Cross-sector Partnerships for Sustainability: Formation, Evaluation and Risk Management

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III. List of abbreviations

B2B	Business-to-business
B2C	Business-to-consumer
B2N	Business-to-nonprofit
CSP	Cross-sector partnership
CSR	Corporate social responsibility
FTE	Full time equivalent
IOR	Interorganizational relationship
KPI	Key performance indicator
M/P	Manufacturer/Producer
NGO	Nongovernmental organization
NPO	Nonprofit organization
PPP	Public-private partnership
PrC	Partnerships resource centre
RM	Raw materials producer
R	Retailer

1. Introduction

Cross-sector partnerships for sustainability between firms and nonprofit organizations (NPOs) are thriving around the world (Kiron et al., 2015; Van Tulder, Seitanidi, Crane, & Brammer, 2016). There is a growing consensus among academics and practitioners that the magnitude and complexity of today's sustainability issues cannot be addressed by unilateral organizational action (e.g., Austin & Seitanidi, 2012a; Confino, 2012; Gray & Stites, 2013). Firms and nonprofits need to collaborate in cross-sector partnerships to combine their largely complementary, critical resources to jointly tackle environmental or social problems (Austin, 2000; Rivera-Santos & Rufín, 2010; Selsky & Parker, 2005). While firms usually provide financial and managerial resources and know-how, nonprofit partners offer social capital, networks, and expertise in such partnerships (e.g. Berger, Cunningham, & Drumwright, 2004; Hahn & Gold, 2014; Sakarya, Bodur, Yildirim-Öktem, & Selekler-Göksen, 2012).

Extant cross-sector partnership research underlines the relevance of cross-sector partnerships to participating organizations and society (e.g., Bryson, Crosby, & Stone, 2006; Googins & Rochlin, 2000) and provides guidance on their successful implementation at the partnership-level (e.g., Berger et al., 2004; Seitanidi & Crane, 2009). However, there are only scarce empirical insights on how firms or NPOs can manage their partnerships effectively at the organization-level, that is across partnerships and partnership managers (Quélin, Kivleniece, & Lazzarini, 2017; Rivera-Santos, Rufín, & Wassmer, 2017; Stadtler & Lin, 2017). This dissertation advances the extant literature by exploring organization-level challenges in cross-sector partnership management, particularly related to the formation, the evaluation, and the risk management of such partnerships.

As firms and NPOs engage in more partnerships for sustainability, important managerial questions arise as a higher number of partnerships competes, for instance, for the limited resources of the respective organization (Austin, 2003; Stadtler, 2011; Van Tulder, Van Tilburg, Francken, & Da Rosa, 2014). Therefore, a firm's or an NPO's engagement in multiple cross-sector partnerships could similarly require coordination across partnerships as could, for instance, a firm's engagement in multiple firm-firm, for-profit alliances (Gutiérrez, Márquez, & Reficco, 2016; Stadtler, 2011). However, current empirical research has assessed cross-sector partnerships "largely as stand-alone transactions instead of viewing them as elements of a collaboration portfolio" (Wassmer, Paquin, & Sharma, 2012, p. 19, see Figure 1).

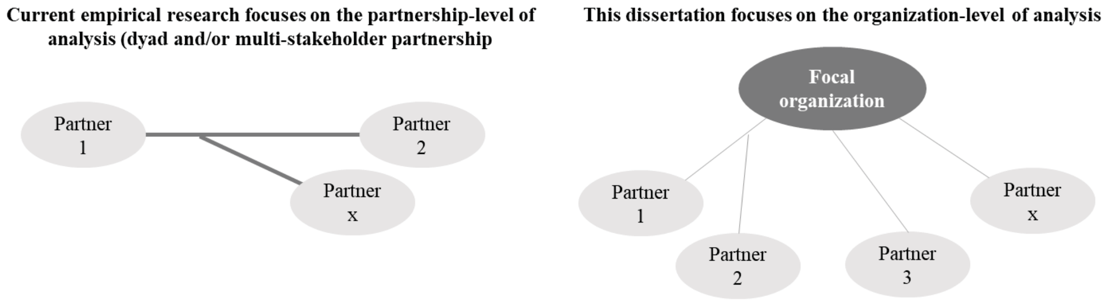

Figure 1. Shortcoming in the current cross-sector partnership research

Using the individual partnership as unit of analysis, extant research provides valuable insights on, for instance, relational processes, relational characteristics, and success factors between two or more partners (e.g., Le Ber & Branzei, 2010; Jamali & Keshishian, 2009; Rein & Stott, 2009)—but it largely ignores the perspective of a focal organization managing multiple partnerships (Babiak & Thibault, 2009; Van Tulder et al., 2014). As Quélin et al. (2017) recently pointed out: "a further and deeper analysis and understanding of organizational design, coordination, and control mechanisms behind (…) cross-sector collaboration is required" (p. 765). Similarly, a number of other studies have called for research on the organizational challenges related to coordinating multiple cross-sector partnerships for sustainability in firms (Rivera-Santos et al., 2017; Stadtler & Lin, 2017; Wassmer et al., 2012) as well as in NPOs (Austin, 2003; Babiak & Thibault, 2009; Dentoni, Bitzer, & Pascucci, 2016). This dissertation aims to address this overarching shortcoming in extant research by developing an understanding of how firms and NPOs cope with the organization-level challenges of managing multiple cross-sector partnerships for sustainability in three relevant areas.

First, it seeks to explain firms' strategies when forming new cross-sector partnerships. Forming new partnerships is considered a critical yet under-explored challenge in cross-sector partnership research (Austin & Seitanidi, 2012b; Berger et al., 2004; Seitanidi, Koufopoulos, & Palmer, 2010), which needs to be managed at the organization-level as "existing collaborations affect the formations of new collaborations and create interdependencies that must be managed together rather than in isolation" (Wassmer et al., 2012, p. 19). Second, this dissertation aims to develop an understanding of firms' internal and joint (with NPO partners) evaluation processes. Considering that firms increasingly invest substantial financial resources in partnerships with NPOs, initial research underlines the importance for corporate managers to rigorously and consistently evaluate their growing number of partnerships at the organization-level to ensure an effective allocation of the firm's limited resources and to convincingly communicate partnership results (Gray & Stites, 2013; Stadtler, 2011; Van Tulder et al., 2014). Third, this dissertation addresses a key organizational challenge for NPOs engaged in partnerships: to enable collaboration with firms while managing the risks of such partnerships (Austin & Seitanidi, 2012a; Dahan, Doh, & Teegen, 2010b; Simpson, Lefroy, & Tsarenko, 2011). Extant research underlines that NPOs face greater risks in partnerships than their business partners due to NPOs' specific organizational characteristics (Martinez, 2003; Rivera-Santos & Rufin, 2010; Seitanidi & Crane, 2009).

To achieve these aims, this dissertation takes a qualitative approach and builds on 31 interviews with 33 experts from companies and their partnering NPOs as well as on organizations' secondary data. In the remainder of the introduction, I will first provide more background information on cross-sector partnerships for sustainability. Then, I will explain the relevance for research on partnership formation, evaluation, and risk management at the organization-level. Subsequently, I present the structure of my cumulative dissertation.

1.1. Characteristics of cross-sector partnerships for sustainability

The size, scope, and purpose of cross-sector partnerships for sustainability varies widely, ranging from dyadic business-nonprofit partnerships for social improvements, to public-private partnerships for development involving three or more partners, to global multi-stakeholder roundtables for creating sustainable sourcing standards (Selsky & Parker, 2005; Wassmer et al., 2012). The key uniting characteristics of these partnerships is that they include non-economic, sustainability related goals such as improving social welfare or reducing the environmental footprint of corporate activities and that they involve partners from at least two sectors—which differentiate them, for instance, from for-profit, firm-firm alliances (Berger et al., 2004; Gray & Stites, 2013). Brinkerhoff (2002b) notes that the term partnership is not clearly defined. Some studies differentiate between, for instance, partnerships, collaborations, and alliances depending on the governance mechanisms and the interactive processes in place (e.g., Gray & Stites, 2013), but most studies use the terms interchangeably (e.g., Austin, 2000; Austin & Seitanidi, 2012a; Babiak & Thibault, 2009).

This dissertation defines cross-sector partnerships for sustainability broadly as any initiative in which at least one company works together with at least one NPO to pursue at least one non-economic, sustainability related objective (Ashraf, Ahmadsimab, & Pinkse, 2017; Berger et al., 2004; Selsky & Parker, 2005). A prominent example is the strategic partnership between the Coca-Cola Company and the World Wildlife Fund (WWF) to conserve the planet's fresh water resources and to improve the environmental footprint of Coca Cola's value chain through operational efficiency, innovation, and sustainable sourcing[1].

Existing research has outlined the similarities and differences between cross-sector partnerships for sustainability and other interorganizational relationships such as firm-firm alliances (e.g., Rivera-Santos & Rufín, 2010; Rondinelli & London, 2003). In general, cross-sector partnerships for sustainability are comparable to other interorganizational relationships as both partners (i) contribute distinct and valuable resources to the relationship, (ii) pursue common goals, (iii) make relationship specific investments, but (iv) remain independent entities (Kale & Singh, 2009; Partnerships Resource Center (PrC), 2011). Nevertheless, extant research underlines that cross-sector partnerships "represent a new class of alliances" (Kale & Singh, 2009, p. 56) and pose new challenges for organizations (Rondinelli & London, 2003; Van Tulder et al., 2014). Previous studies highlight, for instance, the differing missions of for-profit firms and NPOs as well as their different sets of skills, approaches, and cultures. Table 1 provides an overview of the specific characteristics of cross-sector partnerships for sustainability between firms and nonprofits.

[1] Refer to http://www.worldwildlife.org/partnerships/coca-cola

Table 1. Specific characteristics of cross-sector partnerships for sustainability

Area	Characteristics	Description and selected study examples
Partner differences	Different language and culture	"Cross-sector partnering was quite different from same-sector collaboration (...) different (…) organizational cultures, decision-making styles, personnel competencies, professional languages, incentive and motivational structures, and emotional content." (Austin, 2000, p. 93) "People are talking in different languages (…) The nonprofit sector is based more generally on process and principle, and the profit sector is based on products and profit." (Berger et al., 2004, p. 61)
	Nonprofit vs. for-profit goals and mission	"[Partners] worked with different logics, structures (…) same-sector alliances aligned under the shared objective of profit-seeking, which created a base for mutual understanding." (Schmutzler, Gutiérrez, Reficco, & Márquez, 2013, p. 151) "Firms, NGOs, government organisations, universities, international organisations, and local communities have different goals, objectives and identities (...) alliance partners from different sectors by definition have different goals." (PrC, 2010, p. 77)
	Different resources	"Non-business partners usually do not contribute to generating value by engaging in physically producing products; the contribution of these partners mostly lies in non-tangible assets, such as information and know-how, local access and networks, and social capital." (Hahn & Gold, 2014, p. 1329) "In cross-sector collaborations, social enterprises offer social capital, institutional linkages and knowledge networks to their partners in return for funds." (Sakarya et al., 2012 p. 1712)
Sustainability purpose of partnership	Environmental/ social focus	"Social alliances are distinguished from strategic alliances by two main characteristics. First, they involve at least one nonprofit partner. Second, in addition to traditional economic objectives, social alliances include "non-economic" objectives—objectives that focus on improving social welfare." (Berger et al., 2004, p. 59) "Global warming, ecological diversity, education and poverty are (…) issues of which many parties in society are considered 'issue owner' and which require coalitions of cooperating parties." (PrC, 2010, p. 30)
	Wide range of scope, partners, and issues	"Partnerships differ greatly in size, scope, and purpose (…) from dyads to multiparty arrangements, local to global levels, short- to long-term time frames, and totally voluntary to fully mandated." (Selsky & Parker, 2005, p. 850) "These partnerships come in many forms, ranging from alliances between businesses and non-governmental organizations (NGOs), to networks of small rural farmers working with micro-financiers (...)." (Gray & Stites, 2013, p. 11)
Key challenges for organizations	Formation	"Cross-sector environmental management alliances are relatively new and the partners had little experience with them (...) Unique challenge for cross-sector collaborations is conducting an effective due-diligence examination." (Rondinelli & London, 2003, p. 69) "Lack of familiarity stemming from drastically different goals, organizational processes, and world views (...) [need to] effectively bridge both worlds and help not only develop initial trust but also identify potential partners." (Rivera-Santos & Rufín, 2010, p. 62-63)
	Evaluation	"The tacit character of benefits from CSSP [cross-sector social partnership] makes evaluations difficult." (Schmutzler et al., 2013, p. 157) "Rather than setting clear, measurable objectives from the outset of the partnership, many initiatives are characterized by emergent goals and objectives." (Berger et al., 2004, p. 62)
	Risk management	"A higher risk exists that one partner will exploit the relationship for public relations purposes (…) Unlike intrasector alliances, cross-sector collaborations do not involve balancing the tension between cooperation and competition or racing to outlearn one's partner." (Rondinelli & London, 2003, p. 67ff) "For the nonprofit, reputation is close to being everything. And reputation is closely tied to visibility (...) A major risk in partnering is to the organizations' names and reputations." (Austin, 2000, p. 77-78)

1.2. Relevance of research and research questions

The number of cross-sector partnerships for sustainability is growing in organizations (PrC, 2010). Firms consider cross-sector partnerships an important instrument for implementing their corporate social responsibility (CSR) strategies (Austin, 2003; Van Tulder et al., 2014). NPOs increasingly rely on such cross-sector partnerships to ensure access to funding and to implement their environmental and social missions (Austin & Seitanidi, 2012a; Al Tabbaa, Leach, & March, 2014). Based on an exploratory search on public statements such as annual reports and websites, the partnership resource center (PrC) (2010) finds an average of almost 18 cross-sector partnerships per company in a sample of the biggest 100 non-financial companies in the world. More than 20 percent of these companies had already more than 25 of such partnerships (PrC, 2010). In a similar study on Dutch NPOs, the PrC (2011) reports an average of more than 18 cross-sector partnerships per NPO. As the number of cross-sector partnerships per organization is expected to increase even further in the coming years (Kiron et al., 2015; Van Tulder et al., 2016), it is highly relevant to better understand the challenges faced by organizations in this setting and their strategies, processes, and approaches to manage such a growing number of partnerships (Austin, 2003; Dentoni et al., 2016; Van Tulder et al., 2014). This dissertation explores partnership formation and evaluation as key organizational challenges for companies engaged in partnerships (Stadtler & Lin, 2017; Van Tulder et al., 2016) and assesses risk management as a key organizational challenge for NPOs engaged in partnerships (Herlin, 2015; Martinez, 2003). In the following sections, I develop the three research questions that guide this dissertation.

Partnership formation. Extant cross-sector partnership research underlines that finding and selecting suitable nonprofit partners is challenging for firms, because they lack familiarity with the nonprofit sector and have little experience on how to assess a nonprofit partner (Ashraf et al., 2017; Berger et al., 2004; Rondinelli & London, 2003; see also Table 1). At the same time, a firm's choice of a nonprofit partner is a decision that greatly affects the later success of a cross-sector partnership: poor organizational pairing is a key reason for partnership failures (Austin & Seitanidi, 2012b; Seitanidi et al., 2010). Surprisingly, however, we still lack empirical insights to explain what drives the firms' partner choice in the context of cross-sector partnerships for sustainability (Ashraf et al., 2017; Seitanidi et al., 2010; Wassmer et al., 2012).

The related research stream on firm-firm, for-profit alliances has assessed the firms' partner choice and the evolution of alliance portfolios (e.g., Gulati & Gargiulo, 1999; Ozcan & Eisenhardt, 2009). This research builds on social network theory to differentiate between two strategies on how firms form new ties: firms' choice of existing partners to build repeated and third-party ties (network-reinforcing strategy) compared to firms' choice to engage with previously unconnected partners (network-broadening strategy; Beckman, Haunschild, & Phillips, 2004; Gulati, 1998; Lavie & Rosenkopf, 2006). While initial conceptual studies in cross-sector partnership research suggest to organizations to choose partners by relying on prior partner experience and third-party ties (Bryson et al., 2006; Gray & Stites, 2013; Rivera-Santos & Rufín, 2010), the firm-firm, for-profit alliance (portfolio) research links such a network-reinforcing strategy to mediocre alliance (portfolio) performance and alliance failure (e.g., Bierly & Gallagher, 2007; Holmberg & Cummings, 2009; Ozcan & Eisenhardt, 2009). This is puzzling and calls for empirical evidence on the trade-offs between network-reinforcing and network-broadening strategies in the specific context of cross-sector partnerships for sustainability. Moreover we lack empirical insights on the formation dynamics faced by firms in this setting

(Ashraf et al., 2017). To address these research deficits on partnership formation, the first research question of this dissertation asks:

> **Research Question 1:** What influences firms' cross-sector partner search and partner selection decisions, specifically, what drives firms to use network-reinforcing or network-broadening strategies to find cross-sector partners?

Partnership evaluation. Extant research highlights the importance for a firm to rigorously and consistently evaluate its cross-sector partnerships for sustainability as such an evaluation forms the basis of the firm's resource allocation decisions and its communication on partnerships (e.g., Berger et al., 2004; Bryson et al., 2006; Rondinelli & London, 2003). However, such a rigorous, consistent evaluation is challenging for a firm, for instance, due to the need to assess partnership benefits not only at the level of the participating organization but also at societal level (Austin, 2010; Stadtler, 2016) and due to often intangible, evolving results (Berger et al., 2004; Selsky & Parker, 2005; see also Table 1). In addition, partnership management in firms usually involves many actors with different skill levels, experiences, and individual judgements of partnership benefits (Googins & Rochlin, 2000; PrC, 2010; Van Tulder et al., 2014).

Interestingly, initial conceptual cross-sector partnership research suggests formalizing evaluation processes by introducing formal practices to ensure rigor and consistency (e.g., Arya & Salk, 2006; Googins & Rochlin, 2000). However, empirical evidence on firms' partnership evaluation practices in internal and joint evaluations with an NPO partner is still scarce (Austin & Seitanidi, 2012b; Van Tulder et al., 2016) and provides mixed evidence on the use of such formal practices (Jamali & Keshishian, 2009; Rein & Stott, 2009; Sakarya et al., 2012). Moreover, empirical cross-sector partnership research ignores organization-level drivers of formal practices in firms, because it has not assessed the need for coordination and alignment across a growing number of partnerships and partnership managers (Quélin et al. 2017; Rivera-Santos et al., 2017). Hence, this dissertation poses the two, interrelated research questions on partnership evaluation:

Research Question 2a: How do firms formalize the internal and joint (with NPO partners) evaluation process of their cross-sector partnerships for sustainability?

Research Question 2b: What drives this formalization?

Partnership risk management. The close collaboration with firms in cross-sector partnerships for sustainability poses high risks for NPOs (Rivera-Santos & Rufin, 2010). NPOs face the risk of adverse visibility if they collaborate with firms which get exposed to public criticism (e.g., Austin & Seitanidi, 2012b; Selsky & Parker, 2005). There is a risk of power asymmetry between for-profit and nonprofit partners which can lead to the exploitation of the NPO (Herlin, 2015; Martinez, 2003) and NPOs risk being perceived as having been co-opted by business partners, which can undermine their credibility to monitor corporate behaviour (Baur & Schmitz, 2012; den Hond, de Bakker, & Doh, 2015). While cross-sector partnership research provides valuable insights on the types of risks associated with cross-sector partnerships for NPOs, empirical research on how NPOs (can) manage these risks is still scarce (Herlin, 2015; Martinez, 2003). Interestingly, selected studies point to the need for structural changes in NPOs to manage their partnerships with companies (Austin & Seitanidi, 2012a; Simpson et al., 2011). However, we lack research at the organization-level of NPOs to understand how NPOs (can) adjust structurally to safeguard against the risks stemming from cross-sector partnerships with firms (Baur & Schmitz, 2012; Herlin, 2015). Therefore, this dissertation poses the third research question:

Research Question 3: How do NPOs adjust structurally to manage the risks of cross-sector partnerships with firms?

1.3. Structure and key contributions of the dissertation

This dissertation comprises three empirical studies. Together, the three studies develop an understanding of the organizational challenges in firms and NPOs engaged in multiple partnerships and on the organizations' strategies, processes, and approaches to address those challenges. Each study addresses one of the research questions developed in the previous section. Table 2 presents the structure of this dissertation.

