COLLABORATING TO DO GOOD – AN ANALYSIS OF RELATIONSHIPS BETWEEN COMPANIES AND NON-PROFIT ORGANIZATIONS IN THE FIELD OF CORPORATE VOLUNTEERING
(Work-in-progress paper)

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INTRODUCTION
Today, doing good, i.e. achieving social and environmental sustainability in addition to economic bottom lines has become a priority for business organizations (Peloza and Falkenberg, 2007). However, as simultaneously developing economic, social and environmental sustainability is a complex issue, both business organizations and policy-makers recognize that no one organization can create or implement solutions by itself (Enright et al., 2018). Thus, the collaboration among a variety of stakeholders is needed (Borg and Yström, 2018).

One example of doing good, aimed at triggering positive effects on a group of key stakeholders (Bhattacharya & Sen, 2004), is collaborating with third sector actors, including non-governmental organizations (NGOs), that operate for socially or environmentally important causes. As a part of their corporate social responsibility, companies collaborate with NGOs to provide increasingly popular corporate volunteering programs which enable their employees to be engaged in voluntary work with the beneficiaries. Corporate volunteering (Gratton and Ghoshal, 2003) refers to activities in which employees take part in socially or environmentally beneficial activities that are supported by their employers (do Paço et al., 2013). Such socially responsible activity has been reported by earlier research to potentially result in benefits not only for the NGOs and respective beneficiaries, but also for companies in terms of meeting legal requirements and seeking competitive advantage (Blenkhorn and MacKenzie, 2017) and a variety of positive effects, such as altruistic behavior, on employees (Grant, 2007).

However, company-NGO collaboration still seems to present managerial challenges in terms of how to strategically manage such collaboration and relationships with NGOs - (Al-Tabbaa et al., 2014). Working together with a right partner (NGO) increases the likelihood of the success of company’s activities undertaken for sustainability - (Enright et al., 2018). In addition to right partner, also the actual collaboration and relationship developed between the company and the NGO as well as arising value is challenging (Rodríguez et al., 2016). Furthermore, the way in which company employees are involved in this collaboration proposes managerial challenges. Overall, the success of a company-NGO relationship in corporate volunteering is based on mutual value of all the relevant counterparts including the company, NGO and the employees as well.

In the present paper, we focus on corporate volunteering programs for social and environmental benefit which are facilitated through a company-NGO collaboration. The focal unit of our analysis are relationships between companies and NGOs. We are interested in how corporate volunteering collaborations are formed within the company-NGOs relationship and what value arises from them; we ask: How can the mutual value of the collaboration between the company and NGOs be defined? To find answer to the research question, we first examined the existing literature related to company-NGO collaboration and mutual value creation, especially from the relationship perspective. Empirically, we have conducted a qualitative multiple case study of company-NGO collaboration. The data collected in the study is a part of a larger research project which concerns company engagement in realization of sustainable development goals. The data has been collected from two national contexts, Polish and Finnish. We will examine
cases from both contexts, representing company-NGO collaboration including the implementation of corporate volunteering projects related to sustainable development.

The paper contributes to the development of theory in the field of intra- and inter-organizational mechanisms that shape the engagement of companies in sustainable development (Enright et al., 2018), and especially in corporate volunteer programs (Plewa et al., 2015). In the article we present how companies can contribute to sustainability by collaborating with NGOs, and by engaging their own employees in voluntary work. We make managerial recommendations for business actors who engage with NGOs.

LITERATURE REVIEW

The nature of collaboration for sustainability between companies and NGOs

Globalization, rapid technological advancements and growing pressure from customers and other stakeholders make an increasing number of enterprises decide to collaborate with various organizations from the environment. Such collaboration takes place between organizations within and between sectors (public, for-profit and non-profit). Nowadays, there is an increased awareness among organizations that collaboration, even with their own competitors, may result in acquiring new experiences, skills and resources (Hamel et al., 1989). In today’s increasing competitive environment collaboration is a solution not only to adapt to these fast changes but also to achieve goals that are impossible to attain by a single actor (Kaats and Opheij, 2014).

