The Power of One?

How corporate-provided social and economic resources affect NGO dependence, relationships and outcomes within the NGO-corporate alliance.

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ABSTRACT

Cross-sector organisational collaboration with corporate businesses has become an operational prerogative for non-governmental organisations (NGOs) as they battle the current climate of reduced government funding and philanthropy. One result of these NGO-corporate partnerships is an imbalance of power, which arises from the control of resources between the parties. Whereas commercial organisations are able to provide tangible resources (such as money) NGOs can generally only provide intangible benefits (like legitimacy). These are more difficult to quantify and therefore often valued less. Whilst the concept of power is important our general understanding of its effects from the perspective of the NGO is still fairly limited. This investigation provides the opportunity to examine how specific aspects of corporate-provided resource-based power can influence the structural (dependence) and relational (relationship) characteristics of the NGO-corporate alliance and ultimately partnership outcomes.

This research adopts Resource Dependence Theory (RDT) to examine the concept of power within the NGO-corporate alliance. RDT argues that organisations are not resource independent and rely on the external provision of resources, which increases their dependence on external actors. These actors (i.e. corporates) can gain power through the control of critical resources and can influence management and threaten organisational autonomy.

The current study examines a factor of NGO-corporate alliances not previously captured: the effects of power through the corporate provision of economic (financial) and social (legitimacy) resources to the NGO. These aspects of resource-based power are postulated to play the key role in shaping the alliance structure, governance and outcomes for the NGO.

The objectives of this study were investigated from the perspective of the NGO using a two-phase research approach. Firstly, a qualitative study was undertaken to explore the concept of power within the NGO-corporate alliance. The second phase involved a large-scale quantitative online survey. Using Structural Equation Modelling, the extent that

power influenced NGO dependence and partner relations was analysed. In addition, the impact of dependence and relationship on the alliance outcomes was examined.

Findings from the qualitative study indicate that power within these relationships is based on the social and economic resources contributed to the partnership by the corporate partner. Results from the quantitative study indicate that resource-based power significantly affects the NGO's dependence on their corporate partner as well as the likelihood of building positive relationships with them. These alliances are more likely to have successful outcomes where the relationship and dependence between the partners is strong. However, when dependence is strong NGOs feel that the alliance is not effective, regardless of the goals they achieve.

A number of contributions to existing theory are offered through this large-scale empirical study. First, a new approach to measuring resource-based power is conceptualised and tested. Second, this research extends current thinking about alliance outcomes by offering a new way of measuring both tangible and intangible results. Third, it adds to the existing theory regarding NGO-corporate alliance governance by proposing relationship governance as the most effective way of managing the partnerships for the NGO. Fourth, it responds to concerns regarding how dependence can affect NGOs that receive resources from corporates, highlighting the positive and negative effects dependence can have on alliance outcomes. Fifth, it confirms and extends the use of Resource Dependence Theory as a relevant framework in the exploration of NGO-corporate alliances.

DECLARATION

This thesis contains no material that has been accepted for an award of any other degree or diploma in any university or other institution, and to the best of my knowledge, contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

Signed: ____

Kathryn Lefroy

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CHAPTER 1: INTRODUCTION

INTRODUCTION

The last decade has seen a huge proliferation in the numbers of non-governmental organisations (NGOs) and subsequently the third sector (so called due to its existence outside both the profit and government sectors) has developed at an unprecedented rate (Andreasen, Goodstein, & Wilson, 2005, p. 247; Laidler-Kylander, Quelch, & Simonin, 2007). The term ‘non-governmental organisation’ describes a variety of organisations, often referred to alternatively as ‘nonprofit organisations’, ‘private voluntary organisations’ and ‘civil society organisations’ (Andreasen, et al.,2005; McGann & Johnstone, 2006; Wymer & Samu, 2003a). These organisations are concerned with a multitude of different issues and operate over a number of categories, ranging from social services to culture and recreation (for a full listing of categories see Lyons & Hocking, 2000). Over 25% of NGOs that are in existence today were established in the last 15 years, with total numbers growing by around 20% in the last 10 years (Laidler-Kylander, et al., 2007). An independent sector report completed in 2003 found that NGOs were growing at a faster rate than for-profit businesses (Andreasen, et al., 2005).

The growth of the third sector is fuelled by a perceived lack of response by business and government to social, economic, and political problems and changes (McGann & Johnstone, 2006). As the third sector expands NGOs face new challenges that they must address (McGann & Johnstone, 2006; Selsky & Parker, 2005), perhaps the most profound being a decrease in financial support from government. This development has meant that social change campaigns are increasingly becoming informed by commercial marketing strategies and practices (Peattie & Peattie, 2003) with NGOs applying traditional marketing tools to their organisations in order to attract and secure funding from alternative sources (Zietlow, 2001).

One of the key ways that NGOs are attempting to overcome the difficulties that this current climate provides is to form alliances (partnerships) with commercial businesses. These alliances are defined as working partnerships in which there is a mutual recognition and understanding that individual success depends, in part, on the partnering organisation (Iyer, 2003). The term alliance refers to all types of collaborations between NGOs and for-profit businesses (Berger, Cunningham, & Drumwright, 2004; Iyer, 2003; Wymer & Samu, 2003a). Throughout academic discussion they are referred to alternatively as ‘nonprofit-business alliances’, ‘social alliances’ ‘cross-sector collaborations’, ‘corporate-community partnerships’, and ‘commercial-nonprofit alliances’ (Abzug & Webb, 1999; Austin, 2003; Berger, et al., 2004; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a; Wymer & Sargeant, 2006). Throughout this thesis they are called NGO-corporate partnerships or alliances. NGO-corporate partnerships are fundamentally different to other types of marketing alliances as they have different and often conflicting objectives due to their differing social issues and financial focus (Berger, Cunningham, & Drumwright, 2006). These partnerships are unique in their structure, governance and goal orientation due to both the economic and social exchanges that occur within the partnership (Seitanidi & Ryan, 2007) as well as the organisational differences between the partners (Wymer & Samu, 2003a). Important outcomes for the NGO from these partnerships are both long-term financial performance and the attainment of social goals (Selsky and Parker, 2005; Seitanidi and Crane, 2008).

Organisational collaboration is essential for NGOs, both to sustain funding and to ensure that social issues are embraced at all levels of the community (Gajda, 2004). Thus, increasing the understanding of what NGOs can do in order to ensure positive outcomes from alliances is an important research area for both academics and practitioners. Academic discussion of within-sector commercial alliances is frequent in the for-profit marketing literature (Bucklin & Sengupta, 1993; Dyer, 1997; Kale & Singh, 2007). Comparatively, only limited investigation has explored cross-sector partnerships between NGOs and corporates, and even less has explored the implications of such alliances for the NGO (i.e. Milne, Iyer, & Gooding-Williams, 1996; Polonsky, Garma, & Chia, 2004a). Supporting theory regarding the impact of these relationships for NGOs is therefore limited (Ireland, Hitt, & Vaidyanath, 2002).

Previous studies of relationships between corporations and NGOs have often focused on issues more relevant to needs of the corporate side such as reputation enhancement (Falck & Heblich, 2007), as sources of corporate competitive advantage (Hume & Margee, 2008; Ireland, et al, 2002; Rondinelli & London, 2003) and sensitivity to stakeholder concerns (Wood, 1991). From the NGO perspective, scholars have examined issues such as the capacity of organisations to initiate such relationships (Laidler-Kylander, Quelch, & Simonin, 2007; Plewa & Quester, 2007), the purposes of the partnership (Seitanidi &

Ryan, 2007; Wymer & Samu, 2003a) and difficulties in managing or maintaining the relationships (Milne, et al., 1996; Polonsky, et al., 2004a; Seitanidi & Crane, 2008). Of particular note is a lack of formal exploration regarding the power dynamics that emerge within NGO-corporate alliances (Hardy & Phillips, 1998; Lister, 2000; Seitanidi & Ryan, 2007; Selksy & Parker, 2005).

It is generally accepted that a key characteristic of the NGO-corporate partnership is the disparity of power between the partners, with the corporation usually being regarded as the more powerful partner (Elliot, 1987; Lister, 2000). This inequality can be partly explained through the opposing organisational types – corporate versus NGO (Milne, et al, 1996; Seitandi and Crane, 2008) – but also through the different resources that each party provide to the relationship (Lister, 2000; Rondinelli & London, 2003). There is a suggestion that the power imbalance within the NGO-corporate partnership can be estimated by examining who has control over the resources (Lister, 2000; Spall, 2000), how different types of resources are more or less valuable than others (Parker & Selsky, 2004) and the decisions that are made regarding these (Hardy & Phillips, 1998; Parker & Selsky, 2004). This current research recognises differences in resource requirements and supplying capabilities between the partners, however is concerned primarily with the effect that corporate-provided resource-based power has on the NGO.

The concept of an organisation being reliant on external resources can be theoretically examined using Resource Dependence Theory (RDT) (Pfeffer & Salancik, 1978). RDT assumes that organisations are not resource independent and rely on the external provision of resources. This increases their dependence on external actors who can gain power through the control of critical resources and threaten organisational autonomy (Pfeffer & Salancik, 1978). RDT influenced the theoretical framework for this study, which explores the effects that corporate-provided resources can have on the NGO. It examines the involvement power has with partnership characteristics and explores how these shape the ultimate outcomes of the alliance.

RDT is an established and effective framework for examining many different aspects of NGO organisational behaviour (Guo & Acar, 2005), yet up to this point comparatively little empirical attention has been paid to the role that external resources play in the partnerships that NGOs form with commercial enterprises. Heide (1994, p.72) recognises the problems that can arise due to a reliance on external resources (i.e. an NGO relying on the corporate partner for resources):

> Given the underlying assumption that few organizations are internally self-sufficient with respect to their critical resources, two potential problems are created. First, a lack of self-sufficiency creates potential dependence on the parties from whom the focal resources are obtained. Second it introduces uncertainty into a firms' decision making, to the extent that the resource flows are not subject to the firm's control, and may not be predicted accurately.

The partnering of NGOs with corporates raises two questions. First, to what extent does the provision of critical external resources affect the NGO's dependence on their corporate partner; and second, what mechanisms can NGOs use to reduce uncertainty relating to resource flows within the partnership? This research attempts to address this gap in the current state of academic literature by examining how resource-based power disparities emerge within the NGO-corporate alliance and the effect that this can have on the outcomes of the partnership. Extending RDT to explore both internal and external aspects of NGO-corporate alliances from the perspective of the NGO develops findings for this study and assists in our understanding of power within these partnerships.

Many authors have recognised the need to address the issue of power dynamics within NGO-corporate partnerships in order to better understand how they can affect alliance characteristics and outcomes. However this has not been matched by a search for empirical evidence (Lister, 2000; Selksy & Parker, 2005; Wymer & Samu, 2003a). It is necessary to explore the effect that power has on both structural and relational aspects of the alliance in order to better understand issues related to NGO-corporate alliance performance. The structural aspect focuses on the organisational dependence that emerges from the provision of resource-based power (King, 2007; Milne, et al., 1996) and the effects this has on the achievement of outcomes. The relational facet concentrates on the trust and commitment that is developed between the partners as a result of resource provision (Bucklin & Sengupta, 1993; Milne, et al., 1996; Polonsky, et al., 2004a) and the extent to which this too can affect alliance results.

Previous research has highlighted the associations between resource-based power and dependence within the organisational domain and has suggested that this can have a direct positive or negative effect on the outcomes of the partnership (Andaleeb, 1996; Grundlach & Cadotte, 1994; Hudock, 1995; Young-Ybarra & Wiersems, 1999). Within NGO-corporate alliances it is assumed that the NGO will become dependent on their corporate partner due to being perceived as the 'weaker' subject (Berger, et al., 2004), however the effects of this dependence are not known; this concept has not been empirically tested and further research is required in order to identify the effects that power and dependence have within a NGO-corporate alliance context.

In addition, the relationship between the parties is believed to be significantly impacted by the resource-based power dynamics of the partnership and also play a key role in shaping the alliance outcomes (Cropanzano & Mitchell, 2005; Lister, 2003). A number of authors have recognised the important role that relationship factors, such as trust and commitment, can have on the NGO-corporate partnership (Bove & Johnson, 2000; Lister, 2003; Milne, et al., 1996; Polonsky, et al., 2004a). A strong relationship can have the effect of reducing uncertainty within the partnership (Morgan & Hunt, 1994) and could play a role in determining the effects of resource-based power (Lister, 2003; Polonsky et al., 2004a). This argument has also not been matched with empirical research and the direct effects of partner's relations relative to power is not known.

The importance of addressing these issues can be viewed through both a managerial and a theoretical lens. NGOs need to understand the effects of resource-based power within their corporate alliances if they are to foster sustainable partnerships, as these relationships are a key component of organisational longevity (Hoffman, 2009; Polonsky, et al., 2004a; Seitanidi & Crane, 2008; Wymer & Samu, 2003a). From a theoretical or academic perspective, the importance lies in the fact that this is still a fairly new discipline with relatively little known about the effect that power disparities have on partnership characteristics and outcomes (Lister, 2000; Selksy & Parker, 2005; Spall, 2000). By incorporating both economic and social aspects, and examining structural and relational facets of the alliance, this study provides a holistic picture of NGO-corporate partnerships.

RESEARCH OBJECTIVES, QUESTIONS, FRAMEWORK AND CONTRIBUTIONS

RESEARCH OBJECTIVES

This research investigates the connection between resource-based power, alliance characteristics and outcomes, from the perspective of the NGO. The effect that power has on structural (dependence) and relational (relationship) characteristics and how these in turn shape alliance outcomes is empirically tested. The research problem addressed in this study is defined by the research objectives and questions. The research objectives for this study are:

- To theoretically advance and conceptualise resource-based power within the context of NGO-corporate alliances;
- To ascertain the impact that different aspects of resource-based power have on the structural and relational characteristics of the alliance;
- To identify how these structural and relational characteristics impact NGO-corporate alliance performance from the perspective of the NGO.

RESEARCH QUESTIONS

These objectives will be addressed through the following research questions, which have been developed through a thorough review of the current literature:

RQ1 To what extent do aspects of resource-based power affect the dependence of the NGO on their corporate partner?

RQ2 To what extent do aspects of resource-based power affect the relationship between the NGO and their corporate partner?

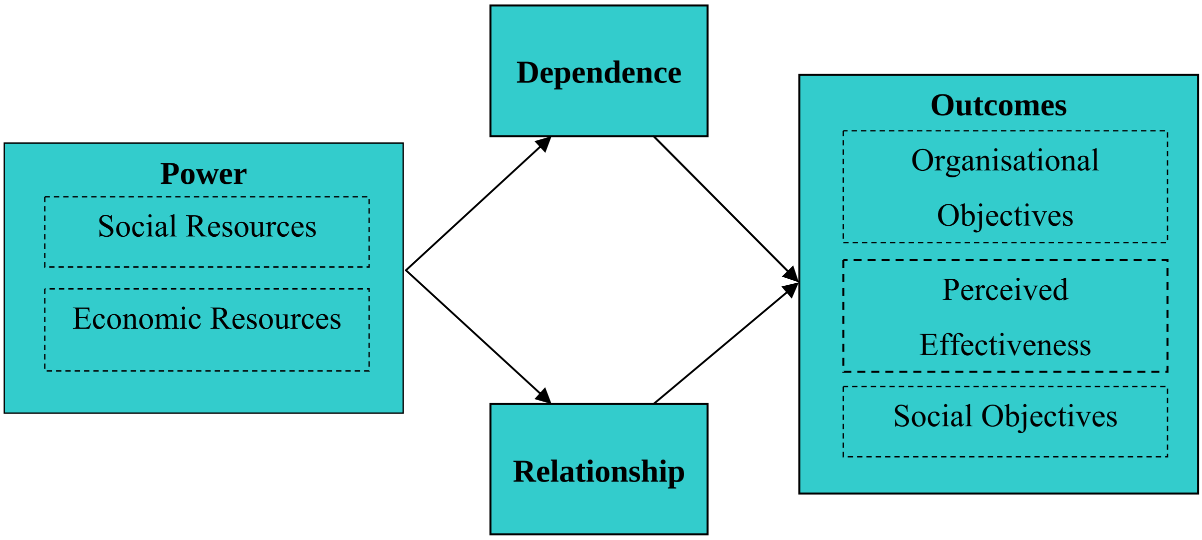
RQ3 To what extent does the dependence of the NGO on their corporate partner affect alliance outcomes?

RQ4 To what extent does the relationship between the NGO and their corporate partner affect alliance outcomes?

CONCEPTUAL FRAMEWORK

In order to test these research questions, a conceptual framework has been established (Figure 1). This conceptual framework depicts the broad research problem that is going to be addressed in this study. It is based around the theoretical foundations of Resource Dependence Theory, which operates under the premise that organisations will source resources from their external environment. This study argues that organisational power materialises through the provision of resources; therefore the corporate's power is based on their supply of resources to the NGO. Within these cross-sector partnerships, resource-based power is conceptualised through social and economic resources. Previous research has placed emphasis on the economic resources provided to the relationship. This research challenges the accepted concept of resource-based power being only economic by incorporating social power as well. By providing these resources the corporate will impact the level of dependence felt by the NGO and the relationship between the two parties. The outcomes of the partnership will therefore be affected by the perceived degree of dependence the NGO has on their corporate partner and the relationship that has been established between the partners. This will be discussed in more detail in the Literature Review in Chapter 2.

Figure 1: Conceptual Framework



THEORETICAL CONTRIBUTIONS

This research makes a number of contributions to the current state of academic discourse surrounding NGO-corporate alliances.

This study offers a definition of power specific to how it affects NGOs involved in alliances with corporates. It defines power as being resource-based with contributing social and economic factors. In addition, it explores the extent to which the corporate partner affects the NGO through the power provided to the relationship in the form of financial resources and legitimacy. These are operationalised in order to test the effect that power structures have on partner dependence and relations. Previous research has recognised that resources within inter-organisational relationships can be either economic or social (Hudock, 1995; Lister, 2000; Seitanidi & Ryan, 2007; Selksy & Parker, 2005; Wymer & Samu, 2003a), however the application to NGO-corporate alliances in order to measure the effects of resource-based power has not previously been explored in detail.

This research proposes a set of metrics by which to guide the measurement of alliance success. Outcomes are particularly difficult to measure for NGO-corporate alliances due to the inclusion of both tangible and intangible factors that are crucial to attaining organisational and social goals. Previous research has considered cross-sector partnership outcomes from a number of different perspectives and many scholars have argued that alliance success is based on the complementarity of the partners (Bucklin & Sengupta, 1993; Dacin, Goodstein, & Scott, 2002). In addition, much of the commercial alliance literature focuses only on financial outcomes, whereas NGO literature concentrates on social outcomes (Iyer, 2003; Kauser & Shaw, 2004). NGO-corporate alliances, however, have both social and financial objectives and therefore outcome measures from both the NGO and commercial literature are included in this research. Previous research has examined outcomes of NGO-corporate alliances, but these have often failed to reflect the wide-ranging results that these very specific alliances hope to achieve.

This current study extends the existing literature on alliance governance by examining the impact of relational governance on alliance outcomes. NGO-corporate alliance governance literature is still in its infancy (Milne, et al., 1996; Polonsky, et al., 2004a) and scholars have recognised the importance of exploring this topic in more detail (Lister, 2003). In addition, this research explores concepts of a NGO's dependence on their corporate partner. Authors have recognised that dependence is an unknown entity within these alliances (Froelich, 1999). This study addresses these concerns by empirically examining the dependence of the NGO on their corporate partner and the effect that this has on partnership outcomes. This research contributes to existing theories regarding dependence and partner relations by offering insights into their involvement in cross-sector partnerships.

Finally, this research presents an extension of Resource Dependence Theory (RDT). Although RDT is a key theoretical perspective by which to examine the organisational behaviour of NGOs, there is limited work using this framework to specifically look at NGO-corporate alliances. RDT is extended in this research in three key ways. First, it is used to examine the effects of dependence in these relationships, rather than the benefits of avoiding dependence. For many NGOs dependence-avoidance is not a realistic option as they rely heavily on their corporate partners for the provision of resources (Iyer, 2003; Selksy & Parker, 2005; Wymer & Samu, 2003a). Therefore it is more useful to identify the effects of dependence than the occurrence of it. Second, this research augments RDT to identify relationship governance as a primary method to control the uncertainty that can arise from external resource provision. Finally, this study extends RDT in the examination of alliance outcomes from an internal, rather than external, perspective.

RESEARCH METHODOLOGY SUMMARY

UNIT OF ANALYSIS

The unit of analysis in this research is the NGO, which is a partner in an NGO-corporate alliance as defined by this study. It was recognised that within NGOs there is not one single role that could be targeted for response (i.e. corporate relations manager). This is due to inconsistencies between NGOs as to staff roles and functions. As such, the data collection was targeted to anyone within the NGO who had extensive experience working with corporates in a partnership role.

DATA COLLECTION METHOD AND SAMPLE

This research involved two phases of data collection; qualitative and quantitative. The qualitative research phase consisted of semi-structured interviews with 20 direct-line individuals operating at different NGOs. These informants were targeted based on their immediate and hands-on experience with NGO-corporate alliances. For the second phase, an online survey was administered to a sample of individuals working in the third sector, specifically with NGO-corporate partnerships. 1,128 individuals were deemed appropriate for this research (based on industry and occupation) and were contacted via email and asked to participate in the study. 300 responses were returned within a 14-day period, which 273 of these were used in the study.

OPERATIONALISATION OF THE CONSTRUCTS

Non-comparison scales were employed with the itemised rating of Likert Scales. Existing scales were used; however some modifications were made to ensure relevance for the current study.

DATA ANALYSIS

For the first (qualitative) phase, pattern-matching techniques were used to establish underlying themes throughout the results (Miles & Huberman, 1984). These results are presented in Chapter 5. For the second (quantitative) phase, data analysis was carried out using SPSS 17.0 and AMOS (version 17). Cronbach alpha, exploratory and confirmatory factor analysis was used to examine the reliability and validity of the measures. Following this, Structural Equation Modelling was employed to examine the relationships between the variables. The results of this phase are presented in Chapter 5.

SCOPE OF THE RESEARCH

The scope of this thesis is limited to classified NGOs within Australia. Existing research on NGO-corporate relationships has been mainly undertaken in the USA and UK. With a few notable exceptions (Macedo & Pinho, 2006; Polonsky, et al., 2004a; Polonsky, Garma, & Chia, 2004b) less attention has been given to other countries. Although the context of the research has been limited to Australian NGOs, the operationalisation of the measures would be applicable to different countries (possibly with minor adaption).

STRUCTURE OF THE THESIS

This thesis consists of six chapters, which are detailed below:

Chapter 1: Introduction	Background, research justification, presentation of conceptual model, research objectives and questions
Chapter 2: Literature Review	Review of NGO-corporate alliance and commercial alliance literature, development of conceptual framework, research questions and hypotheses
Chapter 3: Research Methodology	Unit of analysis, data collection method, sample, response rate and ethics
Chapter 4: Construct Development	Operationalisation of the constructs and psychometric properties of measures
Chapter 5: Results and Discussion	Summary of qualitative findings; Quantitative data analysis procedures, results, and discussion
Chapter 6: Summary and Conclusions	Research summary, contributions and conclusions

CHAPTER 2: LITERATURE REVIEW

INTRODUCTION

Economic trends have altered the commercial landscape and organisations are embracing new and innovative ways of operating in order to create a viable economic environment for themselves; one in which they remain financially sustainable. This thesis focuses on the strategic marketing practices of non-governmental organisations (NGOs), specifically their partnerships with commercial enterprises, as they attempt to create a stable situation in which they can fulfil their social, cultural and organisational needs.

In this age of increased competition and complex community issues organisational collaboration between the corporate and third sectors is essential, both to sustain funding for NGOs but also to ensure that social issues are embraced at all levels of the community (Gajda, 2004). Cross-sector alliances have become an operational prerogative for NGOs as they battle the current climate of reduced government funding and philanthropy (Lyons, 2001; Seitanidi & Ryan, 2007). Of particular interest to researchers is the concept of power within these relationships and the ramifications that this has for NGOs. Power can be asserted by the corporate based on the resources that they provide to the alliance (Lister, 2000). How this impacts NGOs is an important and evolving subfield of the marketing literature and an under-explored area of research. This investigation provides the opportunity to examine how resource-based power affects structural and relational aspects of the partnership, which influence alliance outcomes and are inherently linked to partnership success.

In the last decade, the third sector has developed at an unprecedented rate, with more rapid growth expected in the coming years (Andreasen, et al., 2005). This has been largely fuelled by perceptions that existing government and private institutions are unable to respond effectively to political, social and economic changes (McGann & Johnstone, 2006).

The importance of studying NGOs in an organisational context is vital due to the fact that they significantly contribute to the economy. These contributions can be measured against other traditional industries as a point of reference. For example, the contribution to gross value in Australia by NGOs is 4.3%, which is greater than the individual contributions made by communications; electricity, gas and water; accommodation, cafes and restaurants; personal and other services; and cultural and recreational services industries (ABS, 2009).

The growth in this sector has seen an increase in social change campaigns becoming informed by commercial marketing strategies and practices (Peattie & Peattie, 2003), with the NGOs applying traditional marketing tools to their organisations (Andreasen, 2002; Andreasen, et al., 2005; Toepler, 2004; Zietlow, 2001). Within the last decade there has been a swing from the traditional organisational structure of the NGO to a newer, more businesslike model (Andreasen, et al., 2005; Roger Bennett, 2004). This shift affects not only the role of organisations within society (Spall, 2000) but also the relationships that are formed between NGOs and corporates, with this latter topic increasingly gaining more attention within the marketing literature (Roger Bennett & Sargeant, 2005; Polonsky, et al., 2004a; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a). This can be attributed to the fact that there is an increased emphasis on Corporate Social Responsibility (CSR), funding for NGOs has been dramatically cut, and NGOs are expected to display more business acumen than ever before (Seitanidi & Crane, 2008; Selksy & Parker, 2005). Interorganisational relationships are vital in order to continue providing support to communities, and it is therefore critical to understand and research their complexities (Hardy & Phillips, 1998).

This literature review is divided into five sections. The first section examines the background to NGO marketing and NGO-corporate alliances. The second explores Resource Dependence Theory and the foundations of power within these alliances, the premise under which the alliances are formed and the outcomes they hope to achieve. The third section explores the characteristics of the alliance that play a significant role in defining how the partnership evolves, namely the function that the structural aspect of dependence and the relational aspect of relationship play in the NGO-corporate alliance. The fourth and final section proposes a conceptual framework and model for testing the hypotheses, which is based on the premise of Resource Dependence Theory.

SECTION 1: BACKGROUND TO NGO MARKETING AND NGO-CORPORATE ALLIANCES

THE THIRD SECTOR: A MARKETING PERSPECTIVE

The NGO industry, or third sector (so called due to its existence outside both the for-profit and government sectors), is an important component of a lively democracy and essential to the core of civil society (Lyons & Hocking, 2000; Salamon & Anheier, 1992). It acts as a counterpoint to both business and government and can underpin long-term economic prosperity (Lyons, 2001). There are multiple definitions existing for organisations that operate in this third sector. This study adopts the suggestion proffered by Salamon and Anheier (1992) that NGOs are a collection of organisations that are formal (institutionalised), private (separate from government), nonprofit distributing (not returning profits to their owners or directors), self-governing (equipped to control their own activities), and voluntary.

Numbers of NGOs are growing rapidly on a global scale (Andreasen, et al., 2005) and, within Australia specifically, the withdrawal of many government services has meant that NGOs are expected to perform those roles that were formerly provided by government agencies. Despite an appreciation of the importance of the third sector, there is still significant headway to be made in marketing academia before the research exists to match that available within the for-profit marketing domain. The importance of addressing this dearth of information lies in both the academic and practical senses. There is the need to better understand these alliances theoretically, and for alliance managers to be able to control them more effectively (Andreasen, et al., 2005).

Despite a lack of comparative academic exploration with the for-profit sector in terms of breadth and depth, there are still significant and relevant discussions being carried out within the exiting literature that provide a framework for examination of marketing in the third sector. From this discourse, there are two key perspectives that emerge with regards to NGO marketing: first, commercial industry and their involvement with the third sector (referred to as Corporate Social Responsibility) is examined; second (and to a lesser degree) the NGO perspective is explored, which is concerned with the marketing implications for NGOs (Andreasen, et al., 2005; Austin, 2003; Marin & Ruiz, 2007; Wymer & Samu, 2003a).

The Corporate Social Responsibility (CSR) perspective examines the relationship between commercial enterprises and their consumers with regards to their involvement with the third sector. This area of research has focused on the customer push for organisations to behave with more integrity with regards to the community and the environment (Falck & Heblich, 2007; Marin & Ruiz, 2007; Pirsch, Gupta, & Grau, 2007; Sen, Bhattacharya, & Korschun, 2006). Consumers expect that corporations will do more than just concern themselves with making a profit; that they will also do something to contribute to society as a whole (Austin, 2003). The importance of working with the third sector for businesses is highlighted in the work of Marin and Ruiz (2007). In their 2007 study, they found that CSR played a more significant role for consumers in identifying with a company than a company's corporate ability did (Marin & Ruiz, 2007). Similarly, it has been found that a business can build trust in their company and brand by engaging with, and showing evidence of, good corporate citizenship (Lafferty & Goldsmith, 2005).

This current study is concerned with exploring the implications of marketing practices for NGOs, which has not been covered in as much detail as the CSR discussion. Specific examination of the third sector has found that marketing is not a primary concern for a significant number of NGOs (Selksy & Parker, 2005; Wymer & Samu, 2003a). Many of these organisations do not have a dedicated marketing function, often due to resource and funding constraints (Andreasen, et al., 2005). Many programs also suffer from an inability to attract and sustain much needed resources (Andreasen, et al., 2005; Iyer, 2003).

The formation of partnerships with other organisations can help NGOs overcome some of these concerns, and can play a part in ensuring continued provision of services to stakeholders. Partnerships vary significantly according to which type of partner (government agency, business or NGO) the organisation aligns with (Milne, et al., 1996). Partnerships can be formed by organisations who work within the same sector (within-sector partnerships), or with organisations who work outside their sector (cross-sector partnerships) (Wymer & Samu, 2003a). Within the marketing literature, significantly less attention has been given to cross-sector partnerships, despite the fact that dynamics (such as power, objectives, culture, operational capabilities and styles) within these relationships differ greatly from their within-sector counterparts (Wymer & Samu, 2003a) and are thus more challenging to undertake. With increasing socioeconomic problems (Austin, 2003), changes to funding and donation behaviours (Polonsky, et al., 2004b) and an escalation in socially responsible behaviour by corporations (Lafferty & Goldsmith, 2005), the role of marketing in this field is intensifying.

NGO-CORPORATE PARTNERSHIPS: AN OVERVIEW

The third sector increasingly finds itself at a crossroad between its traditional management of charitable support and community building, and its need to interact with the more corporately oriented models of organisational management (Andreasen, et al., 2005; Roger Bennett & Sargeant, 2005; Spall, 2000). As funding for NGOs has become more difficult to source from donation-based public and the government, NGOs have sought resources available from private and financially focused corporate partners (Seitanidi and Crane, 2008; Selksy and Parker, 2005). The creation of alliances between NGOs and businesses is an example of how many organisations are repositioning themselves and moving towards a more business oriented organisational model (Seitanidi & Ryan, 2007; Spall, 2000). It has been recognised that “the twenty-first century will be the age of alliances” (Dickinson & Barker, 2007, p. 75) as partnerships based on traditional corporate philanthropy are mitigated in favour of relationships built on mutual exchange and collaboration (Austin, 2003; Wymer & Samu, 2003a). Gadja (2004, p. 67) recognises that:

> We live in a time when no organization can succeed on its own...As we look around us in a new century, we realize that businesses and non-profit’s in today’s interconnected world will neither thrive nor survive with visions confined within the walls of their own organizations. They need to look beyond the walls and find partners who can help achieve greater results and build the vital communities to meet challenges ahead.

Corporations have also sought to engage a greater number of NGO partnerships as their interest in social responsibility increases (Andreasen, 1996). These partnerships, however, are very complex. They involve two very different types of organisations who often have opposing values and goals (Selksy & Parker, 2005). The alliances generally have dissimilar objectives from straight business-to-business partnerships as the NGOs have a social issues focus (Berger, et al., 2006), with many partnerships having intangible outcomes that are difficult to measure (Wymer & Samu, 2003a; Wymer & Sargeant, 2006). Froelich (1999, p. 264) acknowledges that partnerships between the third and commercial sectors "present unanticipated complexities". She calls for additional work into these "alternative organizational forms" (Froelich, 1999, p. 266) in order to gauge a deeper understanding of them.

What are NGO-Corporate Partnerships?

NGO-corporate partnerships are defined as working partnerships in which there is a mutual recognition and understanding that individual success depends, in part, on the partnering organisation (Iyer, 2003). They refer to all types of partnerships or collaborations between NGOs and businesses (Berger, et al., 2004; Iyer, 2003; Wymer & Samu, 2003a). Table 1 offers a typology of these partnerships, and Table 2 examines the characteristics of each type of collaboration.

Table 1: Forms of NGO-Corporate Partnerships and their Definitions

Form	Definition
Philanthropy	• Donations (either financial or in kind) that are made on a regular or episodic basis. Requires limited commitment in terms of business resources • Asymmetrical relationship
Benefaction (usually performed through corporate foundations)	• Foundation is created by a business or individual to manage its philanthropic objectives • Other NGOs generally apply for funding through a grant process, and the business maintains control through the foundation • The foundation can choose to donate on a regular basis or as a one-off monetary gift • Asymmetrical support.
Licensing Agreement	• Corporates can use their logos and/or names in advertising, packaging, etc. in return for a flat fee and/or royalty • The businesses primary focus is on itself as its key interest is to increase sales through favourable publicity • Businesses will generally have operational control • Symmetrical support (in structure but not always implementation).
Sponsorship (commercial)	• Transfer of resources (in kind or cash) within the course of business to promote trade aiming to promote business, product or service, and receiving compensation rewards in exchange • Symmetrical support
Socio-sponsorship	• Aimed at meeting predominantly social needs and receiving compensation/rewards in exchange • Symmetrical support
Cause related marketing (CRM)	• Businesses donate a predetermined amount of equipment, cash or food, which is a direct proportion of sales revenue • Symmetrical relationship (increased sales for corporate and increased funding for NGO)
Alliance/Joint Venture	• Most integrative type of relationship • Symmetrical relations; transfer of resources (in kind or cash) in order to address a social issue.