Table 2. Structure of the dissertation

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Relevance of research and research questions
Structure and key contributions of the dissertation</td><td></td></tr>
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To answer the three research questions, the author conducted 17 interviews with 19 sustainability experts in frontrunner companies as well as 14 interviews with the companies' main nonprofit partners[2] (see Appendix 1 for an overview of the sample, refer to Appendix II and III for the interview guidelines). Moreover, I compiled an extensive set of secondary data on all organizations in the sample (see e.g. Appendix IV). To collect information rich cases, I focused on frontrunner companies, which I defined as companies with multiple nonprofit

[2] Due to the publication process, the numbering of the organizations varies between the three studies as shown in Appendix I.

partners and at least a few years of experience with cross-sector partnerships for sustainability. All companies in the sample had their headquarters in Europe or the United States, served consumer markets and had global supply chains (for details see Table 3). The NPOs in the sample (i.e., humanitarian and conservation organizations, foundations, and research institutes) were the main cross-sector partners of these companies (for details see Table 8). While the first two studies take the firm-level perspective and use the data from the entire sample, the third study takes the NPO-level perspective and draws on a subset of the original sample (see again Appendix I).

The first study titled: *"Firm-nonprofit collaboration: Explaining the rationale behind firms' cross-sector partner choices"*[3] (chapter 2) aims to explain what drives firms' partner choice in the context of cross-sector partnerships for sustainability. The firm-firm alliance (portfolio) research provides valuable insights on firms' formation strategies (e.g., Beckman et al., 2004; Gulati & Gargiulo, 1999). Therefore, this study uses an abductive approach (see e.g. Dubois & Gadde, 2002; Timmermans & Tavory, 2012) and builds on these insights from firm-firm alliance research. The study draws on the 31 semi-structured expert interviews with frontrunner companies and their partnering NPOs and on the secondary data of the organizations in the sample. To account for the interactive process of tie formation (Ahuja, 2000; Casciaro & Piskorski, 2005), the firm data is triangulated with the data of the partnering NPOs. The study makes three main contributions. First, it adds to the cross-sector partnership research by developing an understanding of the rationales behind frontrunner firms' partner choice at the organization-level, which is a crucial insight as poor partner selection is considered a key reason

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for partnership problems and failures (Austin & Seitanidi, 2012b; Seitanidi et al., 2010). The findings demonstrate that companies pursued a network-reinforcing strategy: they relied on largely repeated and common third-party ties to increase their resource leverage, minimize reputational risk, and achieve stakeholder recognition of the firm's partnership engagement. Second, the study builds critical links between the firm-firm alliance and the cross-sector partnership research, as called for by recent articles (e.g., Murphy, Arenas, & Batista, 2015; Murphy, Perrot, & Rivera-Santos, 2012; Rivera-Santos et al., 2017). The study develops propositions on the drivers for a network-reinforcing strategy to form partnerships and on the conditions triggering an opportunity-driven partnership formation. Third, it provides guidance to corporate managers on how to improve their partner search and selection decisions as well as to NPO managers on how to increase their chances of being selected as cross-sector partners.

The second study titled "*Formalization of firms' evaluation processes in cross-sector partnerships for sustainability*"[4] (chapter 3) aims to develop an empirically grounded understanding of the evaluation process conducted by firms and of the relevance of formal evaluation practices. Due to the limited and inconclusive evidence on formalization in the specific context of cross-sector partnership evaluation (Rein & Stott, 2009; Van Tulder et al., 2016), the study pursues an inductive approach. It follows established guidelines and procedures for grounded theory building (Gioia, Corley, & Hamilton, 2013; Strauss & Corbin, 1998) to assess the 31 interviews from frontrunner companies and their partnering NPOs as well as the organizations' secondary data. To ensure a balanced, comprehensive view on cross-sector partnership evaluation (Van Tulder et al., 2016), the firm data is matched to the evidence

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provided by partnering NPOs. The study makes three main contributions. First, it answers to recent calls to deepen our understanding of partnership evaluation processes as these processes form the basis of organizations' decisions-making and communication on partnerships (e.g., Murphy et al., 2015; Van Tulder et al., 2016). The study identifies firms' formal evaluation practices and links them to specific drivers of formalization in a conceptual framework, which explains why and how frontrunner firms formalize the internal and joint evaluation process. Second, it advances the cross-sector partnership research by drawing much needed attention to organizational coordination and control mechanisms in partnership management (Quélin et al., 2017; Rivera-Santos et al., 2017) and by building critical links to the firm-firm alliance (portfolio) research. Third, it offers guidance to corporate managers on how to evaluate a growing number of partnerships rigorously and consistently.

The third study titled "*Structural adjustments in nonprofits to manage the risks of cross-sector partnerships with firms*"[5] (chapter 4) aims to improve our understanding of how NPOs (can) adjust structurally to manage the risks in partnerships with companies. As extant research provides valuable insights regarding the types of risks associated with cross-sector partnerships for NPOs, the study uses an abductive analysis (see e.g., Dubois & Gadde, 2012; Timmermans & Tavory, 2012). The study focuses on advocacy NPOs, as previous research suggests particular high risks for these NPOs (Baur & Schmitz, 2012; Martinez, 2003). Therefore, it draws on a subset (i.e., 12 expert interviews) of the original sample. The study makes two contributions. First, it adds to the cross-sector partnership research by addressing a critical organizational challenge in NPOs to enable collaboration with companies while safeguarding against the risks of such partnerships (Austin & Seitanidi, 2012a; Dahan et al., 2010b; Simpson et al., 2011). The

[5] Working paper status (single authored)

findings demonstrate how NPOs engaged in cross-sector partnerships with firms adjust structurally by dedicating specialized personnel across hierarchies, by standardizing and formalizing partnership related activities across the organization, and by partially centralizing partnership related activities. Second, the study points to the structural implications of engaging in partnerships with firms for the nonprofit sector and joins the discussion on sectoral convergence.

2. First study: Firm-nonprofit collaboration: Explaining the rationale behind firms' cross-sector partner choices[6]

Co-authored with Rüdiger Hahn.

Abstract. Cross-sector partnerships between firms and nonprofit organizations (NPOs) are emerging at an unprecedented rate to address sustainability issues. Extant research on cross-sector partnerships explains the firms' motivations to engage in partnerships but little is known about what drives the firms' partner choice. We build on firm-firm alliance research, differentiating between network-reinforcing and network-broadening strategies for finding partners. Based on a qualitative study with 33 experts from 17 frontrunner companies and 14 partnering NPOs, as well as secondary data, we assess the trade-offs between these two strategies and explore firms' partner search and selection decisions. We advance cross-sector partnership research by proposing three drivers to explain why firms in our sample preferred to reinforce (rather than to broaden) their networks when forming additional cross-sector partnerships for sustainability. Moreover, we propose two conditions to explain why frontrunner firms often rely on opportunity-driven (rather than search-driven) partnership formation. These insights shed light on the type of formation strategy used in the context of cross-sector partnerships for sustainability.

Keywords: Alliance formation, cross-sector partnership, partner selection, social network theory, sustainability

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2.1. Introduction

Cross-sector partnerships with nonprofit organizations (NPOs) are considered an important instrument for firms to tackle complex sustainability challenges (Ashraf et al., 2017; Austin, 2000) and to jointly create social value (Dahan, Doh, Oetzel, & Yaziji, 2010a; Weber, Weidner, & Kroeger, 2017). Yet, forming such partnerships is difficult, because organizations must find each other in different societal sectors and need to bridge nonprofit and for-profit strategies and objectives (Bryson et al., 2006; Rivera-Santos & Rufín, 2010). Extant research explains the motivations of firms and NPOs to engage in partnerships in general (e.g., Den Hond et al., 2015; Selsky & Parker, 2005) and offers guidance on their successful implementation (e.g., Austin & Seitanidi, 2012; Berger et al., 2004). However, we still know little about what drives the firms' specific partner choice (Ashraf et al., 2017; Seitanidi et al., 2010; Wassmer et al., 2012).

Addressing this gap is relevant because the formation phase determines whether an organization identifies and selects appropriate cross-sector partners, so it is a critical stage for the potential success of a partnership and ultimately for its potential to deliver social change (Austin & Seitanidi, 2012; Berger et al., 2004; Herlin, 2015). Related research streams on interorganizational relationships have put considerable effort to assess formation processes and to link them to performance outcomes, such as research on public-private partnerships between firms and governments (e.g., Kivleniece & Quélin, 2012; Villani, Greco, & Phillips, 2017) and research on firm-firm, for-profit alliances (e.g., Bierly & Gallagher, 2007; Goerzen, 2007; Holmberg & Cummings, 2009; Rowley, Behrens, & Krackhardt, 2000). Firm-firm alliance research builds on social network theory and contrasts two dominant strategies on how firms form new ties: a network-reinforcing strategy, that is firms' reliance on existing partners to build repeated and third-party ties, and a network-broadening strategy, that is firms' search for and engagement with previously unconnected partners (Beckman et al., 2004; Gulati, 1998; Lavie & Rosenkopf, 2006).

In this paper, we propose that insights on network-reinforcing compared to network-broadening strategies from firm-firm alliance research can be leveraged in the context of cross-sector partnership research (Rivera-Santos & Rufín, 2010; Wassmer et al., 2012), as firm-firm alliance formation is essentially similar to firm-nonprofit partnership formation: a firm needs to identify and select a partner among a broad choice of potential partners to enter into a collaborative agreement (Kale & Singh, 2009). Firm-firm alliance research provides valuable empirical insights on the benefits and downsides of the two formation strategies (e.g., Beckman et al., 2004; Gulati, 1995; Gulati & Gargiulo, 1999). Empirical studies focusing on how managers can build successful firm alliances caution against network-reinforcing tie formation, linking it to mediocre alliance (portfolio) performance due to "inefficient configurations that return less diverse information and capabilities" (Baum, Calabrese, & Silverman, 2000, p. 270; also Goerzen, 2007; Ozcan & Eisenhardt, 2009) and to alliance failure due to firms overvaluing trust in selection decisions rather than conducting a strategic analysis of the partners' potential fit (Bierly & Gallagher, 2007; Holmberg & Cummings, 2009).

In contrast, initial conceptual studies in cross-sector partnership research recommend to choose partners within an organization's network: firms and NPOs should rely on prior partner experience and network connections to ensure the trustworthiness of partners and to safeguard against partners' potential opportunistic behavior (Bryson et al., 2006; Gray & Stites, 2013; Rivera-Santos & Rufín, 2010). This is puzzling, considering the downsides of network-reinforcing identified by firm-firm alliance research, and points to the need for empirical evidence about which formation strategy firms apply in which context (Lavie & Rosenkopf, 2006; Parmigiani & Rivera-Santos, 2011).

We argue that the trade-offs between network-reinforcing and network-broadening strategies need to be reassessed in the specific context of cross-sector partnerships for sustainability to better understand what drives firms' cross-sector partner choice. For instance, firms find it difficult to assess the competencies and reliability of NPOs due to their different organizational characteristics and skills (Dahan et al., 2010a; Rondinelli & London, 2003). Accordingly, firms might greatly value the ease of relying on recommendations from their networks to find a trustworthy NPO partner, while considering a strategic analysis of the NPO partner's potential fit less important or not feasible. Moreover, it is critical to explore the formation dynamics faced by firms in the context of cross-sector partnerships (Kale & Singh, 2009, Rivera-Santos et al., 2017). For instance, recent research indicates the increasing dependency of the nonprofit sector on corporate funding (Herlin, 2015, Weber et al., 2017), which might force NPOs to be more active than firms in looking for new partners. At the same time, firms would potentially need to dedicate more attention to selecting instead of searching for NPO partners.

Against this background, this study asks what influences firms' cross-sector partner search and partner selection decisions, specifically, what drives firms to use network-reinforcing or network-broadening strategies to find cross-sector partners? We conducted and abductively analyzed 31 semi-structured interviews with 33 representatives from 17 firms and 14 partnering nonprofit organizations as well as secondary data on organizations' partnerships. We offer three main contributions. First, we develop an understanding of the rationale behind (frontrunner) firms' partner choice, which is a critical yet underexplored topic in cross-sector partnership research (e.g., Austin & Seitanidi, 2012; Berger et al., 2004; Seitanidi et al., 2010). We demonstrate that frontrunner firms seem to prefer to reinforce (rather than to broaden) their networks when forming additional cross-sector partnerships for sustainability and often react to opportunities to partner (rather than search for partners). Our study advances cross-sector partnership research by discovering and explaining these preferences of frontrunner firms when choosing NPO partners and by discussing the effectiveness of this approach. Second, we answer to recent calls to build critical links between firm-firm alliance and cross-sector partnership research (Murphy et al., 2015; Rivera-Santos et al., 2017) by proposing one organizational driver (resource constraints) and two relationship drivers (recognition and main risk considerations) to explain why firms in our sample preferred to form partnerships within their networks. Moreover, we turn attention to formation dynamics in this context and propose two conditions (lack of strategic importance and NPO competition for corporate partners) to explain why firms in our sample often relied on opportunity-driven partnership formation. Third, we provide guidance to corporate managers on how to improve their partner search and selection decisions as well as to NPO managers on how to increase their chances of being selected as cross-sector partners.

The paper is structured as follows: first, we describe the findings of extant literature on network-reinforcing vs. network-broadening strategies to form interorganizational ties and apply them to the specifics of cross-sector partnerships. Then, we introduce our method of collecting and abductively analyzing the data from expert interviews and secondary sources. Finally, we present the results and discuss the implications of our findings for theory and practice.

2.2. Theoretical background

Authors applying social network theory to explain alliance formation highlight how firms can strengthen their networks by building on existing ties (network-reinforcing) or expand their networks by forming new ties (network-broadening) (e.g., Beckman et al., 2004; Parmigiani & Rivera-Santos, 2011)[7]. Gulati & Gargiulo (1999) define a firm's network of existing ties as consisting of relational embeddedness, which comprises a firm's direct, experience-based relationships such as former or current partners, as well as of structural embeddedness, which encompasses the firm's indirect relationships such as partners' partners.

2.2.1. Insights on network-reinforcing vs. network-broadening strategies in alliance formation

Network-reinforcing. A stream of firm-firm alliance research highlights the importance of a firm's existing network in determining a firm's alliance partner choice due to the firm's imperfect information about competencies and reliability of potential partners (Gulati, 1998; Gulati & Gargiulo, 1999). Gulati (1995) and Podolny (1994), for example, empirically show that firms often form repeated ties with previous trusted partners to avoid a costly and time-consuming partner search and to reduce the risk that partners act opportunistically. Alternatively, firms ask their partners for opinions about potential new partners hence creating third-party ties (Gulati & Gargiulo, 1999). This stream of research mainly assesses the result of tie formation without considering how or why the opportunity arose. For example, Gulati and Gargiulo (1999) show in a longitudinal analysis that firms become more and more relationally and structurally embedded in their network—often forming repeated and third-party ties—without assessing which firm took the initiative to form a specific tie and why (see also Goerzen, 2007). With regard to the effectiveness of this strategy, Goerzen (2007) finds a negative effect of repeated partnerships on corporate performance (similarly Baum et al., 2000; Ozcan & Eisenhardt, 2009).

[7] The wording to describe these two tie formation approaches varies across studies. For instance, network-reinforcing has also been called (structure) exploitation, network-broadening has been called (structure) exploration (Beckman et al., 2004; Lavie & Rosenkopf, 2006). In this study, we chose the terms network-reinforcing and network-broadening to ensure conceptual clarity. As Parmigiani and Rivera-Santos (2011) point out, exploitation and exploration can be pursued and balanced across different domains of an interorganizational relationship such as partner attributes or the value chain focus (see also Lavie & Rosenkopf, 2006). We discuss this further in our managerial implications section.

Network-broadening. Another stream of alliance research focuses on how managers can create high-performing alliances and portfolios by actively searching and strategically selecting partners that best fit the specific resource need of the firm (e.g., Holmberg & Cummings, 2009; Shah & Swaminathan, 2008). These authors link the failure of many alliances to poor partner selection and caution against network-reinforcing tie formation linking it to organizational inertia and highlighting the path-dependence of such an approach. Firms should not necessarily settle for the most readily available or the most trusted partner (Bierly & Gallagher, 2007). Instead, managers are advised to conduct a strategically driven search of potential partners and to broaden their networks by forming new ties with new partners to ensure a diverse access to resources and a lower dependency on existing partners (Baum et al., 2000; Holmberg & Cummings, 2009). Studies on network-broadening strategies mainly assume an active search of a focal firm without considering a firm's reaction to opportunities presented in the network (e.g., Ozcan & Eisenhardt, 2009).

Trade-offs and contingencies. Consequently, firm-firm alliance research suggests that firms face a trade-off between minimizing the search effort on the one hand (network-reinforcing strategy) and maximizing the resource fit of a potential partner on the other hand (network-broadening strategy). Further, firms need to consider whether it is more important to lower the risk for opportunistic behavior of partners (network-reinforcing strategy) or to lower the dependency on individual partners (network-broadening strategy). Interestingly, a few studies jointly assess network-reinforcing and network-broadening strategies trying to analyze under which circumstances firms employ which strategy to form a new tie (Meuleman, Lockett, & Manigart, 2010; Parmigiani & Rivera-Santos, 2011). While the majority of these studies focus on external industry forces such as industry turbulence, empirical insights on organizational and relationship specific drivers are limited (Lavie & Rosenkopf, 2006; Parmigiani & Rivera-Santos, 2011). For instance, Beckman et al. (2004) suggest that companies reinforce their networks under the condition of market-specific uncertainty while they broaden their networks under the condition of firm-specific uncertainty. However, they find empirical evidence that—irrespective of the type of uncertainty firms face—firms are more likely to reinforce their network. Therefore, Beckman et al. (2004) point to the need for further research.

2.2.2. Tie formation in the setting of cross-sector partnerships for sustainability

Following the literature, we broadly define a cross-sector partnership for sustainability as any initiative in which a firm enters into a collaboration with at least one partner from the nonprofit sector to pursue at least one non-economic, sustainability related objective (Ashraf et al., 2017; Berger et al., 2004; Selsky & Parker, 2005). Compared to firm-firm, for-profit alliances, cross-sector partnerships for sustainability display some distinct differences which impact firms' partner choices and the suitability of network-reinforcing compared to network-broadening strategies to form partnerships.

Firms and NPOs traditionally move in different social networks and lack familiarity with each other due to their different backgrounds, cultures, skills, organizational set-up and objectives (Berger et al., 2004; Hahn & Gold, 2014; Rivera-Santos et al., 2017). In contrast to public-private partnership formation processes, which are highly regulated due to the involvement of public actors and often rely on public tenders and competitive firm biddings (Kivleniece & Quélin, 2012; Villani et al., 2017), firms and NPOs need to find and select each other in a dynamic, largely unfamiliar setting by choosing among many new and different potential partner organizations. While firm-firm alliances can also reach across different industries to new networks, firms nevertheless share similar organizational characteristics which facilitate partner assessments (Rivera-Santos & Rufin, 2010). Moreover, firms can leverage on their established processes to examine other firms' competencies (Holmberg & Cummings, 2009), but they lack experience and procedures to assess NPOs (Rondinelli & London, 2003). Partner selection has been recognized as a key challenge in cross-sector partnership management, as many partnerships struggle or even fail due to poor organizational pairing (Austin & Seitanidi, 2012; Seitanidi et al., 2010). At the same time, we know little about how managers address this challenge in practice (Austin & Seitanidi, 2012). A network-reinforcing strategy could ease the firms' search effort, but, considering that firms' network linkages with NPOs are less developed than those with other firms (Rondinelli & London, 2003; Kale & Singh, 2009), we lack insights on whether firms can rely on existing partners to find suitable NPO partners when forming additional partnerships.

Firms' strategic motivation when choosing an NPO partner to jointly address a societal issue is often to achieve reputational gains and increased legitimacy (Gray & Stites, 2013; Jamali & Keshishian, 2009). Consequently, firms face a high reputational risk when a partnership fails or when an NPO partner acts opportunistically and, for instance, discloses a firm's practices to gain media attention (Berger et al., 2004; Dahan et al., 2010a). Notably, prior research points out that, to mitigate the risk of opportunistic behavior, firms have less formal governance mechanisms available in cross-sector partnerships than in firm-firm alliances (Austin & Seitanidi, 2012; Rivera-Santos et al., 2012). For instance, equity-based structures (i.e., a financial lock-in of partners) are not possible due to the nonprofit objectives and structure of NPOs (Rivera-Santos & Rufin, 2010). In addition, the high complexity of the sustainability issues addressed in such partnerships and the lower ability to predict partners' behaviors makes it difficult to draft exhaustive contracts with appropriate redressals to punish potential opportunistic behavior

(Rivera-Santos & Rufin, 2010). Cross-sector partnerships often face relational challenges, such that it usually takes a long time to build trusting relationships (Bryson et al., 2006; Rondinelli & London, 2003). Therefore, initial conceptual research highlights the importance of trust for cross-sector partnership formation and suggests to organizations to build network-reinforcing ties by using prior partner experience (i.e., relational embeddedness) and network connections or brokers (i.e., structural embeddedness) to choose NPOs (Bryson et al., 2006; Gray & Stites, 2013; Rivera-Santos & Rufín, 2010). Nevertheless, a few authors encourage firms to engage in a network-broadening search and propose criteria for partner selection such as resource fit and goal alignment to increase the value creation potential of such partnerships (e.g., Austin & Seitanidi, 2012; Dahan et al., 2010a; Kale & Singh, 2009). However, given the importance of trust as an informal governance mechanism for cross-sector partnerships (Rivera-Santos & Rufín, 2010; Rivera-Santos et al., 2012), ensuring an initial stock of trust with an NPO partner could be potentially more important to corporate managers than the best resource fit.

