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Partnering for Progress: **Business Partnership with Non-profits in New Zealand**

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ABSTRACT

This paper examines partnerships between business organisations and non-profits in New Zealand. Collaboration is becoming increasingly essential as organisations grow in both size and influence, and public pressure intensifies for organisations to address pressing social and environmental concerns. An increasing number of businesses have responded by engaging in corporate citizenship programmes to resolve social problems. Social partnerships between business and non-profits are widely promoted as important new strategies which will bring significant benefits to wider stakeholders. A key concern in business/non-profit collaboration is how organisations might collaborate to achieve mutually beneficial objectives and align with the organisations corporate social responsibility. This research seeks to develop an understanding of what the objectives of such relationships might be and to what extent these objectives are achieved.

INTRODUCTION

Recently, there has been a great deal of interest shown in business and non-profit collaborations with more researchers concentrating on collaborations that address social issues and causes (Austin, 2000; Stone 2000; Young 1999). The economics of globalisation together with the importance of nonmarket environment and social issues are creating a convergence of relationships among NGOs, NPOs, states, and MNCs (Prakash, 2002; O'Riain, 2000). In these types of collaborations, partners jointly address issues such as economic development, education, health care, poverty alleviation, community capacity building, and environmental sustainability (Selsky and Parker, 2005). The interest in this area has led to a phenomenal increase in the number and variety of collaboration between business and non-profit organisations. The impetus behind this paper stems from this phenomenal increase in the number and variety of social partnerships formed in recent years.

Researchers are beginning to investigate potential benefits that may be achieved by businesses that define their responsibility as extending beyond the narrow perspective of maximising profit (Peterson, 2004), and non-profits that engage in partnerships with business as against their traditional confrontational approach. Non-profits have been spurred to reach beyond traditional sources and modes of funding by changes in their external environment. Furthermore, some researchers have suggested that it is worth examining the success and failure of social collaborations by exploring the actual benefits derived by partner organisations (Eweje, 2007). Following this suggestion, this study addresses the question: Are social partnerships a continuation of CSR (corporate social responsibility) strategy? Specifically, this paper critically examines whether there is a relationship between CSR and business collaboration with non-for-profit organisations and various community projects undertaken by large corporations. We argue that this form of engagement, if well executed, could lead to a beneficial 'working partnership' as revealed in this empirical work conducted in New Zealand (NZ). It is also our aim to systematically examine whether the social partnership cases investigated are successful and strategically working for both partners.

This study further delves into collaborative efforts that are representative of Berger, Cunningham, and Drumwright (2004) - the integrative stage of business/nonprofits collaboration – "when the partners' missions, people, and activities begin to experience more collective action and organisational integration" (pg 59). In the cases presented in this paper, we found that business and their non-profits partners are actively engaged in the partnerships and have dedicated personnel responsible for the partnerships (or relationships – a term preferred by some companies in NZ). These personnel strive to work together tirelessly for the successful outcome of their collaborations.

The empirical domain of this study is business and non-profit collaboration in New Zealand. The increasing demands on corporations to provide community development programmes and assistance to communities where they operate, has led to the evolution of numerous collaborations in NZ. Demand on corporations has mainly been due to the fact that firms represent the greatest concentration of economic power and they have been known to use this for general good or harm. The discussion is lent focus and direction through the analysis of various interviews with companies and their non-profit partners.

The cases examined in this paper are part of a larger study on the success of collaborative business relationships in New Zealand. This paper discusses three business/nonprofits relationships involving two major energy companies (Genesis and Meridian) and a major bank (The ANZ National Bank of New Zealand) with each of their three partners respectively (Huntly Energy Efficiency Trust (HEET); Royal New Zealand Ballet; and Cancer Society of New Zealand).