(Samu & Wymer, 2001; Seitanidi & Crane, 2008; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a, 2003b; Wymer & Sargeant, 2006)

Table 2: Characteristics of NGO-Corporate Partnerships

Alliance Type	Resources Committed by Corporate	Length and Formality of Relationship	Level of involvement	Example
Philanthropy	Cash/ funding	Transactional in nature. While a relationship of continued support may occur in cases, giving is not subject to contracts or agreements between parties.	Low given the transactional nature of the agreement.	$$ donated to a charity.
Benefaction (usually performed through foundations)	Cash/ funding	Can be one-off, short term or long term. Quite formal due to (often) large sums of money/funding exchanging hands.	Low given the transactional nature of the agreement (longer term agreements will have minimal servicing).	$$ donated to build a school or a hospital, etc.
Licensing Agreement	Cash	Often long-term (1-3 years). Conditions of partnership stipulated in contract; often very formal.	Medium – high (generally depends on demands from corporate).	Corporate pays to co-brand with NGO.
Sponsorship (commercial)	Cash or equivalent in kind products or services of value to the sponsee.	Generally a fixed term of multiple years. Governed by strict conditions and often detailed, lengthy, binding agreements which address commitment, role of parties, expectations and outcomes.	High level of interaction between sponsors and sponsee. High service generally demanded by sponsoring organisation, dependant on the resource commitment provided.	Resources given to a sports federation for the support of an event in exchange for signage/brand association and hospitality benefits.
Socio-sponsorship	Cash or equivalent in kind products or services of value to the sponsee.	Generally a fixed term of multiple years. Governed by strict conditions and often detailed, lengthy, binding agreements which address commitment, role of parties, expectations and outcomes.	High level of interaction between sponsors and sponsee. High service generally demanded by sponsoring organisation, dependant on the resource commitment provided.	$$ given by corporate to cover costs for fundraising event in exchange for determined compensation/ rewards.
Cause related marketing (CRM)	Cash, products or services	Mid to long-term (1-5 years with annual review). Very formalised relationship with conditions specified in legally binding contract.	High. Management done by both parties, however corporate usually drives it in order to justify return on investment (corporate usually has more resources to enable them to perform more complex measurements).	% of sales donated to a particular program (i.e. 0.1% of corporate revenue goes to particular NGO in return for co-branding, etc).
Alliance/Joint Venture	Cash, products, services, or human resources	Long-term (3-5+ years with annual review). Generally very formal, with stipulated contract. Often changes as the relationship develops.	High. Generally dedicated person/team within each organisation to deal with partnership. Interaction occurs on a frequent and regular basis.	A corporate and an NGO work together to create a particular program (i.e. combat homelessness).

(Samu & Wymer, 2001; Seitanidi & Crane, 2008; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a, 2003b; Wymer & Sargeant, 2006)

In their 1996 study, Milne, et al. highlighted the uniqueness of alliances between NGOs and businesses. They found that the most important difference in alliance behaviour between NGOs and the private sector were the ways in which the respective organisations managed their partnership activities. NGOs were found to be less formal in their coordination, whereas business alliance activities were "usually characterized by tightly coupled patterns of inter-organizational coordination" (Milne, et al., 1996, p. 204). They also found that many NGOs avoided forming partnerships with businesses due to the tension of inherently opposed ideological goals (Milne, et al., 1996, p. 212):

> [NGOs] ... viewed business as "the enemy" or suspected that for-profits desired only a superficial "green-washing" for public relations purposes. The most commonly supplied reason for the antipathy reflected a perception of inherently conflictual goals.

NGOs perceive businesses to be more difficult to work with than other NGOs due to their often unrealistic expectations of time management and return-on-investment (Milne, et al., 1996). However, there is evidence that NGO-corporate alliances can generate opportunities for product development, stakeholder maintenance and access to new markets (Lafferty and Goldsmith, 2005), such as through co-branded products (e.g. Fair Trade or Pink Ribbon breast cancer marketing) or corporate-sponsored social issue management. Indeed, organisations that had previously embarked on NGO-corporate partnerships were uniformly positive about the outcome of their alliances, as long as the partnering businesses were carefully selected as having similar goals to them (Milne, et al., 1996).

NGO-corporate partnerships are becoming an increasingly important topic within the marketing discipline (Andreasen, 1996; Arya & Salk, 2006; Austin, 2003; Roger Bennett & Sargeant, 2005; Berger, et al., 2004; Seitanidi & Crane, 2008; Selksy & Parker, 2005; Wymer & Samu, 2003a; Wymer & Sargeant, 2006), which has led to debate over the nature of the relationship between the private and third sectors. These partnerships operate within an environment that is both socially and ideologically constrained and theory development surrounding these relationships is limited (Nowak and Washburn, 2000). Aside from a few exceptions (i.e. Milne, et al., 1996; Polonsky, et al., 2004a) discussion has not been matched by a search for empirical evidence, which would ultimately assist in a greater understanding of these relationships (Macedo & Harris, 2002).

Motivations for Entering into NGO-Corporate Alliances

Alliance research recognises that organisations have various motivations for entering into cross-sector partnerships (Andreasen, 1996; Kauser & Shaw, 2004; Polonsky, et al., 2004b). The literature offers some discussion of both corporate and NGO motivations for entering into these cross-sector relationships. These are highlighted below in Table 3.

Table 3: Motivations for Entering into Alliances

Alliance Type	Corporate Motivations & Expectations	NGO Motivations & Expectations
Philanthropy	Altruistic; limited public recognition.	To receive funding; untied – not required to be spent on a particular program.
Benefaction (usually performed through corporate foundations)	Enlightened self-interest; subtle public recognition.	To receive funding; tied to a particular program or project.
Licensing Agreement	Sales promotion, advertising; increased exposure.	To receive funding and exposure; tied to a specific project. Corporate generally dictates terms.
Sponsorship (commercial)	Sales promotion, advertising, enhancing attitudes or brand/corporate associations; Compensation and rewards. Mostly tangible, but some intangible.	To receive funding or resources and increase exposure; tied to a specific event or project. Corporate generally dictates terms.
Socio-sponsorship	Corporate social responsibility; Compensation/rewards – predominantly intangible (reputation and image) and some limited tangible benefits.	To support cause, increase brand exposure, and receive resources; tied to a specific event or project. NGO generally chooses sponsor, however partnership terms are often dictated by corporate.
Cause related marketing (CRM)	Sales promotion, advertising; increased exposure and co-branding opportunities, increased sales.	To support cause, increase exposure, receive resources, link to particular corporate; tied to a specific campaign.
Alliance/Joint Venture	Corporate social responsibility; Compensation/rewards; tangible and intangible benefits (i.e. exposure, reputation, staff engagement, co-branding, etc.).	To support cause, increase exposure, receive resources, involve corporate community in social issue, solve issues together; can be linked to a particular project however is often ongoing support for NGO.

(Samu & Wymer, 2001; Seitanidi & Crane, 2008; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a)

Much of the existing alliance literature focuses on how for-profit firms can utilise partnerships in order to satisfy their own corporate objectives. Dominant corporate motivations for forming these cross-sector partnerships include reputation enhancement (Eberl & Schwaiger, 2004; Falck & Heblich, 2007), increasing Corporate Social Responsibility (Luo & Bhattacharya, 2006; Mackey, Mackey, & Barney, 2007; Palazzo & Scherer, 2008; Wymer & Samu, 2009) or sensitivity to stakeholder concerns (Wood, 1991). For businesses, alliances with NGOs are beneficial for lifting the CSR image of a company and ensuring long-term corporate success (Selksy & Parker, 2005). Findings from previous research show that providing evidence of good corporate citizenship can increase shareholders' and consumers' trust in the firm and the brand (Anand & Khanna, 2000; Lafferty & Goldsmith, 2005).

Less attention is paid to the NGO's objectives for entering into alliances (Polonsky, et al., 2004a). Of the literature that does examine NGO's motivation for entering into partnerships, much time is spent discussing the financial incentives that NGOs can garner by aligning with the corporate world (Andreasen, 1996; Berger, et al., 2004; Nowak & Washburn, 2000). Despite these financial resource concerns being very real for many NGOs, they tend to overlook other rationales regarding non-financial resources, such as the desire to learn much-needed marketing and business skills from their partnering organisation (Berger, et al., 2006). Skills such as these could go some way to enhancing the NGO's ability to attract and sustain partnerships (both within and across sectors) in the long term.

Why Study NGO-Corporate Alliances?

There is increasing recognition that cross-sector partnerships have become a key operational prerogative for both business and NGOs (Seitanidi & Ryan, 2007). NGO-corporate partnerships form a unique bridge between commercial enterprises and NGOs that assist in aligning the different types of value creation that each organisation promotes. They can also offer vast potential to produce new and more innovative ways of "doing well by doing good" (Falck and Heblich, 2007). Some theorists believe that NGOs are a response to government failure, whereas others argue that NGOs can precede government provision (Berger, et al., 2004; Chasse, 1995; Gronbjerg, 1993; Martinez, 2003): until the majority of an electorate demands a service, the government won't provide it (Lyons &

Hocking, 2000). In this circumstance NGOs can emerge to cater for this minority requirement (Lyons, 2001). In addition, NGOs can offer access to a community of interests and ideologies that are frequently lacking within the more traditional and for-profit organisational approach (MacMillian et al., 2005).

The nature of an organisation's external relationships can have a huge impact on their marketing programs (Heide, 1994). Vorhies and Morgan (2003) found that an organisation's strategic position or type did not significantly affect marketing performance. They argued that any different type of marketing strategy could lead to superior performance, as long as it was implemented properly. Thus, it is the way that marketing activities are organised and managed that enables strategy implementation and superior performance (Vorhies & Morgan, 2003). For NGOs embarking on alliances these findings have significant value. They indicate that the type of alliance will not determine the success of the alliance. Rather, it is the way these alliances are implemented that will enable the organisation to achieve its vision and realise its economic and social goals.

NGO-corporate partnerships perform two distinct functions for the NGO, one from a cultural and social perspective and the other from a business and economic perspective. First, these partnerships can help NGOs provide essential services to the community and ensure that important social issues are recognised by wider society (Lyons, 2001). Second, by aligning themselves with businesses, NGOs can increase exposure, and secure funding and resources (Seitanidi & Ryan, 2007). Bebbington and Farrington (1993) found that NGOs who formed links with the private sector could increase the scope and enhance the effectiveness of their activity, and Austin (2003) discovered that forming cross-sector partnerships can be a way of enhancing an NGO's credibility.

Scholars have previously studied NGO-corporate relationships from perspectives such as the capacity of organisations to initiate such relationships (Laidler-Kylander et al., 2007; Plewa and Quester, 2007), as sources of corporate competitive advantage (Ireland et al., 2002) and issues of continuing social legitimacy for the NGO (Lister, 2003). Discussion within and across these areas is yet to find consistent agreement amongst scholars. This disparity can be explained for a number of reasons. First, these relationships bring together two very disparate types of organisations who have individual and often conflicting management styles, goals and resources which can lead to an imbalance of power (Lister, 2000; Samu & Wymer, 2001). Second, they perform in a climate that is incredibly complex, with pressure from stakeholders, government and the general public to behave in particular ways (Milne, et al., 1996; Seitanidi & Crane, 2008). For example, NGO stakeholders may be concerned that an alliance could affect the credibility of the organisation, however with pressures of reduced funding the NGO may not have any other options available to them. Third, these alliances are highly socially oriented and often embrace challenging issues that do not have tangible or short-term solutions (Andreasen, 1996; Austin, 2000a; Samu & Wymer, 2001).

Certainly, an important outcome of the NGO-corporate relationship should be both long-term financial performance and attainment of social outcomes (Seitanidi & Crane, 2008), yet scholars are still some way from agreeing upon how this can be achieved. Setianidi and Ryan (2007, p. 255) recognise that, whilst the literature continues to highlight attributes of successful partnerships "the historical, cultural and social context inherent in cross-sector partnerships, including the *a priori* power asymmetry, must be taken into account". This current research aims to address the notion of power within NGO-corporate alliances, and examine how this affects specific aspects of the partnership. The more specific goal of this research is to explore the role that particular alliance elements play in reducing the potential for financial goals to dominate social goals in such partnerships from the perspective of the NGO, and ultimately enable NGOs to achieve positive outcomes.

Section Summary

This discussion has explored a background to marketing in the third sector and NGO-corporate alliances. The following section of this Literature Review addresses the preconditions necessary for forming alliances and looks at the effect that these have on the power structure within the partnership. It also specifies and examines the outcomes that NGOs should strive for when embarking on these partnerships.

SECTION 2: FORMATION AND OUTCOMES OF THE NGO-CORPORATE ALLIANCE

INTRODUCTION

The previous section outlined a background to marketing in the third sector and NGO-corporate alliances. The following discussion examines the underlying theory of Resource Dependence. Based on this, the premise on which these alliances are formed and the outcomes they aim to achieve is examined. This research is focused on the perspective of the NGO, and although some discussion is given to the corporate partner and their objectives of the partnership, the primary concern is gaining as understanding of these alliances from the third sector viewpoint.

These alliances are generally formed on the basis of resources: the NGO is unable to perform effectively due to resource constraints and therefore seeks resources externally. Indeed, Iyer (2003) recognises that NGOs formed alliances as a result of either resource dependence or capability enhancement. For NGOs, the resources sought are generally tangible such as funding and marketing assistance. However, when selecting a corporate partner they will also seek one that will enhance, or at the very least not damage, their legitimacy. Thus, NGOs are seeking economic and social resources. In terms of the outcomes of the partnership, there is a bilateral focus as well with NGOs seeking to fulfil both economic and social objectives. This section opens with a discussion of Resource Dependence Theory. Following this is a dialogue regarding the formation of these partnerships based on resources and the potential outcomes for the NGO.

RESOURCE DEPENDENCE THEORY

The impact of the external environment on organisational structure and performance has been previously recognised by theorists as an important aspect of explaining organisational behaviour (Gulati & Sytch, 2007). Although there continues to be increasing interest in the behaviour of organisations themselves, the critical attention paid to the impact of their external environment is weak (Hudock, 1995). This is a problem that Pfeffer and Salanick (1978) recognised – that an emphasis is placed on how resources are used rather than acquired – and one that has not been appropriately addressed (Davis & Cobb, 2009; Hillman, Withers, & Collins, 2009; Hudock, 1995; Pfeffer & Salancik, 1978). Organisations are not separate entities that are independent from external pressures and are instead in continual interaction with their environment (Macedo & Pinho, 2006). Pfeffer and Salanick (1978, p. 1) recognise that in order "to understand the behavior of an organization you must understand the context of that behavior – that is, the ecology of the organization." From this insight into organisational structure, Resource Dependence Theory (RDT) emerged. RDT is an influential theory in studies of organisational strategy (Hillman, et al., 2009) and is considered one of the most appropriate theories for understanding organisational behaviour due to "the scope of its approach to organisations, combining an account of power within organisations with a theory of how organisations seek to manage their environments" (Davis & Cobb, 2009, p. 3). In addition, Heide (1994) recognises RDT as being one of the key approaches to understanding organisational governance.

RDT argues that because most organisations are not resource independent they become dependent on their environment (Toepler & Anheier, 2004). External actors can control critical external resources, influence management and threaten organisational autonomy (Pfeffer & Salancik, 1978; Toepler & Anheier, 2004). Organisations are required to adapt to requirements of resource providers (Froelich, 1999), whose importance is determined by the scarcity and uncertainty of the resources required (Macedo & Pinho, 2006). These resources can be material resources (money, human resources), information and social support (legitimacy) (Verbruggen, Christiaens, & Milis, 2009). Therefore, a critical organisational function is the ability to manage the effect this resource uncertainty can have (Froelich, 1999).

However, organisations do not simply comply with whatever external demands they face, but will employ various methods in order to manage dependency and retain autonomy (Toepler & Anheier, 2004). In accordance with RDT, organisations will survive so long as they manage the flow of resources by retaining their autonomy and managing their dependence on external groups. Organisations that are significantly more dependent (i.e. fewer resource providers or scarce resources) are more likely to feel that the resource environment and those who control the resources are more constraining (Macedo & Pinho, 2006).

Organisations can utilise a number of strategies that will enable the management of these resource constraints. The strategies that are employed will either reduce dependence of the organisation on its external environment or assist in obtaining other resources that are seen as critical (Topeler 2004). Pfeffer and Salanick (1978) suggested five actions that firms can use to minimise their reliance on the external environment: mergers/vertical integration; joint ventures and other inter-organisational relationships; boards of directors; political action; and executive succession.

RDT is often utilised in combination with other theoretical perspectives, such as Agency Theory (Kumar & Seth, 1998), Transaction Cost Theory (Elg, 2000) and Network Theory (Gulati, 1995). Specifically with regards to NGOs, resource-dependence has been explored by a number of authors (i.e. Guo & Acar, 2005; Heimovics, Herman, & Jurkiewicz Coughlin, 1993; Hudock, 1995; Macedo & Harris, 2002; Selksy & Parker, 2005) and linked with Institutional Theory (Guo & Acar, 2005), Network Theory (Guo & Acar, 2005), Transaction Cost Theory (Suárez & Hwang, 2008) and Market Orientation (Macedo & Pinho, 2006), in addition to being used as the sole theoretical explanation behind these alliances (Heimovics, et al., 1993; Hudock, 1995). Because this research is interested in the effects that resource-based power has on the NGO, Resource Dependence Theory is a highly suitable theoretical framework to use. This current research extends RDT by exploring how resource provision by a corporate partner can affect the NGO. The ensuing dependence and relationship, and the effects that these have on the outcomes of the alliance, offer a new perspective on the existing framework.

Relevance to NGO-Corporate Partnerships

Pfeffer and Salanick (1978) highlight a critical aspect of RDT in that it can further an understanding of the interaction between organisations and their environments. RDT lends itself to the exploration of dynamic relationships between two parties, such as the partnerships formed between NGOs and corporates: the complex and changing environments in which these organisations operate make RDT a suitable theoretical lens through which to view them. RDT is also particularly useful in the exploration of these alliances as it allows an examination of the ways in which NGOs can both affect and be affected by the external environment (Heide, 1994). For example, it can explore the ways in which outcomes are achieved that will then shape the NGO's external environment and also the ways in which internal dependence and relationship factors can be influenced. In effect, this extension of RDT facilitates examination of organisational behaviour from an internal and external perspective.

In discussions of organisational collaboration RDT is dwarfed only by Transaction Cost Theory (TCT) as a theoretical reasoning behind why firms collaborate (Hillman, et al., 2009). Many scholars claim that Transaction Costs offer a sound explanation to why organisations form partnerships (Rindfleisch & Heide, 1997; Valentinov, 2008; Williamson, 1985), however these explanations centre on the efficiency of the alliance in routine situations and do not capture the social and strategic factors that encourage formation of alliances (Eisenhardt & Schoonhoven, 1996). In this respect RDT emphasises the characteristics of the alliance, not the costs associated with it, and the strategic and social factors that can explain cooperative relationships (Davis & Cobb, 2009; Eisenhardt & Schoonhoven, 1996; Hillman, et al., 2009).

RDT has been empirically proven as a suitable theoretical framework to explore the relationship between NGOs and their environment (Heimovics, et al., 1993; Hudock, 1995). It has been used on numerous occasions to explain aspects of NGO organisational structure and performance (Macedo & Harris, 2002; Toepler & Anheier, 2004; Verbruggen, et al., 2009) such as executive leadership and board size, structure and involvement (Heimovics, et al., 1993; Hodge & Piccolo, 2005; Stone, Hager, & Griffin, 2001) partnerships with government (Saidel, 1991; Toepler, 2004), financial reporting (Verbruggen, et al., 2009) and within-sector collaboration (Guo & Acar, 2005). Suarez and

Hwang (2008) recognise that needing resources is one of the key reasons that NGOs form partnerships with corporates rather than other NGOs or government agencies. Yet despite recognition that RDT is one of the key platforms by which to examine cross-sector partnerships between NGOs and corporates (Selksy & Parker, 2005), there is comparatively little literature that specifically addresses these alliances (Austin, 2000b; Iyer, 2003; Lister, 2000) and even less that offers empirical evidence (Froelich, 1999; Suárez & Hwang, 2008). The literature is also particularly weak in its considerations of how interorganisational partnerships can address the NGO's own internal organisational and social needs (Selksy & Parker, 2005).

NGO-CORPORATE PARTNERSHIP: ALLIANCE FORMATION

NGOs form alliances with corporates in order to fulfill objectives that they couldn't otherwise achieve on their own (Iyer, 2003). With reductions in government funding and philanthropy, NGOs are seeking new ways to attract resources and fulfill increasing demand from stakeholders and the broader community. These partnerships are an increasingly critical tool for NGOs to ensure that they can maintain service and program provision uninterrupted. However, due to the disparate organisational construction of the partners, and the conditions under which these relationships operate, an asymmetrical power structure is often established. Power in any organisational relationship plays a significant role, however in NGO-corporate partnerships the notion of power is critical. The following discussion examines the concept of power within these partnerships and explores the effect of resource-based power on the NGO.

Power and the Exchange Relationship

Power is an outcome of exchange relations (Zafirovski, 2005). Within inter-organisational relationships it refers to the extent that one party can influence the other in terms of affecting decisions that are significant to achieving the objectives of the alliance (Muthusamy & White, 2005). The key insight of any exchange theory into the concept of power relates to the equation of power with resources and the association between power and dependence (Zafirovski, 2005). The principal power base of the partnership is the resources that each partner can bring (Emerson, 1962). The relationship between power and dependence is at the core of exchange theory (Molm, 1991, p. 476) and Golensky (1993, p. 177) recognises that all conceptions of power include "dependence-interdependence as essential features of a power relationship". Within notions of power and dependence, non-reciprocal behaviour leads to inequality and asymmetry (Emerson, 1962). In relation to extending the concept of power through the application of a resource-dependence framework, Davis and Cobb (2009, p. 5) state that "the emphasis on power…is a hallmark of Resource Dependence Theory that distinguishes it from other approaches".

Power can be addressed from a behavioural perspective, whereby the actions by a person or a group can affect the behaviour of others (Pfeffer, 1997), but can also be influenced strongly by culture and accepted behaviour (Lister, 2000). Power can be seen as both the potential to influence parties and how this influence is exercised (Golensky, 1993). In NGO-corporate alliances power can exist both in the actions of the partners (i.e. providing/withholding resources) and in the preconceived notions that a power imbalance exists (i.e. an imbalance is inevitable and the NGO is the weaker party). Through the exchange process, power can be applied or asserted to different degrees within the alliance. Dahl (1957, p. 203) suggested that an estimation of power can be achieved through measuring the amount of change induced in either party through exchange: "A has power over B to the extent that he can get B to do something that B would not otherwise do".

Power relationships can be symmetrical, where both parties posses the same capabilities to affect decisions, and this can lead to satisfaction from exchange relations (Molm, 1991). They can also be asymmetrical where one party has greater control or influence over the other (Muthusamy & White, 2005). Reciprocal or balanced relationships do not, however, imply an absence of power but rather an ability on behalf of the partners to exercise restraint over their actions (Emerson, 1962; Zafirovski, 2005). Power can manifest itself in a number of ways: the transformation of power into authority (Emerson, 1962; Zafirovski, 2005), into coercive power (Molm, 1991), or into reward or punishment (Olson & Marger, 1993).

Power and the Exchange Relationship: NGO-Corporate Alliances

It is recognised that studies of partnerships between NGOs and commercial organisations must address the issue of power dynamics (Lister, 2000; Selksy & Parker, 2005; Wymer & Samu, 2003a). Wymer and Samu (2003a) state that a key characteristic of the NGO-corporate partnership is the proportion of power that each party has in the relationship and Selsky and Parker (2005) recognise that power imbalance is problematic as it can lead to opportunistic behaviour that can negatively affect the outcomes of the alliance. Further, Hardy and Philips (1998) assert that power is inseparable from the fundamental processes of inter-organisational collaboration. Although power plays a role within all types of alliances or partnerships, differences in power are recognised as particularly difficult to address within cross-sector collaborations where the strengths of each partner are assessed by different means (Waddell, 2000).

Scholars have argued that all unbalanced or asymmetrical relationships are inherently unstable (Muthusamy & White, 2005; Zhuang & Zhou, 2004). They have recognised that a central component of success in marketing alliances is to have a balance of power between the partners (Bucklin & Sengupta, 1993). This is acknowledged to be exceedingly difficult and instead it is recommended that organisations embarking on alliances should choose a partner with similar market presence and financial resources (Bucklin & Sengupta, 1993). However, for many NGOs this is not a realistic option as they are partnering with a firm who is often significantly more powerful in both these areas.

Literature examining power within commercial alliances argues that partners who are unevenly matched in terms of resources are more likely to experience unsuccessful partnerships than those who have a perceived balance of power (El-Ansary, 1975; Emerson, 1962; Gaski, 1984). In their examination of commercial co-marketing alliances, Bucklin and Sengupta (1993) found that companies embarking on alliances tended to prefer exchanges with partners they perceived to be of equal power as there were fewer costs associated with the exchange process and the potential for exploitation was diminished. Shenkar and Yan (2002) found that attempts to redress the existing power imbalance by one partner in order to create an equal balance of power led to instability within the relationship. Within the third sector literature there is also the recognition that instability can potentially lead to alliance failure (Wymer & Samu, 2003a). There is also the recognition that partnerships between NGOs and corporates are inherently unstable and as they are unevenly matched in terms of resources (Elliot, 1987).

However, Hingley (2005, p. 68) claims that "it is not safe to assume that the natural state for exchange relationships is one of symmetry or equilibrium". Relationships between NGOs and corporates operate under the rubric term of partnership that acknowledges an unequal level of power between the two organisations (Spall, 2000). Spall (2000) has argued that these types of partnerships offer a new dimension of power. This is also recognised by Lister (2000) who found that a changed reality was created in which these partnerships could operate successfully within an asymmetrical framework of power. Wood and Gray (1991) acknowledge that cross-sector partnerships operate within a different sphere to other strategic alliances and state that constructively addressing a perceived power imbalance can increase the likelihood of alliance success. Setianidi and Ryan (2007) claim that stability, or reaching a symmetrical power relationship, should not be the key goal for cross-sector partnerships. Rather, they suggest that recognising and respecting the heterogeneity between two types of organisations is a priority for NGO-corporate partnership survival.

Power within a NGO-corporate alliance context has been examined independently from both behavioural (Lister, 2000) and economic (Lambe, Spekman, & Hunt, 2002) perspectives. However, compared to the commercial marketing literature these dialogues are still relatively scarce (Parker & Selsky, 2004; Wymer & Samu, 2003a). In their review of literature on cross-sector partnerships, Selsky and Parker (2005, p. 865) state that "structural power asymmetries...have recently been identified, but much more research is needed in this area". Hardy and Philips (1998) suggest that the role of power within the inter-organisational domain and the impact of different aspects of power needs to be addressed more thoroughly. To date, no large-scale empirical studies have satisfactorily addressed the concept of power within the NGO-corporate alliance context (Gray, 1985; Parker & Selsky, 2004; Wymer & Samu, 2003a).

Much of the discussion surrounding power focuses on identifying problems associated with large power imbalances rather than addressing the source of the power or finding solutions to overcome them (Lister, 2003; Wymer & Samu, 2003a). Referring to academic examination of partnerships between NGOs and donors, Lister (2003, p. 236) recognises that "it is not sufficient just to consider asymmetries of power... but the wider framework [of the partnership] must also be taken into consideration". Further, Gray (1985) acknowledges that there is an imbalance in power in partnerships between NGOs and corporates and that this needs to be constructively addressed in order to increase the success of cross-sector partnerships.

Within the NGO-corporate alliance literature some authors have recognised that although these relationships do not have an equal balance of power they can effectively perform in this asymmetrical framework (Covey & Brown, 2001; Lister, 2000; Waddell, 2000). There has been acknowledgment that differences in power necessitate the exploration of new exchange mechanisms to facilitate organisational interactions (Waddell, 2000). In their examination of partnerships in the Canadian health system, Scott and Thurston (2004) go some way to exploring this through their recognition that partnerships with unequal distributions of power were more successful when they ensured that relations and formal management mechanisms matched perceived power differentials (i.e. higher power differentials saw greater controls put in place). Lister (2003) found that in the creation of a framework of power within which NGOs and corporates operate the key element was defining the control of the financial resources. Hardy and Philips (1998) recognise the need for more in-depth analysis of this area and call for further work on different types of partnerships which acknowledge power differentials and are able to operate without being balanced. A discussion of how power is formed in the NGO-corporate alliance follows.

Resource-based Power in the NGO-Corporate Partnership

Although power can be administered differently within organisational collaborations, the resources that each party brings to the partnership are generally the basis through which power is initially established (Covey & Brown, 2001). Partnerships between organisations are usually formed because neither party can achieve their objectives alone – they need the resources that the other can offer in order to do this: this is called the resource-dependence perspective (Davis & Cobb, 2009; Hillman, et al., 2009; Hudock, 1995; Pfeffer & Salancik, 1978). The notion of one organisation having power over another is often linked to the organisational dependence that can arise from resource acquisition and control (Zafirovski, 2005) (i.e. the better resourced party holds the majority of the power and the weaker party will become dependent on them). Hudock (1995) found that organisations who had control over certain, desirable resources were more powerful than those organisations seeking the resources. Other scholars have found that parties with greater control over resources will be more effective in influencing the partnership (Hardy & Phillips, 1998). Thus, the power in an NGO-corporate partnership can be estimated by examining who has control over its resources and the decisions that are made regarding these (Hardy & Phillips, 1998; Parker & Selsky, 2004). This includes looking at how different types of resources are more or less valuable than others and if this changes over the course of the partnership (Parker & Selsky, 2004).

Saidel (1991, p. 544) defines resources as “anything of value, tangible or intangible, that can be exchanged between organizations”. French and Raven (1959) differentiate types of resource power that can be administered within partnerships into categories which can be defined as distinctly tangible (rewards, expertise) or intangible (coercion, legitimacy, identification). Arya and Lin (2007) state that firms can provide material resources (finance) or nonmaterial resources (status). Other authors have suggested that resources in inter-organisational relationships are financial/economic or social (Brinkerhoff, 2005; Emerson, 1976; Luo & Donthu, 2007; Peloza & Hassay, 2008; Rindfleisch & Heide, 1997). This attests to the fact that power can come in a number of different forms.

Within the commercial sector, both parties usually contribute financial/economic resources to the relationship (Kale, Dyer, & Singh, 2001). This however is not the case with cross-sector partnerships, as NGOs are not generally capable of providing the corporate with financial resources. Within these partnerships, there are very specific resource requirements that are expected from the NGO (Rondinelli & London, 2003; Seitanidi & Ryan, 2007). Studies that address power between NGOs and corporates have focused on the economic or financial dependency of the NGO on their partner (Macedo & Harris, 2002). This negates the notion that power can come from other, non-economic sources. NGOs will certainly pursue partners from whom they can receive financial resources. However, they also require a partner from whom they can receive, or at least maintain, legitimacy so as not to damage their own credibility. For the NGO, legitimacy is a crucial resource required in order to maintain their social license to operate. The corporate can wield authority over the NGO by enhancing or threatening the NGO’s legitimacy. Thus, within the NGO-corporate partnership, the corporate has to ability to bestow or retract power through both social and economic means. This is discussed in detail below.

Social Resources: Legitimacy

When discussing NGO-corporate partnerships social power refers to the potential to influence other's actions through intangible means (Emerson, 1976) such as providing or withholding legitimacy. Legitimacy as defined by Dacin et al. (2007) is a concept that concerns the extent to which an organisation's structure and function conforms to societal norms, values and expectations. Edwards (1999, p. 258) provides a definition of legitimacy as it applies to NGOs, suggesting that it is:

> Having the right to be and do something in society – a sense that an organisation is lawful, proper and admissible and justified in doing what it does, and saying what it says, and continues to enjoy the support of an identifiable constituency.

Thus, an organisation's legitimacy is emphasised by social acceptance, which is a result of adhering to social norms and expectations (Deephouse & Carter, 2005; Ruef & Scott, 1998; Wymer, 2004). Social expectations can be explicit and be set by governments or professional associations, or they can be implicit in that they emerge from participants in the social system (Deephouse & Carter, 2005). Legitimacy within NGO-corporate partnerships refers to the perception that the relationship is acceptable to the NGO's internal and external stakeholders.

To date, research has tended to overlook the importance of legitimacy as a function of the NGO-corporate alliance (Lister, 2003). Degrees of legitimacy affect who organisations want to partner with, the governance mechanisms that are put in place, and how companies are affected in terms of their credibility (Dacin, et al., 2007; Samu & Wymer, 2001; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a). If an alliance is effectively managed then it can give both the NGO and their corporate partner a heightened sense of legitimacy (Seitanidi & Ryan, 2007). This research extends current theory by exploring the effects of legitimacy as a form of social power within the NGO-corporate partnership.

Although legitimacy as a social resource that the NGO can wield is an important research agenda, this current study is concerned with the effects that resource-based power has on the NGO. Therefore, the primary interest is the degree to which corporate-based legitimacy can affect NGOs that are involved with commercial partnerships. Unlike the economic resources that are discussed later, legitimacy is a requirement of both parties when embarking on a partnership. Therefore, it is important to touch on the legitimating role that NGO-corporate partnerships can play for both organisations. These are outlined in the Table 4, and discussed below.