Interestingly, initial empirical evidence indicates an influence of prior partner experience on the likelihood for partnership formation (Austin, 2000; Seitanidi & Crane, 2009; Seitanidi et al., 2010). However, these studies provide little insight on managers' motivations and decision-making criteria, such as considerations of the trade-offs between risks and benefits in choosing prior partners. Moreover, we lack empirical evidence on whether structural embeddedness influences partner choices. As Seitanidi et al. (2010) point out, the intentions of managers in the critical stage of partnership formation remain a "black box" (p. 143).

Furthermore, cross-sector partnership research emphasizes that firms are not always proactive in addressing sustainability issues, but often react to stakeholder pressures (Perez-Aleman & Sandilands, 2008; Van Tulder et al., 2014). In contrast to firm-firm alliances studies, which largely assume an active search of a focal firm after having identified the strategic need for a partner (e.g., Ozcan & Eisenhardt, 2009), firms might often yield to partnership requests from NPOs within or outside of their networks, for example, to avoid reputational risks or to ensure that they are not left out of discussions on new standards and regulatory requirements in multi-stakeholder platforms (Van Tulder et al., 2014).

In sum, we need more empirical insights to understand what influences the firms' partner choice and the trade-offs between a network-reinforcing strategy compared to a network-broadening strategy in the specific context of cross-sector partnerships for sustainability (Seitanidi et al., 2010; Wassmer et al., 2012).

2.3. Method

We used a qualitative, abductive research design (Timmermans & Tavory, 2012; Van Maanen, Sørensen, & Mitchell, 2007). Abduction builds on an inductive analysis of the data at hand, and, in addition, it calls for the necessity of an iterative process in which emerging conceptualizations are systematically combined throughout the research phase with existing theories (Dubois & Gadde, 2002; Timmermans & Tavory, 2012). Therefore, we deemed an abductive approach particularly suitable for our study to develop an understanding of the under-explored field of cross-sector partnership formation while continuously confronting our empirical evidence with theoretical insights, for instance, from network theory and firm-firm alliance management.

2.3.1. Sample

The focus was on a purposeful sampling of information rich cases (Patton, 2015), which we defined as frontrunner firms, that is firms with multiple nonprofit partners and at least a few years of experience with cross-sector partnerships for sustainability. We compiled a list of such frontrunner companies by assessing, for example, publications on corporate sustainability and partnership management (e.g., Van Tulder et al., 2014), partnership surveys and reports (e.g., PRC, 2010), and companies' websites and annual reports. To allow for a certain comparability between companies and their reasons for engaging in partnerships, we focused our search on large European or US firms serving consumer markets and having global supply chains. Accordingly, firms in our sample faced similar socio-economic, strategic, and competitive forces shaping their sustainability engagement (Mirvis & Googins, 2006).

We conducted two rounds of firm interviews. In the first round, we relied on our personal networks to approach seven of the identified frontrunner companies and conducted interviews with nine senior sustainability managers. In the second round, we used publicly available contact information and (in two cases) references from our initial interviewees to approach ten more frontrunner companies. Since our level of analysis was the organization, the high level of seniority of our interviewees was important to ensure that interviewees had a good oversight of their companies' past and current cross-sector partnerships. All companies were large organizations, producing a range of different products for consumer markets such as food, beverages, clothing or personal care products. All companies had published a corporate sustainability strategy, considered themselves as sustainability leaders in their respective fields, and disclosed their sustainability performance in alignment with the guidelines of the Global Reporting Initiative (GRI).

Companies publicly reported on their cross-sector partnerships for sustainability and had formalized them in contracts or partnership agreements. The companies engaged in partnerships with NPOs mainly to drive environmentally and socially responsible practices in their supply chains, to reduce poverty—for instance, by improving the livelihoods of smallholder farmers or empowering women entrepreneurs—and to implement health and education programs (mostly) in origin countries, often for children. The companies were deeply embedded in their industries and well-connected to sustainability networks such as the UN Global Compact or the Consumer Goods Forum. Table 3 provides an extensive overview of the characteristics of our sample companies and interview partners including main markets and partnership portfolio size.

Recent cross-sector partnership research emphasizes the importance of integrating the perspectives of both partnering organizations (den Hond et al., 2015; Weber et al. 2017). We therefore compiled a list of the main NPO partners by searching for the NPOs that firm interviewees named, for instance, as “most important” (F4) or as “key partners” (F9) or that they referred to in their examples when describing partner selection decisions. We then asked our firm interviewees for contact information or, preferably, to introduce us to these NPOs. In sum, we carried out interviews with account or partnership managers of 14 NPOs (i.e., humanitarian and conservation organizations, foundations, and research institutes) as illustrated in Table 4.

Table 3. Firm sample

#	Firm	Interviewee(s)	Firm size[a]	Position in supply chain[b]	Main markets (sales)[c]	Product focus[d]	Partnership portfolio[e]	Main societal issues addressed in partnerships	NPO partner in sample
F1	Utility company	Head of Sustainability Management	Large	M/P & R	Europe	B2C & B2B	Medium	Climate, health, communities	N11
F2	Global non-alcoholic beverage company	General Manager Sustainability Germany	Very large	M/P	Worldwide	B2C	Large	Responsible sourcing, water, waste, poverty, health, educat.	N1, N3, N5, N7, N13
F3	Global consumer & industrial goods company	Manager Global Sustainability *and* Manager Corporate Sustainability	Large	M/P	Worldwide	B2C & B2B	Large	Responsible sourcing, climate, poverty, health, education	N5, N7
F4	Multinational retail & specialty retail chain	Head of Sustainability Near/ Non Food *and* Label & Sustainability Specialist	Large	M/P & R	Europe, North America, Asia	B2C	Large	Responsible sourcing, climate, waste, health, education	N2, N7, N9, N12
F5	Global food packaging & processing company	Manager Environment Germany	Large	M/P	Worldwide	B2C & B2B	Large	Responsible sourcing, climate, waste, nutrition, education	N7, N12
F6	Multinational furniture retailer	Manager Sustainability & Communities Germany	Very large	M/P & R	Europe, North America, Asia	B2C	Large	Responsible sourcing, climate, poverty, communities, educat.	N7, N8, N10, N12
F7	Multinational coffee & clothing retailer	Category Leader Product & Strategy, CSR	Large	M/P & R	Europe	B2C	Large	Responsible sourcing, climate, biodiversity, poverty, educat,	N2, N8, N9, N10, N12
F8	Multinational manufacturer of natural cosmetics	Head of Sustainability Management Germany	Large	M/P	Europe, North & South America	B2C	Medium	Responsible sourcing, biodiversity, health,	N7, N11
F9	Multinational dairy cooperative	Director Communication & Sustainability	Large	RM & M/P	Europe, Asia, Africa	B2C & B2B	Medium	Responsible sourcing, waste, poverty, health, nutrition	N5, N6, N14
F10	Multinational food retailer	Manager Sustainable Products	Very large	M/P & R	Europe, North America, Asia	B2C	Large	Responsible sourcing, climate, waste, health, communities	N2, N6, N7, N9, N12
F11	Global footwear & clothing company	Head of Corporate Sustainability	Large	M/P & R	Worldwide	B2C	Medium	Responsible sourcing, health, communities	N8, N12
F12	Global alcoholic beverage company	Manager Corporate Social Responsibility	Large	M/P	Worldwide	B2C	Large	Responsible sourcing, climate water, health, communities	N7, N13
F13	Multinational clothing & outdoor company	Head of Sustainability Management	Large	M/P & R	Europe	B2C	Small	Responsible sourcing, biodiversity, health	N7
F14	Global consumer goods & healthcare company	Manager Sustainability	Very large	M/P	Worldwide	B2C & B2B	Large	Responsible sourcing, poverty. health, communities, education	N4, N8, N10
F15	Global luxury fashion company	Senior Head Global Sustainability	Large	M/P & R	Worldwide	B2C	Small	Responsible sourcing, educat.	N5, N8, N10
F16	Global food & agriculture company	Director Corporate Responsibility & Partnerships	Very large	RM & M/P	Worldwide	B2C & B2B	Large	Responsible sourcing, climate, poverty, nutrition, education	N2, N6, N7, N13
F17	Global food, beverage & personal care company	Director Sustainability Benelux	Very large	M/P	Worldwide	B2C	Large	Responsible sourcing, climate, waste, poverty, health, educat.	N6, N7, N8, N10, N14

[a] Based on global number of employees, classified as small (<50), medium (>50 <500), large (>500<100,000) and very large (>100,000) based on Beck et al. (2005); we added the very large category to distinguish the very large companies in the sample.
[b] RM (raw materials producer), M/P (Manufacturer/Producer), R (Retailer) based on Naylor, Naim and Berry (1999).
[c] Classified as worldwide: sales in more than 120 countries
[d] B2C (Business-to-consumer), B2B (Business-to-business).
[e] Estimated global number of cross-sector partnerships for sustainability per organization, based on publicly available information (e.g. organizations' website, annual reports) and expert interviews; Classification of portfolio as small (1-15 partnerships), medium (16-25) and large (26 or more) as suggested by Heimeriks, Klijn and Reuer (2009).

Table 4. NPO sample

#	Organization	Interviewee(s)	Size of organization[a]	Size of portfolio[b]
N1	Multinational organization for conservation of nature parks	Head of Corporate Partnerships Germany	Medium	Small
N2	Multinational foundation for sustainable farming	Head of Department Partnerships	Medium	Large
N3	Foundation for integration of migrants	Managing Director	Small	Small
N4	Research institute for sustainable technologies	Project Coordinator	Large	Large
N5	Global humanitarian organization for emergency relief	Head of Corporate Partnerships & Major Donors Netherlands	Large	Large
N6	Multinational humanitarian organization to alleviate hunger	Board Member responsible for Communication Netherlands	Large	Large
N7	Global conservation organization	Senior Manager Corporate Sustainability Switzerland	Large	Large
N8	Multinational humanitarian organization to protect children	Manager Corporate Partnerships & Foundations Germany	Large	Large
N9	Multinational organization for responsible agricultural products	Business Development Manager Switzerland	Medium	Large
N10	Multinational humanitarian organization to protect children	Head of Corporate Partnerships Switzerland	Large	Large
N11	Research institute for corporate sustainability management	Head of Institute	Small	Small
N12	Global conservation organization for sustainable forest management	Head of Corporate Key Account Management Team	Medium	Large
N13	Global humanitarian organization to provide development support	Head of Strategic Partnerships UK	Large	Large
N14	Foundation for the interest of future generations	Program Manager Netherlands	Small	Large

[a] Based on global number of employees, classified as small (<50), medium (>50 <500), large (>500<100,000) (Beck et al., 2005). Multinational NPOs had a confederation or network structure of largely autonomous country organizations (Brown et al., 2012).
[b] Estimated global number of cross-sector partnerships for sustainability per organization, based on publicly available information (e.g. organizations' website, annual reports) and expert interviews; Classification of portfolio as small (1-15 partnerships), medium (16-25) and large (26 or more) as suggested by Heimeriks et al. (2009).

Interestingly, many firms had engaged with the same NPOs in partnerships. This overlap of NPO partners enabled us to investigate multiple relationships for most firms as also illustrated in Table 3.

2.3.2. Data collection

Interviews were conducted face-to-face and by telephone. They were held in English or German and ranged from 30 to 90 minutes. We used a responsive interviewing technique based on an interview guideline with main questions, probes, and follow-ups to generate a high level of depth, focus, and detail (Rubin & Rubin, 2005). We built on theoretical insights from network theory and firm-firm alliance research (e.g., Gulati, 1998; Beckman et al., 2004) as well as cross-sector partnership research (e.g., Austin, 2000) for our interview guideline and we tailored it for every organization based on prior research from public sources, to allow for specific and in-depth questions. Our aim was to better understand the rationale behind frontrunner firms' cross-sector partner choice. We encouraged interviewees to describe, for example, how their organization's portfolio of partnerships had evolved in recent years. We asked for concrete examples on how new opportunities for partnerships had arisen in the past and how and why they had searched for and/or selected specific partners.

For the interviews with the 14 NPO representatives, we adjusted our interview guideline again and added questions to triangulate our data from the corporate interviews, such as "What do you perceive is important to companies, when they select you? What questions do they ask you?". Later interviews added less and less new information to refine our concepts, so we reached a point of theoretical saturation (Strauss & Corbin, 1998). We transcribed all interviews and validated them with the interviewees.

Finally, we performed an extensive desk research on all 31 organizations to collect secondary data. We searched the organizations' websites, their latest annual, sustainability and/or partnership reports for data on partnership formation dynamics to triangulate and complement our interview data. Some interviewees provided further internal documents during or after our interviews. In addition to the organizations' websites, we assessed 79 reports (see Appendix IV). In our findings section, we mark the different types of data to illustrate how our insights stem from primary and secondary data. Interviewees are referenced based on Table 3 (firm representatives: #F1 to #F17) and Table 4 (NPO representatives: #N1 to #N14). Secondary data sources are referenced with an additional "s" (e.g., "F1s"). In the findings section, we slightly changed the wording of secondary quotes to prevent the identification of organizations via an online keyword search.

2.3.3. Data analysis

An abductive analysis requires the systematic combining of empirical data and theory throughout the research process, thus has the flexibility to refocus and adjust during data collection (Dubois & Gladde, 2002). We accounted for this by conducting our interviews in multiple rounds, adjusting our interview guideline after each round according to the concepts emerging from our data and our further theoretical search.

After an analysis of the first round of interviews, we adjusted the guideline slightly to include more questions on the underlying reasons for active partner search compared to reacting to partnership proposals from NPOs. We then conducted the second round of interviews. In line with the principles of abductive analysis which first builds on an inductive analysis (Timmermann & Tavory, 2012), we initially inductively coded our data from companies' interviews and secondary sources based on a first and second order analysis (Gioia et al., 2013). We created an extensive list of codes using informant-centric terms to discover as many concepts present in our raw data as possible (Strauss & Corbin, 1998). Then, we reduced, grouped, and aggregated the codes considering insights from network theory and firm-firm alliance literature to structure our data into second order themes. For instance, we followed Gulati and Gargiulo

(1999) and defined a firm's network broadly as consisting of relational, that is prior ties, and structural embeddedness, that is third-party ties. We discussed the resulting aggregated coding scheme extensively with two other coders who were previously not involved in the coding process.

During this stage, we developed the four pathways for partnership formation by using two criteria (see Figure 2). First—and in line with firm-firm alliance research—we differentiated on whether the locus of the new cross-sector partnership lays within (i.e., network-reinforcing) or outside the firm's already existing network (i.e., network-broadening). Second, we differentiated on whether new partnerships emerged following the firm's active search for an NPO or as the firm's reaction to partnership opportunities presented from an NPO. What surprised us at this point of our analysis was the overarching strong preference of firm managers to choose nonprofit partners within their networks. One interviewee, for example, explained how they tried to replicate partnerships in multiple countries with the same NPO as his firm's general approach to form partnerships: "we try to build them on a global scale (...) you don't need hundreds of partners" (F9). To illustrate, he provided an example: "So, we started with the Dutch [N5] organization (…) now, we already have nine countries where we collaborate with local [N5] organizations" (F9).

Furthermore, most firm managers claimed that they received many partnership proposals from NPOs, thus they were often able to choose NPO partners without having to actively search for them. For instance, our firm interviewees pointed out that: "many [nonprofit] organizations approach us, because they know what we need" (F8). To identify a firm's dominant formation strategy, we triangulated the interviewees' responses on their firm's general approach to form partnerships with information on how their main partnerships with NPOs had formed based on our secondary data and, subsequently, with our NPO interviews. Figure 2 illustrates these dominant strategies to form cross-sector partnerships.

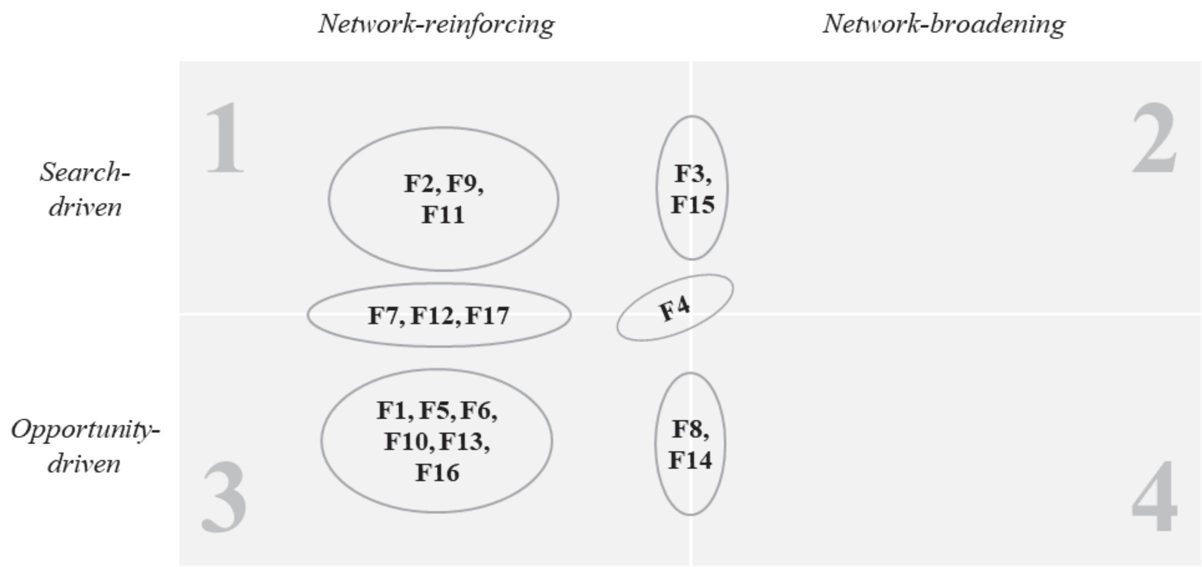

Figure 2. Frontrunner firms' dominant strategies to form cross-sector partnerships

To explain these dominant dynamics, we conducted further research for complementary theoretical concepts. We then systematically matched the insights from these theories to our data (Dubois & Gladde, 2002) to develop our final data structure (see Figure 3).