Early evidence from New Zealand reveals that companies enter into such relationships in the hope of improving societal perception of their activities and legitimacy to operate as well as accessing resources, skills, or markets. In doing so, they hope to build or maintain sustainable competitive advantages. This argument is supported by Berger, Cunningham and Drumwright (2006) who assert that positive associations for an organisation can be an important source of competitive advantage. They also suggest that corporate social initiative efforts can create positive associations among consumers that influence the way in which they identify with companies, and such associations can translate into array of benefits for companies and non-profits. This is somewhat similar to the argument of Sagawa and Segal (2000) who suggest that "both business and social sector organisations bring different expectations to these relationships. Whereas business expect all partners to provide value, social sector organisations frequently expect businesses to help them further their social mission without benefiting themselves" (p.111). It goes with the saying 'the future is bleak for corporations who try to compete for control rather than partner for prosperity'. Interestingly, their non-profit partners enter into the relationship as a means of securing the necessary resources to fulfil their obligation to New Zealand citizens.

Additionally, based on our empirical research in New Zealand, it could be argued that business partners enter into these relationships to achieve more focused results to truly make a difference in terms of CSR; businesses are reaching into the community through the relationships with non-profits to form a significant and long lasting relationships. This, not surprisingly, was particularly the case with the energy organisations. For example, a company manager asserts that "…if we are making a difference, if we can see that we are impacting positively on people, if there are still homes there to benefit from our partnership, we will keep the program going…"[1] Another senior energy company manager suggests that:

"… I don't think you can conduct business in this day and age without acknowledging the fact that you are part of a community. You have to behave as a responsible member of that community, a part of the community that makes contribution … especially the kind of business we are in, where we do use a lot of localised resources to do a lot of national good"[2]

This in itself gives the uniqueness of business/non-profit partnership in New Zealand. In this country, people or households generally give or donate freely and willingly to good causes through different charity organisations. It is estimated that 2 in 4 households give monthly donation to charity organisations; this is the highest figure in OECD countries. Additionally, it is not uncommon to see a local store collecting donation for a particular 'cause' or for a local charity including collecting donation for local schools. This 'giving culture' or rather a type of communitarian model could be said to have translated to business and non-profit relationships. It is appropriate to assert that New Zealand model may be somewhat different from their counterparts in other OECD countries.

Significantly, these forms of relationships [social partnerships] have become more prominent and widespread in all sectors and have resulted in a stunning evolutionary change in institutional forms of governance (Alter and Hage, 1993). Business and non-profits relationships have been termed 'social alliances' by Berger, Cunningham and Drumwright (2004) and called 'strategic partnerships' by Eweje (2007). In this paper, we refer to them as 'social partnerships' thus enabling the consideration of a wider range of relational types. Hence we define social partnerships as a *'situation wherein business and non-profits collaborate and work together to achieve a successful outcome of a collective project (s) initiated primarily to address specific needs that will improve the wellness of communities and society at large*''. In this case, once partners decide on partnership approach, the partnership framework provides a common language of negotiation and advocacy within the relationship, and suggests points of departure for evaluating the effectiveness and

[1] Senior Manager of an energy company interviewed on Monday 26 November 2006
[2] Senior Manager of an Energy company interviewed on 2 November 2006.

sustainability of the partnership relationship (Brinkerhoff, 2002). Social partnerships, like their for-profit counterparts, can enable access to difficult markets, increase resources, or strengthen an organisations position in the marketplace. According to Kapucu (2006), social partnerships can prove to be an essential way to ensure effective community response to issues. Thus, it is no surprise that social partnerships can be seen with increasing regularity and are incorporated into the core business strategy of many organisations. Indeed, these partnerships are often regarded as fundamental components of an organisations corporate social responsibility.

