner. This places the NPO at the mercy of the corporation in determining an acceptable fee for the services provided. Where the NPO is dependent on a particular relationship, as occurred in this situation, it has no leverage for proposing a fee that differs from the corporation’s suggestion.

8.5 Preparation for case studies

8.5.1 Feedback from interviewees

Each of the interviewees in this dyad were asked at the end of the interview about their experience of the process. Both were brief, positive and polite about the interview. They indicated they were pleased to help with the research, and that doing so, in itself, was a contribution they were making to the community. Time was an issue for both candidates. The corporate representative was meeting me during work hours, and had already made it clear via his secretary that his
availability was limited. The nonprofit representative opted to meet in an evening as his work demands were too busy. They both responded well to being asked fairly specific questions, feeling it enabled us to cover a lot of ground quite efficiently and showed a respect for their busy schedules.

8.5.2 Differences in organisational scale – implications for case studies

The preliminary dyad also highlighted the vastly different scale that may exist between corporations and nonprofit organisations. The corporate representative referred to taking the sponsorship proposal to the senior management team, where it was discussed and their support was agreed. After the contract was signed, administrative staff took over the implementation and logistics of the sponsorship. In contrast, the nonprofit representative had a much greater degree of autonomy and responsibility for all levels of decision-making and implementation of the sponsorship.

This has implications for the case study methodology, as there are numerically more internal stakeholder perspectives available within the corporate organisation than the nonprofit. The interrelated nature of distributive, procedural and interactional justice was acknowledged within the review of justice literature (Chapter 5). It is possible that nonprofit organisations are more strongly impacted by those interrelations, as the same individual is likely to be involved in determining the outcomes (distributive), engaging in the process of achieving those outcomes (procedural) and how participants interact on a personal, day-to-day level.

8.5.3 Moving from key decision-makers to other members of organisations

It is evident that questions of justice and power may be answered differently by different members of the organisation. Therefore, while the interview questions cover the overall areas under examination, specific questions may be inappropriate for the various stakeholders identified in the case study approach, while others need to be explored further. This highlights the need to use the questions as a guide rather than a strict formula. This conforms to McCracken’s advice regarding a long interview technique (McCracken 1988).
8.6 CASE STUDY ONE

8.6.2 Précis

Case Study One reports on a partnership between a corporation in the energy sector and a health-related NPO. The partnership took place over a period of four years from 2004 to 2008. It was renewed on an annual basis and had been definitively terminated two months prior to the commencement of the interviews.

Both organisations have a strong national presence. The corporation is publicly listed, with an international company as a majority shareholder. The NPO has a national office, along with numerous regional offices and affiliates in centres throughout New Zealand. The partnership was described under various labels by participants in the partnership (see analysis below). It was significantly transactional in nature, with a designated budget allocated to promoting a National Day in support of the NPO. In return, the corporation was able to incorporate its branding across the NPO’s promotional materials. Within this arrangement, the corporation did not pass funds directly to the NPO. Rather, they paid professional consultants to develop the creative concept, promotional material and manage advertising placement for the National Day. While the consultancy initially played a lead role in driving and coordinating the activity, this function was subsequently taken over by the corporation’s sponsorship managers. Beyond this key focus for the partners’ activities, further ad hoc interactions occurred. Both the NPO and corporation would mention one another in media releases, annual reports and speaking engagements. The NPO led some training opportunities with corporate staff on the health issue they were addressing.

The Case Study involved four interviews with members of the corporate organisation and three from the nonprofit. These represented the key decision-makers on both sides of the partnership across its duration, both at a senior, strategic level and in day-to-day operations. The corporate participants included the former CEO at the time the partnership was established, who led the move to engage more proactively with the community as a means for building the corporation’s reputation and relationships. This was followed by the communications manager who instigated the partnership and managed it in its early days. His role was restructured, placing him in a more senior position, at which time the day-to-day management of the partnership moved to the third interview candidate, the former brand and sponsorship manager. Some 18 months later, he left this role, and the partnership became the responsibility of a new, dedicated sponsorship manager, who terminated
the partnership. Meanwhile, the original CEO and communications managers had also left the organisation. The participants' titles changed, so for ease of identification, they are referred to in this study as: CEO, communications manager, brand manager and sponsorship manager. In contrast, the NPO enjoyed far greater stability in their workforce. Three interviews took place involving: the chairperson of the NPO board at the time the partnership was agreed, and for most of the duration of the partnership; the CEO of the NPO; and the fundraising manager.

In addition to the interviews, the case study analysis draws upon the following documentary evidence.

- NPO Paper to Board Meeting: Relationship of [NPO] to Commercial Entities (2 March 2002)
- Emails from NPO CEO to researcher (November 2008)
- Discussion Paper outlining ideas for future of relationship, prepared by NPO, 2006
- Speech delivered to Funding Information Services by NPO, 2006
- Sponsorship entry on NPO website
- Media release, NPO website
- Promotional material including poster, pamphlet and T Shirt
- Media release announcing award for partnership from government agency website
- Leveraging the [Corporate] Brand through Sponsorship – powerpoint presentation by communications manager to Senior Management Team, 8 October 2004
- Background “sponsorship” paper proposing and outlining partnership, produced by corporation, 2004
- Sponsorship statement, corporate website, 2008
- Media releases, corporate website, 2008
- Notes on sponsorship exit strategy (prepared for corporations senior management team), 29 May 2008
- Corporate Sustainability Report 2008

A detailed analysis of this data is provided in the Appendix.
8.6.2 SUMMARY OF CASE STUDY ONE

8.6.2.1 Context of CSR for exchange

The context of CSR created a complicated dynamic in this partnership, which the case study methodology enables us to explore in detail. Critical issues included:

- Prioritisation of commercial rationale
- Distancing from conception of CSR
- Unclear understandings of CSR principles
- Subjectivity part of strategy
- Stereotyping
- CSR as empowering opportunity for NPO.

Through the corporate interviews, participants expressed differing understandings of what the partnership was expected to achieve, and how it was positioned in terms of CSR. The CEO’s initial rationale for the partnership aligns with integrative theories of CSR (Garriga and Mele 2004). This is a strategic, profit-driven approach; however, rather than focusing on short-term, income generating initiatives, the motivation takes a broader view, and is concerned with corporate reputation, stakeholder relationships and community engagement as a means of investing in the long-term, successful operations of the business. The broad philosophy of this was supported by the communications manager. However, he discussed the pressure he experienced from within his organisation to be demonstrating results, and suggests the programme involved a dual function of “long term sustainability and short-term retail marketing”. The brand manager, who then took over management of the partnership, described himself as a “harder sort of chap” who wanted to derive clearer, more immediate results from the exchange. He described the partnership more specifically as a sponsorship, which he distinguished from CSR through its more immediate “exchange of commercial value”. He also perceived a shift to have occurred within the organisation regarding the expectation for clearer returns on investments, and that he battled to defend the broad, difficult-to-measure ambitions of the partnership. The final sponsorship manager appears to have had a narrower focus still.

While all corporate participants emphasised the importance of commercial strategy as underpinning partnership choices, there appears to be evidence that the ability to make a difference contributed to the partnership selection (see also Prelim 1). Individuals’ personal beliefs, and epiphanies, about how corporations should be seen by society, were also expressed. This adds to the
suggestions that strategy and altruism cannot always be clearly distinguished. Further, it suggests that what is understood as good by one participant will inevitably contain elements of subjective judgment. In contexts where desired outcomes are not easily measured, differentiating strategy from subjectivity is far from easy.

Throughout its duration, it appears the relationship was not formally described as CSR, but rather as a sponsorship. However, from the interviews, as noted above, it seems that different participants meant different things by this term. The four interviews conducted reflect both a transition through time, from the programme’s inception to its termination, and a transition in responsibility from senior to more junior staff members. It appears the concept of sponsorship became more narrowly defined to signify a more transactional, results-oriented exchange.

Meanwhile, it appears that principles of CSR – ranging from the integrative approach taken by the CEO to the distinction between sponsorships and partnerships confusingly outlined by the sponsorship manager – were not well discussed or communicated within the organisation. There are indications of a lack of understanding and buy-in by other senior colleagues, and the “silo” nature of the corporation was mentioned. Further, staff members described internal pressure to deliver results and that the budget may have been considered discretionary, and thus could be under threat in financially constrained times, indicating a lack of deep organisational commitment to the CSR initiative.

While the principles of CSR are often considered from the corporate standpoint – in terms of how commercial and altruistic motivations should be balanced, for example – it is instructive to consider NPO perspectives. The NPO recognised the fundraising opportunities engendered by the rise of CSR and was keen to capitalise on this. Within the NPO stakeholder community, some scepticism toward CSR was reported, with those leaders pursuing corporate funding needing to ensure other board members’ concerns were acknowledged. This NPO also believed corporate-nonprofit partnerships should be argued from a business perspective. NPOs’ potential to seem self-righteous and moralistic was strongly eschewed. The importance of being recognised as having something of value to exchange was paramount across the interviews. Concerns about underselling themselves and adopting a “weak” mindset were highlighted. This suggests that entering into a business-like exchange is regarded as an empowering approach for this NPO. The challenge became the ongoing battle to have their contribution to the partnership properly recognised, and maximised, by their corporate partner.
Therefore, examining the context of CSR reveals inconsistent use of terminology, unclear ethical principles and goals and changing expectations over time. This context appears to have influenced the exercise of power in the relationship and the perceptions of justice and satisfaction in the exchange. In the earlier stages, while broader objectives were being pursued, and staff members stated their intention to “be there for the long haul”, it appears the parties collaborated positively and constructively. As greater attention was placed on achieving value for money from the partnership, conflict appears to have increased.

8.6.3.2 Impact of power on perceptions of justice

A disparity in how dependent the corporate and nonprofit partners were on this relationship was evident. As per the preliminary interviews, dependence was a matter of degree. Neither party faced their organisation becoming unviable if the partnership were to fail. Rather, the success of the partnership enabled them to achieve outcomes that would otherwise have been difficult. The potential benefits were considered to be greater from the NPO’s perspective than the corporation’s. From this dynamic, issues surrounding the relationship between power and justice were raised. These included:

- NPO dependency linked to positive perceptions of justice
- Corporate dissatisfaction, concerns about capability of NPO
- NPO reliance on corporation to leverage partnership
- ‘Magnitude of exchange’ understood from corporate perspective
- Concepts of generosity and gratitude confusing agreed exchange.

The strong overarching appraisal of the partnership from the NPO perspective was very positive. The ‘magnitude of the exchange’ enabled their organisation to achieve outcomes that would have been very difficult otherwise. The benefits extended beyond the financial value of the exchange, and included boosting the NPO’s expertise, networks and confidence, and engendering a more success-oriented culture shift within the organisation.

In their more dependent position, however, the NPO describes very limited ability to direct the programme and activities within the partnership. Attempts to develop new plans and clearer objectives were unsuccessful. They opted not to pursue developing a more formal agreement for the partnership, believing they would be unsuccessful in doing so. Efforts to embark on new initiatives
were hampered by the corporation seeming to lack the time and inclination to pursue these opportunities, as well as the organisational structure of the corporation rendering some initiatives impossible.

The corporate partner, in contrast, was able to make a number of key strategic decisions. They took a dominant role in establishing the workplan for the partnership; initially brought in a consultant to advise on a creative communications strategy and later elected to manage that function in-house; they defined the amount they were willing to spend on the partnership, and revised that downward after its first year. However, despite their inputs into the partnership, the corporate representatives felt unable to gain the returns they desired. Their concerns centred largely on the capability of the NPO to deliver the results that would have been satisfying to them. As well as suggesting deficits in their partner’s skill base, interviewees also felt the NPO was not sufficiently proactive in seeking to increase the value of the partnership.

As such, a paradox emerges whereby the corporation suggests the NPO should have acted in an assertive, confident and attractive fashion as a means to demonstrate the value they bring to the partnership; meanwhile, the NPO’s lack of power to drive changes and effect outcomes in the partnership worked against their assuming such a position.

Further, the partnership revealed an important difference in the character of “dependency” between the corporate and nonprofit participants in this partnership. For the nonprofit, the ‘importance’ or ‘magnitude’ of the exchange related to the significance of achieving the income and expertise being provided by the corporate partner. For the corporation, however, magnitude related to the vast sums of money they were committing to the partnership, and the increasingly urgent need to demonstrate that this was being well spent. Therefore, for both parties, the importance of the exchange related to the corporation’s contributions rather than the NPOs.

Similarly, the Case Study highlighted the NPO’s reliance on the corporation to undertake initiatives to maximise the value derived from their association with the NPO. The NPO provided the potential for the corporation to be associated with it. It required the corporation to leverage this association in order to maximise its perception of achieving value from the partnership. In many respects, this was out of the NPO’s control.
These factors worked together to leave the NPO with a sense their contribution was not properly valued by the corporate partner. This perception was, at times, supported by some disrespectful behaviour by corporate employees.

Finally, it seems the context of CSR created confusion for perceptions of justice. On one hand, the inexact nature of an appropriate exchange was acknowledged and apparently accepted. However, the commercial rationale for CSR also led participants to seek increasingly quantifiable returns. Meanwhile, there was an expectation the NPO should be expressing its gratitude for being in the partnership, which appeared to influence how attempts to grow the partnership were interpreted. It appeared that some added activities provided by the NPO were regarded as normal and appropriate acts of gratitude for the partnership; and thus not regarded as part of the overall value of the exchange. When the partnership came to be evaluated, these extra areas of support were not acknowledged, and the partnership was criticised for focusing exclusively on one central core activity.
8.7 CASE STUDY TWO

8.7.1 Précis

Case Study Two reports on a sponsorship partnership between the finance and arts sectors. At the time of conducting the primary research, the partnership had been in existence for 11 years.

The partnership involved a large, internationally-owned corporate institution and a small, regionally-specific arts operation. Initially, the partnership involved interaction between the NPO and a representative from the corporation’s national headquarters. The NPO and the regional office also worked together to implement the programme. After approximately five years, the management of the partnership was devolved to the corporation’s regional office.

Essentially, the sponsorship arrangement was constructed as a money-for-services agreement. The corporation would make quarterly instalments of an agreed fee. In return, the NPO provided tickets to its events to enable the corporation to host clients in an entertaining environment. The NPO also agreed to promote the corporate through signage on its building and featuring its logo on publicity material.

The case study draws upon three interviews from each organisation, as well as a range of documents relating to the relationship. The interviews of NPO members include the former marketing manager who established the partnership and implemented it in its earliest days. The next interview was with the NPO general manager, who took responsibility for managing the partnership when she entered her role, six years into the sponsorship agreement. The final interview was with the current marketing manager. She was new to her role, having been employed only a few months prior to the interview. It was her task to administer the relationship on a day-to-day basis. These interviews therefore covered the duration of the partnership from the NPO perspective. From the corporate organisation, an interview was conducted with the former national sponsorship manager who led the process of approaching the NPO, establishing the partnership and implementing it in its first five years. He then passed responsibility to the second interview candidate, the former manager of the corporate’s regional office. This former regional manager had already been involved with the local implementation of the partnership from its inception, and continues to be involved in an associate role in the current regional office. The third interview was with the regional office’s current manager, who is now responsible for the overall running of the partnership. Therefore, these
interviews ensured the perspective of key decision-makers from throughout the partnership’s history.

It is noted in the interview material that while the regional office took responsibility for the partnership, it was not directly responsible for determining the amount of money available to be spent on the partnership. This decision is made at the national level. However, establishing the required relationships with national staff had been difficult for the NPO, due to high staff turnover in this role and the NPO’s perception of poor communications processes. I sought to interview the current national sponsorship manager, but faced numerous barriers. At the time of conducting the other interviews, the national sponsorship manager was resigning from her job, and a new member was appointed. It was difficult to secure a time for a telephone interview with him, partly due to his slowness in returning emails. I had an opportunity to fly to Auckland, and organised a time to interview him in person. On the morning of our meeting he cancelled. He then announced he was resigning from his position. Attempts to organise a subsequent telephone or skype interview failed, and eventually he stopped responding to my emails altogether. While this prevented me from understanding his perspective of how the national office related to its regional sponsorship partners, it triangulated the NPO’s evidence of difficult communications processes, dismissive treatment and issues with high staff turnover.

The written documentation referred to in this case study includes:

- Sponsorship agreement
- Corporate CSR reports
- Corporate sponsorship strategy documents
- Promotional material produced by NPO, including programmes, advertisements and posters
- Powerpoint presentation from NPO to corporate
- Emails between NPO marketing manager and corporate regional manager and corporate regional administrator
- Emails between corporate regional manager and corporate national manager
- Email from corporate regional manager to NPO manager.
In contrast with Case Study One, where the events of the partnership were concentrated into a three-to-four year period, this case study spans more than a decade. Therefore, several participants’ quotes in Case Study One were able to be drawn together to illustrate a particular point. In this case, however, the quotes drawn from the interviews are separated to a greater degree than in the previous analysis, to better illustrate the historic period of the relationship from where they occurred. A detailed analysis of this data is presented in the Appendix.

8.7.2 SUMMARY OF CASE STUDY TWO

8.7.2.1 Context of CSR for exchange

The long duration of this partnership provided insights into both how CSR influenced the partnership in its early days, and how it has evolved over time. Key themes surround:

- Prioritisation of commercial rationale
- Ambivalence towards CSR
- Concerns for how NPO’s value to society is reflected in exchange.

Like the preliminary interviews and Case Study One, a commercial rationale underpinned this partnership from its earliest days. However, where the partnership in Case Study One began with broader objectives and a less precise sense of how outcomes should be evaluated, which then became more rigorous over time, Case Study Two took the opposite trajectory. It was established on the basis of firm measurements and expectations which were relaxed as the years progressed, with recent managers coming to doubt that precise calculations of value were possible. Nevertheless, there remained a strong emphasis that the NPO would deliver the appropriate agreed services in exchange for the ongoing sponsorship, and concerns were expressed when that appeared not to be the case.

Within the strong commercial emphasis of the partnership, there remained room for additional donations of goods and services. This was justified from the corporate perspective as helping build the NPO’s capacity, in order that the NPO could deliver greater value for the corporation. Further, it was seen as ethically appropriate given the context of the corporate-nonprofit partnership: one manager commented that the NPO should be “the winner” in an
exchange agreement with a corporation. Such extra, non-contracted items were interpreted by the former NPO marketing manager as signalling the corporation’s “incredible generosity”.

The concept of CSR was treated with ambivalence, scepticism and even negativity among the corporate interviewees. The manager who established the partnership explicitly regarded the sponsorship as not CSR, associating CSR with philanthropic and non-strategic initiatives. Subsequent managers perceived that the corporation should be contributing to the local community, but that this is normal business practice and need not be placed under a self-congratulatory label such as CSR.

The NPO marketing manager who managed the partnership from its earliest days admits a lack of awareness around CSR. Her pragmatic concern was purely to secure funds for her NPO, and a corporate partnership was a means to do so. The NPO general manager who subsequently managed the relationship was positive about accepting corporate funds, but questioned how its value was calculated. She saw it as important that the exchange was based on something richer than how much value partners were providing to one another, and how desperately the NPO required the financial support. Rather, she believed the NPO’s contribution to society should be incorporated into the exchange agreement, as part of properly valuing the work they perform. In the absence of this, she did not see the current sponsorship arrangement as a “true partnership”.

Therefore, as with Case Study One, the context of CSR appears to have had a confusing effect on determining an appropriate exchange in this partnership. The term was narrowly understood, and there was a tendency for participants to distance themselves from it. Even without categorising the sponsorship as CSR, there still appeared variations in what participants regarded as an appropriate way to do business with a charity, the extent to which costs should relate to measurable outcomes, and whether the value of the partnership should be based on mutual benefits, or reflect wider social values.

### 8.7.2.2 Impact of power on justice

- Reducing dependency and increasing conflict over time
- Structural barriers to effecting outcomes
- Inability to leverage greater value from partnership
As the partnership in Case Study Two progressed, partners’ dependencies underwent some significant shifts. At its inception, the NPO had few sources of income, making the corporation’s contribution a comparatively large part of its overall budget. Since then, the NPO gained substantial government funding, outmatching the corporation’s input by more than 14 times per year. It also developed other sponsorship relationships, attached to specific products. Despite this, the NPO continued to experience financial difficulties and, while the corporate sponsorship was not as comparatively significant as it had been a decade previously, was still seen as a useful source of income.

The corporation appears to have regarded the partnership as more valuable earlier in the relationship, where it enabled a move away from sports sponsorships, enabling more elegant corporate hosting opportunities and appealing to a wider sector of society. However, there was a sense that, while still appreciated, some staff were tiring of the product and the partnership value may have been waning.

The extent to which the participants would tolerate the risk of losing the partnership was well tested, however. The parties had been engaged in some difficult negotiations, with both threatening to withdraw from the partnership. The way in which the partnership was funded by the corporation meant the local office was not able to increase the sponsorship package to the extent requested by the NPO. This enabled the corporate manager to essentially call the bluff of their NPO general manager, who – facing the concerns of her board – continued to accept the sponsorship deal she saw as “undervalued”. It may be noted that the corporation also seems unlikely to have withdrawn. The head office made funding available for this partnership only, as part of a nationwide sponsorship programme with similar organisations in other regional centres. The local office would not have been able to switch its funding to another sponsorship opportunity; rather they would have forfeited these funds. Thus, the local office also appeared to regard this arrangement as better than nothing.

This situation highlights organisational structural barriers, impeding the ability to negotiate a more equitable exchange. The NPO lamented their inability to develop a relationship with the national decision-makers, due in part to the high turnover in the national sponsorship role. Further, while the partnership was managed locally, it was done so by a general manager, for whom sponsorship was a minor aspect of his role. Therefore, beyond the ability to increase the direct financial value of the sponsorship, there appears to have been inadequate time and resource to explore new ways to grow the relationship.
The relationship therefore began with a higher degree of mutual dependency, which engendered both generous and grateful behaviour from both parties. As their perceptions of the magnitude of the exchange decreased, the way in which the partnership was valued was questioned, particularly by the NPO. However, the relationship persisted given the absence of alternative options. Thus the partnership appears to have developed into one which is tolerable, somewhat valued, but not entirely satisfying for either party. It became subject to tension between participants, and claims from both parties that their treatment by the other was unfair.
PART THREE
Cross-Case Discussion

• The context of CSR

• Experiences of power and dependency

• Evaluations of justice

• How power relates to perceived justice in a CSR context
In order to understand how power impacts on outcomes in the distinct context of corporate-nonprofit partnerships, it is first necessary to explore how this context is understood by participants. Examining this involves taking a broad interpretation of CSR. This is used as an umbrella concept to refer to all issues relating to the process and experience of working with a cross-sector partner. This incorporates participants’ understanding of CSR, how they perceive their partnerships as fulfilling this role, any ethical sensitivities identified and any further issues specific to this context. By drawing together insights from each of the case studies and preliminary interviews, several themes are identified and interrogated. In discussing these findings, they can be categorised into six key themes: distancing; inconsistency; strategy versus subjectivity; stereotyping; changing CSR landscape; and the assertion of responsibility.

9.1 Distancing

Although the partnerships featured in the corporate organisations’ CSR reports, none of the partnerships were universally understood as CSR activities. Rather, across both cases and the preliminary interviews, corporate participants revealed a tendency to distance their activities from concepts of corporate social responsibility. In relation to this, ambivalence towards CSR was revealed, manifest through defensiveness, cynicism and opposition.

9.1.1 Distancing through objecting to definition of CSR

Frequently the term ‘corporate social responsibility’ was perceived as synonymous with philanthropy, or activities that occurred counter to commercial objectives. Responses included:
Social responsibility? No...That’s charitable and philanthropic work and there’s plenty of other funding organisations and funding trusts that one can go to for that kind of money. From [the corporation’s], or from my point of view, it’s purely a business relationship [Former corporate sponsorship manager, CS2].

One corporate CEO (CS1) outlined quite eloquently an integrative approach to CSR drawing upon concerns of legitimacy, reputation, broad stakeholder relationships and long term goals (Suchman 1995; Garriga and Mele 2004). However, he recalled that it had never been understood as CSR, but rather referred to the overall programme as sponsorship. Although the phrase ‘corporate social responsibility’ generated considerable ambivalence, the practice of corporate-nonprofit interactions was perceived positively – not surprisingly, given that those interviewed were selected because they were engaged in the practice! This furthers the interpretation practitioners had a narrow view of CSR, and that these partnership were conceived of as a different kind of commercial activity.

9.1.2 Less distancing where commercial outcomes are associated with CSR

Where the concept of CSR was embraced, it tended to be understood directly as incorporating business objectives. One corporate manager referred to an earlier era of CSR, where it enabled a business to differentiate its brand (Prelim 1). He was doubtful that those conditions, where CSR is on the cutting edge of creativity, exist today. Elsewhere (CS2) a manager agreed the partnership contributed to CSR objectives, which were then explained entirely in terms of how the company is perceived by the public. The sponsored organisation was one he felt it was important to be seen to be supporting.

9.1.3 Ambivalence, cynicism and defensiveness

A further sense of corporate participants distancing themselves from ideas of CSR arose through the somewhat ambivalent attitude adopted toward the concept, with some appearing to find CSR a less-than-welcome intrusion into their lives. One corporate participant (former regional manager, CS2) took the notion of CSR with a grain of salt, perceiving it as a fancy term for the normal acts of goodwill and community engagement business has long practised. Other comments suggested that the expectations for corporations to engage in CSR may have shifted the support that corporations provide to community
activities from acts of generosity that are appreciated by the recipients, to something the corporation is duty-bound to deliver and nonprofits are entitled to receive. While the corporate representatives did not openly disagree with this idea, the tone of their comments suggest they find such attitudes tiresome.

I think there’s a long way to go in terms of the [charitable organisations’] work with a sponsor. Rather than just expect the sponsor’s got to have a charitable [partner] but generally speaking if large organisations don’t have charitable partners then they’ll look for someone. [Corporate sponsorship manager, CS1]

Having dealt with other causes in the interim, some people are so zealous and almost bloody-minded about what’s the right answer. You really have to fit in with what they want to do. And I think with the explosion, if that’s not too strong a word, of corporate responsibility and people feeling like they have to do something, it has put quite a lot of power into the hands of the causes. Which is great, nothing wrong with that, but I’m not sure it’s always worked out for the best. [Prelim 1]

Elsewhere corporate managers (Prelim dyad, sponsorship manager CS1) appeared defensive about the implicit criticism they saw contained within the idea of corporate social responsibility.

We often get beaten, sorry, not often, sometimes people will talk to us about this end of the spectrum here [indicates giving-away-profits end], which I don’t think is an appropriate place for a corporate to be. [Corporate manager, prelim dyad]

Institutional theory may provide a useful lens for further examination of this issue (DiMaggio and Powell 1983; Hall and Taylor 1996). This theory regards organisations as being shaped by and conforming to the expectations society has for them. In this context, a tension appears to have emerged, between stakeholders’ increasing expectations for corporations to outwardly demonstrate their social and environmental concerns and responsibilities and corporate participants’ own understandings of this practice. This potentially represents an area for ongoing research.

Therefore this study lends support to the proposition that CSR is most strongly supported where it is interpreted as directly accommodating business objectives. While some corporate participants acknowledge that corporations have a role in contributing magnanimously to the wellbeing of society, this is endorsed rather less fulsomely, and is associated with defensiveness, ambivalence, cynicism – and some irritation. Participants mentioned that they preferred to be engaged in proactive, positive activities through their own choice rather than be “bludgeoned into it” (Communications manager, CS1). In this light, the defensiveness exhibited by some participants may
be interpreted as a reaction to feeling they are being told what to do. This may seem unfair, since they were likely to be committed to the communities anyway (former regional manager, CS2; corporate manager, Prelim Dyad) and because the resources are not their own to share, but those of the business owners and shareholders (CEO, CS1; corporate manager, Prelim Dyad). These reactions invite a further interpretation that the label of and social demands inherent in CSR are perceived to undermine businesses’ ordinary and natural interest in and commitment to the community, by suggesting they are doing good acts as a matter of duty and because they have been brow-beaten into it. If the obligatory overtones of CSR rob community engagement of its spontaneity and joy, there is a danger that this may harm, rather than promote, healthy community interactions.

These responses raise concerns about the legitimacy of CSR as an institution among the business community. There is evidence CSR may be narrowly understood, and grudgingly accepted as part of the business environment. Further, reading carefully a few comments generated during this research, I perceive some corporate participants as harbouring genuine antipathy towards CSR, but feeling that it is inappropriate to voice their concerns. The extent and implications of any such perception among the business community may be a promising topic for further research.

9.1.4 NPO distancing from ‘altruistic’ CSR

As well as evidence of corporate organisations distancing themselves from CSR, a similar tendency appears to exist among nonprofit participants. In both case studies and in the preliminary dyad, the NPO preferred to meet their corporate partner as equals, and avoid claims they should be supported by virtue of their charitable status in society. The NPO chair in Case Study One was strong about the importance of not engaging with a corporation with any sense of entitlement or appeal to their “good works” in society. Rather NPO participants adopted a business-like approach and negotiated on the basis of the benefits they could provide to the corporation. This was perceived as conveying a confident sense of their value. Further, several comments were made where NPO participants describe feeling like a charity as a negative quality.

I feel a bit discarded, I feel a bit reluctant to go back cap in hand, because that puts me in charity mode.

[Prelim 2]
I think that charities can sometimes be... “Ooh we’ll just take whatever you give us” rather than actually “Hey we’re very valuable and we’re not a poor charity”. [NPO fundraising manager, CS1]

I think the [NPO] has gone through a few rough patches and has always been grateful for whatever support, rather than standing up and saying “We produce work and it’s excellent value”... You know you’re playing catch-up or you’re playing Oliver, “Please sir, can I have some more?” [NPO general manager, CS2]

Indeed, one NPO participant actively disliked the overtones of philanthropy conveyed by her corporate partner, in particular her sense that she was expected to express ongoing gratitude for the corporation’s financial contribution, which she perceived as undermining their appreciation of the value she was providing to the partnership.

I was grateful for the money, but I had a rather jaundiced view of it. I didn’t see it as charity but as an investment. [Prelim 2]

Therefore, being seen as commercial and business-like was associated with a sense of empowerment, whereas being seen as a charity appears to be associated with weakness, begging and being devalued. They preferred to conduct the relationship in a context that appreciated the commercial contribution they could provide. Thus, the ‘charitable’ dimension implicit in altruistic CSR was not necessarily welcomed by the NPO partners.

It should be noted that the desire to dissociate from being perceived as a charity was not always a consistently-held position, however. Elsewhere in the interviews, the same NPO participants (NPO general manager CS2; Prelim 2) expressed comments that they were deserving of more funds due to the contributions they made to society, and given the vast financial resources available to their corporate partner, rather than the value they directly provided to the corporation.

9.1.5 From philanthropy to exchange – results and respect

The above findings suggest a complication in the relationship between a charitable organisation and a funding partner once the concept of ‘exchange’ is introduced. Charities solicit and accept philanthropic funds on a daily basis; this is perceived a normal part of fundraising activity and not associated with weakness. However, where a relationship is established on transactional exchange principles, it appears more important that the value being provided by both sides is
acknowledged. For NPO participants, this appears to be a critical aspect being accorded respect by the corporate partner. A similar shift appears to occur with corporate participants. Where they provide donations for causes, they express little concern for expected rewards. However, despite sponsorship becoming an opportunity for NPOs to deliver value in return, it appears that once this relationship is placed on an exchange footing, greater grounds for dissatisfaction emerge. This conflicts with perceptions that an exchange increases charities’ power as it forces their contributions to be formally acknowledged (Tracey, Phillips et al. 2005). Rather, it seems new tensions and understandings may be introduced.

9.2 Inconsistency

9.2.1 Corporate descriptions of partnerships

The language and concepts used to express the nature of the corporate-nonprofit partnership were mixed and inconsistent, both within individual organisations and even within the space of a single interview. It ranged from notions of “giving back” to “extracting value”, and one corporate sponsorship manager described the relationship variously as a “sponsorship”, “partnership”, “charity”, and the exchange as “not a donation” and “not just cheques for logos” depending on the point he was making at the time. The inconsistency, and even confusion, surrounding the language used to describe motivations towards CSR can be interpreted in several ways.

9.2.1.1 Lack of communication and efforts to establish shared meanings

Firstly, it seems that the concepts of CSR are not clearly defined or subject to shared meanings within the business community, or even within individual organisations. This appears to have led individual staff members to develop their own ideas and understandings that may not have been fully thought through, or communicated clearly with colleagues at different levels of the organisation.

9.2.1.2 Public relations versus partnership management contexts

In exploring the inconsistency surrounding the use of terms relating to CSR, a distinction can be observed between the language used to describe the partnership in terms of how it should appear to
the public and wider stakeholders, and the principles behind the exchange processes. Consider, for example, the following quotes.

Table 4: Attitudes towards CSR in relation to objectives sought

<table>
<thead>
<tr>
<th>Table 4: Attitudes towards CSR in relation to objectives sought</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional manager, CS2</strong></td>
</tr>
<tr>
<td>I certainly do [have views around CSR] because ... how the [corporate] is seen and how are staff see our involvement is absolutely key to us being successful ... there are some things that people see, whether they’re customers or not, that seem quite important to [town]</td>
</tr>
<tr>
<td>Relates positively to CSR</td>
</tr>
<tr>
<td>Emphasis on how corporate is seen publicly.</td>
</tr>
<tr>
<td><strong>Former sponsorship manager, CS2</strong></td>
</tr>
<tr>
<td>This is why we were really good at what we did, because we really understood that it wasn’t philanthropic, and also for the arts organisation concerned, or any organisation for that matter, it forces them to have a very very professional approach.</td>
</tr>
<tr>
<td>Rejecting CSR</td>
</tr>
<tr>
<td>Focus on conduct of partnership and exchange</td>
</tr>
<tr>
<td><strong>Sponsorship manager, CS1</strong></td>
</tr>
<tr>
<td>I think if you asked 9 out of 10 people on the street ‘should [corporate] have a corporate social responsibility programme?’ they’d say yes. And they’re absolutely right. In my opinion. So that’s why the strategy included having a charitable partner...</td>
</tr>
<tr>
<td>Positive expression of CSR.</td>
</tr>
<tr>
<td>Language of “giving back”</td>
</tr>
<tr>
<td>Emphasis on how corporate is seen publicly.</td>
</tr>
<tr>
<td>I think it kind of goes with the territory of being a big organisation that you should be giving something back and be seen to be giving something back as well.</td>
</tr>
<tr>
<td><strong>Brand manager, CS1</strong></td>
</tr>
<tr>
<td>And so I’m hearing a lot about CSR or CER or whatever else.... Where sponsorship, to me, is not an exchange of dollars and logos and I like that. It really resonates with me. It’s an exchange of commercial value between two partners. And that’s the key about a sponsorship, because if it’s not, it’s corporate altruism and it’s just corporate donation.</td>
</tr>
<tr>
<td>Rejecting CSR</td>
</tr>
<tr>
<td>Focus on conduct of partnership and exchange</td>
</tr>
</tbody>
</table>
This provides some evidence for the conflicting demands of CSR, and the inherent confusion this may create for practitioners. On one hand, the public face of CSR must emphasise the benefits for the community, and downplay any self-interested, results focus of the corporation. The importance is on the corporation being seen to be contributing positively to society. At the same time, much of the content of the interviews focused on the processes underpinning how the partnership operated in practice. In this context, ‘giving’ language was largely rejected, in favour of a strong emphasis on the disciplines and expectations around commercial exchange. This in turn was justified in terms of participants’ understandings of the appropriate expectations of a sponsorship as a form of corporate-nonprofit exchange.

The two faces of corporate-nonprofit partnerships create a complex line to negotiate. They require practitioners to describe them to the external world in terms of generosity and contributions to society, while conceptualising and conducting them on commercial terms. This may be made all the harder by the lack of a clear organisational philosophy on CSR and agreement at all levels of the organisation as to how the terms are used. Walking this line creates the potential for the integrity of CSR to be questioned, in light of findings that honesty and credibility are at the heart of consumers’ concerns around the practice (Webb and Mohr 1998; Forehand and Grier 2003; Gupta and Pirsch 2006). It also provides some evidence to support the comments of CSR critics, who perceive powerful commercial imperatives undermining the spirit and integrity of CSR (Windsor 2001; Banerjee 2008). Further, if the nature of the partnership is not well understood, it is difficult to establish appropriate expectations for it in terms of an exchange. This may complicate an understanding of what is perceived as fair in the partnership, for participants and stakeholders alike.

9.2.2 Strategy and subjectivity

Much is made of the need for a strategic approach for CSR activities. The importance of a business case was emphasised by all corporate participants, and many made a point of denouncing chairman’s-choice approaches in favour of strategically identifying the causes that will enhance the corporation’s brand and contribute to specific business objectives. However, the qualitative data suggests that what is meant by a strategic approach to CSR is not so simple. By interviewing multiple participants in each case, it became evident that strategy was itself somewhat subjective, both in terms of the goals being pursued and the means for getting there. In Case Study One, the
communications manager with a strong commitment to social justice perceived a programme built around a health goal as strategically appropriate; this was rejected by the later sponsorship manager who had previously worked in sports industry and believed that pursuing sports sponsorships would better support that corporation’s brand.

Consistent with this, emotion was evident where participants were describing their personal interest in and connection with an aspect of the engagement (Prelim 1). This includes incidents such as the former CEO of a large corporation (CS1) recognising that community engagement was necessary when he heard of a staff member was afraid to have his son run in a corporate T-shirt. Despite the attitude he had held earlier in his career that defended the solely profit-oriented motives of business, he suddenly felt that something was “wrong” with New Zealand under these conditions. It seems therefore that although the business case provided an important justification for the partnerships, a personal epiphany regarding the way large corporations were affecting the fabric of New Zealand society was in some ways a catalyst towards taking action. This suggests that the salience of business imperatives is heightened where they coincide with personal beliefs, and supports insights from Prelim 1 that changes to personnel are the greatest risk to any partnership.

Further, despite the strong emphasis on the strategic motivations for being involved in corporate-nonprofit partnerships, it is interesting that in two instances, the genuine benefit to a social or environmental outcome was a significantly influencing factor in selecting the partnership (Prelim 1, CS1) and was a noted decision-making criteria in Case Study Two. This indicates that so-called strategic CSR may be more subjective than participants may acknowledge, informed by underlying personal beliefs and motivations, and involving elements of altruism. Further, there is evidence of a participant (Prelim 1) not disentangling commercially strategic objectives from achieving social aims at all, rather the cause-related marketing programme is described in both terms. Such complexity needs to be considered in studies that analyse strategy and altruism, and consider the ethics of engagement on these grounds (L’Etang 1995; Graafland and van de Ven 2006).

A difficulty with determining whether a CSR activity reflects good strategic thinking is the challenge of directly measuring its outcomes. In instances where the success of the programme was more obvious, either through clear quantifiable financial returns (Prelim 1; CS2, early phase) or qualitative feedback from clients (CS2, later phase), partnerships have proved able to withstand both changing personnel and the doubts individual managers may have had around the strategic direction. Therefore the presence of strong perceptions of distributive justice ‘proves’ the strategic merit of a
decision. In the case where the strategic value was less easily demonstrated, there appeared greater subjectivity in what was conceived of as good strategy (CS1). The association between distributive justice and the stability of the partnership can be demonstrated by comparing these comments:

My concern all the way through was there were quite large sums of money which would in hard times be regarded as pretty much discretionary. So if there was pressure on the budget, the last thing I wanted was for us to end up leaving, particularly [another sponsorship partner], in the lurch. [Communications manager, CS1]

It was almost the first thing that went into budget because it was so obvious that it worked. Just from a selfish greedy point of view it sold [product]. If it didn’t, it wouldn’t be still going. [Prelim 1]

The emphasis on measurable outcomes determining the success of a strategy also undermines efforts to conceptualise the partnerships more broadly than strict instrumental relationships. In Case Study One, demands to produce measurable outcomes increased, and dissatisfaction was expressed as these failed to be achieved. What began as a form of integrative CSR (CS1) or socio-sponsorship (Prelim 2) (Garriga and Mele 2004; Seitanidi and Ryan 2007) came to be judged as commercial sponsorships, and failed on these terms.

Therefore the study revealed that attributes that might be assigned to not only political or ethical theories regarding CSR, but also integrative approaches that accept long-term and possibly indirect rewards, appear to have contributed to the instability of the partnerships. This highlights again the need for the theory of CSR and principles of justice underlying the partnership to be clearly articulated, committed to at all levels of the organisation and built into expectations for outcomes. The cases explored in this study suggest this may be a monumental task.

### 9.3 Changing CSR landscape

By incorporating interviewees with a long history in CSR, a picture emerged of changing expectations and opportunities through engaging in corporate-nonprofit partnerships.
9.3.1 Loss of brand differentiation

Comments were made suggesting that, whereas the early stages of CSR provided an opportunity for a business to be engaged in something quirky and surprising, these conditions may have passed. This includes comments that it is constantly very hard work to get the partnership noticed. In the views of one participant, it reaches a point where it simply is not worth the effort.

...unless you are telling people and constantly out there ... telling people that what [NPO] is doing ... it just sort of disappears into the background as wallpaper [Former corporate sponsorship manager, CS2]

There’s just so much vanilla out there in terms of corporate responsibility now that just doesn’t brigade from a commercial point of view. It doesn’t make sense. [Prelim 1]

This has significant implications for the ongoing viability of CSR as a reputation-enhancing practice. As has been already discussed, the strategic orientation of CSR has dominated interviewees’ perceptions of the practice, and the ability to achieve quantifiable returns yields a clear premium in terms of satisfaction. In Gotsi and Wilson’s definition of corporate reputation, a critical aspect is that a stakeholder’s evaluation of an organisation’s image improves in “comparison with the actions of other leading rivals” (Gotsi and Wilson 2001, p29). The interviewee’s comments suggest that CSR may no longer provide a positive advantage in terms of corporate reputation outcomes relative to one’s competitors. At best, it may be seen as a hygiene factor for some organisations:

...who are literally almost embarrassed by the amount of money they’re making and they need to almost kind of wash themselves [Prelim 1]

Rather, it appears the objectives for CSR advocates has been to improve the reputation of the corporate sector, rather than the reputations of individual organisations within it (Mutch and Aitken 2009). If CSR provides no immediate competitive advantage, and may even be regarded with scepticism, it is possible that incentives to pursue such strategies may be reduced.

9.3.2 Higher standards of awareness expected

Comments were made from both corporate and nonprofit representatives regarding the increased diligence required when exploring CSR partnerships now than was expected in a previous
era. There was a sense from interviewees that this may have taken some of the fun out of the partnerships.

I don’t actually remember any issues coming up about, “Should we? Is this a good idea? Are there things that the [corporation does] that we philosophically disagree with?” It wasn’t like that. Now, maybe, I think with the greater awareness, if we were to enter into a relationship with an organisation now, that we would be thinking really carefully. Does this cut across the philosophy of the [NPO] in some kind of way? And I’m sure if that had been the case, it would have stood out for us. But I think there’s also been a change of thinking around the acceptance of money from other organisations. [Former marketing manager, CS2]

I think one of the biggest problems today is people want to do the right thing but the whole transparency compliance issues, they’re just such an encumbrance for people that it’s almost clogged the system. I’m certainly not saying that transparency isn’t a good thing but it just makes things so much bigger and more administratively burdensome than they were. Back then we could basically have a conversation with people. They’d say ‘This is really cool idea. Here’s some ideas, here’s a marketing campaign. Let’s do it.’. [Prelim 1]

9.3.3 Increased power to NPOs

As identified in the previous section, it was perceived that the increased expectation to engage in CSR has delivered greater power into the hands of NPOs. This perception is not reflected in the experiences discussed by NPO participants in this qualitative study. However, the perception itself is interesting; in the section above it appeared to be associated with a degree of irritation and even resentment. It also suggests an awareness of pressure to be seen to be contributing to society. Further research, perhaps involving a large-scale survey, may be required to generalise whether NPOs are now more likely to secure a corporate partner and achieve greater rewards with the rise of CSR. These changes in the CSR landscape over time – including reduced opportunities to differentiate one’s brand through the all-important strategic orientation for CSR; higher compliance costs and less fun involved in partnerships; and a level of disaffection about the power perceived to be held by NPOs – send worrying signals for the future of CSR. It is possible that under constrained economic conditions, such as those precipitated by the global financial crisis, CSR may wane as a practice. This may be facilitated by a fiscally conservative public, responsive to messages of increased financial discipline from corporations. The legitimacy of different CSR strategies may be affected by
competitive conditions (van de Ven and Jeurissen 2005) observing this process may be an interesting subject for ongoing research.

9.4 Stereotyping

9.4.1 Corporate stereotyping of nonprofit

In discussing experiences dealing with a cross-sector partner, both corporate and nonprofit participants engaged in considerable stereotyping of their respective partners. When discussing the performance of the NPO partners, numerous comments related to competency. Comments were often drawn from the specific example of the partnership under examination, and then generalised to refer to the wider nonprofit sector. This included a tendency to damn with faint praise, as corporate participants discussed the “enthusiasm” of those working in the nonprofit sector, often as a prelude to comments that this was at the expense of commercial savviness, discipline or professional competency (Prelim dyad; CS1; CS2). Some comments indicated that the nonprofits’ lack of competency conforms to expectations.

Coming from a sports organisation background, it’s all about what the sponsor wants to get out.. you know, making it work for the sponsor. And I don’t think that from the charitable side that message has gotten through yet. This is a comment about charitable sector, not just [NPO in study]. I think there’s a long way to go in terms of the way they work with a sponsor. [Corporate sponsorship manager, CS2]

There were also examples of the non-business-like characteristics of the nonprofit sector being mentioned, with the partner under examination then being acknowledged as an exception to this rule due to their good levels of professional competence (Prelim 1, Prelim dyad).

9.4.2 Nonprofit stereotyping of corporation

Members of nonprofit organisations also made comments that referred to participants’ general attitudes towards the corporate sector. This concentrated on the money-focus of corporations and a direct, outcomes-oriented style of interaction. One example involved a NPO manager describing another NPO with these characteristics as “so corporate” [Prelim dyad].
9.4.3 Stereotyping and rationalising failure

Corporate and nonprofit participants were alike, in that when they described their own failure to deliver on outcomes they blamed their own busyness and lack of resources. However, when describing their partner’s failure to deliver, NPO participants tended not to blame individuals, but rather pointed to institutional barriers and a lack of resources, time and seeming inclination on the part of the corporate managers. In contrast, corporate members were more likely to identify lack of competency as a reason for the NPO managers not delivering the agreed results. Further research is required to establish the extent to which these evaluations are justified, and how much they are drawn from pre-existing stereotypes.

An interesting aside here is that, among the interviewees, there were several examples where participants’ personal politics did not seem to conform to stereotypes. In Case Study One, this included the communications manager who tried to slip social justice outcomes into his corporate role, and the NPO chairman, who joked about sounding like he’d stepped out of a Republican convention. It is noteworthy also that several corporate managers had previously held roles in nonprofit organisations, although none of the NPO managers described having worked in the corporate sector. It is unclear whether these past experiences contributed to the overall generalisation around NPO competency described by corporate managers.

9.5 Taking responsibility for exchange

Despite the commercial basis of the exchange being emphasised by the corporate participants of all partnerships, many gave indications of dealing with their nonprofit partners differently than they would a business partner (Prelim 1; Prelim dyad; CS1; CS2). This behaviour was described as appreciating the lower levels of commercial expertise and focus of the nonprofit organisation. This manifested itself in two critical ways in terms of influencing the outcomes of the partnerships:

- Using value-based rather than negotiation methods for defining level of exchange; and
- Willingness to provide extra resources to contribute to infrastructure development of nonprofit.
9.5.1 Value-based criteria for determining exchange

In all the examples in this study, the corporate partner took responsibility for defining the appropriate level of financial exchange of the partnership. It is an indication of the level of power they had in the partnerships that they were able to do this. However, one corporate participant (Prelim dyad) explicitly described this as a means for not using their negotiating strength against their nonprofit partner, but utilising an alternative approach to determining an appropriate fee for their services, based on the corporation’s perceived value of the exchange. Thus value was not determined by through rules of supply and demand, or by trying to understand the minimum payment that was acceptable to the partner as emphasised in economics-derived theories including transaction cost theory (Eisenhardt and Schoonhoven 1996). Rather it was determined by what seemed reasonable, and could be supported by a business argument in terms of generating expected returns.

This approach was most noticeable in those examples where the corporation had a strong understanding of what they perceived as an acceptable outcome resulting from the partnership. This was either through a process for calculating the value of the exchange (Prelim dyad; CS2 early phase), or demonstrable results evidenced as a consequence of the partnership (Prelim 1). In the example where the corporation had less clear processes for determining the value of the exchange, coupled with a perception that the outcomes were inadequate, the corporation has adjusted the value of their financial contributions downward (CS1).

This leads to an interesting insight regarding how the context of CSR influences the exercise of power. On one hand the corporate participants are claiming to be controlling for their greater levels of corporate savvy by using criteria other than negotiating skill for determining the outcome of the exchange. However, this leads to behaviour that may be seen as paternalistic; they are essentially dismissing the judgments of value of the nonprofit partner and replacing it with their own. This includes examples where the NPO has explicitly suggested an alternative amount as appropriate for the exchange (Prelim 2; Prelim dyad; CS1; CS2). This approach is only possible due to the dependency of the NPO, allowing it to have the calculation determined by the for-profit partner. This appears to add to the perception of powerlessness of the NPO partner. This scenario draws attention to characteristics of the exchange between corporate and nonprofit organisations. It was articulated by both corporate and NPO participants (Prelim dyad, CS2 early phase) that the NPO’s contribution does
not cost them anything. This enables value to be determined by the benefit to the corporate partner. The only way the NPO can assert an alternative value of the exchange is through the availability of an alternative exchange partner, a process which can establish a market rate. Therefore a corporate partner can call upon objective criteria for determining the value of the exchange; an NPO can only draw upon relativist arguments – how much other similar organisations receive from their sponsors – which may hold less weight in circumstances where no alternative partners are queuing up.

This indicates another barrier to the exercise of power, specific to this type of ‘exchange’. To this extent, the power differential in corporate-nonprofit partnerships is not just a consequence of the scale of and resources available to the organisations; the very form of the exchange limits the NPO’s ability to secure the level of transaction they desire. Firstly, they are hampered by their ability to place a value on their benefits to the corporation, especially where the corporation is seeking an integrative CSR strategy where the rewards may be long-term, indirect and intangible. Secondly, NPOs may not be well positioned to articulate the value of the exchange, as their contributions – such as featuring corporate branding in publicity material they produced – are not always seen as costing them anything, or involve costs in time, which again may be difficult to quantify. Thirdly, an important cost to the NPO is essentially the opportunity cost of not being able to pursue alternatives: however, a partnership model, especially where the relationship is anticipated as long term, may leave NPOs without alternative irons in the fire. This appears to reflect the findings of experimental studies, where more powerful parties in negotiated exchanges exercised greater power use than in reciprocal exchanges, in which ongoing exchanges were less certain (Molm, Peterson et al. 1999).

9.5.2 Providing extras – gifts and expertise

Evidence was provided of corporate partners taking responsibility for contributing directly to the development of infrastructure and expertise in their nonprofit partner (Prelim 1, CS1, CS2), including providing time and gifts that were not part of the initial exchange agreement. This was rationalised as enabling the nonprofit to be sufficiently well equipped to benefit the corporation, and pleasure was taken in helping contribute to the success of the NPO and assisting with acts of social good. This supports the insights surrounding the interwoven aspects of strategy and altruism identified earlier.
The extent to which these extra levels of support extended to NPOs differ from business-to-business partnerships would require comparative study and represents scope for further research. However, it suggests that despite the explicit commercial rationale for the partnerships, an element of altruism and philanthropy was seen as acceptable given the context of dealing with a nonprofit partner.

However, it was demonstrated that such generosity was tolerated up to the point where the corporation was under greater pressure to demonstrate greater quantifiable results arising from the partnership (CS2). This appears to support Haigh and Jones’s contention that any internal momentum created by CSR will only achieve superficial, short-lived results. Fundamentally, altruistic outcomes are constrained by the imperatives of the commercial world (Haigh and Jones 2006).

9.6 Summary – How the context of CSR influences exchange

The above discussion highlights several key themes in terms of how CSR is understood as a context for partnerships between corporate and nonprofit organisations. These centre on distancing; inconsistency; strategy versus subjectivity; stereotyping; changing CSR landscape; and the assertion of responsibility. Through examining these themes, it appears that CSR creates a complicating environment for corporate-nonprofit exchange.

Considerable ambivalence towards CSR is demonstrated, with the concept frequently associated with philanthropy. Alongside this is a degree of negativity towards the perceptions that corporate behaviour needs to be corrected through CSR. Terms are inconsistently used – across cases, within cases and even within the space of a single interview. CSR is invoked more positively where it relates to how the corporation projects itself to the public, rather than how it conducts its relationships with its nonprofit partner. NPOs appear to share this ambivalence, and attempts are made to distance themselves from perceptions of weakness and commercial naivete associated with being a charity. While the strategic orientation of the exchanges with nonprofit organisations is championed, it appears that ‘good strategy’ is frequently quite subjective, and examples of altruistic and emotional behaviour are also evident. Both corporate and nonprofit representatives are quick to make stereotyping comments about their partners; these stereotypes appear to inform how they understand each other’s failings. Thus we see corporations afford themselves considerable latitude in
how they conduct the partnerships with the NPOs, at times happily charitable, other times the voices of commercial discipline. This context has the potential to create a lack of clear principles underpinning the partnerships.

The findings here raise concerns about the perceived legitimacy of CSR, particularly among the corporate community. As compliance becomes more difficult, opportunities to achieve positive results become fewer, financial constraints increase and voice is given to anti-responsibility messaging (Windsor 2001), the conditions may exist for some backlash against CSR.