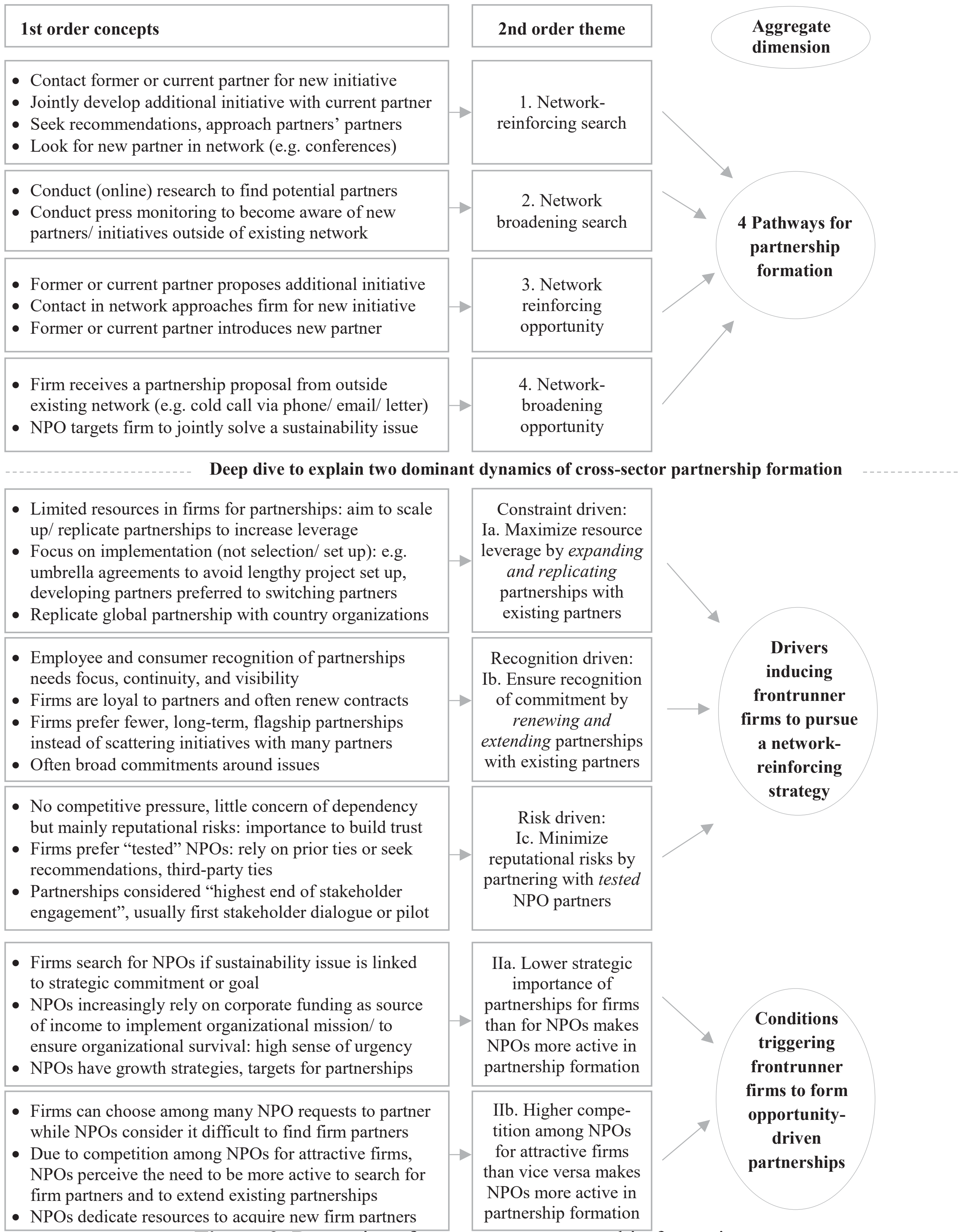

Figure 3. Dynamics of cross-sector partnership formation

2.4. Findings[8]

We will now briefly outline the pathways for partnership formation before analyzing in depth the underlying drivers for the two dynamics we observed in our data.

2.4.1. Pathways for partnership formation

We identified four pathways for partnership formation (see again Figure 2).

Network-reinforcing search (1). Our firm interviewees described situations where they had "started searching" (F13) or had "initiated a search" (F2) for a nonprofit partner. They explained how they would first turn to their former or current cross-sector partners with whom they had had good experiences: "if we wanted to work on something new in the same area (…) we would approach this previous partner again as a first step—of course only if the previous collaboration worked out well" (F7). In the absence of a suitable existing partner, they often considered the partners of firms in their networks: "one of our largest clients also works with them (…) then I asked them, what was your experience with them" (F2). Our NPO interviewees confirmed that firms approached them because they had heard of their successful collaboration with other firms.

Network-broadening search (2). Interestingly, firm interviewees rarely mentioned a search outside of the existing network such as "press monitoring" (F3) or an "online research" (F4). Firm interviewees searched outside of their networks only when they could not build on existing ties or third-party ties: "Sometimes, if it concerns topics that we have not worked on so much yet (…) it can be an online research as a first step. With regard to many other topics, of course, we already have a good network, so we inquire there and approach our contacts." (F7). One of our NPO interviewees emphasized that a new corporate partner approaching them to propose a partnership "is always a piece of luck and happens very rarely" (N10).

[8] Interview quotes in German were translated by the authors.

Network-reinforcing opportunity (3). Most companies in our sample underlined that they often reacted to partnership opportunities presented by a former or a current nonprofit partner: "We were in touch before with one of the NGOs [Non-governmental organizations] in a different context, so they approached us and asked if we would be interested to join" (F1). In line with this, we found that all NPOs in our sample kept databanks of their former and current corporate partners and approached them first when they needed a partner for a new initiative: "We thought of a new project (….) and then we looked specifically, whom do we know, who could become a corporate partner" (N3).

Network-broadening opportunity (4). All firm interviewees stated that NPOs outside their existing networks often approached their firms with partnership proposals: "We need to focus (…) we receive many requests to partner" (F2). In fact, the larger NPOs in our sample had dedicated "new business teams" (N8) and "new business development managers" (N5) who had targets for acquiring new corporate partners.

2.4.2. Drivers inducing firms to use a network-reinforcing strategy to form partnerships

We identified three drivers to explain why firms in our sample relied dominantly on a network-reinforcing (rather than a network-broadening) strategy to form new cross-sector partnerships (Appendix V provides further illustrative quotes).

Constraint driven (Ia). Our firm interviewees emphasized the limited financial and human resources available in the responsible firm departments (usually the sustainability departments) to set up partnerships with new cross-sector partners, such as that they were part of "a relatively small office" (F14) or a "relatively small team" (F12) and that their team had "a set budget" (F10). As a result, they needed to be a "pretty lean, efficient team" (F16) to cope with these constraints. At the same time, "setting up a new partnership costs a lot of time, money, energy and nerves” (F13). Firm interviewees emphasized the fluidity of the nonprofit sector making the search and selection phase time-intensive: “it is so dynamic, it is quite difficult to be on top of things with so many initiatives” (F1). Furthermore, firm interviewees highlighted the difficulties in forming a partnership with an NPO due to the lack of familiarity between the sectors and their different objectives.

Accordingly, interviewees drew special attention to the resource investment needed to negotiate and set-up a partnership with a new cross-sector partner “until everything is up and running, all the processes are defined and everyone knows what to expect from the other” (F13), explaining that that “until we have a contract, it usually takes a year or longer” (N7). We found that firms in our sample used a network-reinforcing strategy as an efficient means to maximize their leverage by lowering their search cost and, particularly, their coordination cost. This helped them to deal with their limited resources and arrive at partnership agreements despite their restricted capacities in the responsible (sustainability) departments.

First, all firms in our sample had guidelines and systems in place to encourage and facilitate the formation of repeated ties. Firm interviewees perceived it as an “advantage to work with one partner on multiple initiatives (...) there is trust, a way of working together that minimizes inefficiencies” (F6). For instance, firms frequently set up umbrella agreements with their preferred NPO partners to be able to expand the relationship without much administrative or legal effort, as one interviewee explained: “within this framework agreement we can get together quicker and more spontaneous to work on concrete issues and projects which might come up” (F7). NPO interviewees confirmed the frequent use of “umbrella agreements” (N13) or the use of “framework contracts to simplify the administration process” (N4). Moreover, firm interviewees preferred the development of existing partners instead of engaging with new partners to avoid switching cost: “we want to be as efficient and as effective as possible (...) work with the partner to continuously improve their standards so that we don’t have to step over to another program” (F10).

Second, firms emphasized how they tried to “achieve more, faster” (F12s) by replicating partnerships within their networks “to deliver results at scale” (F6s), particularly because the environmental and social issues addressed in partnerships were often similar across countries. Notably, global and multinational NPOs in our sample had a “confederation structure” (N13) of largely autonomous country organizations with a central or international (partnership) office to support the country organizations and to facilitate the replication of partnerships with global firms across their own network of country organizations. Such local partnerships required their own contracts and “each country has the final decision-making authority, whether or not they want to engage in a local partnership with the respective firm.” (N8). Nevertheless, these local partnerships could build on the existing relationship and (global) partnership goals agreed between the two organizations. The firms in our sample specifically aimed at replicating the initiatives with such NPOs in multiple countries to leverage existing processes:

> “It is always first look at global partners if they would be suitable because then it makes life easier, you already have the relationship, you can make use of repeatable models from other countries. So, there is also a database, there are all kinds of examples and those are shared in all kinds of internal systems we have.” (F17).

An interviewee of a partnering NPO similarly highlighted the greater effectiveness and impact potential of replicating partnerships with multiple country organizations: “It is a lot of work to get a partnership started. And if a [global] partnership is successfully set up, then it makes sense to extend it to local affiliates to further increase the leverage of that partnership.” (N7).

In sum, the mentioned efficiency-focused efforts show ways of dealing with the resource constraints in the responsible (sustainability) departments as first driver of a network-reinforcing strategy.

Recognition driven (Ib). Firm interviewees emphasized the need for partnerships “to resonate with consumers if you want to make the impact for the triple win—for the partner, for ourselves and for the good cause” (F17) and to get their own “colleagues enthusiastic about these partnerships (...) that you get a return for this” (F9). NPO interviewees likewise acknowledged “the added value for companies is primarily communication (....) reputational effects through communication” (N10), to “get credibility” (N2), “stakeholder engagement” (N7), and “employee engagement, employee satisfaction” (N14). We found that firms, driven by their strategic aim of achieving internal and external recognition of their partnerships, relied on a network-reinforcing strategy to create a few, long-term, flagship partnerships by renewing and extending partnerships with selected existing partners.

First, firms encouraged long-term collaboration. While the average contract length of a cross-sector partnership was described as “two to three years” (N10), most firm interviewees expressed their interest to “frequently renew contracts” (F13), thereby forming a repeated partnership. This was acknowledged by partnering NPOs: “we are quite happy that companies are loyal and usually tend to make new contracts (…) companies like to show that they support us” (N5). Considering also their resource leverage (see above), firm interviewees preferred to form partnerships with the same NPOs over time:

> “Having many long-term partnerships means a high degree of reliability and a low organizational effort (...) Apart from that, I would be concerned how the public would

> perceive it, if we kept on switching our partners; I believe that the public thoroughly rewards the constancy in our engagements." (F1).

Notably, firms' annual or sustainability reports specifically emphasize the continuity of the firms' engagement highlighting, for instance, "the history of collaboration" (F16s) or "long-term collaboration" (F4s) with specific NPO partners and of how a firm "remains committed" (F14s) or "maintained successful partnerships for a decade" (F6s) with selected NPO partners.

Second, and relatedly, most firm interviewees underlined the importance of avoiding "scattering initiatives among too many partners" (F3) or avoiding a "scattershot approach of selecting partners" (F5), because then the engagement "lacks focus" (F2) and "no consumer can tell what you are doing" (F17). To simplify and strengthen the communication potential, they "bundled many initiatives in big partnerships with few partners" (F2) including, for instance, corporate volunteering activities, thereby building "flagship partnerships" (F15s) and "signature partnerships" (F14s) around the commitment areas specified in their sustainability strategy. For instance, one firm interviewee explained that they worked with an NPO on their water stewardship agenda and then asked them "to help us on other commitment areas like, for instance, reducing CO2 emissions" (F12). The interviewees from partnering NPOs perceived this as an opportunity and dedicated a lot of effort into expanding and prolonging their existing partnerships: "once you are in a partnership, a lot is possible" (N1).

Risk driven (Ic). Firm interviewees considered "reputation risks" (F5) or "safeguarding the firm's reputation" (F7) as key concerns when deciding to form a partnership with an NPO. NPO interviewees acknowledged firms' main concern as "reputation" (N5) and "fear to get a negative image" (N1). Interestingly, our firm interviewees did not express their concern of becoming too dependent on one NPO partner. Instead, they stressed the importance of reducing the risk of opportunistic behavior of the NPO to prevent reputational damage for their firm. For instance, interviewees highlighted the need to "be critical to select trusted and tested NGO partners" (F12) and to engage with "large, recognized, trusted organizations (…) so that we can expect them not to cause any damage to our image (…) [and not to] tell on us—despite being our partner" (F5). The firms in our sample pursued a network-reinforcing strategy to minimize the risk of opportunistic behavior by gradually building partnerships to test NPOs and by relying on third-party ties.

First, firms preferred to slowly ease into a partnership to gain experience with the partner. Both firm and NPO representatives described how many collaborations had initially started out small and had evolved into bigger partnerships: "this big partnership started in 2013, but we had already collaborated before that. They used to support us with donations (…) we already had good experiences with each other" (N8). Indeed, NPO interviewees highlighted that "many firms want to first test it, want to see how it works, want to start out small and then increase their commitment in a partnership" (N1). NPO interviewees explained how they "often proposed pilots to get a collaboration started" (N10) or approached companies first for "in-kind donations or IT-support (...) always a good access to companies to get into a discussion" (N8). Firm interviewees considered exposure to NPOs as highly important in the sustainability context and dedicated resources to networking: "our team spends time building our networks and being part of conversations and dialogue in all of our regions around the world (…) being part of multi-stakeholder initiatives (…) we build our knowledge of which organizations are working in certain spaces" (F16). This was echoed by NPO interviewees who described, for example, the importance for their partnership managers to be present in multi-stakeholder forums and events "as door openers to get a first meeting with representatives of sustainability departments" (N9).

Second, in the absence of direct experience with a potential NPO partner, firm interviewees highlighted how they approached their business network for recommendations of NPO partners which were "tested" (F12) by other firms. For instance, they asked competitors, suppliers, or clients for "a trustworthy external opinion that makes the decision easier" (F1). Considering also resource constraints (see above), firms preferred to rely on a network-reinforcing strategy to select a new partner or a multi-stakeholder initiative by relying on their networks for recommendations instead of engaging in a lengthy search or a systematic selection process:

> "We had quite a pragmatic look actually, which initiative had established itself on the market (...) we heard lots of good things about it, also from colleagues of other brands. So then we checked that (…) and then it was a relatively simple decision" (F11).

NPOs were aware of the importance of being perceived as a reliable partner to business. For instance, they presented "success stories with corporate partners" (N9s) on their websites and published corporate partnership reports to offer proof that "they are a preferred partner for many of the largest multinational companies" (N10s). Furthermore, several NPO interviewees emphasized the "critical role of Board members" (N3) with a relevant network in society and the corporate world to link the NPO to potential corporate partners.

In sum, driver Ib (recognition) deals with the motivation of companies to generally seek partnerships through network-reinforcement so that this strategy is a means to deepen partnerships to build on NPOs' reputation and achieve recognition with third parties (e.g., customers). Driver Ic (risk) illustrates the other side of the coin with the network-reinforcing strategy as a tool to mitigate risks which could originate from the partnerships themselves (opportunistic behavior by the partners etc.).

2.4.3. Conditions triggering firms to form opportunity-driven partnerships

Based on our data, we identified two conditions to explain why firms in our sample formed predominantly opportunity-driven (rather than search-driven) cross-sector partnerships, which we illustrate in detail below (Appendix VI provides further illustrative quotes).

Lack of strategic importance of partnership (IIa). All corporate interviewees underlined the strategic relevance of sustainability for their companies' activities. All firms had specified commitment areas and communicated goals in their annual or sustainability reports and engaged in "NGO partnerships to advance those focus areas" (F16). To tackle a sustainability issue in a commitment area, firm interviewees described the need to actively search for an NPO partner because they had to "rely on external know-how" (F4) or to "make sure to bring in experts, environmental experts, community experts" (F10). Firm interviewees emphasized the need for their partnerships to be linked to the firm's goals and core activities, as one interviewee expressed it: "we are trying based on our materiality matrix to make this strategic link (...) we are really bound by that" (F3). In line with that, the NPOs in our sample described that firms approached them to collaborate on issues with a high relevance to corporate activities, but that it was difficult for them to attract corporate partners for less "popular" issues.

> "The incredible number of companies that connected to us because of [the tsunami in] Japan was such a difference compared to [the earthquake in] Nepal. And that's quite simple: many Dutch companies have business stakes in Japan (...) quite a poor situation (...) the relevance of our activities is big and is always there." (N5)

Interestingly, NPO interviewees felt the need to be "more strategic about looking at «Okay, who do we need to target to actually move the market?»" (N12). While our firm interviewees explained that to reach some of their sustainability targets they did "not need a partner" (F2) and that they engaged in partnerships only “where relevant” (F12), the NPO interviewees in our sample explained how they depended more and more on financial resources from the corporate sector to implement their organizational mission; as one NPO interviewee expressed: “if we want to do a good job we increasingly need to unlock new sources of financing (...) we need to take these companies on board. It must increase” (N1). Many NPOs in our sample had “a growth plan (...) to create more partnerships” (N13) and a “target number of corporate partners by 2020” (N5s). In contrast, our firm interviewees emphasized that “growing the number of partnerships (...) is not a goal in itself, never” (F12) or how they might only “possibly” (F8) engage in additional partnerships. Thus, we found that NPOs in our sample perceived more often a higher strategic importance and a “higher sense of urgency” (N7s) to engage in cross-sector partnerships for sustainability than firms, which made NPOs the more active side in partnership formation.

NPO competition for corporate partners (IIb). Firm interviewees, in general, highlighted their choice among many partnership opportunities presented by NPOs: “Partners just come to us, they say, oh we know you are doing good work, we read in your report something you did or they learn about us beyond reports and want to get to know us” (F16). Another firm interviewee likewise pointed out: “as a retailer, we are asked to join every single sustainability initiative that comes around, really.” (F10). In contrast, NPO interviewees usually underlined their own search effort: “it is very tough to get in touch and to get access to companies. It is not an easy task and no one waits for us. That is the reality.” (N10). The majority of NPOs in our sample perceived a higher competition among NPOs for attractive firm partners than among firms for attractive NPO partners. Notably, our corporate interviewees were aware of the “competition among NPOs to win corporate partners and to acquire funds” (F6).

Consequently, most NPOs in our sample felt the need to take the more active part in cross-sector partnership formation. For instance, most NPOs dedicated personnel to acquire firms as partners; as the Head of Corporate Partnerships for a global humanitarian NPO explained:

> "before, I used to work in Sales and Sales Management positions in the profit sector (…) as a matter of fact, we are doing the same (…) We do our best to make deals and to pursue companies (…) for the sake of the people or the victims of a disaster." (N5).

The NPOs described how they usually performed a detailed research and then targeted specific companies: "we analyze the market of course as well and when we see that a company committed itself with regard to sustainability, then we contact them and ask if we can offer solutions" (N9). A firm's relative attractiveness played an important role on whether NPOs chose to approach this particular firm or turned to other firms. Regarding their own attractiveness, firms mostly referred to their "visibility" (F5) and "good reputation" (F1) in the sustainability area as making them attractive partners for NPOs. However, most NPO interviewees underlined that they were "not afraid to work with some of the companies that perhaps are more controversial to work with, as long as there is a commitment" (N13) and the firm dedicated people and financial resources to partnerships.

Furthermore, NPOs perceived it as their responsibility to propose new initiatives to their current corporate partners to extend and prolong their existing partnerships: "That is crucial (…) that is our task to keep the partnership alive and to make sure that it goes on" (N10). All NPOs in our sample tried to maintain an active relationship with their former and current corporate partners, for example, by sending out newsletters and by getting in touch frequently for project updates.

2.5. Discussion

2.5.1. Propositions on drivers for a network-reinforcing strategy to form cross-sector partnerships

A key insight from our research is that the frontrunner companies in our sample pursued a network-reinforcing strategy to choose NPO partners for additional cross-sector partnerships for sustainability: companies encouraged and facilitated the formation of repeated and third-party ties whenever possible. Firm-firm alliance research links the formation of network-reinforcing ties largely to organizational inertia (Bierly & Gallagher, 2007) and struggles to "better isolate managerial discretion from natural evolutionary paths" (Lavie & Rosenkopf, 2006, p. 815). Our findings, however, demonstrate that frontrunner firms seem to deliberately apply a network-reinforcing strategy in the context of cross-sector partnership formation. Firms in our sample set guidelines for partner search, they encouraged the use of umbrella agreements to simplify the engagement with the same partner for multiple projects, and they dedicated resources to networking and used the engagements in multi-stakeholder platforms as stepping stones for new partnerships.