CSR AND SOCIAL PARTNERSHIPS IN THE LITERATURE

Faced with numerous complications, fierce competition and the fear of failure, why do corporations continue to engage in social partnership or action? Ackoff (1974) suggests that many important current problems are messes that actually involve sets of interconnected problems. The multi-faceted nature of these complex problems makes them difficult to conceptualise and analyse and thus they are immune to simple solutions. This complexity and interdependence often requires extensive collaboration among different types and various levels of organisations. Similarly, Steurer et al. have suggested that "one can say that companies are confronted by the growing power of key stakeholder groups and the complex links between them… The time has passed when the interests or activities of all but the most obvious stakeholder groups could be conveniently overlooked" (p.264). The literature further provides a series of explanations, the rationale often being that social spending [philanthropic type of social relationship] is "akin to advertising" (Burt, 1983, p.419; Webb and Farmer, 1996; Pava and Krausz, 1996). It is essentially used as a way of managing the corporate environment for political ends (Neiheisel, 1994), thereby cultivating a more positive and distinctive corporate reputation that, in turn, can attract consumers (Creyer and Ross, 1997; Sen and Bhattacharya, 2001) and potential employees (Turban & Greening, 1997) with the final gain being increased profitability (Marquis, Glynn, and Davis, 2005).

Essentially, one of the distinguishing facets of social partnerships is the type of objectives that business and non-profits might enter into collaboration with – effectively reflecting a combination of non-economic and economic objectives (Berger, Cunningham and Drumwright, 2004). Social partnerships may begin with a host of objectives but as with other collaborative forms, these relationships also face many challenges. Issues associated with cultural differences between partners, differing goals and objectives, unequal learning, or partner asymmetries may complicate the final outcomes of social partnerships.

Furthermore, the context of such partnerships and the firm-related goals of many non-profits merely complicate the benefits to be derived from collaborative arrangements. Despite their initial concerns, many non-profits now view their partnerships with the business sector as a necessary tactic (Murphy and Bendell, 1999; Sagawa and Segal, 2000).

Further to the aforementioned arguments, development-oriented non-profits are facing increasing uncertainty and reductions in financial resource flows from international donors and national governments. Moreover, non-profits are being called upon to serve more people, with better results, than they have in the past (Eweje, 2007). But they do so with an uncertain resource base, as the number of non-profit organisations has continued to increase and non-profit organisations have come to understand that increases in personal income and a growing economy do not necessarily result in proportionate increases in private giving and government spending (Sagawa *et al*., 2000). Simultaneously, demands for services are growing as large numbers of people suffer from decreased government services and economic dislocations that are associated with global financial shifts (Ashman, 2001). Figure 1 below summarises the rational for engagement between business and non-profits.

Table 1: 'Rational' motivations for engagement (Usui, 2003)

For Business	**For Non-profits**
Non-profits social credibility on issues and priorities	Disenchantment with government policies
Avoiding negative public confrontations	Gaining greater leverage through business links with government
Creating new markets (especially in developing countries)	Access to more funds & technical resources
Cross-fertilization of thinking for the future	Cross-fertilization of thinking for the future
Cooptation of new stakeholders	Access to supply chains

In the context of declining legitimacy of government to provide basic services, particularly, in developing countries, pressures on private actors in civil society and the market to address social demands are increasing. Global leaders in the development field are promoting collaboration between civil society and the market as a significant new strategy for promoting sustainable development. Major actors such as The World Bank, the United Nations Development Programme and several bilateral donors are convening international forums, supporting innovative projects and advocating strategies for collaboration between sectors (Ashman 2001). For example, the United Nations Secretary General Kofi Annan, in a speech to encourage business-civil society partnerships observed:

> *We now understand that both business and society stand to benefit from working together. And more and more we are realising that it is only by mobilising the corporate sector that we can make significant progress… Corporate sector has the finances, the technology, and the management to make all this happen. The corporate sector need not wait for governments to take decision for them to take initiatives.*[3]

CSR

CSR is related to complex issues such as environmental protection, human resources management, health and safety at work, relations with local communities, and relations with suppliers and consumers (Branco and Rodrigues, 2006; Eweje 2006). For the purpose of this paper we adopt Holme and Watts (2000) definition of CSR, which they define as "firms commitment to contribute to sustainable economic development, working with employees, their families and society at large to improve the general quality of life" (pg.10). The private sector is beginning to accept that prosperity, profitability and shareholder value alone do not represent the value of the company. The companies' ability to grow and excel in the long run is also determined by their improved performances in terms of ethically and environmentally responsible contributions to society. They understand that without ethical and environmental considerations, their legitimacy and ability to function properly will be questioned by society.