Further, this context appears to have implications for how the exchanges between nonprofit and corporate partners are agreed and conducted. Despite the commercial principles of the exchange, there appears to be room for acts of discretionary generosity, rationalised through the benefits it provides to a needy cause. In all cases, the corporate partners determined the amount to exchange. It was reasoned that the corporation was better to determine the amount based on what they perceived as a positive exchange, rather than to rely on their negotiating savvy to drive the price down. However, this highlights characteristics of the kind of exchange taking place that institutionalises the NPO partner in a position of a low ability to effect the results they want (power) by positing an alternative exchange. The NPO is (i) not easily able to quantify the value to the corporation; (ii) unable to demonstrate the cost of the exchange and (iii) disincentivised from ensuring alternative options as a result of being in a long-term partnership. To this end, it is not so much being a charity that places the NPO in a position of weakness, but more the characteristics of a goods-opportunity exchange within a partnership context that institutionalises the difficulties in exercising power.
Chapter Ten
Experiences of power and dependency

The previous discussion chapter described how the context of CSR influences the conditions for exercising power in a corporate-nonprofit partnership. This chapter explores the issues raised in the case studies regarding how participants experience power and dependency in this context. It discusses characteristics of how one’s own dependency is perceived. Constraints to influencing partner dependency are recognised, which highlight the limited potential for altering one’s position of power within a relationship. Further, in examining participants’ experiences of exercising power, a series of perceptual and practical barriers are encountered. These provide the basis for a visual conceptual model, illustrating the way in which a participant’s usable power is a subset of the total potential power available to that partner. Finally, to demonstrate the model’s potential for depicting contrasting power-dependency dynamics, a tentative attempt is made to apply to findings from the two full case studies. While this does not pretend to achieve accuracy in quantitative terms, it provides a conceptual tool for understanding how power may be experienced in relation to dependency.

10.1 Dependency

As has been previously defined, dependency is the inverse of power; thus one partner’s power is created through the level of dependency the other party has on the relationship (Emerson 1962; Casciaro and Piskorski 2005). Dependency in a partnership relates to participants’ experiences of the magnitude of the exchange and the availability of alternatives, including the transaction costs of pursuing those alternatives (Pfeffer and Salancik 1978; Heide and John 1988). Each party’s experiences of dependency were discussed in turn in the previous within-case analyses. Overall, however, within the case studies the corporate partners demonstrated less dependency on the partnerships than the nonprofit partners: the magnitude of exchange was greater from the nonprofit participants’ perspectives, and while doubt was expressed in one partnership (CS2) that the outcome of the relationship is better than outcomes of alternative relationships, this sense was mitigated by a lack of firm alternative options. While participants from both nonprofits expressed a belief that alternative sources of corporate income were available, this was surrounded by uncertainty, and an
acknowledgement that finding replacement partners could be a difficult task. However, as participants discussed dimensions of dependency, several issues arose with implications for how dependency may be understood in a corporate-nonprofit partnership context.

**10.1.1 Limited ability to influence dependency**

This study began by identifying the call for nonprofits and businesses to consciously acknowledge the issues of power balance that exist in a CSR context (Blowfield and Frynas 2005) and corporate-nonprofit partnerships (Seitanidi and Ryan 2007; Selsky and Parker 2005). It recalls suggestions that nonprofits find ways to redress this balance. This requires taking a network, rather than dyadic, approach when seeking to understand power dynamics (Cook and Emerson 1978). Power-balancing mechanisms suggested in exchange literature including forming coalitions to reduce a powerful party’s alternatives; and the weaker partner developing their networks in order to increase the alternatives available to them (Molm 2009). However, considering theoretical explanations of power and dependency, and relating this to information from the preliminary and case data in this study, it appears that calls for any partner to increase their power in a relationship are naïve.

Dependency is created by the importance attached to the exchange and the availability of alternative options. Therefore, the variables that influence dependency relate to properties of the partner (for example, how much they need a particular resource), or factors arising from the broader environment (how many other partnership options the exchange partner has available to them). These dimensions are almost entirely outside of the control of a partner organisation. Indeed, in terms of a capitalist economic system, attempts to influence the availability of alternative options for one’s trading partner would be regarded as anti-competitive behaviour. Consequently, either partner’s opportunity to manage the overall power and dependency dynamic of a relationship is limited. The inability to influence the dependencies of others was highlighted in this study, as participants described their efforts to exert influence over their partners coming back to a bottom line that they need the partnership (or not), and that there are other options available (or not).

Well we need the money. [NPO general manager, CS2]

We made the decision [to leave]... it gave us an opportunity to do something different. [Corporate sponsorship manager, CS1]
These experiences of the magnitude of the exchange and the availability of alternatives were discussed in turn in the case analyses in the previous chapters.

As well as the practical – not to mention legal – difficulties of influencing the extent to which one’s partner requires the resource you offer and the alternative options they may have, a further area was identified that appears to limit the ability to influence the corporation’s dependency, and thus the nonprofits’ power, in a partnership. This arises through a critical difference in how the magnitude of the exchange was understood. For the nonprofit participants, discussions around the significance or magnitude of the exchange related to the tangible benefits received; that is, the financial rewards, access to expertise and networks, and positive associations with credible corporate institutions. When describing the importance of the partnership, respondents related their perceptions to the amount of money or other resources they received, and what this enabled them to achieve. In contrast, many of the corporate representatives were less concerned with the specifics of what they were receiving from their nonprofit partner; rather their comments related to their concern that “quite large sums of money were involved” (Corporate communications manager, CS1). Their preoccupation was with their ability to leverage the opportunity to create sufficient value to justify the expense of being involved in a CSR partnership. Therefore, for both the nonprofit and corporate organisations, the key aspect of the magnitude of the exchange was the size of the corporation’s contributions.

This has implications for how partner dependency may be influenced. By this understanding, a corporate organisation could increase their nonprofit partner’s dependence upon them by increasing the resources they provide. However, what the nonprofit provides in exchange is essentially the right for the corporation to promote their association with it. The findings of this study indicated that while nonprofit participants were able to undertake some activities to promote their partner, much of the corporation’s ability to achieve value from the partnership relied on their own initiatives, or at least their facilitation, to communicate their involvement to their customers. This created a challenge for nonprofit participants in their attempts to influence the extent to which their corporate partner perceived value in the partnership. The resultant frustration was repeated by nonprofit participants throughout the study (Prelim 2; CS1; CS2). Indeed, the inability to pursue activities that would enable NPOs to establish themselves as providing clearer value in the partnership was a major theme of nonprofit participants’ experiences of powerlessness in these relationships. This finding echoes the
discussion in the previous chapter, where the structure of a corporate-nonprofit exchange – whereby the tangible goods provided by the corporation are reciprocated with a much more abstract notion of the opportunity to associate with a NPO – appears to institutionalise a power imbalance.

This difference in perspectives relating to dependency appears to be echoed in corporate and nonprofit participants’ responses to the question, “How big a deal would it have been if your partner had withdrawn from the partnership?” Nonprofit representatives discussed this from the perspective of implications for budgets and the likelihood of gaining another partner. From the corporate representatives’ perspectives, by contrast, the repeated response was that the issue would have been, ‘Why did they pull the plug?’ Reliance on the tangible benefits of the partnership was not the matter at stake, rather managers’ sensitivity was to how others perceived them and their organisations (Prelim 1; Prelim dyad; CS1; CS2).

10.1.2 Perceptions of dependency

10.1.2.1 Gap between perceived and real dependency

A contrast was identified between participants’ perceptions of dependency, and the reality of dependency when forced to confront the consequences of the partnership terminating. This insight is drawn from the partnership (CS1) that was terminated soon before data collection commenced, and is illustrated by the nonprofit fundraising manager describing the prospect of the withdrawal of the corporate partner as “It would have been devastating”. However, the outcome of the eventual withdrawal (which occurred after the previous representative had left the organisation) did not appear to have this impact. Her manager, the CEO, noted that “While it was disappointing, it wasn’t devastating”. This suggests there may be a tendency for dependency to be exaggerated, which would be consistent with loss aversion biases identified in psychology and economics literature (Köbberling and Wakker 2005), and examined via a range of theoretical perspectives (Kahneman and Tversky 1979; Arrow 1982; Aaron and Dake 1990). The discrepancy between real and perceived dependency needs to be taken into account when considering dependency as a measure of their partner’s power. It suggests that Partner B’s power is the inverse of Partner A’s perception of their level of dependency, rather than their actual dependency.
10.1.2.2 Differing perceptions among members

Difficulties in establishing an organisation’s level of dependency were further highlighted through the differing perspectives among members of the same organisation. Case Study 2 generated mixed views from the nonprofit as to the importance of the partnership, with the marketing manager describing it as “vital”, and the CEO commenting that “We need every penny we can get”, but also acknowledging serious opportunity costs from not being able to explore potentially more lucrative arrangements with other possible partners and a concern that agreeing to this partnership in harder times has left them with an undervalued agreement from which it is difficult to extricate themselves. In this Case, the NPO perceived herself to be at odds with her board as to the value of the sponsorship agreement. This created an internal tension within the NPO, where despite perceiving strategic value in indicating a more ‘take it or leave it’ approach in negotiations with the corporate partner, the manager was circumscribed by the preferences of her board. This enabled the corporate sponsor effectively to call her bluff. They noted that despite her claims of being able to find a more lucrative partner, she did not walk away from the cash.

10.1.3 Degrees of dependency

It should be noted that dependency was rarely understood in absolute terms; rather levels of dependency appeared to be described as a matter of degree. In all the examples included in this study, the viability of organisations was not in question, but optimisation of their success.

10.1.3.1 Changes in dependency over time

Across the study, participants indicated that their levels of dependency in the partnership changed over time. In Prelim 1, the corporate manager indicated that the brand association with the particular cause they were supporting led his organisation’s dependency on the nonprofit to increase; however he denied that either party would be fatally affected by the partnership terminating. In Case Study One, the nonprofit reported their dependence on the financial rewards of the partnership reducing over time; enabling them to better withstand their partner’s withdrawal. In Case Study Two, a clear distinction was evident between the earlier and later stages of the partnership, with the nonprofit’s dependence on the corporation’s funds reducing markedly, to the
extent they perceived significant opportunity costs in persisting with the partnership. The decrease in nonprofits’ dependency over time contrasts with literature that suggests nonprofits may become reliant on the income from their corporate partner, thus increasing their vulnerability in the partnership (Polonsky and Wood 1999; Martinez 2003; Jones 2007). Rather, it appears that the capital investment in the nonprofit organisation, along with the access to expertise enabled by the partnerships, helped the nonprofit organisations become stronger entities. Consequently, the risks attached to losing the partner – their dependence on the relationship – declined.

### 10.2 Experience of power

Although one entity’s potential ‘power over’ their partner may be the inverse of their partner’s dependency, power theorists have increasingly argued that an actor’s experience of power is a qualitatively different phenomenon. The study sought to understand participants’ ability to effect desired changes and outcomes within the partnership as in indication of their power within the partnership. Thus it enables an understanding of partners’ ‘power to’ achieve their aims within the partnership construct (Morriss 2002; Clegg, Courpasson et al. 2006; Gohler 2009) – a concept we might consider ‘power through’.

In all cases, the corporate participants expressed greater capacity to direct the partnership. This appeared to be linked strongly to the primacy of the dollar. Said one sponsorship manager simply: “We wrote the cheques” (CS2). Respondents from the across the nonprofits revealed a perception of very limited abilities to effect the changes they desire within the partnerships. Reactions ranged from “not high at all”, to “not very good” and “not effective at all”. Experiences included the difficulty negotiating increases in funding, introducing new shared activities or increasing engagement at multiple levels of the organisation. The distance between agreeing to good ideas and staying committed to following them through was highlighted. Says one nonprofit manager:

...we have to chase them. And constantly ‘we’d like to do this and we’d like to do that’ and then when you have meetings it’s like ‘yep that will be stunning’ and then it just fizzles away. [NPO general manager, CS2]

The other nonprofit CEO raised the issue of power directly as an impediment to affecting change.
The power dynamic makes it quite difficult really. There are elements of your being patronised at times, depending on the personality you’re dealing with in the relationship... We just felt we were banging up against a wall. [NPO CEO, CS1]

Importantly, however, this study highlights a positive relationship between a partner’s dependency and the value they place on the relationship, as described during the discussion on dependency above. This is in some ways obvious: the more an organisation gains from a partnership, the more important the agreement is to them, thus the greater their dependence on the partnership. An important way in which corporate power was experienced by the nonprofit partners refers to the very positive view taken of the thrillingly enabling capacity of the corporate to achieve goals for the nonprofit it would have been otherwise incapable of achieving.

There was that Big Brother aspect. That the [corporate] was... up on a pedestal... In the best possible way I suppose, they lorded an amazing amount of power. But if they said 'jump' you jolly well did it. Because you knew perfectly well if you didn’t, they might cut the funds. And then where would we be?... I didn’t object to it. For me, [it was] the most enjoyable part of that job for all those years. [Former NPO marketing manager, CS2]

This positive account of corporate power by their partner extended to the case where substantial difficulties has been experienced attempting to achieve desired outcomes in the partnership. Despite the frustrations, and the eventual termination of the relationship, the nonprofit CEO concluded:

It was just a really great thing to have happened to us.

Therefore, the corporations were judged as the more powerful partners: they expressed less dependency on their relationships with their nonprofit partners and greater ability to influence events within the partnerships in pursuit of their desired outcomes. However, when these experiences are analysed in greater depth, the data from the case studies reveal a long journey from one party’s dependency and their partner’s actual ability to effect outcomes (Dahl 1986). Rather, the exercise of power was limited by: perceptions of partner dependency; ability and willingness to explore partner dependency; perception and actual ability of partners to implement desired changes; their own ability to capitalise on the opportunities enabled by the partnership. These are now explored in greater detail.
10.2.1 Perception of partner’s dependency

Power may be linked to dependency; however a partner’s ability to use that power is related to their belief that they hold this power. The findings from the case studies revealed a poor understanding, particularly from one nonprofit’s perspective, of how valuable the partnership was to their partner organisation and thus their actual power within the partnership.

I don’t have any sense of our worth to them... My judgment would be that it was more important to us than them, but I don’t have a way of assessing that. [NPO CEO, CS1]

By contrast, the corporate partners were more willing to state that the partnership was of greater value to their NPO partners.

If we withdrew it wouldn’t be a huge problem for the [corporate] organisation, for them [the NPO] I guess it would be more difficult. [Former regional manager, CS2]

10.2.2 Ability and willingness to explore limits of partner’s dependency

Partners may have beliefs about the amount of power they hold; how much of this power they will exercise depends on their ability and willingness to explore the limits of this power. However, the findings from the case studies show that, at times, partners may choose not to seek change, possibly relating to an untested belief that the suggestion will cause offence or be rejected. For example, a corporate manager was quite self-critical about the extent to which he had explored his own ability to call for changes that would have increased his satisfaction in the partnership. Asked whether he felt in a position to push for changes in areas where he was dissatisfied in the relationship further than he did, he replies:

No I didn’t but I think that’s probably more about me than anything else. And maybe I should have been a bit bolder and more assertive about that. [Communications manager, CS1]

A nonprofit partner also demonstrated unwillingness to explore the boundaries of their influence, due to perceiving themselves to be in a weak position of power, when it chose not to seek a formal contract. The partnership had proceeded on an unwritten basis for some years, leaving the nonprofit in an undesirable position regarding its long term planning. Despite this, she says:
I didn’t pursue a formal agreement. Principally, I guess it was a matter of judgment about the changes that were happening and I didn’t feel it was likely that they would commit to that. [NPO CEO, CS1]

This is interesting in light of a comment made by a corporate counterpart:

It’s not a case of ‘them’ and ‘us’ but if we weren’t appropriately communicating our expectations of outcomes then I’d expect [the NPO] to step up and say “Right, well it’s in our interest that we set some goals and objectives and standards that we can measure’. So I just feel there was a lack of structure and we needed more discipline … in that regard. [Brand manager, CS1]

Similarly, other corporate participants described their nonprofit partners as having engendered their respect through assertive behaviour (Prelim 1; CS2). It could be interpreted, therefore, that perceived powerlessness may have contributed to their actual powerlessness.

The case studies highlighted several considerations, relating to partners’ ability and willingness to explore the limits of their power in seeking to influence events in the partnership, namely: the organisation’s own dependency on the partnership; the importance placed on social versus financial objectives within the CSR context; and social reasons, including conflict avoidance.

10.2.3 Capacity – potential and perceived – of partner to enact changes

A party may have beliefs about their partner’s dependency, and be prepared to explore the limits of this power with their partner. However, their actual ability for that to translate into the change they want to effect depends on their partner’s capacity to enact that change (see discussion on epistemic and non-epistemic power, Morriss 2002). The findings here suggest that even a willing, dependent partner may not be in a position to enable the exercise of power to be fulfilled. In these studies, three critical features were perceived as preventing desired change: organisational barriers, whereby participants lacked the authority to effect the outcomes requested; lack of time and resources; and lack of professional competency. This is an essential aspect of having ‘power to’ achieve goals, and is different from having power by virtue of partner dependency.

As was discussed in the previous chapter, the reasons cited for partners failing to achieve goals through the partnership appeared differ between corporate and nonprofit participants. The inability of corporations to deliver outcomes due to structural barriers within their organisations was noted
throughout the reflections of nonprofit representatives (Prelim 1; CS1; CS2). These included the corporations making promises it later transpired would require the agreement of other parts of the organisation, which they were unable to secure (Prelim 2; CS1); the inability for the corporation’s technical systems (ie billing mechanisms) to accommodate the desired outcomes (CS1); and the corporation declining to agree to changes because fundamental decisions involving who was sponsored, and how much they received, were made elsewhere (CS2). In Case Study One and Prelim Two, the nonprofit representatives noted the perpetual busyness of the corporate partner, and the difficulty in attracting their time and interest sufficiently to ensure desired, and agreed, activities, were fulfilled. This was corroborated by the corporate representative who felt exasperated by the NPO’s demands on his time.

There was a feeling of ‘ooh this is exciting’. Well that’s great, but I’m pretty busy here and I need a little less enthusiasm and a little more savvy. [Brand manager, CS2]

In Case Study Two, the availability of time was also an issue. The fact the corporate representatives had other roles, and sponsorship was not a core focus for them, was perceived as inhibiting their focus on the partnership activities, and preventing the relationship from maturing or fulfilling its greater potential. As with Case Study One, this lack of time to concentrate on the partnership led to the frustration of their NPO partner. In the main example where the lack of time was created by the NPO, this was interpreted as a lack of organisation on the NPO manager’s part, rather than a symptom of his busyness (Prelim dyad). It was seen by the corporate manager as legitimising a more robust negotiation than he might otherwise have engaged in, to ensure he could achieve appropriate value from the exchange.

In Case Study One, reflections from corporate participants on their ability to achieve outcomes concentrated on the competency of the nonprofit to enact these changes. It was unclear from the study whether the corporate representatives’ claims about their nonprofit partner’s competency were grounded in fact. However, it was clear that the corporate perceived this to be so. Comments included:

I felt the intent from the team at [the NPO] was there, but the capability and the expertise wasn’t. [Communications manager, CS1]

It may be noted therefore that while the nonprofit organisations tended to blame the corporate structure and busyness for their failures to deliver, one corporation in particular identified
the competency of the nonprofit staff as the reason for similar failings. This was discussed in the previous chapter regarding the use of potentially stereotyping descriptions of cross-sector partners.

10.2.4 Ability and willingness to capitalise on the opportunities enabled by partner

As well as the limitations created through partner capacity, constraints to achieving goals through a partnership are also found within one’s own organisation. This includes dislocated decision-making (CS2) and a ‘silo’-type organisation structure, making it difficult to properly enact opportunities (CS1).

A further issue, especially highlighted in Case Study One, raises the importance of the partners actually making use of the opportunities available to them in order to achieve the outcomes they desire from the partnership. This may be particularly important for corporate participants, whose own activities to leverage the partnership is critical to their sense of gaining value from it. In turn, this affects the NPO, as it becomes the mechanism for them to prove their value to their partner, and thus have the exchange regarded as sufficiently important that the corporate will assign some level of dependency to it.

10.3 From dependency to power

Despite Morriss and others calling for clear distinctions to be made between ‘power over’ and ‘power to’, and while they can be philosophically distinguished, the concepts remain related. The extent to which participants were willing to pursue outcomes and changes in order to achieve their broader organisational goals were constrained by their perception of their own, and their partner’s, dependencies. Therefore, it may be argued that while one’s ‘power over’ another is secondary and subservient to one’s ‘power to’ achieve a greater goal, ‘power over’ still performs a strong delimiting function in shaping partner behaviour. Taken together, the experiences of power outlined in the discussion above create a scenario of decreasing circles, within which a partner’s actual ability to achieve outcomes via the partnership – their real power – is a subset of their partner’s dependency on the relationship. Each of these circles might be conceptualised perhaps like balloons (of
decreasing tensile) within other balloons. They can expand, but not beyond the limit circumscribed by the next circle or balloon (see Figure 2).

**Figure 2: Partner A’s Real Power as Subset of Partner B’s Dependency**

![Diagram showing Partner A's real power as a subset of Partner B's dependency.]

It should be pointed out that while the model above imagines dependency (or potential ‘power over’) as the outermost circle, this need not be the case. Equally, the model could have capacity (potential ‘power to’) as the ultimately limiting factor, delimited further by partner’s dependency on the partnership. The effect is the same. An actor can exploit dependency to the extent their partner has the capacity to fulfil their desires; and an actor can make use of their partner’s capacity, to the extent that their partner is committed enough to the relationship to make this worth their while. Total potential power, that is, the ability to achieve outcomes within a partnership context, may be conceptualised as ‘power through’, if you will. For the purposes of illustrating this point, the model is simplified in Figure 3 below.
While the central circle represents the A’s potential power, there is an important further limitation: the extent to which A actually utilises this capacity. In Case Study One, the corporation was acknowledged on both sides of the partnership as not making good use of its potential, even where it was in their power to do so. However, this is omitted from the model, as the exercise of power should not be confused with the capacity to do so, lest one commits the exercise fallacy (Morriss 2002). It is arguable whether not having the time, energy and inclination to make use of the potential enabled by the partnership should count as a structural barrier to exercising power, or simply a decision not to exercise available power.

10.3.1 Applying data to the models

After analysing the data to develop the conceptual framework for the ‘power circles’, I was interested to see the picture they created by applying the model to each organisation. This went beyond the original intention of my methodology, which was designed to understand how participants experience power relations in the partnerships. Thus a framework was developed to guide judgments on each of these conditions drawn from the qualitative data.
10.3.1.1 Dependency evaluations

The following criteria were developed for judging dependency, based on the dimensions identified in the literature (Pfeffer and Salancik 1978; Heide and John 1988). Dependency was rated as high, medium or low, based on participants’ perceptions of:

1. Distributive justice: the significance of the partnership for achieving their goals
2. Confidence in their ability to secure an alternative partner of equal or greater value.

Similarly, beliefs about partner dependency were judged to be high, medium or low based on:

1. Distributive justice: perceptions of the significance of the outcome for their partner, for example the contribution to their budget
2. Perception of partner’s ability to secure an alternative partner of equal or greater value.

10.3.1.2 Exploring limits of partnership

To evaluate participants’ ability and willingness to explore the limits of their partnership, I referred back to the findings of the qualitative study. This identified several barriers to conducting the partnership in a way that would maximise the potential outcomes for the partner. These then became the criteria for judging self-imposed constraints:

1. Partner’s own dependency on the partnership
2. Importance placed on social versus financial objectives in CSR context
3. Social reasons, including conflict avoidance.

10.3.1.3 Capacity to achieve outcomes through partnership

This issue was identified in the context of opposing views within Case Study One of the capacity of the nonprofit partner to achieve agreed changes. Barriers identified included:

1. Having time, inclination and resources to pursue initiatives
2. Dislocation of decision-making. Those who agree do not have authority to enact the changes.
3. Professional competency, including skill and expertise.

Therefore, judgments relating to partners’ capacity to achieve change are based on:

1. Evidence partner had skills and resources to achieve desired outcomes. Part of this evidence required testimony from their partner organisation. Where there was dispute between the parties, less confidence should be assigned to the judgment.
2. Whether agreed changes and outcomes were enacted by partner.

The difference in opinion as to one party’s competence points to a further barrier to seeking change: one’s perception of partner’s ability to achieve those changes. How partners’ capacity was perceived is judged by comments from partners around their capacity to achieve desired results.

10.3.1.4 Limitations of qualitative model

The result of these judgments is a visual conceptual model, derived from qualitative study that provides future researchers with a framework to refine further. A process for quantitative analysis of each of the dimensions could be developed to improve the accuracy of each of the circles. It is acknowledged that the power dynamics of the partnership were changing over time; thus the power circles below depict a snapshot relating to responses from recent practitioners. This is particularly relevant for Case Study Two, which has gone through changes in its relationship dynamics over its 12 year history.

Although dependency may, in some cases, be the ultimately limiting factor for the exercise of power, for consistency and simplicity the data is always presented with dependency as the outermost circle in the examples below. This has no effect on the size of the final power circle depicting one’s ability to enact changes. Rather the limiting factor, whether dependency or capacity, becomes the barrier which cannot be surpassed.
The corporate partner of Case Study One had a moderate level of potential power, as determined by the dependency responses given by their nonprofit partner. Corporate One had a realistic view of Nonprofit One’s dependency, understanding that they benefited greatly from the resources provided, but that the viability of the organisation was not dependent on the assistance and they had a reasonable likelihood of being able to an alternative corporate partner if required. Corporate One displayed low-to-moderate willingness and ability to seek to effect change in the partnership. Further, they perceived Nonprofit One as being unlikely to be able to enact the changes they desired. There was disagreement on this point from the NPO, and the methodology of this study does not allow a firm judgment to be made as to the actual level of competency of the NPO. However, it was evident that the Corporate One believed this to be the case, and this restricted their efforts to seek change. Thus, from a starting point of moderate potential power, their real power, in terms of their actual ability to achieve change in the partnership, was comparatively small. This highlights the relationship between an active power dynamic and a viable partnership. In Case Study One, the corporation’s low ‘real’ power to effect change, in conjunction with their decreasing dependency on the partnership, ultimately led to the termination of the partnership.
The dependency of Corporate One on the partnership is judged as moderate. The viability of the corporation was under no threat through the partnership failing, as demonstrated through their eventual desire to withdraw from the agreement. However, given their publicly stated rationale for the partnership, few if any other partners would have enabled them to convey their strategic message as credibly as this NPO partner. So, for the period they were committed to their stated strategic direction and CSR programme, this nonprofit was important to them. The nonprofit expressed significant uncertainty about their value to the corporation, and did not express confidence in their value. They demonstrated a very low willingness to explore the limits of their partner’s dependency. Further, they experienced that when they did attempt to seek changes to their outcomes, the corporation seemed unable to meet their requests. This paints a picture of a moderate starting point of potential power, reducing to a very small actual capacity for achieving desired outcomes.
Figure 6. Corporation Two: Real Power and Partner Dependency

In this partnership, Nonprofit Two expressed moderate dependency on their partner. However, Corporation Two tended to overestimate this dependency, meaning their perception of dependency can be taken to the outer limit of the actual dependency as expressed by the nonprofit. Further, Corporation Two demonstrated a high willingness to test how far they could push the nonprofit in terms of achieving greater outcomes and fewer inputs into the partnership arrangement. Nonprofit Two was capable of granting these requests. Therefore, from a moderate starting position of potential power, Corporation Two yields a relatively large power platform.
Figure 7. Nonprofit Two: Real Power and Partner Dependency

Nonprofit Two starts with a moderate-low area of partner dependency, matched by quite realistic beliefs about how dependent the partner is on the partnership. They demonstrate a relatively high willingness to explore the limits of their partnership with Corporation Two. However, they routinely encountered barriers to the corporation’s ability to agree to their desired changes. Overall, they are left with a reasonably small domain of ‘real’ power.

10.3.2 Acknowledgement of mutual dependency

The need to incorporate mutual dependency as a key consideration in understanding partnership dynamics has been established in a power and partnership literature (Kumar, Scheer & Steenkamp, 1995, Casciaro and Pisorski, 2005). This model explicitly responds to this call. As a result of this analysis, however, I would argue that mutual dependency is part of the total power dynamic, rather a separate consideration to be taken into account. Illustrating mutual dependency requires reflecting the dependency of both partners in a relationship. In this model, partner B’s dependency is the outer circle, while partner A’s dependency is understood as a factor influencing their willingness to take the risk of exploring the limits of their power.
10.4 Summary

This discussion examines theoretical implications of the experiences of power and dependency outlined in the within-case analysis on this research (Chapter 7 and Appendix). It suggests that the concept of parties taking steps to alter their position of power in their partnerships may be naive. Drawing from the evidence of the case studies, it argues that the factors influencing dependency are largely outside of the control of partnering organisations. Further, it proposes that this limitation may be more pronounced for the nonprofit organisations, which may be less well positioned to influence the extent to which their corporate partners accrue value from the exchange. As well as highlighting difficulties in establishing accurate perceptions of dependence, the study suggests that dependency was experienced positively by many participants as it indicated the greater value being placed on the partnership.

The discussion then addresses participants’ descriptions of seeking change in the partnership, as an indication of their experiences of power. In doing so, this study challenges the simple inverse relationship between the two constructs of power and dependency. Rather, it suggests that the distance between one’s partner’s dependency and one’s power is mediated via a series of perceptual and practical barriers. By applying this analysis to individual organisations, it is possible to see how parties can claim a position of greater or less power to achieve their desired outcomes through the partnership, relative to their partner’s dependencies. Where there are no barriers, in terms of either their partner’s capacity to fulfil the desired changes or their own abilities to make use of it, power is limited only by partner dependency.

While this framework derives from a descriptive analysis, it holds normative potential. It offers a guide to enable partners in any relationship look critically at the power dynamic of their arrangement. It invites participants to consider whether they are maximising their potential power, and examine quite explicitly their reasons for deciding whether to push the limits of their partnership further. To support this goal, it is advisable for corporations to enter into partnerships with nonprofits with an explicit understanding of the principles of justice that underpin the agreement. If political or ethical theories of justice are being pursued (Garriga and Mele 2004), these need to be addressed specifically within measures of success of the partnership, and protected through organisational policy as a self-imposed constraint against testing the limits of partner dependency. The relationship between experiences of power and perceptions of justice are explored in the following discussion chapter.
Chapter Eleven
Experiences of justice

The first chapter of the discussion section of this study examined how the context of CSR influenced the understandings of an appropriate exercise of power in a partnership situation. The previous chapter then discussed how power and dependency was experienced by participants in this context, and proposed an approach for understanding how participants come to occupy positions of greater or lesser power relative to their level of dependency. This final discussion chapter seeks to understand how the outcomes of the partnerships were perceived by participants, in the context on their understandings of CSR and their experiences of power and dependency. The analysis chapters have already described these experiences in terms of satisfaction with each of the dimensions of organizational justice and participants’ overall evaluations of whether and why they perceived the exchange as fair. Drawing from this case study analysis, several key issues are identified: criteria for perceived fairness; indirect and tangential benefits; expectations and gratitude; achieving potential; and subjectivity and measurement. This concludes that notions of value, combined with justice ‘rules’ are central to understandings of justice, and argues for a deeper integration of value and justice scholarship.

11.1 Criteria for perceiving fairness

In evaluating whether partnerships were fair during this study, several understandings of justice emerged. These included a Hobbesian view: “Well I assume [it was fair] on the grounds that any two parties that enter into a partnership have presumably made their judgments” (NPO Chair, CS1). One nonprofit fundraiser perceived the exchange as unfair in terms of need, but not equality: “We got much more from them than they got from us. But that’s because we didn’t need much to get what we needed” (CS1). Other participants invoke a comparative understanding of fairness, perceiving the partnerships as unfair in comparison with other partners. “It was so bad... $xxxx next to $xxxx [14 times larger amount given by government funding body]. And their branding all over everything that we do” (NPO Manager, CS1). Those who had played a key role in shaping the partnership generally saw them as
fair: “Well, we wrote [the contract].” (Former corporate sponsorship manager, Case Study Two).
Throughout these interviews, therefore, it became clear that the idea of ‘fairness’ was no singular concept; rather a range of understandings of fairness were revealed. These are summarised in the table below (see also Appendix).

**Table 4: Criteria for evaluating fairness**

<table>
<thead>
<tr>
<th>Justice criteria</th>
<th>Appears in data</th>
<th>Appears in literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness as freedom to enter/exit partnership</td>
<td>CS1</td>
<td>Social contract (Hobbes 1651, Nozick, 1974, Friedman, 1962)</td>
</tr>
<tr>
<td>Fairness as weaker party achieving more (need)</td>
<td>CS1; CS2</td>
<td>Need (Leventhal, 1976)</td>
</tr>
<tr>
<td>Fairness as being treated commensurately with others (including meeting market price)</td>
<td>Prelim dyad; Prelim 2; CS1; CS2 (later)</td>
<td>Consistency (Leventhal, 1980)</td>
</tr>
<tr>
<td>Fairness as outcomes relative to inputs (Equity)</td>
<td>Prelim dyad; CS1</td>
<td>Equity (Adams, 1965)</td>
</tr>
<tr>
<td>Fairness as balance of outcomes (equality)</td>
<td>CS1</td>
<td>Equality (Leventhal, 1976)</td>
</tr>
<tr>
<td>Fairness as believing partner acknowledges your value</td>
<td>Prelim 2; CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>Fairness as ability to contribute</td>
<td>Prelim 2; CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>Fairness in terms of relationship to precedent (consistency over time)</td>
<td>CS2</td>
<td></td>
</tr>
<tr>
<td>• Loyalty – maintaining agreed value over time, cf</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Adjusting value to reflect changing conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fairness as incorporating value to society</td>
<td>Prelim 2; CS2</td>
<td>Stewardship (Lazniak and Murphy, 2008)</td>
</tr>
</tbody>
</table>
As illustrated in the table above, several of the participants’ criteria for fairness match ‘fairness rules’ described in organizational justice and CSR literature: namely concerns for of equity, equality and need as criteria for distributive justice; consistency with others; and voice within a fair process (Fortin, 2008). These echo criteria for Distributive Justice (from Nicholas Rescher, cited in Heller 1987, pp24-25):

1. As equals (except certain negative distributions such as punishment)
2. According to need
3. According to ability
4. According to efforts and sacrifices
5. According to actual productive contribution
6. According to the requirements of common good or public interest, or the welfare of mankind, or the greater good of the greater number
7. According to a valuation of their socially useful services in terms of their scarcity in the essentially economic terms of supply and demand.

However, the respondents also suggest further criteria for judging fairness, including the need to perceive one’s contribution is valued, the importance of perceptions of partners’ abilities to contribute, and conflicting views as the how long-term commitment between organisations should be reflected in their exchanges. These are described in greater detail below.

11.1.1 Feeling valued

As noted in the literature (Chapter 5), debate exists among organizational justice scholars as to whether justice should be examined in terms of its components of distributive, interactional and procedural justice, or as a global construct. This study aims to address conceptions of fairness as a totality; however participants’ perceptions of each of these dimensions were probed as part of building up this overall picture. Thus ‘within-justice’ issues, identifying relationships and distinctions between distributive, procedural and interactional justice, is not a priority for this discussion. However, as has been already highlighted, evidence from this study appears to reinforce the view the three dimensions of justice are substantially correlated, and represent different faces of the same concept. However, in examining the interrelated nature of justice dimensions, the opportunity arose through this qualitative study to consider closely what participants were actually saying. The instance of a corporate manager arriving late to an important meeting, in his running gear, and proceeding to eat his lunch in front of the NPO managers and consultant (CS1), for example, was used as an
example where interactional justice was perceived to be poor. However, its significance was not directly in terms of the NPO’s satisfaction with the distributive outcomes of the exchange – although they were sorry, ultimately, that the partnership ended shortly thereafter; rather it was interpreted as signalling the low value the corporation placed on the relationship. The ways in which perceptions of being valued inform understandings of justice are a recurring theme in this analysis.

Just as these overarching perceptions of fairness are not necessarily reducible to the categories of distributive, procedural or interactional justice, neither did the combined experiences of these sub-categories necessarily add up to an overall appraisal of justice. There was a noteworthy example where that even though a partner was happy with the outcomes they achieved; and felt the processes had been fair and interpersonal behaviours (mainly) respectful, its members still did not necessarily perceive the overall exchange to have been fair (NPO CS1). In practically every instance, participants placed high store on whether they felt their partner had properly acknowledged their contributions to the exchange. This influenced whether participants perceived the partnership to have fulfilled its potential (NPO CS1; Prelim 2). It related to an appreciation that corporate representatives were under pressure and may have had to fight internal battles to achieve the available funds (Corporate CS1). Further, particularly from the NPO perspective, it spoke to a broader sense of wanting to be acknowledged not only for their value to their partner, but also their role in society (Prelim 2; CS2). Thus it appears that having one’s contribution acknowledged, regardless of how this influences outcomes, processes and behaviours, was critical to an overall perception of a fair partnership.

11.1.2 Capacity of partner to provide more

Among both corporate and nonprofit participants, comments were made regarding their partner’s capacity to provide extra value to the exchange at perceived low cost for that partner. From the nonprofits’ responses, this related to the financial resources at the disposal of the corporation. Comments included that, relative to their earnings, their contributions to the nonprofit were “a pittance” (Prelim 2), and the question of “Can’t they throw us a bit more?” (CS2) was asked. The corporations, by contrast, felt their nonprofit partners could increase their contributions to the relationship through publicly acknowledging their support (Prelim 1, Prelim dyad), and providing extra tickets and publicity (CS2). On both sides, interviewees’ logic surrounded the ability for partners
to provide more at little extra cost to themselves. Failure to take up these opportunities was seen as mean-spirited (CS2), and a failure to appreciate the needs of the partner. Thus they contributed to whether an exchange was interpreted as fair. The belief that one is deserving of more in an exchange perhaps relates to the well-established finding in organizational justice literature that participants experience favourable personal outcomes as fairer (Greenberg 2001; Brockner and Wiesenfeld 2005; Fortin 2008). However, it also indicates that perceptions of justice relate to more than satisfaction with returns and processes, but involve judgments around the perceived costs to the partner relative to the benefits to oneself.

11.1.3 Perception that charity should get more

The particular context of CSR appeared to influence what was perceived as a fair exchange in a few instances. Some corporate participants felt able to justify a bit of extra generosity on the grounds they were helping a worthy cause (CS2, early stage). Further comments were made where both corporate and NPO representatives felt the NPO had achieved the better deal from the partnership, but that this was appropriate given their role in society (CS2, later stage). However, this is not understood as a foundational principle for the partnership, where participants would actively seek such an imbalance. Rather it was presented as an acceptable outcome, so long as the corporation could afford it and was still satisfied with what they were achieving. As such, it appears to uphold the difference principle in Rawls’s conception of justice, whereby inequities in a system are defensible if they benefit the needier party (Rawls, 1972).

The extent to which the social role of NPOs should be factored into the exchange value yielded conflicting views. While NPO participants in Case Study One specifically disavowed the tendency to use their moral righteousness as a negotiating point, the NPO general manager in Case Study Two felt aggrieved that her organisation’s value to society was not reflected in the exchange agreement. This has implications for perceptions of how parties feel they should be valued in a partnership.

11.1.4 Role of history

A particular conflict was identified in considering aspects of justice across a long term relationship, illustrated vividly in Case Study Two. In this case, the sponsorship was formed at a time
when the NPO was smaller and struggling financially, and greatly appreciated the relatively modest figure it was offered. Over time, the NPO grew in staff, outputs and profile. It also achieved significant funding from a government agency, outmatching the corporation’s contributions 14-fold. The corporation’s input began to look paltry in comparison. Yet they were unmoving in efforts to increase their funding to reflect the greater opportunities for publicity through marketing collateral and events. The NPO perceived this as unfair as it failed to reflect the growth and improvements in their organisation over time. The corporation, by contrast, perceived the NPO’s requests for more money as unfair as it failed to recognise the corporation’s loyalty in hard times. Both parties claimed the other was demonstrating an inappropriate regard for their shared history: the corporation believing the NPO was failing to reward it for its consistency and longevity, while the NPO felt the corporation was “resting on its relationship laurels”. This points to a difficulty in evaluating repeated exchanges over time and a particular challenge for justice in a partnership framework.

11.1.5 Reward and comparative fairness

The differing conceptualisations of fairness point to a distinction between those where fairness judgments were based on their gains from the partnerships (rewards) (Prelim 1; Prelim dyad corp; NPO CS1; NPO CS2 early phase; and those who based perceptions on how their gains compared to external measures (Prelim 2; Prelim dyad NPO; CS2 NPO late phase) (Montague 1980; Sashkin and Williams 1990; Bies 2001). The findings provide some indication that where reward-based conceptions of fairness were used, participants were more satisfied with the outcomes of the exchange. A particular contrast was seen in Case Study Two, where the NPO marketing manager who oversaw the partnership in its earlier days expressed tremendous satisfaction with the outcomes, commenting on the enormous value derived from the money and other benefits for their organisation. The general manager who took over the partnership some years later, however, related her judgments of satisfaction to external referents such as whether the amount provided reflected the wealth of the corporation, whether it was aligned with other similar sponsorships, whether it reflected the NPO’s value to society and how the inputs and expectations compared with other funders. In all dimensions, she found the exchange inadequate.

As well as relating to greater dissatisfaction in the exchange, it appears that where an understanding of fairness was based on comparative measures, the relational nature of the exchange
was somewhat obscured. Rather than focusing on the extent to which one’s partner achieves benefit as a basis for the value of the exchange, emphasis was placed on areas with no direct relationship to the partner’s needs. In terms of the NPO participants in the study, this view includes how able the partner was seen as being able to afford greater contributions, and the value the NPO saw themselves as providing to society (Prelim 2; CS2). For corporate partners, it relates to a perception NPOs should contribute more because it does not cost them anything to do so. This appeared to pose barriers to reaching and sustaining satisfying agreements.

11.2 Role of indirect and extra benefits

In evaluating their satisfaction with the exchanges, numerous respondents addressed aspects that fell outside of the negotiated exchanges with their partners. These included indirect benefits such as credibility, confidence, learning and access to new networks and communities. Whilst part of the overall value perceived as deriving from the partnership, these represent exchange values that did not come directly from the partner; thus did not ‘cost’ the partner anything. Despite not relating to their partner’s contributions, they were counted among the perceived outcomes of the exchange, and therefore incorporated within evaluations of distributive justice. This adds to a suggestion that justice relates not only to partners’ contributions, but the broader values this provides access to.

As well as these indirect, tangential values, participants discussed additional ad hoc activities that each party would – or it was argued, should – perform for their partner. These encompass areas that are not negotiated exchanges, but are reciprocal in nature. That is, they are enacted as part of being in a relationship, not in exchange for a particular equivalent act, but with an expectation that in time, the favour would be returned, either in kind or as another value such as loyalty, as part of a healthy, functioning relationship. These were rationalised in three interrelated ways: gestures of goodwill to nurture their relationship (Prelim 1, Prelim dyad corporate); opportunities to demonstrate the added value participants could provide to their partners (NPO CS1); and strategic investments in the capability of partners to carry out the tasks that would provide value to them (Corporate CS1, Corporate CS2).

Throughout the study, the corporate partners expressed the view that their NPO partner should not only fulfil their end of the agreement, but go the extra mile to keep their partner’s interest (Prelim 1; CS1).
If I was lecturing ... on corporate responsibility, it’s doing things you don’t need to do that really make a
difference. Doing things that you signed up for on the contract, yeah, interesting, but you have to do them.
It’s the stuff that you do that’s not in the contract that really builds the relationship. [Prelim 1]

This dynamic contained the potential to undermine both the value of the contract and the extra
services, however. In Case Study Two, the nonprofit ended up in a catch-22, where it performed a
number of additional, informal activities. These were almost disregarded by the corporate partner, who
considered them a normal act of appreciation of their partnership. Further, when the partnership came
to be formally evaluated, these additional services were not counted, and the nonprofit was criticised
for not having evolved the partnership.

11.3 Expectation of gratitude

Analysis of the role of non-negotiated ‘extra’ aspects of the exchange revealed curious
perspectives around the concept of gratitude. In several instances, corporate representatives wished
to see gratitude demonstrated by the NPO partner (Prelim 1; Prelim dyad corporate; brand manager
CS1; regional manager, CS2). This included praising the business sense of the NPO when they
signalled their appreciation (Prelim 1, CS2), expressing disappointment and even resentment where
they perceived the NPO as not having expressed their gratitude fulsomely enough (Prelim dyad, CS1,
CS2), and leaving one NPO member sternly reminding a corporate counterpart they were involved in
an exchange from which the corporate too was receiving a benefit (CS1). Another commented that “I
was grateful. But it was never clear how grateful I was supposed to be. Because I saw this as an
investment [for them]” (Prelim 2). This created a sense from some NPO participants that their need
to demonstrate gratitude undermined their belief that their negotiated contributions to the
exchange were valued in their own right. This does appear to have been a one-way phenomenon:
there were no examples of the NPO seeking or expecting expressions of gratitude from their partner;
nor of the corporate partner perceiving it as their obligation to provide this reassurance. Perhaps the
only equivalent situation was in the early stages of Case Study Two where the corporate marketing
manager provided gifts and services beyond the negotiated exchange; however, this was described
by the NPO not as a demonstration of “gratitude”, but “generosity”. This positions the corporation as
the benefactor, and the NPO as the recipient, rather than equals, and suggests an underlying value
judgment, and an ingrained perception that the corporations’ contributions are worth more than the NPOs’.

In relation to this, the question arose of whose job it is to undertake the workload required in coordinating and delivering the partnership activities. An expectation was expressed for NPOs to do more of the work in promoting the partnership, as part of earning the income derived from the corporation (Prelim dyad corporate; CS1; CS2). While this was happily accepted as “part of the job” by some NPO participants (Prelim dyad NPO, CS2), others appeared to resent the expectation they would be responsible for all aspects of the work (Prelim 2), particularly where they perceived the corporate partners as not responsive to these efforts (Prelim 2; CS1; CS2). The expectation for NPOs to undertake greater responsibility for generating awareness of the partnership conflicts with the issue already noted, whereby the nature of the exchange requires the corporation’s willingness to leverage its access to the brand values offered by the nonprofit in order to maximise value from the association.

11.4 Subjectivity and measurement

As previously discussed in the chapter on CSR as a context for partnership exchanges, many corporate participants argued strongly for the need for partnerships to be based on sound strategy rather than personal whims. However, it was identified that strategy could be more subjective than participants frequently acknowledged, and that strong distributive justice was the only proof that a partnership was based on strategy, rather than judgment. Subjectivity arises again as an issue when describing experiences of justice in an exchange. When asking how it was known how much was an appropriate amount to exchange, many corporate participants purported to embrace the inherent subjectivity of this (Prelim 1; CS1; CS2, later stage). However, the Achilles heel for nonprofit partners appeared to relate to the fundamental challenge of demonstrating they are providing value to their corporate partners. As described in the discussion on power and dependency, this relates to NPO’s reliance on the corporation to fully leverage the value of accessing the NPO’s brand. Further, NPO’s face the difficulty, and expense, in proving that improvements in corporate reputation are as a result of a specific sponsorship activity. Even if this can be ascertained, it is arguable how much that improvement is worth in dollar terms. In addition, as discussed above, the exchanges incorporate indirect and tangential activities, which are not always quantified. This creates a highly ambiguous exchange
environment, requiring judgment and faith from those involved. Differing interpretations of fairness, and complexities with measuring contributions has been associated with the dissolution of relationships (Tuusjarvi and Blois 2004). It points also to the structural issue influencing power balance in the partnership: by their less tangible nature, the NPOs’ contributions are less easily quantified as evidence of strong distributive justice (Garcia-Ayuso 2003).

Case Study One began with the corporate accepting the uncertainty around knowing how much was a reasonable amount to provide to their nonprofit partner. Over time, however, they increased their demands that the nonprofit was demonstrating tangible value and eventually withdrew from the partnership.

The relationship started soft and it got hard towards the end... And we were expecting more and more and more and that wasn’t the original thing that they’d signed up for. [Brand manager, CS1]

Case Study Two began with the corporation undertaking an analysis of the value of the partnership, how much needed to be spent leveraging it, and offered their partner a figure derived from this exercise. In this case – as with the strong evidence of distributive justice for the corporation (Prelim 1) – the greater level of calculation appears to have engendered greater confidence in the exchange for the corporate managers. The nonprofit managers were initially satisfied with this, but as they developed as an organisation, came to feel their contribution was undervalued. In the absence of a clear calculation to demonstrate their value, they were unsuccessful in negotiating more favourable terms. It is notable too, that over time the accuracy of such calculations came to be questioned by subsequent corporate managers, who doubted the extent a dollar value could be put on client hosting events.

The premium placed on distributive justice as an objective measure of value creates interesting dynamics in the partnerships in this study (Griffith, Harvey et al. 2006). On one hand participants are advised to build strong personal relationships between partnership members, with many interviewees – corporate and nonprofit alike – stressing the importance of close personal relationships (Prelim 1; CS1; CS2). A rationale offered for this includes the belief that investing in the quality of the relationship improves understandings of each other’s work processes and relationship goals, enabling partners to better provide for each other over time (Prelim dyad corporate). However, while this dimension of interactional justice may be perceived as the binds that tie, in times of personnel change it appears that individual relationship strength may become a weakness for the partnership. While strong distributive justice was identified as creating the conditions for positive interactional justice (Prelim 1), the reverse
did not appear to be the case, but rather may add to the perception that partnerships are based on personal and subjective rather than strategic drivers (CS1).

11.5 Potential versus reality as a measure of satisfaction

In numerous instances, even those where partners appreciated the outcomes generated from the partnership, disappointment was expressed about the partnerships’ failure to meet their full potential. This was experienced as unfair where this failure led to the partner withdrawing their support (Prelim 2; CS2) or declining to increase their financial contributions (CS2), on the basis of not perceiving the partnership as being of sufficient value.

It would be easy to dismiss this as an expectation management issue, and certainly parallels can be drawn from organizational justice and satisfaction literature concepts such as disconfirmation (Oliver and DeSarbo 1988) and anticipatory injustice (Shapiro and Kirkman 2001). However, underpinning many of the comments around the failure of the partnership to achieve their potential were issues of control and power. For example, in the chapter on power and dependency, the structure of the exchange meant that the NPOs were limited in the extent they could insist that the corporations leveraged the positive brand imagery their partnership allowed them access to. Particularly in Case Study One, the NPOs found themselves facing the corporation’s dissatisfaction with the results arising from the partnership, but were unable to insist that the potential value-added activities – ranging from bill-rounding to staff training workshops to gaining greater mentions in the corporate collateral – were carried out. While the NPO was satisfied with their gains from the partnership, they realised the failure for the partnership to achieve its potential contributed to their partner’s dissatisfaction. Ultimately, this became terminally detrimental to their ongoing relationship. This led to disappointment among the NPO participants that their contribution and potential was unfairly misjudged by their corporate partner.

11.6 Justice and value

From the responses discussed, central to the question of justice is the question of value. Integral to participants’ evaluations of fairness in the partnerships are judgments about the value they provide to their partner, the value they accrue from the relationship and other ways they or the
exchange might be valued. It is in reference to these understandings of value that the evaluations of justice are made.

Yet despite the fundamental association between these concepts, there is surprisingly little literature that provides an overarching account of the relationship between the two. Theories of value appear not to be well integrated into justice literature. Indeed the term is rarely mentioned in key justice texts (Rawls 1972; Greenberg 2001; Colquitt, Greenberg et al. 2005) nor where organizational justice and outcomes of power imbalance are applied to supply chain situations (Moore, Birtwistle et al. 2004; Hingley 2005; Hornibrook, Fearne et al. 2009). Jule Gassenheimer and colleagues have developed a model that aims to relate value to perceptions of fairness (Gassenheimer, Houston et al. 1998), which has been applied in subsequent studies (Divita, Cassill et al. 2006). Examining these concepts in the context of understanding why relationships deteriorate, they distil value to the social and economic benefits partners achieve from their association. They conclude that:

...the relative dependence and interdependence created through social and economic value interact with self-interest, mutual interest and group interest to establish relational interest that defines perceptions of fairness. Fairness, then, serves as a gauge for determining the value of the partnership and the tolerance for compromising social and economic interests in support of the relationship’s survival. (Gassenheimer, Houston et al. 1998, p333).

This emphasis on value requires introducing value literature to inform an understanding of perceptions of justice. While Gassenheimer and colleagues focus on the value of the exchange to participants, the current study drew out a range of ways by which participants perceive their own value as exchange partners. It suggests that this, in turn, informs their perceptions of the fairness of the exchange.

Literature on value is therefore instructive when considering perceptions of justice. Like power and dependency, value is a relational concept. While definitions of value have been debated extensively (Bowman and Ambrosini 2000), the critically important lesson for suppliers is that value is not judged by oneself, but by one’s exchange partner or consumer (Blois 2004). To recognise the differing perspectives of value at varying points of a product’s journey from inception to use, value literature distinguishes between value in exchange and value in use (Jonsson 1997; Médaille 2009). Value in use, or utility, refers to the judgments made of products by consumers (Jonsson 1997) while
value in exchange relates to the judgments buyers and sellers make when settling on a price, each making reference to their expectations of being satisfied with the outcome through its utility, or likelihood of getting a better deal elsewhere. Value in exchange, therefore, refers to beliefs about a product’s potential. For the seller, this value is realised – or captured – at the point of sale. In developing the product, the seller aims to imbue it with values that will maximise its value in exchange, leading to distinctions in marketing literature between value creation and value capture (Bowman and Ambrosini 2000).

In this study, value in use appears as participants’ measure of distributive justice. Meanwhile, the extent to which the value creation process is reflected in the value capture agreement, and acknowledged in partners’ judgments of utility, may explain something of the experience of fairness. Through analysing the case study data, it appears organisations develop perceptions of their own value. This is based on perceptions of the contributions they make, the outcomes they are providing their partner access to and, in this CSR context, the value an NPO sees themselves as holding in society. This perception of self-value is then modified by the ‘justice rules’ members of that organisation subscribe to. These may include whether an exchange should reflect: equivalence of outcomes; neediness; the ability to contribute more at low cost; loyalty over time; responsiveness to change over time; freedom to enter and exit; and recognition of social role. Further, organisations also develop perceptions of how valued they are by their partners. From the results of this study, it is proposed that the extent to which organisations’ justice-modified view of value matches their perception of being valued may describe how participants experience fairness in an exchange partnership.

This may be illustrated in the following model.
This model has face validity if we apply it to other potential relationships, including being valued fairly by one’s employer or spouse, for example. In these situations, also, it is important that our conception of our own value in the relationship is endorsed by others. It also enables power relationships to be incorporated into the framework, as one’s position of power may determine how they regard their own value, and how deserving one feels that particular justice rules should be applied. However, this framework departs from most justice literature in that it does not focus on the content of the exchange as the drivers of justice evaluations – contributing amount x versus receiving amount y, for example. Rather, this content is channelled through beliefs around how these amounts affirm or contradict one’s own perception of value in the context of their criteria for judging fair outcomes and processes. Further research is required to assess whether the proposed model provides a robust framework for explaining a relationship between perceptions of justice and value.