It is commonly accepted that the collaboration to address some complex social and environmental problems should cross sector boundaries to engage organizations not only from private but also from public and non-governmental sectors (Austin and Seitanidi, 2012). Thereby, particular emphasis has been placed on the collaboration between companies and NGOs (Elkington and Fennel, 1998). The term ‘NGO’ refers to ‘organizations that are formally structured, operate exclusively for a not-for-profit purpose, are independent of the government, and utilize any financial surplus to improve the services they provide or to develop internally’ (Al-Tabbaa et al., 2014, p. 658). Hence, an NGO is any organization that is neither part of a government, nor a private, for-profit enterprise (Yaziji and Doh, 2009). NGOs can be grouped into four categories with the use of two dimensions: (1) the NGO beneficiary (self vs. others) and (2) the type of activity (advocacy vs. service) it carries out (Yaziji and Doh, 2009).

Company-NGO collaboration can be defined in different ways. Al-Tabbaa et al. (2014, p. 659) describe this process as an agreement between NGO and for-profit organization ‘to address social or environmental issues and to produce specific organizational benefits for both partners’. According to Kindornay et al. (2014), collaboration between private and non-profit institutions can be seen as commitments between parties in which individuals from partner organizations commit various resources and agree to work cooperatively to achieve common goals. Similarly, Clark and Crane (2018) mean by company-NGO collaboration relatively intensive, long-term interactions between organizations from business and non-governmental sectors aimed at addressing social or environmental problems. According to van Huijstee (2010), relationships between for-profit organizations and NGOs have historically developed along the following premises: (1) the frequency and intensity of the contacts between businesses and NGOs have grown steadily; (2) the scope of collaborative interactions between them has increased considerably; (3) the character of business-NGO relationships has shifted from being generally confrontational to being more collaborative or a combination of the two.

The drivers for both the companies and NGOs to engage in collaboration are very diverse and commonly differ between the parties (Elkington and Fennel, 1998). Many studies show that one of the most important motives for companies to engage in collaboration with NGOs is the need to tackle complex social and environmental problems that are too large for one organization to solve alone (Clark and Crane, 2018). Some companies form collaborative relationships with NGOs to enhance its credibility and reputation (Austin and Seitanidi, 2012), obtain social license to operate (Pedersen et al., 2013) and access to local communities (Enright et al., 2018) and local markets (Damlamian, 2006). Other commonly cited motivations for corporations to participate
in collaboration are as follows: strategic opportunity creation, problem resolution, leveraging financial resources, influencing others and gaining access to partner assets (Enright et al., 2018).

Corporate-NGO collaboration can be formed in different ways, which makes them more complex to analyze (Damlamian, 2006). Van Huijstee (2010) points to the fact that these forms may differ in the type and number of actors involved, their intensity, scale, intentions and activities. Existing literature on the subject refers to a plethora of business-NGO collaboration taxonomies (classifications). One of the most prevalent typologies of relationships between business and NGOs was proposed by Austin (2000). The author distinguishes between three types and stages of such relationships (from shallow to intense collaboration): philanthropic, transactional and integrative stage. Bowen et al. (2010) use this continuum to develop a typology of three engagement strategies: transactional, transitional and transformational engagement. To put that into context, Elkington and Fennel (1998) present a spectrum of possible types of relationships between NGO and a company – from the adversarial position to a fully collaborative alliance. They specify such types of relationships as: challenge, sparing partner, support, product endorsement, company endorsement, site or project dialogue, project joint ventures, strategic joint venture. In comparison, Byiers et al. (2015) discuss various classifications of business-NGO partnerships based on four key dimensions: relation to core business, degree of partner engagement, partnership activities actually undertaken and governance structures. Less complex models of collaboration are proposed, for instance, by Cowe (2004) who distinguishes between a true partnership and a shallow alliance, and by Pelozza and Falkenberg (2007) who classify collaborative relationships depending on the number of company’s partners (single NGO or multiple partners simultaneously).

Corporate volunteering as collaboration between business and non-profit organizations

Corporate volunteering involves a commitment by companies to enable their employees to volunteer and thereby contribute to causes outside the business, helping to respond to some of the problems existing in society (do Paço and Nave, 2013). Corporate volunteering constitutes one of the five philanthropic pillars of the modified concept of corporate social responsibility (including economic, social, environmental, ethical and philanthropic responsibility). It refers to a specific form of corporate philanthropy (as a part of the broader concept of ‘philanthropy’ which covers a wide range of different forms of donorship and support of community service from the side of the company) (Tetrevova, 2015). In this study, we define corporate volunteering as an activity where philanthropic initiatives are planned and endorsed by the employer (the company develops proactively strategic volunteer opportunities for its employees). This view corresponds to Pelozza and Hassay’s definition of ‘intra-voluteerism’, as a particular form of employee volunteerism, distinct from two others, i.e. inter-organizational volunteerism, where the employee’s volunteer activities are ‘supported by, but not strategically-aligned with the firm’ and extra-organizational volunteerism, where there is no employer involvement and ‘a person acts as oneself rather than the company’s ‘employee’ (Pelozza and Hassay, 2006, p. 358-359).