Socially responsible behaviour among the business community in New Zealand is not a new or unusual phenomenon. They have demonstrated positive relationships with stakeholders in average social expectations; especially in philanthropical activities, over many decades. Donations to local schools and churches are very common among them and it

[3] Speech by the former UN Secretary-General Kofi Annan at "Business Day", organised by Business Action for Sustainable Development, at World Summit for Sustainable Development, Johannesburg, 1 September, 2002.

was found that almost two third of businesses contribute to charity (Collin, Lawrence, Pavlovich, and Ryan, 2007; Lawrence, Collins, Pavlovich, Arunachalam, 2006). Hall (2002) indicates that increased importance of corporate social disclosures has entailed a number of New Zealand companies to respond positively towards social responsibility disclosures. The above findings may explain the reasons for a number of social partnerships in New Zealand.

In this era of fierce competition and globalisation, CSR is increasing public demand for greater transparency from multinational and large companies. It has been shown that there are market benefits and competitive advantages for those companies whose business policies integrate CSR (Eweje, 2007). Within the financial sector, the growth in socially responsible investments and in CSR awareness among City people persuades some bankers that the most successful firms of the future will be those who proactively balance short-term financial goals with long-term sustainable franchise building. To respond to this challenge, corporations will have to convince citizens they can trust both their brands and the people behind them (Ogrizek, 2001).

According to Steurer *et al*. (2005), corporations are promoting their CSR strategies as a response to variety of social, environmental and economic pressures. They further suggest that, if corporations do not respond adequately to these pressures, society could place increasing costs on unsustainable business practices, and customers may not choose to purchase associated product and services. Ultimately, this process may alienate the company from the rest of society, resulting in reduced reputation, increased costs, and decreasing shareholder value through erosion of its licence to operate.

From the above, we ask the question: is there really a relationship between CSR and social partnerships between business and non-profits in New Zealand? Based on our empirical research, we argue that there is a relationship. Evidence reveals that business tends to enter the relationships in order to give ‘something’ back to New Zealand citizens; they see this as purely legitimacy right of their stakeholders and part of their social responsibility. CEOs and senior managers of non-profits interviewed are of the view that CSR could be an important factor that draws businesses to their organisations. They believe that company’s reputation could be enhanced if it is associated with non-profits organisations. In other words, it is a ‘strategic fit’ for business.

THEORETICAL FRAMEWORK

Owing to the empirical nature of this paper, two theoretical frameworks – legitimacy theory and stakeholder theory will be used to guide the analysis and interpretation. The two theories are useful in understanding corporate responsiveness to social issues, they approach the corporation and its environment from different theoretical directions and this is comparable to this study. This is because the issues raised in this paper encompass the two key perspectives, and the empirical work provides a complex real-world test of often-used frameworks. The two theories say something about corporate issues management, with each of them approaching the corporation and its environment [including stakeholders] from different theoretical directions.

Stakeholder Theory

Stakeholder theory asserts that effective management requires the balanced consideration of and attention to the legitimate interests of all stakeholders (Freeman, 1984), defined as anyone who has a stake in or claim on the firm (Hasnas, 1998). This has been interpreted to include 'any group or individual who can affect or is affected by the corporation'. It is perhaps more familiar in its narrow sense in which the stakeholder groups are limited to shareholders, customers, employees, suppliers, management, and the local community. Thus, stakeholder theory maintains that the financial success of a business can best be achieved by giving the interests of the business's shareholders, customers, employees, suppliers, management, and local community proper consideration and adopting policies which produce the optimal balance among them (Hasnas, 1998).