Table 4: The Legitimating Roles of Alliances for Corporate and NGOs

	NGO: Market Legitimacy	**Corporate: Social Legitimacy**
Definition	Rights and qualifications to conduct business in a particular market	Conformity to social rules and expectations
Environmental characteristics driving need for legitimacy	Dependence on authority and endorsement for market entry and existence	Monitoring of compliance with social rules; socially responsible image
Organisational characteristics driving need for legitimacy	Market experience; reputation; past performance; government endorsement	Visibility of activity or output; social impact; image of social responsibility
Motive for entering a strategic alliance	To increase legitimacy in market to stakeholders and potential partners	To increase legitimacy as being socially responsible
Legitimacy source(s)	Partner's legitimacy in market	Partner's social image
Target(s)	Governments; suppliers; clients; stakeholders	Public interest groups; local communities; customers
Economic or competitive benefits	Entrance into or continued existence in a market	Possession of a socially responsible image

(Adapted from Dacin, et al., 2002; Lister, 2003)

Legitimacy for the corporate partner

Legitimacy theory is grounded in the notion that there is a social contract between corporations and society. For an organisation to survive and grow they have to distribute economic, social and/or political benefits to the groups from which they derive their power (Magness, 2006) and thus corporates need to prove to their shareholders and customers that they have a degree of legitimacy. There has been extensive exploration by many theorists into the importance of Corporate Social Responsibility (CSR) in the current market economy (Marin & Ruiz, 2007; Sen, et al., 2006). Marin and Ruiz (2007) found that companies involved in CSR activities had improved links with consumers, higher customer loyalty and more positive word of mouth. For this reason, corporates need the legitimacy that they can gain from partnering with NGOs (Lister, 2003; Singhapakdi, Vitell, Rallapalli, & Kraft, 1996).

Hardy and Phillips (1998, p. 220) recognise that “legitimacy is not an objective state, but one based on power and created through the management of meaning”. Thus, the degree to which an organisation is perceived as legitimate by wider society determines the degree to which it can wield this as a powerful resource. Some NGOs are able to influence their corporate partners because they possesses the power of legitimacy and can manipulate issues that are relevant to that particular domain (Hardy & Phillips, 1998). For example, Greenpeace can attract public and media attention and pressure the government because they are speaking ‘on behalf’ of the environment. Hardy and Phillips (1998, p. 219) go on to suggest that this type of legitimacy can be more powerful than “resource-rich corporates whose self interest is more obvious”. Doh and Teegen (2002) also recognise that NGOs can achieve positions of power based on a strong, legitimate reputation. However, too often NGOs are in a position of less power in the partnership based on their own resource scarcity (Spall, 2000). Therefore the more pressing issue is how their corporate partner can affect their credibility.

Legitimacy for the NGO

A premise of resource-dependence is that an organisation will externally seek resources that are internally scarce (Pfeffer & Salancik, 1978). An NGO will often initially source economic resources as they generally have legitimacy already. This suggests that NGOs do not primarily seek out corporate partners based on their ability to increase legitimacy. However, a by-product of the partnership can be enhanced authority (Seitanidi & Ryan, 2007). This can come from the organisation’s own stakeholders as they see the NGO performing more effectively and being able to evoke change more efficiently as a direct result of the corporate relationship (Hoffman, 2009; Lister, 2003). In addition, external organisations may view the partnership as testament to the NGO’s own capabilities as a business and therefore their perceived legitimacy increases. Some NGOs, particularly those who are attempting to move away from the traditional charity business model, have found that partnering with a commercial company can increase their own credibility within the market, especially if they are attempting to strengthen their attractiveness as a potential business partner to other organisations, both within and across sectors (Dacin, et al., 2007;

Lister, 2003). Suarez and Hwang (2008) found that NGOs who subscribed to a business-like model were more likely to partner with corporates regularly than those who continued to embrace the traditional NGO organisational form. These organisations were also more likely to hold partnerships with other NGOs and government agencies (Suárez & Hwang, 2008). From this, it could be inferred that NGOs embarking on cross-sector alliances were more desirable to other partners.

Despite evidence of the positive ways in which partnerships with corporates can affect a NGO's legitimacy there is proof also that these relationships can have a negative impact (Hoffman, 2009). Being perceived as legitimate is crucial for NGOs in order to retain the support of their stakeholders. Some NGOs consider the negative perception of a potential corporate suitor by their stakeholders as reason enough to avoid the relationship altogether (Hoffman, 2009; Lister, 2003; Wymer, 2004). Others however view the financial contribution of a potential corporate partner as greater than the sum of its remaining stakeholders. Stakeholder dissatisfaction might lead to a perception that an NGO-corporate partnership is negatively affecting NGO activities. In these instances, the NGO can often maintain legitimacy by publicly antagonising and sparring with corporations as well as seeking to work alongside them (Hoffman, 2009).

For NGOs embarking on these alliances there is a particular concern with maintaining their own credibility within and outside of the partnership (Lister, 2003; Lyons, 2001). The effect of corporate-provided legitimacy on the partnership is consequently vitally important. This is a concept that to date has been underdeveloped within the alliance literature (Lister, 2003; Spall, 2000). This study, therefore, examines the extent to which corporates provide legitimacy (and by default, affect the credibility of the NGO) to the partnership and the effects this has on the alliance.

Economic Resources: Financial

From a social perspective, power refers to the capabilities of one party to influence the other in exchange transactions through intangible means (Emerson, 1976). By supplying the financial resources in demand, one party can establish economic power over the other (Muthusamy & White, 2005). Unlike legitimacy, which is viewed as essential for both partners to receive and maintain for the partnership to be viewed as a success, financial resources are only expected to be provided by the corporate partner (Seitanidi & Ryan, 2007). Within economics the concept of power is one that has been examined in detail (Brown, Lusch, & Nicholson, 1995; Jarzabkowski, 2008; Ryals & Humphries, 2007).

Economic power is obtained through the possession and control of financial resources that are valuable to the other party (Berthon, Pitt, Ewing, & Bakkeland, 2003). Economic incentives can be offered within the alliance by any of the parties involved, however are usually provided by the better financially resourced party (Andreasen, 1996; Luo, Rindfleisch, & Tse, 2007). This is generally the commercial partner within NGO-corporate alliances (Seitanidi & Ryan, 2007). These resources include the attributes, assets and conditions within the relationship that represent and generate each organisation's dependence on the other (Berthon, et al., 2003). Within the NGO-corporate partnership economic arrangements can take a variety of forms, such as major or minor donations, co-branding of products, access to previously inaccessible markets or the sharing of expertise (Hoffman, 2009; Seitanidi & Ryan, 2007). For many NGOs, the reliance on external sources is a reality in order to maintain the provision of programs and services (Samu & Wymer, 2001; Seitanidi & Crane, 2008; Wymer & Samu, 2003a).

Lister (2000) states that the control of financial resources is cited as the most common reason for NGOs and corporates not being able to form authentic partnerships. Financial resources are seen as a constraint on the relationship that make the NGO dependent on their partner (Lister, 2000) and can induce loss of autonomy for the NGO through formal restrictions placed on the partnership by the corporate (Guo & Acar, 2005). This reliance on financial resources can lead to dependence if the resources are not available elsewhere. Many cross-sector collaborations are formed based on a response to turbulent conditions in an organisation's resource environment (Guo & Acar, 2005; Pfeffer & Salancik, 1978). For NGOs, financial resources have become increasingly scarce, as untied philanthropy is in short supply and governments have withdrawn much of their funding whilst encouraging NGOs to engage more with the business community (Lyons, 2001). Survival in the current commercial climate means interacting with organisations who control desired resources (Hudock, 1995). More intensive research is required to examine the effects of resource-based economic power (Lister, 2000) and ways of overcoming constraints it might impose on the NGOs within these partnerships (Hudock, 1995).

The importance of both economic and social resources as an input to NGO-corporate alliances is recognised theoretically as well as in practice. These partnerships are formed on the basis of resources being contributed to the alliance. The preconditions for alliance formation are not the only aspects of the partnership that this study is concerned with. The desired outcomes of the partnership are just as important to understand in order to gain a holistic insight into these unique alliances.

NGO-CORPORATE PARTNERSHIPS: OUTCOMES

By their very nature, NGO-corporate partnerships are different from business-to-business alliances (Wymer & Samu, 2003a). As discussed above, the resource inputs differ from more traditional within-sector alliances, and subsequently the outputs are unique too. These alliances involve two partners who often have disparate goals, and whose outcomes – just like their inputs – include both social and economic aspects. Because of this, the use of traditional measures such as return on investment (ROI) and share value are not used to gauge the success of the alliance. The following discussion highlights the outcomes of the NGO-corporate alliance, from the perspective of the NGO.

Specific Outcomes of the Alliance

Collaborative performance is uniformly problematic to measure regardless of whether it relates to cross-sector or within-sector partnerships. For NGO-corporate partnerships particularly, outcomes are very specific yet difficult to define. This is due to the fact that partners may receive both economic (i.e. revenue) and non-economic (i.e. learning, market development) benefits (Wittmann, 2007). The efforts to define variables by which to assess the outcomes of NGO-corporate alliances have been hindered by a lack of reliable measures that encompass the broad scope of these cross-sector partnerships. In his study of commercial alliances, Wittmann (2007) found that an important factor in alliance success was the development of performance standards and indicators prior to initiating a partnership. This is an area that has been woefully under-researched in the NGO marketing literature and subsequently there is no agreed upon definitive measures of alliance success.

Strategic Marketing Theory claims that it is not the type of alliance but rather the way that marketing activities are implemented which will determine successful outcomes (Vorhies & Morgan, 2003). This emphasises the need to create measures for alliance outcomes that can be used for a variety of collaborative arrangements between NGOs and corporates. By ensuring that formalised objectives and management processes are incorporated into the administration of the alliance, then expected outcomes can be favourable (Simonin, 1997). Although NGO-corporate partnership outcomes are discussed generally within the literature (Polonsky, et al., 2004a, 2004b; Wymer & Samu, 2003b), no measurable constructs exist that have been specifically developed for this purpose.

Because NGO-corporate partnerships often have very different objectives to commercial partnerships, translating measurement tools directly from the corporate literature is not appropriate, however this does not mean they should be totally discounted. Within the literature on commercial strategic alliances, three measures of success have been proposed: financial measures, objective measures and subjective measures (Kauser & Shaw, 2004; Wittmann, 2007). Financial measures refer to the fulfilment of economic goals; objective to the survival, duration and stability of the alliance; and subjective to an overall assessment of the success of the alliance (Bucklin & Sengupta, 1993; Kauser & Shaw, 2004).

Within the NGO literature Selsky and Parker (2005) recognise three broad ways in which cross-sector partnerships have been previously measured: direct impact on the issue/cause; impact on building capacity, knowledge, or reputational capital; and influence on policy and system change. All of these are difficult or even impossible to measure, particularly because many of them (i.e. influence on policy and system change, impact on building reputational capital) would require longitudinal data that the NGO may not have. Many NGOs do not have a dedicated market research function, and often alliances have a defined duration (i.e. sponsorship arrangements) that may not provide the data required. Also, these measures do not take into account any economic or financial goals that the NGO might have when partnering with a corporate.

For NGO-corporate partnerships it is not feasible to measure alliance outcomes from one single perspective; both economic and social outcomes have to be achieved. What is required, in terms of measurement, is a combination of both the commercial and NGO measurement tools. This study therefore employs a range of measures to evaluate outcomes, which are discussed below. These are based on a review of the commercial and NGO literature regarding partnerships.

Achievement of Social and Organisational Objectives

NGO-corporate partnerships differ from other types of alliances, and therefore it is important to examine the different objectives they hope to achieve. The outcomes of such partnerships are focused on the achievement of both social objectives (positively affecting the issue or cause) and organisational objectives (long-term financial performance, increased market exposure) (Andreasen, 2002; Brown & Ashman, 1996; Freer, 2004; Kale, et al., 2001; Lambe, et al., 2002; Selksy & Parker, 2005; Wymer & Samu, 2003a, 2003b). Although for NGOs, organisational objectives can be synonymous with social objectives, they are often also looking for things such as increases in funding, resources or exposure, which are separate to their issue or cause (Andreasen, 2002).

For NGOs, the outcomes of cross-sector partnerships should be two-fold; ideally, organisations are aiming for both long-term financial performance and attainment of social outcomes (Selsky & Parker, 2005; Seitanidi & Crane, 2008). Because traditional financial means do not consider the broader strategic implications for NGOs – such as social outcomes – other means are more effective measures of alliance success (Polonsky, et al., 2004a; Wymer & Samu, 2003b). Due to the difficulty in defining and measuring these less tangible outcomes, only a handful of scholars have explored this area (Bucklin & Sengupta, 1993; Milne, et al., 1996; Polonsky, et al., 2004a; Samu & Wymer, 2001).

NGOs are formed as a response to a community or minority need. As such, their primary objective is to fulfil their pledge to their stakeholders. However, in order to do this NGOs need to ensure that appropriate resources are continually available. Organisational objectives refer to the aspects of the alliance that may not be specifically related to the cause; however in achieving them, the NGO will be better placed to assist their stakeholders. The functions of these outcomes are: to improve the market image and reputation of the NGO so that they are better placed to attract and retain funding (Selksy & Parker, 2005); to obtain resources that are needed in order to continue service and program provision (Lambe, et al., 2002; Wymer & Samu, 2003a); and to increase awareness of the organisation within the larger community (Lambe, et al., 2002; Samu & Wymer, 2001; Selksy & Parker, 2005; Wymer & Samu, 2003a), which could have the effect of increasing funding and other much needed resources.

NGOs also need to consider the achievement of their social objectives. These outcomes are going to have a direct impact on the issue or cause of the NGO. Social objectives refer to: the degree to which the alliance has positively impacted the issue or cause for the particular NGO (Andreasen, 2002; Selksy & Parker, 2005); how the alliance may have affected social policy in the NGO's favour (Andreasen, 2002); and the reaction of the NGO's stakeholders to the alliance (Selksy & Parker, 2005; Wymer & Samu, 2003a).

In addition to the achievement of organisational and social objectives, perceptions of success from the NGO are also important in assessing outcomes. Exchange theories predicts that satisfaction varies with the values of the outcomes that are achieved by either party (Molm, 1991) and thus, how effective the NGO perceives the alliance to be is also taken into account.

Perceived Alliance Effectiveness

Perceived effectiveness refers to the extent that the organisation is committed to the alliance and finds it productive and worthwhile (Bucklin & Sengupta, 1993). It is a measure that was developed in organisational theory and applied previously to dyadic relationships between partners (Bucklin & Sengupta, 1993; Ruekert & Walker, 1987). This study is particularly concerned with the perspective of the NGO; it is not dyadic and does not consider the corporate's perspective. However, mutual performance is a key part of alliance success (Bucklin & Sengupta, 1993), and therefore it is important to gauge perceptions of both partner's achievements. Perceived effectiveness is measured through the NGO perceptions that the alliance was a success, and also through their opinion of how effective the corporate believed the alliance to be.

These three outcome measures – achievement of organisational objectives, perceived effectiveness, and achievement of social objectives – are measured independently of each other, rather than combining them to be a single construct, 'outcomes'. Because they are constructs which have been specifically developed for this study the effect that different aspects of the alliance had on them individually was desired.

Section Summary

The previous discussion has centred on the foundations of the NGO-corporate alliance and the desired outcomes. Alliances are formed based on the provision of resources by both the corporate and the NGO. These resources have been defined as either financial resources or legitimacy. Through the provision of these resources, and corporates can wield power over the NGO. The ramifications of this resource-based power, and the subsequent effect on the defined outcomes, are areas that are yet to be explored in any great detail within the academic literature. The following dialogue explores the effects that this imbalance of power can have on structural and relational aspects of the alliance, and how these can subsequently temper the effect of power imbalance on the outcomes.

SECTION 3: STRUCTURAL (DEPENDENCE) AND RELATIONAL (RELATIONSHIP) CHARACTERISTICS OF THE PARTNERSHIP

INTRODUCTION

The previous section of the Literature Review examined the resource conditions necessary for the formation of an NGO-corporate alliance and the outcomes that can be expected, from the perspective of the NGO. The provision of resources from the corporate can impact the structural (dependence) and relational (relationship) characteristics of the partnership.

For NGOs the greatest cost of developing relationships based on resources is a loss of autonomy as their reliance on an external party increases (Eberl & Schwaiger, 2004; Macedo & Harris, 2002). Although there are discussions in the literature regarding NGO dependence on their corporate partner (Iyer, 2003; Milne, et al., 1996), what is not known is the extent to which resource provision creates a dependence association and subsequently how this can affect alliance outcomes. This research argues that the varying degrees of dependence that emerge are a key structural characteristic of the alliance, which can subsequently affect the partnership outcomes.

In addition to the dependence of the NGO on their partner, resources can affect the relationship between the parties. Understanding how power-based resources can influence relationship factors and how these in turn affect outcomes can offer important insights into the governance of the alliance. Using relationship governance to manage the alliance is believed to be a particularly effective means of overseeing partnerships that are inherently risky (MacMillian, Money, Money, & Downing, 2005). Through the use of the relationship as a governance mechanism, NGOs could potentially reduce the uncertainty associated with the resource constraints and the impact that power can have on the partnership. The roles of partner dependence and relations in the NGO-corporate alliance are discussed in detail below.

DEPENDENCE

Dependence, in relation to resource-based exchanges, is regarded as central to explaining the behaviour between two organisations (Andaleeb, 1996; Morgan & Hunt, 1994; Pfeffer & Salancik, 1978). The theoretical framework of this study – Resource Dependence Theory – operates on the premise that organisations are not resource independent and examines the extent to which organisations rely on their environments (i.e. other organisations) to overcome resource constraints. Firms become dependent as a direct result of engaging in some process of exchange in order to obtain resources necessary for the achievement of their goals but outside of their control (Grundlach & Cadotte, 1994). The connection between power and dependence is clearly established: by supplying resources needed by another organisation, power can be established and a dependence of one organisation on another can emerge (Heide, 1994; Hillman, et al., 2009; Pfeffer & Salancik, 1978; Young-Ybarra & Wiersems, 1999).

Hillman et al. (2009) acknowledge that there is increasing interest amongst scholars on the relationship between power and dependence stemming from resource provision. Froelich (1999, p. 263) recognises that:

> Evolving dependency relationships in response to changing resource environments is yet another example of non-profit resourcefulness; new means of support are employed so that mission accomplishment can proceed. Although the shifting trends in revenue strategies may be noble in intent and logical given resource dependence considerations, unanswered questions about the ultimate impacts on individual organizations and on the non-profit sector as a whole cause lingering concern.

Dependence in the context of this study is defined as the extent that the NGO relies on the relationship with its corporate partner for the fulfilment of its objectives (Hewett & O'Bearden, 2001) both within and outside of the partnership. The involvement between dependence, power and outcomes is discussed in detail below.

Power and Dependence

The NGO-corporate relationship is generally regarded to be one of inequality and disparity due to the discrepancy in perceived resource value and provision. This impression is summed up by Elliot (1987, p. 65), who states that:

> This is a dialogue of the unequal, and however many claims are made for transparency or mutuality, the reality is – and is seen to be – that the donor can do to the recipient what the recipient cannot do to the donor. There is an asymmetry of power that no amount of well-intentioned dialogue can remove.

Scholars have observed that asymmetric relations are less stable than those with an equal balance of power. This can lead to lower levels of trust and confidence in future endeavours, and can result in feelings of dissatisfaction by the more dependent party (Grundlach & Cadotte, 1994). Because of this the potential for financial, goal or ideological tension within such relationships is significant (Hoffman, 2009).

According to Pfeffer and Salancik (1978) there are three elements which will constitute the dependence of one organisation on another: the importance of the resource to the party who requires it; the extent to which one of the partners exercises control over the desired resources; and the availability of alternatives for these resources. They state: "interdependence exists whenever one actor does not entirely control all of the conditions necessary for the achievement of an action or for obtaining the outcome desired from the action" (Pfeffer & Salancik, 1978, p. 40). Within the NGO-corporate alliance, dependence can emerge based on social and economic resource requirements. Particularly for the NGO, dependence on their corporate partner materialises when they are being provided with important resources that enable them to provide for their stakeholders.

In her work on understanding funding requirements of NGOs, Gronbjerg (1993) noted that significant variation in corporate funding to specific NGOs from year to year increased the volatility of NGOs. In an environment of resource scarcity such as this, a dependence relationship is more likely to occur (Hudock, 1995). In her study of NGOs and donors, Lister (2003) found that the NGO became dependent on the donor due to an emphasis on the importance of economic resources. In addition, she found that power within these relationships was seen to rest with the party who provided the financial resources – most often the corporate. This is a theme that is prevalent both within the literature and the industry itself: within NGO-corporate partnerships, the organisations that provide tangible financial resources were perceived as the more powerful (Berger, et al., 2004; Lister, 2003; Selksy & Parker, 2005) and thus commanded dependence from the 'weaker' party. Therefore, it could be assumed that there is a positive correlation between a NGO's dependence on their corporate partner and the financial resources they are being provided.

Dependence can also occur from a social resource perspective. NGOs rely on their corporate partner to enhance their legitimacy, or at the very least not damage it (Hoffman, 2009; Milne, et al., 1996). In her work on foreign and local NGOs, Hudock (1995) highlights the dual dependency felt by NGOs as they struggle to manage their immediate internal environment as well as exist in a broader external environment. She suggests that NGOs need to be careful that, while dealing with external demands they do not change their internal structure and behaviour patterns to the extent that they alienate their primary stakeholders (Hudock, 1995). Many other scholars have cautioned NGOs on similar grounds, claiming that this will reduce the organisation's perceived legitimacy (Lister, 2000; Seitanidi & Ryan, 2007; Selksy & Parker, 2005). This is particularly important for NGOs when embarking on relationships with corporates. Kelly (1998) found that NGOs who were targeting corporate funding were more likely to become heavily influenced by the public relations objectives of the corporate. Froelich (1999) states that corporate contributions to NGOs are associated with structural and procedural changes within the NGO as they attempt to gratify their corporate partner.

For the NGO, legitimacy is gained by adhering to the norms and expectations set by stakeholders and society, not fluctuating based on the whims of the corporate partner. Legitimacy is an operational necessity for NGOs, who without this social credibility would lose the respect of their stakeholders and potential partners (Berger, et al., 2006; Wymer & Samu, 2003a). Therefore, it could be assumed that a NGO would become more dependent on a corporate partner that provided legitimacy as opposed to one who did not.

In their work on the partnerships between NGOs and government agencies, Macedo and Harris (2002) highlighted the importance of understanding the implications that different types of resource dependencies have on the perceived autonomy of NGOs. This current research extends this concept by looking at the effect that different types of resources have on the dependence of the NGO on their corporate partner. Despite acknowledgement that this is a potentially key problem for NGOs – how to balance the demand between social and economic resources and dependence – there is little evidence to suggest an answer. Indeed, one of the difficulties associated with organisational research is estimating the power-dependence structure before the relationship has started (Buvik & Reve, 2002). With the following hypotheses this study attempts to address this gap in current knowledge. This research asserts that both economic and social resources are important for the NGO and that they will become dependent on their corporate partner based on the provision of these.

From the previous discussion regarding power and dependence within the NGO-corporate alliance relationship, the following research question and hypotheses are proposed:

RQ1 To what extent do aspects of power affect the dependence of the NGO on their corporate partner?

H1 There is a positive relationship between the provision of legitimacy and the dependence of the NGO on their corporate partner.

H2 There is a positive relationship between the provision of financial resources and the dependence of the NGO on their corporate partner.

Dependence and Outcomes

An imbalance of resource-based power can lead to dependence in a partnership between two organisations, with the level of perceived dependence an important feature of the relationship (Hewett & O'Bearden, 2001). The nature of the alliance formed between the partners and the scarcity of resources can affect this dependence (Emerson, 1962; Zafirovski, 2005), and scholars have argued that dependence can have either a positive or negative effect on partnership outcomes (Parkhe, 1993; Young-Ybarra & Wiersems, 1999). Within the NGO-corporate partnership the resources that it receives will affect the level of dependence the NGO has on the corporate. NGOs are continually torn between their dependence on other organisations for resources and their desire to be autonomous (Hudock, 1995). This dependence can affect how the outcomes of the partnership play out and the degree to which the NGO can achieve its social and organisational objectives (Lister, 2000).

Research into channel marketing has found that the dependence of one party on another leads to compliance by the dependent party (Hewett & O'Bearden, 2001; Joshi & Arnold, 1998). In addition, high levels of dependence can limit the learning potential of each partner and create dysfunctional ties (Gargiulo & Bernassi, 1999; Uzzi, 1997). In this instance, rather than reinforcing the commitment of both parties to the relationship, dependence can threaten organisational autonomy and manifest in opportunistic behaviours by the more powerful party (Grundlach & Cadotte, 1994; Pfeffer & Salancik, 1978; Simonin, 1997; Williamson, 1985).

It has also been argued, however, that dependence may serve to commit the partner to the relationship, thereby increasing the longevity and success of the alliance (Dyer, 1997; Parkhe, 1993). Relationships between organisations can empower partners with resources as greater levels of investment improves trust and the capacity and willingness to attain mutual objectives (Dyer, 1997). Research has also shown that high levels of dependence, such as those that are expected in NGO-corporate alliances, are often associated with higher levels of satisfaction (Andaleeb, 1996).

Previous discussion makes the assumption that dependence within the NGO-corporate partnership occurs (Milne, et al., 1996; Rondinelli & London, 2003), however there hasn’t been enough extensive empirical work to explore the effects of dependence – either positive or negative – on the outcomes of the alliance. In this current study it is believed that dependence of the NGO on their partner plays a significant role in shaping the objectives of the alliance and increasing the chances of attaining positive outcomes. NGOs are particularly dependent on the external environment for necessary resources to maintain program and service provision (Palmer & Randall, 2002). Many NGOs wouldn’t be able to fulfil their social and organisational obligations without the resources provided to them through NGO-corporate partnerships (Iyer, 2003). For this reason it is expected that dependence within these relationships will lead to positive outcomes. This assumption is based on the fact that NGO-corporate alliances operate in conditions of high risk and thus dependence – from the perspective of the NGO – will serve to commit the partners to attaining mutual objectives.

This research emphasises the relationship between NGO dependence and organisational performance within an exchange relationship. A critical implication of this contribution lies in the need to give additional attention to value creation in these partnerships for the NGO; so, not just looking at asymmetries but exploring ways that outcomes can be enhanced. From the previous discussion regarding dependence and outcomes within the NGO-corporate alliance the following research question and hypotheses are proposed:

RQ3 To what extent does the dependence of the NGO on their corporate partner affect alliance outcomes?

H5 Partner dependence will positively affect the achievement of organisational objectives

H6 Partner dependence will positively affect the perceived effectiveness of the alliance

H7 Partner dependence will positively affect the achievement of social objectives

Although dependence is considered central to explaining organisational behaviours within an alliance setting, it is not the only characteristic that will affect the partnership. Another factor highlighted by existing theory is the effect that the partners' relationship can have on these alliances. Many scholars recognise that when relationships shape transactions or exchanges then occurrences of opportunism are diminished (Buvik & Reve, 2002). This is particularly relevant for NGO-corporate alliances that generally have a power imbalance, which can lead to the stronger party behaving opportunistically (Lister, 2003; Milne, et al., 1996; Polonsky, et al., 2004a).

This thesis postulates that both structural (dependence) and relational (relationship) aspects will play an important role in defining the NGO-corporate relationship. The following discussion highlights the implications that relationship factors can play in the NGO-corporate alliance.

RELATIONSHIP

Generating an awareness of how organisational relationships are impacted by resource-based power and how they can affect partnership outcomes is crucial in our understanding of NGO-corporate partnerships. In partnerships that are highly dependent, such as those between NGOs and corporates, a positive relationship between partners can exert influence over the commitment of the parties to one another and the potential to achieve more mutually effective outcomes (Andaleeb, 1996). In addition to offering insights into the effects of power within the alliance, a study such as this has implications for governance forms within these partnerships. This research focuses on how resource-based power can affect the relationship that evolves between the NGO and their corporate partner and also the role that relationship plays in determining the outcomes of the alliance.

Much of the literature that exists regarding exchange between two partners has focused on the role that organisational complementarities play in the formulation of the partnership (Barden & Mitchell, 2007; Cropanzano & Mitchell, 2005). This however does not account for the function that relational aspects play in this exchange (Barden & Mitchell, 2007; Morgan & Hunt, 1994). Understanding the role of the relationship within cross-sector partnerships is vital (Muthusamy & White, 2005) as it can shape perceptions of power imbalance and alliance outcomes (Andreasen, et al., 2005; Muthusamy & White, 2005). The extent to which the two organisations interact and potentially normalise or shape one another's goals and behaviour is affected by the personal connections that evolve between the parties (Dyer and Nobeoka, 2000; Kale and Singh, 2007). Relational aspects are of particular importance to NGO-corporate partnerships, most obviously due to the perceived risk or uncertain nature of the alliance (Morgan & Hunt, 1994; Plewa & Quester, 2007).

Morgan and Hunt (1994) recognise that, although in economics a model for perfect co-operation exists, there is no such model in marketing. Instead, organisations forming marketing partnerships have to continually undergo a balancing act (Hingley, 2005) and therefore their relationship is critical in establishing successful alliances (Plewa & Quester, 2007). Economic-based exchange assumes that the parties involved in a relationship are motivated by economic self-interest and will engage in opportunistic behaviour at any given time (King, 2007). This ignores the implications of social relationships that develop among organisations. In such relationships, organisations balance their desire for maximising self-interest with their desire to maintain rapport with others (Luo & Donthu, 2007). Most organisational partnerships do not survive long-term if based purely on economics (Luo & Donthu, 2007) and thus the importance of recognising relational aspects of the exchange is vital.

The term 'relationship' however is very broad and in itself doesn't describe the conditions necessary for a positive association to occur. The concepts of trust and commitment have long been employed by marketing theorists to describe the conditions of a relationship (Iyer, 2003; Milne, et al., 1996; Morgan & Hunt, 1994; Plewa & Quester, 2007; Polonsky, et al., 2004a). Morgan and Hunt's (1994) study confirmed that trust and commitment were the two key aspects that enabled effective relationship marketing to take place within strategic alliances. This research applies commitment and trust – together termed 'relationship' – to the study of partnership between NGOs and corporates. These are discussed in more detail below.

Relationship: Trust and Commitment

Within an alliance relationship, trust is defined as the reliance of one party on another under conditions of risk; the greater the risk, the higher the confidence threshold required to engage in trusting behaviour (Muthusamy & White, 2005). Trust exists when one party involved in a relationship has confidence in their partner's reliability and integrity (Morgan & Hunt, 1994). Empirical testing has shown that trust is the greatest predictor of satisfaction in some risky or uncertain collaborations (Plewa & Quester, 2007). Trust affects stakeholders' intentions to support a social cause, and plays a significant role in creating the overall image of an organisation (Nowak & Washburn, 2000).

Within a partnership, trust-based relationships reduce opportunistic behaviour and increase the likelihood of long-term exchange (Luo & Donthu, 2007; Muthusamy & White, 2005). Studies have shown that lack of trust can destroy a relationship between two organisations, resulting in the demise of the partnership (Doz, 1996). Other studies have shown a positive relationship between trust and alliance collaboration leading to increased success in alliances (Zaheer & Venkatraman, 1995) and partner commitment (Plewa & Quester, 2007). Palmatier et al. (2007) found that trust had a significant effect on groups of high-uncertainty who were operating in diverse and dynamic environments. Thus, it can be assumed that due to the complexities in environmental and organisational characteristics of NGO-corporate partnerships, trust, as a factor of the relationship, will impact the outcomes of the alliance.

The promotion of trust between two organisations can, however, lead to homogeneity, or 'passive trust' (Huemer, 2004). This refers to the development of norms within a relationship that promote stability and predictability and can stifle innovation (Seitanidi & Ryan, 2007). Within relationships that have power asymmetries, this can lead to the weaker party (often the NGO) adapting to the ways of the dominant partner (often the corporate). In order for NGOs to retain legitimacy, they have to retain their identity (Lister, 2000; Selksy & Parker, 2005), and thus the role of trust in this relationship is one of promoting commitment to the alliance, rather than of embedding the organisations together (Huemer, 2004; Seitanidi & Ryan, 2007). Respecting the core differences between the two types of organisations is one of the keys to creating successful partnerships (Seitanidi & Ryan, 2007). This highlights the importance of commitment between the partners: commitment indicates an acceptance and respect of the differences between the partners, and an acknowledgment that both organisations will do all in their power to make the partnership work.

Commitment within an alliance refers to the exchange partner believing the relationship to be so important as to warrant maximum efforts to maintain the relationship (Morgan & Hunt, 1994). The notion of commitment is vital to the study of relational or social exchanges (Bove & Johnson, 2000; Luo & Donthu, 2007). It is proposed to be central in distinguishing social from economic exchange (Emerson, 1976; Morgan & Hunt, 1994), and is viewed as critical to maintain organisational relationships (Luo & Donthu, 2007).

Previous research has shown that commitment can predict a wide range of outcomes, including increased support from an organisation (Cropanzano & Mitchell, 2005). Commitment between organisations has shown to lead to higher motivation, decreased turnover and increased organisational citizenship behaviours (Luo & Donthu, 2007). Iyer (2003) suggests that trust is a function of the commitment expressed by both partners, and that this commitment will be honoured through the intention to continue the partnership. Mutuality of commitment can reduce uncertainly felt by partners, and can lead to partnership success, and committing time and resources at all levels of the partnership can foster greater involvement by individuals at all levels of management (Muthusamy & White, 2005). In the case of cross-sector partnerships, it can be assumed that commitment to the partnership will lead to ongoing support from both organisations, and thus more successful partnerships.

For the purpose of this research, the construct of relationship is defined by the trust and commitment between the partners (Morgan & Hunt, 1994). This current research contributes to the existing theory of NGO-corporate alliances by examining how resource-based power affects the NGO's relationship with their corporate partner, and how this in turn can impact NGO partnership outcomes. These are discussed in more detail below.