Firms are increasingly implementing corporate volunteering in response to increased external expectations for companies to demonstrate their corporate social responsibility by contributing positively to the social well-being of the communities they operate in and their role as good corporate citizens (Muthuri, et al., 2009). In this way corporate volunteering is becoming a tool to enhance corporate legitimacy, company image, reputation and favourable publicity (Gómez Santos and Fernández Fernández, 2017). Hence, in many firms corporate volunteering programs are considered as strategically valuable in attracting and recruiting qualified potential employees, building their skills, enhancing their morale, and promoting retention of existing employees (Grant, 2012). In the same way as the individual person (employee) benefits from voluntary activities, companies also derive advantages from the situation. Studies suggest the correlation between the satisfaction gained by employees from voluntary work and the turnover
of businesses or a level of turnover costs, employees’ commitment to the company; their level of involvement and their loyalty and performance (do Paço and Nave, 2013).

Also, NGOs benefit from these forms of collaboration. Volunteers are a crucial resource for every non-profit organization as the main part of their activities (also daily operations) is based on volunteering, i.e. the act of freely giving one's time, effort, knowledge, or skills for the benefit of other people, groups, or causes, which means that they are given without coercion or remuneration (Grant, 2012). Corporate volunteering supports NGOs in the ongoing process of changing the existing (traditional) forms and models of volunteering in collaboration with them. Since their social programmes become more sophisticated and demand more unique and specialised skills, expertise and resources, some NGOs are increasingly looking for a new type of volunteers – people who not only are able to undertake traditional charity work (generalist labour), but who have professional skills to support the organisation in these new complex endeavours demanding more professional approach (Lee, 2010). This kind of volunteers come exactly from corporate-volunteering programs. Additionally, NGOs can ‘use employee volunteer opportunities as a way to build more and deeper relationship with the companies, which may yield future benefits’ (Gordon and Wai-Wai, 2011, p. 256). Establishing good and long-term relationships with companies allows NGOs to reduce their costs (although not in all cases), and to continue to access their critical resources (i.e. volunteer work, professional skills, business expertise, financial support, further corporate donations) (Samuel et al., 2013).

As companies increasingly acknowledge the value of corporate volunteering, their programs of corporate volunteering (also these which are undertaken in collaboration with NGOs) take many forms and include a growing number of different activities focussed on varied areas / problems (education, health care, environment etc.) and beneficiaries (children, families, seniors, people suffering from specific diseases, animals, etc.). Forms of corporate volunteering can be classified according to a number of different viewpoints (Muthuri et al., 2009; Lee, 2010), among others (1) the involved entities or the number of volunteer participants; (2) the time disposition; (3) the place of execution or the mode of interaction between actors; and (4) the expertise of the performed activities.

**Value creation in company-NGO relationships**

Cross-sector collaborations between companies and non-profit organizations (such as NGOs) are typically formed to achieve social value and a part of the company’s CSR activities. Although these intentions are closely related, often companies engage in activities to add social value in addition to their CSR efforts (Murphy et al. 2015). Social value can ultimately be seen stemming from the value that is created through actions between individuals in the inter-organizational relationships; individuals that interact with each other in different types of exchange processes (Bridoux and Stoelhorst, 2016). In line with this, in literature focusing on value creation between firms and their customers, the customer dominant perspective (Heinonen and Strandvik, 2015) has demonstrated that customer dominant value formation is based on the notion of customers being the actors who ultimately orchestrate and dominate the formation of value from the premises of one’s everyday life and objectives related to it. In this view, value is seen as highly embedded in the multiple and dynamic contexts in which the customer is experiencing the value (Heinonen et al., 2013). In the context of company-NGO relationship in corporate volunteering, the value perceptions of all of the relevant actors, the company, employee as well as NGO impact on the relationship as no clear customership can necessarily be observed in such relationship.