From this inclusive perspective, the corporation exists at the intersection of a range of interests; it is a node in a complex web of social relationships of dependency and expectation (Wood, 1994). From a managerial point of view, corporate success depends on an on-going process of stakeholder management in which the interests and demands of stakeholders are identified and dealt with appropriately (Freeman). In this context, it is not social issues to which corporations respond but rather stakeholder issues (Clarkson, 1995). According to Carroll (1996), the important task for managers is to identify stakeholders groups (groups that share an interest) and determine the amount of power they, as a group, have.

Proposition 1: managers will respond to the demands of the most powerful stakeholders. As stakeholder groups gain and lose power, managerial activities will change focus.

Legitimacy Theory

Corporations, as one kind of social arrangement, require legitimacy to maintain functional, long-term relationships with various communities on which they depend. This theory originated with Davis's (1973) iron law of responsibility. According to Davis business is a social institution that must use its power responsibly, otherwise society may revoke it. Davis wrote "society grants legitimacy and power to business. In the long run, those who do not use power in a manner which society considers responsible will tend to lose it" (p.314). Suchman (1995) defined legitimacy as "a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions" (p.574). ". Further, according to Dowling and Pfeffer (1975), a corporation is said to be legitimate when it is judged to be 'just and worthy of support'. Corporations that lose legitimacy face a variety of difficulties, ranging from punitive legislation to difficulties in hiring qualified personnel. The benefits associated with legitimacy, combined with social pressures towards conformity, generally lead managers of "illegitimate" corporations to act to improve the legitimacy of their companies (Nasi, Nasi, Phillips, and Zyglidopoulos, 1997).

Consequently, legitimacy may be granted when either the goals being pursued by an organisation conform to social morals, or procedures by which organisation pursues its goals are deemed proper. It is pertinent to stress at this point that society judges the legitimacy of a corporation based on the corporation's image. However, both the perceptions of a corporation and the expectations for the corporation can change over time (leading to changes in the legitimacy of the corporation) without there actually being any change in the actual activities of the corporation. The corporate image (how it is perceived) and societal expectations are the important factors that must be managed.

Sethi (1979) also held that if corporations ignore social expectations, they are likely to lose control over their internal decision-making and external dealings. He posits that legitimacy problems occur when societal expectations for corporate behaviour differ from societal perceptions of a corporation's behaviour. Sethi suggests that:

> *At any given time, there is likely to be a gap between performance and societal expectations caused by business actions or changing expectations. A continuously widening gap would cause business to lose legitimacy and threatening its survival. Business must therefore strive to narrow this "legitimacy gap" to maintain maximum discretionary control over its internal decision-making and external dealings* (pg64).

Proposition 2: The issues management activities of a corporation will be driving by the existence of legitimacy gaps. Management will adopt strategy which has the highest perceived possibility of success.

METHODOLOGY

A qualitative methodology is used for this research based on its ability to increase our understanding in an area that is developing. A case study approach was adopted to enable partnership objectives to be understood from the perspective of relationship participants, and to ensure that information could be collected from as many of the individuals and organisations involved in each relationship as possible. Such an approach allows us to view each relationship holistically, and is warranted in this context given the paucity of research conducted on partnerships of this kind to date and the complexity of objectives that are apparent in such social partnerships. It permits the study of 'real life' collaborations (Parkhe, 1993) and allows a deeper exploration of each collaborative relationship than other methodologies would have allowed. Eisenhardt (1989) also advocates the use of case research as a strategy that focuses on understanding the dynamics present within a particular case.

Yin's (1994) guidelines for case study data collection have also been closely followed in this research. Specifically, multiple sources of evidence are used, a case study database has been created and a chain of evidence has been maintained. Data were collected from both partners in the relationship and from multiple informants within each organisation (depending on the number of people from each organisation involved in the relationship) using a combination of in-depth interviews and semi-structured questionnaires (based on earlier work of Palakshappa and Gordon, 2006). Each interview lasted from one to two hours. This aided a deeper understanding of the relationship from the perspective of participating managers. In particular it facilitated a comparison of the perspectives of participants within and between the collaborating organisations. Secondary documents and archival records were used to support participant contributions. For example, information was collected and reviewed regarding the organizations involved in the relationship prior to the interviews. Subsequently, access was also gained to internal company documents. All interviews were transcribed, double-coded, and content analysed to highlight emergent themes. The interviews were conducted in New Zealand in the later part of 2006.