Power and Relationship

The degree and extent that power imbalance can affect partner relations is critical to gaining a holistic understanding of NGO-corporate partnerships (Lister, 2000; Spall, 2000; Wymer & Samu, 2003a). As previously outlined, these relationships operate under the premise that an imbalance of power exists (Edwards, 1999) and that they will function within a different rubric of power to other inter-organisational partnerships (Gray, 1985; Lister, 2000; Seitanidi & Ryan, 2007; Spall, 2000). Power is conceptualised in terms of resources exchanged, with power imbalance being a derivative of unreciprocated exchange transactions (Zafirovski, 2005). Generally, an imbalance of resource-based power (i.e. the corporate providing more than the NGO) is thought to negatively affect partner relations (Bucklin & Sengupta, 1993; Milne, et al., 1996; Selksy & Parker, 2005). However the extent to which resource-based power shapes the relationship between the NGO and their corporate partner is still relatively unexplored.

Within a partnership situation the resources exchanged can impact the relationships that emerge (Cropanzano & Mitchell, 2005; Molm, 1991; Young-Ybarra & Wiersems, 1999; Zafirovski, 2005). Theorists agree that an exchange in an alliance involves a series of interactions that can generate obligations. These interactions are seen as interdependent and contingent on another person, and have the ability to generate high-quality relationships between parties (Cropanzano & Mitchell, 2005). Within the NGO-corporate alliance this could involve the corporate promising and delivering certain resources to the NGO, thus fostering a positive relationship between the parties.

Within alliances, the exchange of resources can lead to power imbalance (Emerson, 1962; Zafirovski, 2005) and either party can be accused of behaving opportunistically (Muthusamy & White, 2005). In the NGO-corporate alliance, this could suggest that provision of resources may induce 'bullying' behaviour by the corporate: the more resources they give, the more they demand. A number of scholars have found that there is often a correlation between resource provision and augmented corporate expectations (Milne, et al., 1996; Selksy & Parker, 2005). This could lead to assumptions that increased resource provision may negatively impact the relationship.

However, these partnerships perform in a climate that is highly complex and resource provision is key to upholding organisational values and goals, as well as providing for stakeholders (Milne et al., 1996; Seitandi and Crane, 2008). Although added complexities come in the form of potential conflict between NGO social goals and corporate financial goals (Hoffman, 2009), NGOs are in a constant battle with their environment to attract enough economic and social resources to fulfil stakeholder's needs (Heide, 1994; Seitanidi & Ryan, 2007). Therefore, it is more likely that resource provision will entice the NGO to form positive relationships with the providers in order to reduce uncertainty associated with resource acquisition.

Studies have found that when positive partner relations exist in an alliance, long-term ventures can be made with minimum risk (Bucklin & Sengupta, 1993; Luo & Donthu, 2007). Partner relations play a key role in economic and social exchanges (Cropanzano & Mitchell, 2005) and are likely to be critical within NGO-corporate partnerships that involve the commitment of economic and social resources. Although previous research has highlighted the importance of partner relations in cross-sector alliances (Lister, 2000; Milne, et al., 1996), the extent that power can affect the relationship between a NGO and a corporate is unknown. This research asserts that resource-based power is going to have a positive effect on the relationship that is forged between the two parties. In order to test this, the following research question and hypotheses are proposed:

RQ2 To what extent do aspects of power affect the relationship between the NGO and their corporate partner?

H3 The provision of legitimacy will positively affect the relationship between the alliance partners

H4 The provision of financial resources will positively affect the relationship between the alliance partners

Relationship and Outcomes

Within inter-organisational exchange, partner relations are influential in overcoming perceived imbalances of power (Bucklin & Sengupta, 1993; Milne, et al., 1996; Morgan & Hunt, 1994) and partnership success is reliant on the interpersonal coordination and exchange of reciprocal actions (Berger, et al., 2006; Milne, et al., 1996; Pervan, Bove, & Johnson, 2007). Cross-sector partnerships are often innately tied to the achievement of NGO social and organisational goals and marketing strategy (Hoffman 1999). They have very diverse outcomes, as NGOs are seeking both long-term financial performance and attainment of social outcomes from the partnership (Selsky and Parker, 2005; Seitanidi and Crane, 2008). Selecting a partner that is compatible with your organisation is not a viable way to ensure alliance success (Wymer & Samu, 2003a) due to the differing goals and values of the organisations. Instead, the collaboration can be shaped by relational practice (Scott & Thurston, 2004). This research explores the ways in which the relationship between the parties can affect the outcomes of the alliances.

Granovetter (1985) observes that behaviour is most often embedded within the networks of interpersonal relationships that exist within organisations. This type of social capital is seen to be an increasingly valuable asset within the realm of business, its worth stemming from the access to resources and knowledge that it promotes through individuals' social relationships (Moran, 2005). There are claims that this might be an organisation's most lasting form of competitive advantage (Moran, 2005), and that alliance success can be attributed to the quality of the relationships that exist between the partners (Ireland, et al., 2002). Research has shown that partnerships which support strong personal relationships are more successful than those which do not (Lister, 2000). In partnerships where strong relationships are apparent, negotiations between the parties produced greater satisfaction and outcomes (Covey & Brown, 2001). In addition, research shows that for partnerships to advance past the initial stages, organisations have to support emerging relational practices (Scott & Thurston, 2004), and partners need to be open about their objectives and their expectations about alliance performance (Berger, et al., 2004).

Strategic Marketing Theory purports that an organisation's marketing activities should be arranged according their specific business objectives (Slater & Olson, 2000; Vorhies &

Morgan, 2003; Walker & Ruekert, 1987). Different types of partnerships have different objectives (Polonsky, et al., 2004b; Slater & Olson, 2000) and the need arises for an understanding of how best to manage diverse collaborations. Relationship is instrumental in managing perceived power imbalance and ensuring successful outcomes (Muthusamy & White, 2005). Within NGO-corporate partnership literature, and indeed other strategic alliance studies, the role of partner relations is discussed in terms of its ability to shape the outcomes of the alliance (Bucklin & Sengupta, 1993; Morgan & Hunt, 1994; Muthusamy & White, 2005; Polonsky, et al., 2004a). Organisations that display embedded relationships can have better working partnerships that allow for greater information exchange and increased levels of joint action (Gulati & Sytch, 2007). These attributes can positively impact the performance of both organisations within the exchange relationship. This infers that governing the alliance based on relational exchange will produce effective outcomes (Morgan & Hunt, 1994).

For NGOs the success of the alliance lies in the ability of the organisation to manage it through appropriate governance mechanisms and controls (Milne, et al., 1996). Lister (2003, p. 236) recognises that:

> The fact that inter-organizational relationships for NGOs are frequently based on personal relationships is recognized by many practitioners, but not adequately incorporated into the theory.

Indeed, only a handful of scholars have explored the impact of the more tacit governance form of relationship within these partnerships (Milne, et al., 1996; Polonsky, et al., 2004a). For NGO-corporate alliances, relationship building may be the most effective way of managing alliance objectives to ensure favourable outcomes (Covey & Brown, 2001). This study addresses this concern by exploring how the partners' relationship in an NGO-corporate alliance can affect the quality of outcomes that the NGO can hope to achieve.

In order for NGOs to have effective outcomes they need to remain true to their goals and values, often despite pressure from external resource providers (Froelich, 1999). Staying committed to their central purpose is linked to the NGO's ability to manage the alliance through the relationships established (Arya & Lin, 2007; Austin, 2000b; Berger, et al., 2004). This research posits that the relationship between the partners will enable more effective governance of the alliance, which will directly affect the outcomes and impact how successful the alliance is from the perspective of the NGO. To this effect, the following research question and hypotheses are proposed:

RQ4 To what extent does the relationship between the NGO and their corporate partner affect alliance outcomes?

H8 The partners' relationship will positively affect the achievement of organisational objectives

H9 The partners' relationship will positively affect the perceived effectiveness of the alliance

H10 The partners' relationship will positively affect the achievement of social objectives

Section Summary

The previous discussion has examined the current state of NGO-corporate alliance literature. A new conceptualisation of power has been proposed which includes financial resources and legitimacy. The construct of relationship has been defined to included trust and commitment. Measures for partnership outcomes have been proposed that can gauge both the financial and non-financial aspects of the NGO-corporate partnership from the perspective of the NGO. In addition, the impact that power can have on partner dependence and relations has been examined, as has the way that these two factors can influence the outcomes of the alliance. However, in order to contribute to this field further, a broader theoretical examination needs to take place. The next section examines the underlying framework that has influenced this research.

SECTION 4: THEORETICAL FRAMEWORK

INTRODUCTION

The following dialogue contextualises the NGO-corporate partnerships discussion, framing it in organisational theory. When theorising about organisational collaboration Wood and Gray (1991) highlight three questions that are important to address: what are the preconditions that encourage alliances; what is the nature of the collaboration and how does it occur; and what are the expected outcomes when organisations collaborate? Through the application of a resource-dependence framework this research addresses all three issues.

Through the examination of NGO-corporate alliances, the framework of Resource Dependence Theory (RDT) is extended and the preconditions of the alliance are established. In addition, different aspects of resource-based power held by the corporate are determined. These directly impact the nature of the collaboration, the effects of which were discussed in the previous sections regarding alliance characteristics. Finally, the outcomes of the alliance result from the effect that external resource-based aspects of the partnership have had on internal structural and relational characteristics of the NGO. RDT offers an underlying reasoning for the discussions presented in this thesis and underpins the research questions and conceptual model. The following section offers a discussion of the theoretical framework used in this research.

A FRAMEWORK FOR EXAMINING NGO-CORPORATE ALLIANCES

By using the theoretical framework of RDT to examine NGO-corporate partnerships a comprehensive view of different facets of the organisation and their environment can emerge. RDT highlights aspects such as the importance of resource contributions in shaping the organisation and alliance, how alliances affect the autonomy of the NGO and the role of power in the alliance (Austin, 2003; Davis & Cobb, 2009; Eisenhardt & Schoonhoven, 1996; Hudock, 1995; Lister, 2000). This current study extends the framework of RDT in an examination of how resources affect NGO dependence and relationship and how these alliance characteristics then shape the outcomes. This is discussed below.

Power and RDT

Central to the actions explored by Resource Dependence Theory is the concept of power, which is defined as the control over vital resources (Hillman, et al., 2009; Ulrich & Barney, 1984). As previously discussed, resources within an NGO alliance context can be either social (Arya & Lin, 2007; French & Raven, 1959; Lister, 2003; Seitanidi & Ryan, 2007) or economic (Samu & Wymer, 2009; Seitanidi & Crane, 2008; Wymer & Samu, 2003a). This has been largely unexplored in the previous literature, with concentration on financial or economic resources only (Lister, 2003). This research extends RDT by empirically testing the effect that both social and economic resources can have within the NGO-corporate alliance.

NGO Dependence and RDT

RDT is a primary theoretical lens through which to view any type of inter-organisational partnership (Hillman, et al., 2009). Within the RDT framework, the formation of alliances or partnerships between firms is seen as a strategic adaptation to environmental uncertainty (Heide, 1994; Varadarajan & Cunningham, 1995). Collaborations can provide access to scarce resources and increases in organisational legitimacy, which may provide some stability within uncertain environments (Oliver, 1990; Pfeffer & Salancik, 1978). This framework is especially relevant for the current research due to the fact that NGOs are – more so than other types of organisations – reliant on the external environment for the provision of resources.

Although NGO-corporate partnerships can decrease their reliance on the extended external environment, they can also have the effect of increasing their dependence on the corporate partner. This aspect of RDT is one that has been overlooked in existing research (Hudock, 1995). Although RDT emphasises the benefits placed on avoiding resource-based dependence (Pfeffer & Salancik, 1978) this is not a reality for many NGOs as they are heavily reliant on the external environment (i.e. corporate partners) for assets. This research instead uses the theoretical framework of RDT to explore the effects that external resource provision has on the NGO and how they can be effective in reducing uncertainty relating to resource dependence and enhancing their own alliance performance.

Relationship and RDT

The main implication of RDT for this research is the identification of resource-based power within the NGO-corporate alliance and the specific mechanisms that can be used to govern the uncertainty that comes along with external resource provision. Pfeffer and Salanick (1978) argue that the management of partnerships, in both a symbolic and practical sense, is often overlooked. With regards to NGO alliances, managing the partnership is crucial in overcoming constraints and building sustainable relationships with corporate partners. According to Hudock (1995, p. 655) "while constraints on behavior are often undesirable, in many cases they enable action since constraints facilitate choice and decision processes". So, whilst many NGOs may prefer to be resource independent, partnering with corporates can bring about new solutions to issues and social problems that may not have otherwise been possible (King, 2007; Milne, et al., 1996).

RDT highlights the key role that resources play in the formation of relationships between partners. Eiriz and Wilson (2006, p. 281) state that "resources [are] the variable that affects behaviour in firms involved in or initiating such relationships". A highly dependent structure within an organisational partnership often goes hand in hand with a development of shared interests between the two parties as well as mutually beneficial behaviour (Gulati & Sytch, 2007; Uzzi, 1997). A result from this shared understanding is governance of the partnership based on the relationship forged between the parties (Gulati & Sytch, 2007), rather than arms-length contracts (Kale, et al., 2001). This is highlighted in a study by Guo and Acar (2005), who found that organisations with less resource sufficiency – who were therefore more dependent on their partners – were more likely to develop informal (i.e. relationship governance) than formal (i.e. contractual governance) partnerships. Although formalised collaborations can allow for greater control, they are almost always accompanied with a greater loss of autonomy for the NGO (Guo & Acar, 2005).

Despite assertions and some evidence that relationship plays a key role in the NGO-corporate alliance (Guo & Acar, 2005; Polonsky, et al., 2004a) the theory surrounding the best way to manage these partnerships is underdeveloped and warrants attention (Peloza & Hassay, 2008; Rindfleisch & Heide, 1997). There is still little empirical evidence that has explored how NGOs can manage these alliances to their advantage and ensure that they get the outcomes that they want (Lister, 2000). This research extends RDT through the examination of the relationship as a key way to control the uncertainty that can arise from external resource provision.

Outcomes and RDT

One of the key themes that has emerged from RDT is the ability to examine how partnerships between organisations overcome constraints and enhance the abilities to create acceptable outcomes and actions (Hudock, 1995). For NGOs acceptable outcomes are those that embrace both social and economic factors (Berger, et al., 2004; Polonsky, et al., 2004a; Wymer & Samu, 2003a). Within the existing literature there are few instances of discussion regarding alliance outcomes from the perspective of the NGO. In fact, Arya and Lin (2007, p. 699) note that studies of non-monetary outcomes from collaborations are rare, and that "to date, no study has examined both monetary and nonmonetary outcomes that collaboration networks may produce for not-for-profit organizations". However, a limitation of RDT is that it generally only considers performance effectiveness from the perspective of the external parties (i.e. the corporate) (Heide, 1994). This research extends RDT by exploring outcomes from an internal perspective (i.e. the NGO itself).

CONCEPTUAL FRAMEWORK

The previous discussion highlighted the use of RDT as a theoretical framework for exploring NGO-corporate alliances. In the following dialogue the conceptual framework is presented along with research questions that will be explored by this research.

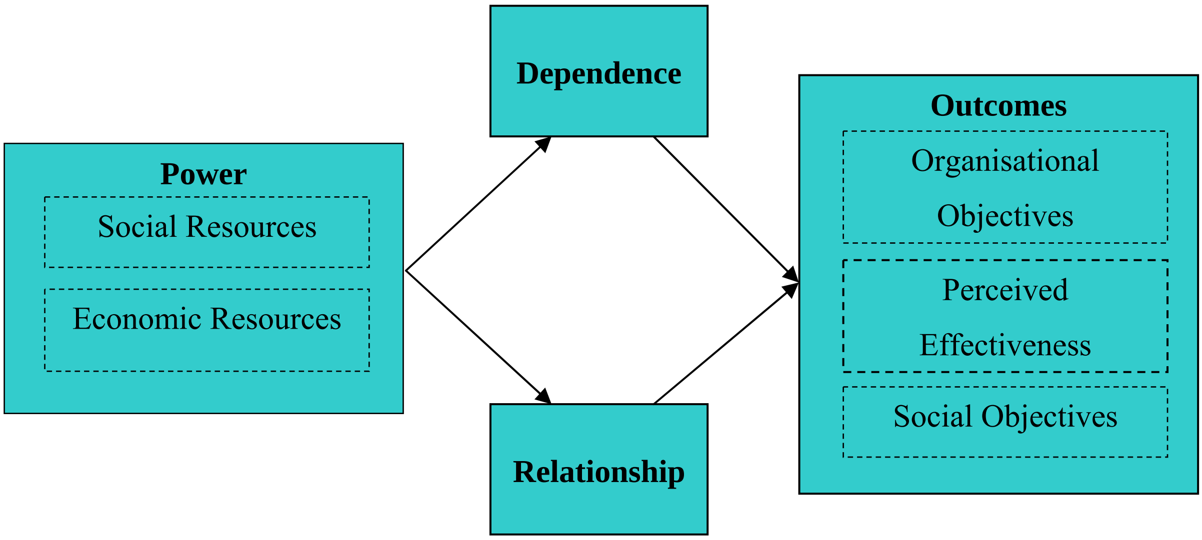
This conceptual framework (Figure 2) depicts the broad research problem that is going to be addressed in this study. It is based around the theoretical foundations of Resource Dependence Theory, which operates under the premise that organisations will source resources from their external environment. Organisational power is conceptualised by the resources provided to the alliance by the corporate partner and can be categorised as either social or economic. The social resource provided to the partnership is legitimacy. The NGO's legitimacy is affected through perceptions of their ability to confirm to accepted societal norms. Partnering with a corporate can have a positive (stakeholders and potential partners believe the NGO to be more credible) or negative (stakeholders and potential partners believe the partnership has diminished the credibility of the NGO) effect on the NGO's legitimacy. Economic power refers to financial resources the NGO receives, such as funding, expert assistance (marketing, technological and other skilled labour), or other tangible resources (i.e. computers, office space, etc.).

By providing these resources the corporate will impact the level of dependence felt by the NGO and the relationship that develops. Both social and economic resources will affect the NGO's dependence on their corporate partner. In order to maintain service and program provision, the NGO requires certain financial resources. Concurrently, the NGO expects that the partner will also provide legitimacy. In addition, resource provision will decide whether the partners have a positive or negative alliance relationship. It is believed that the extent to which these resources are provided will determine the nature of the structural (dependence) and relational (relationship) characteristics of the alliance.

The achievement of both social and organisational objectives, as well as the perceived effectiveness of the alliance, will be a direct result of the impact that the structural and relational characteristics have on the alliance. Although resource-based power doesn't immediately affect the outcomes, the ramifications of this power within the alliance do.

Therefore, the conceptual model explores how resource-based power can affect a NGO involved in an NGO-corporate alliance. The conceptual model is depicted in Figure 2.

Figure 2: Conceptual Model



RESEARCH QUESTIONS AND HYPOTHESES

The discussion in the Literature Review and the development of the conceptual model have highlighted a number of different aspects of the NGO-corporate relationship; from the power attributed to the corporate through resources, to partner dependence and relations, and finally to the outcomes of the partnership. This research studies these aspects in specific detail. Throughout the Literature Review a number of research questions and hypotheses were presented; these are summarised again here. In addition, a model for testing these hypotheses is presented below.

Research Questions

The research questions based on resource-based power emphasise the external factors that can contribute to collaboration between NGOs and corporates, whereas the questions that address the dependence felt by the NGO and the relationship developed suggest that internal characteristics play a crucial role also.

RQ1 To what extent do aspects of power affect the dependence of the NGO on their corporate partner?

RQ2 To what extent do aspects of power affect the relationship between the NGO and their corporate partner?

RQ3 To what extent does the dependence of the NGO on their corporate partner affect alliance outcomes?

RQ4 To what extent does the relationship between the NGO and their corporate partner affect alliance outcomes?

Hypotheses

In order to test the research questions, hypotheses were developed. These are detailed below, along with the model for testing (Figure 3).

H1 There is a positive relationship between the provision of legitimacy and the dependence of the NGO on their corporate partner

H2 There is a positive relationship between the provision of financial resources and the dependence of the NGO on their corporate partner

H3 The provision of legitimacy will positively affect the relationship between the alliance partners

H4 The provision of financial resources will positively affect the relationship between the alliance partners

H5 Partner dependence will positively affect the achievement of organisational objectives

H6 Partner dependence will positively affect the perceived effectiveness of the alliance

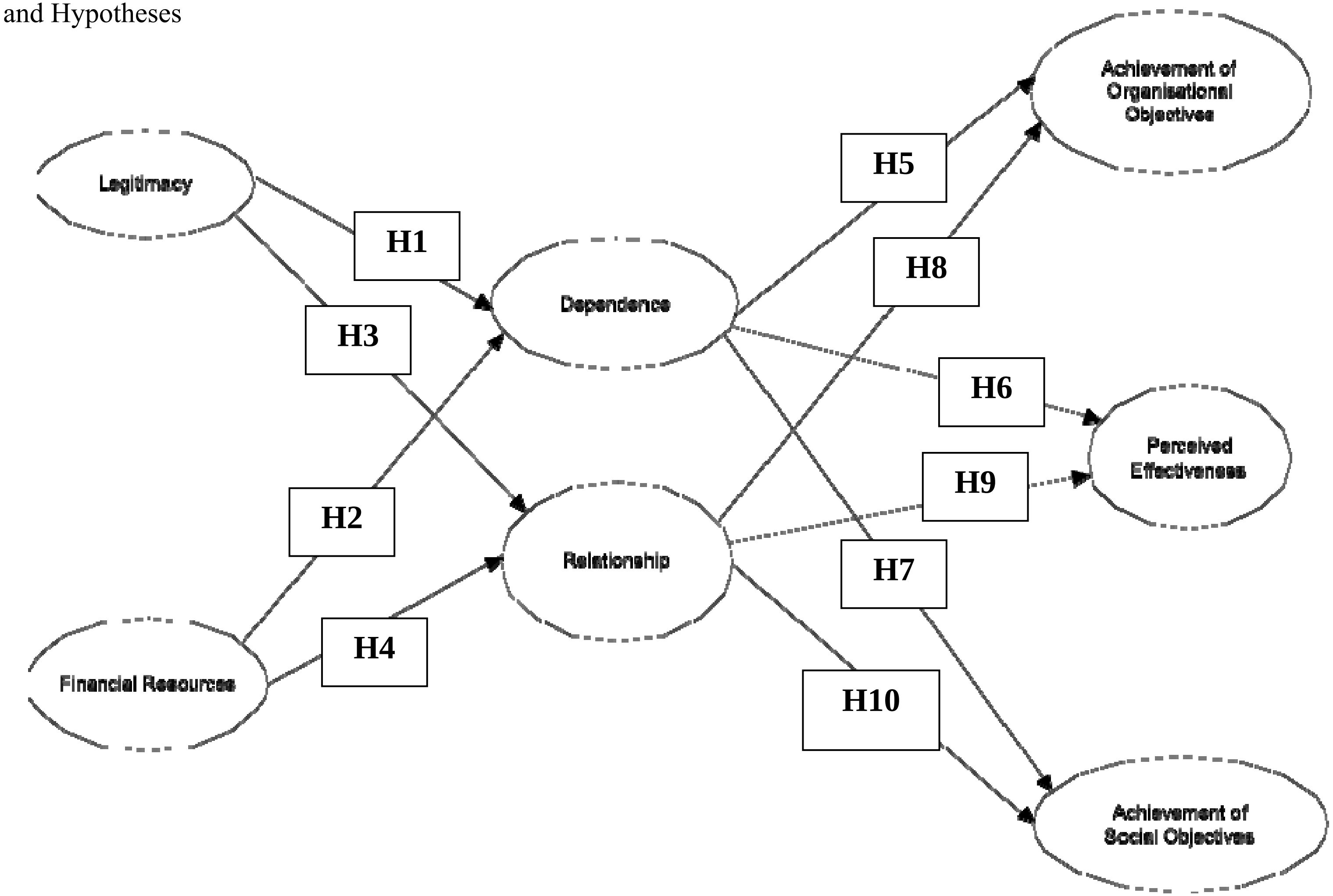
H7 Partner dependence will positively affect the achievement of social objectives

H8 The partners' relationship will positively affect the achievement of organisational objectives

H9 The partners' relationship will positively affect the perceived effectiveness of the alliance

H10 The partners' relationship will positively affect the achievement of social objectives

Figure 3: Model and Hypotheses



CHAPTER SUMMARY

This chapter offers a foundation for this research. A review of the literature was presented in five parts: First, a brief background to NGO marketing and NGO-corporate alliances was presented. Second, an exploration of the conditions necessary for these alliances to operate was undertaken, including an examination of contributed resources that form the basis for the foundation of the alliance and the potential outcomes that NGOs desire from these partnerships. Third, aspects of the alliance that play a significant role in defining how the partnership will evolve, namely the function that partner dependence and relations perform in the NGO-corporate alliance, were examined. The fourth section explored the underlying theoretical framework of Resource Dependence Theory that influenced this research. Lastly, a conceptual framework and model for testing the hypotheses was proposed. The following chapter will outline the research methodology that was undertaken in this research.

CHAPTER 3: RESEARCH METHODOLOGY

INTRODUCTION

This research involved Australian NGOs who are either directly involved, or have previously been involved, in partnerships with corporates. The methodology employed to test the hypotheses proposed in Chapter 2 is presented below. The following discussion describes both the qualitative and quantitative stages of this research, including an overview of the unit of analysis, subjects, sampling, data collection design and measurement instruments, and issues of ethics and confidentiality.

RESEARCH DESIGN

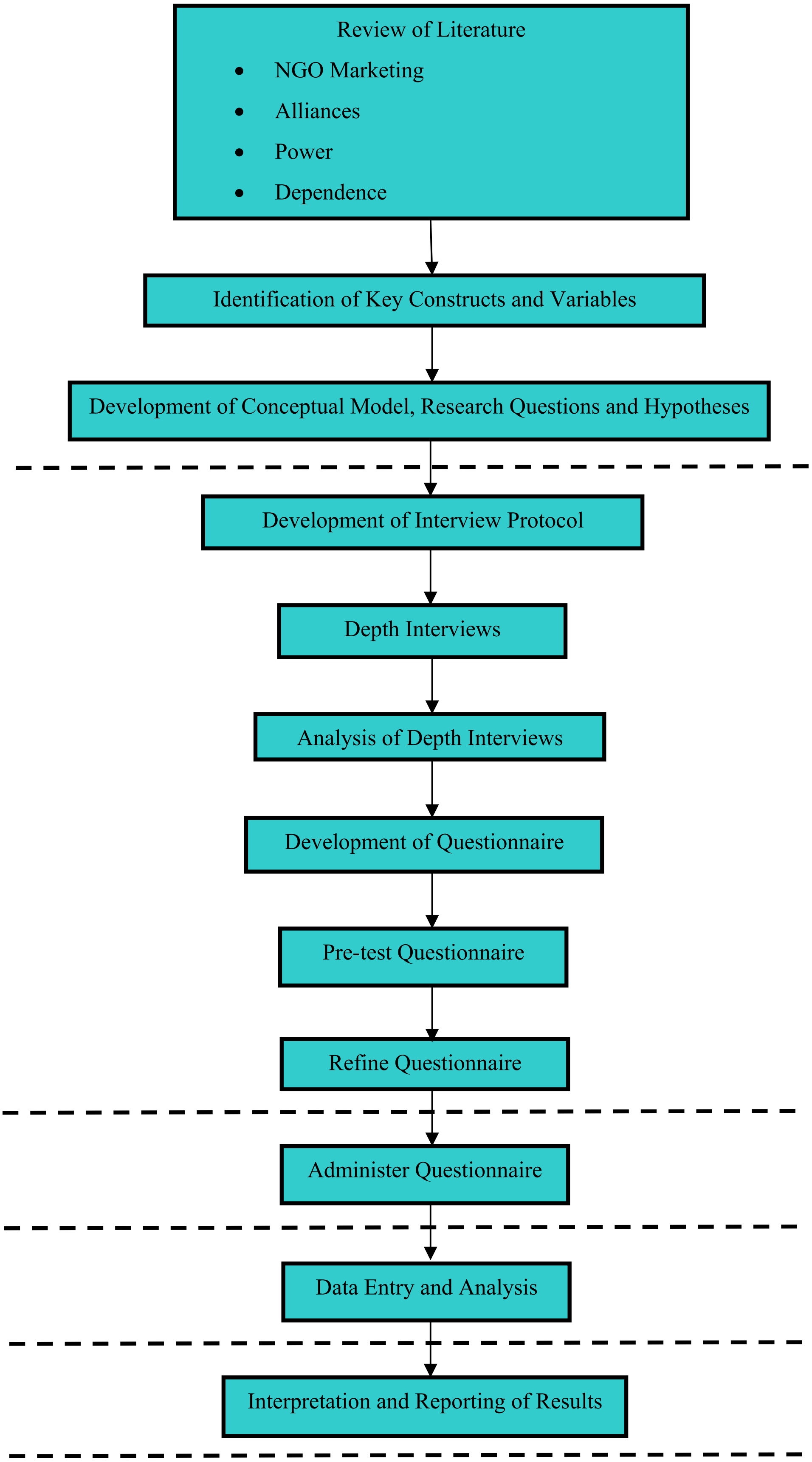
This section provides an overview of the research methodology employed by this study, which involves both qualitative and quantitative phases. A key component of research activity is the development of effective research design that involves the method of investigation, research instruments, sampling plan and type of data (Chisnall, 1997). Figure 4 presents an outline of the research design.

Both qualitative and quantitative methodologies are popular in the study of alliances (Milne, et al., 1996; Polonsky, et al., 2004a; Seitanidi & Crane, 2008; Wymer & Samu, 2003a). Specifically within the realm of NGO-corporate alliances there has been extensive qualitative research carried out, as well as limited quantitative studies (Milne, et al., 1996; Polonsky, et al., 2004a; Selksy & Parker, 2005). Selsky and Parker (2005, p. 866) recognise the need for more empirical research in this area, writing that "after many productive years of relying on case studies, the field is ripe for theory building by way of large-scale empirical research". Responding to this and keeping in mind the advantages of triangulation (ensuring comprehensive and robust results using both qualitative and quantitative methods) (Jick, 1979), this study has utilised both qualitative (depth interviews) and quantitative (survey) methods to capture a holistic picture of NGO-corporate partnerships.

Phase 1 began with an extensive review of the literature surrounding NGO marketing, alliances, power, dependence and relationship characteristics relevant to NGO-corporate partnerships. Constructs were identified from this, which led to the formulation of research questions and hypotheses for testing. This stage also identified the construct of power as being key in the analysis of partnerships between NGOs and commercial enterprises (Lister, 2000; McGann & Johnstone, 2006). However, satisfactory evidence surrounding the operationalisation of this construct, particularly with regards to NGO-corporate partnerships, was lacking. As such, Phase 2 incorporated in-depth interviews to ensure issues relating to this concept were relevant. These interviews allowed for a holistic understanding of the role that power played within the NGO-corporate partnership.

Following the in-depth interviews and analysis of the qualitative data, a questionnaire was designed to test the research questions and hypotheses. This involved using existing scales, modifying where necessary. The questionnaire was pre-tested by individuals working within the NGO industry as well as academics, and feedback was used to refine the questionnaire. The questionnaire was then administered online to individuals working within Australian NGOs who had personal experience managing NGO-corporate partnerships. An online survey was deemed the most appropriate method of data collection for the sample (Malhotra, Hall, Shaw, & Oppenheim, 2002). The criteria for quantitative research were adhered to and involved testing hypotheses and examining relationships with clearly identified information needs, a large representative sample and quantitative data analysis (Malhotra, et al., 2002). Finally, data entry and analysis were carried out. The analysis is presented in detail in Chapter 5 of this thesis.

Figure 4: Research Design



(Adapted from Churchill, 1979)

UNIT OF ANALYSIS

The unit of analysis is the level of investigation that the study addresses (Malhotra, et al., 2002). It can refer to individuals, groups or organisations. Within any research project it is crucial to define the unit of analysis at the early stages of study as it will directly affect the conceptual framework, sampling frame, and data collection techniques (Zikmund, 2000). In this case, the unit of analysis is the NGO, which is a partner in a NGO-corporate alliance as defined by this study.

The depth interviews, and the literature, recognised that within NGOs there was not one single role that could be targeted for interview or questionnaire response (i.e. corporate relations manager). This is due to the fact that some NGOs have financial constraints not allowing them to have a dedicated person to perform this function. As such, the interviews and the questionnaire were targeted to anyone within the NGO who had extensive experience working with corporates in a partnership role.

PHASE 1: QUALITATIVE RESEARCH

Despite a number of studies exploring concepts of power within organisational settings, the area of resource-based power within NGO-corporate partnerships is largely under-developed in terms of substantive data collection and theory development (Selksy & Parker, 2005). For this particular aspect of the study an exploratory qualitative method was used to establish how and why power exists within these relationships. Qualitative method has been used in many studies of NGOs and NGO-corporate relationships due to its ability to explore issues that have not been looked at in extensive detail previously (Bennett & Rundle-Thiele, 2004; Koljatic & Silver, 2008; Seitanidi & Crane, 2008).

SAMPLE

Semi-structured interviews involving 20 NGOs who had experience with corporate partnerships were completed. Berger et al. (2004) refers to this technique as 'elite interviews' with decision-makers, which are appropriate for highly contextualised, unique and under-described types of organisational settings.

A combination of strategic and convenience sampling procedures were used in this study (Marshall & Rossman, 1999; Strauss & Corbin, 1998). The researcher selected 42 NGOs to participate in the investigation and specific individuals with direct responsibility for one or more NGO-corporate relationships were identified at these organisations and invited to take part in the study. A total of 20 organisations with current corporate partnerships agreed to participate. NGOs can be classified into 12 categories (Salamon & Anheier, 1996) and organisations were recruited across nine of these categories. A range of small (less than six paid full-time employees), medium (6-15 paid full-time employees), and large (over 15 paid full-time employees) organisations was approached. In addition, organisations were selected based on the breadth and depth of their reach; they were classified as being local (state based), national (Australia wide), or international (Australian affiliate of an international organisation). These organisations were chosen to ensure a broad cross-section of the industry and enhance the reliability of the data. These are presented below in Table 5. All data collection methods complied with University and ethics requirements for research involving human subjects.