11.7 Summary

Drawing upon the case study material provided through examining corporate-nonprofit partnerships, a range of experiences describing satisfaction with distributive, procedural and interactional outcomes are revealed. These highlighted a number of criteria for what constitutes fairness in a partnership, and while satisfaction continues to be used as a useful proxy for justice,
instances are identified that remind us that they are distinct constructs. The rules for determining justice went beyond the well-described areas of equity, equality and need as a means for appraising the relative inputs and outputs partners gained and received from the partnerships, but incorporated concerns such as having their role in society acknowledged, believing their contributions were valued by their partner and perceiving their partner as having made efforts to realise their value. Difficulties that are faced in establishing one’s exchange value in the context of these partnerships were acknowledged: services provided were difficult to measure or calculate the benefit of; ad hoc exchanges were not always incorporated into value; and suspicions the partnerships were based on personal relationships and subjective whims were held. The emphasis on value as underpinning justice judgements suggests a need for justice and value literatures to become better integrated. A model is proposed that aims to describe experiences of justice as shaped by perceptions of value, which is then interpreted through a lens of appropriate rules to govern fair exchanges.
Chapter Twelve: Conclusion

How does power influence perceived justice in corporate-nonprofit partnerships?

The question this thesis begins with asked how power influences perceived justice outcomes in corporate-nonprofit partnerships. It is a question that acknowledges the evolution of CSR as businesses and pressure groups have reacted to the institutional power afforded to corporations in market-based economies around the world. It recognises that partnerships involve a series and accumulation of negotiated and reciprocal exchanges, and occur within a social context that includes the perceptions of stakeholders, wider organizational objectives and power relations between parties. It also identifies evidence that confirms predictions that nonprofit partners may be in a weaker position in this exchange context. This question therefore asks whether, in the ethically-charged context of CSR, being in a weaker position of power matters. Using a case study methodology, answering this question requires an understanding of three important elements: the kinds of exchange conditions created by the context of CSR; how power and dependency is experienced; and how participants experience the justice outcomes of the exchanges. By drawing together responses from across the cases, it becomes possible to better understand how power and justice may be experienced in corporate-nonprofit partnerships.

Examining how CSR influences the conditions for the exchange reveals a confused and confusing picture. Corporations in the study distance themselves from the phrase ‘corporate social responsibility’, use terminology inconsistently, and call for strategy to prevail over subjectivity – whilst also revealing evidence of subjective decision making. Nonprofits also demonstrate ambivalence towards some interpretations of CSR, on one hand wanting to be seen as a credible business partner with something worthy to exchange, while also asserting their role in society as deserving of support in its own right. Both sides engage in stereotyping language to describe themselves and their partners. This creates a situation where exchange rules are perceived
differently by different members of the same organisation, are subject to change over time and underpinned by different conceptions of justice. It therefore appears CSR creates a complicating and potentially unstable context for inter-organisational exchanges.

In this context, the way in which power and dependency is experienced is explored. This finds minimal capacity for partnering organisations to influence their position of power in the partnership. Further, it appears nonprofits are poorly placed to ensure their partners maximise value – and therefore increase the corporations’ dependency and thus the NPOs’ power – in the partnership. Through analysing participants’ experiences, the inverse relationship between power and dependency widely used in marketing and exchange literature is challenged. Rather, the distance from partner’s dependency to useable power is mediated through practical and perceptual barriers, being: perception of partner dependency; willingness and ability to explore limits of partner dependency; extent to which partners have the capacity to fulfil desired outcomes; and the perception of one’s partner’s ability to fulfil these goals (see Figure 2).

These analyses lead to a discussion of how justice is experienced in the partnerships. This identifies a wide range of criteria used to assess fairness that goes beyond issues of equity, equality and need and includes a strong concern for having been appropriately valued by their partner. This suggests a need for greater integration of justice and value literature, prompting the development of a model that aims to describe how justice is experienced in a partnership context (see Figure 8).

By referring back to the case study analysis, and drawing upon these three discussions, it becomes possible to describe how power influences perceived justice in corporate-nonprofit partnerships. This finds that power imbalance was associated with higher levels of satisfaction with the partnership, while reduction in dependency led to increasing conflict and dissatisfaction. It also appears that the relationship between power and justice to relate to structural elements of the exchange, rather than a direct power-dependency relationship. These findings raise questions about relativist and perceptual bases for examining justice.

12.1 Power imbalance and positive perceptions of justice

In the cases studied, the highest levels of justice and satisfaction in the partnerships occur where the levels of power imbalance are at their most pronounced. This is particularly noted at the
earlier stages of both case studies. From the nonprofit perspective, satisfaction relates to the strong perception of distributive justice, where the outcomes enable them to pursue goals they could not have otherwise dreamed of through networking opportunities, brand credibility and financial resources. For the corporate organisation, the power differential ensures that their goals and priorities are given high status and are willingly addressed by the NPO partner. Indeed, these highly dependent partners are depicted as a joy to work with – they were effusive with their gratitude, willing to take direction and it was possible to see the very real difference being made to a worthy cause.

At times when the nonprofit partners are weak in terms of directing and effecting changes in the partnership, participants express great levels of satisfaction with and appreciation for the outcomes of the partnership:

In the best possible way I suppose, they lorded an amazing amount of power. .. It was the best part [of my job]. It was the most challenging part, the most exciting part, the most rewarding part. [Former Nonprofit Marketing Manager, CS2]

...it was a really, really fantastic thing to have happen to us, absolutely no doubt about that albeit that it hasn’t lasted beyond four years. But that amount of money and that opportunity to learn and develop something new just couldn’t have happened otherwise. [NPO CEO, CS1]

The apparent association between power imbalance and justice may seem counterintuitive, but reflects the evidence from the case studies, is consistent with an interpretation of power-dependency theory (Emerson 1962) and may help explain some weakly theorised findings in supply chain contexts (Moore, Birtwistle et al. 2004; Hingley 2005). Recalling the relational nature of power, an organisation is invested with power not as a result of its own inherent qualities, but by virtue of the dependencies of its exchange partner. By definition, therefore, the less powerful – that is, the more dependent – partner is so because they attach greater importance to the outcome of the relationship. By this argument, it may be claimed that weaker parties benefit more from the partnerships, relative to their needs.

### 12.2 Power balance and the road to conflict

Related to the finding above, it appears that as power equalises, the partnerships may become less stable. It is not irrelevant that part of the cause for this change in dependency is the extent to which
the NPOs are strengthened as a result of the resources they achieve from their corporate partners. This contradicts fears expressed in CSR literature that corporate funding can lead to nonprofit organizations becoming financially reliant on their sponsors (Polonsky and Wood 1999; Martinez 2003; Parker and Selsky 2004); indeed it suggests the opposite may be the case. The increasing conflict matches the above point regarding relationship between dependence and achieving satisfying outcomes. In one case in particular, as the nonprofit’s dependency decreased, they became more dissatisfied with the partnership, and more explicit about expressing their preferences. They were concerned that the contract, which had been negotiated more than a decade previously, was now no longer appropriate:

I understand why the [corporate] would want the relationship to continue but I think [our organisation] has undervalued itself. [Nonprofit general manager, CS2].

Corporate participants express mixed views about their partners’ diminishing dependence. They speak of their desire to see their nonprofit partners grow and thrive as a result of their contributions, for both organisations’ sakes.

To be successful we need to make them successful. [Former marketing manager, Prelim 1]

However, as the nonprofits’ dependencies reduce, NPOs were perceived as less than ideally grateful for and committed to the partnership. Frustration was expressed that a nonprofit partner did not appear to attach an appropriate level of importance to the financial contribution they were receiving.

I felt that they didn’t always see or attach the importance of the relationship that I expected for that funding [Brand manager, CS1]

Another appears somewhat hurt that their money, which had been good enough for the nonprofit in tougher times, was now deemed inadequate. This was perceived as a betrayal of the corporation’s loyalty and commitment over many years.

I guess they feel quite invincible and support will come running…I would like it in black and white about our support in the good and hard times. So annoyed…about the attitude. [Email to colleague, regional manager, CS2]

In Case Study One, the nonprofit’s decrease in dependency more comfortably enabled the corporation’s withdrawal from the partnership. This appears to relate to the ethical premise of the
partnership and a concern the nonprofit’s wellbeing was at stake, as well as enabling the corporate manager to avoid social and cognitive discomfort.

While it was sad to leave the ... relationship behind, we did it in the knowledge that we left it in pretty good shape. And that was good because we couldn't in good conscience leave a situation where someone was battling or they were in worse shape than when we started or something like that. That would be awkward. [Corporate sponsorship manager, CS1]

The perspective that power imbalance creates conditions for positive relationships makes an important addition to CSR literature, and contradicts expectations the assumptions of those who call for efforts to be made by nonprofits to improve their position of power in the partnership (Seitanidi and Ryan 2007; Selsky and Parker 2005). It also confounds expectations of those who predict that “actors are less likely to develop mutually satisfactory exchange relationships under conditions of unequal power” (Casciaro and Piskorski 2005, p175). Although not explored in CSR literature, the implications of power-imbalanced relationships are examined in supply chain literature, generally finding asymmetric relationships to be more dysfunctional, less stable and involving fewer interactions than symmetric partnerships (Kumar, Scheer et al. 1995; Lawler and Yoon 1996). However, a strand within this literature also finds evidence of conflict-free imbalanced relationships. These stem from findings that by making use of noncoercive rather than coercive power, powerful companies are able to enhance the weaker party’s satisfaction in the partnership (Hunt and Nevin 1974; Reve and Stern 1979). Although only examining one side of the relationship dyad, Frazier and Rody (1991) had low levels of conflict reported by distributors in power-imbalanced partnerships, leading them to postulate that the power differences can become so great that the powerful party is not required to resort to coercive tactics to achieve their aims. It could be interpreted that weaker parties may feel too vulnerable to express themselves; however the findings from this qualitative study would not support that reading. Rather, it seems that participants have a vested interest in maintaining the partnership and are buoyed with enthusiasm by the opportunities to achieve positive outcomes for their organisation. Thus corporate power was not perceived as punitive, but tremendously enabling (Hardy and Clegg 2006). This is consistent with further findings that highly satisfying power imbalanced relationships can be achieved where weaker partners feel they are treated fairly (Martinez 2003; Rodrigue and Biswas 2004; Hingley 2005). It also echoes the findings of an experimental study emulating manager-subordinate relationships, where more dependent participants were more tolerant of conflict (Johnson, Ford et al. 2000).
It may be preferable, therefore, to recast power-dependence theory in a way that avoids the negative connotations engendered by power literature (Zhuang and Zhou 2004; Blois 2005; Hingley 2005), celebrates its enabling capacity (Hardy and Clegg 2006) by more accurately linking it to the value placed on partnership outcomes, and avoids confusing ‘power over’ another party with one’s ‘power to’ achieve a goal. Thus we may conceive of ‘dependence-satisfaction theory’, in which satisfaction is the inverse of dependency. Further research may be able to refine under what conditions dependence leads to satisfaction, which will draw upon the use or otherwise of coercive and noncoercive power and tolerance to conflict. Examples where dependence and satisfaction are not well related may, therefore, signal a negative exercise of power or outcomes, processes or behaviours that are perceived as unfair. This may also help better understand the relationship between justice and satisfaction in a partnership or exchange context.

While the supply chain literature above uses survey and experimental designs to compare large sample groups at a moment in time, this qualitative study has been unable to compare symmetric with asymmetric relationships as such – rather it notices changes in power symmetry within the same partnership over time, as remembered by participants. Thus, it takes a limited step in the direction called for by Geyskens et al (1999), for longitudinal studies that would help inform understanding of process dynamics and the cumulative effects of repeated exchanges. It suggests that perceptions of fairness are not static, but subject to change depending on the evolving needs of the organisations, precedents that may have been set and the beliefs around justice held by those in decision-making roles.

12.3 Power, outcomes and the structure of the exchange

Evidence from this study suggests that the structural characteristics of the exchange between a corporation and NPO contribute significantly to the way in which power dynamics translate into exchange outcomes, as have been discussed in previous chapters. These include internal organisational barriers preventing desired outcomes from being pursued or achieved: for example the retail managers in Case Study One being required to agree to a bill-rounding agreement, but not having the will or capacity to do so; or the decision-makers who could have increased the sponsorship amount in Case Study Two being located in the national headquarters and having no relationship with the local charity. Further, the character of the exchange of tangible and intangible
goods leads to the perception that the exchange does not directly cost the NPO – there is no cost in asking for greater acknowledgement of their contribution, or having their logo added to publicity material. Therefore some participants feel it reasonable to ask for more, or simply expect more, without seeing it as necessary to offer anything extra in return. Another quality of this kind of relationship is that a critical aspect of dependency, the magnitude of the exchange, is described almost entirely in terms of how much of a financial liability it is for the corporate partner, rather than what the corporation is achieving from it. However, the NPO is limited in its ability to influence the extent the corporation is willing to leverage the investment, and make use of the brand values the partnership gives them access to. Thus the NPO is unable to control the extent to which it can provide value to the corporation. Additionally, the institution of belonging to a committed partnership hinders partners’ ability to explore another aspect of dependency – the availability of alternative options. Finally, NPOs and corporations are uneven in their ability to measure contributions and outcomes, making it difficult for NPOs to prove their value to their corporate partners.

12.4 Power as the control of process

The above acknowledgement of the structural elements of an exchange between corporate and nonprofit partners adds to the discussion of power and dependency in Chapter 11. This highlights that one party’s exercise of power is not in simple relation to their partner’s level of dependency. While dependency says something about one’s ability to exercise power over another if they should want to, whether they do depends on numerous other factors, including their awareness of their level of power and their desire to maintain the partnership to pursue their own objectives, and is demonstrably affected by structural issues within the exchange. Nevertheless, it should be appreciated that dependency dynamics influence these structural issues. The reliance of NPOs on the corporate partner actualising their value echoes insights from Bowman and Ambrosini (2000), who theorise that value capture is determined by the perceived power relationships between exchange partners.

In the analysis of the qualitative data, participants’ comments are categorised according to whether they addressed power, dependency, distributive justice, procedural justice, international justice, and perceptions of value and equity. What frequently emerges is the duplication of the
findings for participants’ ability to effect outcomes (exercise of power), and the key processes. The difficulty in separating the analysis of an organisation’s ability to effect outcomes from procedural justice points to a critical insight into the character of power. To control a situation is to control the processes that govern the situation. It is suggested that an operational measure of power may therefore be the extent to which a party manages the processes of an exchange. This may help explain research that finds that procedural justice fully mediates the relationship between an employer’s social power bases (referent, expert, coercive, reward and legitimate power) and an employee’s job satisfaction and organisational commitment (Mossholder, Bennett et al. 1998). This study would suggest that such power bases are entirely expressed through the exercise of procedural justice: these interactions essentially become the enacting of power relations.

Considering the ways in which power relates to perceived justice, therefore, it appears two narratives are at play. On one hand, low power appears to be associated with high distributive justice, a perspective that can be explained by power-dependency theory – the more you value an outcome, the more dependent you are, and the happier you are to achieve this. On the other hand, low power is also associated with low procedural justice, or at least low ability to influence processes. This may create serious difficulties in reciprocating a satisfying exchange for one’s partner. Where one’s stronger partner is dissatisfied with the outcomes of an exchange, the weaker partner may be in a poor position for remedying the situation, a situation that risks becoming a vicious cycle. Outcome satisfaction for the stronger partner therefore requires an approach that acknowledges their responsibility for enabling satisfying results for themselves.

It may therefore be argued that dependency upon outcomes relates to a positive perception of distributive justice, but power – the ability to effect outcomes – is related to procedural justice. Where parties have both low dependency and low ability to direct the outcomes of the partnership, as in the corporation in Case Study One, and the NPO in the later stages of Case Study Two, the motivation to persist in the partnership reduces. The table below suggests how power relates to perceptions of justice in this regard.
Table 5: Satisfaction in relation to power and dependency

<table>
<thead>
<tr>
<th>ABILITY TO EFFECT OUTCOMES</th>
<th>DEPENDENCY</th>
<th>HIGH</th>
<th>LOW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HIGH</td>
<td>Positive justice/satisfaction</td>
<td>Positive justice/satisfaction</td>
</tr>
<tr>
<td></td>
<td>LOW</td>
<td>Positive justice/satisfaction</td>
<td>Negative justice/satisfaction</td>
</tr>
</tbody>
</table>

12.5 Balance and legitimation

Previous studies on how power influences perceived justice have highlighted two alternative theories, balance theory and legitimation theory (Molm, Quist et al. 1994). Balance theory posits that more powerful parties will mitigate their exercise of power to enable the exchange to seem fair to their partners. Legitimation theory argues that the structure of the exchange legitimises the authority of the more powerful party, so their exercise of power is interpreted as appropriate and thus fair. However, it is acknowledged that empirical studies investigating these reveal mixed results, and calls are made to examine the theories via a qualitative process.

This study produces partial support for both interpretations. Consistent with balance theory, there is evidence of the exercise of power consciously restricted, and generosity extended, in the interests of goodwill and relationship building accompanied with a desire for both parties to feel like valued members of the exchange (Prelim 1, CS1, CS2). At the same time, it also appears that the structure of the exchange significantly legitimised the power relationship. Being in a weaker and more dependent position led to NPO partners welcoming the advice and leadership of their corporate partners, and tolerating some difficult interpersonal behaviour on the grounds they had access to highly valuable resources through the partnership (CS1, CS2).

However, the exercise of power was not wholly mitigated nor legitimised in this study, and there appears to be a need to incorporate value more integrally into power-justice judgments. In Case Study Two, the NPO’s decreased dependency on the outcome, coupled with their inability to improve the partnership exchange to their satisfaction, led the general manager to regard the
exchange as unfair. A theory of dependence-satisfaction may better explain a relationship between power and justice.

12.6 Legitimacy, and power’s hidden effects

The evidence from this study suggests that the more dependent the NPO partner, the more they may view their partnership as satisfying, and fair. Where a corporation can point to the satisfaction of its weaker nonprofit partner, they can say that power has not been abused, but has led to an outcome that is just. They can appeal to the concept of pragmatic legitimacy identified within legitimacy theory (Suchman 1995), which highlights the benefits for the immediate recipients of a CSR activity. For some, this may be taken as a proxy for moral legitimacy, whereby the corporate organisation can be seen to being doing the right thing by a wider social standard. This raises the question whether the appeal to moral or pragmatic legitimacy is a means by which corporations make use of the process of legitimation (see section 5.4.2) to increase the acceptance of corporate power. The relationship between these ideas of legitimacy is an area that may merit further exploration.

In noticing that dependency and satisfaction may go hand in hand, the underlying assumptions about how dependency shapes what is perceived as fair become pertinent. In his three-dimensional account of power, Stephen Lukes’ third dimension refers to power operating at a hegemonic level, in that the power relations are so deeply ingrained as to be invisible (Lukes 2005). At this level, actors are not even sufficiently cognisant of underlying power structures to critique their outcomes. This concern is raised through observations that most organizational justice literature is written to serve businesses and managers’ interests, not those of employees (Bies 2001; Fortin and Fellenz 2008). Perceiving justice to be informed by power relations at a hegemonic level, they fear that focusing on subjective measures of fairness “provide managers with tools that enable or even encourage them to feed off the hypocrisy of fairness” (Fortin and Fellenz 2008, p415). As well as underpinning legitimation theory (Molm, Quist et al. 1994), the assertion that weaker parties tolerate unfairness, and even perceive it to be fair, has parallels in feminist literature, with concerning implications. A study by Lennon and Rosenfield (1994) explored the perspectives of fairness of women who carried out a disproportionately large share of household chores in their marital lives. They found that those women with fewer alternatives to their marriage, and who believed that divorce would place them...
beneath the poverty threshold, were more likely to perceive this distribution as just, even when controlling for factors such as the contribution they make to the marriage and time in paid work. The authors argue that power-dependency dynamics shape evaluations of fairness. They posit that constructing beliefs that their disproportionate workload in a low-power context is fair arises from the need to create cognitive consistency between “what they think and what they are doing”: “It is easier to change one’s ideas or ideology about an arrangement than to change the arrangement itself” (Lennon and Rosenfield 1994, p527). The relationship between power and the ability to define situations and impose meaning in a marriage context is affirmed in further studies (Cast 2003). This basic structure becomes concerning when one considers the finding that those in controlling relationships or who have experienced partner aggression are more likely to evaluate such behaviour as acceptable (Ehrensaft and Vivian 1999).

The possibly insurmountable problem with the view that individuals are poorly positioned to judge fairness for themselves, however, is its arrogance. It displaces the critical perspective of the agents of the exchange with those of outside observers, who claim a better ability to understand underlying power structures that have informed others’ views. It diminishes the fact that observers, too, operate within a cultural context that has shaped and informed their understanding of appropriate power relations and exchange outcomes (Hardy and Clegg 2006).

Essentially, a debate around the relationship between power and perceived justice exposes a long-held division between libertarian and socialist philosophies: between promoting maximum freedoms for individuals to enter into their own agreements with no judgment as to the wisdom of doing so (Friedman 1962; Nozick 1974); and protecting individuals in society from the worst outcomes arising from their position of weakness (Rawls 1972; Karl Marx, cited in McLellan 1977). To those subscribing to the latter position, relativist viewpoints that claim the legitimacy and validity of everyone’s perspective may be regarded as morally bankrupt (Flynn 2008).
Chapter Thirteen

Contributions, limitations and opportunities for further research

13.1 Contributions of research

13.1.1 Contributions to CSR

This study makes a contribution to CSR literature by providing a range of findings that may help inform discussions around the role of corporate power in cross-sector partnerships.

CSR is identified as creating a vexed and potentially unstable environment for exchanges, in which concepts and ethical frameworks are unclear and shifting. This has a confusing effect on philosophies of justice in exchange and the exercise of power. It produces both examples of paternalism and generosity from corporations; and yields ambivalence on both sides of the partnership. This calls into question much of the theoretical discussions in CSR literature as to practitioners’ commercial or social motivations, or the ethical principles that govern particular partnerships. It suggests such a lack of clarity around these ideas that CSR initiatives may barely be able to be studied in terms of existing typologies.

The study finds little evidence of directly exploitative behaviour, rather that the structural aspects of CSR exchanges may serve to institutionalise power imbalance. This occurs through the difficulty of measuring the NPO’s contribution, perceptions that exchanges do not cost the NPO, the need for corporations to actively maximise the potential from the exchange, and the disincentives created by partnerships to develop alternative exchange partners.

NPOs appeared to reduce dependence on their corporate partners over time. Further, no evidence was found of the corporate partner influencing the nonprofits’ mission-based activities. However one NPO did successfully influence their corporate partner’s endorsement of a problematic product. This may also provide some reassurance to those concerned that NPOs may become
beholden to their corporate partners. Further, a positive, indeed seemingly causal, association between dependency and satisfaction in the partnerships is found, with implications for our understanding of power and justice. This contributes to CSR literature by requiring theorists to consider whether the hegemonic power of corporations has blinded NPOs into believing they – and by extension society – are receiving important benefits through these partnerships. Alternatively, the NPOs’ judgments of justice must be respected, and the positive outcomes enabled by corporate partnerships recognised. These alternative perspectives draw attention to the fundamental political positions – from libertarian to socialist – that inform understandings of justice and underlie discussions of corporations’ responsibilities in society.

13.1.2 Contributions to power literature

Divisions between the power-dependency approach to understanding exchange in marketing contexts, and the ‘power to’ emphasis in wider power literature, were acknowledged. This study brought together both aspects through its methodology, analysis and interpretation and subsequent theory development. It therefore makes a contribution to how power and dependency is studied in an exchange context.

In doing so, the study led to several insights around partners’ abilities to achieve their desired results through corporate-nonprofit partnerships. It found the more powerful party to control the processes of the partnership, suggesting a theoretical correlation between power and procedural justice. Despite their inability to direct the partnerships, however, weaker parties reported positive experiences in achieving outcomes that were important to them. However, their inability to enable their partners to achieve the results they wanted left them with a sense of unfulfilled potential. This highlights both a theoretical relationship between dependence and satisfaction, and a tension between needing to take more control to satisfy one’s partner, and the impossibility of doing so due to the inability to manage the processes of the partnership. These findings are further emphasised in the examination of dependency, in which participants were recognised as little able to change their partners’ level of dependence in the relationship. Overall, it would seem participants are not well able to influence their positions of power in a partnership. This contributes to a conversation within CSR literature that NPOs should take active steps to address the power positions in partnerships with corporate organisations.
Examining these experiences leads to the development of the ‘power circles’ model for understanding how the ability to achieve a desired result through a partnership framework is separate from but constrained by the dependency of one’s partner. Thus divergent conceptualisations of power are drawn together into a coherent, testable framework, representing a contribution to power literature.

13.1.3 Contributions to justice literature

In exploring how participants judge fairness in a CSR context, several issues emerge that extend existing organizational justice literature. These included: the belief NPOs should be rewarded not only for their contribution to the exchange, but in acknowledgement of their role in society; a belief corporations should contribute more due to their financial capacity; and a belief that NPOs should contribute more as it costs them nothing to do so. Issues around how changes in value should be reflected in long-term relationship were also highlighted. Overall, it appeared that perceptions of justice surrounded more than just satisfaction with inputs versus outputs; rather an important consideration surrounded partners’ perceptions of having been properly appreciated.

Throughout the discussion of justice, the concept of value was central. Indeed, the complexities in understanding the relative value partners placed on the exchange drove much of the discussion in this study, including understanding of the structural power imbalances in the partnerships. This leads to a call for greater integration of value and justice literatures. To advance this, this thesis presents a model that helps understand how the extent to which actors feel acknowledged for their contributions to a partnership support an experience of justice. This appreciation of participants’ individual approaches for examining justice, along with an emphasis on notions of value, is unlike dominant approaches that focus on the application of justice ‘rules’, for example around equity, equality or need. This model may provide a helpful basis for further discussion and research in this field.

13.1.4 Contributions to power-justice theories

A critical finding in this research has been the association between dependency and a positive appraisal of justice. Further, as power equalises, it appears that conflict may increase. This matches
some evidence from supply chain literature. However, the study noted at the outset inconsistent and mixed findings relating power to dependency, and power imbalance to justice and satisfaction. By interrogating the meanings of power, dependency and the dimensions of organizational justice, and relating these to the experiences communicated by the study participants, it is suggested that the confused findings in the literature may be hampered by a lack of conceptual clarity.

Drawing upon the studies of Linda Molm and colleagues (Molm, Quist et al. 1994), partial support is found for both the balance and legitimation hypotheses to explain the relationship between power and justice. However, this study advances this discussion, by arguing that neither theory adequately incorporates participants’ beliefs around the value they are contributing to, or accruing from the exchange. The study proposes dependence-satisfaction theory as a potentially better approach to understanding and explaining past results and the experiences of power and justice in this study. This suggests that, in a positive and non-abusive relationship, satisfaction is the inverse of dependence. An opportunity exists for this theory to be further examined and refined.

13.2 Managerial implications

This study raises a range of issues in terms that may usefully inform managerial practice within both corporate and nonprofit organisations. These relate to CSR as a context for the partnership, as well as for understanding power and justice in supporting a constructive and satisfying relationship.

13.2.1 Acknowledging CSR as context

Despite the reluctance for corporate participants in this study to label their relationships as CSR, it is recommended that they do so. CSR is a broad concept that accommodates commercial objectives. Ultimately, the partnership will be understood by consumers and stakeholders as part of a trend whereby corporations contribute to their wider communities by providing material support to social, cultural and environmental goals. Such partnerships contribute to the perceived legitimacy of the corporate organisations, and stakeholders, necessarily, are the judges of what is deemed acceptable. Acknowledging the context of CSR, therefore, includes understanding the ethical frameworks of those stakeholders whose judgments are important to the nonprofit or corporate managers.
13.2.2 Defining nature of relationship

Recognising that corporate-nonprofit partnerships are inevitably situated in a CSR landscape, it is nevertheless important that both parties are clear as to what kind of CSR partnership is being pursued. The broad categorisations reflected in Garriga and Melé’s literature review help provide a useful framework for considering whether the relationship is primarily:

- Instrumental – focused on direct income-generating initiatives
- Integrative – supporting broader reputation-enhancing and stakeholder relationship goals
- Ethical – demonstrating positive social and environmental behaviours because it is ‘the right thing to do’
- Political – consciously addressing the responsibilities of corporations in society.

These approaches to partnerships may reflect fundamental organisational philosophies. Unless these are well understood and agreed, however, they cannot necessarily be presumed to be shared by all staff, or that more ethical positions will withstand time and financial pressures. They may need to be recorded in organisational value statements and underpinning documents that provide guidelines for the partnerships. It is in fairness to one’s partner organisation that the underpinning principles of the relationship are understood and can be relied on as a basis for an ongoing exchange.

13.2.3 Reflecting nature of relationship in strategies and calculations

Following on from the previous point, it is important that the underpinning philosophy for the partnership is reflected in its goals and activities. A key issue to be considered is what kind of return is expected for the contribution being made? If a strict, calculable exchange is necessary for the value of the partnership to be recognised, this needs to be reflected in the negotiated exchange and partnership plans, and supported by appropriate measurement tools. Failure to do so may place impossible demands on the partnership to deliver unclear, undervalued or unrealistic results. If, however, broad objectives, ethical principles and/or an imprecise exchange are accepted, setting appropriate goals, strategies and indicators of success are equally important. In such cases, managers
should withstand the urge to quantify the results by narrow criteria and judge the partnership on those terms.

In terms of critically examining the kind of partnership being sought and the results expected for its success, it is necessary to acknowledge the perception that CSR may not support brand differentiation goals as well as it once might have. There are also managerial implications where engaging in CSR is experienced negatively by staff as something they do out of a sense of duty, rather than genuine goodwill.

13.2.4 Importance of corporation leveraging partnership

The importance of the corporate partner undertaking activities to maximise the value of the partnership appears critical for both sides of a corporate-nonprofit exchange, for ethical and practical reasons. For both parties, it is the size of the corporation’s contribution that determines how the magnitude of the exchange is understood. Consequently, the corporation’s ability to perceive adequate rewards from the exchange underpins both sides’ sense of justice having been achieved. For the corporation, this relates to their own satisfaction with the outcomes; for the nonprofit, it speaks to their sense that their contribution is properly acknowledged and the potential of the partnership is being fulfilled. While NPOs clearly have responsibilities to promote the partnership, their opportunities to do so may be limited, and will not include activities that require access to the corporation’s resources and customers without their partner’s support.

It is acknowledged that corporations spending more than the exchange value on promoting their partnership has drawn suspicion as to the true motivations behind their CSR activities (Goerke 2003). However, this study would suggest that corporations failing to support their partnership investments in this way entrench power-dependence imbalances and contribute to perceptions of injustice for both parties.

13.2.5 Nonprofit developing abilities to demonstrate value

This study provides evidence that NPOs may be vulnerable to perceptions of not achieving quite enough for their corporate partners. Further, the contributions of the NPO may tend to be devalued if they are not perceived as ‘costing’ the NPO anything. Therefore, it may be wise for
nonprofit managers to develop tools to ensure they are able to demonstrate positive outcomes for their partners. This may include calculating areas of direct value, for example comparing building signages and media mentions and with market rates for billboards and advertising. However, it is equally important for tangential activities to be acknowledged, such as supporting staff learning and morale and enabling quality assurance processes. This may also help ‘extra’ services – such as an advertisement opportunistically placed within a newsletter to supporters – be acknowledged as delivering additional value. Increases to the NPO’s offering, such as a growing supporter base, may also be calculated. While these may be used to demonstrate goodwill and commitment to the partnership, explicitly accounting for their value may, over time, contribute to the case for growing the financial basis of the partnership.

13.2.6 Understanding power

This study presents tools for understanding power and dependence in a partnership that may be of interest to corporate and nonprofit managers alike. It provides a critical framework for considering the extent to which organisations are maximising the power available to them by virtue of their partner’s dependency, and whether this exercise of power is appropriate. They may also consider the constraints created by their own or partner’s capacity to achieve the outcomes desired in the partnership. This tool may help partners critically reflect on ensuring they understand both their own and their partner’s goals for the partnership, and the extent to which these are being achieved within the power dynamic of the relationship.

13.2.7 Forming bonds

The advantage for NPO in painting a compelling picture of the importance of their work among members of their corporate partner and ensuring the partnership includes high levels of corporate staff engagement is affirmed. This recognises that strategic, altruistic and subjective motivations for partnerships may be interwoven and not easily distinguished. Therefore, building emotional bonds and commitment to the partnership provides an opportunity to demonstrate CSR as creating energy and boosting morale within the corporation, as staff make a difference to a genuine social or environmental issue. This may counter some of the negativity expressed by some corporate staff
members, sensing that CSR has taken on overtones of obligation, and feels like a cumbersome and difficult exercise. It may also help ensure the philosophical rationale for the partnership is shared across the organisation, and help the partnership withstand changes to managers and personnel.

13.3 Limitations and opportunities for further research

A central limitation for this study is inherent to research examining a limited number of cases. Its results can only be tentative, and are unable to be generalised across wider populations. Thus it is impossible to say definitively whether corporate-nonprofit partnerships involve an abuse of power on the basis of this research. However, this was not the intention of the research. Rather, the focus must be on generalising to theory, by noting and exploring critical issues arising from the study that may inform a deeper understanding of the questions under investigation.

Further methodological limitations for interview-based case study research surround participants’ ability to accurately recall historic events, and a desirability bias in their responses. Both of these issues were evident in the data collection, and while these were critically acknowledged where they were identified, this methodological issue is nevertheless highlighted. Additional limitations arise from examining cases only in a New Zealand context; it is possible that the cultural or regulatory environment create differences from other national contexts. While my reasons for including the preliminary interviews were outlined in the Methodology chapter, it may have been preferable for the referent expert interviews (Prelim 1 and 2) to have been balanced by their partners’ perspectives and presented as dyads.

Some issues that may have been interesting for further study were unable to be achieved through the methodology. These included the extent to which partners had, or lacked, the competency to achieve outcomes for their partner that was claimed. While this highlighted an important conceptual distinction between real and perceived power, it also prevented an accurate understanding of participants’ actual potential to achieve their outcomes through the partnership. Understanding this may have required a long-term action-based research strategy, where participants’ performance in the partnership could be observed and evaluated.

Although this study examines only a few cases, its reach is wide and the data is rich, touching upon several large areas of literature. This was necessary to critically examine a specific issue important to CSR from the relevant perspectives. Ultimately, however, this required decisions of
priorisation, leaving several areas deserving of greater and more focused exploration. This includes questions relating to theoretical development around power and the dimensions of distributive, procedural and interactional justice.

The power circles developed during this study were generated only through the qualitative data; therefore judgments were required to apply them to the individual cases. The methodology was unable to create accurate quantitative measures of the extent to which power was explored via the dimensions described. Therefore, they should be read as conceptual models, and cannot be taken as quantitatively accurate. By applying the case studies to the models, however, it became possible to visualise how power may be experienced under a range of conditions, and help create an understanding of the model’s potential.

Whilst contributing in several ways to explorations of CSR, power, dependency and justice, this study raises many questions that may warrant further examination.

One such area surrounds the changing face of CSR under conditions of greater financial uncertainty, and where increasing expectations to engage with the nonprofit sector has eroded the brand differentiation and competitive advantage that may be achieved by doing so. Claims were made that greater power has been placed in the hands of charities, but this is not substantiated. The extent and implications of any simmering resentment of CSR is also unknown.

Evidence emerged of corporations treating their nonprofit partners with generosity, behaviour that was supported within the context of CSR. However, it is unclear whether this is unique to a CSR environment, or what the limits of such benevolence are. Is extra generosity endorsed when dealing with a weaker for-profit organisation, and if so, when? A multi-national corporation dealing with a small boutique company? When would this be classified as CSR? If the company was dealing in ‘green’ products, for example? If they were from a developing country? Institutional theory may provide a lens to explore perceptions of social obligations of corporations.

The robustness of the models and theory presented in this study also require further examination to test their reliability. Can the power circles be developed in any way to serve as an accurate, or quantifiable, depiction of relationship power? Do they help managers understand how they, and their partners, are utilising the power resources they have available to them? Is the suggested relationship between one’s own perceived value and fairness borne out in wider
examples? Is there a reliable relationship between dependence and satisfaction, and what are its
limitations? Do these limitations help us identify abuses of power and instances of injustice?

This study used organizational justice as its framework for exploring the consequences of
power use in a partnership. An alternative approach would have been to apply the theories of a
justice scholar, such as Rawls or Nozick, to establish whether the partnerships fulfilled specific criteria
of fairness. This represents an opportunity for further research.

From this study, it is suggested that those who approached fairness from the perspective of
their own satisfaction with the rewards achieved tended to have a more positive view of the
exchanges than those who were comparing their outcomes with others, or with their sense of what
their partner could actually afford. There is perhaps a lesson in this in terms of the negative effects of
jealousy or entitlement, and further research may be fruitful in this area.

13.4 Yes, power matters

Power imbalance in these partnerships saw the corporate partners define the processes and
outcomes of the exchanges. It led to paternalism, devaluing of the partnerships and expectations of
gratitude. But dependency also created the opportunities for tremendous satisfaction, a positive
sense of justice, and a belief that, in spite of its imperfections, a CSR partnership could be “a seriously
good thing”.

References


215


1.1 INTERVIEW ONE: CORPORATE REFERENT EXPERT
1.1.1 Context of CSR

1.1.1.1 Primacy of strategy

The interview participant strongly asserted the view that CSR should be grounded in mutual gain, approaching this from a pragmatic perspective.

I personally passionately believe in things like [corporations contributing to society] but I also know that it’s absolutely pointless if you’re just relying people’s goodwill. Interesting, but it’s not going to change the world. Greed changes the world. That’s the reality. If you can make it this win-win situation where, in this case all three parties – consumer, company and cause – all get this kind of self-rewarding process in place that everybody feeds off each other, that’s when these things really start to work well.

This commercial underpinning was seen as safeguarding the long-term viability of the partnership, which would otherwise be vulnerable as personnel change.

The personnel’s probably changed 10 times, and the hardest thing with sponsorships\(^3\) is to survive personnel changes. Because most sponsorships, whether they’re just purely commercial sponsorships or cause related sponsorships, they tend to be personal. Even in big companies. To survive that number of personnel changes means that it has to work commercially.

It comes back to that – the word sounds wrong, but the spirit is right – it comes back to that there has to be greed on both sides of the party. They both have to get something out of it. And the reason I say that is that will create longevity. If it doesn’t it’s going to change when people change.

\(^3\) It is interesting to note here the interviewee describes the partnership as a sponsorship, when it is a clear example of cause-related marketing. Imprecise use of terminology is not uncommon in this study.
1.1.1.2 Strategy and altruism as interwoven

However, numerous comments made by the interview participant indicated an underlying commitment to the nonprofit’s objectives.

We started thinking about, what could we attach ourselves to and make a difference? And also help the brand. And something that was long term, that was one of the other rules that we had. We weren’t going to be in something for six months and then out of it. So we had to believe in what we were doing.

Indeed, the belief in the nonprofit’s mission was recognised as supporting the overall success of the programme. It enabled strong staff buy-in and contributed to the positive momentum of the programme.

They made us feel good, we made them feel good. Money started coming in. Profile raised. We were getting lots and lots of good PR coverage. Lots of nice notes from kids in schools.

Commercial and altruistic comments were therefore presented as tightly interwoven. This commitment to the organisation’s goals sits poorly with the altruism/strategy dichotomy frequently raised in CSR literature. In this example, there was no sense that the strategic fit was at the expense of genuine commitment and passion. Rather, both elements became mutually reinforcing and created a durable partnership.

1.1.1.3 Branding and communications

The brand-enhancing capacity of CSR was paramount in this interview. It is presented as a creative, quirky, new way of doing business that helped set this company apart from its competitors.

There were a few of us in the business who were trying to be sustainable, trying to be corporately responsible, and we started thinking, is there a potential for differentiating the brand? Again, long story short, we decided yes there was. We didn’t have a lot of money so we knew PR was really important to us. And effectively we started thinking about, what could we attach ourselves to and make a difference? And also help the brand.

Further comments highlighting the renegade spirit behind this pioneering CSR programme include the participant’s description of his employers.
They were, rebellious isn’t the right word, but they were innovative… And it just became this inbred part of the culture that it’s almost, if [their major competitor] is doing it then we won’t. We’ll do something different.

Interviewee One highlighted the element of curiosity that his organisation’s involvement in CSR aroused, as they were showing concern for the environment, even though they did not need to.

I think the other thing that made it slightly differently at the time, is that most people who were involved and all those companies that were involved in some degree of social responsibility were almost being forced there. It was like the breweries … and the banks... it was like putting a penny in the good bank because they were putting lots of pennies in the bad bank whereas we weren’t. So it would seem even more different because it was a [names product] company. Like ‘Why are they doing that?’ So there was the interesting different point of view.

1.1.1.4 The changing CSR landscape: The danger of diminishing returns

In relation to the above remarks on the brand-enhancing potential of CSR, the participant perceived changes to the prevalence of CSR practices over the past decade have made it harder to differentiate oneself on this basis.

And I think the other thing that’s massively different now is just the ability to stand out from the crowd. 99% of corporate responsibility never gets noticed. I pull that number out of thin air, but I’d say it’s probably higher.

This relates to the discussion of the conflict between CSR as a reputation-enhancement tool in comparison to other organisations, and CSR as a tool for improving the reputation of the corporate sector in general (Mutch & Aitken, 2009). As the practice of CSR becomes institutionalised across the corporate sector, its appeal as a point of difference to help secure competitive advantage is becoming undermined. It may be argued that CSR is becoming a “hygiene factor” for businesses rather than a positive reason to prefer any given organisation over another. This may have implications for organisations’ motivations to enter into community partnerships.

The increased expectation that businesses will engage in CSR initiatives have altered the power dynamics of the partnerships, according to the corporate informant. He describes this in the context
of praising the nonprofit for its willingness and flexibility in negotiating a mutually satisfying partnership.

Having dealt with other causes in the interim, some people are so zealous and almost bloody-minded about what’s the right answer. You really have to fit in with what they want to do. And I think with the explosion, if that’s not too strong a word, of corporate responsibility and people feeling like they have to do something, it has put quite a lot of power into the hands of the causes.

### 1.1.2 Dependency

Over time, the strong association between the two organisations meant the dependency became increasingly shared. However, he thought it would be “grandiose” to think the end of the partnership would be damaging to the corporation’s ability to function or achieve its objectives. It would just be a very bad decision.

As time’s gone on it is a little bit of one of those, I can’t think of an analogy, but in nature where two animals can only survive, where if one died the other one died... I think we’re at the point now, that it would be a very hard to pull out. Really hard... I think [the corporation] would be tearing up massive amounts of equity.

### 1.1.3 Perception of partner dependency

The corporate participant demonstrated awareness of the dependency of their partner, however and recognised the strength of his organisation’s negotiating position. Comments acknowledged the dimensions of dependency: the magnitude of the exchange and the availability of alternative options.

I think you know, we had the $xxxxx and they didn’t. And I guess at that time, casting your mind back to that point, that was an awful lot of money to them, that was an awful lot of money to us to be honest. And the way that we’d gone about it probably put us in a powerful position because by definition, they knew that there were other people after the money. So it wasn’t a binary choice. It wasn’t yes or no, it was either yes to them or yes to somebody else. So I think in a subtle way that put us in the more powerful position.

The partner’s lack of alternative options was recognised in further comments:
Whereas one of the things that we wanted to do was own the issue... We wanted to be the only brand that was associated with the programme.

And

It wasn’t as if they were having their door beaten down by people wanting to give them $xxxx.

1.1.4 Ability to achieve desired outcomes (power)

1.1.4.1 Setting the agenda

The participant described taking a driving role in the partnership from the outset. His company had called for nonprofit organisations to pitch to them, and selected their partner through this process. They offered the successful partner a certain amount of money, and developed a cause-related marketing programme that would communicate the relationship to consumers.

We agreed to an amount, we said we’re going to put $xxxx in this, a year, for the next five years.... And [I] came up with that simple model of, every wrapper you send in we’ll give a dollar.

I think we committed up front for three years. And I think the assumption, depending on who you’re talking to, but I guess some people said it will be over in three years and other people thought if it goes well we’ll keep revisiting it. I think that after about 12 months we all knew it was going to be more than three years because it was arguably, from a marketing point of view, it was the best $xxxx we spent every year. It was almost the first thing that went into budget because it was so obvious that it worked.

From these comments, a picture emerges of the corporation actively directing the shape of the partnership. In the main, these activities appear to have been strongly supported by the nonprofit. He comments:

They were very supportive of the advertising campaign. Which was again quite progressive of them.

So, while power was not being exercised in the sense of going against the partner’s wishes (Dahl 1986), or coercion (Etgar, Cadotte et al. 1978) the corporation’s power was evident in establishing the terms and framework of the interaction between the parties. However, within the basic structure, comments were made that also suggested the nonprofit was able to influence the final shape of the exchange agreement:
It wasn't like they were commercial bimbos, that they'd just do everything we told, there was lots of dialogue.

They said...We have a brand as well and to make the best use of it you’re going to have to commit to that money upfront.’ Which was never an issue. We were never not going to commit to it but I think they were smart enough to realise it wasn’t just a one-way street. They were helping us as much as we were helping them. They were quite good in that sense.

The nonprofit’s willingness to state their position and preferences appears to have engendered the respect of their corporate partner.

...now I recognise they were very good at what they did in terms of being commercial. Knowing when to say yes and when to say no. Knowing what was appropriate and what wasn’t appropriate. And being sensible.

The interviewee did not perceive power as having been exercised in a way that would have caused harm to the partner.

I don’t think there were any situations where people felt they were making decisions that weren’t the right decisions.

1.1.4.2. Overcoming resistance

The participant described an example around an advertising shoot, in which the corporate organisation achieved an outcome their partner was initially reluctant to pursue.

[It] was a little bit controversial at the time... And [the nonprofit representative] ...was concerned about the potential negative PR of it. But I think we convinced them and everybody loved the commercial so much. And then I think at the end of the day they said let’s do that anyway.

1.1.4.3 Power to help partner

The corporate participant alludes to the point that the exercise of power should not be presumed to be at the expense of the partner, but rather in their mutual interests. He comments:
I guess this was in the back of my mind the whole time, if this wasn’t successful we were going to be out of [the partnership] pretty quickly. So let’s make it successful. To be successful we need to make them successful.

In pursuit of this objective, the corporate invested highly in promoting the nonprofit’s brand in media, advertising and education channels. This aligned comfortably with one of the nonprofit’s key objectives for the partnership.

1.1.5 Justice

1.1.5.1 Distributive Justice

As well as increased sales, the interviewee refers to a positive impact on brand equity, staff morale and workplace culture. He also lists outcomes for the NPO, including enhanced profile, increased membership, educational resources, assistance with activities involving staff volunteers and direct positive results in terms of the mission they were pursuing. The interviewee had an extremely positive perception of the outcomes of the partnership.

It was far more successful than we'd possibly imagined. And it was one of those cases where, from the programme that we developed, the packaging, the TV campaign, you look at the sales chart and you can basically point to when it launched.

The interviewee’s perception of the positive outcomes of the partnership was shaped by “this feedback loop that was just really strong”. Thus, the speed and clear causality of the outcome in relation to input appears to have heightened the distributive justice of the exchange.

It became very rewarding. And you could see, you put a bit of energy in here, and reward, energy, reward, energy, and again it became a very easy thing to operate.

He directly mentions the role of power in terms of the outcomes of the partnership,

Whether it was because we had the power or just because they were smart and had a commercial sense about it, we ended up getting what we wanted in most cases and I think they got way more than they ever dreamed of.
1.1.6 Procedural Justice

The processes identified in developing the partnership involved an initial brief, advertised widely, leading to a presentation from the hopeful nonprofit. The corporation then selected its partner, and offered cash payment, initially on a three-year basis, which was then extended. The corporation developed a cause-related marketing campaign and associated advertising and educational resources. As part of the negotiation, the nonprofit expressed its need for a cash up-front payment, which was agreed upon. Beyond this initial process of establishing the partnership, the relationship was characterised by ongoing dialogue and communication. Further ad hoc activities were pursued beyond the formal negotiated agreement.

Asked how satisfied he was with the process of forming the partnership and how it was conducted in the following years, the corporate participant makes a series of wholly positive comments. The interrelatedness of justice dimensions is evident, as his evaluations of procedural justice refer to interactions, “they were really good people to deal with”; processes, “there was lots of dialogue”; and outcomes “Money starting coming in. Profile raised. We were getting lots and lots of positive PR coverage. Lots of nice notes from kids in school.”

1.1.7 Interactional Justice

The interactions described included the corporate participant’s impression of the nonprofit’s initial presentation, their ongoing discussions and dialogue, and the general appraisals of the character and attitudes of the nonprofit partner. Through these activities, the interviewee comments that “there was a lot of goodwill created”. This appears to have engendered a culture of each party going the extra mile for their partner. He believed the nonprofit partner managed the relationship well, and appreciated the extra effort they would make to promote their corporate partner as opportunities arose, eliciting this comment:

If I was teaching or lecturing or whatever, people on corporate responsibility, it’s doing things you don’t need to do that really make a difference. Doing things that you signed up for on the contract, yeah, interesting, but you have to do them. The stuff that you do that’s not in the contract that really builds the relationship.
He reports on positive interpersonal relationships, describing his nonprofit partners as “a great group of people”. Adjectives include “smart”, “sensible” and describing mutual “respect”. He praises them for being “deeply passionate” and “highly motivated”, and that this translated into the overall strength of the partnership: “There was just this enthusiasm that became kind of infectious.” This suggests a high evaluation of interactional justice.

### 1.1.7 Equity

As well as exploring participants’ perceptions of justice, this study aims to understand how fairness in the exchange was evaluated. Asked how the exchange amount was agreed, the interviewee responded:

> I don’t think there was much science to it. I think $xxx sounded like enough. It sounded like a meaningful amount….I think just from a common sense point of view, you could make it [double] and it’s not going to get anybody buying more [product]. But if you made it [quarter the amount] it sounds really token. So I think it’s just really a bit like that.

He adds that the aim of the partnership was not just about being seen to promote a cause and raise brand profile, rather it was a mechanism to increase the involvement of the consumer with their product. Therefore, the exchange was not tied to a specific financial return, which may have allowed some flexibility in calculating the appropriate amount. This echoes comments in the literature regarding the rationale for entering a partnership. In evaluating this exchange, the corporate participant does not seem driven by a cost minimisation approach or a desire to exploit a power advantage as suggested in resource-dependence theory (Pfeffer and Salancik 1978), but rather took a broader value-creation perspective consistent with the resource-based view of the firm (Fahy 2000).

> At some point you almost want to make [the financial sum] irrelevant. It’s not about the total amount. I think the way we thought about it is, how do we create this congruous consumer to help a cause?

He comments further that the clear rewards evident on both sides of the partnership contributed to the motivation behind the partnership, such that it took on a life of its own: “It became a self-fulfilling prophecy”.

> They made us feel good, we made them feel good.
1.2 INTERVIEW TWO: NONPROFIT EXPERT PERSPECTIVE

1.2.1 Context of CSR

1.2.1.1 Beliefs around corporate duty

This participant was generally strongly supportive of businesses contributing to social aims. This was specifically related to corporations’ financial might, and motivated the participant to pursue funds from this source.

I definitely think that corporates with their expenditure and profits that they make... They do have a social responsibility to their customers, to the community... I absolutely think they have got a social responsibility to, in some way, put back something into the [responsibilities around the product]... , they have on their desk when you go in a picture of their shares where you can see how they’re going up. And I always look closely at their profit. When they’re worrying about their profit it goes down to $xxxx or something – I mean it’s a huge amount of money, and I kind of thought that the $xxxx they gave me was miniscule.

1.2.1.2 Perceptions of pursuing corporate funds

For the participant, pursuing corporate funds reflected a progressive approach to pursuing her research objectives:

I think about myself as a research entrepreneur, so am kind of quite a bit ahead of where [my organisation] is

However, the interviewee acknowledged tensions with her colleagues about her liaison with a corporation.

I got a lot of flak from that, from the public health community. [The corporation] thought they were doing me a big favour, I had to continually justify that I wasn’t being bought by a company.
1.2.1.3 Social need and dependency

The interviewee identifies a conflict between her work aiming at addressing social inequalities for people on low incomes and many corporations’ motivations to reach high-income consumers. This is recognised as an impediment to securing a corporate partner, potentially increasing her dependency within a particular partnership as her alternative options may be limited. This highlights a limitation for CSR as a mechanism to address social need: in this instance, where the need is great, the motivation for corporations to engage with this market may be lower.

We’re working in the area of reducing inequalities, and I made it clear that I was trying to improve the health of people on low incomes. [Corporate partner’s competitor] decided that wasn’t where they wanted to be. They wanted to push into the top end of the market. And I’ve been told informally that [another of the corporate partner’s competitors] that’s where they wanted to position themselves... So I had to hand it to [corporate partner] that, and this was where [corporate brand manager] and I worked well, about selling it to them, even knowing that I was concerned with that end of the market.

1.2.2 Dependency
1.2.2.2 Magnitude of exchange and availability of alternatives

The exchange was identified as critically important to the recipient. Comments regarding its magnitude referred immediately to the availability of such funds from other sources.

It was pretty critical. I probably couldn’t have done this study without it. [Lists expenses of study] So that money becomes very difficult to gain.

In the previous section, the attractiveness of the research to other potential corporate partners was mentioned, noting the focus on poverty limited the interest and availability of alternate corporate funding sources. Although the above statement suggests her dependence on the funds, she later reveals that she was able to make ends meet, albeit not in an ideal fashion, once the corporation decided to cease funding the project.

I was pleased they had funded it too because there was actually a shortfall in the funding which I have had to subsequently do consultancy work to pay.
Comments were made that indicated exchange of significant dimensions. The interviewee described the partnership as “the biggest [corporate funding exercise] that we've done.” However, while the money received from the corporation to assist the research project was substantial, it was a modest proportion of the overall research funding.

It was generous of them but I don’t think that, aside from [names corporate manager], that anyone in the organisation really understood how expensive this kind of research is, and that they had been a player only. An important player, but not even the major player.

1.2.2.3 Dependence on fact of exchange, not amount of exchange

The importance of the corporate involvement also related to the signal it sent to other stakeholders and potential funders. This is interesting, as it appears to trade on the idea of a negatively-perceived self-interested corporate sector.