To capture the value perceived by the customer, the subjective perception of the trade-off between multiple benefits and sacrifices (or gets and gives), relative to competition or alternative way of fulfilling a certain need, have been examined (e.g. de Chernatony et al., 2000). Also, in terms of these, the notion of multidimensionality of the benefits and sacrifices has received extensive research attention resulting in numerous classifications of different value elements, including tangible and intangible elements (see e.g. Lapierre, 1997). For example, Pura’s (2005)
identifies six value sources: convenience (ease and speed of achieving a task conveniently), social (social approval), emotional (feelings aroused by a service), conditional (exists only in a specific situation), epistem (experienced curiosity, novelty or gained knowledge), and monetary value (derived from task fulfilment). Also, in terms of collaboration and value generated from that can be divided into technical (outcome of the service interaction) and functional (functional aspects of the service delivery process) dimensions (Heinonen, 2004).

In terms of value created in an interorganizational relationships, the existing literature has also emphasized the important and active role of both counterparts in the relationship, thought the notion of value co-creation (Ramaswamy, 2008). Accordingly, instead of seeing value as embedded in to the actual objects of exchange, value is co-created through the interactive behaviors of the both counterparts. In terms of firm-NGO collaboration, the joint value creation for the both counterparts should be the underlying aim of the relationship, even with regards to corporate volunteering, which at the first hand might be seen as an altruistic act from the company perspective. Altruism, here, refers to a firm’s motives to do good even at the expense of its own monetary benefits (Rim et al. 2016). Instead, even CSR should be regarded as value creation including multiple stakeholders (Biggeman et al., 2014). Motivations of firms for socially responsible behaviors include meeting legal requirements, seeking competitive advantage and behaving altruistically (Blenkhorn and MacKenzie, 2017). Thus, to examine the value co-creation within firm-NGO relationship, the dyadic perspective is essential. To capture the value of company-NGO collaboration in corporate volunteering, it is thus essential to examine the collaboration at the strategic interorganizational level as co-creation among different actors, but also at the level of individuals involved in the actual volunteering work (see figure 1). Moreover, understanding the subjective, multidimensional and multi-contextual nature of value formation within these levels is integral.

Figure 1. Value exchange relationships in company-NGO collaboration in corporate volunteering

EMPIRICAL RESEARCH METHODS

This study utilizes a multiple case study based on qualitative research methods. The data collected in the study is a part of a larger research project focusing on company engagement in realization of sustainable development goals. A qualitative case study method was chosen to enable the examination of the research phenomenon within the context in which it is embedded in. The lack of specific research on the topic indicated that such a preliminary exploration into the topic can be accomplished by qualitative methods. To collect broad empirical data, multiple case study setting was chosen. The data has been collected from two national contexts, Poland and Finland. We examined cases from both contexts, representing company-NGO collaboration including the implementation of corporate volunteering projects related to sustainable development. Combining empirical data from different contexts enables the examination of the research phenomenon in varying contexts.

We selected two companies from Poland and two from Finland for a deeper analysis. They set an example of the firms in which: (1) some forms of corporate volunteering programs (based on active involvement of company employees) exist; (2) at least one project implemented in the last 3 years was conducted within these programs and (3); the project had been carried out in collaboration with some non-profit organization (one or more). Our respondents were the employees responsible for implementation of such projects in these companies and employees who actively participate in them. With the aim of getting dyadic data, in the third step of the study we conducted again qualitative research in the form of semi-structured in-depth individual interviews (IDIs). This time the interviews were conducted with certain employees from these
non-profit organizations which collaborated with our selected companies in implementing joint projects for sustainability. In this way we could get to know the point of view of the second actor of the relationship. Based on the data we can grasp the nature of the varied forms of collaboration, including their organizational aspects, activities undertaken, and resources used by each partner, effects of this collaboration for the both sides, and the role of company volunteer programs in this collaboration.

**EMPIRICAL ANALYSIS**

In the following, we present preliminary insights from the empirical data about a mobile operator and financial service provider, in the Finnish context. Polish cases are included in the analysis in the next phase.