Multiple sources of evidence are considered especially important in reducing problems associated with respondent bias and poor recall/articulation, ensuring within method triangulation, and strengthening the grounding of emerging insights.

CASES FROM NEW ZEALAND

Table 2: Cases from NZ

Business Partner	**Non For Profit Partner**	**Partnership Type**
Genesis Energy	HEET	Providing curtains to low income families – 'Curtain Bank'
Meridian Energy	Royal NZ Ballet	Funding and support; special events
ANZ National Bank	Cancer Society of NZ	Fundraising; marketing and sponsorship – 'Daffodil Day'

Case Descriptions

Genesis Energy - HEET

The participants in this relationship are a major energy supplier and a non-profit organisation dedicated to the promotion of energy efficiency. Genesis Energy are acutely aware of the fact that population growth has resulted in power generation moving closer to communities. For this reason they have strong environmental values that guide business operations within the community:

"We have teams of people just managing community relations…we have environmental values and policies that [dictate] how we want to operate…our aim is 100% compliance with our resource consent conditions…".

Genesis Energy and HEET have been loosely working together for a number of years to promote healthy homes and energy efficiency. In this new partnership the organisations partnered to provide curtains to low income families within the Waikato Region in an initiative termed ‘The Curtain Bank’. This initiative functions in an area of high-level power generation facilities. Genesis Energy have provided key marketing expertise in promoting the program and encouraging curtain donations. They provided the marketing collateral including an innovative advertising campaign, posters and billboard installations. HEET have been responsible for ensuring that the donated curtains are suitable for use prior to their re-distribution. HEET liaise with key social service agencies to identify candidates for the curtain bank program.

Both organisations showed a long term commitment to the relationship and highlighted the level of donations as a key objective. HEET showed a clear understanding of the fact that any partnership had to satisfy the needs of both partners. As our key interviewee in HEET indicated, an understanding of the corporate partners objective provides an important starting point for a successful relationship:

“I [have] worked in corporates so I think that is beneficial because it allows me to engage with a bit a understanding about ‘what are they trying to get out of this’, because if I can’t put something forward that is going to align their objectives then there is no chance for me to get the money”.

Whilst cross-promotion and a willingness to support other programmes was an objective of the non-profit, the direct benefit of this programme in particular was not discussed as an objective of the relationship for Genesis Energy. For Genesis Energy the main imperative in aligning with HEET was to further its objective to “…act as a good corporate citizen [and] put investments back into the community”. The recent focus on climate change has merely strengthened the resolve to support such programmes.

Meridian Energy – Royal NZ Ballet

This relationship is between one of NZ’s largest energy generators and the Royal New Zealand Ballet (RNZB). The two organisations have a relationship that dates back to 2000. The association with the ballet provides Meridian with a new means of interacting with key stakeholders. For Meridian, the partnerships are all about *“…building relationships with the community that they interact with…”.* This view is taken very seriously by both organisations. The RNZB recognises the importance of providing their partner with suitable opportunities to interact with key clients. This is fulfilled through careful discussions regarding invitations to opening night and post-performance functions. The RNZB interviewee clearly points to the level of understanding that Meridian has of their business:

"…Meridian has a strong understanding of our relationship with NZ audiences…their involvement [in this regard] is based on knowledge of audience development".

Such partnerships provide the opportunity to interact with stakeholders – a key outcome that is used to assess the success of this relationship. This is an important aspect of partnership strategy for an organisation relying on the natural resources of a community.