Table 5: Characteristics of NGOs Interviewed for Study

Sector (number of interviews)	Size and Locality	Informant Role
Culture and Recreation (2)	1 Small (Local) 1 Large (National)	CEO* CRM**
Education and Research (1)	Large (National)	CRM
Health (1)	Large (International)	CPM***
Social Services (10)	2 Medium (1 International, 1 National) 8 Large (2 International, 6 National)	7 CPM 3 CEO
Environment (1)	Medium (Local)	CPM
Law, Advocacy and Politics (1)	Small (Local)	CEO
Volunteerism Promotion (3)	2 Small (Local) 1 Medium (National)	2 CPM 1 CEO
Employee Associations/Unions (1)	Small (National)	CEO

* CEO: Chief Executive Officer; ** CRM: Corporate Relationship Manager; *** CPM: Corporate Partnerships Manager

DATA COLLECTION METHOD

Interviews were conducted in a semi-structured style with individuals who worked specifically with NGO-corporate partnerships. They ranged from 45 minutes to 1.5 hours in duration. A discussion guide was developed from the existing literature and was updated where necessary over the course of the interviews (see Appendix 1 for final discussion guide). Respondents were guided toward consideration of at least two corporate relationships; one they perceived to be successful and one they thought to be unsuccessful. The majority of interviews were conducted face to face (17 interviews), however three interviews were conducted over the phone as it was not possible for the researcher to meet with the respondents as they were based in different states (WA and NSW).

DATA ANALYSIS

All interviews were taped and later transcribed with further coding and analysing of collected data. The data were analysed using an informed research approach. The transcribed interviews were subjected to a coding analysis in accordance with Eisenhardt's (1989) framework for qualitative data analysis for theory-building purposes, which is directed at developing testable hypotheses and theory that can be generalised across different settings. Further pattern-matching techniques were employed to establish underlying themes (Miles and Huberman, 1984). The results and a discussion of this exploratory phase are outlined in Chapter 5.

PHASE 2: QUANTITATIVE RESEARCH

The findings from the initial qualitative phase, along with the extensive literature review assisted in the preparation of a questionnaire that was used to quantitatively test a number of key areas. Within the marketing discipline there have not been many large-scale, quantitative studies that have explored NGO-corporate partnerships, and particularly the concept of power.

SAMPLE

The unit of analysis for this study is the NGO involved in an NGO-corporate partnership. Thus, the sample was comprised of individuals who work in the third sector, and specifically with NGO-corporate alliances. All sectors of the industry were targeted in order to get a variety of responses. There is no publically listed database of NGOs who are involved with these types of partnerships. Because of this, a third party was used to recruit respondents. Respondents from all categories within the third sector were targeted (see Salamon & Anheier, 1996 for a complete listing of categories). As it was impossible to determine a priori which firms were engaged in NGO-corporate partnerships, respondents were asked a series of screening questions before completing the survey:

1) I am/was heavily involved in and/or have many responsibilities for the operation of our alliance with a corporate partner

2) I am/was somewhat involved in and/or have some responsibilities for the operation of our alliance with a corporate partner

3) I am/was not involved in and/or have no responsibilities for the operation of our alliance with a corporate partner

Respondents who answered ‘Yes’ to question three were not permitted to complete the survey.

DATA COLLECTION METHOD

An online survey was considered the most appropriate method for carrying out the data collection due to its ability to reach a wide audience, simplicity in administration and analysis, and time and cost efficiency. Data from this method of collection is reliable as the respondents are given limited alternatives to choose from (Malhotra, et al., 2002). In addition, the privacy afforded to the respondents with the absence of an interviewer and the confidentiality of response allows for more accurate responses, especially with regards to sensitive information (Hair, Black, Babin, Anderson, & Tatham, 2006; Malhotra, et al., 2002).

As previously mentioned, data were collected by a third party (an external research company). From a pool of 69,000 potential respondents (based on industry), 1,128 were deemed appropriate for this research (based on industry and occupation). These were then contacted via email and asked to participate in the research. Respondents were encouraged only to participate if they had time to properly complete the survey. For their time and effort, respondents who completed the survey were rewarded with a financial incentive, which could be converted into gift vouchers with a choice from sporting events, concerts and festivals throughout Australia. 300 responses were returned within a 14-day period (26% response rate). Overall, 273 useable questionnaires were returned. Please see the discussion regarding effective response rate below for more detail.

QUESTIONNAIRE DESIGN

The questionnaire was carefully designed to ensure that the data collected was both relevant and accurate (Zikmund, 2000). The structured questions in this study were formulated from existing measurements, the literature review, and the exploratory research (see Appendix 2 for example questionnaire – actual questionnaire was completed online so the formatting was different). Due to the tendency of respondents to uniformly answer questions (especially towards the end of the questionnaire due to respondent fatigue) some questions were negatively worded (Sekaran, 1992).

The questionnaire was designed to capture information and opinions from respondents regarding NGO-corporate partnerships. The questionnaire was divided into three sections. The first captured information regarding characteristics of the respondent's own organisation. Questions of a sensitive nature (i.e. financial situation of the NGO) were placed towards the end of this first section, as suggested by Malhotra et al. (2002) so as not to appear threatening. Section 2 consisted of questions regarding the characteristics of the NGO-corporate partnership. The third section captured information regarding the management and outcomes of the partnership. Respondents were asked to answer all questions from Sections 2 and 3 in response to one specific alliance and alliance partner. The questionnaire took approximately 20 minutes to complete. Each section of the questionnaire was presented on a different web page with an indicator bar at the top determining how far through the respondent was. Because format, spacing and positioning of questions can have a significant effect on response rate (Churchill, 1979) this study carefully considered the layout and wording of the questionnaire, with a number of academics and NGO practitioners giving feedback prior to survey distribution. Participants answering the questionnaire were not permitted to skip questions, thus eliminating non-response error and missing data.

MEASUREMENT AND SCALING

Non-comparison scales were employed with the itemised rating of Likert Scales (Malhotra, et al., 2002). These scales required the respondent to select from a predetermined set of responses, for example '1' (not at all) to '7' (to a great extent). In this study a 7-point Likert Scale was utilised due to its increased reliability (Churchill, 1979). These scales were used due to their suitability to self-completion questionnaires, being both simple to administer and easy for the respondents to understand (Malhotra, et al., 2002).

Measurement Items

As previously mentioned the questionnaire was comprised of three sections and took approximately 20 minutes to answer all the questions. The questionnaire was specifically designed so as not to appear laborious to complete.

Section 1: Organisational Characteristics

The questionnaire commenced with factors relating to the macro and micro-environment that could affect the organisation such as length of operation, support from government, external business environment and organisational turnover.

Section 2: Alliance Characteristics

The second section asked for responses to information about a specific alliance and alliance partner of the respondents choosing (the alliance could have ended or could still be in operation). For example, the length of the partnership, the degree to which it impacted the organisation, and perceptions of partner's reason for entering into the alliance.

Section 3: Alliance Management and Outcomes

This section was designed to capture the factors that impacted the NGOs ability to manage the alliance, and the outcomes that they hoped to achieve. It covered topics such as resources received (social and economic), specific factors affecting dependence, relationship between the partner (trust and commitment), and specific outcomes of the alliance (achievement of social and organisational objectives, effectiveness). This section required respondents to indicate the extent that they agreed or disagreed with certain statements.

PRE-TESTING

The questionnaire was pre-tested on 10 marketing academics and 20 professionals working in the third sector. This was done in order to reduce bias, identify any confusing, double-barrelled, leading or loaded questions, and highlight any topics that had not been identified in the previous design stages (Chisnall, 1997).

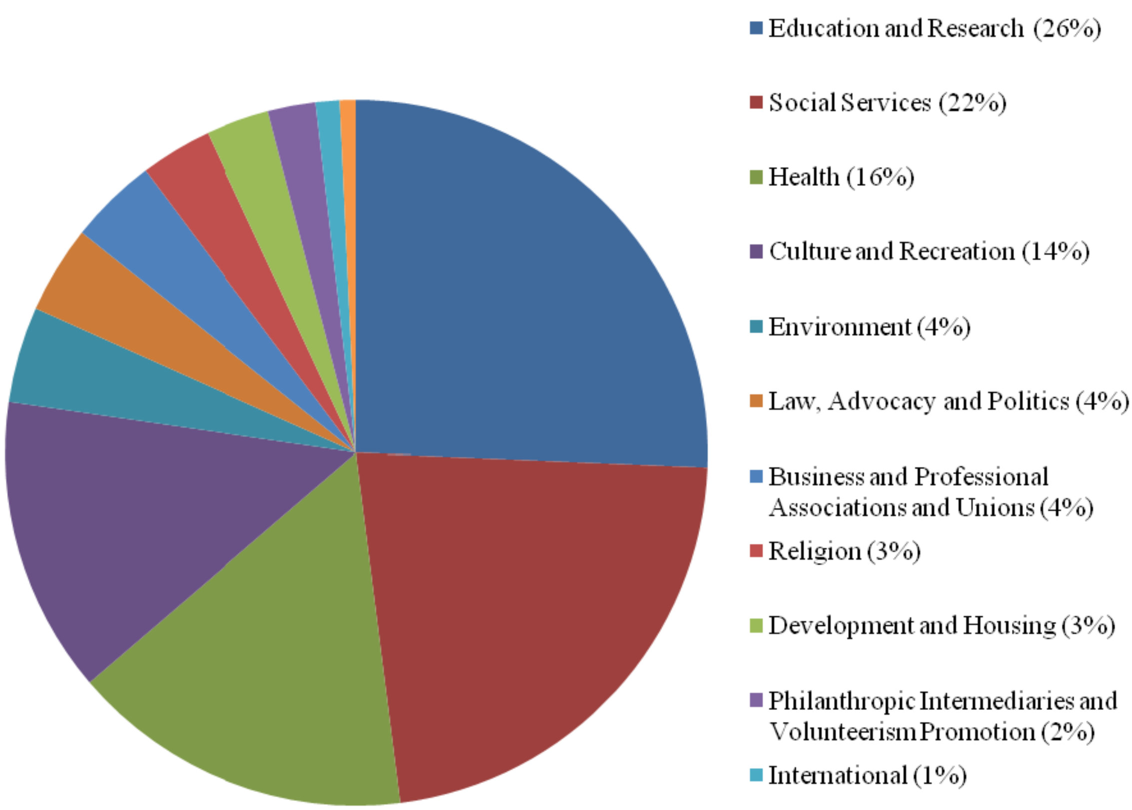
EFFECTIVE RESPONSE RATE

In total, 1,128 respondents were sent the survey, of which 300 responses were received (26% response rate). Of these 300 received questionnaires, 27 were deemed to be inappropriate; four respondents had never had an alliance with an NGO (these respondents had answered the screening question incorrectly; it only emerged later when they were asked how many corporate partnerships they had been involved in and they answered 'zero'), nine respondents worked for a government agency or department (this research was only interested in those individuals working specifically for NGOs) and 14 respondents answered all the questions with the same number throughout. Overall, 273 valid responses were returned.

SAMPLE CHARACTERISTICS

All 12 categories of the third sector were approached and the screening questions ensured that individuals answering the survey were personally involved with an NGO-corporate partnership. Figure 5 highlights the percentage of respondents from each category of NGOs involved in this study (adapted from ABS, 2002). Figure 6 highlights the reasons that the NGO entered into the partnership and Figure 7 highlights the respondent's perception of why their corporate partner entered into the partnership.

Figure 5: Categories of NGOs Involved in this Study



Predominantly, NGOs entered into these partnerships in order to fulfil funding requirements. Promotion of particular programs was also a critical objective for entering into these alliances, which again was linked to the notion of securing much-needed resources in order to provide services to communities in need. Generally, NGOs believed that corporates entered into these partnerships based on their desire to appear more socially active or to enhance their reputation. Many NGOs found that corporates entered into partnerships with them based on a previous association or personal connection with the NGO.

Figure 6: NGO's Primary Reason for Entering into NGO-Corporate Partnership

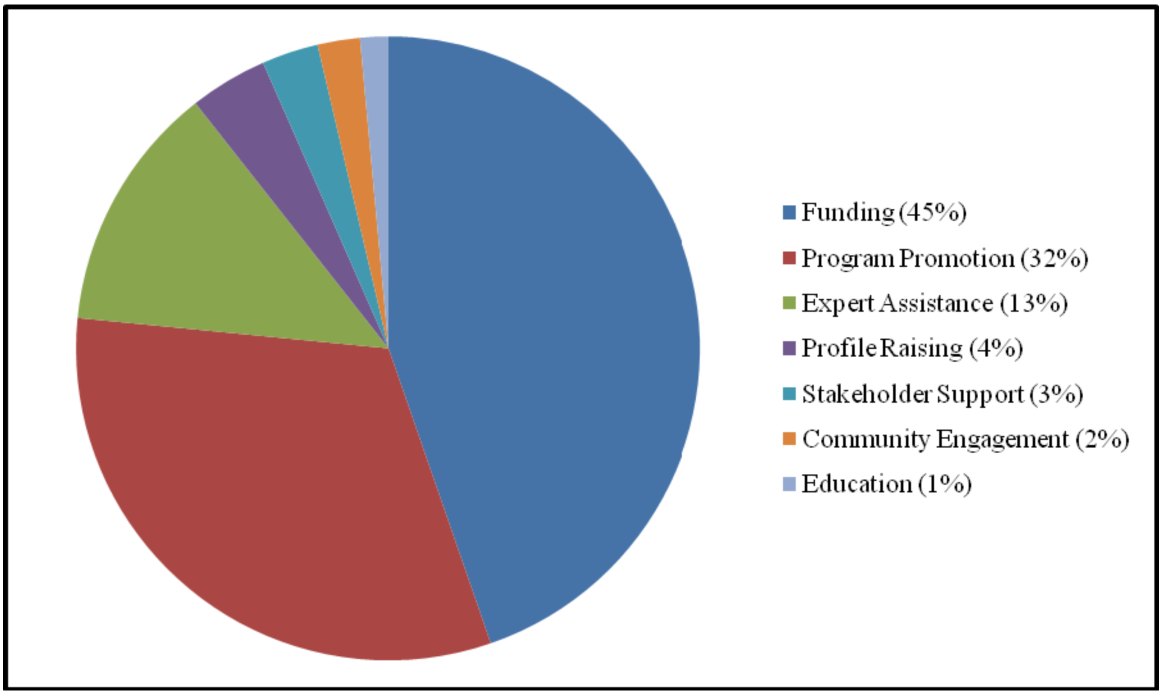


Figure 7: NGO's Perception of why Corporate Enters into NGO-Corporate Partnership

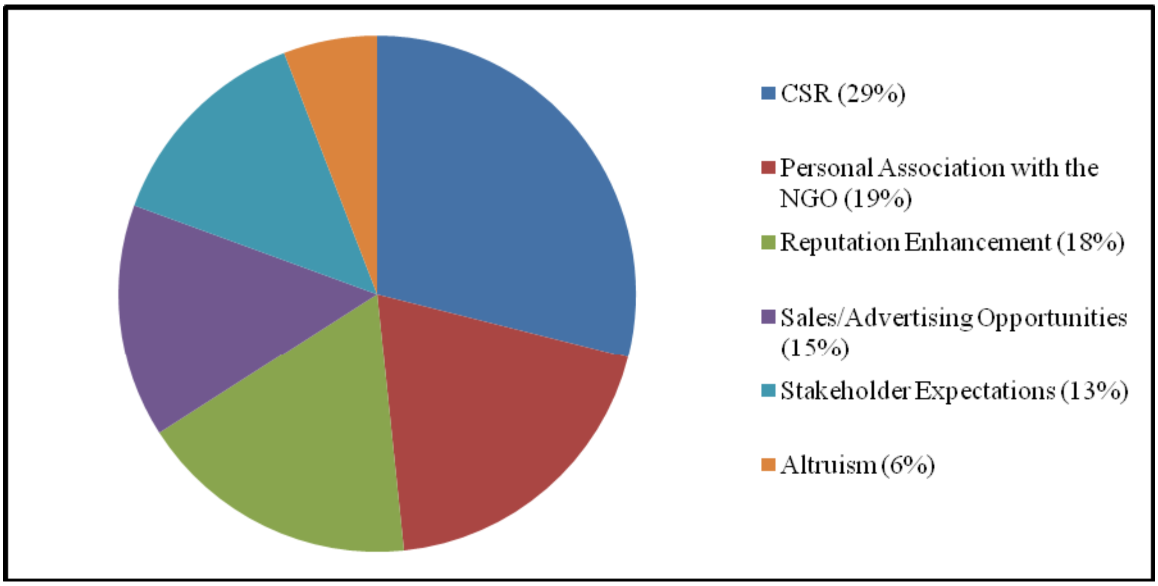


Table 6 outlines some of the other characteristics of the NGO and the partnership. The most common partnership length was 3-5 years and the most frequent number of organisations involved in a partnership was two (respondent's organisation, plus one other).

Table 6: NGO and Partnership Characteristics

Characteristic	Categories	Percentage
Size of organisation (based on number of full-time employees)	*Small (up to 5 paid, full time employees)* *Medium (6-15 paid, full time employees)* *Large (over 16 paid, full time employees)*	*16%* *14%* *70%*
Length of time organisation has been operational	*Less than 1 year* *1-3 years* *4-6 years* *7-9 years* *More than 9 years*	*0%* *4%* *5%* *5%* *86%*
Importance of alliance to NGO	*Of no importance* *Unimportant* *Somewhat unimportant* *Neither important or unimportant* *Somewhat important* *Significantly important* *Of major importance*	*3%* *3%* *6%* *6%* *30%* *35%* *17%*
Number of years alliance has operated	*Less than 6 months* *6 months-1 year* *1-2 years* *2-3 years* *3-5 years* *More than 5 years*	*5%* *8%* *16%* *16%* *14%* *40%*
Number of organisations involved in the alliance	*2* *3* *4* *5* *More than 5*	*46%* *15%* *9%* *6%* *24%*
If alliance has ended – why?	*Alliance has not ended* *Did not achieve objectives* *Became strategically unimportant* *Achieved objective and was dissolved*	*87%* *1.5%* *4.5%* *7%*

ETHICS AND CONFIDENTIALITY

Approval from the Monash University Human Research Ethics Committee (MUHREC) was obtained prior to undertaking this research. Approval was granted upon examination of the subjects of the study, proposed questionnaire, and cover letter. In addition, the researcher is responsible for retaining and storing the surveys for a minimum of five years in a secure location. These are available should any questions arise concerning the data and the manner in which the study was conducted (See Appendix 3 for a copy of the ethics statement used in this study and ethics approval).

DATA CODING AND EDITING

All questions in the survey were given a numerical code prior to administration. Negatively worded questions were re-coded after completion to ensure internal consistency and reliability. The data were coded using SPSS version 17.

DATA ANALYSIS PROCEDURES

This research employed multiple data analysis techniques to explore the hypotheses presented in Chapter 2. Chapter 4 addresses the reliability and validity through the determination of Cronbach's alpha, correlation analysis, and exploratory and confirmatory factor analysis. Data were analysed with AMOS 17 based on Structural Equation Modelling (SEM) principles. This is discussed in more detail in Chapter 5.

CHAPTER SUMMARY

The chapter describes both the qualitative and quantitative research stages of this study and identifies the unit of analysis. The development and the administration of the questionnaire were discussed in detail, including data collection procedures and pre-testing in the previous section. Characteristics of the sample were outlined, as were issues concerning ethics and confidentiality. The following chapter provides detail of the measurement instrument used in this study, with discussion on the operationalisation of the constructs identified in Chapter 2.

CHAPTER 4: CONSTRUCT MEASUREMENT

SECTION 1: OPERATIONALISATION

INTRODUCTION

The previous chapter presented the methodology employed in this study. This chapter will present a discussion on the constructs used in this research. These are presented in three sections: the first describes the operationalisation of the constructs; the second outlines the factor analysis undertaken; and the third discusses the validity and reliability of all the measures.

OPERATIONALISATION OF THE THEORETICAL CONSTRUCTS

The development of scales for this study was based on a review of the literature and on the qualitative research conducted (outlined in Chapter 3). Existing scales were utilised, however modifications for some were necessary due to the appropriateness of the scale for NGO-corporate partnerships. Several constructs had not previously been operationalised (i.e. economic resources) and therefore multiple items were developed (Churchill, 1979) based on literature and qualitative research. These were pre-tested on academics and industry practitioners prior to finalisation of the questionnaire.

The questionnaire was divided into three sections. The first two sections explored a number of demographic factors relevant to the participating NGO and their corporate partnership. The final section was divided into segments corresponding with the literature review and conceptual model. Respondents were asked the extent to which they agreed with each question, with each scale ranging from ‘not at all’ (1) to ‘to a very great extent’ (7). These constructs are discussed in detail below.

POWER: PARTNERSHIP RESOURCES

In order to operationalise resource-based power in an organisational alliance setting the resources provided have to be assessed. Within NGO-corporate partnerships power is formed through the provision of resources to the alliance (Zafirovski, 2005). Because this research is not dyadic and only concerned with effects on the NGO, power was measured through the extent to which the NGO perceived that their corporate partner provided adequate social and economic resources within the alliance.

This study addresses the concept of power through the operationalisation of financial resources and legitimacy. It examines the importance of these resources to the NGO and the extent to which they require them in order to operate. Due to the fact that power had not previously been conceptualised in this way (as consisting of distinct economic and social resource factors) some items had to be developed from exiting constructs, a review of the literature and preliminary exploratory research. Both the Literature Review and the qualitative research highlighted the distinction between financial resources and legitimacy. They are viewed as constructs that are independent from each other that have very different characteristics, however together they represent resource-based power. These are discussed below.

Legitimacy

The Literature Review discussed the resource of legitimacy in detail, outlining how partnering with a commercial company can impact an NGO’s legitimacy (either positively or negatively) (Edwards, 1999; Lister, 2003). The power of legitimacy is in the meaning that is attributed to it (Hardy & Phillips, 1998) and therefore if partnering with a specific commercial enterprise negatively impacts NGO’s legitimacy, they can lose the credibility that they have both within and outside of the relationship (Lister, 2003). This study measured legitimacy through the degree to which the NGO believed their partner was a legitimate organisation, the extent to which their own credibility was being impacted (either positively or negatively) and the importance that they placed on this.

For NGOs legitimacy is not a luxury, but rather a necessity as without it they are unable to function within a social context. More than other types of organisations, NGOs rely on being legitimate in order to attract and retain funding and to represent their stakeholders. Legitimacy as a concept is discussed widely in the NGO literature (Dacin, et al., 2007; Dart, 2004; Edwards, 1999; Lister, 2003) however has not previously been operationalised. As such, a scale for legitimacy was adapted based on existing scales, literature and the exploratory research. This scale examines the degree to which the NGO believes their credibility is affected by the partnership. Table 7 displays the measurement items for legitimacy that were used in this study and the sources from which they were drawn.

Table 7: Measurement Items for Legitimacy

Construct	Source	Items used in this study	Item No.
Legitimacy	Adapted from: Brinkerhoff (2005) Dacin et al.. (2007) Dart (2004) Deephouse & Carter (2005) Edwards (1999) Hybels (1995) Lister (2003) Wood (1991)	Our partner confirms with regulatory institutions, rules and laws	10.1
		Our partner has a well defined position within their sector	10.2
		I believe that our partner is perceived as a reputable organisation by wider society	10.3
		I believe that our partner is perceived as a reliable organisation by wider society	10.4
		I believe that our partner is perceived as a capable organisation by wider society	10.5

Financial Resources

Financial resources refer to the economic resources that the NGO receives within the alliance (i.e. funding, technology, etc.). The better-resourced party generally provides these resources, which in this case is the corporate (Luo, et al., 2007; Polonsky, et al., 2004a). If the NGO is heavily reliant on financial resources they can be significantly affected by the alliance (Hudock, 1995; Lister, 2000). The effect of these resources on the partnership was measured through the degree to which the NGO believed they were receiving adequate financial resources and the value that was placed on these resources. Scales that exist refer generally to the complementarity of resources between two strategic alliance partners (Kale & Singh, 2007) and not to adequacy of financial resources from the NGO's perspective. There have been numerous case studies and conceptual discussions surrounding this area, however no operationalisation of the constructs that suit the purpose of this research. As such, existing scales for economic resources were modified for the purposes of this study and also based on the exploratory research. Table 8 displays the measurement items and their sources for financial resources.

Table 8: Measurement Items for Financial Resources

Construct	Source	Items used in this study	Item No.
Financial Resources	Adapted from: Guo & Acar (2005) Lister (2000) Macedo & Harris (2002) Saidel (1991) Seitanidi & Ryan (2007)	To what extent are the following resources that you have received from your alliance partner adequate:	
		Finance/Funding	20.1
		Expertise (skilled labour)	20.2
		Technological assistance	20.3
		Networking and/or lobbying support	20.4
		Labour resources (volunteer staff)	20.5

DEPENDENCE

Dependence in this specific study refers to the nature of the partnership that is formed between the partners and how a scarcity of resources can affect exchange relationships (Emerson, 1962). Within alliance relationships the weaker party (the party with fewer resources, in this case generally the NGO) can become dependent on the stronger party (the corporate). This study measures the dependence of the NGO on their corporate partner through the constructs developed by Robson, Spyropoulou & Al-Khalifa (2006). This scale was used originally to measure the impact of dependence on organisations involved in international joint ventures and was thus considered appropriate to be adapted for this study. There were a number of different items that were not deemed relevant as they did not directly measure organisational dependence of the focal firm on their partner. Because this current research is interested in examining the NGO perspective, only perceptions of NGO dependence were measured (focal firm dependence). The items used have been revised to make sure they are suitable to the current context. Table 9 displays the original and adapted measurement items for dependence.

Table 9: Measurement Items for Dependence

Construct	Original Item	Items Used in This Study	Item No.
Robson, Spyropoulou & Al-Khalifa (2006)			
Focal Firm Dependence	The partner firm provides the alliance with skills and resources that are essential and unique	The partner firm provides skills and resources that are essential for funding the alliance	24.1
	The total cost of my firm losing the partner firm's assistance in this business venture is substantial	The total cost of my organisation losing the partner firm's assistance in this business venture is substantial	24.2
	The operations of the alliance would be severely disrupted if the partner firm were to withdraw its skills and resources	The operations of the alliance would be severely disrupted if the partner were to withdraw its skills and resources	24.3
	My firm and others would find it difficult to effectively perform the partner firm's tasks and responsibilities in this alliance	Our organisation would find it difficult to effectively perform the partner firm's tasks and responsibilities in this alliance	24.4

RELATIONSHIP

A prevalent notion in the literature is that the concept of relationship consists specifically of two components: trust and commitment (Bucklin & Sengupta, 1993; Morgan & Hunt, 1994; Plewa & Quester, 2007). Despite much research measuring the impact that trust and commitment individually have on partnerships, this research explores the impact that trust and commitment together have on the partnership. Existing scales were utilised, however modifications were necessary to ensure that measures were relevant to the context of this particular study. The final construct of relationship consisted of two variables which were the mean scores overall of trust and commitment.

Trust

Trust between alliance partners is defined as the reliance of one party on another in times of risk: the greater the risk, the higher the confidence threshold required to engage in trusting behaviour (Muthusamy & White, 2005). An existing scale from Morgan & Hunt (1994) was modified for this study. This scale has been widely utilised in a marketing context previously to measure trust between partners.

Commitment

The role of commitment has been well documented in partnership literature (Luo & Donthu, 2007; Morgan & Hunt, 1994). Again, the existing scale of Morgan & Hunt (1994) was adapted for the measurement of this construct. In addition, a newer scale from Plewa & Quester (2007) was also utilised. Because it was used previously to measure relationships between universities and their industry partners it was considered particularly relevant for this study. The measurement items for relationship are presented in Table 10.

Table 10: Measurement Items for Relationship

Construct	Original Item	Items Used in This Study	Item No.
Morgan & Hunt (1994)			
Trust	Our organisation is honest with our alliance partner	Our organisation is honest with our alliance partner	25.1
	New Item (adapted from Morgan & Hunt, 1994)	We have confidence in our alliance partner to fulfil their alliance objectives	25.2
	New Item (adapted from Morgan & Hunt, 1994)	Our alliance partner has confidence in us fulfilling our alliance objectives	25.3
	In our relationship, my major supplier has high integrity	In the alliance relationship our business partner has high integrity	25.4
Morgan & Hunt (1994)			
Commitment	The relationship that my firm has with my major supplier is something we are very committed to	The relationship that our organisation has with our alliance partner is something that we are very committed to	26.1
Plewa & Quester (2007)			
Commitment	Our firm has a strong sense of loyalty to our alliance partner	Our organisation has a strong sense of loyalty to our alliance partner	26.2
	New Item (adapted from Plewa & Quester, 2007)	Our alliance partner has made adequate financial investments for the alliance to succeed	26.3
	New Item (adapted from Plewa & Quester, 2007)	Our alliance partner has made adequate non-financial investments for the alliance to succeed alliance partner	26.4
	We are quite willing to make long-term (five years) investment in our relationship to this research group/business unit	We are willing to make a long term (over three years) investment in our relationship with this alliance partner	26.5

OUTCOMES

Collaborative performance is difficult to measure due to the fact that partners may receive both economic (i.e. revenue) and non-economic (i.e. learning, market development) benefits (Wittmann, 2007). With regards to NGOs, outcomes should assist in achieving organisational goals as well as social. The efforts to define variables by which to assess the outcomes of NGO-corporate alliances have been hindered by a lack of reliable measures that encompass the broad scope of these cross-sector partnerships. A review of the literature and extensive in-depth interviews identified three different measures by which alliance outcomes could be observed: achievement of organisational objectives, achievement of social objectives, and perceived effectiveness of the alliance. An existing scale was used for perceived effectiveness; however a single scale to measure objectives achievement that was sufficient for this study did not exist. Therefore, existing scales were modified and combined in order to provide appropriate measures for this study. Although social outcomes are invariably linked to organisational outcomes within the NGO context, these were measured separately in order to assess whether dependence and relationship affected them differently. These three constructs are discussed in detail below.

Achievement of Organisational Objectives

NGOs embark on corporate partnerships in the hope that they will increase the resources available to their organisation through that specific partnership and also to help them gain exposure and public awareness in order to enhance prospects for future partnerships (Seitanidi & Ryan, 2007; Wymer & Samu, 2003a). In order for an NGO to be successful it needs to fulfil organisational and social requirements. Previous scales examining organisational objectives achievement were taken into account, however considering the breadth of outcomes that NGOs need to achieve with their corporate partnerships an adaptation of measures based on the literature and in-depth interviews was deemed most appropriate. The measurement items for achievement of organisational objectives and their sources are outlined in Table 11 below.

Table 11: Measurement Items for Achievement of Organisational Objectives

Construct	Source	Items Used in This Study	Item No.
Achievement of Organisational Objectives	Adapted from Freer (2004); Lambe et al., (2002); Samu a&Wymer (2001); Selsky & Parker (2005)	The alliance has helped improve our image	29.1
		The partnering business has contributed resources to our organisation	29.2
		Public awareness has been increased due to the alliance formation	29.3
		Our organisation has had an increase in the number of enquiries after the formation of the alliance	29.4
		Our organisation and our alliance partner have separate abilities that enable us to achieve our objectives when combined together	29.5

Achievement of Social Objectives

Some studies regarding outcomes of NGO-corporate partnerships have focused only on the financial dimension of performance, claiming that it is the most important goal that can be pursued by such organisations and also because it is considerably easier to capture than less tangible outcomes (Berger, et al., 2006; Duque-Zuluaga & Schneider, 2008). However, performance indicators must be appropriate to their particular context, and thus for NGO-corporate alliances both economic and social outcomes have to be assessed (Duque-Zuluaga & Schneider, 2008). In this study, the focus is on capturing the social outcomes for the alliance, which will ultimately affect the organisation's ability to attract and retain corporate partners. Again, existing scales were adapted for the purpose of this research as there was not one single appropriate scale that existed. The measurement items for achievement of social objectives and their sources are presented below in Table 12.

Table 12: Measurement Items for Achievement of Social Objectives

Construct	Source	Items Used in This Study	Item No.
Achievement of Social Objectives	Adapted from Andreason (2002); Lambe, Spekman & Hunt (2002); Selsky & Parker (2005)	The alliance has positively impacted on our cause/issue	28.1
		Our stakeholders have responded positively to the alliance	28.2
		The alliance has assisted in changing behaviours and attitudes towards the issue/cause	28.3
		The alliance has helped our cause/issue achieve a high level of recognition	28.4
		The alliance has generated increased interest in our issue/cause	28.5

Perceived Effectiveness

An alliance may be considered successful despite not achieving all of its objectives. Alternately, it may achieve its objectives yet still not be considered successful. Therefore this study also used the perceived effectiveness of the alliance as a means of measuring successful alliance outcomes. This measure has been developed in organisational theory and applied previously to relationships between partners (Bucklin & Sengupta, 1993; Ruekert & Walker, 1987). This study modifies the existing measures developed and tested by Bucklin & Sengupta (1993) to make them contextually relevant. Table 13 displays the original and adapted measurement items for perceived effectiveness.

Table 13: Measurement Items for Outcomes (Perceived Effectiveness)

Construct	Original Item	Items Used in This Study	Item No.
Bucklin & Sengupta (1993)			
Perceived Effectiveness	The partner firm carried out its responsibilities and commitments with respect to the project	Our partner has always carried out responsibilities to the fullest extent possible	30.1
	Your firm carried out its responsibilities and commitments with respect to the project	Our organisation has carried out responsibilities to the fullest extent possible	30.2
	The time and effort spent in developing and maintaining the relationship with the partner firm has been worthwhile	The relationship between our organisation and our partner has been worthwhile	30.3
	The relationship between your firm and the partner firm has been productive	The relationship between our organisation and our partner has been productive	30.4

SECTION 2: FACTOR ANALYSIS

INTRODUCTION

There are two types of factor analysis techniques that are commonly used in statistical research – exploratory and confirmatory (Schumacker & Lomax, 1996). It has been suggested that using both exploratory and confirmatory factor analysis not only refines the constructs but also allows consideration of the relationship between the theory and the data (Nunally, 1978). Both EFA and CFA were used in this study in the assessment of the measures.