They were important because they, once they decided to do it they made the decision quite quickly, and that provided leverage for me to for getting other money. I could go to the [one government department] and say, ‘Look, even [corporation] says this is important.’, or [another government department], who were stuffing around, were they going to pay or weren’t they, I mean, even [the corporation is involved]. So there was a bit of... I would never have done it but you know, it’s like “[The corporation] is paying to [improve welfare of low-income people] and you won’t pay into it”. I used that as a third tier of bargaining for people who were pretty reluctant.

The tension between the recipient’s need for corporate funds, and concern about their broader activities, was identified.

They gave more to us than anyone else. It was worth doing that. On the other hand there were things they did that I didn’t particularly like, so I wanted to be somewhat distant.

This ambivalence further reflects some of the uncertainties for NPOs regarding seeking and accepting corporate funding, noted in the literature review (Martinez 2003; Parker and Selsky 2004).
1.2.3 Ability to achieve desire outcomes (power)

1.2.3.1 Perception of feeling thwarted

In this interview, the participant demonstrated limited power to achieve specific changes and outcomes she sought. These ranged from suggesting the amount of funds received to additional promotional activities to changes in how the agreement was administered. Notably, these included initiatives directly aimed at benefitting the corporation.

I actually asked for a lot more. I thought that if they were really going to fund the study it would have been a phenomenal amount of time waiting for money from here and there, so it would have been much easier for me if they had given me a $xxxxx.

I also, unsuccessfully, tried to get them to shift the grant to us, from under communications to research, because the government brought in this R & D thing where they can get tax breaks for investing in research.

One thing which we suggested that they do, is we could do little free things, periodically about results of the study. We pointed out that there would be a huge number of families would be involved in this, many of them were [corporate] customers, people are really interested in [product], they could run a little column of what they found out from this study. Now there’s one of those been done, and now [former corporate manager] left and, they have a huge turnover of staff.

1.2.3.2 Identifying power issues

In describing these difficulties, the interviewee raised the issue of power balance as an impediment to progressing the partnership. Her statement captured the sense that power imbalance was a concern, but was inconclusive as to the nature of this experience.

There was the thing about power - they thought it was a great idea, we were going to do these things for theirs newsletter, there’s been one of that, and we would work on another two, and I don’t know what happened, I never got back with a draft of the other one.

1.2.3.3 External conditions as impediments to achieving change

As well as issues of power and dependency, the interviewee indicates that the organisation’s structure hampered attempts to achieve changes.
I do think one of my observations about [corporate] is they are in silos. I think [former corporate manager], despite his gregariousness and the nice man that he is, got siloed.

**1.2.4 Distributive Justice**

The main outcome of the agreement was a three-year contract to support a research project relating to the sector in which the corporation operated. The corporation received media coverage, acknowledgement in publications and government recognition for their involvement. They also promoted themselves in association with a previous project in the same area carried out by the nonprofit, which they had not funded. Additional, ad hoc opportunities for promoting the research and the association between organisations were also pursued.

We have done things like put research on their website or have developed a relationship with them where they can come to us [for comments and advice].

The interviewee perceived herself to be providing value to the corporation through offering expert knowledge on a social issue relevant to them, strategic CSR advice and networking opportunities. This led to wider stakeholder recognition.

And I think it’s been a very big area, and [government minister] specifically mentioned the relationship between [corporation] supporting research in this area, so it certainly got the brownie points with the government. I think it gave them access to a whole really interesting research group. And they had in me someone who was pretty knowledgeable, who wasn’t going to go and embarrass them.

At the end of the contracted period, the corporation declined to renew the agreement or remain involved in follow up activities.

**1.2.4.1 Overall satisfaction**

The nonprofit recipient of the corporate funds expressed satisfaction to have received this financial contribution to her project, as demonstrated by her comments regarding the criticality of the funds in the sections above. She also made positive statements around some of the other dimensions of the exchange, including the corporation’s promotion of the study they had not funded:
But they advertised the results of that very widely, and paid for it. They put up full-page ads in the paper about it. Which I was quite happy about, I thought it was kind of exciting, and was pleased that the link between [social issues] and [the sector in which the corporation operated] was being made.

I accepted that the outputs that the comms people were required to do, he did very well for us. I am very grateful to [corporate manager].

She also expressed satisfaction that the results of the study had directly led to interventions to improve the welfare of those in low income households.

But this is a really important area, the government put in over a billion dollars into [an initiative to achieve better social outcomes] to a large degree on the basis of our work. So it had a big impact on public policy.

1.2.4.2 Focus on corporate benefits

In discussing the outcomes of the partnership, many of the interviewee’s remarks related to the benefits received by the corporate, rather than herself. Her perception of the outcomes of the partnership centre upon her sense that the corporate was not happy with the benefits they had received.

I think he thought I was a press agent, I would be turning out, honestly, there were a phenomenal number of press releases they got from us.

I remember one day [former corporate manager] had done this huge big thing with [another nonprofit organisation]. He didn’t get any single press coverage. We released our results and got on Campbell Live and talked about [corporation]. It’s a question of what perspective you were looking at. They would see it and maybe hear [corporation] mentioned once. Well I think that’s sufficient in terms of brand power. It’s like a product placement. I think that actually [corporation] got quite a lot from the media coverage that I got through product placement through their name being mentioned. But there was another element. We talked about our work. They got quite a lot of coverage from that – actually more than they got from [another nonprofit partner]. We got a lot of coverage, hundreds of calls actually.

Her concern was that the corporation had unrealistic expectations, failed to appreciate the outcomes they were achieving, had been unclear about their expectations and had poor processes for seeking remedies for their dissatisfaction.
1.2.4.3 Achieved results against perceived potential results

While the outcomes of the exchange had been positive, therefore, the interviewee paints a picture of unfulfilled potential for the partnership. The distance between the achieved distributive justice, and the potential distributive justice was experienced as unsatisfying for the participant.

I think they could have made more use in a positive sense in terms of looking at different areas of the market. We were quite prepared to do extra stuff for them which they never asked us for.

Considering they hadn’t taken up what we had kind of offered to do. I think – we talked a lot about research and policy and the timeliness of it, even though we did things quite quickly, we gave them preliminary results which was taking actually quite a risk. But I still think they got quite a lot. They felt that you should be able to do this extraordinarily complex study, going through all the data, analyse it and peer review in a year, even though you’re going over two winters, I don’t think they had any idea how long it takes. I mean no one in there was into research and knew how long it takes. I think they underused what they could have done, or still could do.

1.2.5 Procedural Justice

Processes described for conducting the partnership included the development of a formal fixed, three-year contract. Beyond that, specific activities focused on securing publicity for the corporate were negotiated through ongoing meetings and discussions. The process of developing this kind of contract was new to both parties, but was achieved quickly and successfully by the individual managers:

I am an impressive negotiator. I used to be a clinical psychologist! Basically I presented all sorts of position papers about what would be the advantage to them. And [corporate manager] and I were coasting on that.

Once they decided to do it they made the decision quite quickly

The contract was successfully achieved somewhat in spite of the organisations for which they worked. Comments included:

[There was]… a formal contract, with payment over three years. The [NPO] was pretty hopeless at one stage… and we almost lost the money because we forgot to invoice them. And [corporate manager] had
to say, do you want this money or don’t you? I had to ring and say, ‘For God’s sake invoice them because it’s getting out of the financial year.’ So there was slackness on both sides.

No I didn’t [have formal guidelines], I did it entirely by myself. But right after I’d done it I had [my employer] was saying to me if you were going to have money more than $xxxx it’s supposed to get approved. That’s the advantage of being [distant from main office]. They don’t care what you do so long as you’re getting money.

Following the negotiation of the contract, the interviewee describes regular meetings and ongoing interaction.

There were informal agreements as far as, they’d like to talk to the board, that they really valued that future thinking stuff and they would continue that.

We worked quite closely together, or at least we were closely trying to facilitate their stuff. I also, for a period had two if not three specific meetings where I alerted [corporate] to things they might do, talked to them about things like climate change, so that they could have quite a lot of future thinking.

1.2.5.1 Feeling “owned”

Following the successful negotiation of the contract, the interviewee had a less positive perception of the ongoing processes that underpinned the partnership. In some instances she felt the corporate managers pursued processes that failed to appreciate the boundaries of the partnership.

Now [corporate manager] had some idea of coming to the [NPO] and and felt like it should be our comms people talk to their comms people, which was sort of somewhat unrealistic in terms of, like somehow the fact I am “owned” by [corporate] …

1.2.5.2 Undermining confidence in processes

A common refrain in several of the interviewee’s comments was of the distance between words and action.

…at one stage when [corporate manager] was really focusing on this (laughs), was that we were going to be very clear about outputs. And I was very happy to go along and talk to the board, and we agreed that
that was the case, I could talk to them for two minutes or an hour or two hours. They never took me up on that.

We gave them a briefing afterwards of all the extra study that we could do for them. And they never actually took us up on that. So I feel there is a gap in the organisation from actually thinking about sponsorship and actually the link through the sponsorship to research and enterprise.

...they could have made far more use of me and I would have been very happy to see it happen.

Therefore, the interviewee perceived ideas being generated and agreed upon through a positive process, yet not being followed up on and carried out. This appears to have undermined her confidence in the processes of the partnership as a means to achieve the outcomes she sought. This related not only to outcomes that would benefit her directly, but also outcomes that would have benefited her partner, ideally increasing their satisfaction with the partnership.

1.2.5.3 Withdrawal of interest in relationship

Over time, it appears the corporation’s willingness to even engage in discussion dissipated also. Although the formal contracted period was over, the interviewee perceived this disinterest negatively. It neither enabled each party to reflect on their learnings from the partnership, nor acknowledged the personal investment each party had made in the relationship and thus was perceived as disrespectful. The following passage identifies several concerns the interviewee had about the processes by which the partnership operated.

I was really surprised that they never wanted to do a debrief about it or anything – it was more like ‘we had a sponsorship, and now we don’t’. That was quite an eye-opener for me. Because I was quite impressed by how fast they moved initially. So I expected a rational decision-making, and some sort of evaluation, what have we gotten out of it? How many times have I got [corporation] in the business pages and stuff? I suggested to [corporate manager], I got him to sit down and we drafted – I said, you should be writing a piece in the business page about what you’ve achieved and how innovative you were, and I actually drafted it for him. But if I had put all this money into a research group, I would have called a meeting. But him not having the chance to reply to my email and my letter, I feel a bit discarded, I feel a bit reluctant to go back cap in hand, because that puts me in charity mode. So I would say, my overall feeling is it could have been better.
But for me it was a really interesting insight into a corporation. How they can move really fast if they want to but how and then they – well I wouldn’t want the word used – they get bored.

The concerns identified above include: a perception that a debrief or evaluation would have been an appropriate process; a desire for an evaluation of parties’ satisfaction with the partnership to be based on evidence and analysis; and the link between poor processes and a perception of being undervalued as a participant in the partnership. This includes the perception of being cast in a powerless role, “in charity mode”, which the interviewee appears to be interpreting as an affront to her dignity. This dynamic has disincentivised her pursuing a further relationship with the corporate, as continued interaction may implicitly endorse a disrespectful relationship dynamic. Thus the interviewee exercises the remaining avenue of power available to her – the ability to dissociate herself from inappropriate and upsetting behaviour. This suggests the importance of follow-up processes, even following the termination of the partnership, as a means for showing respect to the participants in the relationship. The interviewee acknowledges the time-consuming nature of ensuring robust processes, but presents this as important for building positive relationships with satisfying outcomes for each party.

But my overall thing is that this is a relationship like any other, and there has to be a phenomenal amount of time put into it for both parties to be satisfied, and that’s quite difficult to do.

It also highlights sensitivity around being treated as, or forced to behave as, a “charity”. Despite the clear differences in the organisations’ missions and resources, being treated professionally is seen as a signal of demonstrating respect in a relationship.

1.2.6 Interactional Justice
As suggested above, the interviewee reports a mixture of experiences in her interactions with her corporate partner. The personal characteristics of the corporate manager who established the partnership were described positively. He was referred to as “The kind of person who has the vision”, and “a very good person”.
1.2.6.1 Pressure within organisation influencing relationship with others

Although her personal relationship with the corporate manager was based on mutual respect, he was under internal pressure from his manager, which was occasionally externalised onto the interviewee.

The main conflict...I’d say he got a flea in his ear at work when he changed, and I think he got stroppy with me, why haven’t you done *** Gr bl**!” But because we liked each other we worked it out.

1.2.6.2 Perception interactions influenced by status

Further comments indicate a concern that the quality of interactions was influenced by perceived status in the relationship. Asked to describe her interactions with the corporate partner, she responds:

Perfectly fine. It was kind of difficult at the time. I mean sometimes they would drive me crazy. We always went down there, interestingly. One time I went down there and was waiting for an hour and it turned out he had gone out for a run. Oh I’ve been waiting for an hour – They were casual ... Half way through, I did think I went more than halfway in giving them what I thought were important strategic directions and being available for briefing ... I saw that as part of building a relationship. But on the other hand, because I didn’t charge for it, I did think there was a degree to which they undervalued me. It did make one of my reflections has been that if I had come from a [consultancy] organisation ... [talking] about how to leverage a corporation for 10 years, and charged them $10,000 for a briefing, they might have actually paid more attention to me. So it was an interesting insight into a corporation.

1.2.6.3 Enjoyment of corporate largesse, but distance between words and action

In terms of her relationships with other corporate members, she discusses being charmed and schmoozed, then discarded. She recalls some lovely dinners:

At one stage I persuaded [her employer] that they should pay attention to [corporate] because of their sponsorship of us was very important and innovative. And with some cajoling, we agreed to have a joint dinner. And [corporate chairman] came, and [corporate CEO], it was a lovely dinner, really fun. And then when the ... study was going on we had a dinner, [NPO CEO] came up and the [NPO] was going to pay and [corporate CEO] said, no I insist I pay. It was a very nice dinner, and there was a very interesting...
conversation about the relationship between the [NPO] and [corporate]. [Corporate CEO] essentially said, we really want this to prosper, it’s just a case of working out the architecture. So, there was an investment in it on both sides.

However, the work in developing the “architecture” beyond the existing contract did not eventuate. Rather it appeared that interaction between the organisations essentially dried up at the end of the contracted period, with little further interaction.

I would think that [the relationship is] not now [important to corporate]. They would think, What partnership? We had a partnership with [the research organization]? And in fact I’ve got to help, I sent a letter to [corporate] that they haven’t replied to... So, it’s kind of like, you’re in or you’re out.

I’m wondering if there is a relationship. I’m sure if I didn’t gird my loins, I’d never hear from them again. How would that make you feel?

1.2.6.4 Expectation of loyalty through taking risk for partner

The experience engendered a negative perception of interactional justice. As well as being perceived as disrespectful at an interpersonal level, the interviewee was concerned about the implications it might have for her colleagues’ perceptions of corporate partnerships. The corporation’s behaviour was perceived as betraying the effort expended in defending them and the business arrangement.

I don’t want to sound churlish about it. But I feel personally disappointed about it given the huge amount of time trying to explain to my colleagues, who were extremely suspicious of it, and many people challenged me, it was like working with the tobacco industry. As I said to them at some stage, you think you’re doing me a favour. But actually I have to defend receiving money from you. So I thought we had forged something quite interesting.

1.2.3.5 Perception of self in relationship

The interviewee characterises herself as having been professional, loyal and discreet throughout the duration of the partnership. This adds to her disappointment in the ending of the relationship.

I knew a lot about what was going on which I treated confidentially
So I would say, with due modesty, they had a real asset in me. I was discreet, I was loyal, I helped work around their thing, and they could have made much more use of me. And they didn’t, and then they got bored. So for me it was kind of interesting. And the relationship I thought I had built up, they were a market leader around health stuff, and they dropped all that.

**1.2.7 Equity**

**1.2.7.1 Calculating exchange**

The interviewee acknowledged that the agreed exchange was not based on exact science or calculation, but rather a figure that was tolerable for both parties. She uses affordability to her partner, and comparisons with others as measures of an appropriate exchange.

I don’t know how much they gave to [another NPO partner] but I think we got quite a bit more than them. So I was always expected to be extremely grateful. Which I was. But I thought this was small biccies for them.

But actually compared to what they spent on the other stuff, it was peanuts. In the period they were paying us, they made profits of $58 million.

The interviewee does not mention the market value of expected publicity as a potential basis for the contracted amount. However, her comments relating to the corporation’s satisfaction indicates that this is where they appeared to perceive value. Similarly, the interviewee’s comments regarding the corporation’s perception of the importance of the exchange suggest they may also have not been focused on where the nonprofit organisation attached value. She identifies that part of corporation’s disappointment in the value of the partnership may have related to their own perception of the importance of the exchange.

But they were concerned I guess, first of all as [corporate manager] pointed out recently, quite a few people thought that they’d funded the whole thing, [when they had funded about a sixth of it]. So they always expected that it would be the [corporate] study. But in fact it was [lists several government and funding agencies], and they were actually quite a small player. But they thought they were so pleased with themselves that they had funded it...
So it was generous of them but I don’t think that, aside from [corporate manager], that anyone in the organisation really understood how expensive this kind of research is, and that they had a been a player only. An important player, but not even the major player.

Further, she perceived the corporate as not recognising the costs to her in receiving the money from the corporate, and the tension this engendered for her in a professional capacity. It appears that by not focusing on the aspects of exchange where the partner assigns value, and in inaccurately perceiving the benefit for the other party, opportunities to develop appropriate expectations and measures of success were diminished.

1.2.7.2 Reward versus comparative fairness

As well as the dimension of distributive, procedural and interactional justice, a further approach to understanding justice is relevant here: comparative and non-comparative, or reward, fairness. Reward fairness evaluates whether individuals are satisfied with the goods they receive in return for the contributions they have made. Comparative fairness considers justice from a perspective of comparing outcomes with those received by others in similar situations. Thus it is concerned more with equality as compared with external referents (Montague 1980; Sashkin and Williams 1990). It is interesting that this interview participant was working in a field of reducing inequalities among socio-economic groups, concerned for the welfare of low-income New Zealanders in comparison with others in the community. In her evaluations of this specific partnership, she also used a range of comparison-based measures of fairness. This included comments regarding the level of effort required to service the corporate partner compared with other funders who contributed greater funds. She also perceived the contribution from the corporate to be “small biccies” when seen in relation to their overall profits.

1.2.7.3 Unclear expectations and measures of success

In discussing the perceived equity of the partnership, the interviewee acknowledged the value of the exchange had not been clearly calculated. When asked how the success of the partnership was measured, she responds:

Well I think that’s the problem that [corporate manager] and I worked through. What are you going for? For me, the fact that I managed to mention [corporate], they should be pretty for grateful to me, not to mention giving them steers about where they should go with corporate responsibility. I would even say it might even be a qualified failure. It was very unclear to me what they actually further expected.
Without clear expectations for the partnership, different participants had different perceptions of its value. Changes in decision-making staff left the partnership extremely vulnerable to the vagaries of these individual perceptions.

Well this is probably a bone of contention ... with the company. I actually thought they got a lot for what they got from me. In fact if I had charged for the meetings and stuff... they always thought that they had given me a lot, I was very grateful for what they had given. But I suppose a central tension in it was that they, because they had three different CEOs over this period, and [main corporate contact] had moved into a role, and he had to keep persuading them about the value of what they had got. And so they, I would say they probably questioned what value for money they got.

The difference in expectations extends to the speed at which results may be achieved. In this area, the interviewee perceived the corporate to have had unrealistic ambitions.

I think it is pretty shortsighted on their part. Because they did invest quite a lot into it. And as anyone will tell you, when you’re investing in a relationship, you don’t expect immediately short term rewards.

1.2.7.4 Adding value

The interviewee perceived that she enabled the corporation to achieve greater value from the partnership than the original contract suggested. This included enabling them to associate themselves with an earlier study that they had not contributed funding towards. However, she felt these ‘added value’ tasks were not acknowledged by the corporation, and not included in their assessments of the overall value of the partnership.

There are a number of occasions where they got a lot more publicity from me than they did from anything.... they actually got a lot of publicity from the [first] study, which they hadn’t had any input into at all... but they sort of free-rode on the results of the initial study. And then they were always mentioned in the [second] study, where preliminary results are about to be published in the *British Medical Journal* and there may be more publicity later.

Despite these extra efforts, the interviewee describes a frustrating sense of never quite achieving enough for her corporate partner.

Well I was grateful to them. It was never clear to the extent of how grateful I had to be to them. If I mentioned, “this research would have been not possible without [corporation]”, had the press then decided, oh this is too boring, I’ll cut out all the sponsors, they felt I hadn’t mentioned them. It’s not like
I always controlled things. I’d always put it on press releases, that sort of thing. But somehow that wasn’t what they thought about cobranding. We never quite got it right.

The interviewee felt obliged to undertake numerous tasks to demonstrate ways in which the corporation was achieving value from the partnership. However, as the director of a research unit, her capacity to achieve these goals for the corporation were limited:

We don’t have a whole comms department like they do, with [corporate manager] just working on wheeling and dealing.

1.3 CORPORATE-NONPROFIT PARTNERSHIP – PRELIMINARY DYAD

1.3.1 Context of CSR

1.3.1.1 Philosophy of CSR

Like Preliminary Interview One, the corporate informant in the preliminary dyad emphasised the importance of grounding CSR activities within a commercial discipline, placing this within an understanding of economic liberalism (Friedman 1962). This is explained within the extended quote below.

If you read our mission/vision statement that’s hanging in reception on your way out, you’ll see in there that we reflect that we are part of the community in which we work and so there’s an acknowledgement and a belief that we’re not removed from that, we are a part of it, so we have charity golf days, we get involved with school activities etc. So part of our ethos is that we have to give bits back to the community because we are part of that. I guess corporate responsibility to me perhaps has some overtones which I don’t necessarily agree with... There are different views on corporate responsibility, good corporate citizen stuff. And I think they tend to fill up a spectrum that says ‘corporates should be giving away all their profits and getting right down and into it’ and there’s another view which says corporates are here to make money and then how people choose to spend that money is whether they donate it to...I certainly don’t sit at either end of the spectrum, but we often get beaten, sorry, not
often, sometimes people will talk to us about this end of the spectrum here [indicates giving-away-profits end], which I don’t think is an appropriate place for a corporate to be. So we probably sit in the middle-ish, and our vision and mission says we are part of the community, we are actively involved in it, but ultimately we are here to make a return to the owners, and if they want to then give that more money back then they can make those personal decisions.

In the description, it is possible to detect some ambivalence around CSR, and a defensive tone emerging. This contrasts with Interview One, who spoke as an enthusiastic, even renegade, industry leader in this area. This may suggest something of members of the corporate sector tiring of externally imposed expectations to engage with CSR activities and perhaps feeling unjustifiably criticised.

### 1.3.1.2 CSR influence on exchange

The community-building activities he refers to relate to philanthropic events. Although this is described as a process of “giving back”, he appears not to refer to a direct exchange with another organisation, but a wider sense of giving to society. However, the corporate manager suggests something of a sliding scale between activities envisaged as philanthropic or commercial, with the magnitude of the exchange seeming to influence this categorisation. This indicates simple typologies may not accurately describe the subtle distinctions in relationships that may occur within a CSR context (Austin 2000; Seitanidi and Ryan 2007).

**So would you pay extra, a premium on it because it’s got that social good element to it?** Yes is probably the answer, if it can get the appropriate feel about it.

So people will give, or commit to a larger number because of a worthy cause. But in itself there’s got to be something coming back the other way. For us, we’ll do a little bit of that, so we’ll do some radio advertising supporting the Cancer Society, which realistically I expect no value back from, at all, but we’re talking hundreds not thousands of dollars there. We do some of that stuff in other ways, so we will provide free financial assistance to some charities, and audit their books without cost type stuff, and we probably give more time in that regard because of people’s wanting to support them than we do in terms of dollars. A dollar spend is a business decision generally.

In the exchange-based partnership under investigation, the emphasis is not on ‘giving’ behaviour but on the need to “extract value” from the partnership. While this analysis centres on drawing out themes, rather than counting terms, the emphasis placed on the processes of deriving
value from the partnership is perhaps illustrated by the fact that, in the one-hour interview, he uses the word “value” 60 times. This conveyed a strong sense that by entering into a process of exchange, the partnership is immediately placed on a business footing, and firmer commercial rules apply. Nevertheless, this corporate participant also spoke of exercising business transactions in a different manner with nonprofit partners than with other corporate organisations.

People often come in here who aren’t very corporate, and I don’t take advantage of them because they’re in a weak position. What I’m doing is assessing the value we get out of it.

Later he describes helping a team of young enterprise students, commenting,

If you were dealing with a pure corporate who didn’t come back to you for three weeks and sent you something that didn’t make any sense, you’d say, nah, go away, it’s not at the level we would expect. But they were 17 year old kids who were trying to learn something in the process, so yeah I’ll make some allowances.

Strategically, the resource being pursued was the relationship-building opportunities found in corporate-nonprofit partnerships. Their marketing strategy was little about advertising, and significantly about building relationship with key clientele through entertaining them at artistic, sporting and charity fundraising events. So the impact on their brand was related very personally to their relationships with their market. “Is this the kind of event we want to be associated with? Will it appeal to our customers?”

1.3.2 Dependency

The corporate partner reports virtually no dependency on the partnership, with regard to either the magnitude of the exchange, or the availability of alternatives. The interviewee comments

It’s not a life or death spend for us

And

[If the NPO did not want to renew agreement] it wouldn’t bother me. Why? We’ve said to [the NPO], we’d be keen to be involved again and at least talk about it. We’re not committed to that, they’re not committed to that.
1.3.3 Ability to achieve desire outcomes (power)

1.3.3.3 Presenting self in controlling position

The corporate manager in this dyad made numerous comments that indicated his ability to drive the outcomes and the processes of the partnership. These relate to making the decision within his own organisation.

I have the ability to make that decision...So ultimately I’m the one who said yes, but I thought I need that support [from other senior managers] because of the kind of event we were doing.

He also demonstrated the willingness and ability to exercise power regarding the processes by which the partnership operated.

I went back and said, look your timeframes are ridiculously short, we need a decision this week if we’re going to do this, and if we’re going to do it it’s going to be on these terms.

This had implications for the outcomes of the partnership, namely the exchange amount that was agreed.

Now, in this case here I think I said, I’m not actually sure if I said this to [NPO manager] or not, I think this package is worth more than what we paid for it, but the timeframes were such that we weren’t going to get all the value we could have got out of it. And so I then discounted it and said, ‘If I had three months do to this I think it would have been worth more, but if I’ve only got three weeks, we’re going to get stuff where we don’t get value because we couldn’t communicate it to our clients, we couldn’t maximise our mileage out of it.

1.3.3.4 Value, not power, driving negotiation

Despite the short time-frame noted above contributing to the NPOs’ increased dependency on a positive response from the corporation, the corporate manager denies his negotiation was influenced by his position of power. Rather, he focused on his ability to achieve value from the partnership, which was compromised by the short time period in which he had to leverage it.

That wasn’t the reason we bargained because people often come in here who aren’t very corporate, and I don’t take advantage of them because they’re in a weak position.
Additionally, the corporate manager took the initiative with providing formal feedback on the event. This was designed to achieve better future outcomes for the corporate organisation, with the expectation of an ongoing relationship.

That’s one of the reasons we did it in writing. Again you’ve got to remember the people organising this are typically doing it as volunteers, often there’s a turnover between one year and the next, and so your best way to create any change is to develop a relationship with someone who’s there for a while and actually give them something they can pull out of their file next year and say, ‘oh I’ll go and talk to [corporation] and they said they want these three things here as well, how can I accommodate that?’

So if you can build that relationship over a period of time you start to get more value out of it. And hopefully, as I said to [NPO representative], if the [NPO] come back and see us next year, I’ll get my letter out and say, ‘last year we said this, can we do it better?’ And if we can, I might see there’s more value in it, or it might just get us past the hurdle to do it again.

1.3.3.5 External barriers to achieving outcomes

The corporate manager identified an example where an attempt to change an aspect of the partnership agreement failed. The reason for the failure was that it fell outside of the NPO’s authority to effect the change.

And from our point of view, we said to [NPO rep] why can’t we just have more tickets to an earlier show? We didn’t understand that from his point of view it’s not him giving the tickets, it’s actually the artist giving the tickets away. So he had to be fair across all artists. So some of it was just not understanding what the other party’s issues were.

1.3.4 Distributive Justice

A summary of distributive justice outcomes was provided by the corporate manager.

So what they got – they got cash, which we agreed up front. What we got – we got some advertising, some profile at the event, and the ability to entertain and network with our chosen group of clients. In addition to that, we probably got some recognition within the community that was the [NPO event] that [corporation] was involved, and we probably got some recognition in our graduate recruiting that we were seen to be there.
1.3.4.1 Judging distributive justice relative to satisfaction

The interviewee gave a lukewarm response about his level of satisfaction with the outcomes of the exchange. The entertainment value for the clients was mixed.

... some people said, ‘that was fantastic’ and some people said ‘that was OK’.

Further, their ability to promote themselves in association with the event was limited due to the short timeframes.

So what did we get value out of? Probably on a very crude level this year we got value out of our ability to entertain 80 clients. How much value did we get over and above that? Probably very little.

The misunderstanding about the allocation of tickets mentioned above also eroded satisfaction with the outcomes of the agreement:

And so, as we said to [NPO rep], we lost some value there because we didn’t understand how that was going to work.

1.3.4.2 Judging distributive justice relative to inputs

Despite the comments above, the outcomes were seen as acceptable relative to the amount spent on the partnership.

It probably delivered the value which it had to be just OK. As I said, we perceived that we would lose some value from it because of the timeframes, we did lose value from it. So if I’d paid what [NPO rep] wanted us to pay on day one, we would have been disappointed. And probably would say no if he knocked on the door again. Because I knew that was going to happen as of right, the amount we paid we probably just got value from, from an organisational point of view, feel-good factor. So if we can do better next year for the same amount or for more, then that might inspire us to go through the exercise again.

It appears to corporate manager has balanced two understandings of distributive justice, distinguishing between equity and satisfaction. While not being wildly satisfied with the event as a whole, he felt it was acceptable relative to the inputs of his organisation.
1.3.4.3 Perception of distributive justice for NPO

The corporate manager perceived the outcomes of the exchange to have benefited the NPO partner.

And again, that worked out pretty well because the artists often want some comp tickets on opening night to get some people there, to get some feedback.

I think it means a bit to them. Clearly it gave them the ability to run the event which otherwise they were going to have some issues with venue hire costs I believe. Was it a deal-breaker for them? I’m guessing given the timeframes they knocked on our door that they were committed to running it regardless.

1.3.5 Procedural Justice

The processes for agreeing and conducting the partnership involved an initial approach by an NPO trust member. This was followed by a meeting between the NPO director and corporate manager with responsibility for sponsorship decisions approximately four weeks prior to the event, in which the NPO director suggested an outline for a sponsorship agreement. The corporate manager consulted with colleagues and returned to the NPO director. He gave conditional agreement to the exchange, stipulating numerous modifications to the initial proposal. This included increasing the tickets received and decreasing the financial contribution. This was confirmed with a brief contract. Following the event, the corporate manager initiated a debrief with the NPO director, and provided written suggestions for improvements, to serve as the basis for future sponsorship activities between the organisations.

1.3.5.1 Timeframes hindering satisfaction

The corporate manager was less than satisfied with the timeframes for negotiating the partnership.

It was over a very short period of time. It wasn’t negotiated as you would normally negotiate something like this. They came to us three weeks out, four weeks out and said, how about this? I went back and said, look your timeframes are ridiculously short, we need a decision this week if we’re going to do this, and if we’re going to do it it’s going to be on these terms.
The rush to reach an agreement impacted on both distributive and interactional justice, according to the corporate manager.

Now, normally that would have been done in a bit more of a polite fashion over the table over a couple of weeks, but at the end of the day we couldn’t afford to lose any more time. Because if we did we’d simply say, we can’t do it justice, and so basically I just went back to [NPO manager] and said, ‘This is what we need, yes or no?’ He tweaked it a little bit but that’s sort of where it came out.

1.3.5.2 De-emphasising written contract

He emphasises the importance of the spirit of a contract rather than the detail of a formal written document.

If I spend $xxx and they don’t deliver the value, when they come and see me next year I’m going to say no. Whether I’ve got a contract or not that’s not going to change it. It’s not a life or death spend for us, and the way we do business isn’t based on the letter of the contract anyway. So I’m happy to commit to it without a contract, happy to see how much value we got out of it. And at the end of the day a contract might be nice to have but it’s not going to alter my decision-making.

This is interesting in relation to the discussion of the partnership with the NPO manager (below). He comments that the corporate manager had been very particular about formalising the detail of the contract. The corporate manager’s comment above suggests that while the detail is important, its role is symbolic rather than likely to be used legalistically. This is reinforced below, as the corporate manager identifies positive intent and a constructive relationship as more important than flawless delivery of the agreed contract.

In the main, our attitude to it is, you’ve just got to take that on the chin because your timeframes are tight and really, you sit back at the end of the event and say, if there’s too much stuff I took on the chin I’m just not going to do it again. If the other side didn’t try and resolve our issues, that’s OK, we move on. But if there was some genuine attempt to resolve it, or some genuine understanding and you know that next year it’s not going to happen again, then that probably gets you past the hurdle.
1.3.6 Interactional Justice

1.3.6.1 Negative impact of time pressure on interactional justice

Along with its impact on satisfying processes, the corporate manager perceived the time pressure under which the negotiations took place as impacting negatively on interactional justice, leading to a less ‘polite’ engagement between parties. He reports his behaviour as having been blunt and direct. The timeframe also led to some “tension” as the relationship progressed.

Because of the timeframe we were working within there was a little bit of miscommunication, and again there was a bit of tension created because you don’t have three months to sort that out, you’ve got a day. And he’s trying to organise a whole lot of other stuff. So at the time there was a little bit of tension built because we wanted to know, how are we going to make this work because it looks different to how we thought it was going to work, and he’s probably trying to organise acts and organise airfares and organise accommodation. But that was fine, we got through that alright.

The fact the NPO approached the organisation with a sponsorship proposition close to the time of the event also led to the corporate manager to a less positive view of the relationship.

...you get that sort of afterthought feeling.

1.3.6.2 Special treatment for nonprofit

As already alluded to under the section on power, the corporate manager describes modifying his interpersonal style to accommodate the less business-minded orientation of nonprofit partners.

...that would be a very hardnosed corporate approach to it. That wasn’t the reason we bargained because people often come in here who aren’t very corporate, and I don’t take advantage of them because they’re in a weak position.

Nevertheless, he perceived the NPO manager as more business-minded than most, which he described in positive terms.

[NPO representative] was very good, fairly professional. So the relationship was reasonably businessy... As I say I think he was more professional and a bit more in touch with some of the stuff we expected than a lot of people who come in here.
1.3.6.3 Relationship intention to shape interaction style
The corporate manager’s expectations for a problem-free relationship under tight timeframes and in the first year of an agreement were not high. Therefore, in relation to those expectations, he was not disappointed with the overall outcomes. He signalled his intention that he would be open to developing the relationship further.

The relationship again I think would continue to develop over time if we continue to commit to it, so not surprisingly initially it’s at that more professional level. But yeah, it would be pretty much as I expected.

...we’re looking for win-win arrangements, and as I’ve indicated before, we’re looking for an arrangement that would run for a period of years, that’s not the right answer. [Trying to pay the lowest possible price] be the right answer for a one-off event to do as cheap and quickly as you can, but not the answer if you want to do it for 4 or 5 years.

1.3.7 Equity

1.3.7.1 Comparative and reward value

As noted, the corporate manager was keenly focused on issues of “value” throughout the partnership. This preoccupation drove all aspects of his behaviour, underpinning the outcomes (distributive justice), the processes used to ensure those outcomes (procedural justice) and the manner in which he dealt with the NPO partners (interactional justice). As with the previous preliminary interview, the difference between comparative and reward conceptions of justice also become pertinent in this dyad. The manager uses comparative understandings of value when he compares how much he spent on this package to other available options.

...what else could I do for those dollars? So if you think about the range of things we’re looking at, I could take clients to the rugby at Carisbrook, that’s going to cost me X dollars. Next month we’ve got a client function at [a theatre] and that’ll cost me Y dollars per person. So I know ball-parkish from an entertaining the client point of view, how much money I’m spending.

From that starting point, he gauges value in calculable, reward-based terms.

And then, from there I’m trying to assess what the profile is worth to the organisation, which as I said earlier on, our perception of that is often a lot lower than other people’s perception of that. So at the
end of the day, we’re coming down in that situation to: I think the profile is worth X, I think the ability to entertain the clients is worth Y, so therefore as a package, that’s what we’re prepared to commit to it. Now, in this case here I think I said, I’m not actually sure if I said this to [NPO manager] or not, I think this package is worth more than what we paid for it, but the timeframes were such that we weren’t going to get all the value we could have got out of it. And so I then discounted it and said, ‘If I had three months to do this I think it would have been worth more, but if I’ve only got three weeks, we’re going to get stuff where we don’t get value because we couldn’t communicate it to our clients, we couldn’t maximise our mileage out of it’.

1.3.7.2 Value as costs to contributing parties

He points out that maximising value need not cost the partner anything extra.

We would normally start three months out, and would work on reasonably good timeframes within a two month period so that a month out our clients would know about it, we’ve got our profile maximised and we’re getting value out of that. And none of that costs the [NPO] any more money. But if you can’t do that then you suddenly say, well this isn’t worth as much as it could otherwise be to us.

And even simple stuff like, the night we had guests there someone getting on stage and saying, ‘we’d love to thank [corporate sponsor], thanks for being involved in this event, it’s great you help us put it on. Costs you nothing to do, but from a corporate point of view people sitting there feel warm and fuzzy about it, there’s a huge amount of value in that. So it’s things like that, because you’re part of an artistic event, people don’t think about what does a corporate want out of this? And that does make a big difference to where we see the value.

This comment offers a particular insight into a complexity in calculating an appropriate exchange with a nonprofit organisation. Many of the contributions ‘given’ by the NPO in a sponsorship exchange do not actively ‘cost’ the organisation. The extent to which additional services should be costed due to their value to the corporation, or considered as ‘extras’ due to their lack or expense to the NPO, is unclear.
1.3.7.3 Expectations in relation to point in relationship cycle

The corporate manager sees investment in the relationship as an ingredient for deriving greater value from the exchange.

So if you can build that relationship over a period of time you start to get more value out of it.

But if we could get two or three years out of that [NPO] association and build some value from it, we would probably be keen to do that. If they didn't come in and see me next year and went to a competitor straight of, that would probably p me off. If they came and said, 'look the price has doubled and the value hasn’t gone anywhere', then I’d say, that’s not going to work for us, and we’d part on good terms.

1.3.7.4 Perception of NPO understanding of value – impact on power and outcomes

The corporate manager makes several comments regarding the nonprofit sector’s inaccurate understanding of how to secure value for their business partners, and thus maximise the benefits for themselves. He perceives arts and corporate organisations as operating from a fundamentally different mindset.

And we often say that when we’re dealing with events like [this one] that the people involved get too arty, and because they’re really arty they don’t think about the value to the corporate, and that’s where you lose some of that value.

The people we deal with for these types of events don’t seem to recognise [how to maximise value] as well as a business person might, because again I think volunteers, focusing on an event, thinking all I want to do is create an event and the sponsorship almost becomes secondary sometimes.

So I’m guessing if they can get that right the more of that they can secure, the better the event will be, the more financially successful the event will be, the bigger and better it can get. Again I’m not sure the people organising those events always think like that.

Considering this view of nonprofits, and in light of the forthright and active way in which the corporate directed the terms and outcomes of the partnership, the corporate manager appears to be taking a somewhat paternalistic role. He has taken responsibility for ensuring the exchange met his understandings of value.
I think it would be inappropriate for us as an organisation to try and screw the price of something just because we saw the other party in a weak position, that wouldn’t be our style... So our bargaining was not about getting the cheapest price, it was about extracting value given the time frames we were working within.

1.3.7.5 Perception of inequity as ensuring corporate satisfaction

Reflecting on this, the corporate manager acknowledges that different parties in an exchange may have different perceptions of fairness. Thus he is not regarding fairness as an overarching system, or virtue, that addresses the needs of both parties, but as a perception rooted in individuals’ own experiences and satisfaction. He recognises that his firm style of negotiation protected the corporation from disappointment in the outcomes, but that it may have been dissatisfying from the NPO perspective. However, this is rationalised through identifying that the corporation’s stronger perception of distributive justice has safeguarded the viability of the relationship into the future.

I think on reflection, from our point of view, it was fair. I suspect if you asked [NPO manager] the same question he might have said we were hard-nosed at the start. But again, if we hadn’t done that, we would probably have been left with a sour taste in our mouths from the event because of stuff that you anticipate not going very well that doesn’t go very well. So, if [NPO manager] had done everything that we sat down and talked about at the end of the event, without us asking him to do it, then we would have perceived we were on the winning side of the value I think. But that didn’t happen, and it was probably unrealistic to expect that to happen in year one.

1.4 PRELIMINARY DYAD: NPO PERSPECTIVE

1.4.1 Context of CSR

1.4.1.1 Brand fit with risk-taking nature of arts organisation

While the NPO manager was evidently comfortable with going to a corporation and requesting sponsorship, he expressed a minor concern that a tension existed between the sponsor’s needs and that of the constituency served by the mission of the NPO.

But there is an element of risk for us in that some of our traditional audiences and artists might think that we’re getting too safe and being a traditional arts festival and not sticking to our mandate which is
being experimental, supporting experimental, innovative edgy works. So it’s, there is a risk in a way for us....

He comments, however, that the risk is mitigated through offering a wide range of artistic products. He adds that the creating some more mainstream artistic offerings was a strategic decision, designed

...not just to get a sponsor but to bring in other audiences.

In conclusion,

...it wasn’t a huge risk for us anyway. But you do hear a few grumblings from some people.

1.4.1.2 Bluntness characteristic of corporate culture

Describing another sponsor, the NPO manager gives a sense of what he sees as typical corporate behaviour. This indicates a preconceived concept of how corporations behave, associated with ideas of bluntness and directness.

They just come out at the start of the meeting and say, ‘Let’s not beat around the bush. What do you want?’ They are so corporate.

Similarly, when describing his own board, he uses language that suggests a hard-nosed, business minded attitude that he associates with the concept of “being corporate”. He acknowledges the positive aspects of corporate culture as well, particularly around increasing the professionalism of his operation.

...what you get with that is much higher expectations – in fact you get quite corporate, we’ve got quite corporate people on the board who expect this tiny little organisation to be like a corporate, as if we’ve got these endless resources and endless staff and endless time. And it’s really annoying. But the good thing about it is that, for me, it’s about professionalising our whole operation, and upskilling. And those expectations are quite good for me, I think, because it can potentially increase performance, and that sort of thing.
1.4.2 Dependency

The NPO manager believes his dependency on the corporation agreeing to the exchange prevented him from achieving the outcomes he had hoped for.

I thought I undersold the [NPO event], essentially...It’s easy to undersell when you’re quite desperate for sponsorship, especially if it comes at a late stage then you’re not in such a strong position.

Given better timeframes, he perceives greater potential availability of alternative partners, which would reduce his dependency on the current corporate partner.

I don’t think it would be a huge problem [if the corporation did not renew the contract], because [the NPO event] is a very popular idea. And I think if there’s one thing we can sell it’s that.

1.4.3 Ability to effect desired outcomes (power)

1.4.3.1 Claiming position of control

The NPO manager envisages having a conversation with the corporation that would stipulate future terms for the partnership. He uses language that suggests an ability to take control of the partnership.

We can say, we made this change and this change and this change, and if you want to be part of it, you’ll need to step it up.

One thing I would be doing is going to them first and saying, ‘This is what we’re doing this year. And this is the sort of sponsorship we need to get to actually do it really well, and to up the production levels and make it really work for the artists’.

It is interesting to acknowledge the change in emphasis between participants here. The corporate manager asserted that he had “discounted” the exchange value, and determined the conditions by which the agreement would be acceptable in the future. However, the NPO manager is here claiming the territory of being able to direct the partnership. It is possible that each participant was wishing to present themselves in a dominant, stronger and more positive light to me. Alternatively, this may be the result of how each party has internalised the outcome of the negotiation, as they understand it from their individual standpoints. In some ways, their respective
positions amount to the same thing – the partnership would be acceptable to them both if they both increased the magnitude of the exchange for each other.

1.4.3.2 Ability to be flexible in achieving desired results

The NPO manager identifies the ability to be flexible as important in negotiating changes to existing contracts.

It’s not just about getting money out of them. So I would probably look at those sorts of [support in kind]. Which, in the end will reduce my budget. Rather than going for cash, because it’s just so hard getting cash out of people.

So I guess I would need to give them the first option, and maybe look elsewhere if they didn’t come on board. Or they could come on board as a supporting sponsor.

1.4.3.2 Stakeholders’ roles in enabling and impeding change

A difficulty experienced by the NPO manager in attempts to effect change in the partnership relates to the role of wider stakeholders. His ability to pursue particular strategies are limited by his scope of his authority; while he organises a festival, he does not own the shows themselves.

But for us, when it’s not our show, all these shows are independent shows. We’re not actually taking the money, it’s the artist. So we’re asking the artist for some comps. But there’s only so many we can ask for. So there are limitations, we can’t push it too far.

As well as needing to balance the needs of artists, this also makes it difficult for the NPO manager to be clear about the package he offers a corporate sponsor, and to work within a timeframe that would be acceptable to the partner.

But the difficulty we face is that because it’s an open access festival where we’re not choosing the artists as such, they’re choosing the festival. So we don’t know who all the artists are. So we’ve got to sell the festival based on a promise on the sorts of artists we’ve had before. That can be a wee bit tricky. To some extent we have less control than an arts festival would have, where they’d be producing most of the shows and have a lot longer lead-in time.
Additionally, he comments that the pressure of his board to secure funding makes averse to the risk of losing a potential partner through negotiating more strongly.

But I think my trust board would be quite worried, concerned. I mean the other interesting thing is the role trustees play, compared to the staff. Because I’d had a very relaxed and laissez faire board for many years. But that all changed about a year ago, and I helped engender that because I needed more support, I needed a better professional, go-getter trust. But what you get with that is much higher expectations.

At the same time, he acknowledges the social capital of the board as enabling him to achieve results that had previously been difficult to manage.

But the good thing about having people with real connections on the board is that they can open doors.

Therefore, wider stakeholders are described as both enablers and impediments to effecting change, and internal structure of the NPO created barriers to what could be promised and delivered.

### 1.4.4 Distributive Justice

#### 1.4.4.1 Satisfaction in achieving goal, not achieving value

The NPO manager was left with a negative sense of distributive justice, linked to his poor negotiating position given the tight timeframes he was working under. He indicates two understandings of satisfaction: on one hand he felt the product he offered was worth more, and was disappointed to have done a disservice to his organisation in not having this reflected in the agreed exchange value. At the same time, the amount received enabled him to achieve the goals he sought and was certainly better than nothing in terms of his budget.

I thought I undersold the [NPO] essentially... it wasn’t a bad outcome, and every dollar counts. But at the end of the day I still think that I undersold it.

Well the main thing I would want is more money, basically. Because, especially if we’re giving naming rights, I think you have to be very careful not to undersell. It’s easy to undersell when you’re quite desperate for sponsorship, especially if it comes at a late stage then you’re not in such a strong position.
He was satisfied that the corporate delivered on the agreement, and pleased with the overall outcome of the event:

They came up with the money we requested, gave us a flag when we needed it. They kept to their side of the bargain, no problems with that.

...the event actually did come off pretty well, and what we tried to do did work and I think it reflected reasonably well on them and they all had a pretty good time.

The NPO manager refers to his perception of the corporation’s satisfaction with the outcomes of the event.

I don't think they really did like sharing the bill at all. They would prefer it just to be solely them. And we had [corporate sponsor name, NPO event], and we had a little logo down the bottom of [sponsor of venue]. And I think they would prefer not to have anyone else’s logo on their event.

The big thing was that really they needed more time to get their clients on board to make the most out of it. It's just about timeframes and planning well in advance so the sponsors can get the most out of the money they're investing. So I think it was successful for them, and to a large extent I think they thought they could have got more out of it. But I think they were pretty happy with it for a first time.

1.4.5 Procedural Justice

1.4.5.1 Debriefing and evaluation

The NPO manager described the processes for conducting the partnership as including a formal contract, and evaluation process following the event.

It was a formal contract, that we devised, that they signed, outlining what we were giving them, what they were giving us. So it had a couple of pages of these, are the parties, dah di dah these are the terms of the agreement. And then it had Schedules: Schedule A are the benefits etc. So it was in a formal sort of contract, yeah.

After the event we had a debrief and they actually... I went to them and said what I thought worked and what I thought didn’t work and presented a sort of a report to them and they presented a report back to me about what they thought worked and didn’t work.
This description is an interesting contrast to the corporate manager’s interview discussed previously. The corporate manager had not mentioned the NPO manager’s proactivity in seeking a debriefing session, but presented himself as having taken the initiative to provide detailed written feedback, in part to compensate for the high-turnover, less business-minded, often volunteer, staff at nonprofit organisations.

1.4.5.2 Critique of own processes

The NPO manager acknowledged further areas where his own processes needed improvement.

[Acknowledging venue sponsor] was almost an oversight in a sense, because I should have actually been more upfront with [corporate] in saying, we’ve already got this sponsor. They’re not the naming rights sponsor, but they do need to be acknowledged.

And you need to have someone who’s looking after their needs, and when you’re in the middle of an event, that’s something that can often get lost, in the way, and part of the answer to that is actually making sure the staff that I employ follow through so everyone’s supporting the sponsor – it’s not just an agreement in name only, stuff has to happen, and the more people that know that stuff has to happen, and ideally have people with a specific responsibility to carry it out.

1.4.5.3 Flexibility and expectation management

Despite the clear areas identified for improvement, the NPO manager perceives a need for adaptability to be built into agreed processes and outcomes. He also warns against making agreements to satisfy a corporate partner that cannot be easily achieved. From this perspective, delivering all agreed outcomes of a short list, is preferable to delivering the same or better results, but where the list of promised outcomes is longer. This is supported by an established literature on justice and achieving expectations (Oliver and DeSarbo 1988; Lind 2001).

Sometime when you’re producing an event everything doesn’t quite happen the way you think it’s going to happen, and things do change. You’ve got to be careful what you promise, and that you can deliver it, that’s part of it as well.
1.4.6 Interactional Justice

The NPO manager describes the interactions as positive, professional and fairly straightforward.

It was simple because there were just two people. I had to sell it to the guy in charge and then deal with his assistant. It wasn’t a lot of work involved really.

I would say it was formal and friendly. They were nice people to deal with.

1.4.6.1 Cultural differences

A sense of a personality and cultural differences in working styles can be detected, although this is not reported as having been experienced negatively.

The assistant was quite officious but, you expect that. But they were friendly and quite frank though, with what they wanted, and their feedback. But it’s quite important to be really honest.

...they were very particular, really, very particular people. So it was quite formalised in that sense.

1.4.7 Equity

1.4.7.1 Inequity imperilling future relationship

The NPO manager perceived the exchange to be imbalanced. In terms of the future of the partnership, he held concerns for the precedent that has been set.

I thought I undersold the [NPO], essentially. And it puts us in a wee bit of a difficult position now that, when I go to renegotiate next year it puts us on the back foot, in a sense.

This is interesting when considered in light of the corporate manager’s understanding of the potentially imbalanced exchange. As previously discussed, he perceived this as having safeguarded their interest in pursuing the partnership in the future.

1.4.7.2 Inequity in scale and capacity

He comments on the disparity between the scale of the corporate and the NPO. This influences his perception of the importance of the exchange to each party, with the money changing hands being of greater relative value to the smaller organisation.
Well it’s not a big thing, a big fish – we’re talking pretty small amounts of money.... And I don’t think it would be much of a deal really for them, because it’s such a small amount of money.

1.4.7.3 Perception of unfulfilled potential for both parties

When describing how both his and the corporate organisations perceived the fairness of the partnership, a distance emerges between fulfilling the agreement, and achieving satisfaction. For both parties, the NPO manager perceived that despite the contract being fulfilled, neither party felt they had maximised value from the exchange.

I think it was just that what we agreed to give them, we gave it to them, but they needed more time to make use of it. So they didn’t want anything more than had been agreed, they just wanted more time to leverage it.

I think we undersold it. I think we undersold it and I’m disappointed about that. But because it was reasonably late in the piece, and a first time sponsorship, it wasn’t a bad outcome, and every dollar counts. But at the end of the day I still think that I undersold it.
DATA ANALYSIS 2.
CASE STUDY ONE

2.1 Context of CSR: Corporate perspective

2.1.1 Integrative philosophy of CSR

Although it was not described as falling under a banner of corporate social responsibility, the partnership was underpinned by a goal of engaging with the greater community engagement in a long-term and meaningful way to protect the corporation’s reputation and commercial future. In describing this, the former CEO invokes principles of an integrative approach to CSR (Garriga and Mele 2004) and echoes refrains from legitimacy theory (Suchman 1995). He draws upon concerns around corporate reputation, being seen to be a good corporate citizen, have ‘licence to operate’ and creating a richer “public persona”. He refers to several stakeholder groups, including shareholders, consumers, the communities in which they operate, and government regulators.

Quite rightly we live in a democracy and any law can change. And companies are part of the environment. How they behave can influence that environment and they, if you like, in a sense need a licence to operate that’s subject to review, formally or informally.

It was very conscious that the industry of which it was a part was not very well loved, with some good reasons for that. That, nonetheless it was in a business where it had to make very long-term investments, in some cases of 100 years, and so it needed some degree of community support for its ongoing operations. And one of the ways we’ve tried to improve in that department was being seen to be a good corporate citizen... So it was looking for something that was going to fit comfortably from a corporate perspective but nonetheless help to develop that side of the corporate personality.

[The corporate] had built a reputation for being commercially hard-nosed, but that was probably about all. And that wasn’t really sustainable.

For the CEO, this has not been a matter of abstract theory, however. This extended quote recounts a compelling narrative of the organisation’s history, and its growing understanding that community support was integral to the long term wellbeing of the business.
One that stands out, going back in the history a wee bit. [Following an adverse event] The attitude that [corporate], took at the time, and it was partly very kind of lawyer-led – he got advice from his lawyers who said, ‘well you’re probably not liable, but people will want to pursue you because you’ve got big pockets and it would be reasonable to fight it.’ So that was the attitude it took. You’ve got to do the right thing commercially – this was what the legals were saying – commercially fight it. And so they fought it. And a very unhappy community. Probably large legal bills, this predates me a wee bit. But 1999, three or four years later, [adverse event recurred]. Now this was just on the eve of the 1999 election... And it kind of started down the same route of, we fought it last time we’ll fight it this time’.