We found three drivers—*resource constraints, achieving internal and external recognition and reputational risk*—to explain firms' preference for a network-reinforcing strategy in the setting of cross-sector partnerships for sustainability. First, our findings suggest that frontrunner firms, driven by *resource constraints*, apply a network-reinforcing strategy to increase the leverage of their partnerships for sustainability by minimizing formation-related costs. Cross-sector partnerships typically originate in sustainability departments, which usually consist of small teams with limited resources (compared to firm-firm alliances in strategy departments) (Van Tulder et al., 2014). At the same time, the formation of a new cross-sector partnership is particularly difficult and requires time and relation-specific investments from firms and NPOs to align their fundamentally different value frames, to agree on realistic goals, and to find effective ways of working together (Dahan et al., 2010a; Rivera-Santos & Rufín, 2010). Moreover, partners frequently fail to find an agreement (Austin & Seitanidi, 2012). Firms in our sample clearly applied a business case logic when choosing NPO partners (Schaltegger & Burrit, 2018). The firms not only considered the lower search cost of relying on their networks to find NPO partners, as suggested by firm-firm alliance research (e.g., Gulati & Gargiulo, 1999), but especially appreciated the lower coordination cost of this approach. Forming a repeated tie allows firms to largely avoid this costly and time-consuming (and potentially even unsuccessful) negotiation and set-up phase and to dedicate their resources on implementing the partnership. Stadtler and Lin (2017) suggest that firms' experience in cross-sector partnerships facilitates the development of capabilities to solve more complex sustainability issues in future partnerships. This could be especially relevant for firms when working again with the same NPO as they can build on a previously established understanding of the partners' goals, capabilities, and processes. For instance, Dentoni et al. (2016) found that with increasing experience in cross-sector partnerships, firms tend to focus on few preferred NPO partners, which allows them to implement their sustainability strategies more effectively. Moreover, the confederation structure of NPOs in our sample (as is typical for international advocacy NPOs, see e.g., Brown et al., 2012) and the multifaceted, country-spanning nature of sustainability issues (Selsky & Parker, 2005) make it more resource-effective for global companies to scale up and to replicate partnerships with multiple country organizations of the same NPO.

Second, firm and NPO interviewees emphasized that a firm's partnership formation was ultimately driven by the aim of *achieving internal and external recognition* of the firm's engagement. While firm-firm alliance research indicates the need for firms to end existing alliances and to form new ties with new partners because "they exhaust opportunities to further leverage each other's resources" (Bierly & Gallagher, 2007, p. 139), this broad, communication-focused purpose of cross-sector partnerships makes a network-broadening strategy less relevant. In fact, our findings indicate that frontrunner firms strengthen the communication potential of their engagements by creating flagship partnerships and by bundling many initiatives with the same trusted partner. Long-term collaboration (such as the formation of repeated ties over time) might be associated with the highest value creation potential due to the greater trust between partners (Austin & Seitanidi, 2012). Considering also resource constraints, the firms in our sample perceived it as being more beneficial to develop a trusted nonprofit partner instead of choosing a new partner with a potentially better (initial) resource fit.

Third, the *risk in cross-sector partnerships* is mostly reputational. We found that frontrunner companies applied a network-reinforcing strategy because they valued the existence of trust and the lower risk of opportunistic behavior (Gulati & Gargiulo, 1999; Podolny, 1994) more than the potential downsides of this strategy, such as a higher dependency on partners and less diversified access to resources (Baum et al., 2000). While the scarce empirical cross-sector partnership research in this context has so far focused on the effects of prior partner experience (i.e. relational embeddedness) for trust building (Seitanidi & Crane, 2009; Seitanidi et al., 2010), our findings imply that the degree of structural embeddedness is also important for partnership formation, as has been conceptually already proposed (Bryson et al., 2006; Rivera-Santos & Rufín, 2010). When building new ties, firms specifically sought out third-party linkages and recommendations from competitors, customers, or suppliers to minimize reputational risk by relying on tested NPO partners. In sum, we propose:

Proposition 1: Frontrunner firms are more likely to use a network-reinforcing strategy (rather than a network-broadening strategy) to find a cross-sector partner,

P1a: the greater the resource constraints faced by the responsible departments,

P1b: the more dominant the aim of achieving internal and external recognition,

P1c: the more dominant the concern for reputational risk.

2.5.2. Propositions on conditions triggering an opportunity-driven partnership formation

Another key insight of our research is to help develop a better understanding of how actively frontrunner firms (need to) search for cross-sector partners by drawing attention to the formation dynamics in this setting. We suggest that who takes action and searches for a potential partner depends on who perceives a *higher strategic importance to engage in a partnership* (i.e., perceives the need for external resources) to address a sustainability issue. The firms in our sample were in advanced stages of their sustainability engagement, for instance, they had prioritized focus areas and had set forward-looking goals to guide their cross-sector engagement (Dentoni et al. 2016; Porter & Kramer, 2006). While firms actively pursued their sustainability strategies, they often did not perceive the need to actively search for partners, whereas the NPOs in our sample perceived a high urgency to search for new corporate partners or to develop existing ones. Due to the centrality of sustainability issues to their agendas and the increasing dependency on financial resources from the corporate sector (Jamali & Keshishian, 2009), NPOs were the more active side in cross-sector partnership formation.

Interestingly, previous research proposes corporate partnerships as a "worthwhile strategic choice for NPOs" (Al Tabbaa et al., 2014, p. 659) to ensure their organizational survival. Our findings suggest that the NPOs in our sample indeed considered such partnerships as core part of their operating model. For instance, NPOs had set growth targets for corporate partnerships and they strategically targeted attractive firms to offer them solutions to their sustainability issues. Contrary to firm-firm alliances, where technical and commercial capital are considered to be key determinants for a firm's attractiveness to other firms (Ahuja, 2000), we find that the firm's dedication in terms of infrastructure, personnel, and resources to partnerships are critical for the firm's attractiveness to NPOs (Rivera-Santos & Rufín, 2010; Seitanidi & Crane, 2009).

Most NPOs in our sample perceived a higher *competition for attractive firms than firms for attractive NPOs*. Our corporate interviewees were aware of the competition among NPOs to find suitable partners and get access to funds, which created power imbalances (e.g. Ashraf et al., 2017) in favor of companies. Therefore, our findings support arguments from previous research that cross-sector partnerships are essentially different from firm-firm alliances due to inherent power imbalance between the for-profit and the nonprofit sector (Herlin, 2015; Weber et al., 2017), pushing NPOs to invest more time and effort already before the relationship is in place. This power imbalance might have negative consequences for the NPO, if business partners act opportunistically and, for instance, impose abusive contractual conditions on the partnership (Rivera-Santos & Rufin, 2010), or use the reputational capital of the NPO but offer little in return (Herlin, 2015). However, this power imbalance can shift in favor of the NPO, for example, when an NPO has unique resources such as specialized expertise to tackle a sustainability challenge (Hahn & Gold, 2014). In sum, we make the following proposition:

Proposition 2: Frontrunner firms are more likely to form opportunity-driven (rather than search-driven) cross-sector partnerships for sustainability,

P2a: the lower the importance of cross-sector partnerships to the firm,

P2b: the more attractive the firm is to various NPO partners.

2.5.3. *Managerial implications*

A key takeaway for managers of companies with a known, positive sustainability track record is that the selection process might be of equal or higher importance than the search process. In fact, due to their attractiveness to NPOs, such companies could get "trapped" into having to dedicate significant resources into selecting among many different opportunities for partnering. The companies in our sample underlined the importance of linking their cross-sector partnerships to their commitment areas and sustainability goals to guide their selection. Moreover, frontrunner firms focused particularly on collaborating again with existing NPO partners to ensure an effective implementation of the partnership. A number of studies in the context of interorganizational collaboration provide guidance to managers by suggesting to balance exploration (i.e., pursuing new knowledge) and exploitation, (i.e., leveraging existing knowledge) in formation decisions (Beckman et al., 2004; Parmigiani & Rivera-Santos, 2011). Our findings suggest that frontrunner companies balance exploitation and exploration in cross-sector partnerships by pursuing new activities whenever possible with existing partners to increase their resource leverage, minimize reputational risk, and achieve stakeholder recognition of the company's partnership engagement. Nevertheless, managers should not become unresponsive to the demands of NPOs outside of their partnerships or potentially even antagonize them, as this could pose longer-term risks (Dentoni et al., 2016). A key takeaway for managers of companies which are less visible in the sustainability area or which have a bad reputation is that they can use the firm's sustainability reports and public communication to signal their commitment to collaborate and thus trigger partnership requests from NPOs.

A key takeaway for NPO managers struggling to find new corporate partners is to invest effort into attracting board members who are well-connected in the corporate world, as these board members can use their personal networks to recommend the NPO as a reliable partner to business. In addition, NPOs could try to slowly ease firms into a partnership by first connecting at multi-stakeholder forums to then engage in a dialogue with the firm to find out more about the firm's sustainability engagement. Subsequently, the NPO could propose a pilot project targeted at a focus area of the firm's sustainability commitment as an opportunity for the firm to "create shared value—that is, a meaningful benefit for society that is also valuable to the business." (Porter & Kramer, 2006, p. 84).

2.6. Conclusion

A firm's choice of a nonprofit partner is a decision that greatly affects the latter success of a cross-sector partnership (e.g., Austin & Seitanidi, 2012; Seitanidi et al., 2010). Considering the specific challenges and trade-offs faced by firms when choosing a nonprofit partner (e.g., Dahan et al., 2010a; Rondinelli & London, 2003), it is critical to better understand which formation strategy is suited to this context. Cross-sector partnership research has only recently started to explore partnership strategies, capability development, and managerial decision-making at the firm-level (Dentoni et al., 2016; Stadtler & Lin, 2017). We add empirical insights to the so far mostly conceptual cross-sector partnership research and we establish links to the field of firm-firm alliance research.

Notably, we do not only discuss and find similarities but we highlight the differences between these two streams, which merit their independent continuance. Based on social network theory, firm-firm alliance research proposes network-reinforcing and network-broadening as two opposing strategies. Our findings, however, show a strong emphasis in firms' endeavors to build cross-sector partnership on the former strategy only. Frontrunner firms exhibit a strong preference to choose NPO partners from within their networks and to rely on NPOs to be the more active side in partnership formation. Our data indicate that frontrunner firms build dense portfolios with largely repeated and common third-party ties and long term-relationships to increase their resource leverage, minimize reputational risk, and achieve stakeholder recognition of the firm's partnership engagement. The respective firms' rationale for the network-reinforcing strategy are further novel additions to the literature on cross-sector partnerships which could also help shape social network theory in upcoming research. We propose one organizational driver (resource constraints) and two relationship drivers (recognition and main risk considerations) to explain why firms in our sample preferred to form partnerships within their networks.

In this regard, another interesting finding of our study is the mentioned preference of companies for network-reinforcing strategies in cross-sector partnerships, which juxtaposes the findings from the alliance literature indicating that network-broadening strategies are often more effective (e.g., Baum et al., 2000; Goerzen, 2007; Ozcan & Eisenhardt, 2009). In the case of cross-sector partnerships, asset specificity might not be very prevalent, as the collaboration between firms and NPOs can be extended to different topics over time and could thus increase the effectiveness of network-reinforcing as opposed to network-broadening. An interesting next step for future research could thus be to evaluate partnership performance in cross-sector-partnerships and use the respective insights to measure the effectiveness of different partnership formation strategies in a cross-sector setting to assess whether the existing preference for network-reinforcing strategies is justified. Furthermore, Austin (2000) proposes a collaboration continuum and that cross-sector partnerships often evolve from philanthropic exchanges such as a donation, to integrative partnerships. Our analysis shows that firms often make use of the same NPO partner for repeated collaboration. In doing so, they not only renew contractual arrangements over time but also move to new issue areas. Since our data did not allow for a classification of partnerships such as philanthropic or integrative, future research could look into this aspect and scrutinize a potential development of firms' relationships with NPOs.

Finally, we offer propositions on the (lack of) strategic importance of cross-sector partnerships as well as on NPO competition for corporate partners to explain why frontrunner firms in our sample engage predominantly in opportunity-driven partnerships. Future research could assess the influence of differences between the for-profit and nonprofit sector on partnership formation dynamics.

Two limitations of our study require consideration. First, our results are based on a sample that is composed of large, frontrunner firms serving consumer markets and nonprofit organizations which were recruited within the same network. Due to the fact that we chose frontrunners in cross-sector partnering, all firms already had experience with and exposure to NPO partners and were well-connected to sustainability networks, which might have influenced the firms' strong preference (and ability) to rely on their networks when forming additional partnerships. While our sample provided rich information to develop an understanding of frontrunner firms' rationale in choosing NPO partners, further research is needed. For instance, future studies could test the generalizability of our propositions by applying them to a sample of companies with few or no existing NPO partners. It would be interesting to assess whether constraints, recognition, and risk considerations similarly induce these companies to pursue a network-reinforcing strategy by particularly seeking for third-party linkages and recommendations from competitors, customers, or suppliers when building new ties. Furthermore, future research could assess whether the NPOs' active search for corporate partners (and thus the NPOs' competition for corporate partners as our condition IIb) is limited to frontrunner companies or applies to any company willing to collaborate. In addition, future research could assess the influence of competitive tensions, for instance, on companies' choice of cross-sector partnerships involving multiple companies (Stadtler, 2018).

Second, we focused on firms' partner search and selection decisions. Given the dominant dynamics we found in our sample, future research is needed to assess the implications for NPOs. For instance, the frontrunner firms' strong preference to form ties within their networks and their reliance on NPOs to be more active in partnership formation, could be a disadvantage for smaller NPOs with less resources to approach companies and less linkages to the corporate world. Considering the increasing dependence of the NPO sector on financial resources from the corporate world (Herlin, 2015, Weber et al., 2017), this could lead, eventually, to a consolidation of NPOs. Moreover, international NPOs with confederation structures could feel pushed to centralize their corporate partnership activities to enable global engagements with multinational corporations. Our study points to the need for future research to better understand the dynamics of cross-sector partnership formation and their implications for firms and nonprofit organizations.

3. Second study: Formalization of firms' evaluation processes in cross-sector partnerships for sustainability[9]

Co-authored with Rüdiger Hahn.

Abstract. Extant research underlines the critical challenge for firms to rigorously and consistently evaluate their growing number of cross-sector partnerships for sustainability and suggests formalizing evaluation processes by introducing formal practices. However, empirical research is scant and inconclusive. This study aims to develop an empirically grounded understanding of how firms formalize the evaluation processes of such partnerships and of what drives this formalization, to complement the so far mostly conceptual literature. We inductively analyzed 31 semi-structured interviews with 33 experts from firms and their partnering nonprofits and further secondary data on organizations' partnerships. We contribute to the cross-sector partnership research by analyzing firms' practices related to the formalization of the internal as well as the joint partnership evaluation process with nonprofits. We propose a conceptual framework to explain why firms implement different formal practices to reduce the dependency on individuals' skills, experiences, or judgements in evaluating partnerships.

Keywords: Cross-sector partnership, sustainability, evaluation, formalization, profit-nonprofit collaboration

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3.1. Introduction

Sustainability management and corporate social responsibility activities are usually complex endeavors, which require collaboration with numerous actors beyond the focal company itself. Consequently, large corporations often invest significant resources in cross-sector partnerships with nonprofit organizations (NPOs) to tackle sustainability issues (Gray & Stites, 2013; Kiron et al., 2015). Such partnerships can be defined as any initiative in which a firm and at least one partner from the nonprofit sector work together to pursue at least one non-economic, sustainability related objective (Ashraf et al., 2017; Berger et al., 2004). Rigorously evaluating cross-sector partnerships is critical for guiding the firms' internal decisions on which partnerships to prioritize, adjust, or terminate (Partnerships Resource Centre, 2010; Van Tulder et al., 2014). Facing public scrutiny, firms and their NPO partners are also increasingly challenged to convincingly communicate their partnerships' benefits based on thorough joint evaluations (Baur & Schmitz, 2012; Bryson et al., 2006; Stadtler, 2016).

This study contributes to the cross-sector partnership research by developing an empirically grounded understanding of the evaluation process conducted by firms, that is, of firms' practices for assessing the progress and the results of their partnerships internally, as well as jointly with NPO partners (Brinkerhoff, 2002a; Rein & Stott, 2009; Seitanidi & Crane, 2009). As cross-sector partnerships are growing in popularity, it is important to better understand how firms ensure a rigorous, consistent evaluation of their partnerships' benefits to their own organization and to society (Austin & Seitanidi, 2012; Murphy et al., 2015; Van Tulder et al., 2016). Furthermore, a deeper understanding of evaluation processes in cross-sector partnerships is of interest for the business and society scholars in general, as it helps to sharpen our understanding. Our results relate, for example, to the question of how multi-stakeholder engagements are managed from a company perspective or to how social accounting and auditing, especially certain forms of performance and outcome measurement, is conducted.

An evaluation of cross-sector partnerships is prone to difficulties. Partnerships typically address multifaceted social and environmental problems, which makes it challenging to rigorously evaluate a partnership's specific benefits (Austin, 2000; Brinkerhoff, 2002a; Clarke & MacDonald, 2016). To further complicate matters, partnership management in firms usually involves many actors with different skill levels, experiences, and individual judgements of partnership benefits (Googins & Rochlin, 2000; Partnerships Resource Centre, 2010; Van Tulder et al., 2014). Accordingly, there is a risk that partnerships are evaluated inconsistently based on managers' personal commitment to a certain cause or NPO partner instead of the firm's and society's best interest.

Previous research on firms' sustainability collaborations with NPOs or with governments in public-private partnerships (PPPs) indicates the relevance of formal practices to improve cross-sector partnership evaluation (e.g., Arya & Salk, 2006; Bryson et al., 2006; Googins & Rochlin, 2000). However, suggestions are scattered across different studies, vary depending on the authors' focus, and so far have been proposed mostly conceptually. Practices refer to the "way of doing things" (Patton, 2001, p. 331) and describe how a task is executed in a firm (Kogut & Zander, 1992). To ensure internal alignment and to guide individuals' actions, firms can formalize processes by implementing formal (instead of informal) practices (Adler & Borys, 1996; Hwang & Powell, 2009): firms can prescribe rules, systems, and procedures to make the execution of a task less dependent on an individual's skills, experience, or judgement (Levitt & March, 1988; Ramus, Vaccaro, & Brusoni, 2017). Notably, the few empirical studies that assess firms' partnership evaluation processes provide mixed evidence regarding the firms' use of formal practices in internal as well as in joint evaluations with NPOs (Jamali & Keshishian, 2009; Rein & Stott, 2009; Sakarya et al., 2012).

Consequently, findings hitherto indicate a gap between the (conceptual) literature, which suggests the relevance of formal evaluation practices for firms to rigorously assess and convincingly communicate the benefits of their partnerships (e.g., Bryson et al., 2006; Googins & Rochlin, 2000), and the firms' actual experience of ground-level implementation (Jamali & Keshishian, 2009; Rein & Stott, 2009). In addition, current empirical research ignores organization-level drivers of formal evaluation practices in firms, because it assesses cross-sector partnerships "largely as stand-alone transactions instead of viewing them as elements of a collaboration portfolio" (Wassmer et al., 2012, p. 19). However, a firm's engagement in multiple cross-sector partnerships could similarly require coordination across partnerships as could, for instance, a firm's engagement in multiple firm-firm, for-profit alliances (Gutiérrez, Márquez, & Reficco, 2016; Stadtler, 2011). While firm-firm alliance research has paid considerable attention to the investigation of managerial processes across alliances (e.g., Hoffmann, 2005; Kale & Singh, 2009), empirical cross-sector partnership research on the possibilities to coordinate and align decision-making at the organization-level (i.e., across partnerships and partnership managers) is virtually absent (Quélin, Kivleniece, & Lazzarini, 2017; Rivera-Santos, Rufín, & Wassmer, 2017). We therefore lack an empirically grounded, detailed understanding of partnership evaluation processes in firms and of the relevance of formalization in this context (Austin & Seitanidi, 2012; Rein & Stott, 2009; Van Tulder et al., 2016).

Against this background, this study aims to answer the following questions: (i) How do firms formalize the internal and joint (with NPO partners) evaluation process of their cross-sector partnerships for sustainability? (ii) What drives this formalization? To answer these questions, we conducted and inductively analyzed semi-structured interviews with 33 experts from 17 frontrunner companies and their 14 partnering NPOs. In addition, we collected and inductively analyzed annual (sustainability) reports, websites, and strategic documents from all organizations in our sample. We triangulate the firm perspective by matching it to the evidence from partnering NPOs to ensure a balanced, comprehensive view on cross-sector partnership evaluation.

We offer three main contributions. First, this study answers to calls for further research to deepen our understanding of partnership evaluation processes as these processes form the basis of organizations' decisions-making and communication on partnerships (Murphy et al., 2015; Rein & Stott, 2009; Van Tulder et al., 2016). We assess the internal evaluation process in firms as well as the joint evaluation process with NPOs and explain what drives firms to use formal—rather than informal—evaluation practices along five dimensions (timing, baseline, type of assessment, governance and reporting). We propose a conceptual framework, which explains the mixed findings of the few studies in this context by linking evaluation practices to the presence of specific drivers for formalization. Second, our study demonstrates how and why firms reduce the dependency on individuals' skills, experiences, or judgements by formalizing their cross-sector partnership evaluation at the firm-level. We thereby advance cross-sector partnership research by drawing much needed attention to organizational coordination and control mechanisms in managing partnerships (Quélin et al. 2017; Rivera-Santos et al., 2017; Van Tulder et al., 2014). Third, we offer guidance to firms on how to address the critical challenge of rigorously and consistently evaluating a growing number of partnerships.