EXPLORATORY FACTOR ANALYSIS

Exploratory factor analysis (EFA) is typically used during initial stages of scale development. However, is also used to gain insight into the potential dimensionality of existing items and scales (Netemeyer, Bearden, & Sharma, 2003). Although this study utilised existing scales, some of these were adapted and new constructs were added to fit the context of the study. As such, EFA was applied to all constructs.

EFA was used in this study to summarise the structure of each of the constructs. The EFA technique used in this case was the promax rotation method. The promax rotation is fast and conceptually simple. It is an oblique rotation (which does not require that the rotation process keep the factors uncorrelated) and is often used when researchers do not have any solid expectations (Meyers, Gamst, & Guarino, 2006). Each factor loading is a measure of how important the variable is in measuring the factor, with high value loadings indicating the factors and the variable are closely related (Malhotra, et al., 2002). Factors with loadings of 0.7 or above were sought and factors of below 0.4 were suppressed as such low loadings indicate that the item is not acceptable (Hulland, 1999).

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were also used. In this study, the KMO measure of sampling adequacy was

0.918; well above the acceptable limit of 0.5 (Hair, et al., 2006). Bartlett's test of sphericity assumes factorability when the test statistic is large and significant, as was the case with the result in this study (7532.935) (Malhotra, et al., 2002). The results presented in Table 14 indicate that factor analysis results are consistent with theory. A few items were eliminated due to low factor loadings or cross-loadings. The results below provide a basis for the CFA that is performed on all of the constructs.

Table 14: Exploratory Factor Analysis

Item		Construct	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8
10.1	Legitimacy	Our partner confirms with regulatory institutions, rules and laws	0.882							
10.2	Legitimacy	Our partner has a well defined position within the their sector	0.894							
10.3	Legitimacy	I believe that our partner is perceived as a reputable organisation by wider society	0.798							
10.4	Legitimacy	I believe that our partner is perceived as a reliable organisation by wider society	0.879							
10.5	Legitimacy	I believe that our partner is perceived as a capable organisation by wider society	0.539							
20.2	Financial Resources	Expertise (skilled labour)		0.772						
20.3	Financial Resources	Technological assistance		0.739						
20.4	Financial Resources	Networking and/or lobbying support		0.680						
20.5	Financial Resources	Labour resources (volunteer staff)		0.765						
24.1	Dependence	The partner firm provides skills and resources that are essential for funding the alliance			0.667					
24.2	Dependence	The total cost of my organisation losing the partner firm's assistance in this business venture is substantial			0.781					
24.3	Dependence	The operations of the alliance would be severely disrupted if the partner were to withdraw its skills and resources			0.777					
24.4	Dependence	Our organisation would find it difficult to effectively perform the partner firm's tasks and responsibilities in this alliance			0.531					
25.1	Trust	Our organisation is honest with our alliance partner				0.854				
25.2	Trust	We have confidence in our alliance partner to fulfil their alliance objectives				0.868				
25.3	Trust	Our alliance partner has confidence in us fulfilling our alliance objectives				0.800				
25.4	Trust	In the alliance relationship our business partner has high integrity				0.868				
26.1	Commitment	The relationship that our organisation has with our alliance partner is something that we are very committed to					0.593			
26.2	Commitment	Our organisation has a strong sense of loyalty to our alliance partner					0.819			
26.3	Commitment	Our alliance partner has made adequate financial investments for the alliance to succeed					0.749			
26.4	Commitment	Our alliance partner has made adequate non-financial investments for the alliance to succeed alliance partner					0.643			

26.5	Commitment	We are willing to make a long term (over 3 years) investment in our relationship with this alliance partner					0.553			
29.1	Achievement of Organisational Objectives	The alliance has helped improve our image						0.772		
29.2	Achievement of Organisational Objectives	The partnering business has contributed resources to our organisation						0.598		
29.3	Achievement of Organisational Objectives	Public awareness has been increased due to the alliance formation						0.763		
29.4	Achievement of Organisational Objectives	Our organisation has had an increase in the number of enquiries after the formation of the alliance						0.791		
29.5	Achievement of Organisational Objectives	Our organisation and our alliance partner have separate abilities that enable us to achieve our objectives when combined together						0.597		
30.1	Perceived Effectiveness	Our partner has always carried out responsibilities to the fullest extent possible							0.784	
30.2	Perceived Effectiveness	Our organisation has carried out responsibilities to the fullest extent possible							0.724	
30.3	Perceived Effectiveness	The relationship between our organisation and our partner has been worthwhile							0.739	
30.4	Perceived Effectiveness	The relationship between our organisation and our partner has been productive							0.743	
28.1	Achievement of Social Objectives	The alliance has positively impacted on our cause/issue								0.677
28.2	Achievement of Social Objectives	Our stakeholders have responded positively to the alliance								0.704
28.3	Achievement of Social Objectives	The alliance has assisted in changing behaviours and attitudes towards the issue/cause								0.652

KMO = 0.918; Bartlett = 7532.935; $p < 0.001$

CONFIRMATORY FACTOR ANALYSIS

Confirmatory factor analysis (CFA) measures unidimensionality and enables estimations of both convergent and discriminant validity (Malhotra, et al., 2002). CFA involves the construction of a theoretically based measurement model, which is discussed below. Where EFA explained the patterns of relationship among a number of items (where all loadings can vary), CFA assesses the number of factors and specific loadings of variables (certain loadings can be zero) (Hair, et al., 2006). While EFA can give an idea of the dimensionality of the model, CFA focuses on whether the hypothesised model does or does not fit the data (Netemeyer, et al., 2003). CFA is also useful as it allows for a statistical test of the ‘goodness-of-fit’ for the proposed model (Hair, et al., 2006). The CFA for this particular study is discussed in more detail below in Section 3: Validity and Reliability.

MEASUREMENT MODEL

The measurement model (Figure 8) depicts the relationships between items and constructs covariance structure. The latent variables are represented by elipses and the scale items by rectangles. An arrow connects the observed variables to the latent variables, indicating that these items are theoretically attributed to each item. The response error (not show in the model below) denotes the proportion of the observed item that does not measure the hypothesised variable or construct. The overall fit of the model (discussed below) gives an indication of whether sets of items are unidimensional (Schumacker & Lomax, 1996). AMOS version 17.0 was used to assess the measurement model.

Model Fit Indices

Assessing the fit of the measurement model involves a number of statistical tests that asses the model for overall fit and comparative fit (Hair, et al., 2006; Kline, 2005; Patterson, Johnson, & Spreng, 1997; Schumacker & Lomax, 1996; Sweeney, Soutar, & Johnson, 1999). Model fit is generally determined by the extent to which the measurement model fits the data and is commonly assessed via several criteria (Hair, et al., 2006). In this case, model fit was assessed using chi-square (χ^2) relative to degrees of freedom (*df*), goodness-of-fit (GFI), comparative fit index (CFI), the Tucker-Lewis coefficient (TLI), and the root mean square error of approximation (RMSEA) (Browne & Cudeck, 1993; Hair, et al., 2006; Malhotra, et al., 2002). Based on the χ^2/df, GFI, CFI and TLI reported in Table 15 all of the values meet the acceptable criteria for goodness of fit. For the χ^2/df, a result of between 1 and 5 is considered an acceptable fit (Malhotra, et al., 2002). A GFI, CFI and TLI of close to 1.0 indicate a very good fit (Bentler, 1990; Bollen, 1989; Tanaka & Huba, 1985). An RMSEA of around 0.5 is considered a close fit, however up to 0.8 indicates an acceptable fit (Browne & Cudeck, 1993). Overall, it can be concluded that the hypothesised measurement model fit the sample data fairly well.

Figure 8: Measurement Model

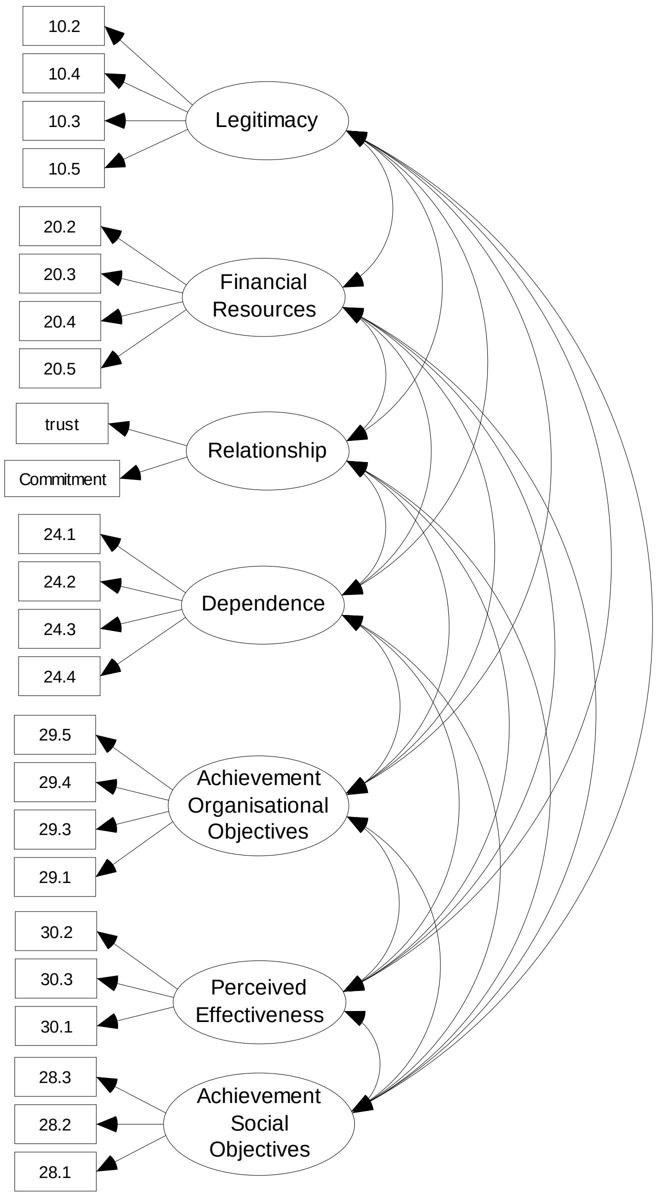


Table 15: Scale Items and Factor Loadings in the Measurement Model

	Construct	Standardised Factor Loading	*t* value
	Legitimacy		
10.1	Our partner confirms with regulatory institutions, rules and laws	*a*	
10.2	Our partner has a well defined position within the their sector	0.706	12.247
10.3	I believe that our partner is perceived as a reputable organisation by wider society	0.832	13.156
10.4	I believe that our partner is perceived as a reliable organisation by wider society	0.925	14.486
10.5	I believe that our partner is perceived as a capable organisation by wider society	0.918	14.399
	Financial Resources		
20.1	Finance/Funding	*a*	
20.2	Expertise (skilled labour)	0.799	13.134
20.3	Technological assistance	0.683	8.148
20.4	Networking and/or lobbying support	0.603	7.571
20.5	Labour resources (volunteer staff)	0.598	10.374
	Dependence		
24.1	The partner firm provides skills and resources that are essential for funding the alliance	0.606	8.827
24.2	The total cost of my organisation losing the partner firm's assistance in this business venture is substantial	0.760	10.707
24.3	The operations of the alliance would be severely disrupted if the partner were to withdraw its skills and resources	0.870	11.615
24.4	Our organisation would find it difficult to effectively perform the partner firm's tasks and responsibilities in this alliance	0.671	11.64
	Relationship		
25	Trust (mean score)	0.723	12.543
26	Commitment (mean score)	0.789	13.134
	Achievement of Organisational Objectives		
29.1	The alliance has helped improve our image	0.827	14.346
29.2	The partnering business has contributed resources to our organisation	*a*	
29.3	Public awareness has been increased due to the alliance formation	0.873	16.638
29.4	Our organisation has had an increase in the number of enquiries after the formation of the alliance	0.762	13.946
29.5	Our organisation and our alliance partner have separate abilities that enable us to achieve our objectives when combined together	0.747	13.597
	Perceived Effectiveness		
30.1	Our partner has always carried out responsibilities to the fullest extent possible	0.758	13.149
30.2	Our organisation has carried out responsibilities to the fullest extent possible	0.961	17.534
30.3	The relationship between our organisation and our partner has been worthwhile	0.943	17.214
	Achievement of Social Objectives		
28.1	The alliance has positively impacted on our cause/issue	0.834	20.658
28.2	Our stakeholders have responded positively to the alliance	0.916	26.175
28.3	The alliance has assisted in changing behaviours and attitudes towards the issue/cause	0.942	26.921

a = items that have been deleted

GFI = .878; CFI = .944; TLI = .934; χ^2 = 476.760; *df* = 231; χ^2/df = 2.064; RMSEA = .063

SECTION 3: VALIDITY AND RELIABILITY

INTRODUCTION

Evaluating the degree to which results are reliable and valid is important prior to data analysis. Validity is measured through content and construct validity, and reliability is measured through Cronbach alpha. The following discussion details these processes.

VALIDITY

Validation is the process of measuring the extent that results are a true indication of the characteristics being examined, rather than errors in the measurement process (Meyers, et al., 2006). It is concerned with whether a variable measures what it is supposed to and is crucial for theoretical development and testing (Bollen, 1989; Zikmund, 2000). The approaches to validity used in this study are content and construct validity (Malhotra, et al., 2002).

Content Validity

Content validity is also known as 'face validity' and is concerned with the extent to which a scale looks like it measures what it says it is going to (Nunally, 1978). It is assessed through a qualitative domain by distributing scales to panels of experts. In this study, content validity can be confirmed for a number of reasons. Firstly, a large number of measurement items were taken from existing scales and have been previously validated. Scale development was based on a thorough review of the literature, and on exploratory research specifically for this study. Finally, the measurement item was pre-tested by both academics and NGO industry practitioners with relevant feedback incorporated into the final measurement item.

Construct Validity

Construct validity refers to whether the item related to the instrument is actually measuring what it says it is (Churchill, 1979), and is the most difficult form of validity to establish

(Malhotra, et al., 2002). A measure is construct valid to the degree to which it is uncontaminated by elements from the domain of other constructs, and the extent that it assesses the direction and magnitude of a sample of the characteristics of the construct (Netemeyer, et al., 2003). It is not measured directly, but is rather inferred from evidence that the measure performs as expected based on the theoretically derived tests (Netemeyer, et al., 2003). Construct validity increases as the correlation between the construct of interest and the related constructs increase in an expected manner (Malhotra, et al., 2002). In this study, construct validly was established through the determination of both convergent and discriminant validity.

Convergent Validity

Convergent validity refers to the extent that the items measure the same underlying construct (Churchill, 1979). A measure is said to possess convergent validity when significant and strong correlations between different measures of the same construct are found (Netemeyer, et al., 2003). Confirmatory factor analysis (CFA) is the most common way of assessing convergent validity, and can be assessed by examining the regression coefficients in the measurement models (Meyers, et al., 2006). The different measures of the same trait should all be statistically significant (Malhotra, et al., 2002). Standardised item-to-factor loading magnitude is an average of 0.7 (Hair, et al., 2006), however it may not be desirable to have the majority of factor loadings at very high levels as this “may be indicative of item wording redundancy and/or result in correlated measurement error that lower fit values, lead to high modification indices/standardized regression residuals, and threaten dimensionality” (Netemeyer, et al., 2003, p. 153). It is most acceptable to have a range of loadings that fall between 0.6 and 0.9 (Bagozzi & Yi, 1988). The results of this are presented in Table 15. Items with low loadings were removed and the remaining items are within the acceptable range.

In addition to this, composite reliability was used in the evaluation of the model. Composite reliability measures the internal consistency of items of the scale (Netemeyer, et al., 2003). An accepted threshold for composite reliability is 0.7 (Hair, et al., 2006). Table 16 displays the composite reliability (internal consistency) of the proposed measurement model. All of the constructs are within the acceptable range for this measure.

Discriminant Validity

To complete the psychometric assessment of the measurement instrument, discriminant validity was assessed. Discriminant validity refers to the extent that the scale of a particular construct is different from measures of other constructs in the same model and involves demonstrating a lack of correlation between differing constructs (Churchill, 1979). Discriminant validity is established if the variance extracted for two factors is greater than the square of the correlation between the two factors (Fornell & Larcker, 1981; Netemeyer, et al., 2003).

Discriminant validity is demonstrated when the average variance extracted is greater than the square of the correlation between the two factors. The model suggested that two of the factors – relationship and perceived effectiveness – had high covariance. The square root of the average variance extracted should be higher than any of the correlations between the constructs (Fornell & Larcker, 1981; Patterson, et al., 1997). In this case it was 0.7, which was lower than the correlation between relationship and perceived effectiveness (0.809). Therefore, the discriminant validity between the two constructs needs to be assessed. A χ^2-difference test was performed to assess whether $\Delta\chi^2$ (Δdf) was significant for unconstrained and constrained models. The unconstrained model had a $\chi^2 = 247$ and $df = 51$. The covariance was constrained by 1 (unit) and the model had a $\chi^2 = 251$ and $df = 52$. The difference was statistically significant ($\Delta\chi^2 = 4$ and $\Delta df = 1$, $p < 0.05$). This exceeds the threshold of $\Delta\chi^2 = 3.84$ and $\Delta df = 1$, $p < 0.05$ thus the discriminant validity of relationship and perceived effectiveness was supported. An assessment of convergent and discriminant validity is presented in Table 16.

RELIABILITY

Establishing reliable measures is crucial in being able to establish validity and ensure that results are interpreted accurately (Churchill, 1979). Reliability analysis is conducted prior to testing hypothesised relationships because it determines whether the measurement instruments used in the questionnaire actually measure what they are intended to. Although there are several methods that can be used to test the reliability of a scale (such as testretest and alternative forms) the most common method for assessing reliability of multiple item scales is through Cronbach's alpha (Malhotra, et al., 2002).

Cronbach's Alpha

Cronbach's (coefficient) alpha examines the degree to which a set of items are interrelated (Netemeyer, et al., 2003), and is the average of all possible split-half coefficients that are a result of splitting scale items in different ways (Nunally, 1978). This serves to average out all the split half coefficients to determine the degree of internal consistency (Malhotra, et al., 2002). Although coefficient alpha is a function if interrelatedness it doesn't imply unidimensionality; it is possible for a set of items to be interrelated but not homogeneous and therefore coefficient alpha should only be used to asses internal consistency after unidimensionality has been established (Netemeyer, et al., 2003). An appropriate level of the coefficient alpha for exploratory research is 0.5 up to 0.6. For theoretical (basic) research the level is 0.8, and for applied (decision) research the level is up to 0.9 (Nunally, 1978). In addition, Rossiter (2002) claims that three to five measures with an alpha between 0.7 and 0.8 are ideal. Coefficient alphas were ascertained for all of the constructs that were identified in the exploratory factor analysis (EFA). Alphas ranged from 0.769 to 0.936. Overall, acceptable coefficient alphas were obtained for all measures. These are displayed in Table 16.

Table 16: Cronbach Alpha, Internal Consistency, Square Roots of Average Variance Extracted, and Correlation Matrix for all Variables

Construct	Cronbach Alpha	Internal Consistency	Legitimacy	Financial Resources	Dependence	Relationship	Ach. Org Objectives	Perceived Effectiveness	Ach. Of Social Objectives
Legitimacy	0.887	0.922	**(0.85) 0.72**	0.002	0.123*	0.236**	0.180**	0.249**	0.186**
Financial Resources	0.769	0.768		**(0.68) 0.50**	0.339**	0.194**	0.178**	0.133*	0.221**
Dependence	0.811	0.862			**(0.87) 0.75**	0.501**	0.466**	0.397**	0.547**
Relationship	0.720	0.728				**(0.84) 0.70**	0.521**	0.809**	0.658**
Achievement of Organisational Objectives	0.867	0.879					**(0.77) 0.59**	0.471**	0.632**
Perceived Effectiveness	0.929	0.920						**(0.81) 0.66**	0.598**
Achievement of Social Objectives	0.936	0.926							**(0.90) 0.80**

Number of items			4	4	4	2	4	3	3
Mean			5.62	3.54	4.18	5.15	4.38	5.39	4.75
Standard Deviation			1.184	1.381	1.323	1.067	1.275	1.177	1.300
Skewness			-0.683	0.084	-0.209	-0.425	-0.042	-0.656	-0.445
Kurtosis			-0.169	-0.607	-0.437	0.07	-0.25	0.465	0.201

Note 1: The figures in the upper right of the table represent correlations. * $p < 0.05$ (2-tailed); ** $p < 0.001$ (2-tailed)

Note 2: The figures on the diagonal in bold are AVE and the figures in brackets represent the square root of the average variance extracted.

CHAPTER SUMMARY

In the previous section the constructs that were used in this study are discussed. The first part of this section described in detail the operationalisation of the constructs, and sections outlining the reliability and validity of the measures used followed this. Overall, the psychometric properties of the models are strong enough to enable data analysis to proceed. The next section presents the results of data analysis that was conducted.

CHAPTER 5: RESULTS AND DISCUSSION

INTRODUCTION

The previous chapter outlined the construct measurement that was used in this study. This chapter details the results and the discussion of the study findings. It is presented in sections based on the two research phases that were undertaken. The first outlines the findings from the qualitative study, which explored the concept of power imbalance within the NGO-corporate alliance; the second outlines the data analysis and results from the quantitative study and then presents a discussion of these findings.

PHASE 1: QUALITATIVE RESULTS AND DISCUSSION

INTRODUCTION

Aspects of resource-based power within NGO-corporate partnerships is an area that has not received a great deal of empirical attention in the academic literature (Selksy & Parker, 2005). Although there is some discussion regarding power imbalance (e.g. Lister, 2000; Selksy & Parker, 2005; Spall, 2000), it is not entirely clear how and why it occurs, or how NGOs believe it can affect their ability to perform. Because of this, a preliminary qualitative study was undertaken to explore the sources of power within the NGO-corporate alliance, and the impact these can have on the partnership.

A discussion guide was formulated based on the existing literature and was adapted as necessary over the course of the interviews, which were conducted with 20 managers who worked in the third sector specifically with NGO-corporate alliances. To enhance the reliability of these findings, a number of different sub-sectors within this industry as well as different sizes of organisations were included in this data collection (see Table 5 in Chapter 3 for details of informants). The resulting data were coded and analysed, and pattern-matching techniques were used to establish underlying themes (Miles & Huberman, 1984). The results guided the creation of the questionnaire that was used in the second phase of the data collection; the quantitative study.

The discussion presented below is representative of the findings that are pertinent to this particular study and specifically aided in the creation of the questionnaire. First, the concept of power within the NGO-corporate partnership is explored with focus given to how it manifests in these unique relationships. Second, the resulting dependence that can emerge is discussed, as is the role of interpersonal relationships in overcoming perceptions of power imbalance. The effects that these can have on the outcomes of the alliance are also explored. These key themes were deemed relevant through a thorough analysis of the existing literature regarding both within-sector and cross-sector partnerships.

POWER IN THE NGO-CORPORATE PARTNERSHIP

All of the informants recognised that power was a crucial component of every NGO-corporate partnership. Power is an outcome of exchange relations (Zafirovski, 2005), and within inter-organisational partnerships it refers to the extent that one party can influence the other in terms of affecting decisions that are significant to achieving the objectives of the alliance (Muthusamy & White, 2005). Within these partnerships, it was perceived to be a significant factor affecting how each alliance played out, and the ability of the NGO to achieve social and economic goals. Within this study, the extent to which the NGO perceived that they held power in the relationship was examined in detail, with the general consensus being that the corporate partner held the majority of power in most NGO-corporate alliances. This is highlighted by one informant, who commented:

> If you're the nonprofit then you do not really have the leverage to have huge disagreements. You can either walk out of the alliance – and then you're stuffed because some program or service is going to suffer – or you can put up with [the corporate] having the power (I6).

Power imbalance was believed to be a more significant factor in these cross-sector partnerships than it was for within-sector relationships (i.e. NGOs partnering with each other) due to the types of resources that were provided by each party. One informant noted that:

> Certainly, I think that these [corporate] partnerships are trickier than the ones we have with [other nonprofits]. There isn't the same match up in terms of what each party are bringing to the alliance. That, in itself, means that you are already starting off on less than equal footing (I12).

Saying this, however, many NGOs were aware of the power imbalance yet would not disregard their mission or values in order to gratify the corporate partner. A number of respondents recognised that although they felt the corporate held the majority of power, their integrity and values were worth more than the financial incentives on offer.

> I remember one corporate partner, who in reality of course did wield a lot of power over us, trying to dictate everything to us. We told them to go jump in a lake (I17).

> I don't mind if they've got more power, it's just how they use the power. If someone's giving us $10 million over the next three years, that's pretty powerful. But they can't use the power inappropriately. That is unacceptable to us...We won't go against our values (I19).

The power imbalance in a partnership can be estimated by examining who has control over its resources (Hardy & Phillips, 1998; Parker & Selsky, 2004), and how different types of resources can be more or less valuable than others (Parker & Selsky, 2004). This is highlighted through the theoretical resource-dependence framework. In terms of resource provision within the NGO-corporate partnership, it was generally accepted that resources were economic and social. Economic assets included money, expert assistance, donations in-kind (i.e. office space, software, etc.) and other products or services that could have a financial value placed on them. Social resources referred to the legitimacy garnered through various partnership activities (i.e. co-branding opportunities). Informants recognised that partnerships were generally formed on the understanding that the corporate would provide financial resources and the NGO would bring social resources, or a sense of legitimacy, to the partnership.

> We're looking for corporate dollars, and more tangible things. They are looking for corporate social responsibility; they want us to make them look good! (I18).

> We have something to offer that a corporate needs – such as to provide employee volunteering, or logos on website, etc; basic corporate social responsibility stuff. We really can offer something there because we're good at it. Equally, we need their more tangible resources – like money (I5).

In addition, a number of informants recognised that partnering with a corporate could improve their own organisational legitimacy, particularly in terms of sourcing other commercial partners. Activities such as networking were enhanced through these partnerships, which made the NGO feel more credible within the market. As recognised by one informant:

> [Our corporate partner] will invite us to functions and introduce us to people and they'll be like "oh, we haven't heard of you, give me your card and I'll see if we can do anything with you in the future." It's like they see us as a more plausible business venture because someone else has already partnered with us (I14).

Whilst several informants acknowledged the positive impact that partnering with a corporate could have, others recognised the detrimental effect that the partnership could have on the legitimacy of the NGO. Some organisations believed that the potential for negative impact within these partnerships is reason enough to avoid corporate relationships altogether (Lister, 2003; Hoffman, 2009). In order to avoid harmful impressions it is crucial that NGOs maintain their own legitimacy both within and outside of the partnership. As recognised by one informant:

> There have been occasions that we've had to turn potential partners away because we aren't comfortable with what they stand for. We won't compromise our own values just to get a few dollars (I16).

The degree of legitimacy that an NGO could wield within these partnerships was based on their credibility within society at the outset of the alliance, as well as the effect of the partnership with the corporate at the conclusion (or over the duration) of the relationship. This finding highlights the ability of the corporate partner to wield power within the relationship through both the social and economic resources it contributes. In contrast, the NGO will generally only hold power through their legitimacy, which is why it is crucial to maintain or enhance. NGOs that were concerned about losing their sense of legitimacy through the partnership had to be vigilant about maintaining their identity and ideals in order to retain a sense of autonomy.

In addition to the effect of the alliance on the credibility of the NGO, there appeared to be an entrenched dogma that corporates were providing more value with the financial resource they supplied than the NGOs were capable of bringing to the partnership. This was perceived to be a significant problem with many of the corporate partners – they behaved as though the resources they provided were far more valuable than anything the NGO could offer. However, it was also an apparent problem within some of the NGOs. Several informants truly believed that nothing their organisation could offer was worthy of what they received.

> No...They're bringing money to the table. So it's not an equal partnership, no. They're bringing more resources to the table (I16).

However, all of the informants recognised the importance of legitimacy as a social resource for their own organisation – the legitimacy provided to them by the corporate – and the detrimental effect that a damaging partnership could have on their organisation. One informant noted that sometimes it was very difficult to discern a corporate partner's intentions before embarking on an alliance with them and that this could potentially affect the NGO's legitimacy:

> We have one partnership that I am not comfortable with at all. But the board thought it would be OK, so we went ahead with it. But now they have just hurt our reputation I feel, and we've had to go into overdrive to try and pick up the pieces (I11).

Given the attractiveness of cross-sector relationships for commercial enterprises with regards to corporate social responsibility (Sen, et al., 2006), and the effects that they felt from reduced legitimacy within their own organisations, it was surprising that many informants did not place more value on the social, less tangible, resources that they offered. Of those that did recognise the benefit of social resources, there was the acknowledgment that this value was often underrated by both the corporate partner and other individuals within their own organisation.

> I believe that not-for-profits do bring the same value, if not more. But I know that some of my colleagues disagree and think that we can't offer as much. Often it's the case that you see not-for-profits over-servicing the business partners. And

> maybe there isn't that true understanding from business of the value of the not-for-profit to the business or to the community more broadly (I10).

Within the NGO-corporate partnership there were both social and economic resources contributed. Whereas the NGO supplied only social resources, the corporate provided both economic incentives and legitimacy to the partnership. The resources provided to the partnership were the basis by which power was established. The effect that this resource-based power had on the alliance is discussed below.

Power and its Effect on Partner Interaction: Dependence and Relationship

The notion of one organisation having power over another is often linked to organisational dependence that can arise from resource acquisition and control (Zafirovski, 2005). Parties with greater control over resources will be more effective in influencing the partnership (Hardy & Phillips, 1998) and the less powerful parties will become dependent on them (Hudock, 1995).

Power was seen by many NGO professionals as having a significant effect on the alliance, both in terms of their dependence on the corporate partner and on the interpersonal relationships that developed between the parties. Within the NGO-corporate partnership there were differing degrees of dependence felt by the NGOs in response to the resources provided by their partners.

> I think it's the resources – or lack of resources – provided by both parties that ultimately affect the alliance. At the end of the day, if they have something that we need, then we are going to rely on that to be able to do our jobs (I20).

The dependence felt by the NGOs was based on the perceived value that each party was bringing to the alliance. They felt far more likely to be dependent on the corporate than the other way around. This was as much due to perceptions of value within their own organisations as it was to the corporate beliefs regarding value creation. As one informant recognised:

> I suppose what we provide is more intangible efforts, and what they provide is cash so that's very tangible and very real. We rely on them a lot more than they rely on us, I think, because it's a lot harder for us to prove our benefits. But I really think that sometimes we are bringing more to the partnership and it's just not valued as much (I19).

Although feelings of dependence within the partnership were not always perceived as positive, a dependence relationship often led to superior alliance performance. Previous research has recognised an outcome of the dependence relationship is increased longevity and success within alliances (Dyer, 1997; Parkhe, 1993). Within this qualitative research many informants recognised that, while being dependent on another organisation went against their principals of remaining autonomous, they did achieve alliance objectives more frequently. This was because the dependence that emerged served to solidify the relationship between the partners, and entrench in them the idea of mutual goal achievement (Bucklin & Sengupta, 1993; Iyer, 2003; Polonsky, et al., 2004a). As noted by one informant:

> We have some partners that we rely on a lot. As a non-profit we're often told that relying on a corporate is bad, but to be honest, it's from these partnerships that we can really make a difference [to our stakeholders] (I1).

The resources bought into the alliance directly affected the dependence of the NGO on their corporate partner and their ability to achieve alliance objectives. In addition, the interpersonal relationships that developed within the partnerships played a significant role in shaping the alliance. Previous research highlights the importance of positive partner relations within any type of alliance (Berger, et al., 2004; Covey & Brown, 2001; Lister, 2000; Scott & Thurston, 2004; Wymer & Samu, 2003a). Within these NGO-corporate alliances, relationship played a key role in the alliance and allowed the partners to overcome the apparent disparities of power in order to enhance outcomes. Two of the informants commented:

> It's the relationship between the two organisations that is going to affect how successful it is (I13).

> We've found that with all of our alliances the more you get to know your partner, the more time you spend with them and the more effort you put in, the more equal the alliance feels (I12).

There was also found to be a strong link between provision of resources from the corporate and the quality of the relationship. Many NGOs were eager to foster sustainable relationships with corporate partners who provided more valuable and useful resources to the alliance. They believed this was a direct indication of the corporate's desire to engage with the NGO at a deeper level and help to affect change. As noted by one informant:

> Over the years, we've found that we generally get along better with the organisations that try to offer us what we need to run our programs. I think it's because they are interested in helping us, so they provide more resources that enable us to do what we do best. And this seems to go hand-in-hand with them wanting to build a positive relationship with us, which ultimately makes the alliance a success (I4).

It was not always the case, however, that large resource provision by the corporate led to positive partner relationships. There was an acknowledgement that the resources provided had to be relevant to the NGO and provide value to them; that it was not enough to offer resources that weren't necessarily needed by the specific NGO. As recognised by one informant:

> We've had businesses offer us things that anyone else would die for! Heaps of volunteers, floor and floors of office space… the list goes on. But what are we going to do with these things? It just shows they don't really care what ***we*** do. They should find an organisation that is a better match to them (I1).

The provision of resources to the partnership and subsequent perceptions of power imbalance affected the dependence that the NGO felt on the corporate and also the relationship that developed between the two parties. The outcomes of the partnership were impacted by a combination of resources provision, relationship management and dependence.

Section Summary

The findings from this initial qualitative phase, along with a thorough review of the current literature, served as a basis for the creation of a questionnaire that was distributed to a large number of professionals working within the NGO industry. The questionnaire design is discussed in detail in chapter 3. The analysis and results of this second research phase are discussed in the following section of this chapter.

PHASE 2: QUANTITATIVE RESULTS AND DISCUSSION

INTRODUCTION

This second research phase addresses the findings from the research questions and relevant hypotheses. The findings from the quantitative study are presented in two sections. The first outlines the data analysis procedure and results from the SEM model, which was developed from the literature and preliminary study. The second section offers a discussion of these results in relation to the literature and findings from the qualitative phase. The research questions and hypotheses that were explored are outlined below:

RQ1 To what extent do aspects of power affect the dependence of the NGO on their corporate partner?

H1 The provision of legitimacy will positively affect the dependence of the NGO on their corporate partner

H2 The provision of financial resources will positively affect the dependence of the NGO on their corporate partner

RQ2 To what extent do aspects of power affect the relationship between the NGO and their corporate partner?