But it actually became an election issue, because the then, he became Deputy Prime Minister, Jim Anderton, campaigned on it. He said ‘I’m going to sort this out so you don’t have to endure the ravages of this privatised beast that [corporation], is these days .... I don’t know how we’ll do that, but that’s what my pledge is.’ So the election came, there was a change of government, and [corporation], endured a period of being just loathed by the new government. And I think that was a bit of an awakening. It suddenly realized that actually how it behaved in something unrelated was affecting parts of its business later. And all of that eventually got sorted out. ...Basically [the corporation] and the government put their hand in their pockets and it’s been fine ever since. But that kind of precipitated a change in a mindset around that time at board level. They realised you can win in the court but that’s not actually necessarily a victory. In an area of the country where you want to continue to [pursue operations] and enjoy a reasonable relationship with those people. And the staff were having go to work... to give you an example of how bad it got, one of the staff who lives down there wouldn’t let his son run in a T Shirt with [corporation] written on it. Because the level of venom in the community was so high he was actually worried about him. When it gets to that you realise it’s getting pretty bad. And to my mind that was a bit of a turning point in the organisation’s mindset began to alter. By the time I left, the money that was being spent on, if you like, relationship building, was one way or another getting into the millions. That’s money that’s well spent on the long term health of the business. Whereas about 10 years earlier a proposition like that would have been very hard to get support in the company.

### 2.1.2 Personal commitment to social outcome

While the events described above can be understood as providing a commercial rationale for contributing to the community, the CEO adds a powerful personal statement. This suggests his motivation for leading the company into greater social involvement incorporates a moral dimension, and some psychic unease about the powerful, adversarial approach hitherto taken by the company.

That just sort of stands out, so black and white. I can just remember a light coming on in my head with this guy, I can still picture him, who wouldn’t let his son jog in a [corporate] T shirt, and it’s like, this is...
[town], a town of a few thousand people. It’s not the New Zealand you kind of know and remember. Something’s wrong.

This shift in mindset appears to have been reflected by the board, which represented the interests of shareholders.

I think the business had kind of evolved from the situation from where the board, various different boards had tended to be quite sceptical to coming around to the view that says, look, this is a company that ought to be known for things other than how much money it makes. [CEO]

There was evidence from the communications manager in particular of a personal interest in corporations making positive social contributions, with comments that align with the ethical stream of CSR literature (Garriga and Mele 2004). His personal morality appears entwined with his sense of business strategy, and his sense of ‘the right thing to do’.

One of the things about putting your prices up is that you should therefore be willing to help people to manage the [product] that they’re paying so much more for. That has to be part of the response as well. Because otherwise you’ll get told to do it again, get regulators to do what you could do in your own best interests anyway. Much better that we pack up the cudgels and get a pat on the back than be bludgeoned into it.

The communications manager is actively involved in other socially concerned organisations. His personal commitment to social justice enabled him to feel satisfied the partnership had achieved social aims, even if it was short-lived as a commercial endeavour.

I mean, the thing is, this is just from a personal perspective. I got a couple of million dollars out of [corporate] to do some good stuff… I don’t care if it wasn’t totally leveraged as well as it could have been. It was all good stuff. But that’s a personal satisfaction.

Part of what I think I thought [the corporation] could do when I was in that role was to have a conscience.

His current approach to CSR involves “mainstreaming” ethics into business decisions.

I’m working on basically taking that ethic and mainstreaming it so it doesn’t actually have to be something which is part of the sponsorship sort of arrangement. But it’s actually part of the way we do business. So that it’s built into the business model, the cost and benefit and it comes with a lifetime value on it, that sort of thing.
This perspective contrasts with the brand manager, who took over responsibility for the partnership, who comments:

[Communications manager] is a very heartfelt guy who is obviously principles driven and I’m a bit of a harder chap in that regard. But I get it. But I also want to get something out of it as well.

2.1.3 Maturing of corporate culture in New Zealand

The CEO perceived the transition towards a more socially engaged approach reflected the evolution of large corporate culture in New Zealand. Prior to the privatisation project of the 1980s, New Zealand had little in the way of very powerful corporate entities based in the country.

[The corporate] was going through a bit of learning. It started off as a bit of boisterous adolescent and thought it could make the rules, as many adolescents think – do what it likes. And it had a number of things that were kind of wake-up calls... It was just kind of living and breathing for shareholders and it was that mindset I think that’s moved on.

Indeed, the CEO believed the leadership provided by American shareholders helped propel corporate culture forward into appreciating longer-term, broad objectives incorporating nurturing positive community relationships. In relation to this, it is possible to observe that the commercial imperatives faced by the corporation ultimately created the rationale to pursue more constructive community relationships. This differs from a government owned company that has no such incentive.

As an SOE I think the company was a good deal more bloody-minded than when it became privately owned. Which kind of seems a bit bizarre, but part of the reason for that was that when [corporation] was sold, about half the shares ended up being bought by an American company ... and the rest was kept afloat on the stock exchange. What that meant was the American major shareholder had a lot of say in the running of the company. Now [American company] had about 100 years of history... they kind of understood that whole point about communities a hell of a lot better than people who had come to it new. And they were partly the ones who ... seeing management say, ‘oh we can fight this, we can win it through the courts’ and all the rest, they were not saying very much to start with and then said, ‘whoa up here, don’t you have another 100 years you want to be operating in this community? Are you sure you’ve got the right approach here?’ And partly through their influence, but I suspect it would have probably happened anyway, they were saying this is the best course forward.
The thing that’s slightly perverse, the thing I’d observe is that, it’s hard to make generalisations but, if you tapped the average person in the street and said ‘would you sooner, which do you think would be more socially responsible, a government-owned company that was taxpayer owned or some subsidiary of a multinational American company’, I mean it depends how you ask the question...

2.1.4 Long-term emphasis

The broad aims of the community engagement initiatives, and the importance of long-term credibility over than immediate financial returns, caused long-terms partnerships to be pursued in favour of short-term, tactical initiatives.

[The corporation] was consciously looking for ways to step up its profile in that space, and was looking for opportunities that would make sense in an enduring context, and not just a kind of, oh we’ll sponsor this this year, and be gone the next. It was looking at taking a longer term view of these things. [CEO]

This had implications for the governance of the community engagement programme, the CEO arguing that detaching the programme from specific marketing objectives enabled greater flexibility in terms of outcomes.

Primarily, in this instance it was being pursued as part of this wider initiative to broaden the personality of the company to pursue the sustainability objectives. And so effectively, from a purely organisational sense, the budget was coming out the corporate budget. A lot of the new work wasn’t coming out of the marketing budget. Had it been coming out of the marketing budget then the retail arm would almost certainly have had the main say as to whether it was going to be pursued or not.

2.1.5 Interaction of strategy with social benefit

The above comments emphasise that social benefits are justifiable where they also promote a commercial objective. Further comments indicate that one is not necessarily at the expense of the other, but can be integrated. Like the comments made in Preliminary Interview One, this suggests a lack of clear delineation in decision-making around altruistic and strategic approaches to CSR.

So in one sense it’s kind of naked self-interest, but if that naked self-interest can be harnessed to a community good, then so much the better. [CEO]
Although the commercial imperative dominated the rationale for entering into the partnership, the opportunity to tangibly contribute to some unique social benefit through the programme of activity appears to have increased the case for the corporation becoming involved (as with Prelim 1).

It looked like there would be the ability to be making some real gains, money would be going somewhere that would actually do something useful. There would be the association between company’s product and good social outcome. And it looked like a programme that would keep going into the future, so it made sense. [CEO]

Further, it was the accomplishment of some of these aims that later provided some of the rationale to depart from the partnership. This was evidenced by:

...things like the government spend into [social issue addressed by NPO]. The research that [sponsorship programme] generated. Simple things like column inches dedicated to the topic. Things like that. So it was really very clear that it was an issue that had gone from being on the fringes of accepted to a mainstream issue... So yes, we think we left them in a much better state. [Sponsorship manager]

...it was really time for us to start looking at new and different issues at a social level that we could pick up at a level where [NPO issue] was three years ago and then drive that forward from here. So I guess, if you like, looking for that new wave of social issue that we could champion. [Sponsorship manager]

2.1.6 Strategy rather than personal preference

Despite the personal drivers and the concern for the social cause highlighted above, many comments were made regarding the need for strategic rationale to take priority over personal interests of managers, repeating perspectives already discussed (Prelim 1). The CEO invokes a justice-related argument, acknowledging that managers are custodians of shareholders’ assets, and should not use their position to pursue personal interests (Friedman 1962).

... often what you’ll get is that the organisation sponsors things because of the chief executive or someone on the board likes it. So if the chief exec happens to be mad about golf, golf will be the focus, or whatever it may be. And these discussions were going on inside [corporate], and its major shareholders. [The corporation] I don’t think ever was in that sort of mindset. Crudely, personally I take a fairly dim view of that, because at the end of the day managers are there, partly as custodians of
shareholders. And the idea that managers spend shareholders money on things managers enjoy isn’t part of the deal. [CEO]

Sponsorships have... got to be based on strategy because people will come and go but strategy should be permanent. So it’s actually kind of strengthening the sponsorship and locking it in by not attaching yourself to a person’s beliefs or principles but attaching it to the fit of the brand and the company. [Brand manager]

2.1.7 Translating vision into practice

While legitimacy and reputation-enhancing strategic approach was clearly expressed by the CEO in the interview, and makes sense in terms of CSR strategy, it appears to have been complicated to implement. It appears the partnership being expressed by the CEO was understood by the communications manager:

It started to be a real concern in the business, driven really by [former CEO], that the … industry was going to keep on raising prices and that we were going to face regulation at some point. Especially as New Zealand’s quite a lightly regulated environment. It’s easy to do business in, but also allows scandalous things like [bad social outcome] to occur which just wouldn’t happen in other countries. So [former CEO] was always on the lookout for – how do we mitigate those risks by behaving in certain types of ways, politically astute ways, which make sense?

However, this vision proved difficult to implement. The programme developed by the communications manager was under constant questioning, including from the CEO who had provided this direction.

It always surprises me when I think about it because [the then-CEO] let me go down this route and gave me a bit of free rein... [But then] He took a lot of convincing. I actually had tears in my eyes. I remember just, “Everybody else can see this. Why can’t you?” And I think that eventually he decided he had better do it. He came to me in the morning and accused me of having an artist’s temperament.” [Communications manager]

The internal pressure faced by the communications manager appears to have influenced what was perceived as appropriate objectives and returns for the partnership. There is evidence in this case study of a lack of clear principles underpinning the partnership, the extent to which it was
conceptualised as CSR, and what that meant in terms of influencing the expectations of the exchange between partners.

I was the media spokesman and the whole brand corporate social responsibility sponsorship stuff just kind of fell in my lap, so I was sort of making it up as I went along. [Communications manager]

In some instances, interviewees placed emphasis on the requirement for the partnership to be highly transactional and underpinned by commercial discipline.

I think we would always try to be fair and reasonable, but we expected to get a return. [Brand manager]

In other instances, the same participants appeared to eschew such a transactional approach:

I actually thought it was, I wouldn’t call it chequebook charity, because that’s quite a provocative term, but it was a case of the exchange of dollars and logos and to me that wasn’t enough. [Brand manager]

### 2.1.8 Not corporate social responsibility

Several of the participants pointed out that the partnership had not been conceptualised as part of a corporate social responsibility programme as such. Certainly there is strong evidence that the partnership was not commonly described as corporate social responsibility.

I have to say it was never framed in terms of corporate social responsibility, I don’t recall that term ever being used to describe it. And I don’t know that it ever went under one banner. [CEO]

I didn’t really think about it in [corporate social responsibility] terms. Honestly I saw it as a significant commercial opportunity in which [the corporation] could also build a brand because good stuff and commercial stuff make sense together. I always try to argue from a commercial logic perspective first. [Communications manager]

The [NPO] relationship was definitely part of our CSR programme as it was. I think it was an informal CSR programme. We didn’t label it our CSR programme. [Sponsorship manager]

Rather, it appears the partnership was most commonly described as sponsorship. In the corporate sustainability report, the partnership is described as a “sponsorship and community engagement programme”. Elsewhere the corporation describes themselves as the NPO’s “principal corporate sponsor”. In the initial paper proposing the partnership (undated, around 2004), the term
sponsorship is used in the title. The organisations were listed as sponsors on one another’s websites. Nonetheless, comments elsewhere in the interviews add further perspectives as to where the partnership was situated in terms of CSR goals. This includes a sense that some underlying objectives were altruistic. However, the point is made in terms of explaining the perceived failure of the partnership in commercial terms.

I think the mistake I made was to fund the activity in the belief that doing the right thing was a good idea. And that virtue would have its own reward ... So in the end, because we didn’t spend on our own leveraging of that investment, the general feeling was that we didn’t get much out of it.

[Communications manager]

In reflecting on the withdrawal of the corporation from this programme, he also appears to categorise it differently from other sponsorship activities when he says:

It does concern me that there’s, in my mind, no corporate social responsibility programme in place at [corporate] now. There’s a very large sponsorship for [various sporting bodies] Nothing that sort of strikes me as being a coherent successor to this. [Communications manager]

Some participants described a shift in the expectations of the partnership as it came under the auspices of changing managers, each with their own approaches to community partnerships. The brand manager describes the outcomes as being “a pseudo mix” of CSR and sponsorship:

I think it started very much as a community CSR level and it moved to a sponsorship level. Because [the corporate] during the tenure of that relationship got much more commercial. Much, much more commercial about expecting value from every interaction or every investment.

This shift in expectations also related to further comments that indicate a climate of internal pressure within the corporation for delivering value on partnership activity. This conveys a sense that the principles of the strategic CSR programme (as described by the CEO) were not well institutionalised across the organisation.

My concern all the way through was there were quite large sums of money which would in hard times be regarded as pretty much discretionary. So there was pressure on the budget ... The last thing I wanted was for us to end up leaving, particularly [another sponsorship partner] in the lurch.

[Communications manager]
Whereas sponsorships are saying right, well this is about enhancing reputation or stakeholder relationships, driving awareness of footholds in the community etcetera. But they don’t have hard dollars attached to them. So also we have to spend quite a lot of time managing expectation from all sides to say ‘well, this relationship isn’t all about dollars and it never was’. [Brand manager]

Indeed, the lack of common understanding throughout the corporation regarding CSR-related activities is perhaps best illustrated by the following comment:

...as recently as the beginning of this year I’ve sat in a room with my colleagues at [corporation] and they’ve said, “Now we need to do a case study in sponsorship strategy to see what other people are doing to do things which are relevant to their business and have good corporate social responsibility outcomes.” And I sat there for about 10 minutes and then said, “We’ve just done it. We’ve got these huge investments in exactly that. Which bit of joining the dots do I have to join?” [Communications manager]

The brand manager differentiates CSR from sponsorship. He perceives CSR as less commercially oriented, but rather focusing on being “responsible”. By this categorisation, he does not appear to attach a commercial or strategic function to CSR.

Corporate social responsibility is, I think, hopefully not so much founded on commercial need but founded basically on a responsible business, whether environmental, social, cultural, economic. And so I’m hearing a lot about CSR or CER or whatever else.... Where sponsorship, to me, is not an exchange of dollars and logos and I like that. It really resonates with me. It’s an exchange of commercial value between two partners. And that’s the key about a sponsorship, because if it’s not, it’s corporate altruism and it’s just corporate donation. You might as well call it a donation. If you don’t get exchange of commercial value in terms of media coverage or awareness or kudos or reputation or perception or some measurement that means something to both parties, then you’ve got chequebook charity.

Despite the CEO having described the vision for the partnership programme as being in support of the organisation’s long term sustainability, and not the domain of the retail arm of the business, the communications manager who initially developed the programme conceived it as:

...longer term sustainability and short term retail marketing.

Further comments suggest the ambiguous aims of the programme, which the communications manager shaped in terms of his own understandings and objectives.
We were starting to build a brand ... which needed to be expressed in some way. Which was sort of falling into my camp because it just sort of happened there. And there’s obviously the desire there that brand should be used to drive sales. And at that stage none of that was terribly well formed so I guess I sort of saw an opportunity.

As roles and portfolios were restructured, the partnership moved from being the responsibility of the communications manager to the brand manager, who was schooled far more directly in a marketing discipline. This appears to have intensified an interest in achieving more immediate results.

Now, [NPO partnership programme] was being used as a corporate responsibility and also for, I have to say, for registry relations in the government to know that we were doing our thing in terms of [social and environmental outcomes] and it’s all very admirable. But I’d bought a different lens to it, probably slightly different from [communications manager] where I wanted to drive more outcomes and I wanted management to say that ‘well what are the objectives of the relationship? What are we going to do with it?’ [Brand manager]

The above quote repeats the brand manager’s perceived division between CSR and strategic objectives such as managing government relationships. The language used to describe the partnership remained unsettled with the current manager:

Actually our relationship with [NPO] was effectively corporate sponsor, but really the whole of the benefits were based around [one national event]. And I guess that was a bit challenging and a bit of a surprise given that we were principal sponsor. Corporate sponsor. Corporate partner. [Sponsorship manager]

Later, the sponsorship manager refers to the partnership with a charity as reflecting “giving” behaviour. He also associates the partnership directly with CSR. Once again, the language does not seem entirely clear.

Interviewer: So you’ve mentioned two things there. There’s the value of corporate engagement to enhance your credibility or public good.

Sponsorship manager: The emphasis is definitely on the first one. It’s something we should be doing. Particularly in areas where we have a bigger focus than others. But from a national perspective I think if you asked 9 out of 10 people on the street ‘should [corporation] have a corporate social responsibility
programme? ’ they’d say yes. And they’re absolutely right. In my opinion. So that’s why the strategy included having a charitable partner.

I think it’s absolutely imperative to have a charitable association. I kind of contradict myself a little bit from my previous comment... But from a corporate perspective I think, and I was very clear in this in the strategy that it’s imperative that we have a charitable partner. I think it kind of goes with the territory of being a big organisation that you should be giving something back and be seen to be giving something back as well. And obviously in the sector that we are in there are all sorts of issues associated with it and I think it’s important that we do have a charitable component.

However, attempting to identify how a charitable relationship differed from other sponsoring or commercial relationships proved confusing. Comments (not consecutive, drawn from several sections of the interview) included:

**Interviewer:** Do you use similar rules when dealing with trying to assess the value of a charitable partner as you’d use with a corporate partner?

**Sponsorship manager:** Yes and no I guess is the answer to that. We need to understand what’s available to us in order to promote our association. Because one of the other key changes we’ve made since being here is to change this sitting on our hands and doing nothing with our portfolio. So if a charitable organisation doesn’t really have the tools in their tool kit to help us promote the association then that’s going to be a stumbling block. So yes there is an evaluation of that component. But there’s an equal amount of value put on, how good an organisation are they from a management perspective, what’s the internal management like, how good a partner will they be to deal with? What is their public persona like? How are they regarded? Are they squeaky clean or are there questions about where their funds go? Those two polar extremes. So there is a definite difference in terms of some of the things you’d apply to a charity because they aren’t corporate basically and the expectations are a bit different.

Whether they’re a corporate or a charity, they’re still high expectations. We make donations, but sponsorship is not a donation. That’s the critical difference. In a sponsorship you’re looking for a return. It’s not a financial return, but in the long run it would be hopefully. But initially speaking if it’s increasing the public’s perception then that’s a return whereas with a donation you just give them money and that’s it.

...because they don’t have the revenue streams that some other organisations do, that they will generally be more grateful for the investment that they receive. But is that a reason why we would
invest in a charity? Not really. I mean it’s more about the work they’re doing and helping them facilitate that work in the wider community. That’s a driver. So supporting the rugby team has a nice feel-good factor to it but it doesn’t necessarily mean the difference between good health outcomes or a charity or a prevention of child abuse or something like that. So the charities generally tend to be more socially aligned areas than other sponsorship properties. Or partners. So that’s where the difference is I think.

**Interviewer:** So how much is it the charity’s responsibility to come up with those ideas and how much is that a collaborative, pooling of resources and..?

**Sponsorship manager:** That’s a really interesting question because I think it’s a joint responsibility. It goes back to, a charity shouldn’t expect to receive funding nor should a corporate expect that a charity will do everything. Because if you’ve got a sponsorship, one will do more than others. If you’ve got a partnership, then you’re working to do things together. I think that’s a really really important difference. So our approach will be partnerships.

You know, if they want a donation, then seek a donation, but we are talking about partnerships with charities, not just writing out a cheque. Because I think we can add a lot more to a relationship than just writing out a cheque.

The sponsorship manager also expressed judgments about what the NPO was achieving from the sponsorship. His argument appears to contradict previous statements about the differences between sponsorship and donations.

The interesting thing I found was that we put $xxx into [promoting the National Day], their actual donations as a result were only about [one third of the value invested]. So to me it was not so much to [NPO] about fund-raising as it was about awareness. Which is good because obviously these issues have [education features]. But it didn’t seem a particularly effective use of money to me. Should we have just given that money to [NPO] and used them to research or something?

Attempts to draw out underlying principles from the above comments through an analysis process are somewhat elusive. Collectively, the impression created is of a manager who recognises that it is important for the corporation to be seen to be socially responsible. He perceives support of charities to better fulfil socially responsible goals than other sponsoring activities. These partnerships, however, are still transactional in nature, and long term reward is expected. He seemed to express some discomfort around describing charities in strictly commercial terms to me, although that was clearly how he was evaluating the success of the partnership. This is suggested by claiming the future of sponsorships as “partnerships”, although exactly what he meant by that was not clear.
Further, when describing the breakdown of the partnership, he was hesitant in discussing the transactional expectations when dealing with a nonprofit organisation.

But I think it was an act of commercial... commercial is not the right word because we're dealing with a charitable foundation, but a lack of understanding of what a corporate partner might like to see from a relationship.

I experienced the interviewee as not tending to build and follow a line of argument in his answers, but rather to jump from issue to issue. He also tended to want to sound authoritative and jump into responses before the questions were properly explained, which was potentially a barrier to him giving considered answers to some of the issues posed. The overall impression was that the sponsorship manager may not have a confident philosophy around CSR or the expectations for an exchange when sponsoring a charitable partner.

The lack of clarity as to the status of CSR activities in the corporation appears to be an organisation-wide issue, however, perhaps exemplified by this comment made by the former communications manager:

I just think that, maybe it’s a bit hard to explain. I haven’t actually ever really talked to anybody about it so I’m formulating my own thoughts out loud here.

2.2 Context of CSR – NPO perspective

2.2.1 Recognising business case for CSR

The NPO chairperson made several comments that showed an understanding of the business case for CSR, and that this was an appropriate position for corporate managers to take. Recognising the business objectives of the corporation was seen as an important aspect of the NPO’s approach.

I think that it genuinely is good business.

I think that it’s something that every chief executive needs to think about. Sure if he or she is a decent person they might feel it anyhow but as I say I think their own narrower concerns as a CEO should be pointing in this direction.
On the other hand, you can't just assume that you can go to [corporate] or anyone else to say 'Hey, you've got to sponsor us'. It has to be from their point of view, some legitimate fit, something that suits their business aims. You've got to be realistic and practical about it, otherwise no-one's going to be interested when you turn up with your briefcase and unroll your story.

### 2.2.2 CSR as opportunity for NPO

The requirement for corporations to be perceived as contributing positively to society was seen by the former chair as an opportunity the NPO could leverage.

The [strategy] to use when talking to them, at least from our point of view was, it's good business. If you're a big lasting feature of the New Zealand business scene you need to be seen to be a good citizen, never mind whether you've got an obligation to be or whatever.

His comments oriented his approach to his own pragmatic concerns, which surrounded achieving the objectives of the NPO.

But I think that we were right to be nervous, going into it. I think we'd have been wrong to have been over-nervous and to refuse to accept the level of risk that you do have to accept. I don't think the risk is high if you do your homework but it’s either that or sit on our hands and spend 50,000 a year on educational material or something. And know you’re just a drop in the bucket.

### 2.2.3 Need for charity to temper self-righteousness

The NPO chairperson expressed concern that charities ought not to overstate their moral authority. This stems from a view that it would be poor form to do so, tactically it would be a “put-off”, and that the emphasis should be on the business rationale of the partnership.

..one of the dangers that I'd feared with our voluntary organisation was, there can be a sense of entitlement.

Because there is a faintly self-righteous temptation to all volunteer organisations. Because you are, or I hope you are, doing good works. There's a bit of a tendency to stick a gun in peoples' ribs and say "You've got to give money to us because we do good works". And that's the wrong way to getting a serious relationship going.

The NPO chair also made comments that the discipline of structuring a business case for raising money, and the satisfaction of achieving this, is good for a charity organisation.
I think, that if you can raise the money yourself - I know it sounds like something out of a republican convention - you are the better for it. If you're not just getting an annual cheque from the Ministry of Health. If you're really having to think about how you present yourself and how you focus your work I think it's good for you anyhow.

### 2.2.4 Concern among board members

The NPO chair acknowledged tensions within the voluntary board around pursuing corporate funds.

When I began we had no corporate sponsors, and in a way that was to do with a desire for purity by the board.

We really had two, maybe three board meetings to talk this one through because people, particularly medical people, were just so wary about business money. As distinct from government money which is alright. And also wary, and quite rightly so, about the problem of a conflict of interest.

Similarly, conforming to a corporation’s strategic rationale for pursuing a partnership was not universally supported by the board.

Yes, I mean again it shocked our board. It felt this was a nakedly business-friendly attitude but you can't demand money from people.

Despite this, the NPO fundraiser felt that their status as a charity contributed to a self-perception of weakness, which impacted upon how partnership agreements are negotiated.

I think that charities can sometimes be ‘Ooh we’ll just take whatever you give us’ rather than actually ‘Hey we’re very valuable and we’re not a poor charity. There are actually a lot of great things going on and we can offer you lots of cool things here’. [Fundraising manager]

Therefore, the interviewees tended to downplay their status as charities, insofar as this was associated with moralism and weakness. They preferred to adopt a business-minded attitude, and confidently meet businesses on their terms.
2.3 Dependency of corporation (NPO power)

2.3.1 Importance of partnership

There is little to indicate a great deal of dependency on the partnership of the part of the corporation. The CEO describes the wider issue of engaging with the community as significant, but does not relate it to the specific partnership under examination, other than as an indication of how they were perceived as an organisation.

The wider issue was a big deal.... And companies are part of the environment.

The communications manager extends his boss’s perspective, but relates the importance of the specific CSR programme to the particular partner in question.

So we needed [the NPO], its endorsement and involvement to have that many players, with a corporate and nonprofit working together to achieve better outcomes in [health issue]. They were important to us.

When asked how significant it would have been had the NPO withdrawn from the partnership, the remarks relate less to the corporation’s need for the partnership, and more to what a rejection would signal about the corporation’s reputation and qualities as a partner.

I think the issue would have been, Why did they pull the plug... If it had been more the case that the plug had been pulled because it was unworkable to move forward, then I think that would have caused deeper evaluation because it would have raised questions about, particularly at the time, because the organisation was as I say on this journey of opening up. [CEO]

If they had withdrawn? It would probably depend on why. [Communications manager]

2.3.2 Magnitude of the exchange

The magnitude of the exchange was perceived as considerable, but manageable. However, the scale of the investment had implications for ensuring the partner organisation was reputable and trustworthy.
It was a reasonable sum of money, I don’t recall the range, but it wasn’t so big that we couldn’t do anything else. It was doable, if you like, within that kind of mindset at that time. [CEO]

[From the corporate’s] perspective it was going to be writing reasonably large cheques and wanted to know what it was allying itself to. [CEO]

Further comments regarding the magnitude of the exchange also focused on the significance of how much the corporation was giving, rather than their appreciation for what they were receiving. Indeed, the comments were a prelude to raising questions as to whether the return on the investment was adequate.

I think we’d given them $xxxxxx or something, which was not insignificant… and I wanted to see value [Brand manager]

It was only a one week campaign. That’s quite a lot of money for one week. So the actual effectiveness of that, I had to really think about. [Sponsorship manager]

As well as participating in the partnership, the corporation was engaged in another research relationship (Prelim 2), as well as some front-line charitable work that also supported the goals of the nonprofit organisation. Thus this tenet of the corporation’s brand development programme was not dependent on this one organisation. Rather, the NPO’s inclusion appears to have been regarded as “nice to have” rather than essential.

It’s nice to have three pillars [including other partners]. It sort of makes sense on paper. I don’t think [their leaving] would have made a huge difference to the amount of impact that we would have had… [but] It was important to the integrity of the … programme. If the programme was research and some [front-line work] it doesn’t seem like quite enough. I can’t quite tell you why, but the thing held together. If they’d fallen out it would have weakened the case of the whole thing. [Communications manager]

Over time, changes in personnel in some positions led to a degree of ambivalence as to whether the corporation wanted to pursue the partnership at all. As already noted, as the expectations the organisation had for the partnership shifted as the corporation became “much more commercial” it appears the importance of the partnership diminished as an expression of those goals. The ultimate demonstration of the corporation’s lack of dependency came with their decision to withdraw from the partnership after three years. Indeed, it was revealed that the actual power the
NPO to effect the change needed to restore the relationship was virtually zero. Asked if there was anything the NPO could have done to make the partnership more attractive, the response was:

Oh yeah, I think so. I think not being tied to [one event] in itself would have… although having said that, we didn’t offer that up. We didn’t say that that’s what we’d want to do because I guess the overriding driver was that … it was more time for a change for us. To do something different. … I guess a little bit more proactive-ness and innovation and stuff like that… would have been good. But would it have changed our decision? Probably not. [Sponsorship manager]

The sponsorship manager both alludes to the plentiful availability of alternative partners, and his enthusiasm for exploring these opportunities, as he describes his feelings towards the termination of the relationship.

It’s sad. Well not sad. It’s a new chapter basically.

We felt like we’d done our job with them and we were going to look for a new opportunity that could use that support.

2.4 Dependency of NPO (Corporate power)

2.4.1 Perceived and actual dependency

Mixed messages were communicated in terms of the NPO’s level of dependency in the partnership. The power of the corporate partner came from the fact their contribution was so significant in terms of what it enabled the NPO to achieve in terms of profile and fundraising objectives. When asked how significant it would have been for their corporate partner to have withdrawn, one response was “devastating”,suggesting a high level of dependency. However, the outcome of the eventual withdrawal (which occurred after the fundraising manager left her position) did not appear to have this impact. Her employer, the CEO, described it as “while it was disappointing, it wasn’t devastating”. A distinction is highlighted therefore between perceived dependency and actual dependency.

2.4.2 Availability of alternative income sources

The NPO earned revenue from different sources, and had some ability to further diversify income streams. So, if there is a scale ranging from viability to achievement, the dependency was
located at the achievement end of the scale (as with Prelim 1). It significantly enhanced the NPO’s operations, but was not fundamental to its survival as an organisation. Furthermore, the NPO expressed some confidence it would have the capacity to ultimately attract another corporate partner, as expressed by the former Chair:

I still think that the [NPO] will find somebody else to fill this niche.

2.4.3 Decreasing dependency

It was noted that the benefit from the sponsorship had significantly helped bring the organisation to the position where it was no longer as dependent on the income as it might have been earlier in the relationship. This contradicts fears in CSR literature that the NPO will become dependent on corporate funds (Polonsky and Wood 1999; Martinez 2003).

I have to say that after four years we’re relatively well set up to withstand it, but it would have been much more difficult if we had lost it before that time. [NPO CEO]

2.5 NPO assessment of partner’s dependency

The NPO Chair invoked the lack of alternative options available to the corporations as part of his negotiation strategy at the outset of the relationship.

We said, in effect, that we wanted this anchor sponsor and we felt that there weren’t all that many with health issues for a major firm in New Zealand to latch onto. And that we were probably one of the last and that in that sense we ought to be a good bargain to somebody. And in return for that good bargain we would want a minimum of about $xxxx a year.

The NPO CEO also worked to try establish the NPO as being one of the few credible voices available to support their broader CSR programme.

The first year they were very much involved with the [health issue] project, so my strategy was to make us valuable to them in the sense of giving them credibility.

During the tenure of the partnership, however, NPO responses revealed a low estimation of their importance to their corporate partner, but also an acknowledgement that they were not well
able to judge their importance to their corporate partner. Responses to the question of how important would it have been for the corporation if the NPO had withdrawn included:

I don't have any sense of our worth to them... My judgment would be that it was more important to us than them, but I don't have a way of assessing that. [NPO CEO]

That I can't answer. And I wouldn't want to overrate it. Because they're clearly quite impatient in waiting for the results from their point of view. [Chair]

No, not important at all... So it was important enough that they actually had the go ahead and everything did go ahead. But it wasn't taken any further [in terms of leveraging the partnership]. That led me to believe that we weren't actually that important. [Fundraising manager]

2.6 Corporate assessment of partner's dependency

2.6.1 Conscious need to manage NPO dependency

In contrast, there was greater recognition from the corporation that the partnership was of high value to the NPO. From the outset, the CEO was mindful of the potential for an NPO to develop financial dependency on them.

[We were] very conscious that were it to end that would be quite an issue for them.

The brand manager went as far as to identify a goal he had for the partnership as “get[ting] the [NPO] to be standing on their own two feet so they were less dependent on corporate finances, or funding.”

A level of confidence was expressed that the NPO was not fundamentally reliant on the partner for its survival.

I don’t think from a revenue perspective [terminating the partnership] makes much of a difference to them. They really, as I understand it, have exploded over the last four or five years ... to [a turnover of] some quite substantial sum. [Communications manager]

While it was sad to leave the ... relationship behind, we did it in the knowledge that we left it in pretty good shape. And that was good because we couldn't in good conscience leave a situation where
someone was battling or they were in worse shape than when we started or something like that. That would be awkward. [Sponsorship manager]

It appears, therefore, that the NPO’s decreasing dependency (increasing power) created more freedom to withdraw from the partnership rather than less, because they were not fearing for the wellbeing of the organisation.

2.6.2 Desire for greater dependency

Despite the above claims to be pursuing reduced dependency from the NPO, the brand manager also expressed the wish that the NPO would treat the partnership with greater urgency. This was linked to a judgment about their partner’s dependency on the partnership.

I kind of got the feeling that while they were very grateful… I felt that they didn’t always see or attach the importance to the relationship that I expected for that funding...

If I was honest, I’d think the issue with revenue wasn’t a problem for [the NPO] and therefore maybe the priority to servicing the corporate relationship or sponsorship maybe wasn’t always there.

2.6.3 Confidence in relationship

Certainly, however, the corporate partner felt far more secure in the relationship than the NPO, which is potentially a judgment on how important they believed the relationship to be to their partner. In response to the question, “How big a deal would it have been if the NPO had withdrawn from the partnership?” the communications manager replied, “It’s just something I’ve never thought about. There were never any circumstances under which that was likely.”

2.7 Ability to effect outcomes (Power) - NPO perspective

2.7.1 Initiating the partnership

Both parties claim responsibility for initiating the relationship. Much of the groundwork appears to have been laid by mutual acquaintances, which led to meetings between decision-makers on either side of the partnership. It appears the timing coincided ideally for both organisations. This left both partners with a sense of having proactively sought out the partnership.
2.7.2 Successfully achieving conditions in contract

In establishing the partnership, efforts were taken by the NPO to manage the level of dependency a partnership might create. The former chair revealed this included not offering exclusivity to the corporate partner. It is an indication of the NPO’s sense of their own negotiating power that they could require firm bottom lines to the partnership:

We wanted [a partnership] that would leave us free, provided there was no conflict of interest, to accumulate as many other sponsors... We said to [the corporate] when we first talked to them, 'We're looking for one main sponsor. And if you'd like it, you are the centre and we will take that into account in the other sponsorships we will accept.' [Chair]

Further, the NPO negotiated successfully with regard to an aspect of the corporation’s operations involving a product that was a major health risk to the NPO’s constituency.

So we talked this one through and they said they were going to phase [problematic product] out anyhow and on that basis we went ahead. [Chair]

This is supported by the powerpoint presentation made by the corporate communications manager to his senior management team, arguing that withdrawing from the support of this product would enhance the credibility of the move into the partnership by “surpris[ing] customers/key stakeholders by being willing to act against our apparent self-interest”.

2.7.3 Financial goals not achieved

In determining the exchange, however, the NPO was less successful in effecting the outcome it sought, with the amount agreed half of that initially requested. This was given in kind, as advertising consultancy and media placement expenditure. Views varied among participants as to how this reflected their negotiating power in the partnership. The Chair was satisfied with the outcome, viewing the disparity between the requested and achieved figures this very pragmatically as a step in the negotiating process.

It was no mystical number. Maybe next time we'll ask for a million. It's what the market will bear, what we feel like is a reasonable amount and again, what we feel is worth it to them... There's no way of calculating that number. And we said XXX which is a number I think I plucked out of the air. They said, not in so many words, but in effect ‘No. We'll pay you in kind. For the start.’ And that was just as good to
us. Because it took up our brand. So you have to be flexible. The whole point about the partnership is that you’re negotiating, not just for what you want, but what they want.

The fundraising manager, however, worried that the result indicated weakness on the NPO’s part.

I think we sold ourselves short in terms of what they negotiated and how they negotiated. I think we should have come from a stronger position and if they weren’t ready to go with it we should have been, ‘This what we want’.. and be a bit more.. stand up for ourselves.

2.7.4 Perception of ability to effect desired outcomes during partnership

Across the respondents from the NPO was a perception they had very limited abilities to effect outcomes within the partnership: “not high at all” and “not effective at all”. The issue of power was raised directly as an impediment to affecting change by the NPO CEO.

The power dynamic makes it quite difficult really. We just felt we were banging up against a wall.

...feeling you don’t have the power to really have a serious... you’re the grateful recipient of this donation, if you like, and you don’t have the ability to push for a more mature relationship dynamic and outcome.

The difference in the scale of the organisations was invoked while describing the difference in power between the organisations.

They’re a significantly big company. We may have aspiration but our annual turnover is like $1.2 million a year. Quite a disparity. [CEO]

The NPO CEO described this lack of power as having been demonstrated through attempts to introduce new initiatives into the partnership activity.

One of the things we did on least two maybe three occasions was enumerate the things we could offer, in concrete terms, and the things we would want to explore with them. And there was never the time or the inclination, well I’m not sure if there was the inclination, but there was never the time to explore that and see whether there was a matching interest with [the corporation].
We were never able to have a useful debate about whether there was an opportunity within that to use that databank of consumers in terms of generating income. [CEO]

This was endorsed by her colleague, the fundraising manager, who commented:

Or we would say, can we do something in terms of tips for people around [health condition] and again deliver some sort of benefit from the relationship, but that never happened.

We did always felt like we were going ‘Let’s do this, let’s do this, we’ll even help you do it!’ But they never did actually do any of it.

These claims are supported by a “Discussion Paper”, “developed in 2006 when we were trying to move [corporation’ into more action” [NPO CEO]. It proposes numerous objectives and measures for the partnership. It also reports on an estimated value of the partnership to both parties to this date.

2.7.5 Corporate inaction to own detriment

The lack of action from the corporation in terms of capitalising on further opportunities for the partnership was seen as the corporate failing to serve its own interests. However, in doing so, this undermined the value the NPO was able to demonstrate to its partner.

They never took any benefit from the investment they were making terms of telling their customers and their staff. Because they had two goals. One was to build their customer base, and the other was to build a corporate culture. So the relationship was really only focused on this one event, there was never the opportunity to extend that. [NPO CEO]

These comments emphasise the principle that the NPO’s ability to achieve desired outcomes (power) was constrained greatly by their partner’s capacity to deliver on agreed requests.

I think the greatest frustration really from our point of view is that they were significantly under-resourced and they were never in a position to pick up the opportunities and maximise the benefits of the relationship for their customers and their view of the world and where they wanted to position themselves. [NPO CEO]

This mirrors the perspective raised in the following section, whereby the corporate representatives express the view that their ability to achieve their desired outcomes was hampered by the NPO’s competency in delivering these results.
2.7.6 Driving partnership forward

Shortly after the partnership was agreed, the corporation appears to have demonstrated a period of enthusiasm and commitment to the relationship. The workload appears to have been shared fairly cooperatively. In terms of the creative direction, the NPO took a somewhat backseat position, and was happy to defer to the corporation and the contracted consultant’s greater knowledge.

At the end of that year, oddly enough, it seems to me the initiative was.. most of it was taken over by [corporation].[Chair]

Certainly initially we were calling the shots very much in terms of how we wanted it to go, but that’s OK too. I guess later on we were calling the shots a bit more in terms of the strategy we wanted to pursue. [NPO CEO]

I would say that [I drove the work plan.] [Corporate brand manager] might think differently but I think that I would be the one. [Fundraising manager]

But there was no call to action I don’t think in that [first] advertisement in terms of fundraising or support for us, so we played quite a subsidiary role. [NPO CEO]

So that went ahead and it didn’t get a whole lot of media and all this sort of stuff but it was led by [corporation] in terms of what they wanted done and we just kind of went along with it. [Fundraising manager]

As the relationship strengthened, it appears the NPO experienced greater confidence in asserting requests for changes – not without some tension and compromise – as illustrated by the following comment.

On certain things we had to stand our ground because one of the things was they’ve given us money, they’re paying for the advertising ... And after two years we were thinking, well let’s think about what’s the best way to make use of this money. Is just throwing it at newspapers or whatever, is that the best way we can spend it? So we wanted to kind of have a bit more input into which area we should put the money into. Not that we couldn’t with [previous manager] but we were just going along, we were really happy to get the media. All of it was really great but two years down the track it’s like, ‘Well OK now we can look and see if it’s the most effective. What’s it actually doing for us? Would it be better to put more
money into this area than that area?’ So that was a little bit troubling because we did butt heads a little bit on what we thought about that. And so on certain things we just had to say, look now we really think this is working for us. And then to compromise on the bits that weren’t. Yeah, so it was compromise.

[Fundraising manager]

In terms of the key focus of the partnership, the national day, therefore, it appears the NPO participants felt happy to follow the lead of the corporation, but able to seek changes when required. Their difficulties in achieving desired outcomes, however, related to developing the agreement to incorporate activities beyond the major sponsorship event.

### 2.7.7 Declining to seek change

The NPO CEO also described an incident of not attempting to pursue an outcome due to a perceived lack of power. The relationship had been established on an uncontracted, somewhat informal, footing, leaving the NPO in an undesirable position regarding its long term planning. Despite this, she says:

> I didn’t pursue a formal agreement. Principally, I guess it was a matter of judgment about the changes that were happening and I didn’t feel it was likely that they would commit to that. [NPO CEO]

A result therefore emerged whereby a participant’s willingness to even try and achieve better results for themselves was influenced by their perception of their likely success of achieving that result. That the NPO perceived itself to be in a weak position of power created a situation where it was not prepared to explore the boundaries of its influence.

This is interesting in light of a comment made by a corporate counterpart:

> It’s not a case of ‘them’ and ‘us’ but if we weren’t appropriately communicating our expectations of outcomes then I’d expect [the NPO] to step up and say “right, well it’s in our interest that we set some goals and objectives and standards that we can measure’. So I just feel there was a lack of structure and we needed more discipline ... in that regard. [Brand manager]

It could be interpreted that the NPO’s unwillingness to pursue some greater structure for the relationship signalled a lack of competency and commitment to the partnership, and weakened the case for them being seen as a long-term viable partner. The powerlessness demonstrated by their behaviour may have contributed to their actual powerlessness. This creates an interesting contradiction, however. In this instance, the corporation appears to want the NPO to behave as a
confident, empowered, proactive organisation in order to be seen as attractive to its partner. However, it appears that the corporate representatives' behaviour, and the barriers entrenched by the lack of time, resources and organisational structure of the corporation had steadily worked to undermine such confidence.

2.7.8 Changes to corporate personnel affecting momentum of relationship

It was earlier noted that the objectives of the exchange were not universally shared across the organisation, and common understandings were lacking. This was experienced as frustrating by the NPO partner, who felt that organisation was not broadly invested in the partnership.

And probably one of the other things that’s really important it that there wasn’t a significant engagement at the top level of [corporation] in terms of the relationship either. [CEO]

Further, a lack of stability in the corporation’s staffing and structure, and the multiple tasks being juggled by the corporate managers, was seen as diverting focus from properly developing the partnership.

And the other thing that was quite a concern is that there was quite a bit of corporate change at [corporation] in ownership and chief executive and board. ..Again [communications manager’s] boss would change and [communications manager’s] role would change, and there’s now a significantly greater number of staff doing more of the roles than there happening at that time, so, they were really stretched. [NPO CEO]

As well as the disruption to momentum inherent in personnel changes, it appears new staff brought different interests and approaches, negatively impacting upon the NPO’s efforts to shape outcomes in the partnership.

But then we were back at square one when [sponsorship manager] came on. And then fighting the whole other thing, because they were supporting other [sponsorships] and they were trying to make something really work for them. [Fundraising manager]

It was perceived that greater assertiveness on the part of the NPO might have prevented the corporation from having become distracted by new sponsorship interests.
I think we could have possibly got more and been a little stronger in there so they might not have gone and done some of the other sponsorships that they did which kind of, I think, muddied the waters a bit in terms of which way they were going with their sponsorship. [Fundraising manager]

### 2.7.9 Corporate structure as barrier to achieving desired results

As well as changing personnel, the structure itself of the organisation was perceived as an impediment to the NPO’s ability to influence outcomes.

Actually the processes were really difficult and also corporate structure was very difficult. [Fundraising manager]

The organisation structure was seen as impacting on both the NPO and the corporation’s sponsorship team ability to deliver promised results.

But also the ability to generate income from the relationship, which we weren’t able to do. I mean they promised total commitment to the opportunity for customers to be able to round their bill up, with that additional money coming to us. What transpired was that there was no engagement from people in that part of the business to do that, and there was very much a silo arrangement within [corporation], and then it transpired after several years of being absolutely committed to doing this was that their system couldn’t deliver it either [NPO CEO]

The NPO managers recognised the internal pressures facing the corporate representatives which created the barriers to achieving their desired outcomes.

Like I said they were having a restructuring through some of that and it’s impossible for [brand manager] and his sponsorship area, to get - because it’s all insular and they’ve all got their departments and if things are not going really nice for the organisation - then it’s really hard for me over here to have them over there. So I can see why it didn’t happen.

Efforts to become involved more widely in the corporate organisation were not successful.

We did make moves to try and get contact with the other parts of the organisation ourselves. But you have to be helped into that. You can’t just shove yourself in. So we tried many times. [CEO] tried many times to go in and do [health] stuff with different groups of people, you know whatever, give them more information, because so many of them would have had [family affected by condition]. Just could never quite get in there. [Fundraising manager]

I think we pushed as many buttons as we could to make it wider. [CEO]
The cumbersome corporate structure was contrasted with the greater flexibility of the smaller nonprofit organisation.

The structures are so different. I mean we just decide something and we can do it in a charity because there was eight of us... But when then you’re dealing with this huge mega-structure that’s got corporate culture or who knows what... It’s very difficult. [Fundraising manager]

2.8 Ability to effect outcomes (Power) – Corporate perspective

2.8.1 Leading changes in outcomes and processes

The corporate representatives identified instances where they were able to define outcomes and processes in the partnership. This included determining the value of the exchange, and how this was to be delivered in terms of in-kind support. In a powerpoint delivered to senior managers at the corporation to justify the partnership, the communications manager highlighted an advantage of the agreement in terms of retaining a position of power in shaping the partnership:

- not a cash grant; first year involvement allows [company] high degree of control over outputs.

The corporation made changes to the value and the processes of the partnership over time, as they experienced dissatisfaction with the results.

The [NPO] performance through that period was becoming clear though that they weren’t really the great partner I’d hoped they might be and we cut their funding to $xxx the second year having previously indicated that we might go higher than $xxx. It stayed at $xxx until, this year I think would be the last. [Communications manager].

I realised that there was more potential and that bringing it in house under my direction with [communications manager’s] overview was a better way of achieving things and managing the relationship. Because the relationship was being managed indirectly through [consultant] rather than directly between client and non-profit. [Brand manager]

Despite their ability to shape the terms of the partnership, the corporate representatives expressed a limited sense of being able to evolve the partnership into one that was satisfying and useful.
2.8.2 Concerns regarding NPO capacity

Many responses regarding their ability to achieve the outcomes they wanted concentrated on the capacity of the NPO to enact these changes. Comments included:

[My ability to achieve outcomes was] Limited, I think. Because in the end we’re not there to run [the NPO]. [Communications manager]

I felt the intent from the team at [NPO] was there, but the capability and the expertise wasn’t. [Brand manager]

We didn’t realise how weak [NPO] would be as an organisation. [Communications manager]

Thus, in terms of the goals sought from the partnership, the communications manager who initiated the partnership emphasised his desire for the NPO partner to have a greater vision for itself. However, he saw himself as not being in a position to ensure or enable this.

In a way I was expecting things of them which they weren’t. And because of that I could never really insist, I realised once we were in the relationship which was a bit too late, that in fact things that I’d presumed as axiomatic were strategic questions had yet to be really addressed. So partly what we were doing in the first instance was a capacity building thing. It was giving them access to a wider range of skills and design stuff. They never really picked it up and we never really opened the door well enough for them to understand what we were really saying. [Communications manager]

So while the corporate partner may have been able to influence very strongly the terms of the partnership and the actual exchange that occurred – and thus was a powerful partner at that level – corporate participants saw themselves as quite powerless at a level of being able to actually have partnership achieve the things they wanted, which recalls Morriss’s category of practical power (Morriss 2002). The communications manager was also quite self-critical about the extent to which he had explored his own ability to call for the changes. Asked whether he felt in a position to push further than he did, he replies:

No I didn’t but I think that’s probably more about me than anything else. And maybe I should have been a bit bolder and more assertive about that.
A difference can also be noted in terms of the kind of language used to describe partners’ failure to meet expectations. In instances where the NPO refers to the corporate failures, it is talked about in terms of systemic problems in their organisation. The NPO demonstrated considerable awareness of the internal pressures facing their corporate partner. This included changes in personnel, lack of buy-in at other levels, the silo nature of departments and the lack of resources available to pursue further opportunities. By contrast, the corporate participants were more likely to discuss their partner’s failures as matters of the competency of individuals involved. Terms used included: “they needed to be much more savvy”, “a lack of understanding of what a corporate partner might like to see from a relationship” and “I felt the intent from the team at [the NPO] was there, but the capability and the expertise wasn’t.” These statements are sometimes made in conjunction with other, more generalised statements about charity organisations, suggesting an association in some corporate participants’ minds between their beliefs around the competency of NPO staff in general, and those in this example.

Coming from a sports organisation background, it’s all about what the sponsor wants to get out, you know, making it work for the sponsor. And I don’t think that from the charitable side that message has gotten through yet. This is a comment about charitable sector versus... not just [NPO] ... I think there’s a long way to go in terms of the way they work with a sponsor. [Sponsorship manager]

This finding raises a question which may warrant further investigation. It is unclear whether the current experience has reinforced an existing belief that NPOs lack the business nous to perform well in a partnership, or whether there is an existing belief that has coloured the interpretation of the perceived competency of the partner organisation.

2.9 Distributive Justice

2.9.1 Nature of exchange

The outcomes achieved by the corporation and NPO fall into three categories. These include the immediate items that were agreed upon and that were exchanged through the central partnership arrangement. Beyond this were additional activities that occurred on an ad hoc basis, made possible by the existing agreement. Thirdly were the tangential benefits partners gained as a result of the partnership. The outcomes achieved for each party are summarised in the following table.
Table 1: Distributive justice in Case Study One

<table>
<thead>
<tr>
<th></th>
<th>NPO received</th>
<th>Corporation received</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agreed exchange</strong></td>
<td>National Day – Market research; professionally-devised creative concept and media placement; communications collateral preparation support; communications planning support; Developed in conjunction with and paid for by corporate to a specified budget.</td>
<td>Association with NPO’s National Day in media, advertising and collateral</td>
</tr>
<tr>
<td><strong>Additional items</strong></td>
<td>Redeveloped website Profile opportunities - logo added on advertising and collateral related to overall programme; NPO name mentioned in media coverage</td>
<td>Listed as national sponsor on NPO webpage and NPO publications. Profile opportunities – association with NPO made in advertising, collateral, annual report and media opportunities ‘CSR scripting’ on area of NPO expertise</td>
</tr>
</tbody>
</table>
Formal and informal NPO endorsement with key third-party stakeholders

<table>
<thead>
<tr>
<th>Tangential benefits</th>
<th>Relationships with other stakeholders, including media, corporates, government, other programme participants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ongoing sponsorship relationship with another corporate</td>
</tr>
<tr>
<td></td>
<td>Increased organisational confidence</td>
</tr>
<tr>
<td></td>
<td>Principled position adopted on unsafe product prior to acquisition of business supporting this product</td>
</tr>
<tr>
<td></td>
<td>Winner of national award recognising social and environmental benefits of overall programme</td>
</tr>
</tbody>
</table>

### 2.10 Distributive justice – NPO perspective

#### 2.10.1 Overall perception of high levels of distributive justice

When describing their overall evaluation of the partnerships, the representatives from the NPO were overwhelmingly positive in their appreciation of the outcomes they achieved.

- It was a seriously good thing to have had happen to us. [NPO CEO]
- It made a huge difference to us, no doubt about that. [NPO CEO]
- It was very good... It was great. [Chair]
Further responses provided a positive overall evaluation of the partnership, despite being made in relation to broader concerns regarding processes (as discussed below).

Well, a longer term indication of commitment would be highly desirable. But in the absence of that something which went for several years that was for us a significant amount of additional funding that enabled us to do national TV ads was seriously worth having. [NPO CEO]

Even still, in terms of for us it was hugely successful. Because we’d never get money to do advertising campaigns like that. To put that kind of money to doing TV advertising, we’d never have been able to do that. [NPO Fundraising Manager]

Well I think it was actually really successful despite these things. Was it as successful as it could have been? Gosh no. [NPO Fundraising Manager]

I think that [NPO] is stronger because of it. So, can’t complain. [NPO Fundraising Manager]

To underline the extent to which the NPO valued the partnership, representatives went so far as to affirm their willingness relive the situation.

...which I think, perhaps answers your question. It must have worked for us or we wouldn’t be keen on doing it again. [NPO Chair]

I’d do it again. I don’t think I’d do it much differently. [NPO CEO]

### 2.10.1 Appreciating direct and indirect benefits

As well as appreciating the value of the work facilitated by the corporation, the added benefits, including the NPO’s growth in confidence and the opportunity to develop relationships with other corporations were also acknowledged.