We proceed by outlining relevant findings on cross-sector partnership evaluation and on formalization to develop a problem-oriented understanding of our study's main concepts. We then describe how we sampled and inductively analyzed our data before we present our findings and discuss the implications for research and practice.

3.2. Cross-sector partnership evaluation and formalization

Extant research underlines the need for firms to internally evaluate the progress and results of their cross-sector partnerships to assess whether the partnerships serve their self-interest and to make informed decisions, particularly on whether to continue investing in a partnership (e.g., Bryson et al., 2006; Van Tulder et al., 2016). In addition, firms should evaluate partnerships together with their nonprofit partners to develop an understanding of the partners' needs, expectations, and their satisfaction with the partnership (Googins & Rochlin, 2000). Such a joint evaluation is important for sustaining the partners' commitment and for facilitating the communication on partnerships to gain public support (e.g., Brinkerhoff, 2002a; Rondinelli & London, 2003).

3.2.1. Partnership evaluation

Cross-sector partnerships for sustainability display distinct characteristics which influence "what" should be evaluated and render internal and joint evaluations challenging for firms.

Specific characteristics of evaluating cross-sector partnerships. A growing stream of literature is concerned with unpacking the different levels of value creation potential of partnerships by proposing value assessment frameworks for business-NPO partnerships (Austin & Seitanidi, 2012) as well as for PPPs for development (Stadtler, 2016). Most authors distinguish conceptually between inputs (resources provided by partnering organizations), outputs (partnership deliverables including immediate effects on participating organizations), and outcomes (effects on targeted beneficiaries including (long-term) impact on the sustainability issues addressed) (Gray & Sites, 2013; Kolk, Van Tulder, & Kostwinder, 2008; Stadtler, 2016). As firms typically try to solve interdependent, dynamic, and boundary spanning sustainability issues in partnerships with NPOs (Gray & Stites, 2013; Van Tulder et al., 2016), outcome measurement is difficult due to the attribution problem, that is, the challenge to isolate a specific partnership's effects from other influences (Brinkerhoff, 2002a). The effects of partnerships, particularly on the environmental or social issues addressed, are often indirect and/or take time (Sakarya et al., 2012; Stadtler, 2016).

Accordingly, evaluating partnership benefits is challenging for a firm due to the need to assess benefits not only at the level of the participating organization but also at societal level (Austin, 2010; Stadtler, 2016) and due to often intangible, evolving results (Berger et al., 2004; Selsky & Parker, 2005). Joint evaluations with NPOs are particularly complicated due to the lack of familiarity between firms and nonprofit partners "stemming from drastically different goals, organizational processes, and world views" (Rivera-Santos & Rufín, 2010, p. 62). To facilitate joint partnership evaluations, firms and NPOs need to bridge for-profit and nonprofit goals and agree on assessment methods (Gray & Stites, 2013; Sakarya et al., 2012).

Firms' evaluation practices. Several studies suggest introducing formal practices to improve cross-sector partnership evaluation processes, for example, by adopting systems and frameworks at organization-level to consistently and comprehensively assess different levels of benefits across partnerships (Googins & Rochlin, 2000), or by setting measurable objectives to ensure a shared understanding between partners and accountability to stakeholders (Arya & Salk, 2006; Bäckstrand, 2006). Despite the acknowledged criticality of the evaluation process (e.g., Berger et al., 2004; Bryson et al., 2006), and frequent suggestions to firms to use formal practices (e.g., Arya & Salk, 2006; Googins & Rochlin, 2000), the empirical evidence on firms' partnership evaluation practices is still scarce and fragmented (Austin & Seitanidi, 2012; Rein & Stott, 2009). The few existing case studies describe evaluation rather briefly as part of the wider implementation process, vary in their assessments (Van Tulder et al., 2016), and focus on joint (and not internal) evaluation processes (Jamali & Keshishian, 2009; Rein & Stott, 2009; Seitanidi & Crane, 2009; for an exception see Sakarya et al., 2012).

Moreover, existing studies provide mixed evidence on firms' adoption of formal rules, systems, and procedures to evaluate their cross-sector partnerships for sustainability. While some studies suggest that firms use such formal practices to evaluate cross-sector partnerships, others do not. For instance, Seitanidi and Crane (2009) report institutionalized business-NPO review meetings for joint evaluations, Sakarya et al. (2012) find a systematic measurement of business-NPO partnership results in the internal evaluations of most firms, and Bäckstrand (2006) finds some—albeit limited—use of joint targets and progress reports in PPPs for sustainable development. In contrast, Rein and Stott (2009) and Jamali and Keshishian (2009) note the absence of regularized joint reviews and state a lack of result measurements in their case studies on business-NPO partnerships. Interestingly, Jamali and Keshishian (2009) propose that the firms' general low level of involvement in their partnerships (including the firms' lack of engagement in joint formal evaluations) might be explained by the low strategic value of the partnerships to the firms in their sample and call for further research. Rein and Stott (2009) suggest the presence of "barriers" (p. 87) and point to the need to investigate what thwarts the development of regularized joint evaluation procedures.

3.2.2. Drivers and barriers to the formalization of partnership evaluation

Formalization has been discussed in various theoretical contexts such as organizational learning (e.g., Levitt & March, 1988) and organizational theory (e.g., Adler & Borys, 1996) and empirical settings such as public administration (e.g., Page, 2004) and firm-firm alliance management (e.g., Heimeriks et al., 2009). It often refers to "written rules, procedures, and instructions for the accomplishment of working tasks" (Ramus et al., 2016, p. 1258). As a result, formalization makes the execution of working tasks less dependent on the individual actors who perform them (Levitt & March, 1988). This can refer to an organization's internal governance mechanisms such as a firm's management of its internal partnership evaluation process, as well as to collaborative governance mechanisms such as a firm and NPOs' management of the joint evaluation process. Formal governance mechanisms are often contrasted to informal mechanisms, which rely on individual actors and their relationships (Austin & Seitanidi, 2012; Rivera-Santos & Rufín, 2010).

Drivers and barriers to the formalization of the internal evaluation process. As many firms are engaged in multiple cross-sector partnerships for sustainability with different partners, there is a growing need for coordination and alignment across partnerships and partnership managers (Gutiérrez et al., 2016; Rivera-Santos et al., 2017; Van Tulder et al., 2014). The related field of firm-firm, for-profit alliance research suggests that the need to manage a growing number of alliances drives firms to adopt formal evaluation practices, for instance, to facilitate efficient decision-making and the prioritization of resources (Hoffmann, 2005; Wassmer, 2010) or to effectively capture and disseminate knowledge at the firm-level (Heimeriks et al., 2009; Kale, Dyer, & Singh, 2002). While the growing number of cross-sector partnerships could similarly induce firms to formalize, the additional complexity due to the not-for-profit, multifaceted, dynamic nature of sustainability issues addressed in such partnerships (e.g., Berger et al., 2004; Kale & Singh, 2009; Rondinelli & London, 2003) might be a strong barrier to formalization. Organizational research indicates that firms refrain from formalizing complex knowledge and working tasks to codified systems and procedures because it is deemed difficult, costly, and can cause rigidity and inertia (Hwang & Powell, 2009; Levitt & March, 1988).

Drivers and barriers to the formalization of the joint evaluation process. On the one hand, a number of studies suggest that the involvement of partners with a nonprofit culture and mission could be a barrier to formalization, because NPOs might consider formal evaluation practices as problematic reductionism and a lack of attention to beneficiaries" (Rivera-Santos & Rufín, 2010, p. 57) or simply as "irrelevant and impractical" (Ashraf et al., 2017, p. 817). Accordingly, previous research has often highlighted the importance of trust-based or informal governance mechanisms and relational processes for cross-sector partnerships (Austin & Seitanidi, 2012; Le Ber & Branzei, 2010). On the other hand, a number of authors emphasize that pressures for accountability from stakeholders and funding institutions have led to a push for formal impact assessments and professionalization in NPOs (e.g., Baur & Schmitz, 2012; Hwang & Powell, 2009; Sakarya et al., 2012). The public administration literature shows that high pressure for public accountability leads governmental partners to insist on formal practices in PPPs to clarify the contribution of each partner and to demonstrate performance (Gray & Stites, 2013; Jamali, 2004; Page, 2004). While the use of taxpayers' money particularly requires governments to ensure the public accountability of their partnership engagements (Rosenau, 1999; Stadtler, 2016), the increasing public scrutiny could similarly drive firms and NPO partners to rely on formal practices in their partnership evaluation.

To conclude, we lack empirical research to develop an understanding of how firms formalize the internal and joint evaluation process. Moreover, we need insights on the drivers of and barriers to formalization to explain the variation in the use of formal evaluation practices in the context of cross-sector partnerships.

3.3. Method

We pursued a qualitative research approach to explore inductively how firms formalize the evaluation of their cross-sector partnerships for sustainability and what drives this formalization. We deemed an inductive approach particularly suitable for two reasons. First, we aimed to understand and explain the implementation of formal evaluation practices in the specific context of cross-sector partnerships. Therefore, we needed to develop concepts and relationships grounded in the data (Gioia et al., 2013; Strauss & Corbin, 1998). Second, existing research indicated the relevance of our research questions but offered only limited and inconclusive evidence to address them. In line with the principles of constant comparison techniques to develop "grounded theory" (Glaser & Strauss, 1967; Strauss & Corbin, 1998), we employed an iterative approach of collecting and analyzing our data. We followed established guidelines and procedures for grounded theory building (Gioia et al., 2013; Strauss & Corbin, 1998) to ensure qualitative rigor.

3.3.1. Sampling approach

We used a purposeful sampling approach and focused on selecting information rich cases to address our research questions (Patton, 2015; Strauss & Corbin, 1998). As the number of companies with cross-sector partnerships for sustainability is growing but is still limited (Kiron et al., 2015), we aimed to identify frontrunner companies in cross-sector partnering, that is, companies with multiple nonprofit partners and at least a few years' experience of engaging in such partnerships to tackle sustainability issues. We carried out a desk research to compile a list of such frontrunner companies by assessing, for example, publications on corporate sustainability (e.g., Van Tulder et al., 2014), partnership surveys and reports (e.g., PRC, 2010), and companies' websites and annual reports. To allow for comparability between firms and the reasons for their partnership engagement, we focused our search on large firms from the consumer goods and retail industries. Accordingly, firms faced similar environmental and social sustainability issues such as access to increasingly scarce natural resources and needed to cope with shifting consumer demands. We approached via our personal network seven of these previously identified frontrunner companies and conducted a first set of interviews with nine sustainability experts[10].

In our initial analysis of these interviews we discovered, for example, a range of evaluation approaches and tools, as well as differing responsibilities for evaluating partnerships, which indicated that firms had formalized (parts of) their partnership evaluation process but varied greatly in their use of formal practices. In line with the principles of theoretical sampling (Glaser & Strauss, 1967; Strauss & Corbin, 1998), we conducted additional firm interviews to better understand the reasons for this variation. For instance, we assessed firms' sustainability reports to identify firms using quantitative targets for partnerships and approached them directly by using publicly available contact information. In addition, we used snowball sampling, as many interviewees had established contacts to other frontrunner companies. We focused our search to target interview candidates in top leadership positions in frontrunner companies' sustainability departments, because our initial analysis showed that the oversight of interviewees with a high level of seniority (such as the Heads of corporate sustainability departments) was particularly insightful for our study to develop an understanding of a firm's evaluation practices across its

[10] Firm interviewees' positions were all related to sustainability: Head of Sustainability Management (F15); General Manager Sustainability Germany (F7); Manager Global Sustainability *and* Manager Corporate Sustainability (both F9); Head of Sustainability Near/Non Food *and* Label & Sustainability Specialist (both F6); Manager Environment Germany (F10); Manager Sustainability & Communities Germany (F5); Category Leader Product & Strategy & CSR (F3). Interviewees are referenced based on their firm's number in Table 5.

range of cross-sector partnerships. In this second set, we conducted interviews with ten senior sustainability managers[11].

In sum, we conducted interviews in 17 companies. Most of them had a large portfolio of cross-sector partnerships (see Table 5 for an overview). All companies were large organizations[12] and they all publicly reported on their partnerships in their annual or sustainability reports. Our interviewees were predominantly based at the (companies') headquarters in Western Europe (i.e., in Germany, the Netherlands, Belgium, and Switzerland) and in the US.

To account for the cross-sector partner perspective and to triangulate the emerging findings of our firm interviews, we conducted a third set of interviews with partnering nonprofit organizations. We assessed our firm interviews to make a list of the main nonprofit partners by choosing the ones that firm interviewees named, for instance, as "most important" (F6), "well-established" (F7), or as "key partners" (F12) and which they most often referred to in their examples when describing joint partnership targets or joint reviews. We then asked our firm interviewees for contact information or, preferably, to introduce us to these NPOs. Throughout the third set of interviews, we checked which firms and NPOs were partners and referred to each other in the interviews, that is we "matched" the NPO interviews to the firm interviews.

[11] Head of Sustainability Management Germany (F13); Director Communication & Sustainability (F12); Manager Sustainable Products (F2); Head of Corporate Sustainability (F14); Manager Corporate Social Responsibility (F11); Head of Sustainability Management (F17); Manager Sustainability (F8); Senior Head Global Sustainability (F16); Director Corporate Responsibility & Partnerships (F4); Director Sustainability Benelux (F1). Interviewees are referenced based on Table 5.
[12] Based on global number of employees, classified as large: >500 employees (Beck, Demirgüç-Kunt, & Maksimovic, 2005).

Table 5. Interviewees and matching of firms to partnering NPOs in our sample[a]

	No. firm interviewee	**Multinational org. for conservation of nature parks**	**Multinational foundation for sustainable farming**	**Foundation for integration of migrants**	**Research institute for sustainable technologies**	**Global humanitarian organization for emergency relief**	**Multinational humanitarian org. to alleviate hunger**	**Global conservation organization**	**Multinational humanitarian org. to protect children**	**Multinational org. for responsible agricultural products**	**Multinational humanitarian org. to protect children**	**Research institute for corporate sus-tainability mgmt.**	**Global conservation org. for sustainable forest management**	**Global humanitarian org. to provide development support**	**Foundation for the interest of future generations**
No. NPO interviewee	#[b]	**N1**	**N2**	**N3**	**N4**	**N5**	**N6**	**N7**	**N8**	**N9**	**N10**	**N11**	**N12**	**N13**	**N14**
Firms with large partnership portfolio[c]															
Global food, beverage & personal care company (H)	**F1**						x	x	x		x				x
Multinational food retailer (M)	**F2**		x				x	x		x			x		
Multinational coffee & clothing retailer (H)	**F3**		x						x	x	x		x		
Global non-alcoholic beverage company (H)	**F7**	x		x		x		x						x	
Global food & agriculture company (H)	**F4**		x				x	x						x	
Multinational furniture retailer (M)	**F5**							x	x		x		x		
Multinational retail & specialty retail chain (H, M)	**F6**		x					x		x			x		
Global consumer goods & healthcare company (M)	**F8**				x				x		x				
Global consumer & industrial goods company (M, M)	**F9**					x		x							
Global food packaging & processing company (M)	**F10**							x					x		
Global alcoholic beverage company (M)	**F11**							x						x	
Firms with medium partnership portfolio[c]															
Multinational dairy cooperative (H)	**F12**					x	x								x
Multinational manufacturer of natural cosmetics (H)	**F13**							x				x			
Global footwear & clothing company (H)	**F14**								x				x		
Utility company (H)	**F15**											x			
Firms with small partnership portfolio[c]															
Global luxury fashion company (H)	**F16**					x			x		x				
Multinational clothing & outdoor company (H)	**F17**							x							

Note. We conducted two firm interviews in which two firm representatives participated together. Firm interviewees' hierarchical position is specified above: (H) indicates a Head or Director, (M) indicates a Manager.

a. Current or former partners are indicated with an "x". Partnerships were identified based on interview data and publicly available information (e.g., website, annual reports).

b. Used for referencing interviewee(s) of the respective organization in the findings section.

c. Estimated global number of cross-sector partnerships for sustainability per organization, based on publicly available information (e.g. organization's website, annual reports) and expert interviews; Classification of portfolio as small (1-15 partnerships), medium (16-25) and large (26 or more) as suggested by Heimeriks et al. (2009).

In sum, we interviewed Account Managers and Heads of Corporate Partnership Departments of 14 nonprofit organizations[13] (i.e., humanitarian and conservation organizations, foundations, and research institutes). NPO interviewees were based in Germany, the Netherlands, Switzerland, Belgium, and the UK. Most NPOs were partners of multiple firms in our sample. Accordingly, for most firms, we were able to triangulate the data from the firm interview with the data of multiple partnering NPOs: seven firms had partnered with four or five NPOs from our sample, eight firms had partnered with two or three NPOs from our sample and two firms had partnered with one NPO from our sample (see again Table 5). All partnering NPOs had worked together with the companies in our sample for at least one year. The later interviews added less and less information to refine our evolving concepts so that we reached a point of theoretical saturation (Strauss & Corbin, 1998).

3.3.2. Data collection

The first author conducted all interviews face to face or by telephone. Interviews varied in length between 30 and 90 minutes with an average interview length of around 45 minutes. In total, we collected more than 22 hours of interview material, which amounted to 571 pages of interview transcripts[14] or roughly 161,000 words. Interviews were held in English or German. We applied a responsive interviewing technique, which describes an iterative, dynamic interview process and encourages researchers to follow up on interviewees' answers to generate a high level of detail and depth (Rubin & Rubin, 2005).

[13] Head of Corporate Partnerships Germany (N1); Head of Department Partnerships (N2); Managing Director (N3); Project Coordinator (N4); Head of Corporate Partnerships & Major Donors Netherlands (N5); Board Member responsible for Communication Netherlands (N6); Senior Manager Corporate Sustainability Switzerland (N7); Manager Corporate Partnerships & Foundations Germany (N8); Business Development Manager Switzerland (N9); Head of Corporate Partnerships Switzerland (N10); Head of Institute (N11); Head of Corporate Key Account Management Team (N12); Head of Strategic Partnerships UK (N13); Program Manager Netherlands N14). Interviewees are referenced based on their organization's number in Table 5.

[14] Times New Roman, 12pt, double line spacing

Our interview guideline consisted of a set of open questions such as “How do you evaluate your partnerships?” or “How do you define partnership success?” and then a range of possible follow up questions depending on the interviewees’ responses, for example, “How often do you evaluate?” or “Why do you apply this method of evaluation?”. We adjusted our interview guideline throughout the research process by tailoring it to each organization based on prior research from public sources and by taking our initial observations into account (Gioia et al., 2013; Glaser & Strauss, 1967; Strauss & Corbin, 1998). After an initial analysis of the first set of interviews, we included more targeted questions on the use of specific formal practices in the evaluation process such as “Is there a person/a department responsible for keeping an overview across all partnerships?”, “Do you have any tools or systems such as databases to track your partnerships?” usually followed by “Why or why not?”. Before the NPO interviews, we adjusted our guideline again to include specific questions aimed at triangulating our firm interviews’ findings, such as “Do you know, if/how your corporate partners evaluate you?”, “Do you establish key performance indicators (KPIs) together with your corporate partners?” and follow ups such as “How often do you jointly evaluate?”, “What questions do they ask you?”. We recorded and transcribed each interview and validated each transcript with each interviewee.

Additionally, we collected secondary data to complement and triangulate our interview data. We archived the relevant sections of the organizations’ websites on partnerships and compiled the organizations’ latest annual, sustainability, and/or partnership reports. Some interviewees provided further internal documents such as strategy papers concerning partnerships. In total, we collected 79 public reports and internal documents for our analysis (see Appendix VII).