H3 The provision of legitimacy will positively affect the relationship between the alliance partners

H4 The provision of financial resources will positively affect the relationship between the alliance partners

RQ3 To what extent does the dependence of the NGO on their corporate partner affect alliance outcomes?

H5 Partner dependence will positively affect the achievement of organisational objectives

H6 Partner dependence will positively affect the perceived effectiveness of the alliance

H7 Partner dependence will positively affect the achievement of social objectives

RQ4 To what extent does relationship between the NGO and their corporate partner affect alliance outcomes?

H8 The partners' relationship will positively affect the achievement of organisational objectives

H9 The partners' relationship will positively affect the perceived effectiveness of the alliance

H10 The partners' relationship will positively affect the achievement of social objectives

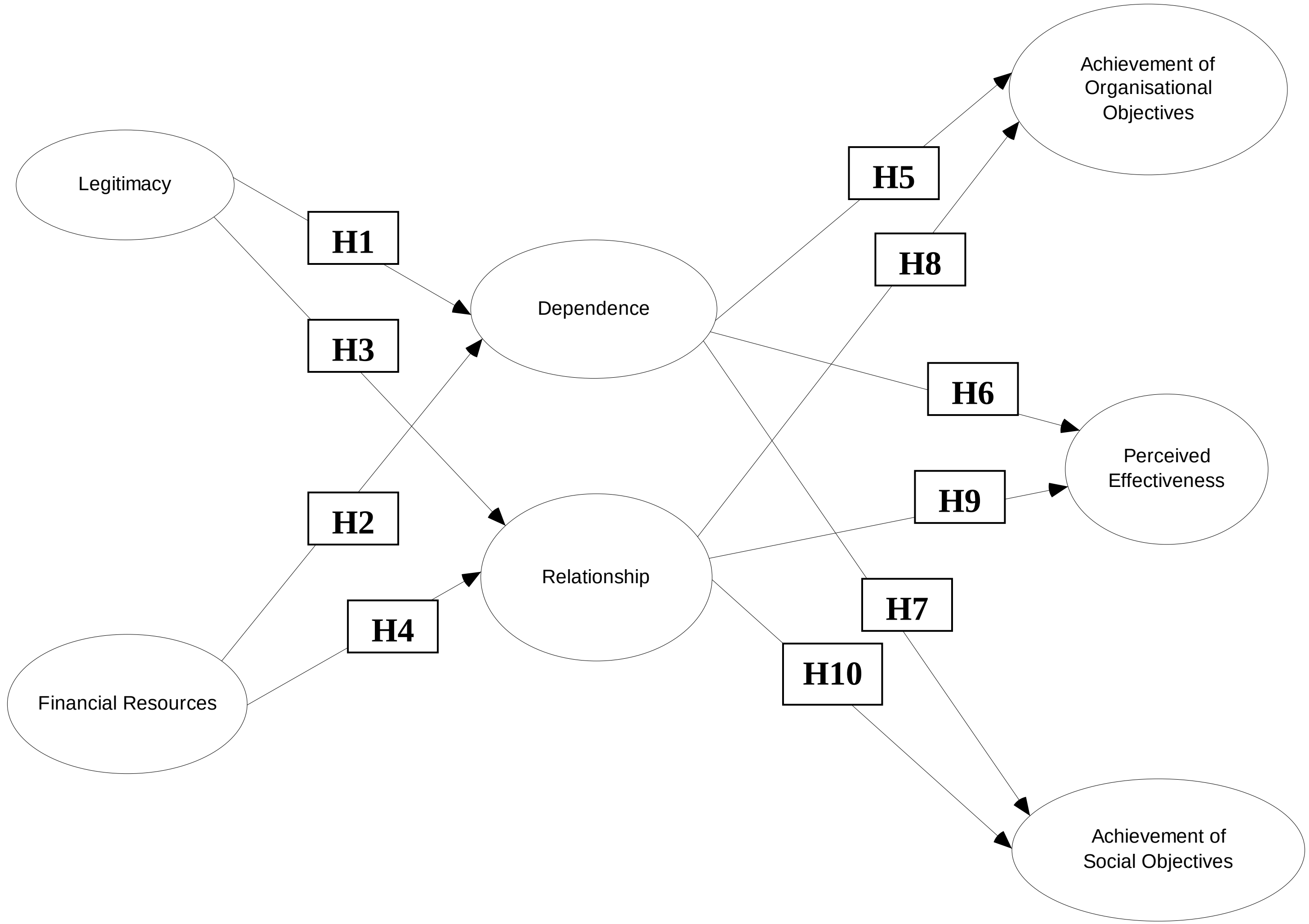
SECTION 1: QUANTITATIVE DATA ANALYSIS AND RESULTS

DATA ANALYSIS PROCEDURE: STRUCTURAL EQUATION MODELLING

In order to examine the relationships specified with the hypotheses, Structural Equation Modelling (SEM) was employed. SEM has taken the forefront for the analysis of complete models in recent times as it takes a confirmatory rather than exploratory or descriptive approach to data analysis (Kline, 2005). According to Hair et al. (2006) SEM has three significant advantages over other analysis techniques. First, it deals with multiple regression simultaneously in a statistically efficient way; second, it provides a transition from exploratory to confirmatory analysis; and third, it can represent unobserved variables and account for measurement error.

Through SEM the relationship between a number of independent and dependent variables can be explored. Based on prior theory and research, predictions were made as to which independent variables predicted each dependent variable. The resulting relationships were translated into structural equations. A model to test the hypotheses for this study was developed based on a review of the literature, and the results of the qualitative study. This model (Figure 9) depicts the relationships between items and constructs covariance structure. AMOS version 17.0 was used to assess the relationships within the model. The model and relating hypotheses are presented in Figure 9.

Figure 9: SEM Model Showing Hypotheses



MODEL FIT

Assessing the fit of the model involves a number of statistical tests that examine overall fit and comparative fit (Hair, et al., 2006). Model fit is generally determined by the extent to which the SEM model fits the data and is commonly assessed via several criteria (Hair, et al., 2006). In this case, model fit was assessed using chi-square (χ^2) relative to degrees of freedom, goodness-of-fit (GFI), comparative fit index (CFI), the Tucker-Lewis coefficient (TLI), and the root mean square error of approximation (RMSEA) (Browne & Cudeck, 1993; Hair, et al., 2006; Malhotra, et al., 2002). Based on the χ^2/df, GFI, CFI and TLI reported all of the values meet the acceptable criteria for goodness of fit. For the χ^2/df, a result of between 1 and 5 is considered an acceptable fit (Malhotra, et al., 2002). A GFI, CFI and TLI of close to 1 indicate a very good fit (Bentler, 1990; Bollen, 1989; Tanaka & Huba, 1985). An RMSEA of around 0.5 is considered a close fit, however up to 0.8 indicates an acceptable fit (Browne & Cudeck, 1993). The results for the SEM model are presented below (Table 17). Overall, it can be concluded that the SEM model fit the sample data fairly well.

Table 17: SEM Model Fit Indices

	χ^2	*df*	χ^2/df	GFI	CFI	TLI	RMSEA
SEM Model	549.776	241	2.281	0.862	0.930	0.920	0.069

MODEL ANALYSIS

The results of the analysis provided support for nine of the 10 hypotheses. Only one hypothesis had to be rejected due to non-significant associations.

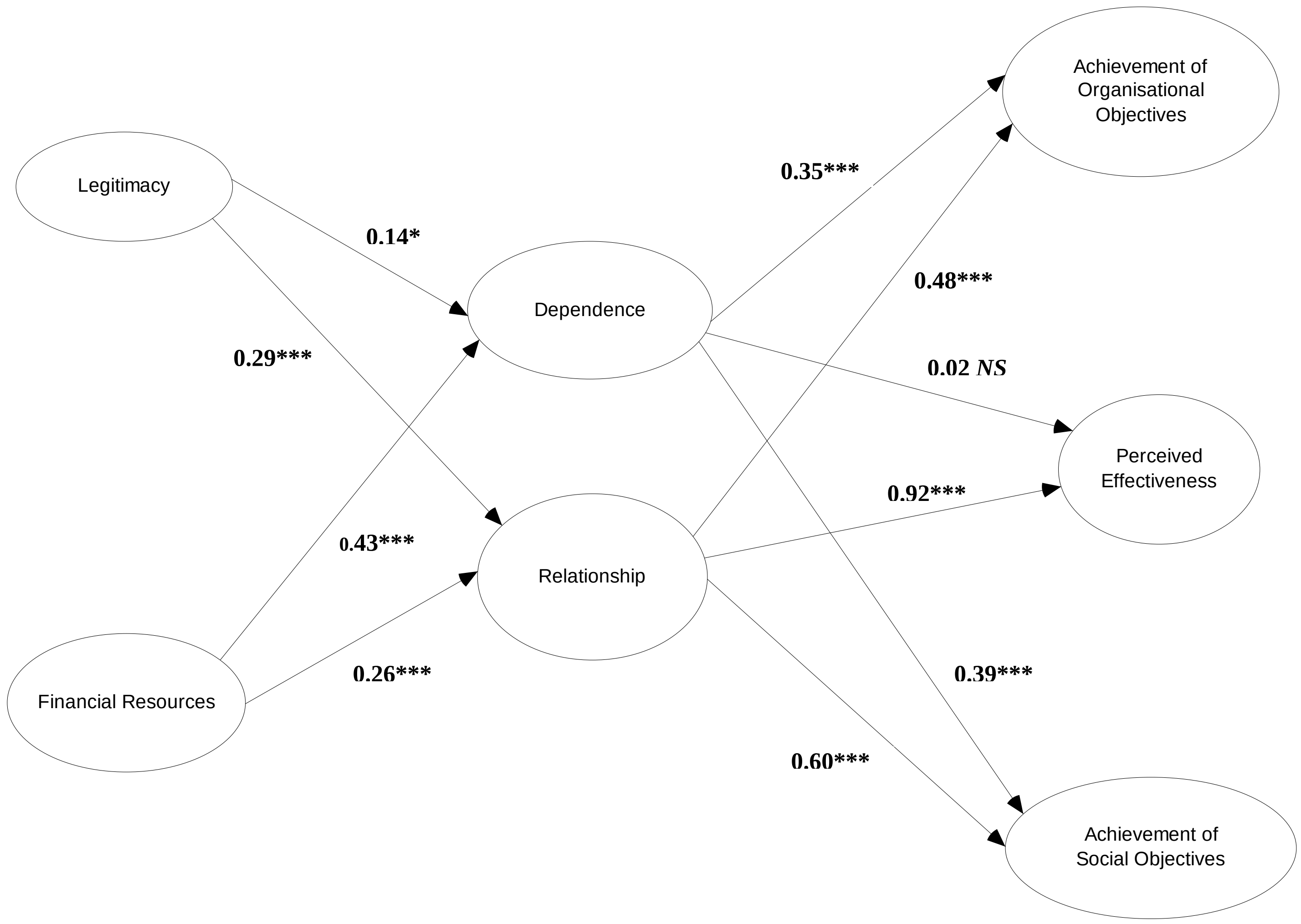
In accordance with H1, a positive impact from legitimacy on dependence was observed (0.14, $p<0.05$). In line with expectations H2 was supported, confirming that there is a positive association found between financial resources and dependence (0.43, $p<0.001$). The positive effect of the provision of resources on the relationship between the partners was demonstrated, supporting hypotheses H3 and H4. This confirmed that legitimacy

(0.29, p<0.001) and financial resources (0.26, p<0.001) positively impact the relationship between the partners. The relationship between the NGO's dependence on their corporate partner and their achievement of organisational objectives was demonstrated through the support of H5, confirming a positive correlation (0.35, p<0.001). No relationship was found however, between dependence and the perceived effectiveness of the alliance, thus refuting H6 (0.02, p=0.711). It could be argued that this is due to the NGO's desire to be autonomous and thus having to be dependent on their corporate partner is seen as a failure. The study results find support for H7, confirming that dependence also has a positive association with the achievement of social objectives (0.39, p<0.001). The relationship between the partners exerts significant positive influence over the outcomes of the partnership, with hypotheses H8, H9 and H10 all being supported. As expected, the relationship has a positive impact on the achievement of organisational objectives (0.48, p<0.001). Similarly, relationship has a positive influence on the perceived effectiveness of the alliance (0.92, p<0.001). Finally, in line with expectations, relationship was found to positively influence the achievement of social objectives (0.60, p<0.001). These results are outlined in Table 18 and are also shown in relation to the model (Figure 10).

Table 18: Summary of Hypotheses and Results

Hypothesis		Direction	Standardised beta	*t* Value	*p*	Supported
H1	Legitimacy → Dependence	+	0.14	2.091	0.05	YES
H2	Financial Resources → Dependence	+	0.43	4.632	0.001	YES
H3	Legitimacy → Relationship	+	0.29	4.302	0.001	YES
H4	Financial Resources → Relationship	+	0.26	3.387	0.001	YES
H5	Dependence → Achievement of Organisational Objectives	+	0.35	4.539	0.001	YES
H6	Dependence → Perceived Effectiveness	+	*0.02*	*.371*	*.355*	*NS*
H7	Dependence → Achievement of Social Objectives	+	0.39	5.725	0.001	YES
H8	Relationship → Achievement of Organisational Objectives	+	0.48	6.502	0.001	YES
H9	Relationship → Perceived Effectiveness	+	0.92	11.474	0.001	YES
H10	Relationship → Achievement of Social Objectives	+	0.60	9.752	0.001	YES

Figure 10: Model Showing SEM Results



SECTION 2: DISCUSSION

INTRODUCTION

The previous section outlined the results that the study yielded. Of the 10 hypotheses that were tested, nine were found to be significant. This section of the Results and Discussion chapter contemplates these findings in light of the current state of theory surrounding NGO-corporate alliances. The discussion is presented in four parts, each representing one of the research questions that were proposed in the Literature Review. Part one examines the effect of power on dependence; part two looks at power and its role in shaping the relationship between the partners; part three explores the role of dependence in shaping alliance outcomes; and part four discusses the extent that the partners' relationship affects alliance outcomes.

PART 1: POWER AND DEPENDENCE

This section addresses the following research question and hypotheses:

RQ1 To what extent do aspects of power affect the dependence of the NGO on their corporate partner?

H1 The provision of legitimacy will positively affect the dependence of the NGO on their corporate partner

H2 The provision of financial resources will positively affect the dependence of the NGO on their corporate partner

The objective of this research question was to enhance our understanding of the relationship between resource-based power and dependence within the NGO-corporate alliance context, from the perspective of the NGO. The connection between power and dependence is clearly established, and discussed in detail within business-to-business organisational literature (Andaleeb, 1996; Grundlach & Cadotte, 1994; Young-Ybarra & Wiersems, 1999). What has not previously been investigated is how corporate-provided social and economic resources affect the NGO's autonomy. Simply put, we do not know the extent to which different types of resources lead to a dependence relationship.

Organisations become dependent on each other as a direct result of engaging in a process of resource exchange in order to assist in achieving their goals. By supplying resources in need, power can be established and dependence can occur (Young-Ybarra & Wiersems, 1999). Previously, authors have suggested that a dependence relationship emerges within NGO-corporate partnerships based on the provision of resources, with the NGO becoming reliant on the corporate partner based on their provision of financial resources (Berger, et al., 2004). In addition, it was postulated in the Literature Review that the provision of legitimacy – or the ability of the corporate to impact the legitimacy of the NGO – would also affect the creation of a dependence association.

The findings from this current study indicate that dependence occurs when the corporate is providing legitimacy to the partnership. As the NGO perception that the corporate is positively affecting their legitimacy grows, so does their reliance on them. Within the literature there are two schools of thought on NGO-corporate partnerships and legitimacy. Firstly, there is the belief that these partnerships will negatively affect the NGO in the eyes of their stakeholders (Hoffman, 2009). Research by Suarez and Hwang (2008, p. 26) found that NGOs who had diverse resource bases were less likely to partner with a corporate. They state that: "The more a nonprofit can "afford" to avoid partnerships with corporations the more likely it will be to do so". NGOs prefer not to partner with corporates unless they are operating under conditions of extreme resource dependence (Milne, et al., 1996; Suárez & Hwang, 2008). This ties in with current literature suggesting that NGO-corporate partnerships can lead to a negative dependence relationship based on power imbalance (Edwards, 1999), which can have a destabilising effect on the NGO (Iyer, 2003).

The second school of thought, however, is that partnering with a corporate can enhance the NGO's legitimacy both in the eyes of their stakeholders and other potential partners (Seitanidi & Ryan, 2007). Because many NGOs are embracing a more commercially oriented and competitive business model (Lyons, 2001; Spall, 2000) they may seek out corporates who could enhance their legitimacy within the corporate community, potentially increasing their ability to attract and retain corporate funding. Findings from the current study to support the notion that partnerships can lead to increased legitimacy, as a dependence relationship is likely to emerge from the provision of this social resource. These findings could be explained through the desire of the NGO to sustain a relationship with a responsible commercial partner. Legitimacy is an imperative for NGOs, not only so they can hold positions of power within the relationship (Doh & Teegen, 2002) but also so that their credibility is not affected outside of the relationship (Lister, 2003). Thus, when an NGO finds a corporate that can enhance their legitimacy they will form a dependence relationship. Findings from the qualitative study support this also.

These findings also extend Resource Dependence Theory within the domain of NGO-corporate alliances. A premise of resource-dependence is that an organisation will externally seek resources that are internally scarce (Pfeffer & Salancik, 1978). However, in the case of NGO-corporate alliances, the NGO will also seek to partner with a commercial company who can offer the resource of legitimacy, a resource that generally they are not lacking. This suggests that for NGOs there are different types of legitimacy (internal and external) and offers an interesting future research direction.

The provision of financial resources by the corporate partner was also found to have a significant positive effect on the dependence of the NGO on their alliance partner. This is consistent with previous literature, which claims that NGOs are heavily reliant on the provision of external funding in order to provide programs and services to their clients (Samu & Wymer, 2001; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a). It also confirms that the better financially resourced party is generally the corporate (Andreasen, 1996; Luo, et al., 2007) and that the NGO becomes dependent on them due to their own lack of financial resources (Berger, et al., 2004; Wymer & Samu, 2003b).

The findings demonstrate that the provision of financial resources has a significantly stronger effect on the dependence of the NGO on their partner than the provision of legitimacy does. This indicates that NGOs do not initially seek out corporate partners to try and enhance their own legitimacy. They are instead more concerned with gaining financial resources from the partnership. This finding, although not unexpected – with the literature highlighting the resources sought by NGOs are generally financial (Iyer, 2003; Seitanidi & Ryan, 2007; Wymer & Samu, 2003a) – is still slightly surprising given the magnitude of the difference (financial resources 0.43, $p<0.001$ and legitimacy 0.14, $p<0.05$). Existing research has highlighted the ability of a corporate to negatively impact the legitimacy of the NGO (Hoffman, 2009) and the detrimental effects that this can have on the NGO's social acceptance (Lister, 2003). Given this, a more similar impact of the two resources on the partnership was expected.

One of the difficulties associated with studying the behaviour of organisations is determining the power-dependence relationship prior to partnership formation (Buvik & Reve, 2002). The findings from this current study give some indication of how different aspects of power can affect the NGO's dependence on their partner, with both economic and social resource-based power positively affecting the dependence relationship. Traditional power-dependence theories suggest that power asymmetry directly translates into power use (Emerson, 1962; Gulati & Sytch, 2007). However, findings from the current research indicate this is not the case in NGO-corporate partnerships; just because the corporate has more power, it doesn't mean it will use it. This is in keeping with findings from Molm (1987) who discovered that asymmetry in power did not satisfactorily explain why organisations use coercive power. This insight into the NGO-corporate alliance could potentially help shape future partnerships in overcoming difficulties predicting how different types of power are going to affect the dependence of the NGO on their corporate partner.

Overall, the dependence of the NGO on their alliance partner is significantly affected by the provision of both social and economic resources. The provision of financial resources played a more significant role in the formulation of a dependence relationship than legitimacy did. These findings theoretically advance our understanding of the power dependence relationship within NGO-corporate alliances.

PART 2: POWER AND RELATIONSHIP

This section addresses the following research questions and hypotheses:

RQ2 To what extent do aspects of power affect the relationship between the NGO and their corporate partner?

H3 The provision of legitimacy will positively affect the relationship between the alliance partners

H4 The provision of financial resources will positively affect the relationship between the alliance partners

This research question examined the effect that aspects of resource-based power had on the relationship formed between the two partners in an NGO-corporate alliance. Resource Dependence Theory (RDT) acknowledges the role that resources play in affecting personal relations within inter-organisational partnerships. This research explored the extent to which legitimacy and financial resources independently increased the likelihood of positive partner relations. It is recognised that "resources [are] the variable that affects behaviour in firms involved in or initiating such relationships" (Eiriz & Wilson, 2006, p. 281). As such, both legitimacy and financial resources were expected to significantly impact the nature of the relationship that was formed between the parties. The following discussion explores themes of resource provision and how this shapes the building of positive partner relationships.

Based on this research question, H3 examined the extent to which legitimacy positively impacted the relationship between the partners from the perspective of the NGO. Legitimacy is indicative of an NGO's social acceptance, which is a result of the organisation adhering to social norms and expectations (Deephouse & Carter, 2005; Ruef & Scott, 1998). Being perceived as a legitimate organisation is not a choice for an NGO but an imperative (Lister 2003; Lyons 2001) as their ability to attract and retain corporate partners and provide necessary services to stakeholders relies on it. Because of this, it was assumed that the legitimacy provided by the corporate would have a positive effect on the relationship between the partners. The results from this study correspond with expectations; as legitimacy increases, so too does the trust and commitment (relationship) between the partners from the NGO perspective. This finding is not unexpected and confirms that NGOs will seek to partner with a commercial company who can enhance their legitimacy, as suggested by Seitanidi & Ryan (2007).

Like legitimacy, the provision of financial resources (H4) was shown to have a strong effect on the relationship between the partners; if the NGO believe the corporate to be providing adequate financial resources then this leads to a positive relationship. NGOs choose to partner with corporates due to their need for financial assistance in providing programs and services to their stakeholders (Andreasen, 1996). This assistance can come in the form of major or minor donations, co-branding of products, access to previously inaccessible markets or the sharing of expertise (Andreasen, 1996; Lister, 2000; Seitanidi & Ryan, 2007). From these findings we can conclude that if the corporate did not provide adequate financial resources to the partnership then the relationship (and subsequently the alliance) would fail. This could be due to the fact that the very act of partnering with a corporate leads to expectations of financial assistance and – if this is fulfilled – the building of trust and commitment. The failure of the corporate to provide expected resources in this respect might indicate that they are not living up to their side of the bargain.

This research finds that both financial resources and legitimacy have a positive correlation with partner relations. Molm (1991, p. 478) writes that “the most familiar prediction of exchange theorists is that satisfaction varies with the actual value of outcomes received, relative to expected value”. This sentiment is echoed in the current study; as the expected value of the resources received increases, so too does the value of the relationship. These findings echo previous opinions which highlight the importance of legitimacy (Hoffman, 2009; Hudock, 1995; Lister, 2003) and financial resources (Arya & Lin, 2007; Berger, et al., 2004; Iyer, 2003) in NGO-corporate alliances. The exploration of how legitimacy affects alliance relationships has not been previously explored in detail (Hudock, 1995; Lister, 2003). Therefore this research contributes to current theory by highlighting that legitimacy is just as important as financial resources in creating a positive relationship between the partners.

This differs from the findings relating to dependence, where the provision of financial resources had a stronger effect than legitimacy. From this, we could infer that financial resources create the basis for a dependence partnership; however both social and economic resources form the foundation for successful relationships. From a resource-dependence perspective this research demonstrates that, within the NGO-corporate alliance, both social and economic resources are going to significantly affect the nature of the relationship that is established. These results offer new insight into the notion of resource-based power and partner relations in the NGO-corporate alliance.

PART 3: DEPENDENCE AND OUTCOMES

This section addresses the following research questions and hypotheses:

RQ3 To what extent does the dependence of the NGO on their corporate partner affect alliance outcomes?

H5 Partner dependence will positively affect the achievement of organisational objectives

H6 Partner dependence will positively affect the perceived effectiveness of the alliance

H7 Partner dependence will positively affect the achievement of social objectives

This question addressed the nature of the relationship between dependence and alliance outcomes. The effect of dependence on the achievement of the NGO's organisational and social goals was examined, as was its influence over creating perceptions of success within the alliance. Overall, the findings show that the dependence of the NGO on their corporate partner led to the achievement of both social and organisational objectives, although not perceived alliance effectiveness.

In their study of organisational dependence within international joint ventures, Robson et. al. (2006) found that high-dependency partnerships were associated with low levels of insecurity between the partners. Thus, in relationships where the parties felt dependent on each other, they felt more secure in their relationships and achieved more positive partnership outcomes. Low levels of dependence were linked with businesses being less likely to achieve their alliance objectives, and thus shown to reduce the effectiveness of the partnership (Robson, et al., 2006). Other scholars have reported similar findings, such as that greater levels of dependence between partners improves the willingness to attain mutual objectives (Dyer, 1997) and that dependence can commit partners to the relationship, thereby increasing the longevity and success of the alliance (Dyer, 1997; Parkhe, 1993).

This current study demonstrates that dependence of the NGO on their corporate partner can enhance the achievement of both organisational and social objectives: the greater the dependence of the NGO on their corporate partner, the more likely they are to achieve their desired organisational and social goals. Specifically in relation to achieving goals, these results demonstrate that organisational dependence has a positive effect on the alliance. This is in line with current debate, which argues that partnerships that operate under conditions of high risk are more likely to have successful outcomes when dependence situations occur (Andaleeb, 1996; Dyer, 1997; Parkhe, 1993). It was found, however, that dependence had a slightly higher effect on the achievement of social objectives than on the achievement of organisational objectives. This suggests that within highly dependent partnerships the NGO is focused on the achievement of social rather than organisational outcomes. These findings extend current theory by explaining the effects of partner dependence on objectives achievement within the NGO-corporate alliance.

One intriguing question these results lead us to consider is why the dependence of the NGO on their corporate partner led to the achievement of objectives, however not to perceptions of alliance effectiveness (Hypothesis 6). Based on these results, it is apparent that organisations who perceive themselves as more dependent on their corporate partner do not believe the alliance to be a success.

Previous research has shown that high levels of dependence are often associated with higher levels of satisfaction within the relationship (Andaleeb, 1996). However, other research has demonstrated that dependence can threaten organisational autonomy and can manifest in opportunistic behaviours by the more powerful party (Grundlach & Cadotte, 1994; Simonin, 1997; Williamson, 1985). NGOs are continually torn between their dependence on other organisations for resources and their desire to be autonomous (Hudock, 1995). There is evidence in the NGO literature of corporates behaving opportunistically (Selksy & Parker, 2005), which could greatly diminish feelings of success from the NGO perspective. This discrepancy in findings could potentially be explained by the complexity of the climate in which these partners operate and the often-conflicting goals of the two organisations (Wymer & Samu, 2003a). NGO-corporate partnerships serve a very distinct purpose of assisting NGOs in their ability to achieve organisational and social goals that may otherwise be unattainable. This does not however mean that NGOs are morally comfortable with the partnerships (Milne, et al., 1996). Effectiveness of the alliance appears to be about more than just achieving the objectives stated by the alliance.

It could also be postulated that satisfaction and feelings of alliance success are more likely when there is a perceived equal balance of power between the organisations and a greater level of interdependence occurs. This has previously been suggested by other scholars (Gulati & Sytch, 2007) and also makes intuitive sense, as both parties are as reliant on each other to make the alliance work. This is not, however, generally the case in NGO-corporate alliances where power imbalance is a fundamental characteristic of the alliance (Lister, 2000; Seitanidi & Crane, 2008; Spall, 2000). Effectiveness may have more to do with less tangible aspects of the alliance such as the relationship. This finding also justifies the inclusion of 'Perceived Effectiveness' as a separate measure of alliance outcomes for the NGO.

This research extends RDT by examining the outcomes of the NGO in satisfying their own internal goals, rather than the demands of their partners. Heide (1994, p. 73) recognises that "Resource Dependence Theory essentially limits its treatment of performance to effectiveness considerations, or the ability to satisfy the demands of the external parties per se". This study is unique in its treatment of both subject matter and theory as it explores alliance consequences explicitly for NGOs. There are very few studies to date that have explored results of NGO-corporate alliances from the NGO perspective (Arya & Lin, 2007; Milne, et al., 1996; Polonsky, et al., 2004a).

These findings contribute to the small but growing theory surrounding NGO-corporate alliances and go some way to quelling the concern raised by Froelich (1999, p 263) that there are "unanswered questions about the ultimate impacts [of dependence] on individual organizations and on the non-profit sector as a whole." It can be concluded overall that in NGO-corporate alliances dependence does not indicate a perception of alliance effectiveness, but it can lead to the achievement of social and organisational objectives. In order for NGOs to achieve their social and organisational goals they rely on the support from corporate partners, however if partner dependence is high then they may believe their autonomy compromised and the alliance unsuccessful.

PART 4: RELATIONSHIP AND OUTCOMES

This section addresses the following research questions and hypotheses:

RQ4 To what extent does relationship between the NGO and their corporate partner affect alliance outcomes?

H8 The partners' relationship will positively affect the achievement of organisational objectives

H9 The partners' relationship will positively affect the perceived effectiveness is positively associated with the partners' relationship

H10 The partners' relationship will positively affect the achievement of social objectives

The objective of this research question was to address the effect of the partners' relationship on the outcomes of the alliance. Specifically, the effect of relationship on the achievement of social and organisational objectives was examined, as were partner relations with regards to the perceived effectiveness of the alliance. The findings indicate that high levels of trust and commitment (relationship) between the partners are more likely to lead to the achievement of objectives and perceptions of alliance success.

Many authors have recognised partnership success as being attributed to the complementary nature of organisational capabilities (Das & Teng, 2000; Freer, 2004) and have not taken into account the relational aspects (Lister, 2000). Particularly for NGO-corporate alliances, where partners obviously have very different capabilities, this assumption did not satisfactorily explain how these alliances could function. Instead, the relationship that developed between the partners was applied to explain successes and failures of these alliances (Milne, et al., 1996; Polonsky, et al., 2004a).

Previous findings from commercial alliance literature highlight the importance of personal relationships in shaping economic transactions as a way of reducing opportunism by the stronger party (Buvik & Reve, 2002). It has also been found that partner relations may be the most lasting form of competitive advantage an organisation can have, and that alliance success can be attributed to the quality of the relationships that exist between the partners

(Ireland, et al., 2002). Similar findings have emerged from NGO-corporate alliance literature. The management of the alliance from a relational perspective is innately linked to the achievement of goals (Polonsky, et al., 2004a; Seitanidi & Crane, 2008). It is also argued that a good relationship is inherently more important in these types of partnerships due to the differing organisational goals and motives for entering into the alliance (Abzug & Webb, 1999). This research extends these prior notions by examining the extent to which the relationship can positively affect specific alliance outcomes within these cross-sector partnerships.

The findings indicate that the relationship between the two partners has a strong positive influence on the achievement of both social and organisational objectives, and on the effectiveness of the alliance. Thus, where there is thought to be a good relationship between the two partners, the achievement of objectives and the effectiveness of the alliance are more likely from the perspective of the NGO. This is very much in keeping with current literature, which highlights that a positive relationship between two alliance partners can create better alliance outcomes (Morgan & Hunt, 1994; Pervan, et al., 2007).

As mentioned previously, the main implication of RDT for this research is the identification of resource-based power within the NGO-corporate alliance and the specific governance mechanisms that can be used to reduce the uncertainty that comes along with external resource provision. RDT was found to explain organisation’s governance devices in business-to-business exchanges (Buvik & Reve, 2002). Findings from this current study indicate that relationship governance may be the most effective way of overcoming constraints placed on the relationship and ensuring positive outcomes. The findings indicate that partner relations play a vital role in the formation and management of power within the NGO-corporate alliance context.

The importance of governance for NGOs is acknowledged by scholars, however has not previously been fully explored (Milne, et al., 1996; Polonsky, et al., 2004a). The results from this study indicate that relationship governance can be an important contributing factor to ensure the success of the alliance. The role that individual relationships play in alliance governance is recognised in both the for-profit (Kale, et al., 2001; Morgan & Hunt, 1994) and NGO (Bucklin & Sengupta, 1993; Milne, et al., 1996) marketing literature, specifically with regards to NGO-corporate alliances (Austin, 2000a). Suarez and Hwang (2008) found that NGOs led by individuals with management degrees were more likely to initiate relationships with corporates than they were with other NGOs or government, highlighting that these relationships are perceived as particularly challenging.

The current study indicates that the relationship will have a more significant effect on the achievement of social objectives than on organisational objectives. This could confirm suspicions highlighted by recipients in previous studies, such as those by Milne et al. (1996) and Selsky and Parker (2005), that corporates are primarily interested in helping NGOs with social issues that will have a greater impact on their own Corporate Social Responsibility (CSR) than they are in alleviating organisational pressures felt by the NGO (i.e. staff funding restrictions). Thus, corporate partnerships are, for them, a way of primarily furthering social outcomes. The qualitative findings from this current study also support this.

What is particularly noteworthy is the fact that the relationship plays a greater role in creating a state of perceived effectiveness than it does in achieving alliance objectives. These results indicate that many NGOs could believe a good relationship is indicative of an effective alliance. We can therefore assume that a good relationship between the partners will have the effect of creating a feeling of partnership success, even if the objectives are not fully realised.

This is in direct contrast with the effect of dependence on the perceived effectiveness of the alliance, which was shown to have no significant effect. In fact, overall the effect of partner relations was greater than that of dependence on each aspect of the alliance outcomes. This sits well within the accepted findings of current literature, which claims that a positive relationship can overcome many alliance shortcomings (Abzug & Webb, 1999; Conway & Whitelock, 2007; MacMillian, et al., 2005). Qualitative findings from this study attest to this also. So, while dependence may be inevitable in most alliances (Guo & Acar, 2005), it is the relationship that plays a more significant role in achieving positive outcomes. Therefore, if the relationship elements are high, it could compensate for the dependence felt and still create outcomes that are perceived as effective. Conversely, if trust and commitment between the partners is low and dependence is quite high the operation of the NGO-corporate alliance will be ineffective.