It’s probably helped us to get relationships with other related organisations, which is significant. For example, we now have a relationship with [government agency] which looks as though it may have further opportunities, and I’m looking to see if we can get some opportunities to offer to our members that will be significantly useful. It’s pushed us into developing resource information including website and stuff. It’s enhanced our visibility in that arena and we have a relationship with [industry group], we’re going to have a supplement in this new sustainability magazine. So I think all of those have flowed indirectly if you will, but as part of that connection. [NPO CEO]
The Chairperson perceived this as helping engender a culture shift within the organisation regarding its sense of what it may be capable of.

But I think the knowledge that we were able to do more and more in our chosen fields in both education, help for societies in research, with the help of all this, gave us more confidence to reach out further. And so in that sense I think for us, the intangible benefits of the partnership. Though they're not as great as the tangible ones, but they're certainly not to be overlooked.

It gave us a sense that we could crack this thing.

As with some of the stereotyping language identified in relation to CSR, the NPO chair here relates some of his organisation’s previous timidity to that typical of the nonprofit sector.

There is always a problem with voluntary organisations who tend inevitably to grow from very small groups of concerned mums and that sort of thing. But they are wary of getting out onto the big public stage. Not wary by philosophy, but just instinctively shy and think ‘well we don’t know much about this and so on’. And I think that is a problem for all voluntary organisations and I think that the partnership agreement that we had played a material part in widening the foundations, horizons and confidence.

2.10.2 Additional reciprocal benefits to exchange

As highlighted above, beyond the core negotiated exchange around the National Day, many of the further opportunities surrounded each partner giving the other exposure. This form of interaction represents a reciprocal rather than negotiated exchange (Molm, Peterson et al. 1999). Rather than agreeing that this activity would be undertaken and calculating the results, there was an implicit understanding that each partner’s association with the other would be promoted where it was possible and appropriate to do so. For the NPO, this involved featuring the corporation’s logo wherever possible, while for the corporation, this meant using further opportunities to advertise their association with the NPO. The habitual nature and mutual benefit of this kind of non-negotiated “exchange” is illustrated in the following comments.

But I think we certainly did a lot of work in terms of promoting them. We put them everywhere. We didn’t stop, their logo was on everything we did basically. Not on our resources and stuff like that but [everything else]. [Fundraising manager]

It wasn’t a quid pro quo. Because, again, exposure in general terms for us is a benefit. [NPO CEO]
And certain things developed, like for example I went out into the call centre and we had a bit of engagement with the staff there. And one of the offers we made was to do an education session with the staff, and that never came off. But down in Dunedin, the [local branches] developed quite a good relationship, which again was the sort of thing that [the corporation] was interested in, in the development of corporate culture. [NPO CEO]

2.10.3 Measures for appraising benefits

The NPO Chair also points to concrete indicators of the value of the agreement.

...we've doubled our spending, our budget's now a xxxx dollars a year.

Of course we get much more money from our products, we get much more now from collections, partly because of [national] Day and so on and we get a healthy amount from other sponsorships.

2.10.4 Perception of unfulfilled potential

Despite this positive appraisal of the outcomes of the partnership, however, it was strongly perceived that the arrangement had not fulfilled its potential.

There was so much more that we could have all done for each other and just really gone the whole hog. [NPO Fundraising manager]

Concern related to the corporation failing to exploit opportunities to promote the association between the organisations, in a way that was detrimental to both parties and had a negative impact on the outcomes achieved for the NPO.

And they still weren't getting their back end stuff done. I think we made in into two of their newsletters and we had a relationship for four years. [NPO Fundraising manager]

Similarly, the NPO was disappointed about what appears to have been patchy delivery on other informal agreements that were made. In particular, the lack of ability to gain profile through communication with the corporation’s customers, and potentially generate income from them was a significant disappointment to the NPO. As observed in the previous section discussing barriers to the
NPO’s ability to achieve changes, the corporate structure contributed to this perceived failure to reach the NPO’s expectations for the partnership.

Their customer base of 600,000, apart from one mail-out, we were never really able to connect with. [NPO CEO]

Comments were made regarding the NPO’s perception of the outcomes achieved by the corporation as a result of the partnership. While these argued that the corporation had benefited from the association, this was expressed somewhat defensively. It was perceived that the corporation had not fully appreciated the value of the association. Further, there was frustration that the corporation’s failure to maximise the potential of the partnership had led them to devalue it.

Certainly anybody that we talked to, because they all knew about [corporation] I’ve heard of numerous people that changed to [corporation] because of it and their estimation of [corporation] went up. [NPO Fundraising manager]

But I mean they were in this relationship to make themselves look good to their customers, but they didn’t leverage off it to any great degree. Given that their opinion of how they were perceived by customers was as a necessary evil. [NPO CEO]

2.10.5 Continuation of partnership relating to negotiated exchange only

Despite the acknowledgement of the aspects of the partnership beyond the core event of the national day, it appears the funding was attached exclusively to that event. This created a situation where, although additional outcomes were generated through ad hoc reciprocal exchanges, the value – and continuation – of the partnership was seen as hinging on one critical event.

Well it was really only the one event, so it was one clump of funding, so the question was, are we still going to get that funding the next year? [NPO CEO]

It may be argued that this undermined the value of the additional tasks that were carried out, a view that appears to be supported by the perspectives of the corporate participants in the partnership (below). This seems to have created a challenging situation for the NPO. Their ideal was to have the partnership mature from a sponsorship of a single event to a more integrated arrangement in which each partner would provide benefits at a variety of levels. Efforts to develop the relationship in this
way were ad hoc and informal. However, it appears these were dismissed as normal and appropriate acts of gratitude and goodwill and not incorporated into a formal evaluation of the partnership value.

Therefore, the NPO perception of distributive justice appears to be positive, based on a high level of value placed on the outcomes achieved. This positive appraisal is despite the level of investment being reduced over time, the failure of the corporation to deliver added benefits as promised, the inability to grow and create a more fully integrated partnership and the eventual termination of the sponsorship.

### 2.11 Distributive justice – Corporate perspective

Whereas the nonprofit partner had made strong positive comments regarding their perceived satisfaction with the outcomes of the partnership, the corporate participants were considerably more equivocal in their responses. The CEO expressed doubts that the emotional attachment sought from consumers was being achieved.

There are some causes that seem to resonate emotionally. I guess they just have something deeply bound in our psyche about it. And you always have different views about whether [NPO] was one. I think it’s not, I think it’s probably somewhere in the middle, not at one extreme or the other. It does generate some, people kind of connect with it but it’s not, there are other causes where there’s a much more direct emotional connection, involving children. [Corporate CEO]

This perception of a not entirely fulfilling partnership is shared by others who had more of a hands-on role in its day-to-day functioning.

Actually thought it was, I wouldn’t call it chequebook charity, because that’s quite a provocative term, but it was a case of the exchange of dollars and logos and to me that wasn’t enough. [Corporate brand manager]

Further, as previously noted, that the investments being made were not seen as not achieving a satisfying return, led to the reduction in funding an ultimate termination of the partnership.
2.11.1 Failure to invest

The communications manager appears to share something of the perspective of the NPO participants, in acknowledging that failure to adequately invest in the partnership – in terms of adequately communicating expectations to the NPO, actively promoting the association and giving it enough time to deliver results – may have contributed to the corporate representatives’ perceptions of dissatisfaction.

So in the end, because we didn’t spend on our own leveraging of that investment, the general feeling was that we didn’t get much out of it.

Well, [national] day kind of got me. If we were prepared to invest in it and get pretty serious about it, it could be a really good thing. These things do take time. You can’t just produce enormous events like that. National Bank spends a million dollars on Daffodil Day or whatever it is. We were spending [much less].

This view was endorsed by the sponsorship manager who criticised the corporation’s previous approach to partnerships:

[The corporation] as a whole has been quite guilty in the past of going into sponsorships on a tactical basis and then just sitting back and not being proactive about them, so I think when I came on board it went from being a quarter of one person’s role to looking after sponsorship to being my sole focus.

2.11.2 Difficulty in generating a return from partnership

The brand manager referred to challenges inherent to generating a return from corporate-nonprofit partnerships.

It was about getting a certain outcome, getting us associated with the [NPO]. And the media are a fickle bunch. They don’t respect naming rights or anything like that... so you can forget that perceived value anyway. So I always ignore them whenever I see them.
2.11.3 Demand for outcomes increasing

As already noted, the brand manager reports internal pressure to deliver increased outcomes from the partnership, indicating the results being generated were perceived as unsatisfactory.

I think we were getting to the point where [the senior management team would] say ‘Right come on. We’ve got this whacking great sponsorship portfolio ... you’ve won a couple of awards. Now that’s great, but what else is going on? Where are you taking the relationship next? What are we going to get out of it? How are you going to involve the staff more?’ [Brand manager]

2.11.4 Value of non-core aspects of exchange

Like the NPO, the communications manager identified value in the tangential activities that did not form the centre of the exchange agreement.

There was strength also in the knowledge sharing area. So things actually to do with [health issue] - we could go to them and ask. Probably developed quite a bit of CSR scripting and that sort of thing through conversations with the customers. They can do a Q A on some of our customer communications, so people say the right thing about [health issue]. That sort of thing.

...there was some tentative stuff done in the call centres where [NPO CEO] and others went as [health issue] educators to the call centre, which the call centre operators really appreciated.

It appears that some charitable contribution was factored into the value of the exchange.

that’s what the $xxxx was for in the first year, was to give that push basically... So it was kind of pro bono and other elements there which took the value above $xxxx. [Communications manager]

Similarly, the corporate brand manager highlighted his (correct) perception that the non-core, tangential benefits being provided by the corporation were of value to the NPO.

We don’t just impart money, we impart IP and we impart knowledge and we impart skills so we can actually kind of transfer some skills...

Hopefully as a result of the relationship they learnt a lot from the relationship and they didn’t just gain dollars, they gained ideas.
2.11.5 Move to additional activities

The brand manager claims responsibility for moving the partnership beyond the benefits relating to funding the National Day to greater publicity for one another.

I came in as a sponsorship manager and felt that it was very obvious that [the NPO] needed to drive awareness as a nonprofit, for themselves but equally for us.

However, it appears that it is in this area that dissatisfaction appears to have emerged. From the corporate perspective, it appears it was felt the additional levels of promotion and engagement had not been adequately achieved. The sponsorship manager, who eventually terminated the partnership, commented:

Actually our relationship with [the NPO] was effectively corporate sponsor, but really the whole of the benefits were based around [the National Day]. So there was very little outside of the relationship apart from, say, some branding on the website and mention in the newsletters that was delivered outside of [the National Day]. So it was all really focused around [the National Day]. And I guess that was a bit challenging and a bit of a surprise given that we were principal sponsor. Corporate sponsor. Corporate partner. [Sponsorship manager]

In the comment above, the sponsorship manager downplays the additional branding and communications relationship between the organisations. Neither does he mention any of the other activities relating to staff training opportunities and fact-checking acknowledged by his corporate predecessors and the NPO. This highlights a key difficulty in understanding the extent to which parties delivered results effectively to one another – the lack of a formal agreement between the parties. This creates a situation where it appears to not even be clear to the participants in the relationship what activities should be seen as implicitly agreed, and what are “extras”. This relates to the discussion on procedural justice – the processes by which the decisions are made – in the following section.
2.12 Procedural justice – NPO perspective

2.12.1 Two-way negotiation critical to idea of partnership

The NPO chair remembers the agreement as “not complicated but it did require some careful negotiation”. He tells the story of the NPO communicating their many attributes to the corporation, and identifying a figure appropriate for the sponsorship.

They said ‘Well maybe, but ... we're not interested in putting in that much cash up front.’ Which I can entirely understand. And we then said to them 'Well look, why don't we start, maybe a year with doing some smaller do-able things while we get used to one another. And if it works and we're both comfortable with the partnership then we can go for the bigger one.’ [Fellow NPO colleague] used to rebuke me for calling this trial marriage. And certainly as a metaphor it's bound to get you into difficulties if you enlarge on it. But that's in a sense what it was. We would come together and in the first year we did a fairly modest joint programme. But from that we did come with confidence that we were going to work well together.

I mean it's an evolution. It changed every year. As I said we started deliberately on a modest scale and we've gone on expanding wherever the direction seemed promising.

The above discussion on distributive justice suggests that this small-scale event-specific agreement created the conditions whereby the partnership was perceived as too narrowly focused and not generating adequate results. Despite this, the NPO chair expressed satisfaction that this process delivered a satisfactory result for both parties and supported the building of the organisations’ relationship. As previously noted, the negotiation also successfully included having the corporation withdraw from endorsing a problematic product.

After that the deal between us and [corporation] almost negotiated itself in that [the corporation], still I think, were certainly not simply willing to write a cheque for $xxxx, which I understand because they were looking at what they were getting from it. But what they did was pay for market research for the creative work on devising [national] Day.

I think that that’s another perhaps important point as I see it about these partnerships. They do have to be responsive and evolutionary. Sorry for going on about the marital parallel, but ... I mean two people don’t develop in precisely the same way through a marriage and both partners have to be aware of that. And both partners have to be aware that there has to be something in it for the other partner too.
think that sort of give and take, almost feedback, that you get will shape the way the partnership develops.

Others in the NPO were more ambivalent about this process, however. Asked whether she was happy with how the partnership came to take this form, the NPO CEO mentions an “unfortunate...power dynamic”, while the fundraising manager was somewhat critical about the relaxed approach taken to negotiating the partnership, suggesting a concern that the NPO may have sold itself short.

I think, very originally the chair and the executive director were sort of in charge of doing that and I was not as involved and I differed in my opinion about how much we should be going for and they were quite happy to kind of leave it open for a long time and not actually get to figures. [NPO Fundraising Manager]

2.12.2 Role of formal documentation

The importance of formal documentation underpinning a partnership was asserted by the NPO Chair. This included developing guidelines prior to entering a partnership that would outline the principles to be taken into account.

I think [formal partnership guidelines are] crucial. They're common sense. You could write them yourself on the back of an envelope. But it was necessary to spell them out. To test them in the board meeting then to adopt them formally. So they understand. I don't think you can just say any CEO or chairman would know this. You've got to spell it out. [Chair]

At a governance level, some care was taken to protect the NPO from harmful effects arising from entering into a corporate partnership. A board paper outlining “overall principles” was adopted. This recommends conducting a risk-benefit analysis, and prioritising the “public perception of [NPO’s] image”. Safeguards around dependency are not explicitly stated, but could be regarded as falling under point 2:

- There should be low risks to [the NPO] and the public. Risks are mainly to the credibility of the [NPO] but could also involve financial risk. The long term impact of a proposal needs to be considered as well as the short or long term benefits.
The guidelines mentioned above provide few concrete bottom lines for a partnership. Rather, they provide an indication of the NPO’s consciousness that risks might exist within the partnership, and that corporate funds would not be accepted at any cost. They establish a self-empowering principle that the NPO would take an active role in appraising whether a partnership was to their overall advantage.

The Overall Principles stipulate under point 5: “A written agreement is needed on all occasions where the [NPO’s] name and/or logo is to be used in commercial circumstances, or there are financial, branding or intellectual property implications.” Despite this, no formal contract was signed between the two organisations.

I don’t think we had anything much written down... that this would be three years and this is what we each want out of it or anything like that. [NPO CEO]

I think there might have been a letter from them originally, but we had no agreement, so it was a question of expectations that was the benchmark of funding and the relationship would continue. [NPO CEO]

A consequence of this appears to have been to institutionalise an element of uncertainty within the relationship. The CEO was pragmatic about this, perceiving any partnership with this corporation as better than none, and attempting to make the most of it as long as it lasted.

Well, year to year you always knew whether you have something going next year or not. So you planned on that basis. But you didn’t know if you had something going two or three years. So it wasn’t too uncomfortable. [NPO CEO]

She demonstrated reluctance to rock the boat and jeopardise the existing relationship by calling for a formal contract as the partnership progressed. However, this situation was identified by the fundraising manager as having placed the NPO in a vulnerable situation.

Well it was quite interesting because at the beginning [the company] was really quite careful and they wanted to have a whole contract and all this sort of stuff but as it turns out we never ended up with one. It was quite funny because they were the really careful ones and I guess we should have probably been a bit more keen because we never did end up with one which meant it was not clearly outlined and then we’ve lost that sponsorship. [NPO fundraising manager]
In this context, the overall processes underpinning the partnership were perceived rather negatively by the NPO participants. Describing these difficulties, NPO members pointed to issues already identified, including challenges around expectations of who would carry out work tasks, as well as barriers within the corporate structure and staff turnover frustrating the ability to successfully achieve goals.

Actually the processes were really difficult and also corporate structure was very difficult. [NPO fundraising manager]

There’s always a problem you’ll have with management changes, when people review their sponsorship and say ‘Hey, well why don’t we do something else?’ [NPO Chair]

It was frustrating because again, they wanted to give us a certain amount of money and have us do everything. [Fundraising manager]

Because this was very much around this table the discussion at the outset, you know, what we should be doing and how we should publicise. And without the rationale, you know, sometimes the institutional knowledge is quite important. [NPO CEO]

Further, as previously noted, attempts to have greater influence over the direction of the partnership as it progressed also created some dissatisfaction.

2.12.3 Unclear expectations

As noted in the section above, the decision to start with a small programme, and the lack of a formal contract at the outset of the partnership, had ongoing implications for the NPO. This appears to have created a situation where the processes by which the partnership operated were unsettled. A sense of shifting goal posts was expressed by NPO staff members:

So there was no agreement or guarantee it would continue, but that was something that we pursued to find out if it was still their intention, or not. And they were also in the process of, over time, slowly defining the process of what they wanted to do with their sponsorship. [NPO CEO]

A further shift in expectations occurred with a new corporate sponsorship manager, who was communicating greater emphasis on defined deliverable outcomes. This change in the dynamic and
processes of the partnership were viewed with frustration, and seen as betraying the corporation’s previously-stated (although not contracted) long-term commitment to the relationship.

And then because [brand manager] had always said, ‘Let’s go for the long haul’, he was never as worried about the size of the logo on things compared to [another sponsor’s] logo and all this sort of stuff. And then that all became quite important when [sponsorship manager] came on board. He was off out measuring logos. So it was quite interesting. It was a measurement thing really. Everything became a measurement. What are we doing for you? How are we doing it? What’s the gains? A lot more demands at that point. [Fundraising manager]

Then there were some other unreasonable, or I figured unreasonable, requests that any of the collateral from the last two years was not allowed to be used because it had the old logo on it. And we’d spread that stuff far and wide. There was just no way we could possibly contact any of the people who had got that… you know it was quite bizarre really. [Fundraising manager]

### 2.12.4 Efforts to formalise expectations

The NPO demonstrated efforts to place the partnership on a more formal footing, and create more certainty around what each partner should be providing to one another. This was articulated by a Discussion Paper, produced by the NPO in the second year of the partnership. This envisioned a “year-round” relationship, and identified opportunities for partners to ensure their association with one another was maximised. However it was noted that this never became a formal workplan, with the NPO CEO believing “[The corporation] didn’t have the time or resources to make it work on their side”.

### 2.12.5 Positive procedural justice as partnership concluded

Despite the corporation making a negative decision regarding the continuation of the partnership, this is an area where procedural justice was rated highly. This contradicts with literature that suggests that processes will be appraised more positively where the outcomes are favourable (Folger 1977). Further, procedural justice is often referred to as providing ‘voice’ to affected parties in the decision-making process, leading to higher overall acceptance of the final distributive justice decisions (Folger 1977). As the corporation undertook a review of its sponsorship activities, however, the nonprofit was provided with
little opportunity to express its views or make a case to be retained as a sponsored organisation. Despite this, the period was identified as an example where the nonprofit experienced the processes underpinning the partnership as positive. The corporation was open about the fact it was undertaking a review, and the strategic drivers behind this. This rationale was respected by the NPO CEO.

We were very aware that they were doing a whole review of their sponsorship relationships and [new NPO chair] and I met with [new corporate CEO] as part of our process of keeping ourselves visible. And it was made clear they were doing this, and it was a corporate exercise with buy-in right to the top, which again was totally appropriate. [Sponsorship manager] kept us in the loop in terms of what was the goals they were working towards as part of this process. And he came and met with me and said that they had concluded that [social and health issue] was no longer, it was mainstream, and didn’t give them that edge anymore so they were looking for something edgier, essentially more out there to take the place of the [social and health issues] relationship. It was very... we knew there was a review going on and we would know as a result of that what they had concluded for the relationship, and the fit. And we, intellectually we understood their reasoning.

Despite respecting the process, however, the CEO admitted disappointment, relating to her experiences trying to generate better results and the sense the partnership had not fulfilled its potential, as discussed previously.

It was sensible of them to look at that and what they wanted out of that. But as I say it was frustrating to us because we felt we could deliver a lot more to them.

When the corporation finally withdrew from the partnership, the NPO CEO appreciated the “care” that was taken around the timing of the withdrawal.

So in other words, they did it relatively soon after [national] day, so it gave us the longest possible time to position ourselves.

The sponsorship manager’s behaviour was described as “respectful”.

2.12.6 Power as investment

The positive experience of procedural justice at the point in the relationship raises issues regarding its relationship to power and outcomes. It appears that the corporation had moved beyond the point of wishing to improve the relationship. At this point, it was able to move into a change management mode
involving communicating a clear, time-bound process in a professional and respectful manner. Negotiation and tension between partners to achieve a mutually satisfying partnership was no longer relevant. This suggests an alternative approach to regarding the impact of power on justice outcomes in a partnership, which echoes the comments made by the corporate participant of the preliminary dyad. By this view, the exercise of power and the desire to shape justice outcomes can be seen as the demonstration of active interest in the partnership. The tension that may arise from this is the product of engagement in, and commitment to, the partnership. It may be, therefore, that the exercise of power is a necessary ingredient of an active, living partnership.

2.13 Procedural justice – Corporate perspective

2.13.1 Questioning own selection process

In terms of initially establishing the partnership, the former CEO admits to having a few misgivings around the process of partner selection, although these were not overwhelming:

Was I satisfied? Yes and no. Yes in the sense that what [the company] got was it was able to form a partnership with a partner with which it was compatible and as I said before there was a sympathy between the objectives that that partner was a pursuing and the objectives or wider objectives that [the company] had... The no part is whenever you find yourself in a relationship that is a little bit opportunistic, and when I say opportunistic I don’t mean exploitative opportunistic, I just mean the opportunity came along and you think, was that the right thing? ... Was the search process as exhaustive as it could have been? No. And that’s the question we will always wonder about.

In reaching the agreement with the NPO, the corporate communications manager responsible describes a process he was happy with. However, it paints a somewhat different picture from the situation described by the NPO, and casts the corporation in a more proactive light.

I just basically told them [about the overall research programme]. I said that’s kind of what we would want to be doing. I’m not quite sure what that looks like, but would $xxxx do for the first year? I think it was all reasonably straightforward, I mean it was a lot of mutual self-interest. Everybody was willing to deal.
2.13.2 Processes around formal documentation

From these interviews, the lack of a contract was less of an issue for the corporation, at least at these more senior levels, mostly because the interview candidates both appeared to believe one existed, as suggested by comments such as:

I could probably pick up the contract [Communications manager]

I mean obviously contracts were signed. [CEO]

However, the NPO’s comments regarding the lack of contract were corroborated by the sponsorship manager.

The first thing I did when I came in was do a reconciliation of all contracts and find out exactly what we were committed to, for how long, and money [and so on] just to get up to speed. I identified that we didn’t have a copy of the [NPO] contract on file. So I talked to them about it and as it subsequently turned out, we didn’t have a contract.

An acknowledgement was made that processes by which the partnership operated around lack of contract increased the power of the corporation relative to the NPO. This occurred when the sponsorship manager expressed a belief that the onus is upon the NPO partner to keep the relationship fresh and interesting.

Would it have changed our decision? Probably not. But that said, I would say that that’s probably a better approach in a general situation than just expecting that the same-old same-old will happen. *Especially when you’re not contracted.*” (italics mine) [Sponsorship manager]

2.13.3 Neglecting the partnership

The corporate partner was quite self-critical of their own performance in actively managing the partnership in its earlier days.

There were some occasions we certainly hadn’t serviced it as well as we could’ve. But that was due to, I think a lack of resource at our end. And underestimating the amount of man hours it takes to build a partnership portfolio. [Communications manager]
[The corporation] as a whole has been quite guilty in the past of going into sponsorships on a tactical basis and then just sitting back and not being proactive about them. [Sponsorship manager]

This included some self-criticism of the actual methods used to advise the NPO about changes to the agreement, such as the decision to reduce the funding after the first year.

I think probably what I wasn’t doing was being frank with it. I didn’t really say, “I’m not that chuffed with how things have gone lately.” I couched it much more in terms of, “It’s very difficult to leverage a whole week’s activity. You really need to put it to a day. And we’d be very happy to help you create an identity for that day”. [Communications manager]

Despite this, the corporation placed responsibility for improving the processes by which the partnership operated onto the NPO partner. The brand manager remarked:

I wanted pro-activity and I wanted to be delighted and I wanted to be surprised by them thinking about how they were thinking of this and how they valued the relationship. Rather than just straight exchange of dollars and logos.

His successive manager appeared to agree when he described the changes he saw as being necessary to make to the way in which the partnership operated. He described being:

...a little surprised that it was quite a relaxed attitude to [the partnership]. Again my experience around these things, you’ve got to be really kind of tight and have defined benefits in return for defined investments and stuff like that. So we kind of struggled with that a little bit to start with. [Sponsorship manager]

It was acknowledged that seeking changes to this approach required a shift in the culture of the partnership.

I think the level of engagement that we asked of them was different to where they’d been before... I think they found the new approach quite a challenge initially. Just the amount of stuff we were asking from them and we were pushing back on them to get things done as well because we have a fairly big portfolio to manage. So I think it was just a kind of a change in approach and they had to kind of get up to speed with that. [Sponsorship manager]

And the relationship started soft and it got hard towards the end. Harder. It actually solidified. That’s not the right word but it just went from soft to hard. And I think [NPO] found that possibly a little
uncomfortable or a little unnerving because the beast changed a little. And we were expecting more and more and more and that wasn’t the original thing that they’d signed up for. [Brand manager]

The comments of the brand and sponsorship managers did not acknowledge the Discussion Paper produced by the NPO, nor the conversations the NPO claimed to have had with them about developing clearer expectations or targets for the partnership.

2.14 Interactional justice– NPO perspective

2.14.1 Importance of personal relationships

The strength and success of personal relationships was identified as fundamental to the partnership occurring at all. Comments focused on the length of time people had known one another, mutual acquaintances and the past positions and status of potential partners. These may be taken as indicating qualities of individuals’ reputations and trustworthiness and show the importance placed on potential partners being well connected and of good standing in the community.

It’s partly a matter of personalities... [communications manager] who I already knew as [previous politician’s] press secretary... We all rather knew one another already, which of course happens in New Zealand because we’re a small society. [NPO Chair]

[The success of negotiating was probably not down to one person], although initially it almost was, because it was very much personality, people based. [NPO CEO]

That was key for us, and for them, in terms of risk management, that they weren’t getting involved with someone who was dodgy. [NPO CEO]

2.14.2 Overall positive evaluation of personal exchanges

Interviewees’ overall impressions in the area of interpersonal exchanges and working styles were very positive, with the most effusive language being used to describe the more senior members of the relationship. This included language such as: “high regard”, “professional”, “frank”, “candid”, and “a high degree of personal trust”.

315
Oh they were good. They really were good…I have no complaint about them at all except, as I say, their inability to stay the course. [NPO Chair]

With [communications manager] we always had a very free and frank, in the most positive sense, exchange. [NPO CEO]

When describing newer staff members and those in less senior positions, overall descriptions are still largely positive.

Sometimes I think he was genuinely keen to make it a big, long, and really grow to something really amazing. I think he was really trying to work together although we definitely did all the work. Which is fine, because we were supposed to in some respects. In terms of [the national] day – you’ve got to do it, it’s our baby. But otherwise I didn’t feel that it was ‘You do this, you do that. Jump over this, go here, go there’ I think he was trying to do the best. [Fundraising manager]

I knew what [brand manager] was all about and we certainly worked quite well together and it was pretty easy. [Fundraising manager]

### 2.14.3 Specific instances of disrespectful behaviour

While these very generic descriptions tended to be positive, specific instances were described where behaviours were seen as disrespectful.

There are elements of your being patronised at times, depending on the personality you’re dealing with in the relationship. [NPO CEO]

An example of disrespectful behaviour was described by the fundraising manager:

It was a formal meeting because we were going to be discussing formal things about our arrangement. [Brand manager] not only arrived late but arrived bringing a sandwich which he ate in front of us. And the worst thing of it was he actually arrived in his running gear after having just had a run. So he hadn’t showered or anything and we were quite shocked and amazed that somebody would do this and it led us to believe that he didn’t think that much of us. Because if I was a corporate client he would never have done that. So we just felt kind of like, that’s not very respectful to someone to come in just from a run, eating food, when we’re supposed to be discussing quite serious issues. [Fundraising manager]
Elsewhere, the NPO CEO relayed an instance where she had been offended by the same corporate brand manager, when he seemed to devalue the NPO’s contributions to the partnership.

[He] was rabbiting on about the amount of time they had committed to us, and the money, and I verbally slapped him at one point, actually there’s a transfer here, one way and another.

The CEO appeared to regard this as an irritation rather than a genuine conflict with long-term consequences. She did not appear to take it personally, nor too seriously.

I think he’s fairly thick skinned. I just wasn’t going to listen to that for too long... It didn’t need to be resolved. [NPO CEO]

[My staff] found him quite difficult to deal with. But he had a role to do, and he had a personality. I don’t think it was confined to us. [NPO CEO]

2.14.4 Personality clashes

Some evidence suggested clashes between particular personalities: the NPO CEO seemed to particularly struggle with the corporate brand manager, but related better to the new sponsorship manager.

[Brand manager] was bumptious, to put it mildly. And he was the one that we experienced as patronising. And [sponsorship manager] then took over more recently, and he was good to deal with because he was, you know, more straightforward. And although in the end he had to deliver unpalatable news, again it was done professionally and straightforwardly, and respectfully too. [NPO CEO]

The interpersonal relationship was still perceived as positive, even after the relationship was ended.

And I said to [sponsorship manager], “If I want to talk to you about any of this are, are you available, about other things?” and he said “Absolutely, yes”. So I have no qualms about picking his brains or trying out other ideas, if I wanted to. [NPO CEO]

In contrast, the fundraising manager appeared to have come to an understanding with the brand manager, and worked quite well with him. She had greater difficulty with the change in approach brought by the sponsorship manager.
I don’t feel like it was very much ‘You do this, you do that for us’ there wasn’t very much of that from him. You got that later on. [Fundraising manager]

...when [sponsorship manager] came into it ... it wasn’t as easy and they were intimating ‘What are we getting out of this? Why should we carry this on?’ There was quite a bit more conflict actually. [Fundraising manager]

The fundraising manager saw this behaviour as surprising, given the corporate sponsorship manager’s claims to have sympathy for the challenges of those seeking sponsorships, as a result of having previously worked in this role.

2.14.5 Acknowledging efforts of corporate staff despite limitations

Despite the frustrations described earlier with regard to the processes underpinning the partnership, this did not translate into criticism of the specific staff members involved. There was a willingness from one staff member to perceive the corporate staff members as being circumscribed by the context in which they were working.

Certain individuals were really amazing. They just weren’t in the right places to make things happen for the rest of it I think. [NPO Fundraising manager]

2.14.6 Reliance on interpersonal relationships

The importance of interpersonal relationships was identified as both a strength and a source of vulnerability for the partnership by NPO participants, who had experienced many changes of personnel on the corporate side of the partnership. In the four years of the partnership, the corporate CEO changed three times, and three different individuals took responsibility for conducting the partnership.

Sponsorships are about people. It’s not ever about the organisation. They have to go ‘yeah’ but then you deal with the people in the organisation. So when it changes, that relationship changes obviously. And it’s whether you can make it gel or not. [Fundraising manager]

I suppose [the changing personnel at the corporation] went OK, but what you do get is you lose the continuity of institutional knowledge. [NPO CEO]
The NPO CEO acknowledges this difficulty in maintaining a relationship where there may not be widespread organisational buy-in, and mentions efforts to address this.

So that early on there was a launch at parliament and it was a good opportunity for me to at least talk to a number of the board from Australia and New Zealand and have them know what we were doing just to try and have that understood. [NPO CEO]

She further identifies the tension between relationships built on strong personal interactions, and the wider support necessary for a long-term partnership. The outcome of developing a narrowly-focused partnership based on a few personalities and no comprehensive underpinning documentation created a lesson learned for the NPO CEO.

Whilst there always needs to be a comfort in terms of the relationship between the people involved and the personal trust, I think whatever we do will be much more structured in the future.

2.15 Interactional justice – Corporate perspective

2.15.1 Overall positive relationships

The corporate partner shared the overall positive sense of personal interactions with their partners, with participants.

It was a very cordial relationship. [Communications manager]

They were great, I really enjoyed working with them. [Brand manager]

The relationship was very good on a personal level. I found [NPO CEO] excellent to deal with. [Sponsorship manager]

The NPO CEO’s relationship management skills were admired, and the style of interaction was seen as a refreshing change from the corporate environment in which they usually worked.

I thought [NPO CEO], her relationship management skills are excellent. She was present, she's a very open warm personality. Very informal and relaxed. There was no airs or graces or anything like that. ...In
fact I looked forward to discussing things with her. Because you could actually be open and honest with her as well. [Sponsorship manager]

I actually really enjoyed almost all of the relationships I had with the sponsored parties in the [broader CSR programme]. Lots of people that I liked and respected and were fun to hang out with. [Communications manager]

Participants particularly appreciated their genuine commitment to their cause, and appeared to become caught up in the experience of carrying out meaningful work.

I think they’re really good, very hard working. A real belief in what they did. And that was infectious, that rubbed off on me. It opened my eyes to how [health issue] was actually a much bigger issue in New Zealand than I thought it was. And so I was well and truly hooked. [Brand manager]

And the other guys were very passionate about their job. They were really into it. [Sponsorship manager]

For one interviewee, this praise was reserved for an individual staff member, rather than the team.

I think [NPO CEO] is a very good, passionate administrator and really into it. And she has a good handle on relationship management. I found her very good to deal with. I think that the people below her were a bit of a challenge. [Sponsorship manager]

While there was minimal conflict when dealing with the NPO CEO, the sponsorship manager refers to interactions that may have related to those the NPO fundraising manager had seen as increasing conflict in the relationship.

[We sought changes in things like] turnaround times and quite specific questions about referring to ‘If we invest in this, we get this. What about the other things?’ And there were instances where communications went out and we weren’t acknowledged and I wanted to understand why that was the case. There were some reasons for it but others, they were just missed in putting them up.

2.15.2 Perceived competency impacting on interactions

Similarly, the communications manager does not recall conflict at an interpersonal level, but rather had doubts about some aspects of the competency of the NPO staff.
I don’t recall any [conflict]. No. I think [NPO CEO] and I quite enjoyed each other’s company. She was a nice person to work with. There were conversations where I felt frustrated but I could see that what I was trying to convey was a bigger idea than was in their mindset of what to think about as being possible. But that’s not really conflict, it’s just a ‘will the penny drop’ sort of thing. The feeling when everyone’s nodding and smiling and saying yes, but at the same time you know that they’re not thinking ‘So that means we’ve got to do that’.

This is going to sound really mean because I like [NPO CEO] and enjoyed working with her... but she’s no lobbyist. They had never been to see the Ministry of Health. And you sort of go “What? You don’t have a relationship with the Ministry of Health. Why not?”

This concern for the professionalism of the NPO had implications for how the corporate brand manager interpreted their enthusiasm and passion. This in turn affected how he reported behaving towards the NPO staff.

And I think they were trying very hard but I think the professional, corporate, I needed a corporatisation of a non-profit. So they needed to sort of, not change their skin, but they needed to, not harden up. I don’t mean that in an uncompassionate way but they needed to be much more savvy. Much more savvy. And I didn’t always see that. I just saw a lot of enthusiasm and eagerness and keenness and a little bit of ‘It’s all a bit crazy’ and I’m like ‘Well that’s fine. Everything’s pretty busy at my end. We really need you to be really on your game.’ [Brand manager]

I think we got pretty hard on them because I don’t think we were always getting what wanted out of them in terms of responsiveness or quality of response. [Brand manager]

I wanted to drive the relationship harder. [Brand manager]

### 2.15.3 Consciousness of how corporate appears to treat NPO

A number of comments from the corporate participants reflected on how they came across to their NPO colleagues. This is in contrast to the NPO interviews, where such comments were only made in relation to negotiating the partnership, and the NPO chair’s concern not to appear overly self-righteous. This perhaps it reflects a greater sensitivity from the corporate participants around the implications of their behaviour. This may reflect a perception that their behaviour matters more,
due to a sense of having greater control over the partnership, reflected in the corporate brand manager describing himself as a “taskmaster”. It is interesting that these comments related to both positive interactions, as well as those justifying a more confrontational approach.

I hope there was never a feeling that I was telling them what to do. It was a reasonably collaborative approach to what we wanted out of it [Communications manager]

There was an interesting dynamic because my previous job had been on their side of the ship, so to speak. So I had been seeking sponsorship support, selling sponsorships basically, and had now been in the situation. So I said to them right from the outset ‘I’ve got some sympathy for your position and understand what you’re trying to get through’ and all that sort of thing, so we got off to a fairly good start I think. [Sponsorship manager]

I suppose I’m quite a hard taskmaster on that because I’ve got standards that are quite high for myself and others. [Brand manager]

### 2.16 Equity – Nonprofit perspective

#### 2.16.1 Arbitrary nature of exchange figure

The NPO Chair acknowledged there was no great calculation taking place when he nominated the value for the sponsorship agreement.

I was looking for, and this is perfectly arbitrary, $xxxx bucks a year in cash.

Asked how this figure was determined, he responded:

Guesswork. What the market might bear. It was no mystical number. Maybe next time we’ll ask for a million. It’s what the market will bear, what we feel like is a reasonable amount and again, what we feel is worth it to them. It’s of course what the market will bear. There’s no way of calculating that number. And we said $xxxx which is a number I think I plucked out of the air.

In describing whether this was a satisfactory agreement, the NPO representatives referred to a number of “crude measures of success” as discussed in the section on distributive justice. These include the increase in income and donors and anecdotal evidence.
2.16.2 Equality important for long-term relationship

In establishing an appropriate exchange, equality was identified as an important value by the NPO chair, for pragmatic if not principled reasons; it better ensures a relationship that is mutually satisfying over the long term. This recalls principles of equity theory, whereby parties will modify their own behaviour to ensure others are satisfied with the exchange outcomes (Adams 1965).

Obviously when you enter into a sponsorship arrangement there has to be an equal attraction on both sides. And that means I think, it does narrow your field of potential partners but I think that if a voluntary organisation doesn't keep bearing this in mind you're going to come to grief and just disappoint your business partners. [Chair]

But it's not fair if it doesn't work to the advantage of both. So I come back to this point that you can't go around saying to people, You can't go around saying to people, 'Do good works. Give us money.' Because there is a faintly self-righteous temptation to all volunteer organisations... There's a bit of a tendency to stick a gun in people’s ribs and say 'You've got to give money to us because we do good works.' And that's the wrong way to getting a serious relationship going.

The chair offers a Nozickian analysis of fairness:

Well I assume [it was fair] on the grounds of any two parties that enter into a partnership presumably have made their judgments. So yes I do think it was fair.

That individuals’ appraisal of fairness is conflated with benefit to self is well acknowledged in organizational justice literature (Greenberg 2001; Brockner and Wiesenfeld 2005; Fortin 2008). It is perhaps interesting that the opposite seems to be evident in the responses of the nonprofit members of this case study. As well as the philosophical approach of the chair (above), others frame their responses to the question of fairness initially from the perspective of their corporate partner. One responded to the question by citing their organisation’s attributes and how that would advantage their corporate partner.

I don’t know what we’re worth to them. But our thinking was... but if you’re talking about the major health-related issues, we were the only one around that was more or less available. [NPO CEO]

Another commented:

Yeah I think it was fair. Yeah. They got $xxx worth, you know, if you put that much money into something. I think they got way more than that amount of money in value. I don’t think they got as much value as they could have from it. But they did get value from it. [Fundraising manager]
She doubted the fairness of the exchange in terms of a balance of outcomes:

We got much more from them than they got from us. But that’s because we didn’t need much to get what we needed. [Fundraising manager]

These responses point to two further measures of fairness. One refers to fairness as whether one receives value commensurate with or greater than the contributions they have made. The other relates to fairness as whether each side of the partnership gained equally from the partnership.

2.16.3 Sensitivity to partner’s perception of value

The NPO therefore accepted the somewhat arbitrary nature of the exchange agreement and was satisfied with the overall outcomes they had achieved. The critical issue for the NPO became need to manage the expectations of the corporate partner.

I think we’d have to explain to next main partner the same thing. ‘You’ve got to decide to get in this for the long haul or you may not see much back for your investment. I mean you’ve done good things and you’ll be spoken of very warmly by us for the rest of our days, but from your business plan perspective you may not have seen much for it. I think it’s there, because I think that a disease that touches so many households in New Zealand, over time is going to reflect some sunshine on your help. But I think it takes time.’ [Chair]

2.16.4 Ability to demonstrate value

The difficulty in measuring the contributions of the NPO became a considerable source of tension for the NPO. As noted above, it contradicted the understanding that the corporation “was there for the long haul”, investing in the time required for benefits to grow. The corporation’s desire to have the NPO deliver measurable results within a short timeframe also led the NPO to believe the expectations were unrealistic, and they were doomed to fail.

They wanted us to change the world for them en masse. [Fundraising manager]

[Corporation] used to do a survey and they had like... five questions about us, four or five questions about us, and we just looked like we never hit the radar. When I look at it because I’ve always done lots of statistics and data analysis and I can see that there’s been a massive shift. And that we’re not one of
those number one charities in terms of the blind or Plunket or whoever, but because we’re like a second tier I think we did really well. But they would have a form of measure and I’m sure we never measured up. [Fundraising manager]

2.16.5 Perception that value not acknowledged by partner

Defensiveness and frustration were evident as NPO CEO described the difficulty in having their contributions acknowledged by the corporate partner.

I mean fundraising people have all these theories in their heads. Pragmatically, that only really applies if both parties acknowledge it. I don’t know really. I think that that sort of big picture level, I think unless they acknowledge to themselves, overtly, what the value is, you can’t convince, I think it’s pretty hard to convince them.

Interviewer: And I’m not that sure that you’re thinking your value was properly acknowledged?

No, I don’t think it was. [NPO CEO]

This has a further implication for understandings of fairness. The NPO had perceived the partnership as fair in terms of equity – outcomes relative to their inputs (Adams 1965; Colquitt, Greenberg et al. 2005), with participants even feeling they had received better outcomes than the corporation in terms of their needs (Leventhal 1976). However, they were still left believing that their value was not properly acknowledged. The NPO’s concern is that the corporation had not seen its side of the relationship as meeting its expectations. This reveals a strong concern for their partner’s perception of fairness as contributing to an overall understanding of a situation as fair. This appears to relate to the principle of being properly valued and acknowledged, as well as the pragmatic goal of ensuring an ongoing relationship.
2.17 Equity – Corporate perspective

2.17.1 Imprecise nature of exchange

Determining the appropriate value for the exchange seems similarly arbitrary for the corporation as it was for the NPO. Asked how he knew how much to agree to, the communications manager said:

I didn’t. I just made it up. If I said to myself, I want to be able to support an NGO in doing some significant awareness raising, what’s a reasonable budget to do that which is within the bounds of realism at [corporation]. [Communications manager]

I think it was impossible to calculate [the expected benefit]. I think the best you can do is what we used to call, ‘what do you have to believe’ analysis. If it’s going to cost you x million dollars, what percentage of increased sales would you have to believe you could get to make it worth it. These were never done on sales, they were pure, you either believe it or you don’t. How do you put value on a good community relationship? [CEO]

[The appropriate amount to spend was] a wet finger in the air, I would have to say. I don’t think you can... I don’t think it’s science, I think it’s art. I don’t actually recall how we worked it out, except that it was a bit of a rising track through time. [CEO]

Now, how you work that value out, it’s very much a gut feel thing. You can value certain parts of it in terms of exposure and the like, but there are, without a question, intangibles in a sponsorship relationship and you just need to understand the values for those and I think I’ve got a really good feel over ten years in this industry, about what a good value is and what isn’t. [Sponsorship manager]

2.17.3 Importance of measurement

Despite not having used an exact calculation to determine the value of the exchange, and seemingly embracing this imprecision, it appears that considerable emphasis came to be placed on the ability to measure the extent to which the partnership represented value for money, as acknowledged above in the section on corporate perceptions of distributive justice. Some broad measures were sought to establish the benefit being provided from the partnership, but it is acknowledged they were not very nuanced.
I measured it in a sort of a total way. In terms of a couple of very simple brand measures. One was outstanding as a valuation that’s produced every couple of years by a brand capital firm in Melbourne. They do about 680 New Zealand brands. [It] is in some ways a bit misleading, but you look at the track and the thing was you could see when, particularly when we were running campaigns, that we did start to score higher on things ... but it was probably just as related to television activity as it was to any sponsorship activity. [Communications manager]

The brand manager describes the pressure to establish firmer measures:

I think the [NPO] needed to understand that we need to be able to justify spend and that funding every year and that it was a significant thing. [Brand manager]

We never expect any dollars but we expected exposure, enhancement of our reputation, awareness, better relationship with certain stakeholders with government regulation, to know that we were doing our bit. [Brand manager]

If you can’t measure it you can’t manage it. [Brand manager]

The brand manager claimed to have undertaken steps to create firmer indicators of the success of the partnership, including through the use of an external consultant.

We worked with a [consultant] who came in and sort of did a sponsorship audit and then worked through setting measurements and outputs and sort of outcomes rather than just outputs, which is a very clear delineation on how we expect from our sponsorship partners. [Brand manager]

Despite these efforts, the partnership was still perceived as being under-measured by the sponsorship manager who took over.

We didn't have any measurement criteria around the relationship and that's one of the things we've changed as part of the strategy. We've identified half a dozen or so measures that we're going to use to measure the health of the sponsorship and what it's achieving for us. But up until then there wasn't one internally [Sponsorship manager]
2.17.4 Problem of measuring intangibles

However, this emphasis on those things that can be measured, in a context with so many intangibles attached to it (Garcia-Ayuso 2003), was a significant frustration and disappointment to the communications manager who established the partnership.

What pisses me off more than anything else, is I know in my bones how much value there was within that. In the relationships we created with politicians, regulators, other government agencies, ... it got a couple of supreme awards, [from the government] in 2006. It was my proudest moment really, in [working for the corporation]. And there’s value in that. There’s value in having [another person involved in CSR programme] who’s a social butterfly of significant proportion whipping around the place telling people that [corporation] is great and doing this work with [corporation] and blahblahblah. It’s just you can’t measure it. [Communications manager]

This concern was endorsed by the brand manager who describes the difficulty in communicating to others in the organisation the indirect nature of the benefits of corporate-nonprofit partnerships.

[We] worked in a very grey space of brand and sponsorship. In marketing usually we’ll say we’ll spend this money and get that. Whereas sponsorships are saying right, well this is about enhancing reputation and stakeholder relationships, driving awareness of footholds in the community etcetera etcetera. But they don’t have hard dollars attached to them. So also we have to spend quite a lot of time managing expectation from all sides to say ‘Well, this relationship isn’t all about dollars and it never was’. [Brand manager]

This failure to have the benefit of the partnership recognised led the communications manager to critique the way in which its value was communicated to internal stakeholders. He also appeared somewhat cynical about how the value of the partnership was understood by how visible it was, rather than the amount of benefit was provided to the social cause it aimed to address.

I should have also done a better job off the [communications]. Internally particularly I think. Understanding that it’s important to build and maintain the constituency within the organisation. It’s something which just passed me by. It felt a bit boring to have to do it.

And I think probably in retrospect, good corporate theory seems to suggest that I should have spent disproportionately more on telling people about the fact that we were doing it. We could have put $xxxx a year into [CSR programme] and spent $xxxx [50 per cent more] telling people we were doing that and we would have got enormous recognition for having done it but we would have done less.
2.17.5 Assessing value of outcome to partner

Although the corporation found it difficult to establish the value they had accrued from the partnership, the sponsorship manager felt more confident that the programme had created benefits for the social issue it was addressing, because:

[NPO] told us. And also again, things like the government spend into [social issue] projects. The research that [other CSR programme partner’s] research generated. Simple things like column inches dedicated to the topic. Things like that. So it was really very clear that it was an issue that had gone from being on the fringes of accepted to a mainstream issue.

2.17.6 Criteria for judging investment

As noted in the previous section of the context of CSR, the sponsorship manager projected his judgements on whether the partnership provided value for money for the nonprofit, and decided that it did not. A comparison between the amount invested in a partnership and an equivalent donation therefore appears to have represented a further criteria for judging value in a corporate-nonprofit partnership.

The interesting thing I found was that we put $xxxx into the media schedule, effectively paid for the production and distribution of the campaign and [NPO] returned through the collection, their actual donations as a result, increased by only about [one third of the amount spent].

Trying to understand what would represent an appropriate way to value a partnership with a charity led to several criteria being suggested, although how this would specifically be calculated is not clear.

So yes there is an evaluation of [whether the NPO has the capacity promote the association]. But there’s an equal amount of value put on, how good an organisation are they from a management perspective, what’s the internal management like, how good a partner will they be to deal with? What is their public persona like? How are they regarded? Are they squeaky clean or are there questions about where their funds go? Those are two polar extremes. So there is a definite difference in terms of some of the things you’d apply to a charity because they aren’t corporate basically and the expectations are a bit different.

[Sponsorship manager]

Just to answer that value for money question first - I think the value for money thing was because it was targeted so specifically at [National Day]. And $xxxx spend over one week. I know what kind of spends
you can get. We got a good deal, there’s no question about that, with TV, but could we have done it differently with viral campaigns and stuff like that? [Sponsorship manager]

In terms of achieving outcomes commensurate with the contributions they had made, the sponsorship manager expressed serious reservations about whether the partnership represented value for money.

Clearly there was obviously upside for us in as much as that the campaign allowed us to get our brand out in a public way. But it was only a one week campaign. That’s quite a lot of money for one week. So the actual effectiveness of that, I had to really think about.

### 2.17.7 Judgments of fairness

When asked directly about whether the partnership was perceived as fair, the communications manager interpreted the question around whether his organisation had achieved value for money.

Yes it was [fair]. There’s kudos being involved in this kind of partnership.

The brand manager avoided providing a direct answer to whether the partnership was fair. He regarded the question in terms of whether his organization was achieving a satisfactory return on investment in light of how these expectations were communicated to its partner. The implication from the response below is that the corporation did not feel it had reached a good deal.

Was it fair? I think it comes back down to the communication and the expectations of the relationship and then you’ll know whether it’s fair or not really. I think we got pretty hard on them because I don’t think we were always getting what wanted out of them in terms of responsiveness or quality of response.

I think we would always try to be fair and reasonable, but we expected to get a return.

Maybe I expected too much from the relationship.

As well as the fact that expectations were both unclear and shifting, a further difficulty related to the corporation’s ability to calculate an appropriate monetary value to exchange, or measure to contributions delivered by the nonprofit partner. This appears to have engendered a sense of never quite achieving enough.

The brand manager referred to equality when describing the processes for the partnership, perceiving the task of enabling momentum for the partnership to be unevenly shared.
So there needs to be equal responsibility on both parts to drive and better the relationship. And I felt that we were often prodding and nudging to get a response or get outcomes or looking for something or looking for pro-activity. [Brand manager]

Despite this comment, it was not clear what an appropriate division of labour might look like. Elsewhere the brand manager comments that “I don’t think the onus has to always fall on the corporate”, while the sponsorship manager’s remarks do not appear internally consistent in this context. Asked whose responsibility he felt it was to come up with new ideas in a relationship, he comments:

I think it's a joint responsibility. It goes back to, a charity shouldn't expect to receive funding nor should a corporate expect that a charity will do everything. Because if you've got a sponsorship, one will do more than others. If you've got a partnership, then you're working to do things together.

An equity-based judgment of fairness was invoked when discussing the size of their logo. The new sponsorship manager’s concern, as described by the NPO fundraising manager, was that despite being the principal sponsor of the nonprofit, their logo was depicted at the same size as other more minor sponsors on some collateral. Similarly, he raised concerns around the effort the NPO was putting into new partners relative to existing ones, while acknowledging the NPO’s need to diversify.

I think this is where [NPO CEO] has done a wonderful job with diversifying her risk with this [corporate partner] programme which was a very smart move. Although the emphasis she was putting on that and her corporate partners did infringe on our position as principal corporate partner and I said to her at that time 'You're going to have to strike that balance between how much you look after those guys or how much emphasis you put on that and then how much you put on your existing partners.' And I don't begrudge her that in the slightest because she has to diversify. But that's a classic dilemma for a sponsored organisation is to strike that balance between existing supporters and obtaining new ones.

2.17.8 Fairness summary

While at one level, the corporation claimed to accept the impossibility of calculating the correct value of the partnership at one level, this was contradicted with the increasing obsession to demonstrate such value as the partnership progressed. In this context, the corporate participants therefore indicated that their organisation did not feel they were achieving value for money from the corporate-nonprofit partnership they were engaged in. However, this was not imagined as a matter of fairness, rather that the
exercise had not resulted in a good return on investment in commercial terms. Difficulties around managing internal pressures to demonstrate outcomes were acknowledged. Despite their focus on return on investment, it appears some principles of equity were a consideration for the corporation. Concerns related to whether they were being treated commensurate with the inputs they provided compared with other corporate sponsors, and whether the effort being put into the partnership was even. While they noted the NPO liked receiving the income, some concerns were raised that they felt the NPO members were not properly appreciative of the value of their contributions. This repeats the insight noted through examining responses from NPO participants. It suggests that regardless of the outcomes to oneself, it appears important to one’s own sense of justice that transaction partners recognise the value of the exchange.
DATA ANALYSIS 3.
CASE STUDY TWO

3.1 Context of CSR – NPO Perspective

3.1.1 Minimal consciousness of CSR issues in early stages

Thinking back over a decade, the former marketing manager reported giving very little thought to any issues around accepting corporate monies at the time the relationship was established. Instead, she was driven by strong financial imperatives. She perceives that consciousness around accepting corporate funds have intensified over the past decade since the partnership began. Essentially, however, it seems that wider considerations of CSR were simply not an issue for her.