The agreement provides the RNZB with funding and support, and allows Meridian with naming rights to three productions each year. The relationship functions well beyond the basic naming rights – each organisation considers this to be an important relationship that requires constant support and interaction. It has been a "win-win" situation for both organisations, but by all accounts this success is hard to measure. Meridian conduct surveys, try to measure net benefits of brand exposure and communicate with key stakeholder groups. Part of the success is attributable to the fact that both organisations interact from the outset of a joint project. This was clearly demonstrated in a recent production 'The Wedding', which was a totally NZ production. Meridian worked with the NZ ballet in planning and marketing from day-one. This ensured that both organisations met key objectives and started with a mutual understanding of what the relationship needed to achieve.

For the RNZB, key objectives in this relationship were the ability to work together, clear communication, generosity of spirit and the ability to share knowledge. The firms demonstrated an understanding and connection that extended beyond a mere working agreement to collaborate. As one interviewee said: "It is not just that we need to talk to Meridian, we actually like to talk to each other…". All of these outcomes were successfully achieved.

A key objective for Meridian was the ability to interact with stakeholders – this was also achieved through the relationship. Meridian also has clear procedures in place to assess the uptake of special events designed within the scope of the partnership, and conducts regular reputation surveys with stakeholders. In their view the relationship has also been a success:

"…it's been a win-win thing. We have done lots of things together…You have got an organisation that is basically engineers and [another that is] basically ballet dancers. You

would have thought that the two wouldn't mix, but we asked them to do a little production in Twizel where we control our hydro dams…you can't get much amusement in Twizel but we asked them to send a troupe down there where the community built a community centre…so we used them to deliver a benefit to a community that is important to us…they got to understand our business a lot more".

ANZ National Bank – Cancer Society of NZ

The partnership between ANZ National Bank and the Cancer Society is now finishing its 16th year. The relationship is primarily designed around providing support to Daffodil Day – an iconic collection in the NZ fundraising calendar. Each year, since 1990, the two organisations have planned and implemented programmes designed to raise funds for cancer through the sale of daffodils. This involves considerable administrative and resource input from the ANZ National Bank Head Office and each of the branches. The activities carried out by ANZ National Bank also include advertising and programme development, volunteer support, donation collection, and counting of funds received through each branch.

The partnership with the Cancer Society is seen by the bank as a 'value fit':

" we have our values to give something back to our community…its doing the right thing, its making sure you get it right for the customers, we are looking after people and [have] a caring attitude…which the Cancer Society [also] has…so that is a good fit".

Key objectives that the bank uses to assess the success of the relationship include level of fundraising achieved, general 'fit' of the relationship and visibility that the alignment offers. All of the se were cited as extremely important, at the same time all have been achieved through the operation of the partnership. The nature of the Daffodil day collection in particular ensures the visibility of the alignment as it is a highly visible and well-recognised fundraising event which invites donation for the purchase of a daffodil.

The Cancer Society receives a sponsorship fee, marketing support and considerable administrative support from the bank. They view this as a long term relationship and have recently re-negotiated the agreement. The Cancer Society measures the success of the partnership through yearly surveys, the % increase in donations each year, and anecdotal evidence that Daffodil day is NZ's most successful appeal. The ANZ National Bank assesses success on the basis of visibility, general 'fit' between the two organisations and the level of funds raised.

Case Insights - Summary

The examination of these cases has highlighted several insights with regard to social partnerships. The qualitative methodology has enabled the isolation of associations that may not have emerged in a larger quantitative study. For instance, in-depth examination has allowed us to understand the importance of such relationships in the maintenance of effective relationships with key stakeholders. It has also demonstrated the importance of social partnerships in providing organisations with the right to operate in the community. In addition, the dyadic examination of key outcomes in each partnership has provided us with important information on the level of mutual understanding that the partners possess regarding the activities and objectives within the relationship.

The key insights produced within the cross-case analysis will now be discussed in relation to the theoretical framework.