Exchange theorists have long focused on how absolute outcomes affect satisfaction. Work by Molm (1991) has explored how the act of exchange itself (i.e. engaging in a relationship) affects the satisfaction associated with outcomes. Individuals involved in an alliance can either be satisfied with outcomes, or they can be satisfied with how outcomes were obtained. Findings from this current study reiterate this, as NGOs were not satisfied with the alliances when a dependence relationship evolved, however if the relationship was good then they were satisfied with the outcomes. Therefore the act of exchange facilitated the effect of it.

Strong relational ties and related governance forms can be effective in reducing uncertainty with the environment and enhancing the NGO's performance within the alliance. NGOs need to have a good relationship with their partner if they are to achieve their objectives. This relationship is also the key to having, from their perspective, a successful alliance. Overall, the results from this study indicate that a positive relationship between NGO and corporate partners allows NGOs to achieve high quality outcomes. In fact, this study found that positive partner relations were the most important aspect in generating favourable outcomes from the perspective of the NGO.

CHAPTER SUMMARY

This chapter outlined the results and discussed outcomes for the qualitative and quantitative phases of this study. First, it outlined the findings from the qualitative phase, and then addressed the four research questions and 10 hypotheses relating to NGO-corporate partnerships. Structural Equation Modelling was used to examine how aspects of power affected partner dependence and relations, and how these in turn affected alliance outcomes for NGO-corporate partnerships. Overall, the results supported the majority of the hypotheses, with only one being unsupported.

CHAPTER 6: SUMMARY AND CONCLUSIONS

INTRODUCTION

This research examined the concept of resource-based power within a partnership between a NGO and a corporate company. It has explored resource-based power with respect to its effects on structural (dependence) and relational (relationship) features of the alliance, as well as alliance outcomes. In addition, this work builds on and confirms the relevancy of Resource Dependence as a theoretical framework through which to view these alliances.

Specifically, the purpose of this research was to: (1) define and operationalise the factors of power as they are characterised within an NGO-corporate alliance context; (2) to investigate how power shapes the alliance characteristics of dependence and partner relations; and (3) to explore how these directly influence alliance outcomes. There were four research questions and 10 hypotheses that were investigated in this study using multivariate analytical techniques, which are discussed in Chapter 5. The major findings of this research are highlighted in the following sections.

SUMMARY OF FINDINGS

In the exploration of resource-based power within the NGO-corporate alliance, an integrated model was developed to test the effects of social and economic power on partner dependence and relations, and then to assess how these directly affected alliance outcomes. Table 19 outlines a summary of the hypotheses and their results that were tested in this research and discussed in detail in Chapter 5.

Table 19: Summary of Hypotheses and Results

	Hypothesis	Direction	Standardised beta	*t* Value	*p*	Supported
H1	Legitimacy → Dependence	+	0.14	2.091	*	YES
H2	Financial Resources → Dependence	+	0.43	4.632	***	YES
H3	Legitimacy → Relationship	+	0.29	4.302	***	YES
H4	Financial Resources → Relationship	+	0.26	3.387	***	YES
H5	Dependence → Achievement of Organisational Objectives	+	0.35	4.539	***	YES
H6	Dependence → Perceived Effectiveness	+	*0.02*	*0.371*	*.355*	*NS*
H7	Dependence → Achievement of Social Objectives	+	0.39	5.725	***	YES
H8	Relationship → Achievement of Organisational Objectives	+	0.48	6.502	***	YES
H9	Relationship → Perceived Effectiveness	+	0.92	11.474	***	YES
H10	Relationship → Achievement of Social Objectives	+	0.60	9.752	***	YES

* = $p < 0.05$; *** = $p < 0.001$ (one tailed)

MAJOR FINDINGS

This study has offered insight into the relatively under-explored area of resource-based power within the NGO-corporate alliance. Using the foundations of Resource Dependence Theory, this study has been able to distinguish the structural and relational characteristics that are affected and the way these then influence alliance outcomes. There are a number of important findings that have emerged from this study. The following discussion outlines the major findings from this research.

Power and Dependence

The first important finding from this research is the significant positive effect of legitimacy and financial resources on dependence.

Major Finding 1a: *NGOs are likely to become dependent on corporate partners who provide both social and economic resources to the partnership.*

Major Finding 1b: *A dependence relationship is more likely to form based on the corporate's provision of economic rather than social resources.*

There is a direct relationship between the quantity and quality of resources provided to the NGO by their corporate partner and the level of dependence that develops. This extends existing scholarship regarding NGO-corporate alliances by outlining the effects that resources can have on the NGO's dependence on their partner. The results also provide evidence that NGOs rely on their corporate partner to provide financial assistance to a greater extent than legitimacy. This indicates that NGOs are more concerned with gaining economic resources from the partnership with commercial enterprises.

This study goes some way to overcoming one of the difficulties associated with studying organisational behaviour: determining the power-dependence relationship prior to partnership formation (Buvik & Reve, 2002). These findings give an indication of how social and economic power can affect the NGO's dependence on their partner. This is not only significant academically; being the first study to empirically explore dependence conditions within the NGO-corporate alliance from the NGO perspective, but also provides useful information for alliance managers. When embarking on alliances, NGO managers will now be able to predict how resource provision is going to directly impact their dependence on the corporate partner.

This research also extends Resource Dependence Theory. A premise of resource-dependence is that an organisation will externally seek resources that are internally scarce (Pfeffer & Salancik, 1978). These findings, however, indicate that the NGO will seek a corporate partner who can offer the resource of legitimacy, a resource that they do not lack.

These findings also serve as a confirmation that NGO-corporate alliances operate within a non-traditional framework of power. Traditional power-dependence theories suggest that power asymmetry directly translates into power use (Emerson, 1962; Gulati & Sytch, 2007). However, findings from this study indicate that the corporate possession of power doesn’t directly convert into coercive use with negative ramifications. Instead, the corporate provision of power can lead to a positive dependence association. These findings theoretically advance our understanding of the power dependence relationship within NGO-corporate alliances.

Power and Relationship

The second important finding from this research is the significant positive effect that both social and economic resources have on the quality of the relationship between the partners.

Major Finding 2a: *A positive relationship between the partners is likely when the corporate partner is providing both economic and social resources.*

Major Finding 2b: *Economic and social resources are equally important in the creation of a positive relationship.*

This current study contributes to existing theory by demonstrating the positive effect that resource-based power has on partner relations within an NGO-corporate partnership. The provision of both legitimacy and financial resources increases the quality of the relationship that will develop between the organisations. This finding is not unexpected, and confirms previous suggestion that NGOs will seek to partner with a company who can enhance their legitimacy (Seitanidi & Ryan, 2007) and fulfil their need for financial assistance (Andreasen, 1996).

Previous research has predominantly explored the effects of economic resources on NGO-corporate partnerships. This study extends current theory by proving that social resources are just as important in the creation of positive partner relations as economic resources. This is relevant academically as it contributes to the growing theoretical framework of resource-dependence within NGO-corporate alliances. It also provides important information for alliance managers who will now be able to understand how resource-based power will affect the relationship that develops in their alliance. These results offer new insight into the notion of resource-based power and partner relations in the NGO-corporate alliance.

Dependence and Outcomes

The third major finding from this study highlights the significant effect of the NGO's dependence on their partner and the achievement of both social and organisational objectives. Also, this research demonstrates that dependence does not significantly affect the NGO's perceptions that the alliance will be a success.

Major Finding 3a: *The more dependent the NGOs are on their corporate partner, the more likely they are to achieve their organisational and social goals.*

Major Finding 3b: *Where the NGO feels high levels of dependence on their corporate partner, there is a greater likelihood of achieving social rather than organisational objectives.*

Major Finding 3c: *The achievement of goals does not necessarily indicate alliance success. In partnerships where they feel highly dependent on their corporate partner, the NGO may perceive the alliance to be unsuccessful.*

Within the NGO-corporate literature there is no consensus on whether dependence of the NGO on their corporate partner will bring about positive or negative alliance effects (Hudock, 1995; Lister, 2000). This study offers some conclusions to the debate; it demonstrates the positive effect that dependence has on the achievement of objectives, yet the insignificant effect it has on the perceived effectiveness of the alliance. This indicates that despite a dependence relationship leading to goal achievement, NGOs need to retain a degree of autonomy within and outside the alliance if they are to regard it as a success. This finding could offer solace to some alliance managers, who may have found that regardless of objectives achievement they still do not believe the alliance to be effective for their own organisation.

Social goals are more likely to be achieved than organisational goals in a partnership of high dependence, indicating that NGOs may focus their energy on fulfilling their social objectives. This research highlights the association between NGO dependence and organisational performance within a cross-sector partnership. The resource-dependence perspective, which generally focuses on demands of partners than internal goals, is extended through the exploration of the NGO's own desired outcomes of the alliance. A critical implication of this contribution lies in the recognised need to give additional attention to value creation within the partnership; not just looking at the asymmetries in the relationship, but looking at ways that these can be worked with in order to enhance outcomes.

Relationship and Outcomes

The fourth major finding from this study relates to the relationship between the NGO and their corporate and the degree to which this affects the outcomes. It was found that higher quality relationships between the two parties would lead to more positive outcomes for the NGO.

Major Finding 4a: *From the perspective of the NGO, a high-quality relationship with their alliance partner will be more likely to lead to a greater achievement of social and organisational objectives and the belief that the alliance was a success.*

Major Finding 4b: *In terms of objectives achievement, a high-quality relationship is more likely to have a greater impact on the NGO's social rather than organisational goals. However, partner relations have the most significant effect on perceptions of alliance effectiveness and therefore are expected to affect estimations of success to a greater degree than the achievement of objectives.*

In keeping with current theory, this finding emphasises the role of the relationship in overcoming perceived resource-based power imbalance and creating successful alliance outcomes. The finding highlights that a positive relationship between two alliance partners can create better alliance outcomes for the NGO. The effect of the relationship was more significant on the achievement of social rather than organisational objectives, again highlighting the corporate's willingness to assist in the achievement of CSR-related goals.

However, a positive relationship had the most dramatic impact on the NGO's perceptions of alliance effectiveness, indicating that partner relations are intrinsically linked with alliance success.

Within this research, the main implication of RDT is the identification of resource-based power within the NGO-corporate alliance and the specific governance mechanisms that can be used to reduce the uncertainty that comes along with external resource provision. These findings highlight the important role of relationship governance within these partnerships and how it can overcome constraints of resource-based power imbalance.

Achieving Successful Alliances

The final major finding from this study relates to the effectiveness of relationship governance in these types of alliances. This study shows that high quality relationships between the partners may be the most effective way of ensuring positive alliance outcomes for the NGO.

Major Finding 5: *A strong relationship between the partners could potentially overcome feelings of oppression that may emerge from a partnership based on dependence and create more successful alliances for the NGO.*

This research contributes to the study of resource-based power within the context of NGO-corporate alliances by demonstrating the effects of different sources of power on the NGO's structural and relational alliance characteristics. Traditionally, scholars have argued that power imbalance relating to resource provision can be detrimental to interorganisational relationship (Bucklin & Sengupta, 1993; Lister, 2000; Polonsky, et al., 2004a; Spall, 2000). This highlights that the relationship between power asymmetry and alliance failure may not be as critical as classical power theory would have you believe; within the NGO-corporate partnership dependence asymmetry is less important to the outcomes of the alliance than strong partner relations.

This study has contributed to this small but growing NGO-corporate alliance literature by defining the crucial role of relationship governance in overcoming potential problems that can arise from the NGO's dependence on their corporate partner. This finding is important for alliance managers, as it offers a potential solution to loss of autonomy in the alliance that can lead to negative perceptions of alliance outcomes. In addition, it advances our understanding of these alliances theoretically by offering a holistic picture of alliance success for the NGO.

CONTRIBUTIONS TO THE ACADEMIC DISCIPLINE

This study has made a number of contributions to the academic discipline. The key contributions are outlined below:

Presents a New Conceptualisation of Power

Previous research regarding the power structure in NGO-corporate alliances has viewed power as a grandiose, overarching theme without ever defining the aspects that create this concept. This study offers a definition of power specific to NGO-corporate alliances. It defines power as being resource-based with contributing social and economic factors. In addition, it explores the extent to which the corporate partner affects the NGO through the resource-based power provided to the relationship in the form of financial resources and legitimacy. These are operationalised in order to test the effect that power structures have on partner dependence and relations. This exploration of resource-based power offers a perspective not previously addressed by defining and measuring the aspects of corporate-provided power within these partnerships.

Extends Alliance Outcomes Literature

This study sought to extend previous alliance literature by offering a holistic view of alliance outcomes. Previous research has examined outcomes of NGO-corporate alliances, however these have often failed to reflect the wide-ranging results that these very specific alliances hope to achieve. This study identifies three outcomes that define alliance success for an NGO in a partnership with a corporate: achievement of social objectives, achievement of organisational objectives, and perceived alliance effectiveness.

Extends Alliance Governance Literature

NGO-corporate alliance governance literature is still in its infancy, with only a limited number of studies addressing this topic (Milne, et al., 1996; Polonsky, et al., 2004a). This current study extends the existing literature on alliance governance by examining the impact of relational governance on alliance outcomes. There has been no similar study on such a scale that has examined these aspects and how they can impact alliance success or failure. The findings indicate that relationship governance may be the most effective way of managing the alliance to ensure uniformly positive outcomes.

Explores NGO Dependence

This research extends RDT by empirically examining the dependence of the NGO on their corporate partner and the effect that this has on partnership outcomes. A study such as this has not previously been completed. The findings indicate the importance of dependence in the achievement of objectives, however also suggests that this dependence does not lead to perceptions of success. This confirms some theorists' beliefs that dependence leads to a perceived loss of autonomy for the NGO and therefore negative perceptions about the alliance (Hudock, 1995). This finding extends theory regarding the structure of NGO-corporate alliances and how dependence can affect the partnership.

Large Scale Empirical Study

Although there are a significant number of large-scale empirical studies outlined in the business-to-business alliance literature, in the area of NGO-corporate marketing alliances they are still relatively sparse. Despite a number of case studies, qualitative approaches and some empirical work, there have been very few large-scale theory building studies in this discipline (Selksy & Parker, 2005) and certainly none which have addressed the issues in this particular study. Therefore, this current research contributes to the discipline by providing generalisable findings on how power can affect structural and relational characteristics of NGO-corporate alliances and in turn how these can then affect outcomes.

Extension of Theoretical Perspective

Although Resource Dependence Theory is a key theoretical perspective by which to examine the organisational behaviour of NGOs, there is limited work specifically looking at NGO-corporate alliances. In addition to the exploration of this relatively unique organisational behaviour, RDT is extended in this research in three key ways. Firstly, RDT is used to examine the effects of dependence in these relationships, rather than the benefits of avoiding dependence. For many NGOs dependence-avoidance is not a reality as they rely heavily on their corporate partners for the provision of resources and therefore the effects of dependence are more useful to identify than the occurrence of it. Secondly, this research used RDT to identify relationship governance as a key way to control the uncertainty that can arise from external resource provision. Finally, this study extends

RDT in the examination of alliance outcomes from an internal, rather than the usual external, perspective.

IMPLICATIONS FOR MANAGERS

Along with contributions to the academic discipline, this study offers a number of implications for mangers working with NGO-corporate alliances:

Effects of Power on Dependence and Relationship

Along with providing a typology of alliance power within the context of NGO-corporate alliances, this study provides managers with indications of how power can affect partner dependence and relations within the alliance. The findings highlight the importance of social and economic resource provision in the creation of a good relationship, with greater emphasis placed on the legitimacy that the corporate partner brings to the alliance. This indicates that NGOs should carefully consider how their partner is going to affect the legitimacy of the alliance and of the NGO overall. They also highlight that NGOs can become dependent on their partners if they are being provided with adequate financial resources and legitimacy, indicating the importance of either maintaining the partnership (so that they can achieve their objectives) or having other sources of resources in case the partnership fails.

Determinants of Alliance Performance

Another major contribution for managers is the identification of critical success factors for the alliance, and the way these are affected by partner dependence and relationship. Alliance managers need to be aware that although dependence can lead to the achievement of objectives it may not lead to a perception that the alliance is a success. This indicates that it can be important for NGOs to maintain a sense of autonomy and/or multiple partnerships whilst working with corporates in order to perceive the alliance to be successful. A high-quality relationship between the partners can potentially overcome feelings that dependence is affecting the effectiveness of the alliance.

LIMITATIONS

This research makes a number of contributions to the extension of knowledge relating to NGO-corporate alliances. There are however several limitations to the research, which should be considered when interpreting the results:

Non-dyadic Study

This study was completed entirely from the perspective of the NGO. A study of the two perspectives (NGO and corporate) may have resulted in a more holistic picture of NGO-corporate alliances. However, gaining both perspectives in research such as this presents a number of problems such as ethics, cost and time restraints.

Longitudinal Study

This study represents only a brief period of time, with qualitative data being collected over an eight-month period in 2008 and quantitative data being over a two-week period in 2009. It would be interesting to complete a longitudinal study on this topic to see if social, economic and environmental trends (i.e. the global financial crisis) affected the results in any way.

Sample

This sample used in this study consists of individuals working within Australian NGOs. Although this is considered to be fairly representative of NGOs in general, it is recognised that these results may not be generalisable to NGOs operating in different countries.

FUTURE RESEARCH OPPORTUNITIES

There are several intriguing questions that remain unanswered by this current study, and warrant further attention in the future.

Dual Study

The scope of this research limited the ability to gauge a dual opinion on the matter of NGO-corporate alliances. A study incorporating data from both NGOs and corporates would offer a more holistic picture of these types of alliances, and would offer fascinating insights into perceptions of resource-based power imbalance and alliance success and failure.

Effect of Different Levels of Dependence and Relationship

Although dependence and relationship are shown to affect the alliance significantly, it would be interesting to examine how differing levels (low, medium, high) affect alliance outcomes.

Specific Industries and Issues/Causes

This study offered an overview of the NGO industry as a whole; as such organisations from all the different sectors that are supporting a myriad of causes or issues were approached to participate. A study that examined this data based on sector or category might provide relevant information for alliance managers working within those specific sectors.

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APPENDIX 1

INTERVIEW DISCUSSION GUIDE

General Information/Background

1. Tell me briefly about your organisation and your position in it.
2. Does your organisation have a strong history of forming alliances or partnerships with other organisations/businesses, etc?
3. How important do you think NGO-corporate alliances are and do you think emphasis on them has changed over recent years?

Alliance Formation

4. What is the purpose of alliance formation for your organisation; why do you form alliances? (economic, credibility, exposure)
5. Is there a certain protocol to forming alliances – e.g. rules, norms? How are these taken into consideration?
6. Why do you think corporate organisations want to form alliances with NGO organisations? (Does society put pressure on corporates to form alliances?)
7. Do you think that forming alliances with businesses could decrease or increase the legitimacy of your organisation in the eyes of your stakeholders? Why?

NGO-Corporate Alliances

8. Are there different types of alliances that you can form with businesses? What are they and how do they differ from each other?
9. What do partners give and what do they look for in return when embarking on alliances with your organisation?
10. Do you think that social or political issues/problems affect alliances formation? In what way?
11. Is the types of business you partner with important to you and do you take into account stakeholders perceptions or attitudes when deciding who to partner with?

Alliance Management

12. How do you manage alliances? Is it a collaborative process with the partnering organisation (at what level) or is it done autonomously?
13. Do you believe that there is an equal balance of power between your organisation and the businesses that you partner with? Why? How do you manage it?
14. Do you think that you bring the same amount of value to the alliance – or more or less – as your alliance partner?
15. What value do corporations get from partnering with you, and what value do you get in return?
16. Can you think of any potential barriers to forming alliances or common problems that arise from forming alliances?

Alliance Outcomes

17. Do you set objectives before going into an alliance with a business, and are these objectives achieved all of the time? (If no, what do you get from the alliance?)
18. Do you think that an alliance with a business has the potential to threaten your ability to provide for your stakeholders?
19. Do you think that you could potentially affect a corporate’s ability to perform?
20. How do you measure the outcomes or evaluate the success of a NGO-corporate alliance?
21. In a perfect world, what would you want from an alliance and an alliance partner?

APPENDIX 2

QUESTIONNAIRE

Factors Influencing the Management and Outcomes of NGO-Corporate Alliances

Explanatory statement

My name is Kathryn Lefroy and I am a Doctoral candidate in the Department of Marketing at Monash University. Along with Dr Yelena Tsarenko from Monash University, I am conducting a study examining the factors which influence the outcomes of alliances between NGO organisations and corporate businesses (NGO-business alliances).

You have been approached to participate in this study as your knowledge and expertise of the NGO sector will assist in accumulating a comprehensive view of non-profit business alliances. It is hoped that your insight will assist not only your own organisation in current and future alliances, but other organisations that may have different experiences to your own. One goal of the research is to better understand how the dynamics between NGO organisations and their corporate partners affect the outcomes of alliances. It is anticipated that the results of the research will assist NGO organisations in better understanding those factors which affect alliance outcomes, subsequently enabling more effective and efficient NGO-business alliances.

The survey consists of three sections. The first asks you to respond to questions about your own organisation. The second refers specifically to characteristics of the chosen alliance. The third section explores factors which influence the management and outcomes of the alliance with regards to both your organisation and your chosen alliance partner. Please answer all questions in this second and third section with regards to **one particular alliance and alliance partner**. The alliance that you choose does not necessarily need to currently be in operation. The entire questionnaire should take approximately 20 minutes to complete.

Your participation in this research is completely voluntary. Should you choose to participate, your responses will be completely confidential, with only the researchers having access to the results, which in accordance with University regulations will be stored in a locked filing cabinet at Monash University for a period of five years. All reporting of the results of the study will be in aggregate form, meaning that you, your organisation and your corporate partner will be in no way identifiable. If you would like to be informed of the aggregate research findings, please contact Kathryn Lefroy and a copy of the report will be sent to you (expected completion March 2010).

Email: Kathryn.Lefroy@buseco.monash.edu.au
Phone: (03) 9903 2365

Definition of terms

Throughout this survey the following terms are used:

Alliance/ NGO-Corporate Alliance/Partnership: Refers to a partnership between a NGO organisation and a commercial business. This partnership can be either long-term or short-term, and plays a part in the realisation of the NGO's organisational goals.

Partner/Corporate: The commercial organisation with whom the NGO teams up with in order to create the alliance.

Resources: The assets, financial capital, possessions etc that are given to the NGO organisation by the commercial partner.

Issue/Cause: The purpose for which the NGO was established; the issue or cause that the NGO organisation are advocating

Section 1: Organisational Characteristics

This section refers to characteristics of your **own organisation** and the business environment in which you operate.

1. Please indicate the category that your organisation operates in

Culture and Recreation	
Education and Research	
Health	
Social Services	
Environment	
Development and Housing	
Law, Advocacy and Politics	
Philanthropic Intermediaries and Volunteerism Promotion	

International	
Religion	
Business and Professional Associations and Unions	
Other (please specify)	

____

2. Please indicate the size of your organisation
    a. Up to 5 paid, full-time employees
    b. 6 to 15 paid, full-time employees
    c. Over 16 paid, full-time employees

3. Please indicate your current position within the organisation

    ____

4. How long have you been working for this organisation?

    ____

5. Please indicate the length of time that your organisation has been in operation?
    d. Less than 1 year
    e. 1 – 3 years
    f. 4 – 6 years
    g. 7 – 9 years
    h. More than 9 years

6. What is your annual organisational turnover?
    a. Less than $50,000
    b. $50,001 - $100,000
    c. $100,001 - $300,000
    d. $300,001 - $500,000
    e. $500,001 - $700,000
    f. $700,001 - $1M
    g. Greater than $1M

7. What percentage of your income is from government funding

   ____

8. The following statements refer to the importance of support from alliances with corporates. Please answer with regards to your own organisation.

1	2	3	4	5	6	7
Strongly disagree	Disagree	Somewhat disagree	Neither disagree or agree	Somewhat agree	Agree	Strongly agree

a. We have sufficient funding to support all our programs and services this year
a. If we lost one funder, it would put our business under threat
b. We have assets that could be sold if we were facing strong shocks
c. We have stability in revenue acquisition
d. We have growth in resources
e. We have variation in financial subsidy received this year compared to a year ago

Business Environment

Please indicate to what extent the following conditions have affected the operation of your organisation in the last 3 years

1	2	3	4	5	6	7
Not at all	To a minimal extent	To a limited extent	To some extent	To a significant extent	To a great extent	To a very great extent

External Environment

a. Economic conditions
b. Public opinion
c. Government regulations
d. Political conditions
e. Social conditions
f. Other, please specify ____________________

Business environment

a. Availability of resources
b. Financial Stability
c. Stakeholders expectations

d. Attraction and retention of personnel
e. Other, please specify____________________

Section 2: Alliance Characteristics

This section refers to specific characteristics of the alliance. Please answer all questions in this section with regards to **one particular alliance and alliance partner**. The alliance that you refer to could be current or past.

1. Is the alliance that you are thinking of still current (is it still in operation)?
   a. Yes (please go to Q 4) b. No (please go to Q 2)

2. If NO, how long ago did the alliance end? __________________

3. If NO Please indicate the reasons why the alliance has ended (please choose only one answer)
   a. Did not achieve objectives
   b. Became strategically unimportant
   c. Achieved objective, and was dissolved
   d. Other (please specify) _______________________________

4. What is the length of the alliance?
   a. Less than 6 months
   b. 6 months - 1 year
   c. 1-2 years
   d. 2-3 years
   e. 3-5 years
   f. 5+ years

5. How many organisations are involved in the alliance (including your own organisation)?
   a. 2
   b. 3

c. 4
d. 5
e. More than 5
f. Unknown

6. Please indicate the financial involvement of your alliance partner in this alliance
   a. Less than $5,000 AUD
   b. $5,001 – $10,000 AUD
   c. $10,001 – $50,000 AUD
   d. $50,001 – $100,000 AUD
   e. $100,001 - $500,000
   f. $500,001 - $1,000,000 AUD
   g. More than $1,000,001 AUD

7. What is/was the objective of the alliance (i.e. to secure funding, to promote a program, to gain expert assistance/advice etc.)?

   ____

8. What do you perceive as your alliance partner's **primary** objective for entering into the alliance? (from Seitanidi and Ryan 2007)
   a. Altruism
   b. To enhance their reputation
   c. They have a personal association with our NGO organisation
   d. To enhance Sales/Advertising
   e. Corporate Social Responsibility
   f. Because it is expected by their stakeholders

9. In relation to your alliance partner, please answer the following
   a. How many joint projects (alliances) have you previously had with this partner? _______________
   b. Please indicate the industry in which your partner operates.

Communication Services	
Electronics and Electrical Manufacturing	
Labour Hire	

Pharmaceutical and Health Technology	
Environment and Energy	
Fashion	
Finance and Insurance	
Food and Beverage	
Building and Construction	
Mining and Technology services	
Transport, Distribution and Logistics	
Manufacturing	
Tourism	
Wholesale and Retail Trade	
Other (please specify)________________	

1. Please indicate how important the alliance that you have chosen is in terms of its impact on the achievement of your organisation's strategic goals.

1	2	3	4	5	6	7
Of no importance	Unimportant	Somewhat unimportant	Neither unimportant or important	Somewhat important	Significantly important	Of major importance

Section 3: Alliance Management and Outcomes

This section refers to the specific factors which influence the management and outcomes of the alliance. Please answer all questions with regards to the **same alliance and alliance partner** that you have referred to in the previous section.

Resources

The following statements refer to the perceived importance of your alliance partner's credibility. Please answer to what extent you agree with the following statements.

1	2	3	4	5	6	7
Not at all	To a minimal extent	To a limited extent	To some extent	To a significant extent	To a great extent	To a very great extent

1. Our partner confirms with regulatory institutions, rules and laws
2. Our partner has a well defined position within the their sector
3. I believe that our partner is perceived as a reputable organisation by wider society
4. I believe that our partner is perceived as a reliable organisation by wider society
5. I believe that our partner is perceived as a capable organisation by wider society

The following statements refer to the resources that you receive from your alliance partner. Please indicate to what extent the following resources from your partner are adequate in achieving your alliance objectives.

1	2	3	4	5	6	7
Not at all	To a minimal extent	To a limited extent	To some extent	To a significant extent	To a great extent	To a very great extent

a. Finance/Funding
b. Expertise (skilled labour)
c. Technological assistance
d. Networking and/or lobbying support
e. Labour resources (volunteer staff)
f. Other ____

<u>Partner Dependence</u>

This section refers to the perceived reliance between you and your alliance partner. Please indicate to what extent you agree with the following statements.

1	2	3	4	5	6	7
Not at all	To a minimal extent	To a limited extent	To some extent	To a significant extent	To a great extent	To a very great extent

Dependence

1. The partner firm provides skills and resources that are essential for funding the alliance
2. The total cost of my organisation losing the partner firm's assistance in this business venture is substantial
3. The operations of the alliance would be severely disrupted if the partner were to withdraw its skills and resources
4. Our organisation would find it difficult to effectively perform the partner firm's tasks and responsibilities in this alliance

<u>Partner Relations</u>

The following statements refer to the relationship between your organisation and your partner. Please indicate to what extent you agree with the following statements.

1	2	3	4	5	6	7
Not at all	To a minimal extent	To a limited extent	To some extent	To a significant extent	To a great extent	To a very great extent

Trust

1. Our organisation is honest with our alliance partner
2. We have confidence in our alliance partner to fulfil their alliance objectives
3. Our alliance partner has confidence in us fulfilling our alliance objectives.
4. In the alliance relationship our business partner has high integrity

Commitment

1. The relationship that our organisation has with our alliance partner is something that we are very committed to
2. Our organisation has a strong sense of loyalty to our alliance partner
3. Our alliance partner has made adequate financial investments for the alliance to succeed
4. Our alliance partner has made adequate non-financial investments for the alliance to succeed alliance partner
5. We are willing to make a long term (over three years) investment in our relationship with this alliance partner

<u>Alliance Outcomes</u>

This section refers to the extent that you perceive the alliance to have assisted with achieving the following. Please indicate to what extent you agree with the following statements.

1	2	3	4	5	6	7
Not at all	To a minimal extent	To a limited extent	To some extent	To a significant extent	To a great extent	To a very great extent

Achievement of organisational objectives

1. The alliance has helped improve our image
2. The partnering business has contributed resources to our organisation
3. Public awareness has been increased due to the alliance formation
4. Our organisation has had an increase in the number of enquiries after the formation of the alliance

5. Our organisation and our alliance partner have separate abilities that enable us to achieve our objectives when combined together

Alliance effectiveness

1. Our partner has always carried out responsibilities to the fullest extent possible
2. Our organisation has carried out responsibilities to the fullest extent possible
3. The relationship between our organisation and our partner has been worthwhile
4. The relationship between our organisation and our partner has been productive

Achievement of social objectives

1. The alliance has positively impacted on our cause/issue
2. Our stakeholders have responded positively to the alliance
3. The alliance has assisted in changing behaviours and attitudes towards the issue/cause

APPENDIX 3

ETHICS STATEMENT AND APPROVAL LETTER

If you would like to contact the **researchers** about any aspect of this study, please contact the Chief Investigator:	If you have a **complaint** concerning the manner in which this research (CF08/0619 – 2008000293) is being conducted, please contact:
Dr Yelena Tsarenko Lecturer Monash University, Level 6, Chisholm Tower 26 Sir John Monash Drive (P.O. Box 197) Caulfield East VIC 3145 Australia +61 3 9903 2354 Yelena.Tsarenko@buseco.monash.edu.au	Monash University Human Research Ethics Committee (MUHREC) Building 3e Room 111 Research Office Monash University VIC 3800 Tel: +61 3 9905 2052 Fax: +61 3 9905 1420 Email: scerh@adm.monash.edu.au

Standing Committee on Ethics in Research Involving Humans (SCERH)

Research Office
Postal – Monash University, Vic 3800, Australia
Building 3E, Room 111, Clayton Campus, Wellington Road, Clayton
Telephone +61 3 9905 5490 Facsimile +61 3 9905 1420
Email scerh@adm.monash.edu.au www.monash.edu/research/ethics/human/index/html
ABN 12 377 614 012 CRICOS Provider #00008C

Human Ethics Certificate of Approval

Date 6-March-2008

Project Number CF08/0619 – 2008000293

Project Title Management of Nonprofit-Business Alliances: the nonprofit perspective

Chief Investigator Dr Yelena Tsarenko
Cc: Ms Kathryn Lefroy

Approved From: 6-March-2008 To: 6-March-2013

Terms of approval
1. Approval is only valid whilst you hold a position at Monash University.
2. It is the responsibility of the Chief Investigator to ensure that all pending information (such as permission letters from organisations) is forwarded to SCERH. Research cannot begin at an organisation until SCERH receives a permission letter from that organisation and confirms that research can start.
3. It is the responsibility of the Chief Investigator to ensure that all investigators are aware of the terms of approval and to ensure the project is conducted as approved by SCERH.
4. You should notify SCERH immediately of any serious or unexpected adverse effects on participants or unforeseen events affecting the ethical acceptability of the project.
5. The Explanatory Statement must be on Monash University letterhead and the Monash University complaints clause must contain your project number.
6. **Amendments to the approved project:** Requires the submission of a Request for Amendment form to SCERH and must not begin without written approval from SCERH. Substantial variations may require a new application.
7. **Future correspondence:** Please quote the project number and project title above in any further correspondence.
8. **Annual reports:** Continued approval of this project is dependent on the submission of an Annual Report. This is determined by the date of your letter of approval.
9. **Final report:** A Final Report should be provided at the conclusion of the project. SCERH should be notified if the project is discontinued before the expected date of completion.
10. **Monitoring:** Projects may be subject to an audit or any other form of monitoring by SCERH at any time.
11. **Retention and storage of data:** The Chief Investigator is responsible for the storage and retention of original data pertaining to a project for a minimum period of five years.

Professor Ben Canny

Chair, SCERH