Basically, if we could get money from anybody, we would take it. I don't remember ever thinking, oh, I wonder if it's a good idea to be accepting money from someone that produces alcohol, [or tobacco, for example]. I don't actually remember any issues coming up about, 'should we?' 'Is this a good idea?' 'Are there things that the [corporation] do that we philosophically disagree with?' It wasn't like that. Now, maybe, I think with the greater awareness, if we were to enter into a relationship with an organisation now, that we would be thinking really carefully. Does this cut across the philosophy of the [NPO] in some kind of way? And I'm sure if that had been the case, it would have stood out for us. But I think there's also been a change of thinking around the acceptance of money from other organisations.

3.1.2 Recognising differences in motivations and interests between organisations

What the former NPO marketing manager was more conscious of was the difference in the driving forces that motivated the corporation and NPO organisations respectively.

[The corporation] didn’t have that passion. They were really interested from a cultural point of view. They wanted to see the organisation blossom for the city. But you know, five o'clock. This was finished. You went home and you did other things. You didn't take it home with you. So there was quite a difference in, just the approach of the two organisations.
3.1.3 Positive sense of potential for relationships between business and arts

In comparison, the general manager brought a much clearer idea of the expectations and limitations of corporate involvement in the arts. She describes some different funding models around arts in the community that include business involvement, and speaks very positively about the potential for increasingly close and constructive relationships between the artistic and corporate worlds. Examples ranged from sponsorship and entertainment opportunities to using actors to undertake role-playing functions in staff training initiatives.

For example, the Arts Council of England who I did a lot of work for. They set up, I think about 10 years ago a business in which they worked specifically with corporates to encourage sponsorship of the arts. And what they do as well is look at sustainability for arts organisations. Which is vital that arts organisations get to a point where yes they will get funding from the government or the arts council. But they’re actually working towards sustaining their own financial viability. So if you actively go out and attract sponsorship for your organisation or a product that the arts council will reward you with matched funding. So they’re actually saying to you, this is what we want you to do. We want you to be active. And they give you the tools to do that.

She endorses this approach with the comment:

So hopefully New Zealand will start looking at that.

3.1.3 Maintaining control of NPO product

The general manager was very clear about authority of the arts organisation to maintain control of its artistic programme.

I personally don’t believe that it’s the role of the sponsor to start dictating to arts organisations what they can and can’t produce. A professional backer is a totally different scenario where banks in the UK have been known to back production... It’s like Andrew Lloyd Weber. He struggled and struggled and struggled for years until he finally had a hit. I think to this day he’s grateful for the financial support that he had from various banks that enabled him to do what he needed to do. And I think they were along
with the dream rather than saying ‘oh we want you to change the words to Cats or Phantom because it’s
not in our corporate strategy’. Yeah, like that’s going to happen.

Because I think once that level of interference on the artistic and creative side starts happening, it’s a
very slippery slope.

3.1.4 Uninformed regarding CSR issues

The current marketing manager displayed little knowledge of the broader field of CSR, and was
reluctant to voice any opinions on the relationship between business and the arts in general. She
acknowledged some different perspectives behind businesspeople’s motivations to develop
relationships with arts organisations.

I guess I’m still learning. This is my first job. But what I’ve found with our other relationships as well is
that the value is different for every single organisation we deal with. Like for some people it’s a value of
association. For other people it’s the tickets they get out of it. For other people it’s that good cop thing
in the community. Yeah, it’s really interesting. There’s a lot to learn, that’s for sure. Sometimes it’s
more, they have a personal interest in the [NPO] and they want to see it do well. And for other people
it’s just philanthropic. You know, they give a lot to the community. So there’s different reasons. So I
don’t have one philosophy, no.

3.2 Context of CSR – Corporate perspective

3.2.1 Distancing

The former national sponsorship manager who established the partnership was quick to
distance his work from CSR, which he associated with charity and philanthropy. Rather, he argued
from a position of strong commercial rationale to justify the partnership. He supported the
perspective that relationships founded on business principles will deliver social benefits.

Whether it was social responsibility?... The short answer is no. I don’t actually go with that. That’s
charitable and philanthropic work and there’s plenty of other funding organisations and funding trusts
that one can go to for that kind of money. From [the corporate], or from my point of view, it’s purely a
business relationship ... when you build a relationship on sound business principles, you will deliver all
the other things as well. If it’s built where it’s a win-win situation for both, there’s integrity in it and it’s
true to your corporate values where you’re going in, you’re not trying to exploit that, but you’re trying to go in and add value to something from which the [NPO] and the community will ultimately benefit, but it is actually good business.

This attitude defined how he understood his relationship with the NPO in terms of how to add value to the sponsored organisation.

They couldn’t afford to have good marketing people, they couldn’t afford to have good computer and software systems. Half the time they couldn’t afford to have a proper, in those days, fax machine. Or they had a fax machine but couldn’t afford the paper and that sort of stuff. And from my experience in the arts I knew that one of the ways that you can help [an arts] company to raise its profile, to effectively market itself, to be able to go out and both secure and retain sponsorships is through having an administrative base that matches the standard of the artistic product that’s being produced.

3.2.2 Public expectations of corporate brand

The former national sponsorship manager appealed to market research regarding the branding of his organisation to further justify why basing his work on charitable motivations was not appropriate.

So we knew from our research that we weren’t positioned as a community based [organisation], we were positioned as a major corporate [organisation], so they didn’t expect us to have a philanthropic role. What they did expect us to do was support things that people identified as being part of the New Zealand character and the New Zealand tradition, of which arts and culture were a part.

3.2.3 Negative perception of NPO partnerships within corporation, demand for discipline

Additional comments by the former national sponsorship manager indicate that working with NPOs had developed a somewhat negative reputation for squandering resources on spurious projects. He recalls a change in leadership, which demanded far greater disciplines around relationships with charitable organisations.

[New manager who took over position] said to me, ‘Your job just went from acquisition to retention [of sponsees]. Because [international corporate owner] does not believe in sponsorship.’ Because in Australia there were sponsorships that were purely philanthropic, like 0.1% of their profit. And the
managing director of the [corporate] would be getting into something like a steeple restoration project. And she said you will have to create business cases to justify why, in marketing terms, in business terms, these stack up. That’s why we had to create such a strong business model.

Developing sponsorship relationships that met the corporation’s expectations of commercial discipline and professionalism, in contrast to the negative perceptions generated around some boozy, sports-related event they had previously focused on, involved a restructure of how sponsorships were managed.

So we put myself or someone in charge for about five years because we had to create a culture of professionalism in regards to sponsorship. And we made it the job of the sponsorship manager to build that level of expertise and mindset-shift. And later we were able to make that part of the regional role, once we had the right people and the right way to run things.

He advocated the NPO taking a similarly business-minded view. Additionally, he expressed a sense of the limitations of the authority over the NPO, specifically around the control of the artistic programme.

So that fitted in with my philosophy – having been in an arts organisation, we always tried to sell our sponsorship... on the basis of, ‘This is good for business’. And we will teach you how to use it so we can use it in a partnership way. So let’s look at this as a business partnership – almost a joint venture to some degree. We’re not going to interfere and have no interest in wanting to influence the artistic product.

3.2.4 Positioning CSR in reporting

Despite disclaiming the language of CSR at the national level, the corporation produces a publication titled ‘Corporate Responsibility Review’, which includes mention of its support of community arts organisations. The key positioning statement in the 2007 review reads “we believe corporate responsibility is fundamental to creating shareholder value and we continue to make progress in key areas of our social and environmental performance.” Further through the document, in answer to their question, “What does CR mean to us?” their positioning response is “Acting responsibly to improve performance and deliver shareholder value”. This emphasis on performance and shareholder return orients corporate responsibility messaging away from philanthropic activities, and communicates a close alignment with business objectives.
The work relating to support of community arts organisations would fall under the strategic dimension worded as:

We are focusing on these areas in order to make a difference and deliver value to our business and the communities we operate within. Our areas of focus aim to:

- align to business strategy and help [corporate] achieve its business objectives
- resonate with employees, customers, key stakeholders and local communities
- address issues and needs in local communities
- help our people, customers and communities understand what we stand for.

This language also emphasises the business-enhancing approach taken to CSR activities. The third of these points, which addresses social needs, is de-emphasised in the list and can be read to presume that the social objectives will be pursued where other conditions are also met. However, like Case Study One, although a strongly commercial rationale in expressed, the desire to make a difference does also feature as a decision-making criterion.

3.2.5 Community contribution

The national manager who originally established the partnership held clear views around CSR, which were broadly consistent with the recent communications around CSR. However, this perspective is not repeated as strongly by the former regional manager who took over management of the partnership. He uses “giving” language to describe a relationship that is aimed at benefiting the community, within strategic parameters. He sees a generosity being afforded to the NPO that may not occur in ordinary business relationships. Therefore, he sees the need of respective organisations as influencing what might be considered a fair exchange.

It fitted, I guess, before the current corporate social responsibility craze. It fitted with us putting something into the community, by way of the arts or culture. Rather than looking at sporting type events or other sponsorship which were popular at the time.
So from that point of view [NPO] is the winner out of it, and I think it should be that way. I don’t think you should ever have a major corporate and a voluntary, nonprofit organisation, and the nonprofit organisation not do well.

Similarly, the current regional manager places his discussions of CSR within a discussion of building a positive community profile. Thus he describes it in less strictly commercial terms than the original national manager who established the partnership, while nevertheless referring to business underpinnings of customer relationships and reputation in the community. So while the national manager and the corporate documents describe a high-level, business-oriented strategic approach, the language from the regional managers places more emphasis on relationships that are deeply embedded in their understandings of their communities.

I certainly do [have views around CSR] because to me, what is there to [town], what is important to [town], how the [corporate] is seen and how are staff see our involvement is absolutely key to us being successful and I guess you have to be careful how you do approach that. Not everyone plays cricket, not everyone plays rugby... but there are some things that people see, whether they’re customers or not, that seem quite important to [town]... And I guess the [NPO] is something that doesn’t probably appeal to a lot, right across the board, but I think if you’re talking about culture and you’re talking about the [corporation], and you’re talking about something that’s really really important to [local area] and the arts building that it represents, and the people that they bring to [local area], and I guess of the other things that happen, it’s very very important to [local area].

### 3.2.6 Cynicism around CSR language

While the former regional manager is generally positive around the concept of large corporate organisations contributing to society, he suspects claims labelled as “corporate social responsibility” are somewhat overblown. He indicates that he tends to take the self-congratulatory nature of CSR with a grain of salt.

Lots of organisations, probably ourselves included, blow our trumpets to say what great things we are doing. Sometimes I wonder if they are as great as perhaps they’re publicised as being. But I think the concept of it is really really good.
But we have often supported needy causes. Now, in this day and age we’re saying that’s part of our CSR responsibilities, where in actual fact we’ve done it probably for a number of years. And I don’t know, perhaps handicapped children to go to the movies around Christmas or something like that.

3.3 Dependency of corporation (NPO power)

3.3.1 Importance of partnership...

In Case Study Two, the corporate representatives expressed moderate dependency on the partnership. On one hand the absence of alternatives was identified. At the time of establishing the partnership, it was recalled that:

Regionally it was a very big deal. It was the major sponsorship for the ... area. Other than the odd cricket match, there wasn’t a hell of a lot else in that area for [the corporation] to really get involved with.

[National sponsorship manager]

This view has survived into recent times, with the current regional manager describing the partnership as “Absolutely important”. He compares it with other sponsorship possibilities, noting that other options are too controversial, not relevant to the local community or lacking in public profile. The previous regional manager expressed a sense of its importance in more lukewarm terms, however.

I think it’s important in that, when we have lots of requests for sponsorship we can use it as a good reason – we’re putting a big block of money into something pertaining to the wider community, rather than your particular school sports team or whatever. And hopefully it’s still seen in the market as us supporting a nonprofit organisation which does a public service for the people of [region].

3.3.2 ...But not too important

Despite the overall sense of its importance, the consequences of the NPO withdrawing from the partnership were not envisaged as significantly negative, and there was not strong evidence that the participants would fight hard to retain it.

I think I can speak for all my colleagues if I say that we would be upset. But it still wouldn’t be the end of things. [Current regional manager]
The former regional manager revealed a perception that the partnership may already seen as nearing the end of its valuable life.

I don’t think [their leaving] would be a huge deal. I think it is just one of those things that in some respects it’s run its course. And that’s not a reflection of [either side]. It probably needs a bit of rejuvenation on both sides.

### 3.4 Dependency of NPO (Corporate power)

**3.4.1 High dependency in early stage**

The dependency expressed by the NPO reveals a significant journey over the 12-year duration of the partnership. The NPO marketing manager who was involved from near the beginning of the partnership attributes vast power to the corporate. She describes the desperate need for the resource the corporate was providing.

That was a constant struggle. In that just trying to make ends meet, trying to get funds was constantly a battle.

[The impact of the corporation withdrawing their funding would have been] Oh, huge. Huge. And huge because of the loss of that money, firstly. But also that whole thing of credibility in the eyes of other corporates.

Consequently, this placed the corporation in a strong position within the partnership.

There was that Big Brother aspect... they were up on a pedestal. They were high above us. In the best possible way I suppose, they lorded an amazing amount of power. But if they said 'jump' you jolly well did it. Because you knew perfectly well if you didn’t, they might cut the funds. And then where would we be?

The corporation’s status eclipsed that of the NPO’s other corporate partners, due to the magnitude of the funds they were providing.

And of course, there was no other organisation who was anywhere near $xxxx. They were special. They were right at the top.
Ultimately, the importance placed on partnership related to the outcomes that could be achieved from the exchange. The previous marketing manager lists a range of contributions that extend beyond the financial rewards, whereby the corporate helped with event management and infrastructure needs.

We could never have done any of that without the support of [the corporation].

3.4.2 Reduced dependency over time

However, the general manager expressed less reliance on the corporate sponsorship in relation to dimensions of dependency. The magnitude of the exchange had diminished considerably as a proportion of their overall budget, with a government funding agency now providing the NPO with more than 14 times the income derived from the corporate. This has diminished the relative importance of the income.

Because $xxx [amount received from corporation] doesn’t pay for half a production.

Further, the opportunity costs are seen to be greater, with a stronger belief that there exist alternative, and potentially more lucrative, corporate partners.

...there is another [corporate] who’s interested in [the NPO] who’s sees a principal sponsorship being to the value of around [three time amount provided by current corporate sponsor] a year.

This reduces the overall dependency experienced by the NPO manager. When asked how significant it would be if the corporation withdrew its funding, she intimates that the result might even be a positive one:

At this late stage of the year, we wouldn’t be very happy about it but it would possibly open the door – you know, one door closes, another one opens.

[Finding another partner] would be tricky but it’s not outside the realm of possibility.

The current marketing manager perceived relationship development costs in seeking a new sponsor, and indicates that a transition may be experienced as unsettling.
[if they withdrew] It would be quite a big deal. Quite a massive deal actually!... Well it’s a big change. I mean they’ve been our principal sponsor for a long time. And they’re very ingrained as our sponsor... So the logistics of it would be big on the relationship side of it.

The marketing manager identified the partnership as being financially important, but not well leveraged in its current form.

Well in all honesty it’s really important financially. And it could be more important potentially all over but we just need to work on the other side of things. Because it is very important if it’s going to be successful long term that that is developed.

Even if not optimal in the manager’s eyes, the corporate income was deemed to be useful. Thus, the sponsorship was nice to have in the absence of having secured an alternative, and it enabled some things to be achieved that would otherwise have been difficult.

Every penny, or every cent, helps the organisation tick over. I mean that amount of money is built into our budget on an annual basis so quite often it will have an impact on whether a production has two people in it or whether a production has four people in it. So everything impacts on budget which has an enormous impact on how we work. [General manager]

### 3.4.3 Conflicting perspectives of dependency within NPO

The general manager also acknowledged that her view was not necessarily shared by members of her board, whom she perceived as having an exaggerated sense of the NPO’s neediness:

[The NPO board will] be looking at the bottom line as well and saying well we need the money. Which is again the reason why we have this situation. They’re not going to turn their backs on income.

But again, being a not for profit trust, the view is we’re not in a position, financially, to not take any money.

I think the [NPO] has undervalued itself. [The board’s perspective is] We’re a charitable trust. We need every penny we can get. Well I think they need to rethink, or the board needs to rethink.
3.5 NPO assessment of partner’s dependency

Throughout the partnership, the NPO representatives appear to have felt under no illusions that the corporation was especially dependent on the partnership. The former marketing manager describes being mindful that she needed to work at the relationship to ensure the corporation would not be attracted elsewhere. For her, this created motivation to attend to the partnership well, and communicate their successes.

Very easily they could have said, ‘Look, this place is not exactly growing the way you said that it was expected to grow. We don’t think we want to be involved. We don’t want the profile that we’ve got. We’re better to go somewhere where we can get a better deal.’

The general manager also shared a perspective that the corporation would probably experience no great loss of the agreement was not renewed.

But I think other than the tour which is something that they place a great deal of value on, I don’t think it would faze them that much.

3.6 Corporate assessment of partner’s dependency

The corporate representatives appear to assign a moderate to high level of dependency to their NPO partner.

[Given the] economic developments in the last six to nine months, I think it would be quite a major loss to them. Funding ... has got a lot harder than it was three years ago, and most certainly from what it was five years ago.

Another participant perceived a differential in relative dependencies.

If we withdrew it wouldn’t be a huge problem for us [the corporate organisation], for them [the NPO] I guess it would be more difficult.

In this sense, the corporation’s evaluation of their partner’s dependency may exceed reality. They may hold a perception that the NPO is more dependent on the partnership than they actually are.

A sticking point for the corporate relates to the diminishing importance and value the NPO has placed on the partnership over time. As the NPOs dependency has reduced, and the corporation’s
contribution has declined as a proportion of their overall budget, the NPO has been more active in trying to secure a more lucrative sponsorship deal. This has led to some resentment from the corporation, which felt this has not properly rewarded them for the support they gave to the NPO in times of greater financial need.

3.7 Ability to effect outcomes (power) – NPO perspective

3.7.1 Structural barriers to effecting outcomes

The general manager describes having fairly limited ability to achieve the changes and outcomes she seeks within the partnership. Her main concern related to the desire to “receive what we are worth”, and renegotiate the contract on that basis. However, she rated her ability to achieve this as:

Not very good. You know, you’ve got to be realistic. And again it is due to staffing changes in head office. You are never dealing with the same person for more than three months. So we’ve gone through huge amounts of changes. Joanne who? ’I’m going to be sticking around’, I think she lasted a whole eight months.

This view is shared by the current marketing manager, who identifies the lack of dedicated staff focus within the corporation as a reason for the difficulty in improving the partnership outcomes.

They don’t have someone specifically devoted to sponsorship here and I don’t spend that much time on it. So that’s probably why it hasn’t really kicked off... Sponsorship isn’t their job. They have other jobs.

3.7.2 Finding alternative solutions to increasing value of exchange

The general manager describes unsuccessful efforts to improve the financial outcomes of the partnership, through limiting the number of complimentary tickets to the corporate at high value events.

They’re not responsive. [The event] is a way that we can actually make some money. Particularly when you have a venue that only seats 100 people and 80 will come along through the [corporation].
Similarly, the general manager describes frustrating difficulties in trying to pursue other activities and initiatives that would promote the partnership for both parties.

We come up with ideas and things where their … customers would associate immediately that they’re involved with [NPO] and that production. But yeah, and they’ve got day jobs.

We end up with the fact that we have to chase them. And constantly ‘we’d like to this and we’d like to do that’ and then when you have meetings it’s like ‘yep that will be stunning’ and then it just fizzes away.

3.7.3 Creative control

An area where the NPO CEO felt confident in maintaining control was around the making decisions around her own workplan and creative programme, regardless of any opinions held by the corporate sponsor.

I personally don’t believe that it’s the role of the sponsor to start dictating to arts organisations what they can and can’t produce....So you’d be up for having some conversations if necessary? Oh absolutely. Basically the answer would be no.

3.7.4 Resentment at lack of power

Overall, the general manager expresses considerable resentment about the disempowered position she finds herself in, and the willingness of others in her sector to perpetuate disempowered behaviour. Her concerns appear to be based on a sense that her value in society relates to her ability to generate income for her corporate partner, rather than the quality of work produced by her organisation.

And I think [the NPO] has gone through a few rough patches and has always been grateful for whatever support, rather than standing up and saying ‘We produce work and it’s excellent value. We are a community resource that needs to be very proud that it has [this organisation].’ I don’t think [the NPO] has done that. You know you’re playing catch-up or you’re playing Oliver, “Please sir, can I have some more?”
If you’re really interested in doing some history, look at the arts and prostitution, they’re very closely linked.

3.8 Ability to effect outcomes (power) – Corporate perspective

3.8.1 Corporation determining outcomes

At the initiation of the partnership, the corporate partner expressed a strong sense of their ability to set the agenda and achieve their desired outcomes for the partnership. The language used by the national sponsorship manager paints a picture of the corporation as a benevolent dictator, entirely responsible for developing the contract and determining the exchange. They researched the NPO, understood the market rate, calculated their likely returns from the partnership, made their proposal and wrote the agreement. In addition, the corporation provided extra services as needed, such as purchasing equipment for the NPO and developing their website. Asked whether he was satisfied with contract underpinning the partnership, the marketing manager replied: “Yes, because we basically wrote it.” In terms of being able to direct the activities of the agreement he responded, “Well we wrote the cheques.” He describes his approach as having shaped the tenor of the relationship at a fundamental level.

This is why we were really good at what we did, because we really understood that it wasn’t philanthropic, and also for the arts organisation concerned, or any organisation for that matter, it forces them to have a very, very professional approach. And they understand ... there is now a sponsorship to be serviced. And that needs to be the responsibility of someone in that organisation.

The manager also positively describes the outcomes of the partnership as having arisen from critical decisions his organisation has made. This conveys a strong sense of the corporation taking a driving role in directing the shape of the relationship. There is a suggestion of paternalism, as the corporation made decisions around how the NPO should prioritise their funding, to ensure they enjoyed the benefits of “luxury” items, such as computer equipment.

We definitely instituted this principal sponsorship of [NPO], at a level where it was going to make some difference in terms of them being able to adequately market themselves and have a marketing person. And I think we even helped buy some computer equipment, these types of things that without that kind
of tagged funding, they would never have allowed themselves the luxury to have, because it was usually all about what was happening on stage.

Describing more recent events, the current regional manager provides an example where the corporation determined whether particular initiatives would go ahead.

[NPO marketing manager] came and said we want to get some cut-outs and they cost $300 each and put them in each of the [offices], and I’ve got to step back and say ‘Hey listen, hold on. We’re doing all this now. We need to just hold back because my budget’s limited’. They’re not going to think what we get out of it. So sometimes I’ve got to step back.

Some comments suggested the corporation has been responsive to the NPOs desire for changes. However, details are nonspecific.

We’ve had changes in how we’ve actually worked it. I guess that’s about growing with the partnership. Giving them more time to run it as they wish. We’ve had people on their board before helping them through difficult periods and being involved like that.

### 3.8.2 Conflict resulting in corporation achieving outcomes

Examples were given where disagreements emerged, resulting in the corporate achieving the outcomes they desired.

I guess we had a couple of minor hiccups and potential conflicts, whereby was one play the [competitor of corporate] sponsored, were season sponsors – we got a bit angry about that. Which is understandable. To [NPO’s] credit, they canned it quite quickly.

I watch very very carefully in the way that maybe our principal sponsor [status] is being diminished in a lot of ways. And I’m watching that very carefully but in saying that I have had meetings with the board and they’ve been very responsive to that.

Negotiations between the parties to discuss the ongoing partnership resulted in the corporate declining to agree to the changes being sought by the NPO. The current regional manager reports using direct language, and declining to yield to the NPO’s requests. This indicates a willingness to exercise power in their relationship with the nonprofit partner.
...we’ve had pretty frank discussions about the fact the [government funder] come up this amount of money, you at the [corporate] are doing this amount of money, where do you think that maybe you should put a wee bit more in? Or is there a possibility of doing that? We’ve very much gone back and said ‘look, we’ve had an association with you of ten years. Through times which were pretty hard and tough. And we value that. And we really would like you to value that too and understand that.’ ... But hey it’s always been worked out in the end.

The exercise appears to have given the corporate greater confidence to negotiate firmly with the NPO, and know the partnership is likely to survive. Indeed, the following comment indicates that the corporation had actively tested the NPO’s dependence, and found that the NPO was willing to tolerate the conditions offered by the corporate

*How big a loss to them do you it would be if you withdrew?* Hard to tell. When I made that suggestion, or threat I guess, they believed they had others waiting in the wings to step in. Now, whether that was a negotiating ploy or absolute fact, I’m not sure... I think if [NPO] had another sponsor lining up to say ‘we’ll take over, we want to do this’ then they would have done that. [Current regional manager]

### 3.8.3 Organisational structure as impediment enabling outcomes

Since the formation of the partnership, the corporation’s sponsorship management arrangement changed. Whereas sponsorship had been managed by the national office, regional events such as the case study under investigation were later devolved to regional offices. However, they remained part of an overarching national strategy, and replicated similar regional activities with the same aspect of the arts sector across the country. This change in authority impacted upon the corporate participants’ ability to effect outcomes in the partnership. In some ways, regional offices were given greater flexibility. Explains the previous regional sponsorship manager:

Well obviously from the [corporation’s] point of view, the majority of the [corporation’s] sponsorship and advertising budget goes on national campaigns internationally. But apart from that, the [corporation] gives the regions autonomy, they say ‘Look, we’ll do the big picture, the big branding thing on those things. How you want to bring that to life in your area, and the things that you want to sponsor locally to attract people, customers, or to show our involvement, that’s very very much up to your regional teams to decide.’ That’s why we have leadership teams within our areas to decide on that.
However, it appears that critical decisions are still made nationally, in ways that strongly impact upon the corporation’s ability to negotiate changes with this NPO partner. This includes the inability to provide additional funding to the NPO. Further, there is little incentive to withdraw from the partnership if it becomes unsatisfactory. Explains the current regional manager:

So the decision [to pursue the partnership with the NPO] was reasonably made for us [by the national office], although we could have said, no we’re not interested in that. But the clear message was, ‘If you don’t use the money for that, you won’t have it for other sponsorships.’ We will grab it to at least have some sponsorship presence in [local region].

This sponsorship arrangement both empowers and disempowers the corporation’s regional office. While it limits their ability to enact changes in the partnership, it also presents an impermeable barrier that enables them to decline the NPO requests for greater value in the exchange.

At the end of the day we haven’t got the money to increase. [Current regional manager]

The current regional manager perceived that their approach to ensuring their desired outcomes from the partnership was not at the expense of the NPO meeting its increased funding needs.

They’ve got a lot of flexibility to look at other funding and have gala nights with different organisations.

3.8.4 Perception of being responsive to NPO’s desire for changes

Despite the above descriptions of the corporation declining to renegotiate the contract as per the NPO’s preferences, and taking a strongly directive role regarding the outcomes of the partnership, comments are made that indicate a perception that the corporate sees itself as adapting to the NPO’s needs. The current regional manager recalls the meeting where the NPO attempted to reset the contract to increase the value of the exchange.

I guess a bit of the old negotiation: “We’re not moving”. But we did move on some smaller things, and they wanted x dollars, and we had to say those dollars weren’t available, but could we make concessions here or there. And I think we did away with the children’s matinée session for schools, so we could give them that. And they were wanting – and good on them – increased money, and less tickets for us. And we were, well we can’t give more money, but we can take less tickets here and there. So it wasn’t a huge concession in dollar terms.
The previous regional manager added further examples where the corporation had responded to the NPO’s suggestions.

But we managed to work through it and we have changed with initiatives we brought in like sponsoring, part-sponsoring the rural tour that [NPO] do, that tied in very well with more rural areas we have and exposed our clients there to [NPO].

So that was a good thing that came out and that was [the NPO’s] own initiative.

3.9 Distributive justice – NPO perspective

Recalling the early days of the partnership, the NPO former marketing manager expressed an overwhelmingly positive sense of the outcomes they received. The actual amount of money exchanged was recalled as modest: “It wasn’t huge”. However, the value of the exchange for the NPO manager was perceived as significant.

3.9.1 Credibility as outcome of partnership

The former marketing manager spoke of the partnership as increasing the NPO’s image as a professional organisation of substance.

I think they provided a level of mana for the [NPO] and so it then made it easier to actually go to other organisations, being able to say that [the corporate] was our principle sponsor. So there were huge advantages for the theatre.

This was seen as directly relating to positive growth in the NPO’s funding sources and community relationships.

Other corporates saw that [the corporation] was involved. So when I went to them, the first thing I would be saying was, "[The corporation] are our principal sponsor." Now in relation to certain organisations, that actually carried quite a lot of weight. Especially if they had a relationship with [the corporation] as well. So it provided a really good platform to build on. And I’m sure we wouldn’t have got the growth in corporate sponsorships which was quite... I was going to say massive. It was a very
healthy growth that we had never had before. I think there were two or three when I first became involved but we ended up with dozens.

### 3.9.2 Corporate generosity

The former NPO marketing manager also listed numerous extra costs met by the corporate, which were greatly appreciated. This included employing a staff member on a short term contract, professional development and assisting with technology and infrastructure.

They helped us with computers. I think they might have helped us with some printers as well. They happened to have a few spares, well it wasn’t a problem for them to be able to give us...

There were things like, I remember initially, because it was such a huge undertaking to organise this launch, that they were prepared for me to have some extra help which they paid for. So I actually got somebody in who worked some extra hours. And at that stage it was all faxes that we were using. And the fax machine at [NPO] was an archaic piece of equipment. And [corporate manager] said, “I can’t stand it any longer.” He said, “These faxes are grimy. They’ve got black marks all over them. They’re incredibly difficult to read. Go and get yourself a new fax machine.” So there were things like that. There was huge added value things that were never actually listed in the original agreement.

I mean, all that signage on the outside of the building, that was all paid for. That was over and above.

I mean, I ended up going to Auckland talking to [corporate manager], him noticing the diary that I had and saying, “No, that’s not the sort of thing you need for the kind of work you’re doing.” And marched me off and said, “Right, now here’s the choice. You choose which one you’re going to work best with.” And bought it.

I went to a week long course in Auckland, which was really a personal development course, which the [corporation] paid for. All my travel and all the course fees and accommodation and everything, it was all covered by the [corporation]. And all of that was extra to the amount of money that they put in.

The former NPO marketing manager acknowledged the “extras” the NPO received were probably calculated by the corporation. But she specifically identified them as increasing her perception of positive distributive justice in the partnership.
I suspect probably, being realistic, they probably had in mind, look we’ll put [$xxx] down on the document, but we'll actually, mentally, have [$xxx figure 50% greater] dollars. We'll pay for some extra things and there'll be a feel good, kind of aspect. I mean, I never discussed that with them. But you know, being realistic, that's probably the way it worked. And it worked very well. And of course we felt like we were getting extras. And it was really good.

3.9.3 Access to expertise

Additionally, the corporation provided advice and access to professional skills that benefited the NPO. This included introducing them to another business that built their website, and public relations support for their website launch.

We could never have done any of that without the support of [the corporation]. [Former marketing manager]

The language used to describe this largesse was highly positive: “they were hugely generous”, “they were very good to us”. However, the light level of base funding was acknowledged as less than ideal, “It would have been really good if the base had actually had been increased a bit.”

3.9.4 Outcomes overriding personal relationships

The former NPO marketing manager gave one hazily-remembered example of an outcome that had disappointed her. The salient point was her sense that, despite the generosity and enthusiasm from the corporate partner, she was left with a feeling that her value was related to the financial benefits achieved for the corporate via her organisation. She does not seem delighted about this.

I know there were issues over signage. Signs on the outside of the building which had become very tatty. I remember there were discussions about that and I seem to remember I wasn't entirely impressed with the outcome of that. But what it was, exactly... it will have all centred around money. It always did. In that organisation, in many ways it's the only thing that matters. More than people. Was my impression.
3.9.5 Perception of undervalued contract

The overall picture painted by the former marketing manager contrasts with the general manager’s recent evaluations of the outcomes of the partnership. She is concerned by both the low original base level of the partnership, compounded over many years.

The sponsorship as of 2009 will have been in place then for 12 years. Things have changed dramatically in 12 years, whereas our sponsorship income has increased in 12 years by $xxxx. And that’s real terms. That’s not even $1000 a year.

She points out further that most of this increase had occurred over the previous two years, with virtually no movement on the base funding amount over the previous decade. Where her predecessor had focused on the corporation’s generosity over and above the contracted amount, the current NPO manager perceived the beneficence to flow in the opposite direction now.

Actually we’re sending a lot more tickets than that. At 2006, the [corporate] sponsorship person came down from Auckland and we managed to negotiate down … they were actually getting a lot more tickets than that.

This has led to a negative perception of the distributive justice of the partnership, perceiving the partnership to be grossly undervalued.

3.9.6 Perceived value increased through reaching new constituencies

The current NPO marketing manager identified added value through proposed initiatives that would see corporate staff becoming more involved in the partnership

...that’s been really successful because if they come to the shows themselves then they can talk about it. Then the postcards on their [desks] aren’t just postcards they don’t know anything about. Like they have relevance, you know. And it also gives them something to talk about.

She also acknowledged the value of reaching new audiences via the delivery of the partnership.

From my perspective, I think it’s great that our tickets that we give to [corporation] go to clients, because that’s sort of another avenue of reaching people who might not necessarily come to the theatre.
3.10 Distributive Justice – Corporate perspective

In general terms, the corporate participants expressed satisfaction with the outcomes of the partnership. The original sponsorship manager who established the partnership relates this to the highly calculated nature of the agreement. This gave him confidence that the exchange was appropriate and satisfactory.

I actually had to do those kinds of [detailed cost-benefit] reports. And I had to make sure that they were really conservative and they properly document exactly what the extra value to the bank was. And we had a way of being able to quantify that very conservatively. And we had case studies around that. I think, and a Harvard professor told us, that specialises in sponsorship, that our stuff was probably the best he had ever seen. In being able to quantify the value of a sponsorship.

We were really happy with it.

This experience of satisfaction was heightened by the particular efforts of the NPO marketing manager, whose work maximised the value of the association to the corporation.

...she was just brilliant. She understood completely what the sponsor needed. She took advantage of every opportunity to promote the partnership.

More recent managers continued to express general support for the outcomes of the partnership, identifying the brand association and hosting opportunities as the key areas that generate value for them.

At the end of the day the [corporation’s name] is on that building there. The [corporation] is the major sponsor and that’s key to us. That we utilise that a lot. And the ticket allocation that we get. We are able to say to our people, “Well look, [manager], how would you like to have the show that’s on at the moment and invite some of your prospective customers or maybe some of your good customers along there to try and attain more business. Or as a recognition of, hey thank you from [corporation].”

However, their sense that the value of this has been routinely delivered upon has been patchy. The previous sections included comments regarding concerns about how the corporation’s logo is presented in advertising collateral.
I mean there were some issues, little issues, but things like the rural tour. All of a sudden the venues got booked out before we got some tickets for our customers...well these things happen and as people change, and that’s just part of it.

All the same, the corporate participants do not express an overwhelming sense that the outcomes are unsatisfying. Rather the difficulties are presented as issues that can be managed and resolved.

So apart from a minor hiccup like that, there was really nothing in the early days, or right through practically even now, there was nothing I would do differently.

However, while these issues are presented as manageable, they undermine the NPO’s case for achieving additional funding support.

3.11 Procedural Justice – NPO Perspective

3.11.1 Elevation of and appreciation for corporate expertise

The former marketing manager recalled in positive terms the leadership shown by the corporation in driving the processes that would underpin the agreement between the organisations. She appreciated the detail in the partnership, and respected the corporation’s expertise in developing the foundations for an agreement.

So, right from the beginning, there were very clear guidelines supplied by the [corporation] and they were very clear about what they wanted to get out of it. Which was really good because it could very easily have been a very waffly kind of relationship. But it wasn’t. It was very clear, very specific. Everything was signed off. So I think the [corporation] set that up really well, in that it was a completely new thing for [NPO] so we didn’t have a model to kind of go back to at all. And say, look, this is the process we used with another organisation. There’d never been anything like this before.

Respect for the corporation’s directions in the partnership contributed to the corporation’s ability to drive key dimensions around the conditions of the partnership. Once again, this was accepted, and described in positive terms.

[The corporation was] very clear about other people’s involvements. They were very clear that, no, there wasn’t to be another [competing] institution involved. Quite reasonably so. But they were also very supportive of any other corporate members or sponsors that we could get. They were very happy about that and keen to see us develop that. And that obviously there was an advantage to [the
corporation] if that happened. I mean, they wanted as many people involved as possible. But they always wanted to be listed as principal sponsor.

The corporation’s experienced, professional, researched, bench-marked approach left very little room for the NPO to negotiate.

They were very clear that this is what's on offer.

3.11.2 Establishing expectations of professionalism

The approach taken by the corporation appears to have asserted a professional, business-like standard to the processes by which the partnership would operate.

They had very strict guidelines for running an event and it was vital to them that the whole thing went very smoothly.

I knew that unless [a proposition] was well presented and well thought out, we were wasting our time. Because [former national sponsorship manager], he would be the first to say, “This is not a good proposal. Why haven't you thought of these things? Why haven't you focused on these extra things?” So, I mean it was a huge learning curve for me as well. To be able to present this stuff in the right kind of way, to him.

Observing this process appears to have resulted in positive outcomes for the former marketing manager, and thus was appraised favourably.

So constantly, I seemed to be going to them and saying, “Look, we would like to do this. Here are the advantages for the [corporation]. This is what it will mean to the [NPO]. Are you prepared to put in extra money?” Invariably the answer was yes, and if it wasn't the full amount, well it was almost the full amount. Which was huge.

As was discussed in the previous section of distributive justice, the NPO’s early marketing manager identified a range of “extras” as adding to her perceptions of having achieved good outcomes from the partnership. This generosity contributed to her characterisation of the processes of the partnership, and was perceived as softening the hard edges of the corporation’s demands.

I mean they pushed that really hard, what they wanted to get out of it. But then, there was that other side too. There was amazing generosity.
3.11.3 Importance of positive feedback mechanisms

The professional character of the partnership and the positive interpersonal relationships appears to have engendered an open communications process that focused on celebrating the success of the partnership.

I think it was important that we showed them that because of their involvement, we were successful.

We were always aware that we needed to let them know what was going on. Obviously putting the best possible spin on it while still retaining truthfulness and honesty. But actually communicating, keeping that communication open the whole time... the whole key is relationship building. And by not telling them, both good news and bad news, you’re not having an honest and open relationship. So why should they constantly put their hand in their pocket?

3.11.4 Corporate structure contributing to different process strategies

While interactions at the national level were characterised by a heady mix of formality and munificence, it appears relationships at the local level were considerably more relaxed. This contributed to processes that saw local staff perform the role of reality-checkers and intermediaries. This approach helped build relationships at the local level.

I just remember going to [former regional manager] and talking to him and floating some ideas with him, prior to actually approaching [former national sponsorship manager]. And so, it meant that I got an inside kind of feel of ‘well, would this really work for the [corporation]? Would this be a good idea? Is this one of our better ideas or not?’ So at a local level it was really important.

And before we put out our annual programme we would go to the local branch and make sure that they were really happy about the design and the programme that we were putting together. But, in having said that, they were more interested in just the look of the whole thing. They never made any judgments whatsoever about the artistic merit or otherwise, of what we were able to do.

The general manager perceived the dislocation of key decision-makers in the national office as more problematic than her predecessor.
That was one the difficulties. We were working with a [local] branch, but the sponsorship team were in Auckland.

The problematic nature of this partly reflects the fact that the national holders of the purse strings of the sponsorship budget are no longer actively involved in shaping the partnership itself. Rather they appear as the body with veto right over increasing funding, and are tardy with paying their invoices. This has created a dissatisfying process for the NPO in conducting the partnership. This is aggravated by the high staff turnover in the national role, making attempts to build the necessary relationship with the national decision-makers fruitless.

Well it’s a very interesting process from our end. We put a clause in our contract from last year that we would like to start negotiations with the [corporate] in June or July of this year. Which we have attempted to do. But once again the sponsorship person that we are dealing with is no longer there. So the staff turnover in Auckland, on the sponsorship team, is pretty rapid.

So that’s where it’s difficult for us. Because we can start talking to the [local] branch. But... they don’t have the power to make the decision.

This has the effect of raising doubts about, and finding justifications for, the importance of the local relationships. Despite commenting that they get along well with the local staff, the current NPO manager comments:

But he’s down here. He doesn’t make the decisions. But the relationship we have with him, you would assume would have some effect on decision-making. Because again a sponsorship is all about the relationship that you both have.

Within these constraints in terms of their working relationships, the NPO sought to negotiate with the corporate regional team through a formal, business meeting.

So we went to [the corporation] and presented the case for our work and how we value our work and that they should look at revaluing the partnership. So we were successful in having a very small increase. But certainly not to the level that we wanted.

We put all of that in front of them and said look ‘The relationship’s being going for 11 years. Clearly it works, but we think we’re undervalued from our point of view.’ So [the corporation] then argued and said ‘We’ll support you in other ways, such as supporting productions and putting posters up in
branches” and just letting [the corporation]’s customers know that there is a relationship with the [NPO].

3.11.5 Failure to appreciate NPO needs

The NPO’s perception that the partnership is inappropriately valued is exacerbated by the corporation’s suggestions for ways to add value to the nonprofit. It was perceived that these ideas fail to appreciate the NPO’s needs.

It was mooted last year that we could have access to the volunteer plan where I think the [corporate] ... staff will go and volunteer for organisations one or two days a week. It actually hasn’t come to fruition but it was something that they announced and how they could add value to the amount that they were giving us. [It would] not really [add value] because it actually just creates more work for us because we then have to train the volunteers into what we need them to do. I understand that it’s important as far as relationship building but we’re a very small arts organisation and our greatest challenge is our lack of human resource. So for us it would be more of a hardship.

3.11.6 Communications opportunities not achieving desired results

In a similar vein, the general manager perceives that the processes by which the partnership is implemented is dissatisfying for her, and disadvantages her organisation at the expense of the corporation. Further, she regards attempts to address this with the corporation to have been unsuccessful.

What’s really frustrating for me is very popular shows... they’ll all save up their tickets and use them on popular production which again has a real impact on my bottom line because then all of a sudden I’ve got 60 comps in the house. And we have tried to have that discussion with them. That yes we recognise they want to bring their customers to popular programmes. And it’s finding, again, their likes and dislikes. Are you interested in drama? No, not really. So the work where we have a chance to make money is most of the tickets.

The general manager perceives the negotiated agreement as preventing the discussions that would be required to establish a strong sense of a mutually satisfying partnership. Further, she expresses little confidence that any discussion would achieve the results that would be satisfying for her.
So yeah, I think a better understanding of how we work and how we operate which is getting better, having those meetings with [regional manager]. Just explaining, would you mind not doing this? But it comes back to the sponsorship agreement. We’ve got x amount of tickets and they can use them as they see fit.

3.11.7 Difficulty in implementing good ideas

The above frustrations are coupled with a sense that it is hard to gain traction on proactive initiatives aimed at improving the relationship.

Again, unless we keep pushing, we don’t get anything back. So we have to initiate.

3.11.8 Attempts to work more closely

Thus the general manager characterises the processes for conducting the partnership as significantly frustrating. Despite this, she identified some efforts to improve the processes that govern the relationship, and that would hopefully bring the organisations’ goals into closer alignment.

We took up the points that they raised at the sponsorship meeting last year and we have formed a closer working relationship with [the corporation] which would get them more involved with what we’re doing.

3.11.9 Processes not characterising a true partnership

The general manager’s negative perceptions of the processes that underpin the partnership has led her to doubts that the relationship should truly be described as a partnership.

I mean in order for a partnership or a sponsorship to work it has to be in a sense of partnership. You’ve both got to be on the same page. As in what do you want to achieve and what do we want to achieve?

We’d like to be able to go down to each of the branches and get the staff really involved in what we’re doing so that it is a partnership other than an exchange of money for tickets.
Asked to expand on her understanding of a partnership, her comments incorporate a sense that a partnership includes a concept of reciprocity and being valued for financial and non-financial reasons.

Sponsors traditionally are ‘What’s in it for me?’ You go in there and you teach what you can do for them instead of what they can do for you. Because the immediate reaction is how much money can I get? Instead of what type of partnership and what type of relationship do I want? Which puts the arts at an immediate disadvantage. Because that’s all organisations are interested in, is money. Instead of do I really want to get into this with this person for this amount of money? Or do I actually want a partnership? Because the relationship has got to work for both parties.

These comments appear to capture a sense that a partnership is a more meaningful relationship than a negotiated business exchange. Her comments seem to reflect an idea that a partnership should suggest some sort of togetherness, and an ongoing concern for the wellbeing of the partner. A partner would be valued for what they are in themselves, rather than what they can achieve for the other partner. In this sense, the manager appears to be imagining partnerships as more equivalent to personal relationships, rather than strictly commercial arrangements.

### 3.11.10 Administration of partnership

The focus on the financial, transactional dimensions of the existing relationship is endorsed by the current marketing manager.

We’re not involved with each other enough really. We don’t work together a lot outside of the financial side of it. And the ticket exchange.

It appears the marketing manager has been somewhat shielded from the behind-the-scenes tensions from her employer. As far as administering the relationship, she describes a fairly relaxed, open relationship.

We write letters. I write a letter to our sponsors. [The corporation gets] that. Every now and then we’ll call up [regional manager] – they have been more regular than they are at the moment, we’ve just gone through a busy period – but we have Wednesday, just casual meeting sometimes which is cool.

If I have an idea for a show that I want to put in place I’ll go up there and have a chat to them. Or if I have tickets that I need to drop off, you know? There’s not a hell of a lot to it but it’s pleasant.
Well, it’s pretty even…there’s not that much involved so I don’t mind doing it at all. It’s just part of my job.

At this stage it’s more a private exchange of tickets and ‘how are you going?’ I’ve sort of been trying to get their staff more involved by offering them tickets on opening weekend and I’ll go out and meet all the branch managers and meet the staff and start trying to get it going a bit more. Because we don’t work together as well as we could.

Her only concern about the current processes is that they do not maximise the potential of the partnership.

If the [corporation] want it to stay like this and we decide after we have a chat, because I’m just researching it at the moment, it could go on like this forever. It’s cool. But it has potential as well.

She sees both organisations as contributing to the lack of time and focus on the partnership. She identified scope for increasing the interactions between the organisations, and expresses some confidence in achieving this. She describes the conversations involved as “successful”, and seems more positive about this concept than her employer.

Myself and [corporate manager] we’ve had chats about getting the [corporate staff] in... So that’s been really successful because if they come to the shows themselves then they can talk about it. Then the postcards on their [counters] aren’t just postcards they don’t know anything about. Like they have relevance, you know. And it also gives them something to talk about.

This more positive attitude towards the processes underpinning the relationship from her perspective adds to the evidence that it is the structure of the decision-making mechanisms within the corporate organisation that make the processes dissatisfying for the NPO, rather than the individual personal relationships involved.

3.12 Procedural justice – Corporate perspective

3.12.1 Proactively directing partnership during negotiating

From the outset, the corporation’s former national sponsorship manager took on a proactive role in directing the processes of the partnership, from recruitment of the partner through to
developing the business contract that underpins the agreement. He perceived this process as laying the groundwork for a robust and successful partnership.

So I actually put in place, proactively started to look at prospects for the various regional managers throughout the country for the [corporate], and look at what if any involvement they already had with any regional [organisations in arts sector]... So we set them up, and the contracts were very much like a business contract. We will do this, this, this and this, and in return you will do this, this, this and this, and we will consult over this, this, this and this and etcetera etcetera. And any time we use your name, you have sign off, and anytime you use our name and branding, we have sign off. So that we’re always ensuring our respective brands are being properly used, so there’s consultation and regular meetings and blah blah blah. And all of that’s set out in the contract. And then we both play by the rules. And what we found is we might take three, four, six months to set up a contract with someone. But we found that by the time that was in place we almost never ever had to refer to it. Because we used the contract to build the partnership.

3.12.2 Perception of consultation and compromise

The above description suggests a consultative process, but one that was strongly led by the corporation. The recollection of the NPO marketing manager involved at the time, as previously discussed, perceived the corporation as having taken a dominant role in this negotiation, which she was happy to accept. Her version of events placed less emphasis on the give-and-take nature of working out a contract. Rather, she appeared pleased to have received attention from the corporation and was willing to defer to their expertise in ensuring the agreement was reasonable.

In the above passage, the corporate representative moves from the specific example of the NPO and relationship under examination, and uses language indicative of a general process. The manager also uses general terms when he remarked that the strength of this process was endorsed by the reputation the corporation earned for its sponsorship programme. He then applied this principle to the NPO in question. This corroborates the NPO manager’s perception that the presence of the corporation as a sponsor had given their organisation “mana”.

We had other organisations that would follow us around the country and make offers to our sponsored organisations because they knew how thoroughly we had done our research and how thoroughly we knew the value of sponsorship. So basically it was a thing that happened a lot and I think including
[NPO], when we came there as a sponsor the people knew the calibre of [corporate] in sponsorship. They knew we had done due diligence and they knew that if we had sponsored them it was on a good basis. And in a way, that enabled the [NPO] to go out and secure other sponsorship.

3.12.2 Prioritising good processes

Like Case Study One, the corporation commented that the reasons behind a hypothetical withdrawal of the NPO would be more important than the consequences of losing them. In this case, however, the reasons are less about their sensitivity to how they would be perceived, but what that might have said about their negotiating processes.

We would have wanted to know why. What have we done? We’ve done all this work, why are you telling us now? If there was something that wasn’t working, we would want to know what it was so we could work through it.

3.12.3 Proactively directing partnership during implementation

The formal national sponsorship manager also recalls taking a directive line with the NPO partner once the partnership was underway. He mentioned instances that had been recounted by the former NPO marketing manager as demonstrating the corporation’s generosity, for example:

We could never get our faxes through, and I said, “Go out and buy a new one. And tell the general manager he’s not getting the money for anything else. It’s only to be spent on this.” We needed them to have a fax machine or we couldn’t communicate with them.

3.12.4 Control over and satisfaction with processes

Perhaps unsurprisingly, given the high level of direction the corporate had given to the shape of the partnership, the former national sponsorship manager recalls being very satisfied with the processes and outcomes of the partnership agreement.
Q. So when you established this partnership with [NPO]... were you satisfied with the agreement you reached? A. Yeah, because we basically wrote it.

3.12.5 Changes to internal structure and deprioritisation of partnership

As discussed, the responsibility for the partnership was later devolved to the regional offices. This led to less satisfying processes for managing the partnerships, with difficulties affecting both the corporate and NPO participants.

We have quite a sponsorship team, and a very good sponsorship manager, who basically did all the work for us at a local level. Over the years, as maybe corporates go through cost-saving initiatives, our sponsorship team got whittled away, and more of it fell on the local team, perhaps in the last three to four years when I’ve been more involved. And it became a bit of a hassle, in that the [NPO] people themselves, they wanted to review the deal and improve it from their perspective. With all of us having other jobs and other than specialising in sponsorship contract negotiations it became a bit of a hassle and I guess probably the relationship got a bit strained I guess in the last two to three years, until we got more sponsorship people back on board. The problem from the [NPO’s] point of view, we were continually changing our people at national level. They didn’t know who do deal with, so it was better from their view to deal locally. We all had other duties and jobs to do, and [NPO] became a secondary nuisance if you like.

They struggled to know who they should be dealing with, and we struggled to point them in the right direction as well.

The former regional manager recognised he could not match the former national sponsorship manager for expertise or enthusiasm for the NPO.

He was particularly good in that area. And he did a lot of work over and above the contract for [NPO] in terms of developing their website and that sort of stuff as well. He had a particularly good relationship with the various centres. He’s based in Auckland. But he seemed to have his own, not sure about budget but he could do a lot of value-add things that we couldn’t do here. And he did them particularly well. He had a real interest in the [NPO sector] and did a lot of really good work. He attended to all that side of things, we just did the local hosting.
3.12.6 Straightforward processes and implementation

Admitting his lack of focus on the sponsorship aspect of his work, the former regional manager appreciated the ease of the processes with which the partnership with the NPO operated.

It worked well. Coming from the [sport] sponsorship which became a real logistical hassle and nightmare driven by Auckland or Wellington, the staff were heartily sick of it. This was a real easy planning, easy hosting opportunity.

I much prefer to deal on a professional basis relatively quickly rather than have volumes of correspondence between us.

In this regard, he perceived the process of the negotiations with the NPO as straightforward and low-fuss, even if disagreements arose. He saw this as a positive process.

They came well prepared with what they wanted. We considered it, and went back with our suggestions, and it went pretty well from there.

3.12.7 Negotiation process and style

The current regional manager outlined a process of negotiation, which involves reviewing the annual contract.

What we do is every year we review our involvement with the team. We look at ‘how did it go this year?’ We sit down with the board and discuss that with them. [The corporation] also expects from our level that we review it up to say ‘This is going exceptionally well’. We obviously reserve the right to say ‘Look, maybe there’s something else in [region] that we want to have a look at’. Maybe have a bit of a change of direction and think is this actually reaching or meeting [the corporation’s] brand and all the things that we stand for? Is that actually meeting our requirements? So we have a pretty objective look at it every year.

As the interview progressed, the language used to describe the character of these negotiations was strengthened.

And it’s interesting because we’ve have some pretty robust discussions over the years ... we’ve had a lot of discussions with the [NPO] about little tiny things and obviously they’ll always be there because they require more money...
And we’ve had pretty frank discussions about the fact the [government funder] come up this amount of money, you at the bank are doing this amount of money, where do you think that maybe you should put a wee bit more in? Or is there a possibility of doing that?

I’d like to think that there’s some loyalty there, and I’m sure there is some loyalty there and that maybe our last discussions were along the lines that if the bank wants to keep involved in it, then it would have to increase its sponsorship. And I guess we were pretty blunt. We went back to say “We’ve been with you guys for 10, 11 years. We’ve helped you through the highs and the lows and our budget is not unlimited.”

### 3.12.8 Communication processes used to work through issues

The value of regular meetings for the current regional manager is illustrated through emails sent to his national colleagues, reporting on their outcomes. One lists a range of issues that were discussed, and concludes with the phrase “Positive meeting”. It identifies areas where the NPO required some logistical support with the events, and demonstrated a willingness to assist “we as a [business]… helping out at the [venue], have noticed from my attendance there are bottlenecks…”.