3.3.3. Data analysis

We inductively assessed our primary and secondary data, adhering to the principles of a first and second-order analysis as outlined by Gioia et al. (2013). In our first-order analysis, we openly coded our data to create a long list of first-order categories using informant-centric terms that addressed our research questions (see, e.g., Strauss & Corbin, 1998). For instance, a number of interviewees mentioned a "central team" when describing the internal evaluation process. As one interviewee explained: "what we do as a central team is coordinating (…) to see how we progress on the commitments. And we report on it every year" (F11). Another interviewee emphasized the need for centrally conducting the evaluation: "many colleagues in the departments are working on sustainability topics, so we need to assess regularly the portfolio of all collaborations, memberships, regarding whether we are setting the right priorities" (F3). We subsequently grouped these and other similar comments as a first-order concept: "central unit oversees evaluation of partnerships, collects (and communicates) evaluation results" (see data structure in Figure 4). We always noted down informants' explanations of the reasons for using specific evaluation practices—as exemplified in the quote above—for instance, the implementation of a central overview "to attain transparency across the firm's high number and widespread partnership engagements" (see data structure in Figure 5).

Figure 4. Informal (1a-5a) vs. formal (1b-5b) evaluation practices

Informal evaluation practices			*Formal evaluation practices*	
1st order concepts	**2nd order theme**	AGGREGATE DIMENSION	**2nd order theme**	**1st order concepts**
- Evaluation is conducted when needed, e.g. triggered by a crisis or to resolve an issue such as negative media coverage on partner - No fixed moments in time to evaluate	**1a. Ad hoc/ needs-based**[1]	1. TIMING OF EVALUATION	**1b. Regular intervals**	- Fixed moments in time to evaluate (e.g., yearly/bi-yearly, quarterly) - Timeline(s) with set dates for partnership reports/updates
- Partnership goals are broad, fluid (i.e. not written down) and may change over time - No baseline defined but rather the continuous fit/alignment with organizations' strategy is	**2a. Fluid/ evolving goals**	2. BASELINE FOR EVALUATION	**2b. Pre-defined targets/ KPIs**	- Specific objectives/ targets are written down at the outset (e.g., in partnership plans/contract) - Key success factors/KPIs, milestones are defined (e.g., in project plans) and used as baseline
- Individual/ experience-based assessment of each partnership (e.g., benefits, partner/strategic fit) - Partnerships are evaluated on a case-by-case base	**3a. Case-by-case check**	3. TYPE OF ASSESSMENT USED FOR EVALUATION	**3b. Systematic measurement**	- Data driven assessment of partnership(s): (e.g. tracking of inputs (money, time), outputs, KPIs - Evaluation based on the systematic use of a common set of criteria across partnership(s)
- Evaluation is done locally by partnership managers - Each partnership/account manager evaluates own partnerships independently	**4a. Local lead/ autonomy**	4. GOVERNANCE OF EVALUATION	**4b. Central support/ overview**	- Central unit oversees evaluation of partnerships, collects (and communicates) evaluation results - Central unit provides manuals, guidelines, toolkits for evaluation
- Reporting is limited and not standardized - Information on partnerships and evaluation results/ learnings is shared informally	**5a. Non-standardized reporting**	5. REPORTING OF EVALUATION	**5b. Standardized reporting**	- Use of standardized databases to collect information across partnerships (transparency) - Comparing and sharing of results and learnings across partnerships in a structured way

Note. While the first three dimensions were relevant to the firm' internal as well as the joint evaluation with NPOs, evidence from our data for a formal compared to an informal implementation regarding the *governance* and *reporting of evaluation* (i.e., dimensions 4 and 5) referred primarily to the firm's internal evaluation process.

1. Refers to a firm's evaluation of a partnering NPO's general activities (performed in addition to the regular evaluation of a partnership's specific activities). We found evidence regarding an ad hoc evaluation only for the internal evaluation process.

1st order concepts	2nd order theme	AGGREGATE DIMENSION
- Control/justify investment in partnerships internally, strong competition for the firm's limited resources - Ensure efficient, timely, and robust resource allocation decisions across (increasing number of) partnerships and other (sustainability) initiatives in the firm - Ensure resource allocation according to strategic priorities/ for greatest impact to minimize resource waste	**I. Pressure for resource effectiveness in the firm**	DRIVERS FOR FORMALIZING THE FIRM'S **INTERNAL** EVALUATION
- Need to engage in partnership(s) to get access to partners' resources/expertise to achieve/implement the firm's quantified sustainability commitments/specific strategic goals - Ensure focus/control progress of partnership(s) to increase likelihood of achieving the firm's goals/targets - Limit reputational risk by demonstrating accountability of decision-making process and results	**II. Criticality to reach a strategic target of the firm**	
- Attain transparency across the firm's high number and widespread partnership engagements - Ensure comparability/consistency of decision-making across the firm's partnerships - Facilitate and coordinate learning by centrally collecting and sharing insights, progress, and results - Enable replication/use of repeatable models and approaches by offering guidelines, manuals and by making tools available	**III. Perceived necessity for alignment in the firm**	
- Need for frequent input on the partnership progress from NPO partner for the firm's internal decision-making/evaluation - Ensure good relationship development, timely adjustments/improvements/corrections - Facilitate dialogue and interaction with NPO partner	**IV. Need to safeguard the partnership progress**	DRIVERS FOR FORMALIZING THE **JOINT** EVALUATION WITH NPOS
- Enable independent control/support of the firm's sustainability efforts to increase credibility/legitimacy of firm's claims/achievements and to reduce vulnerability of firm to external stakeholders - Create shared understanding of partnership objectives, progress, and results to enable joint/endorsed communication of partnership success towards external stakeholders such as consumers and the media	**V. Need for external corroboration of the firm's strategic claims**	

Figure 5. Drivers of formalization

In our second-order analysis, we revisited, compared, and contrasted these evolving first-order concepts from our primary and secondary data. In a largely iterative process, we then classified these concepts into second-order themes and aggregate dimensions. For instance, we aggregated our second-order themes describing firms' evaluation practices (such as "central overview/support") into evaluation dimensions (such as "governance of evaluation") while refining these themes by comparing and contrasting a formal with an informal practice of implementing each evaluation dimension (see again Figure 4). Following the literature (Levitt & March, 1988; Ramus et al., 2017), we defined formal evaluation practice as those based on prescribed rules, systems, and procedures. In contrast, we defined informal evaluation practice as those highly dependent on individual partnership managers' skills, experience, or judgement.

Throughout our analysis, we found that firms in our sample varied in their use of formal compared to informal evaluation practices. Furthermore, regarding the implementation of formal practices, we noted differences between internal firm evaluations and evaluations conducted jointly with NPO partners. For instance, in our interviews and firms' annual/sustainability reports, we found evidence of the use of tools such as databases to facilitate a standardized reporting only with regard to internally conducted evaluations. We increasingly focused our interview guideline on these evolving concepts and themes (Gioia et al., 2013; Strauss & Corbin, 1998) to explain why firms formalize the internal or the joint evaluation process.

After the third set of interviews, we triangulated the data from our firm interviews with the data of each firm's partnering NPOs. In this phase of our research, we also shared our coding scheme with three persons outside of the author team to improve consistency and reliability. Here, we followed the approach of a "discursive alignment of interpretation" (Seuring & Gold, 2012, p. 547) by discussing the meaning of codes individually with the researchers based on two interview transcripts, before they started coding and after they tested the coding scheme, to reach inter-coder understanding of codes. During this process, we made adjustments to our coding scheme and further detailed the code descriptions.

In later stages of our analysis, we conducted additional literature research to validate our evolving concepts, themes, and aggregated dimensions (Gioia et al., 2013). For instance, we performed a detailed research into the drivers of process formalization in the context of firm-firm, for-profit alliance management to address recent calls to build critical links between firm-firm alliance and cross-sector partnership research (Murphy et al., 2015; Rivera-Santos et al., 2017; Rivera-Santos & Rufín, 2010; Wassmer et al., 2012). We present our final data structures in Figure 4 (see above) and 5 to illustrate our inductive reasoning process (Gioia et al., 2013).

3.4. Findings[15]

We now present our findings on how firms had formalized the evaluation process in two sections to differentiate between firm practices related to the formalization of the *internal* evaluation process and the *joint* evaluation process with NPO partners. We then link these practices to drivers for formalization in the third section.

3.4.1. Firm practices related to the formalization of the internal evaluation process

Based on our data, we found that firms had formalized the internal evaluation process of their cross-sector partnerships by implementing formal practices along five dimensions: (1) Timing, (2) Baseline, (3) Type of assessment, (4) Governance, and (5) Reporting. While some firms had

[15] German quotes were translated to English by the authors. Interviewees are referenced based on their organization's number in Table 5 (firm representatives: #F1 to #F17; NPO representatives: #N1 to #N14). Secondary data is indicated with an "s" after the respective organization's number (e.g. F1s). We slightly rephrased the wording of our secondary data to prevent identification of the respective sources via an Internet search and thus to ensure the organizations' anonymity.

formalized the internal evaluation process along all five dimensions, other firms had only partially formalized it. We now outline firms' formal evaluation practices. We briefly contrast a formal implementation of each evaluation dimension with an informal implementation to show the differences in firms' practices (for further illustrative quotes see Table 6).

Timing: Regular intervals. Most firms in our sample had formalized the timing of their internal partnership evaluations. Interviewees described their firms' practice to set regular intervals for internal assessments, so they evaluated the main cross-sector partnerships, for example, "regularly" (F3) or "yearly" (F12). This regular evaluation of a partnership's specific activities was mandatory and often part of the firms' sustainability reporting process, for instance, "every year with the Global Sustainability Report" (F11), thus independent from an individual actor's judgement of the necessity to evaluate. In addition, a few interviewees provided examples of an ad-hoc or needs-based evaluation of a partnering organization's general activities, for instance, triggered by "criticism in the media" (F6) or to resolve a critical issue.

Baseline: Predefined targets/KPIs. We find great variation regarding the use of a formalized baseline for internal evaluation processes between and even within firms. Some interviewees described it as common practice in their firm to define "targets" (F5) and "KPIs" (F2) in internal partnership plans before engaging in a partnership. Internal targets referred dominantly to firm-level outputs and were usually supported by a set of KPIs. For instance, the multinational dairy cooperative (case F12, Table 5) engaged in cross-sector partnerships to reach its internal targets to source 100% of purchased agricultural commodities from sustainable sources by 2020 and to involve 100% of its employees (i.e., >20,000) in the implementation of their new sustainability strategy. For each sourcing related partnership, they had developed a set of KPIs such as the "percentage increase of sustainably sourced raw materials per year" (F12s) or the "number of newly certified suppliers per year" (F12s). For the engagement related partnerships, they had developed "seven different indicators for (…) employee engagement" (F12) such as the number of employees volunteering for a partnering NPO. In contrast, other firm interviewees described fluid or evolving, that is, not formalized goals. Managers referred to having "very clear ideas" (F15) about the purpose of partnerships, about "knowing our topics and what is important" (F13) and that partnerships "need to fit to our strategic vision" (F9). Interestingly, we found that in many firms, the use of a formalized baseline varied across partnerships: some partnerships had KPIs in place, others did not.

Type of assessment: Systematic measurement. Most firms in our sample used some form of data-driven, systematic, and thus formal assessment to internally evaluate their partnerships. Most interviewees described how their firms measured inputs (e.g., money, FTE (full-time equivalent) capacity) for all partnerships, for instance, by "tracking the spending" (F4) or the allocation of "budgets and capacities" (F3). Several interviewees mentioned the additional measurement of outputs (e.g., water/carbon footprint reduction, participants). Some firms systematically applied a common set of criteria "to look at all our partnerships and to assess which ones are the most important" (F8) or to evaluate how partnerships "contribute to the objectives of our sustainability plan" (F1). In contrast, some interviewees emphasized that the internal assessment "depends really on the type of partnership" (F14) and on "the situation and what is interesting for us" (F13). They conducted specific case-by-case checks of each partnership's benefit to their firm, thereby relying largely on their experience and "personal judgement" (F15), hence an informal assessment. Interestingly, a number of firms had formalized the assessment to evaluate their partnerships but not the baseline. For instance, the global consumer and industrial goods company (case F9, Table 5) regularly and systematically measured inputs and outputs for each cross-sector partnership but had no predefined targets or KPIs per partnership.

Governance: Central support/overview. Several firms had set up a "global partnership team" (F1), a "central team" (F11), or a "team at the Corporate Level" (F4), which was usually part of the corporate responsibility, the public relations, or the corporate communications departments. While interviewees emphasized how their firms followed an "integrated approach" (F3) so that partnerships were implemented across the organization, for instance, "on a global level, on functional levels, on local corporate level, on a brand level" (F1), central teams were responsible for overseeing evaluation practices and for developing and disseminating "instrumental partnership toolkits" (F1) and for "offering guidance and support" (F3) to employees managing partnerships across the firm. Members of central teams were each responsible for a cluster of partnerships in the firm, for instance, one central partnership manager of a multinational food retailer was responsible for a "portfolio based on a number of commodities (…) to monitor how well the implementation of those work within our operating units" (F2). The Director Corporate Responsibility and Partnerships of a global food and agricultural company explained how her team members were all "tagged to different businesses" (F4) and how her central team would "track the reporting and the investment that is being made (…) to communicate on these partnerships and programs" (F4) in internal and public reports. This formal, central governance set-up in some firms contrasted with a decentralized set-up in other firms where partnerships were managed "depending on topic areas" (F13) and where managers had a high level of "autonomy" (F5) in evaluating partnerships.

Table 6. Practices of internal and joint partnership evaluation

Dimension	Practice	Evaluation process	Exemplary quotes (statements of partnering NPOs in italics)
1. Timing of evaluation	1a. Ad hoc/needs-based	Internal	"Are they still true to their own values (…) necessary to check that (…) rather ad hoc" (F6) "They had a crisis two years ago then you question whether that is still the right organization" (F14)
	1b. Regular intervals	Internal	"We evaluate all collaborations (...) regularly, at least once per year" (F3) "Every year we assess (…) do we still need this, are there potentially better partners out there" (F9)
		Joint	"We have annual reviews (…) based on our agenda together and joint planning" (F6) *"We have regular meetings, project plans" (N12)*
2. Baseline for evaluation	2a. Fluid/ evolving goals	Internal	"That's a bit broad (…) we don't have specific targets (…) for partnerships" (F9) "Very clear ideas where we want to go (…) we don't have targets which could be measured" (F15)
		Joint	"Important to reflect on a partnership together and to build it together in our annual reviews" (F7) *"We have no contractual targets" (N3)*
	2b. Pre-defined targets/KPIs	Internal	"We are already doing this based on targets" (F3) "Depending on the issue we assess differently what we define as targets to control it later" (F5)
		Joint	"What are the targets (…) then agree on a partnership contract" (F3) *"We have KPIs in place to measure the impact of how we work together" (N10)*
3. Type of assessment used for evaluation	3a. Case-by-case check	Internal	"No scorecard that we apply across partners" (F14) "The question what we achieve in our engagements (…) always an individual judgement call" (F15)
		Joint	"We discuss what have we done this year" (F7) *"We sit around the table and discuss what's going on, what's okay and what's not okay" (N5)*
	3b. Systematic measurement	Internal	"Partnership success (…) we measure sales (…) and we have many qualitative criteria" (F6) "We track cost, travelling, time involvement" (F9)
		Joint	"Team and partner are working together (…) tracking that impact on the ground (…) gather that data together" (F4) *"Measure whether we have achieved those aims (...) be accountable (...) partnership plans" (N13)*
4. Governance of evaluation	4a. Local lead/autonomy	Internal	"We are asked to provide inputs (…) but not much really regarding partnerships" (F10) "No central management. We have the three areas (…) which manage their topics and partnerships quite autonomously" (F15)
	4b. Central support/overview	Internal	"We have a toolkit developed by the Global Partnership team that provides guidance and that team can also be asked for further support" (F1) "What we do as a central team is coordinating the sustainability program (…) stakeholder engagement is part of my portfolio" (F11)
5. Reporting of evaluation	5a. Non-standardized	Internal	"I would draw on my experience and say «Hi, I heard you guys in (…) tell me more about it»" (F5) "I know (…) who is responsible for that relationship and we get the information out of them" (F12)
	5b. Standardized	Internal	"Impossible for one person to have an overview (...) list is maintained in our department" (F6) "We have a big database for all partnerships (…) we need to write a report (…) centrally filed" (F9)

Reporting: Standardized reporting. Several firms had implemented “standardized reporting guidelines” (F8s) and tools such as a “database” (F9) or “internal systems” (F1) to formally collect information on partnerships’ progress, results, and learnings and to make them accessible across the firm. In contrast, other firms in our sample had a non-standardized reporting on partnership progress and results and explained that “it is a bit informal how we share the information amongst account managers” (F12) or that “we could perhaps integrate this information a bit better, right now the individual partnership managers are documenting it” (F3). Interestingly, we found that firms in our sample had either formalized both the governance and the reporting or neither of them.

3.4.2. Firm practices related to the formalization of the joint evaluation process

Regarding the joint evaluation process, we found evidence for the implementation of formal practices only along the first three dimensions: (1) Timing, (2) Baseline, and (3) Type of assessment. Please refer again to Table 6 for further illustrative quotes.

Timing: Regular intervals. All firms and NPOs had formalized the timing for joint evaluations and conducted regular, at least yearly review meetings together with their main partners. For most partnerships, interviewees described “annual reviews” (N10) or “year-end meetings” (F7), which were agreed upon in partnership contracts. Several interviewees described how they set the frequency of evaluations based on milestones written down in “partnership plans” (N13) with “timings, budget, days for project updates and a final report” (F11).

Baseline: Predefined targets/KPIs. Some firm interviewees emphasized how they negotiated with NPO partners to agree on “quantified goals” (F6) in the partnership contract. As one firm interviewee pointed out: “part of developing a partnership is that we agree on the objectives of what we are trying to achieve” (F4). Their partnering NPO similarly emphasized that they had “clearly defined objectives and mutually agreed KPIs that allow each other to count on” (N13). These two organizations had joined forces, for instance, in a partnership aimed at the agricultural development of smallholder cocoa farmers and had agreed on a set of KPIs such as percentage increase of crop yields, additional earnings per hectare, or number of farmers participating in trainings per year (F4, F4s, N13, N13s). Overall, we found that jointly developed KPIs tracked mostly partnership outputs or deliverables at the level of the target-community (as exemplified above) or the environment such as “reduction of absolute CO2 emissions” (F6s) or “nitrogen soil balance” (N7s), but also outputs for the participating organizations such as “brand awareness levels” (N10). However, many partnerships did not have formalized baselines for joint evaluations. Instead, firm interviewees described how partnership topics and goals evolved in the interaction with the NPO partners, as the following quote exemplifies: “we always come up with something new where we say: «let’s try this out together»” (F7). This was confirmed by an interviewee of a partnering NPO: “they know us very well and they often ask us «can we do this together» (…) it’s really about giving companies a good feeling that they can get involved” (N1).

Type of assessment: Systematic measurement. Interviewees across our sample emphasized the importance of having regular review meetings to get a feeling for the state of the relationship. In addition, several firm interviewees outlined their firm’s practice of systematically measuring outputs in joint assessments with NPO partners: “to track our combined impact, assessing against what did we set out to achieve, progress made and how have we met those original objectives” (F4). This was echoed by a partnering NPO: “we measure whether we are on track (…) to reach our joint targets” (N7). Interestingly, we found that several NPO interviewees outlined how they measured outputs for joint initiatives and shared these results with corporate partners—as part of their contract—without having a joint formalized baseline. For instance, the Manager Corporate

Partnerships of one global humanitarian NPO explained: "we measure what we achieved (…) and we report it (…) but I am not sure how companies assess their benefit (…) we don't often have KPIs for partnerships" (N8). Other firm and NPO interviewees emphasized that joint assessments were conducted solely as informal discussions in annual review meetings as exemplified by the following quote: "we discuss, what worked well, where we need to improve, where they are satisfied (…) we do not have a monitoring system or KPIs in place. Rather, we work that out in our discussions together" (N9). This leads to our next aspect: what explains this variation in the use of formal evaluation practices across firms and partnerships or, in other words, what drives the formalization of internal and joint evaluation processes?

3.4.3. Drivers for the formalization of the internal and joint evaluation process

We found that drivers to formalize the internal as well as the joint evaluation process exist in firms. Based on our data, we suggest that the resources required (i.e., the monetary or time investment as well as personal efforts to implement a formal evaluation practice) and the complexities involved (i.e., the difficulty to define suitable and appropriate formal evaluation practices and to align partners) do not prevent formalization but merely form hurdles: If drivers are present, firms formalize despite additional necessary resources and involved complexities. By comparing firms which had formalized a particular evaluation dimension to firms which had not formalized it, we found that drivers and hurdles were linked to specific formal evaluation practices in firms. These findings led to the development of our conceptual framework (see Figure 6).