DISCUSSION AND IMPLICATION

Based on the fieldwork evidence presented in this study, it is clear that each of the perspectives offered by the legitimacy and stakeholder theories (discussed earlier in this paper) is useful in understanding corporate responsiveness to social issues. In this section, we will explore how these theoretical perspectives fit with the empirical results. In each case, the propositions developed will be stated and then the results of the empirical study will be discussed.

Stakeholder Theory (Proposition 1): Managers will respond to the demands of the most powerful stakeholders. As stakeholder groups gain and lose power, managerial activities will change focus.

This study found strong evidence in support of stakeholder theory. The companies studied were clearly sensitive to their major stakeholders and believe that having social relationships with non-profit organisations will improve their image and give exposure to what their companies do to society in terms of corporate social responsibility. For example, they all agreed that having relationships with non-profits give them visibility in the locations they operate. A senior company manager asserts that:

"*We still believe that we need to act as a good corporate citizen in the sense that we put investments back into the community. As much as it is a community investment, it is a brand awareness campaign; it is a way of informing the public of what we do…*"[4].

This assertion is supported by a non-profit partner who suggests that: "our business partner has a strong understanding of our relationship with NZ audiences and so therefore I will suggest that their involvement with us is based on knowledge of audience development"[5]. In all cases, the issues addressed or kind of relationships established seemed to be generally associated with an approach to influence stakeholder groups.

Legitimacy Theory (Proposition 2): The issues management activities of a corporation will be driving by the existence of legitimacy gaps. Management will adopt strategy which has the highest perceived possibility of success.

Legitimacy theory has explanatory validity explaining why managers are pressed into action but it offers little insight into which strategy is most appropriate at a particular time. The companies interviewed experienced a significant shift in perception of their consumers and NZ society at large that required some sort of action. The legitimacy of companies to operate was questioned due to recent business scandals in other OECD countries and national companies relocating to countries with low wages and cheaper raw material. As a result, companies examined in this study appeared to simultaneously change public perceptions about their operations. All the companies interviewed assert that legitimacy to operate is one of the factors that drive social partnerships with non-profits. These strategies are applied to close the legitimacy gaps that may exist.

CONCLUSION

Company managers in NZ are increasingly aware of the role their businesses play in the wider social community. Accordingly, they are now forming social partnerships with non-

[4] Senior Manager of an Energy company interviewed on 15 November 2006
[5] Senior Communication Manager of a non-profit organisation, interviewed on 11 December 2006.

profit organisations in order to reach out to society and demonstrate their social responsibility and legitimacy to operate. Our research demonstrates that social partnership in NZ is seen as an integral part of corporate strategy and companies' social responsibility to society. As the partnership evolves, employees from partnership organisations are able engage one another. This personal interaction with other social partners transforms and empowers the relationship. Companies interviewed are convinced that their current relationship will last for many years. A good example is the social partnership between ANZ National Bank and the Cancer Society of NZ which has been in existence for over 16 years. Similarly, non-profit managers see their relationship with business sector as a strategic one; they are able to receive the necessary resources and support for their social mission. They feel that businesses should demonstrate their social responsibility to society by partnering non-profit organisation thus enhancing relationship between business and society at large.

This study gives the uniqueness of New Zealand approach to business/non-profit partnerships. Based on the cases involved in this research, there appears that CSR is employed as a significant strategy when corporations in New Zealand partner with non-profit organisations. Thus, we argue that business enters into this relationship to improve societal perception of their activities and legitimacy to operate as well as accessing resources, skills, and markets. There is also a support for the argument that businesses tend not to seek any 'irresponsible' gain from the relationship. Companies interviewed do not normally use their partnership with non-profits to publicise their products and services, however, they do draw attention to their social relationships. Finally, our findings conform with the work on Berger *et al.*(2004) who assert that social partnerships can be "designed, structured, nurtured, and maintained in a manner that will enable them to contribute to solving pressing social problems and to fulfilling important strategic objectives for companies and non-profits" (pg.88).

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