Another email followed a period of dispute around whether the corporation was being appropriately acknowledged for its financial support of the NPO. The current manager reported to his colleagues on the outcomes of a meeting, listing 12 bullet points covering many positive updates and agreements. The point under dispute was addressed, indicating the meeting had been a successful mechanism for resolving the issue.

I discussed the fact that I was concerned that the Major Sponsor we were in some way fading in the front page/cover on the programmes and other advertising which I needed to bring to their attention. If I was attending the show would it be clear that we were and our commitment (sic). They appreciated the comments and will get back to us on action they will take. It was an amicable discussion. (email 30/4/08)

He remarks to his colleagues “Felt it was a worthwhile meeting and important that we the leadership team continue to show enthusiasm and involvement.”

In the interview, the current regional manager expressed concerns that the NPO had not followed good processes in making some decisions that affected them.
I mean there were some issues, little issues, but things like the rural tour. All of a sudden the venues got booked out before we got some tickets for our customers. Well these things happen and as people change, and that’s just part of it.

The regional manager recognises the importance of communication mechanisms to ensure misunderstandings are avoided and that parties appreciate one another’s goals. However, the extent to which this has been implemented is unclear.

I think the communication thing is just so important. I mean they do have regular meetings with us and that sort of thing. I think that’s crucial. Showing an interest in what they’re doing and being interested. Trying to help them as much as they can to achieve what they need to achieve for us to continue or succeed. I think that’s really really important.

3.12.9 Acknowledging fair process for NPO

The current regional manager refers to the contract as the guiding document, describes the provisions of the contract as ensuring a fair process for the NPO partner.

If someone like [another corporation] come in and say ‘We’d like to sponsor one of the shows...’ or whatever than they’ve still got the facility to do that. But at the end of the day the [corporation] is still the major sponsor for it. So I guess it gives them that opportunity and I think that’s good too.

He adds that he would be unlikely to maximise the provisions of the contract to walk away from the partnership any time it comes up for review.

...if we were going to do that we would certainly give the [NPO] time to be able to [look at other options]... But it certainly wouldn’t be great for [the corporation] to say look we’re going to cut funding. What [the corporation] would do in that situation, and I haven’t been in that situation with that, we’d say ‘Next year we really really want to be involved and maybe after that we want to just review it and maybe look at something else that we want to do.’

So the [corporate’s] not unreasonable in that way. And that would be a discussion between ourselves, the [NPO] and of course we’d involve our people in the decision. Just to make sure we got it right, what we were doing.

Therefore, the corporate representative appears to view positively the key processes that underpin the partnership, including the underlying contract, review cycle and process for regular meetings and
communications. He makes use of these mechanisms he is able to use to effect changes and reach agreements, commenting, “But hey it’s always been worked out in the end.”

However, he expresses concern that the NPO has made changes to agreements, and not delivered specific results, placing him in a reactive role in trying to address situations that have occurred. While the disputes have been able to be resolved, they appear to have left lingering doubts as to the commitment of the NPO to the partnership. This points to a distinction between process mechanisms (be they formal or informal, including contracts and conversations), and the actual processes by which the partnership is conducted. While the mechanisms are viewed positively, the actual decision-making of the NPO as they deliver the contract is more problematic to this corporate participant. While the opportunities to address problems reactively are available and successful, the fact they needed to be addressed suggests a deeper problem.

### 3.12.10 Analysis of contract in terms of fairness of process – Key items

It was noted that the corporate participants undertook the primary role in developing the contract from the partnership’s earliest days, drawing upon their previous sponsorship experiences. Several items seem to favour the corporate over the NPO in terms of process.

- Exclusivity obligations bind only the NPO. These prevent the NPO from entering a sponsorship-type agreement with any of the corporate’s competitors. The agreement makes no requirement for the corporation to limit its associations in a similar way.
- The NPO agrees that if the agreement is not renewed it “shall not enter into a similar sponsorship arrangement with any third party for a fee less than the amount most recently offered to [corporation] or on terms more favourable than those recently offered to [corporate] without first offering the arrangement to [corporation] for such fee or on such terms.” The contract does not require the corporation to make such an offer to the NPO.
- “All material, whether printed or otherwise, which refers to [corporate] shall be submitted to [corporation] for its written approval and least three working days prior to its publication or release.” No equivalent requirement is asked of the corporation.
• It is stipulated that “if, in the opinion of [the corporation], the Sponsored Party, or any of its members, directly or indirectly engage in any conduct which brings [the corporation] into disrepute or is prejudicial to [the corporation], [the corporation] may immediately terminate this Agreement on notice to the Sponsored Party.

It is interesting that, throughout the interviews participants on neither side referred significantly to the contract, other than in relation to efforts to increase the financial value of the sponsorship. Other clauses, and potential imbalances, were not mentioned. It appears the partners have developed a working style that perhaps makes little reference to the contract itself. By their nature, the above clauses are likely to only be invoked in the event of conflict or termination, and currently do not appear to warrant much attention.

3.13 Interactional Justice – NPO Perspective

3.13.1 Professional relationship enabled by personal bond

The former marketing manager summarises her experiences of interacting with the corporate partner very positively: “I think back to all those interactions with the [corporate] and feel really good about them.” In particular, she describes her interactions with the corporate national sponsorship manager in glowing terms. Indeed her comments suggest a strong personal relationship developed between the two of them, which enabled their interactions to transcend differences in positional power and status.

He was wonderful to work for.

It wasn't as if I felt awkward, or hesitant. Because of the quality of the relationship with [national sponsorship manager], it was all down to him. It was a real pleasure.

It did seem that we were quite special to them. To a point where, I mean [national sponsorship manager] and I still communicate and are really good friends. So it sort of went beyond the [corporate-NPO] relationship and I visited him in Auckland and we stay in touch.

This strong personal relationship led to a sense that the relationship between the organisations was special and extremely positive.
It was an exciting kind of time for [NPO].

If we weren’t important they were incredibly good at pretending that we were. And OK, I mean, there was a warm fuzzy feeling between the two organisations.

But it was certainly a very, well I looked upon it as a really special relationship and one to be really valued.

For me, the most enjoyable part of that job for all those years, was dealing with [the corporation]. It was the best part. It was the most challenging part, the most exciting part, the most rewarding part. I dealt with somebody who really understood what we were trying to do and how we were doing it. And that was great.

3.13.2 Culture of formality and courtesy

Along with the extremely warm relationship enjoyed between the managers, the former marketing manager recalls a strong tone of professionalism in her interactions with the corporation, illustrated by her remarks around how the corporation may have reacted had the NPO withdrawn from the partnership. She also acknowledges that the positive relationship was developed in a context of achieving positive results for one another.

I think they wouldn’t have wanted to have been seen to be involved with an organisation that flicked them off. They had high expectations of the way they would be treated. And I believe we met those expectations and exceeded them many times. Which is why they looked upon us so favourably.

3.13.4 Tone of relationship changing with personnel changes

These comments acknowledge that the relationship was enabled by the especially strong bond that had developed between the two managers. While the importance of building relationships is acknowledged, it is also recognised that the benefit of this may be lost when personnel change.

I was devastated when [national sponsorship manager] left. I couldn’t see how it could possibly be ever as good again.
But there wasn’t that.. how does one describe it? I was going to say personal warmth. And that only comes with getting to know a person. But it was a very effective business relationship. That’s all that was necessary. It didn’t have to have warm fuzzies all around the edge of it. [Former marketing manager]

Indeed, the change in relationships impacted on outcomes of the partnerships as well, meaning the relationships lost the positive vibe generated by the extra services provided by the corporate. This was partly because, by the time the change in structure occurred, the infrastructural needs of the NPO were reduced, significantly as a result of the inputs of the corporation.

By the time that those changes came about, we had most of what we needed... No. There weren’t courses or sort of professional development where I was supported once [national sponsorship manager] was no longer a key person...

[The positive relationship was] between the existing corporate sponsorship manager and the marketing manager of [NPO]. Now, had those been different people and there was a different chemistry there, would we have got as much? Or would we have got more? Speculation. I don’t know.

Despite losing the buzz of the earlier relationship, the interactions with the new manager, now located at the local level, was seen as friendly and “quite informal”.

It was more, kind of, ringing him up and saying, “Are you free at 11 o’clock this morning? Can we have a cup of coffee?”

The general manager also highlights differences in the tone of her interactions with members across the corporate organisation. For her, the closer relationship is with the local team. She describes a strong contrast with her interactions with the national staff, whose role it is to pay the invoices. Recall also that the national team have veto power over the budget available for the regional office to pay towards the sponsorship programme. Additionally, the high turnover in staff has prevented meaningful relationships to be formed between the NPO and national decision-makers. The contrast is evident in the following quotes. Where the general manager uses interpersonal language to describe the regional manager, her description of the national staff relates to behaviours and processes. Specific individual characteristics are not mentioned, but the negative behaviour is assigned to the organisation as a whole.

[Regional manager], he’s a good man and he understands where we’re coming from and he will try and support where he can.
With [local] office, great. It’s lovely. [Regional manager] is great, very supportive of what we’re doing. With the organisation as a whole, I would say difficult at best. With all the benefits of being principal sponsor and having tickets and all the rest of it and every quarter we are on the phone again getting them to pay. Which is very very frustrating. And it’s just not good enough.

Yeah, well I don’t feel valued at all. When I’m ringing Wellington and then ringing Auckland to remind them that they need to pay their sponsorship. And again in an organisation that clearly has millions of dollars trailing in and out of the place on a daily basis, surely they can pay their $xxxx a quarter.

Which is really frustrating to me is the lack of value that they place on the [NPO] but when it comes to tickets they’re on the phone immediately.

The general manager attributes an unappreciative, hard-line attitude to the organisation as a whole, as she describes her dissatisfaction with the treatment she has received. Her comments indicate a frustration at needing to fulfil a role as a needy charity organisation.

Yeah and you know, when you’ve worked in so many arts organisations and your livelihood is dependent on funding and dependent on sponsorships and depending on donations from trusts and anywhere that you can scrounge money. Not pleasant when you’ve got an organisation that is kind of saying ‘well take it or leave it. Or here’s the money and this is what we want.’

### 3.13.5 Ability to be open and honest

The general manager acknowledges that the organisations have shared a positive history, and indicates the ability for the organisations to handle an open an honest discussion. However, it is clear that in the current climate, there are simmering tensions between the organisations.

Organising meetings and being open and honest and putting cards on the table. We had a very open and frank discussion with the [local] office at the end of last year and I’ll try to do that again this year. Up to this point there’s been very little dispute.

The current marketing manager describes the interactions between her and her colleagues at the corporate as friendly and straightforward. Her appraisal of the staff is warm and positive.

OK, I don’t know [corporate administrator] that well. It’s just more about, you know, working relationship you might say. She seems really nice. Easy to deal with. It’s pretty straightforward. Me and
[corporate administrator] just really chat, if they need something or if I’m just walking past to pop up and drop off something.

She’s great. And [corporate manager] is lovely. Yeah, he’s a really nice guy. I have all the time in the world for him. His staff, the branch managers, are all really nice people too.

3.14. Interactional justice – Corporate perspective

3.14.1 Appraisal of NPO staff

As noted earlier, it appears the positive regard described by the former NPO marketing manager with the national sponsorship manager was mutual: “…she was just brilliant.”

3.14.2 Professional skills and increased tension

The former regional manager who became responsible for the partnership relates increasing tension in with the change of management of the NPO, which brought a higher level of business acumen to the role. While in some senses this was seen as positive, it has also been more challenging for the corporation.

I guess different personalities saw things differently… [General manager] was more the professional businesswoman than [interim marketing manager, not interviewed] being the marketing manager who dealt with things in a – and I say this in a very kind way – airy fairy way. So [interim marketing manager] was easy to deal with because she flipped from there to there, [general manager] was quite focused on what she wanted. So from a professional point of view, [general manager] was really good. But from an ease of dealing, [interim marketing manager] was easier.

Despite the increase in interactional conflict, he preferred dealing with a more business-like team, and respected the skills she brought to the management of her organisation.

[General manager] was quite focused on what she wanted, and we were focused on what we wanted and we reached an agreement I believe easier than what we might have otherwise.
[We got on] quite well. It was professional. We both got largely what we were wanting. I guess the meeting we had with the board and [NPO manager], we were a bit taken aback at their initial suggestion of what they were wanting. But we managed to work through that, and reach some agreement.

Similarly, the current regional manager speaks highly of the NPO staff and board members:

I think the [NPO] has got some very very good people. I think especially on their board, [treasurer] she actually still works in [corporate] so I know she’s a very capable person. So they’ve got some good management things in place now to make this thing work. And I guess they’re pretty keen to make it work too.

However, the former regional manager, who has been involved in some capacity with the partnership throughout its existence, suggests that the partnership has become tired, and wonders aloud whether the right personnel mix is currently in place to rejuvenate the arrangement.

We do need new people from time to time to stamp their mark on all sponsorships, and [NPO]’s probably falling into that category as well.

3.14.3 Presence of conflict and tension

The interactions between parties were testy at times, including around negotiations to revise the agreement in line with the NPO’s perception of their value. Corporate participants describe being “frank”, “blunt” and “angry”. The current regional manager identified conflict both during the negotiation process, and aspects of the NPO’s delivery of the contract.

I think this year, that my initial discussions with them were pretty rocky. The first thing was saying ‘If you don’t come up with more money we won’t have you’. The second thing was, I guess for me, was just seeing some of those things that I notice, that I watch very very carefully in the way that maybe our principal sponsor is being diminished in a lot of ways.

Despite this, there is a sense that the disagreements between the organisations are professional, rather than personal in nature.

So the relationship was good. Like all negotiations we have moments of, I shouldn’t say heat, but where both sides get adamant they want it their way. But in these cases we’ve worked it out pretty well, and for me the relationship works really well.
The above passages reveal a differentiation between interpersonal tension that is perceived to be part of a legitimate negotiation process, and tension as a result of unreasonable behaviour or a clash of personalities. The comments here suggest that, despite descriptions of conflict during the agreement and implementation of the terms of the exchange, this has not spilled over into negative interpersonal relationships.

Although the data gained through the interview presents the regional manager as pragmatic and philosophical about the tension in the relationship, an email exchanged with a national colleague suggests a level of distress at the treatment received by the NPO manager. This suggests considerable dissatisfaction with the interactions with the NPO partner. In particular, he appears hurt that the funding that was good enough for the NPO during hard times was now deemed inadequate.

[Newspaper article] tells of funding from [government funder]...Nothing about [corporate] or other supporters. Annoys me and I guess they feel quite invincible and support will come running. I still feel they will have to think hard about our offer and I would like it in black and white about our support in good and hard times. So annoyed about the rural tour and the attitude. (Email 29/11/07)

### 3.14.4 Style of interaction

Email data between the management and administrators of the two organisations reveal a positive, chatty style. The tone is warm, peppered with comments from both organisations such as “Have a great weekend!” and “Best of luck [for your trip]”. The corporate administrator regularly expresses the organisation’s thanks for receiving the tickets to which it is entitled with language such as, “Have received the tickets, thanks so much for this.” In setting up meetings, the corporate regional manager responds with phrases such as “love to chat”. An update on some dates in the events programme is met with “Thanks for that [name] – appreciate the email”. They address the detail of conducting the relationship on a day-to-day basis matter-of-factly. The NPO marketing manager shows flexibility and helpfulness. She suggests options for ticket allocation and adds: “I am open to anything 😊 What is the easiest for you?”

Following up from the tense negotiation meeting, the current regional manager sent an email that was polite, firm and signalled efforts to be constructive. It outlined the difficulties the corporation saw with the NPO’s proposal, the benefits of the agreement to the corporation, the non-contracted added assistance the corporation had provided over the duration of the partnership and
the rationale for keeping the funding at its current level. It suggests further discussions of non-financial ways the corporate might assist the NPO. The message was couched in language that left the door open for ongoing, positive interaction, concluding with “The [corporation] is keen to work together to ensure we further enhance our partnership and deliver value to both organisations.”

3.14.5 Appreciation of NPO style

The current regional manager describes enjoying working with the NPO staff at an interpersonal level, perceiving the style of engagement as a pleasant change from the corporate environment.

I find them quite refreshing actually. And I always have.

3.14.6 Less understanding of commercial realities

To some extent, however, it appears that the positive language used to describe the NPO style is also used to introduce a sense of a lack of commercial sophistication and a poor understanding of business realities.

I think those people are really really passionate about what they do. And sometimes I guess they find dealing with the core business a wee bit difficult at times. Life’s always difficult, but sometimes they may come up with a great idea about things, to do things, and the enthusiasm is great...

3.14.7 Desire to be approachable and not didactic

Like the preliminary dyad and Case Study One, the corporate managers demonstrate being conscious of perceptions of behaving in negatively commercial fashion, and describe making allowances for this in their interactional style. The current regional manager’s comments make generalisations about the attitudes of NPO representatives “the people that run these things” and their approach to the corporate sector in general.

I think sometimes the people that run these things are really really good at what they do too, and dealing with the corporate world is probably a wee bit different. And I’d like to think that I’ve made that
easy for them to do, but it’s not ‘no this is the way it will happen or that won’t happen’ because that just wouldn’t work.

In the above comment, the corporate manager distinguishes his own organisation’s behaviour from others in his sector, suggesting the corporation is more flexible and less didactic than other similar organisations. He later acknowledges that the corporation previously had less flexible characteristics, but that it changed its behaviour to take a more constructive approach.

So look they probably find sometimes that we’re reasonably firm with what we say but I’d like to think that I bring a different type of management to it than probably in the past that we’ve had. And I think [the corporation] has had to change the way that it deals with it. I think it’s really really easy for some people to say ‘this is the amount of money, you go away and do what you want to do. Don’t come back and ask me for any money or do anything different.’

He recognises the requirement to make himself available in terms of time, although indicates through the comments above and below that his own work pressures can make this difficult.

Sometimes it’s very very hard to just drop everything and go, but you’ve got to make time. I mean if they’re having meetings or having discussions or [marketing manager] rings me up, hey you’ve got to make time.

### 3.14.8 Frequency of interaction

The current regional manager characterises the relationship as involving a high level of discussion and involvement.

We’re very, very much involved in the [NPO], much more involved which is really great in their meetings and discussions, their decisions. And we get invited along to their board and their meetings and things like that.

Yeah, so as you can see quite a bit goes on. It’s quite an active partnership. None of the just handing money over and saying ‘Look you go and do it’.

The differences in the responses between the former and current regional managers suggest their personalities may have engendered different approaches to interactions within the partnership. At
the stage of the relationship when the former regional manager was responsible for the partnership, interactions between parties appears limited, which appeared to suit him fine.

Once the programme was set in place for the year ... there was probably limited contact between the two organisations. There didn’t really need to be. We knew what the allocation was, what the programme was. As far as regular contact and liaison, there probably wasn’t a lot of it, for good or bad.

The above sections suggest changes over time in the style of interaction the corporation has pursued, and indicates some inconsistency experienced by the NPO.

3.15 Equity – NPO experience

3.15.1 Value not calculated by NPO

The former marketing manager acknowledged that her organisation had not formally evaluated the value of their contribution to the exchange.

I don't think we ever put actual dollar values. We would say, look you are getting huge value by getting that signage on the exterior of the building at the time. But, I mean, how do you measure that? I'm sure there is probably a way of doing that. But I didn't do that.

Similarly, she appeared to have little understanding of how the corporation had calculated the amount of money she was receiving for her part in the exchange.

I have no idea [how it was calculated]. I suspect it might have been, initially, I figured it was pulled out of a hat and it seemed fair and reasonable. Not giving them too much but giving them enough to get what they wanted out of it.

This lack of clarity as to how much the corporate partner was receiving from the partnerships also led to tension among staff members within the NPO. This is specifically related back to a perception of different staff members with different understandings of value.

In that their perception was that we weren't actually screwing them enough. Getting enough out of them. I think that it was a personality thing between the marketing manager and the administrator and you couldn't have had two more different people viewing things... I would say that the administrator is completely money focused, not interested in relationships, but was interested only in the bottom line.
And what could be, and I use the word ‘screwed’ in a not particularly nice kind of way, what could be screwed out of them? I think, then, looking at the marketing manager, it would be fair to say that that person was perhaps overly generous at times, wanted to please.

...obviously people who could handle money are going to be much more aware of the black and white, look we are getting x amount, this equates to so many seats. So they see it from that point of view and quite rightly so.

Despite having not calculated the value of the exchange for the corporation, the perception remained that they were receiving greater value than the amount they paid.

From the small amount, the meagre amount of money that they put into [the NPO], they got huge coverage. And I think that’s what got [other staff members] at times. That on the one hand you could say, ‘Yes, it’s a large amount.’ But it was something like $xxxx. For that it was a pittance. It really was.

The former NPO marketing manager further acknowledges that the exchange was perceived as inequitable on the grounds that the sum was a small amount for the corporation.

I mean there was a feeling at times, hang on this is a pittance for [corporation]. It’s huge for [NPO]. Can't they throw us a bit more?

There were times that, like I say, that the base amount of money, in the cosmic scheme of things in their organisation, we knew perfectly well it was such a little bit. Sometimes there was a feeling of frustration. Well, why can't they just give you some more? But on the other hand, it's dependent entirely on which viewpoint you took. We were very fortunate to have that money then.

The above comment highlights the distinction identified in Preliminary Interview Two and Case Study One, between judging value in terms of one’s own needs (reward fairness), or in line with external referents for assigning value (comparative fairness).

Therefore, in understanding the value of the exchange to the NPO, the former marketing manager referred to a sense that the NPO was not actually losing anything in fulfilling its end of the exchange. Thus, the minimal costs to the NPO in upholding the agreement enabled it to accept an exchange that may have differed from the ‘book value’ of the services it provided.

In that I think, quite clearly maybe, was that the bottom line, for the money that they put in they got ‘x’ amount of, let us say, free seats or whatever. I mean, they weren't really free. But from the [NPO's] point of view, balancing the books point of view, yes they were seats we didn't get money for. And that
is where animosity, negative stuff came from. In that, you were talking about before, how would you measure what the [corporation] got? Well, OK, when it comes to exterior signage, it's really difficult. But when it comes to number of seats that they occupied in the [venue], my argument always being, well if they didn't occupy they weren't going to be filled by anyone else anyway, so we're not actually losing out. But that argument, I remember, didn't go down well.

I mean, if were in the situation like a theatre in London, selling standing room, sure it would have been quite different. But we weren't. We were desperate for every dollar. For every paying bum that could be on a seat.

She acknowledged also that the full value of the exchange was not captured in the agreement. This includes the tangible items, such as computers, professional development courses and fax machines, as well as intangible values such as credibility and access to expertise.

There were huge added value things that were never actually listed in the original agreement.

**3.15.2 Mutual satisfaction with exchange**

Therefore, the former marketing manager’s overriding approach for identifying value in the partnership was related to the needs of and costs to the organisation in pursuing the opportunity. In relation to these aspects, she perceived the partnership to be satisfying and fair. Indeed, she acknowledged that the fact that both parties received positive results in terms of their own needs was identified as underpinning the success of the partnership in its initial stages.

I think they got a very good deal out of it as well. But I think that was probably why everything worked so well. And that we felt we got a good deal.

In contrast, the current general manager uses external comparisons to express her sense that the partnership is undervalued. This includes comparing the amount received from the corporation with that received from a government funding agency (nearly 15 times the amount received from the corporate). Despite the large disparity in these figures, the two organisations received similar recognition in their publicity material, which the current NPO manager saw as evidence of an appropriately valued corporate partnership.
...for a principal sponsor having their logo alongside [government agency] who fund us. It was so bad. I just didn’t think that the playing field was right. $xxxx next to $xxxx [figure 14.9 times greater]. And you know, their branding all over everything that we do.

She also compares the amounts received and services provided with those of the organisation’s other sponsors, and finds inequities.

So for example, a diamond sponsor, which is a production sponsor. If you wanted to sponsor a [event] at the [NPO]. And you put your name on that production. And the programme, access with car, your own opening night. You know that’s $xxxx plus GST. Now [the corporation] pays, currently, $xxxx which includes GST and they’re a principal sponsor. That’s really just three diamond sponsors.

3.15.3 Precedent set by previous agreements

The general manager points to a concern that she is bound by an agreement negotiated in a different era for the NPO. This has established a precedent which is now difficult to change.

...it’s something that was established by the [corporation] 11 years ago and I just think the [NPO], or who was here before me wasn’t strong enough to say to them, ‘We’re in a different world and we really value what we do.’ And I think that’s been a lot of the problem.

So trying for them to understand that over the years the ticket prices have gone up, production values have gone up, the cost of everything has gone up. Therefore, also they need to look at the relationship. Do they value the relationship, do they value what we’re doing?

I think the relationship is very uneven.

3.15.4 Perception of complacency from corporation

The general manager perceives that this has created a situation which is desirable for the corporate, but which does not meeting the aspirations of the NPO. As well as describing the relationship as not fair, but “one-sided”, she expresses a further sense of inequity in the following remarks. They include a perception that the corporation has become complacent in the current state of the partnership, without considering whether it meets their partner’s needs.
Clearly it works, but we think we’re undervalued from our point of view.

I think they’re kind of resting on the relationship laurels

I understand why [corporate] would want the relationship to continue but I think the [NPO] has undervalued itself.

3.15.5 Financial calculation of value

The general manager acknowledged the corporation’s processes for calculating the exchange value of the partnership, including a population-based formula for appraising the brand power and the market value of the tickets. While the market value of the tickets is easily comprehensible, the appropriate value for items such as corporate signage appears more problematic for the NPO manager. Further, in contrast to the “brutal” calculation of the value of the partnership, she indicates what she sees as the “true value” of the NPO, being its contribution to the community.

Well when you look at like for like. For example xxx tickets is $xxxx and then they’ve got that again for tour and the branding and association and access to all of our patrons which is about 25,000 people cross the threshold of [NPO] every year. And just having that brand and keeping it in peoples’ eye. Which obviously attracts them to the [corporation].

The value of the partnership, to be totally brutal, is calculated initially directly against the tickets. I mean tickets are obviously attractive to a lot of corporate sponsors, from entertaining staff to hosting clients. The true value is what we do in a community in our reach.

Yeah, very very one-sided. I think for $xxx to have your name on the outside of the building is not right.

In a powerpoint presentation which supported an appeal to the corporation for greater funding (undated, approx September 2007), the general manager invokes several issues to justify an increase in the financial value of the sponsorship. This includes an increase in the NPO’s patrons, greater internet traffic, achievement of media coverage and publicity (approximate values given), developing stronger links with local stakeholders with whom the corporation may wish to have positive relationships, new programmes and initiatives and an increase in the quality of their work. The NPO also provides data on the positive regard in which the arts are held. The presentation concludes with
It has come to our attention that it is time to re-evaluate the financial level of sponsorship in direct relation to the benefits received by the [corporation] through the relationship with [NPO]. To meet with the current and future market value, we recommend an increase to the level of sponsorship to $xxxxx which as a package includes the existing benefits and the naming rights sponsorship of the [NPO] regional tour.

Despite seeking to appeal to direct, quantifiable values for the corporate, this attempt to increase funding was unsuccessful.

3.15.6 ‘Value’ reflected in processes and interactions

In exploring the contexts in which the NPO manager refers to the concept of “value”, further understandings can be identified. Above, her comments relate to the financial worth of the NPO, and a belief that the existing agreement does not reward the NPO adequately for its contribution to the partnership. The further comments below, however, many of which have already been seen to relate to aspects of interactional and procedural justice, refer to “value” in social terms, that the treatment of the NPO by the corporate is disrespectful.

So you just don’t know who you’re dealing with. Which is very very frustrating when you’re trying to place value on your work and start negotiations in the new year.

Yeah, well I don’t feel valued at all. When I’m ringing Wellington and then ringing Auckland to remind them that they need to pay their sponsorship. And again in an organisation that clearly has millions of dollars trailing in and out of the place on a daily basis, surely they can pay their $xxxx a quarter.

Which is really frustrating to me is the lack of value that they place on the [NPO] but when it comes to tickets they’re on the phone immediately.

3.15.7 Value reflected in quality of work and benefit to society

Underlying these uses of the term ‘value’ is a suggestion that the NPO manager perceives that the financial value the corporate is willing to assign to the NPO is an indicator of the value it places on their work in society. Several further comments indicate her belief that the NPO should be valued
on the basis of the quality of their work and their positive role in society, rather than the financial benefits that can directly accrued to the corporate partner.

You’re either a very good salesman that can sell snow to Eskimos regardless of the product or you actually have to be very proud of what you’re doing. And we’re lucky inasmuch as we’re very proud of the work we produce. Therefore we see what we do of enormous value to anyone who supports us.

In promoting this concept of how the NPO’s value should be translated into its relationship with a corporate partner, the general manager highlights a difference of opinion with her board.

They’ll be looking at the bottom line as well and saying well we need the money. Which is again the reason why we have this situation. They’re not going to turn their backs on income. But for me it’s about the value of what we do. Otherwise the situation’s never going to change, and when I leave, whoever takes over from me is going to have exactly the same problem. So I think we need to take the bull by the horns and start screaming our value from the rooftops instead of the [NPO] being the poor cousin. I think that needs to be celebrated.

In terms of her overall appraisal of the fairness of the partnership, the fact that she and her board have accepted the terms of this relationship makes her no more satisfied with the outcomes (Nozick 1974). She comments:

I’m not happy about it at all but it’s my decision and that of the board.

3.15.8 Value explored through partnership

The current marketing manager highlights a sense that the best partnerships are not based on strict transactions. Rather the agreement provides a basis for ongoing communications, from which partners can explore ongoing ways in which they can help each other.

Because I don’t think that the value of a sponsorship is just transactional. I think there’s a lot more to be got out of it... we have some great sponsors. And our great sponsors are the ones where we have a good relationship with them on top of it. So it’s kind of like the attitude of ‘What can we do for you? What can you do for us?’ On top of that basic transactional thing.
In relation to this, the current marketing manager points to a difficulty in increasing the exchange value agreed by the corporation, when much of the NPO’s potential value to the corporation has not been explored.

Well I think there’s a lot of value in the association with us that [corporation] don’t really utilise.

3.15.9 Value in comparison with others in sector

The marketing manager refers to experiences discussing sponsorships with other colleagues in the arts sector. This enables her to make a comparative judgment around the value of the partnership she is involved in.

I know that we don’t, in terms of art sponsorships, get as much financially as other centres do.

She also makes a comment that indicates that it is the end result that matters, rather than the question of how the partnership is valued. However, while identifying the pressures faced by rising costs, this is not linked to a sense of how this would justify an increase in exchange value from the corporate perspective.

I think it’s just like everything else. You want an increase as the CPI increases. That’s all we really care about at the end of the day I think. I think they get a pretty good deal, from what I’ve heard.

3.16 Equity – Corporate perspective

The former national sponsorship manager expressed a strong sense of how to calculate and achieve value from the partnership.

Mostly where you drive the value from these associations is through corporate hosting. And making sure you’re targeting the right people, they’re being hosted in the right way, you’re taking them to the right productions.

So, it usually takes three to five years before the sum total of the investment you put in, and you tend to be spending, for every dollar of sponsorship in those days, the basic rule of thumb was you’re spending perhaps another two dollars on leveraging it, and in some cases it could even be three, four or five dollars, whatever, different sponsorships have different ratios associated with them. And so to get the
sum total of that investment back, the sum total plus what you’ve been spending to leverage it, takes
about three to five years, usually.

So I guess coming back to the whole sponsorship area... I knew what the going rate was. And I took into
account what we would have to spend on promotion and branding, and functions.

Indeed, it appeared that the process of calculating value was fundamental to the entire process on
the side of the corporation. If we compare this with the comments from the former NPO marketing
manager, it is evident that the NPO was entirely outmatched in terms of expertise in negotiating this
contract.

I could go to the CEO and financial controller and say that we are doing this because it’s good business
for [the corporation]. And we could say to the investment manager that we were looking at this kind of
cost to [the corporation], and with a 10% margin to [the corporation] that we estimated that we have
gained $20 million of extra business we would not have had otherwise, conservatively. That’s a 10 per
cent profit margin. That is a minimum of an extra however much we can calculate for the [corporation].
And $200,000 return to the [corporation]. Not mentioning, not even taking into account additional
ongoings. So I could say for a $55,000 investment we got an extra $250,000 return to the bottom line, so
the clear profit is 100 or more thousand. And I actually had to do those kinds of reports. And I had to
make sure that they were really conservative and they properly document exactly what the extra value
to [the corporation] was. And we had a way of being able to quantify that very conservatively. And we
had case studies around that. I think, and a Harvard professor told us, that specialises in sponsorship,
that our stuff was probably the best he had ever seen. In being able to quantify that value of a
sponsorship.

Whilst acknowledging the highly calculated nature of the exchange agreement, he refers to the
need to be, and be seen to be, fair and reasonable.

So it was quite a scientific approach in many ways, but also a very human approach. There was certainly
never any aim to rape and pillage the local sponsorship market.

But at the end of the day it would have been counterproductive to behave in a way that was unfair or
unreasonable. Because after two or three years, they would just say, ‘We thought this was going to be a
partnership and it’s not’. And, you know, in small community, people will say, ‘Well why are you not still
sponsoring [NPO]?’
We talk about the local mafia. In places like xxx, the whole town is run by half a dozen people who are on the boards of everything. And they know what's going on and are going to tell each other. Word gets around, and you need to maintain a good reputation.

3.16.2 Limitations of mathematical approach

It appears that when management of the partnership shifted to the regional offices, the limitations of the highly mathematical approach to measuring value from the partnership was increasingly acknowledged.

In the early days, we used to try and measure any increased business we got out of it. That became very subjective because depending on who took who – “Oh yeah I got this deal I might not have otherwise got”. Now we’ve got no way of proving that. But it probably certainly didn’t do any harm. I can’t give you straight numbers. But I do believe we have picked up some business by taking prospective clients there, and hosting certain accountants and solicitors at functions. It’s well proven if you’re top of mind with an accountant or solicitor, and they have a business deal they can refer to you, they will refer to you. Not necessarily on the night. But because you’ve done something for them, or been in front of them more recently, you’re more top of mind than perhaps some other people might be. So [NPO] is a good platform for doing that.

He describes the idea of measuring the value of the partnership in terms of actual returns as “extremely difficult”.

It’s not that we will invest $1000 and get a return of $800 or $1200. It’s almost impossible to measure. But we’ve got to rely on feedback from clients and staff. And it’s something we’ve never done is survey clients we have hosted to see what they think of it. Everyone, almost without exception, has said, “Thanks very much, we’ve really appreciated you taking us to that”… But overall it is very difficult to put a dollar return on that investment. Very difficult.

By extension, the former regional manager acknowledges that this inability to assign specific value to the partnership creates difficulty for engaging with the NPO in negotiations.

It is difficult, because we can’t say ‘We will give you more money because we are getting a better return.’… So it’s pretty much a gut feel. And we talk to our staff who have been involved with it, ‘What do you think?’ and almost without exception we’re happy to continue it because we believe it is delivering a lot of benefit from a relationship point of view.
The current regional manager also describes a strategic if not calculated approach to assigning value to a partnership, referring to a scorecard that rates sponsorships against a range of objectives. These include brand fit, community benefit, opportunities for staff involvement, media coverage and regional business development strategies.

In the absence of clear financial indicators to advise the corporation on any changes in value of the exchange, efforts by the NPO to increase the financial foundation of the partnership have been unsuccessful. Instead, the corporate representatives refer to other criteria for justifying continuing, or making only minor changes, to the agreed exchange.

3.16.3 Perceptions of fairness

The former regional manager perceives the relationship as fair. He explains this in terms of perceiving the NPO to achieve better outcomes, which is appropriate given their role as a community organisation.

... they’re getting $xxxx a year or whatever the figure is towards their operating costs. We’re getting significantly less than that in the equivalent of tickets. We could actually go and buy the tickets and do the same sort of hosting as we do now for significantly less. But that’s not to say we’re going to do that. So from that point of view [the NPO] is the winner out of it, and I think it should be that way. I don’t think you should ever have a major corporate and a voluntary, nonprofit organisation, and the nonprofit organisation not do well.

3.17.4 Fairness in terms of alternatives, market comparisons and loyalty

In an email to the NPO, the corporate regional manager makes comparisons with the corporation’s other sponsorships as a means for providing evidence of the appropriateness of the exchange value.

As you know, we have four other [sector] sponsorships, that deliver similar benefits to the [corporation]. The sum of $xxxx for a [NPO] your size in comparable to the market rate.
The regional manager refers to several measures he takes to indicate justice in the partnership. These include the presence and availability of alternatives for the NPO, which could be taken as indicating a high quality agreement by the standards of the local market. He also discusses the longevity of the partnership and loyalty shown by the corporation.

I think it’s very fair. I think if the [NPO] had another sponsor lining up to say ‘We’ll take over, we want to do this’ then they would have done that. So I think it’s very fair and I think that is a lot of money for an organisation to commit every year after year. And you’ve only got to look at major organisations that do swap around, and we do swap around a wee bit but we’ve been there for the long haul. When [the NPO] was not going so good, when they were struggling, we did help them out quite a wee bit, a lot of extra things to get them back on their feet again... So if you were saying to me how fair it is. I think my opinion is that ... if you look at a lot of other businesses in [local area], sure there might be a lot of things being done, but I think it’s a really really good partnership. And if I was [the NPO] I’d be very very pleased to have [the corporation] as my sponsor. That’s my feeling about it. And I’d be going overboard to make sure I get them. That would be my honest opinion.

By emphasising the history of the partnership and making comparisons with other partnerships, little weight is placed the NPO’s efforts to achieve and demonstrate increased benefits to the corporate over time. This could undermine the NPO’s interest in seeking to deliver increased value to the corporation.

3.17.5 Lack of NPO appreciation of partnership

The language in the corporate regional manager’s comment above indicates a defensive tone emerging, suggesting a perception that the NPO is not behaving graciously, or seeming appreciative of the long term partnership they have enjoyed.

I’d like to think that there’s some loyalty there, and I’m sure there is some loyalty there and that maybe our last discussions were along the lines that if [the corporation] wants to keep involved in it, then it would have to increase its sponsorship. And I guess we were pretty blunt. We went back to say ‘We’ve been with you guys for 10, 11 years. We’ve helped you through the highs and the lows and our budget is not unlimited.
But at the end of the day, why wouldn’t you want to do that? Why wouldn’t you want to work well? Why wouldn’t you go out of your way to actually make sure that your principal sponsor is in every way happy? That would be my theory anyway, if I was the [NPO].

To this extent, it appears the corporate manager may perceive the NPO to be behaving unjustly, in seeking to change the financial terms of the contract through no fault of the corporation, but because the NPO’s basis for valuing the partnership has changed. This concern is further suggested in the email sent by the regional corporate manager to the NPO general manager following a period of negotiations.

It is unusual for a sponsor to increase the sponsorship fee while still receiving the same or less benefits. Based on our proposal to increase your sponsorship by $xxxx, you have responded by suggesting reduced benefits. It would be difficult for us to justify the increase based on your proposal. (email, 30/11/2007)

The regional manager indicates that the different approaches to assigning value in the partnership have been the subject of direct discussion. On one hand, he reports the NPO appealing to comparisons with the far more lucrative funding received from a government body. Meanwhile, he asks for value to be assigned on the basis of the loyalty enjoyed by the corporation.

And I’m pretty sure the [government funders] help them a lot with their funding now. To a lot bigger extent than what the [corporation] does... And we’ve had pretty frank discussions about the fact the [government funders] come up this amount of money, you at the [corporation] are doing this amount of money, where do you think that maybe you should put a wee bit more in? Or is there a possibility of doing that? We’ve very much gone back and said ‘Look, we’ve had an association with you of 10 years. Through times which were pretty hard and tough. And we value that. And we really would like you to value that too and understand that.’

The success of the [NPO], this [government agency] funding is really really crucial to them and to make sure it works right. I think it’s the mixes and it’s saying look, we need to still fit into this space. We don’t know if [government agency] funding be there all the time for them.

He also identifies that the needs of the government agency and a corporate are incomparable. Therefore, it is inappropriate to measure their relative contributions and expectations in return by the same standards.
I’ve a job to make sure that it does work for [the corporation] and this is not just a government department that hands out money and says ‘You go and do your thing’.

Overall, he gives a qualified endorsement in his satisfaction that that partnership is fair and appropriately delivering value to each side. But he refers to a kind of watching brief, ensuring both that the corporation is achieving value, and seeming to be valued.

I would like to see it continue. But that’s not saying that if we, in [town], don’t see that we’re getting value out of it, then we’ll review it. I guess I’m really really strong on those things that I talked about to you, that if I see any fact that maybe the [NPO] are not valuing our partnership, if I see things like that then I’ll certainly, as I have done, bring it to their attention.
Appendix 2: Table of Findings

The key issues identified throughout the data analysis are summarised in the table below. In the discussion chapters, conceptually related points are clustered, focusing on the research questions under examination.

<table>
<thead>
<tr>
<th>Area of analysis</th>
<th>Finding</th>
<th>Appears in data</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR as context</td>
<td>Corporate business case prioritised</td>
<td>Prelim 1; Prelim dyad; CS1; CS2</td>
</tr>
<tr>
<td></td>
<td>Partnership not CSR (distancing)</td>
<td>CS1; CS2</td>
</tr>
<tr>
<td></td>
<td>Narrow/inconsistent/unclear definitions of CSR</td>
<td>CS1; CS2</td>
</tr>
<tr>
<td></td>
<td>Lack of awareness of CSR</td>
<td>CS2 NPO (early)</td>
</tr>
<tr>
<td></td>
<td>Strategy and altruism as interwoven concepts</td>
<td>Prelim 1</td>
</tr>
<tr>
<td></td>
<td>Subjectivity within strategy</td>
<td>Prelim 1; CS1</td>
</tr>
<tr>
<td></td>
<td>Appeal of CSR as a point of difference to help secure competitive advantage is becoming undermined.</td>
<td>Prelim 1</td>
</tr>
<tr>
<td></td>
<td>Increased expectation that businesses will engage in CSR initiatives have altered power dynamics in favour of NPOs</td>
<td>Prelim 1</td>
</tr>
<tr>
<td></td>
<td>CSR opportunity for NPO to leverage</td>
<td>Prelim 2; CS1</td>
</tr>
<tr>
<td></td>
<td>Being charity negatively associated with weakness by NPO</td>
<td>Prelim 2; CS1; CS2</td>
</tr>
<tr>
<td></td>
<td>CSR raising stakes for success of partnership. NPO manager exposing self through seeking corporate funding</td>
<td>Prelim 2; CS1</td>
</tr>
<tr>
<td></td>
<td>Area of greatest social need less appealing to corporate sector – increases NPO dependency</td>
<td>Prelim 2</td>
</tr>
<tr>
<td></td>
<td>Negatively-perceived self-interest of corporate sector used to shame other stakeholders into contributing to NPO</td>
<td>Prelim 2</td>
</tr>
<tr>
<td></td>
<td>Corporate activities barrier to NPO aligning self too closely with corporate</td>
<td>Prelim 2; CS1 (barriers overcome)</td>
</tr>
<tr>
<td></td>
<td>Ambivalence/resentment towards CSR</td>
<td>Prelim dyad; CS1; CS2</td>
</tr>
<tr>
<td></td>
<td>Positive attitude towards CSR relating to corporate reputation goals</td>
<td>CS2</td>
</tr>
<tr>
<td></td>
<td>Stereotyping - Corporate bias around competency of NPOs</td>
<td>Prelim dyad; CS1</td>
</tr>
<tr>
<td></td>
<td>Stereotyping - NPO preconceived ideas about availability of resources/interactional styles at corporation</td>
<td>Prelim dyad; CS1</td>
</tr>
<tr>
<td></td>
<td>Lower standard of professionalism tolerated – allowances made for NPO</td>
<td>Prelim dyad</td>
</tr>
<tr>
<td></td>
<td>CSR part of maturing corporate culture</td>
<td>CS1</td>
</tr>
<tr>
<td></td>
<td>Partnership reason to say no to other requests for funding</td>
<td>CS2</td>
</tr>
<tr>
<td></td>
<td>CSR now less fun than previously. More aware of problems.</td>
<td>Prelim 1; CS2</td>
</tr>
<tr>
<td>Experience of power/dependency</td>
<td>Mutual dependency increased over time</td>
<td>Prelim 1</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Partner exercise of power engenders respect</td>
<td>Prelim 1; CS1 (wished for NPO proactivity)</td>
<td></td>
</tr>
<tr>
<td>NPO perception of low power decreasing motivation to explore potential (ability to behave in an empowered manner undermined)</td>
<td>CS1</td>
<td></td>
</tr>
<tr>
<td>Difficulty in exploring/verifying alternatives</td>
<td>CS2</td>
<td></td>
</tr>
<tr>
<td>Corporate structure impediment to achieving changes</td>
<td>Prelim 2; CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>NPO competence barrier to achieving outcomes</td>
<td>CS1</td>
<td></td>
</tr>
<tr>
<td>Lack of control of processes</td>
<td>Prelim 2</td>
<td></td>
</tr>
<tr>
<td>Power of money as authorising control of processes</td>
<td>CS2</td>
<td></td>
</tr>
<tr>
<td>Difficulty managing corporate expectations when perceived as outside of reality</td>
<td>Prelim 2</td>
<td></td>
</tr>
<tr>
<td>Corporation directing value of partnership; Prioritises opportunity for value over power as basis for negotiation</td>
<td>Prelim dyad; CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>Establishing self in decision-making position</td>
<td>Prelim 1</td>
<td></td>
</tr>
<tr>
<td>Power exercised in interests of partner</td>
<td>Prelim 1</td>
<td></td>
</tr>
<tr>
<td>Control of partnership = control of processes</td>
<td>Prelim 1; Prelim 2; Prelim dyad</td>
<td></td>
</tr>
<tr>
<td>Scope of legitimate influence over one another’s activities respected</td>
<td>CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>Stakeholders enablers and impediments to effecting change</td>
<td>Prelim dyad</td>
<td></td>
</tr>
<tr>
<td>Firm negotiation style rationalised as securing future of partnership (had opposite effect - NPO concern precedent was set)</td>
<td>Prelim dyad</td>
<td></td>
</tr>
<tr>
<td>Paternalism – ensuring the exchange met his understandings of value.</td>
<td>Prelim dyad</td>
<td></td>
</tr>
<tr>
<td>Magnitude of exchange relating to value of corporate contribution</td>
<td>CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>Mixed views from corporation towards NPO dependency. Desire for NPO to become stronger, concern at partnership diminishing in importance.</td>
<td>CS1</td>
<td></td>
</tr>
<tr>
<td>Reduction in NPO dependency enables partner to leave without guilt</td>
<td>CS1</td>
<td></td>
</tr>
<tr>
<td>Distributive justice</td>
<td>Positive sense of DJ</td>
<td>Prelim 1; CS2 (early)</td>
</tr>
<tr>
<td>Positive sense of DJ despite problems</td>
<td>Prelim 2; CS1 NPO; CS2 (corporate late)</td>
<td></td>
</tr>
<tr>
<td>Negative DJ</td>
<td>CS1 (corporate); CS2 (NPO late)</td>
<td></td>
</tr>
<tr>
<td>Speed and causality of reward heightened perception of DJ</td>
<td>Prelim 1</td>
<td></td>
</tr>
<tr>
<td>Calculated agreement increasing corporate confidence in exchange</td>
<td>CS2; CS1 (lack of calculation/confidence)</td>
<td></td>
</tr>
<tr>
<td>Perception of patchy delivery on agreement</td>
<td>CS2</td>
<td></td>
</tr>
<tr>
<td>Failure to achieve potential experienced as unsatisfying/unfair (see also equity)</td>
<td>Prelim 2; CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>Corporate generosity beyond agreed exchange – seen as positive and benevolent</td>
<td>CS2</td>
<td></td>
</tr>
<tr>
<td>NPO generosity beyond agreed exchange - resented</td>
<td>CS2</td>
<td></td>
</tr>
<tr>
<td>Transactional and reciprocal exchanges identified, but transactional only aspect relating to continuation of exchange</td>
<td>CS1</td>
<td></td>
</tr>
<tr>
<td>Direct and indirect benefits appreciated</td>
<td>CS1; CS2</td>
<td></td>
</tr>
<tr>
<td>Short time-frame impeded positive DJ</td>
<td>Prelim dyad</td>
<td></td>
</tr>
<tr>
<td>Demands in corporation for demonstrable outcomes</td>
<td>CS1; CS2 (early)</td>
<td></td>
</tr>
<tr>
<td>DJ as indicator of non-subjective strategy</td>
<td>Prelim 1</td>
<td></td>
</tr>
</tbody>
</table>

### Procedural justice

| Procedural justice issues addressed in experiences of power | Prelim 1; Prelim 2; Prelim dyad; CS1; CS2 |
| Importance of follow-up processes for showing respect to participants and honouring partnership. | Prelim 2 |
| Doubts in corporation whether opportunistic relationship led to best possible partner | CS1 |
| Lack of contract increased power of corporation | CS1 |
| Distance between words and action – undermining confidence | Prelim 2; CS1; CS2 |
| Non-transparent process for calculation | Prelim 1; CS1; CS2 |
| Distributive, interactional justice used to illustrate procedural justice | Prelim 1 |
| Lack of clarity as to who should drive partnership | CS1 |
| Shift in expectations creating difficulties in relationship | CS1 |
| Positive PJ despite negative outcome during termination | CS1 |
| Expectations of professionalism established through processes | CS2 |
| Importance of honesty and feedback | Prelim dyad; CS2 |
| Perceived lack of understanding of NPO needs | CS2 |
| Lack of formal documentation institutionalising uncertainty | CS1 |
| Formal contract symbolic rather than legalistic | Prelim dyad; CS2 |
| Imbalanced contract (corporate bias) | CS2 |
| Failed efforts to formalise expectations | CS1 |

### Interactional justice

| Strong DJ perpetuated positive IJ | Prelim 1; CS2 (early) |
| Negative PJ (short time-frame) negatively affected IJ | Prelim dyad |
| Going extra mile part of partnership culture | Prelim 1 |
| Sensitivity around being treated as, or forced to behave as, a “charity”. Being treated professionally is seen as a signal of demonstrating respect in a relationship. | Prelim 2; CS1; CS2 |
| Internal pressures influencing behaviour with others | Prelim 2 |
| Modifying interpersonal style to accommodate the less | Prelim dyad; CS1; |
| Business-minded orientation of nonprofit partners (includes stereotyping self and partner) | CS2 |
| Feeling owned by corporation | Prelim 2 |
| Importance of personal relationships | Prelim 1; Prelim 2; CS1; CS2 |
| Strong personal relationships assuring credibility of participants | CS1 |
| Emphasis on relationships, along with subjective nature of strategy, making partnership vulnerable to changes | CS1; CS2 |
| Tone changing with personnel changes | CS1; CS2 |
| Appreciation of NPO interactional style | Prelim 1; CS1; CS2 |
| Difference between perception of individuals and their organisations | CS1; CS2 |
| Overall positive evaluation of interactional justice, despite specific instances of disrespectful behaviour, increasing tensions and personality clashes | CS1 |

**Equity**

<p>| Reward fairness – positive appraisal | Prelim 1; CS2 (early) |
| Comparative fairness – lower perception of justice | Prelim 2, CS2 (late) |
| Inexact calculation, based on subjective judgments | Prelim 1; Prelim 2; CS1 |
| Difficulty in measuring value | CS1; CS2 (later) |
| Importance of partner satisfaction | CS1 |
| Fairness as freedom to enter/exit partnership | CS1 |
| Fairness as weaker party achieving more (need) | CS1; CS2 |
| Fairness as being treated commensurately with others (including meeting market price) | Prelim dyad; CS1; CS2 (later) |
| Fairness as outcomes relative to inputs (Equity) | Prelim dyad |
| Fairness as balance of outcomes (equality) | CS1 |
| Fairness as believing partner acknowledges your value | Prelim 2; CS1; CS2 |
| Fairness as ability to contribute – perception corporation could have afforded more | CS1; CS2 |
| Fairness in terms of relationship to precedent (consistency over time) | CS2 |
| Fairness as incorporating value to society | Prelim 2; CS2 |
| NPO agreeing to unsatisfying exchange | Prelim dyad; CS2 (later) |
| Failure to achieve potential experienced as unsatisfying/unfair | Prelim 2; CS1; CS2 |
| Poor IJ signalling lack of value on partnership | Prelim 2; CS1 (later); CS2 (later) |
| Positive IJ signally value on partnership | Prelim 1; CS1 (early); CS2 (early) |
| Limits of partner tolerance not tested – satisfaction with DJ more important than achieving lowest cost exchange | Prelim 1 |
| Broad goals, clear DJ - flexibility of acceptable exchange | Prelim 1 |
| Importance of non-contracted “extra” activities – potential to undermine value of negotiated exchange | Prelim 1; Prelim 2; Prelim dyad; CS1 |
| Acceptability judged by outcomes relative to inputs (Equity) | Prelim dyad |
| Perception contributions ‘given’ by the NPO in a | Prelim 1; Prelim |</p>
<table>
<thead>
<tr>
<th>sponsorship exchange do not actively ‘cost’ the organisation</th>
<th>dyad; CS2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception partner not aware of other’s needs/priorities</td>
<td>CS2</td>
</tr>
<tr>
<td>Disparity of scale of organisations. Influences perception of importance of exchange to each party (Fairness as ability to contribute)</td>
<td>Prelim dyad</td>
</tr>
<tr>
<td>Exchange being of greater relative value to the smaller organisation (relationship between dependence and justice, need)</td>
<td>Prelim dyad; CS1, CS2</td>
</tr>
<tr>
<td>Distance between fulfilling the agreement and achieving satisfaction</td>
<td>Prelim dyad</td>
</tr>
<tr>
<td>Expectation management – delivering all agreed outcomes of a short list</td>
<td>Prelim dyad</td>
</tr>
<tr>
<td>Expectations of NPO gratitude</td>
<td>Prelim 1; Prelim 2; CS1; CS2</td>
</tr>
<tr>
<td>Corporation embracing imprecision during negotiations, then demanding outcomes commensurate with inputs</td>
<td>CS1</td>
</tr>
<tr>
<td>(Inaccurate) judgments made regarding value to NPO as part of considering value of exchange (justifying)</td>
<td>CS1</td>
</tr>
<tr>
<td>Need to communicate value internally</td>
<td>CS1</td>
</tr>
</tbody>
</table>