**Case company A: Mobile operator**

Case company A is a Finnish mobile operator who had initiated a corporate volunteering program somewhat two years ago. The decision to begin a corporate volunteering project was based on executive board level decision to start a social responsibility actions, which was also in line with the broader brand identity and image that the company was aiming at. At first the decision was made to initiate a corporate volunteering program for a one year, but a decision was made to continue after the first-year experience. In practice, the volunteering program included an opportunity given to all employees to use one day per year to do volunteering work in one of the NGOs defined by the company. Originally the company looked for NGOs that would work in the field of children and youngsters as this group of beneficiaries was also related to the brand identity and image of the company. Later, the choice of NGOs was expanded so that all employees could suggest one and suitable NGOs were those to which all the employees could have access to. In terms of value for the company, the company focused on behaving altruistically and on responsibility. On the other hand, the volunteering was considered as highly based on their brand identity and image, thus indicating that there was also an idea of strengthening these. However, the company had decided not to heavily go public with this activity, at least before they have accomplished significant results in doing good. Thus, they did not actively communicate this activity in their marketing. In terms of competitive advantage, one objective was connected to employee branding and human resource management, as the company hoped that this volunteering activity would strengthen their employer brand and increase their perception of meaningfulness of their work by feeling that their employer is participating into advancing social responsibility.

In terms of experiences and value perceptions of the employees, these were connected to both personal and organizational level value. The interviewees reported typically even rather strong personal experiences of awareness of social responsibility concerns and deep satisfaction of being able to do good, even in a small scale as this. Typically, they also reported a need to do more such work in the future. In terms of this experience and its connection to their work and employer, they seemed to feel somewhat confused. Although they did report some developed competencies applicable in their work, mostly they reported not having e.g. shared their experience with their colleagues or employer. They did report perceiving their employer in a more positive light due to enabling corporate volunteering. Based on the data, the value perceived was mostly perceived as a personal level experience.

**Company B: Financial services provider**

Company B represents a provider of financial services in Finland. Their experience with corporate volunteering program is also just couple of years long and is based on idea of allowing all the employees to use one day per year in volunteering work organized by the employee, together with selected NGOs. In terms of reasons behind this activity, the company felt that there is a growing demand from the employees’ but also from the customers’ and other stakeholders’ part towards corporate social responsibility and Company B wanted to respond to these demands.
by introducing the corporate volunteering program. In line with this, it was also considered that social responsibility was highly connected to the strategy and values of the company and thus corporate volunteering would fit into this well. Also, it was considered that corporate volunteering program could have a positive impact on the employee commitment and create competencies like empathy among the employees that participate in volunteering. When selecting the NGOs for collaboration, the company emphasized the national level operations as they also the company had large number of sites across the country. So instead of having large number of very local NGOs, they preferred only few with broad coverage of the country. In addition to this, they also emphasized having a diverse set of NGOs to respond to the diverse interests and preferences of the employees. The company communicated about the program somewhat actively and wanted to further develop the program so that it would be possible to provide a clear view of this activity and its aims and strategies, to e.g. customers. Thus, corporate volunteering was not only practiced for social responsibility and altruism reasons, but also to actual business reasons to support the company identity and strategy and to enhance the brand image. Furthermore, the effects on personnel and their competencies was sought after.

In terms of employee data, the respondents reported very positive experiences arising from the corporate volunteering. Interestingly, there were informants that had taken a part in a competence-based volunteering in which they did a project for the benefit of the NGO that bas based on their professional experience. This was a team effort and the participants reported positive experiences related to their collaboration as a team. Also, as the company actively communicated inside and outside the company about the corporate volunteering in the company, some of the respondents noted that marketing might be among the reasons why company had the volunteering program which reflected slightly negative perception towards the employer as well. However, the personal level experiences were reported as highly positive and as creating consciousness about social concerns in the society.

CONCLUSIONS

This study has focused on increasing understanding of how the collaboration between a company and non-profit organizations in corporate volunteering take shape and how its mutual value can be defined. Based on our preliminary findings, it appears that to understand the creation of value in firm-NGO relationship in corporate volunteering, it is integral to examine all the diverse value exchange relationships including not only the management of the counterparts, but also the individual employees, their exchange with their employer, but also the NGO and beneficiary (direct or indirect). In terms of value experienced by the employees, the outcomes to personal life and to working life becomes both important, but also highly intertwined. Corporate volunteering experience and value perceived by the employee appears to be connected to exchanges with the beneficiaries, NGO representatives but also the company. In terms of management implications of our expected results, by conceptualizing the value creation within such relationship, it is possible to define various activities and resources enabling a mutually benefitting firm-NGO relationship in corporate volunteering.

BIBLIOGRAPHY