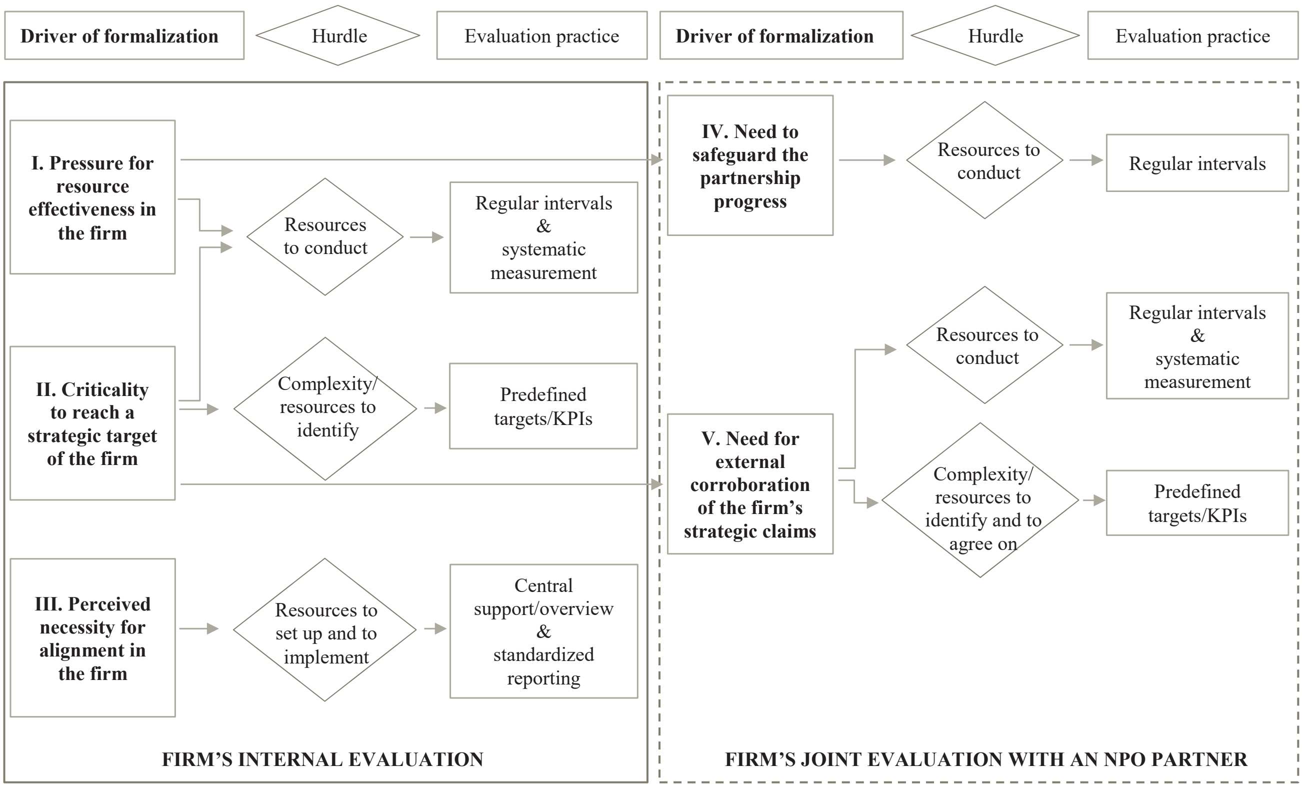

Figure 6. Conceptual framework on formalization of internal and joint partnership evaluation process

We now first illustrate the drivers for formalizing the internal evaluation process and explain how each driver is linked to specific formal practices (for further illustrative quotes see Table 7) before turning to the drivers for formalizing the joint partnership evaluation with NPOs.

Pressure for resource effectiveness in the firm. Many interviewees described how a high number of partnerships and other sustainability initiatives competed for their firms' resources and that the investments in partnerships needed to be justified internally. For instance, interviewees frequently referred to "cost pressure" (F9), "operating in a fixed budget" (F8), the "need to focus" (F12), and to make sure that partnerships are "business relevant and not just all over the place" (F1). We found that, if a firm faced the pressure for resource effectiveness, it would establish regular intervals for internal assessments and invest time to meticulously collect data across partnerships to enable systematic measurements. The effort involved in implementing such formal practices was deemed necessary to ensure robust resource allocation decisions across partnerships and sustainability initiatives: "at least once a year we review (...) we need to prepare exactly, what are the costs involved, how many headcount hours, days, weeks (...) We cannot afford unnecessary costs and partnerships" (F9).

Criticality to reach a strategic target of the firm. Setting KPIs for cross-sector partnerships is "difficult" (F7) and "requires effort" (F3), because "partnerships do not follow a rigid plan nor are they an exact science" (F11s) and "the large diversity of issues makes it difficult to set simple measures" (F1s). Nevertheless, we found that, if a partnership was critical to implementing a specific strategic target, a firm would invest significant effort into setting a formal baseline by defining partnership targets or KPIs in internal written plans—despite of these complexities. This was deemed important to ensure the partnership's focus and thereby increase the likelihood of achieving the firm's commitments: "we need to make sure, if we enter into a partnership, that it needs to be really focused on delivery and results (…) exactly clear what the KPIs of that partnership are (...) we measure the success of our commitments, so on palm oil, on soy, on community engagement and so forth and we achieve that success also via our cross-sector partnerships" (F2). Furthermore, setting KPIs and regularly and systematically tracking KPI progress enabled timely interventions and thereby reduced reputational risk: "requires effort (…) but it is important because we don't want collaborations (…) to fail because we did not intervene when we should have (…) can cause a public outcry quite quickly" (F3).

Perceived necessity for alignment in the firm. Several interviewees mentioned the necessity to attain transparency of their firm's partnership engagements and to guide and control partnership managers across the firm. Their firms tried to ensure alignment by using standardized systems and by centrally providing guidelines and toolkits for partnership evaluation. Setting up a central team or developing and maintaining systems such as databases can be very resource- and time-intensive, because firms need to "invest in administration (…) which is costly" (F5) and to "have a complete overview (…) it is a significant investment in time and resources" (F4).

The introduction of such formal governance and reporting practices was clearly linked, but not solely determined by the size of the portfolio of cross-sector partnerships. Only firms with a large portfolio used such formal practices, however, some firms with a large portfolio did not. For instance, one interviewee from a firm with a large portfolio considered a central governance and standardized reporting as not necessary due to the firm's culture: "we asked ourselves is that necessary and we said no (...) we rely to a great extent on personal responsibility and autonomy and that works well and saves us this control mechanism" (F5).

Not the mere number or spread of cross-sector partnerships was associated with the adoption of formal governance and reporting practices in firms, but rather the perceived necessity for alignment—despite the resources required. For instance, one interviewee stressed that the set-up of a central database five years before "was urgently needed, because we had partnerships that no one was even aware of here (...) we needed more transparency and better accountability and that's what this database is for" (F9). Another interviewee underlined the reasons for forming a global partnership team about ten years before, because "there is a certain challenge if you just put any junior brand manager on such a thing—so, that's the reason we have made some guidance and rules" (F1).

We now describe the drivers for formalizing the joint partnership evaluation with NPOs.

Need to safeguard the partnership progress. Firm interviewees emphasized that they conducted regular reviews with important NPO partners to ensure a good relationship development. Moreover, firms often required inputs from their nonprofit partners for their internal evaluations. For instance, one interviewee underlined that their internal "planning, controlling, and monitoring process includes, of course, the whole relationship management (…) for the important partnerships, we regularly get the mandate to conduct the annual reviews" (F6). This was echoed by an interviewee of a partnering NPO: "with important corporate partners, we have extensive reviews—at least once a year" (N9). As firms needed the inputs from their NPO partners for their internal decision-making, the timing for joint evaluations and internal evaluations was often aligned, as one NPO interviewee indicated: "We have regular joint reviews (...) they ask us for a report of what we have done together, in advance of their meetings with their management" (N1).

We found that, if a firm perceived the need to safeguard the partnership progress, it would establish meetings with the NPO partner at least annually. These regular review meetings were usually included in the partnership contract, as one NPO interviewee underlined "in most of the contracts, evaluation is part of the contract, of the procedure, so once a year or twice a year we evaluate" (N5). The importance of a partnership was often linked to its "size" (F4), that is, the amount of resources invested in the partnership as well as to the "name recognition" (F10) and "brand value" (F6) of the NPO partner.

Need for external corroboration of the firm's strategic claims. As outlined before, setting internal partnership targets is difficult. However, setting joint targets with an NPO is even more complicated as one interviewee underlined, because "you need to *agree* [emphasis by the authors] on shared objectives and also agree on how to measure this. And that is of course always a challenging point" (F11). An interviewee from a partnering NPO highlighted the negotiation effort due to the different objectives and ambitions of partners: "sometimes, it takes months of negotiations until we have an agreement. That the company and we have the feeling that the targets make sense and that they are ambitious enough" (N7). Nevertheless, almost half of the firms in our sample had overcome these difficulties and had set joint targets with NPOs.

We found that, if a firm perceived the need for an external corroboration of its strategic claims, it would invest time and effort to jointly define partnership targets with NPO partners and to regularly and systematically track them. These firms considered these partnerships to be critical for reaching their sustainability targets and often published KPIs for cross-sector partnerships in their public reports (see above). Having a formalized partnership baseline and assessment in place ensures transparency and allows the NPO to independently control and to credibly endorse the firm's achievements towards external stakeholders such as consumers and the media. As one firm interviewee expressed it: "it is really about encouraging and embracing external control (…) it simply helps the credibility of our promises—we make them to the public—(…) to have quantified targets and (…) to control them together" (F6). An interviewee from a partnering

NPO explained how they had built "this partnership on this very specific objective which we jointly agree upon (…) what is important for partners is that we monitor quite vigorously, so that they can make a credible claim towards their constituency" (N2).

Other NPOs in our sample confirmed "the importance to companies that we have KPIs in place and that we measure how we work together" (N10) and, at the same time, underlined that "targets legitimize" (N7) their own engagement in partnerships. Several NPO interviewees emphasized that having formal goals and assessments protected their own reputation: "to keep ourselves accountable" (N13), "to demonstrate our impact" (N10) and "to communicate transparently" (N7).

Table 7. Drivers for formalizing the internal or joint partnership evaluation process

Driver of formalization	Practice(s)	Exemplary quote (statements of partnering NPOs in italics)
FIRM'S **INTERNAL** EVALUATION		
I. Pressure for resource effectiveness in the firm	Regular intervals and systematic measurement	"We are evaluating the portfolio, actually, we are going through this review process at the moment (…) we measure the added value for every partnership regularly because every partnership means a financial investment (…) and FTE capacity" (F3) "This exercise at the beginning of the year (…) to look at all our partnerships to assess which ones are the most important. We have clarified four criteria (…) how these partnerships are aligned with our sustainability goals 2020 (…) we have limited human resources, we are operating within a fixed budget, hence we see, it makes sense to be more strategic about these partnerships" (F8) *"They have dedicated budgets (...) they really have an aligned structure on what are our priorities (...) because they have lots of opportunities (...) now they are evaluating on (...) what will we go for, for the next coming year of collaboration" (N4)* *"They analyze meticulously (...) and reevaluate regularly (...) have questions and want to understand everything in detail" (N9)*
II. Criticality to reach a strategic target of the firm	Regular intervals and predefined targets/KPIs and systematic measurement	"We all agree in top management (…) partnerships are a very important way to make sure we are on the right track, we do things in such a way that our stakeholders are supporting it (…) in our CSR report (…) we have a set of clear objectives for 2020" (F12) "Each priority area has a number of long-term goals for 2020 and related KPIs. Each year the progress on KPIs is reported" (F12s) "A very exposed brand worldwide and many topics and issues we deal with have a reputation risk point of view (...) There is a quarterly reporting process to see how we progress on the commitments (…) partnerships are linked to your sustainability commitments. So, for instance (…) to the local sourcing commitment of 60% local sourcing in Africa by 2020" (F11)
	Predefined targets/KPIs	*"Every company has its own questions (...) some corporate partners do really have KPIs in place together with this" (N5)* *"We need to work together for them to be able to reach the strong commitments, sustainability goals that they have" (N12)*
III. Perceived necessity for alignment in the firm	Central overview/support and standardized reporting	"Whole system of tracking (…) the programs and the partnerships and the reports (…) we try to also communicate on these partnerships. So, we try to capture what impact they have made (…) we provide the tools and frameworks for our businesses" (F4) "We are making efforts now to manage it better, so we are launching a CRM tool where we would capture all partnerships (…) in such a big organization it is a challenge to be sure that you manage well these relationships (…) Because, there is always a risk that one part of the organization is doing something that might not be aligned with the other" (F8) "committed to support its global team working on partnerships to measure and evaluate programs (…) develop standardized reporting guidelines (…) strengthen its data systems" (F8s) "It is acknowledged that it requires certain capabilities to deal with it. So, it was also developed with the global partnership team a very instrumental partnership toolkit (…) a database (…) all kinds of examples are shared in all kinds of internal systems" (F1)
FIRM'S **JOINT** EVALUATION WITH AN NPO PARTNER		
IV. Need to safeguard the	Regular intervals	"What we do in the key account management with our customers, we also do with our NPO partners (…) an annual review, where we discuss what we have done in the past year, what works well, where do we need to improve things" (F7)

Driver of formalization	Practice(s)	Exemplary quote (statements of partnering NPOs in italics)
partnership progress		"We want to avoid any irritation among our partners and that's why we believe it is important to actively ask (…) annual review, where we meet and discuss, how are we doing together, have we done the right things, what are the topics for the next year" (F3) *"We review regularly (...) usually that is a requirement for them (...) they ask us to write down what we have done together" (N1)* *"They want to be informed (...) it is a requirement (...) that we meet four times a year and review everything" (N3)*
V. Need for external corroboration of the firm's strategic claims	Regular intervals and predefined targets/KPIs and systematic measurement	"For many of our own efforts to implement environmental or social improvements (…) we looked for an internationally renowned partner to help us and to underpin our targets (…) simply more credible for consumers and other stakeholders (…) if the communication of our achievements is endorsed by an independent partner (…) important to regularly assess these partnerships" (F10) "Then make an implementation plan of course. Now, with the objectives, actions, timings, budget, days for project updates and a final report - and of course also you need to agree on communications, both internally and externally. Because it needs, it is very important that you agree on what you want to tell the outside world and that expectations are matched effectively" (F11) *"Really important to the companies is our credibility and our good reputation. And when we stand up and say, for instance, «These are our shared climate targets», then that counts more than if the company does that alone (...) Targets legitimize our work, we can demonstrate what we contribute (...) and communicate that transparently" (N7)* *"We would have that partnership framework or a set of KPIs related to a contract (...) through the course of delivering that, it makes it easy to measure whether we have achieved those aims and can therefore be accountable to (...) the commitments that we both made to deliver on that (...) really coming down to the partnership plans" (N13)*

3.5. Discussion

We add to cross-sector partnership research by identifying firms' formal evaluation practices and by linking them to specific drivers of formalization in a conceptual framework, which explains why and how frontrunner firms formalize the internal and joint evaluation process (see again Figure 6). Cross-sector partnership research only very recently turned attention to the relevance of better understanding how firms coordinate and control their partnerships for sustainability at the firm-level (Quélin et al., 2017; Rivera-Santos et al., 2017). For instance, Rivera-Santos et al. (2017) conceptually investigate the potential for agency problems and suggest to firms, among others, to invest in monitoring mechanisms to prevent individual partnership managers from acting opportunistically. We further advance this line of thought by empirically showing the relevance of using formal evaluation practices in firms for guiding and aligning individual employees' actions and decision-making. Beyond the core theme of cross-sector partnership research, our insights might also helpful for the broader fields of companies' multi-stakeholder engagements and of social accounting and auditing especially in terms of certain forms of performance and outcome measurement.

3.5.1. Formalization of internal evaluation

Our study offers important insights for developing an understanding of the internal evaluation process. Companies in our sample (partially) formalized the internal partnership evaluation process by implementing formal practices such as conducting regular, systematic measurements, by defining KPIs, and by setting-up central teams and standardized reporting. Interestingly, these formal evaluation practices as forms of social accounting and auditing are essentially similar to the ones used in firm-firm, for-profit alliance management (e.g., Heimeriks et al., 2009; Kale et al., 2002). We include insights from firm-firm alliance (portfolio) research in the discussion of our findings, as it has implications for cross-sector partnership research (Murphy et al., 2015; Rivera-Santos et al., 2017; Rivera-Santos & Rufín, 2010).

In our conceptual framework, we propose three drivers to explain why firms adopt formal practices in internal partnership evaluations. First, we suggest that the *pressure for resource effectiveness* is linked to regular, systematic measurements of partnership inputs and outputs. The growing number of cross-sector partnerships per firm increasingly puts a strain on the firms' limited resources (Gray & Stites, 2013; Stadtler, 2011; Van Tulder et al., 2014). Our interviewees highlighted the fact that cross-sector partnerships do not compete only amongst each other for the firms' resources but also with other (sustainability) projects. A key purpose of internal evaluations is to inform internal decision-making on whether to continue allocating resources to a partnership (Bryson et al., 2006; Van Tulder et al., 2016). Firm-firm alliance research suggests the importance of performance comparisons based on regular, systematic measurements to facilitate effective and robust allocation decisions among a growing number of alliances and alliance managers (Hoffmann, 2005; Wassmer, 2010). Our findings indicate that firms similarly try to assess the benefits of their cross-sector partnerships relative to each other to prioritize their resources and shape their multi-stakeholder engagements. Most firms in our sample took a strategic (rather than altruistic) approach to sustainability management by trying to "make every investment count" (Husted, 2003, p. 481). Consequently, firms in our sample did not limit their formal assessments to their large partnerships. This indicates the importance for cross-sector partnership research to not only focus on a manager's evaluation of an individual partnership, but to consider the firms' corporate context and their portfolio of sustainability engagements (Hoffmann, 2005; Porter & Kramer, 2006).

In their internal formal assessments, the firms in our sample measured partnership results predominantly at the firm-level, and to a lesser extent at the level of targeted beneficiaries or the environment. Moreover, we found a general lack of outcome measurements which highlights a prevalent difficulty in social accounting and auditing. Our findings tie in with—to the best of the authors' knowledge—the one empirical study on firm's internal measurement practices in business-nonprofit partnerships by Sakarya et al. (2012). In their case study of six partnerships, Sakarya et al. (2012) report that most firms in their sample measure results, but "seem to focus on operational gains" (p. 1717). Taken together, these findings indicate that firms' internal formal evaluations focus on firm-level input-output comparisons, which poses the risk that societal interests are considered to a lesser extent in firms' decision-making on partnerships (Van Tulder et al., 2016). Further attention needs to be paid to how to improve the alignment of corporate and societal interests in cross-sector partnership management (Margolis & Walsh, 2003; Stadtler, 2011).

Second, we propose in our framework that if a *partnership is critical for reaching a strategic target*, firms put a considerable effort into defining internal KPIs for partnerships to track and control progress. Prior cross-sector partnership research points out that the diversity of environmental and social issues and their inherent complexities make it difficult for organizations to anticipate desired effects, so that many partnerships are characterized by largely tacit, multidimensional, and often emergent goals (Berger et al., 2004; Van Tulder et al., 2016). While some studies underline the importance of defining baselines in cross-sector partnerships for sustainability to consistently assess success and to facilitate learning (Arya & Salk, 2006; Van Tulder et al. 2016), others question the suitability of formal targets and consider them potentially detrimental because they can restrain managerial flexibility in adjusting to change and might not capture sustainability issues adequately (Brinkerhoff 2002a; Hwang & Powell, 2009). Our findings indicate the relevance of formal targets and KPIs to clearly link a partnership to a firm's strategic goals. There are ample examples of partnerships that failed due to the withdrawal of resources when key supporters left (e.g., Berger et al., 2004; Le Ber & Branzei, 2010; Seitanidi & Crane, 2009). Establishing KPIs could ensure a shared understanding of a partnership's value within a firm and contribute to institutionalizing a partnership (Austin & Seitanidi, 2012) thereby reducing a partnership's dependency on individuals' judgements of its importance.

Third, we suggest that the *perceived necessity for alignment* in some firms is associated with the set-up of a central partnership coordination team and standardized reporting to guide a growing number of partnership managers and to ensure transparency and comparability of performance. Firm-firm alliance research posits that a growing portfolio size justifies the set-up of a central coordination team (i.e., a dedicated alliance function) and the investment in standardized tools, manuals, and databases to capture and disseminate knowledge and to guide decision-making (Heimeriks et al., 2009; Kale et al., 2002). Our study supports recent findings that firms similarly set up new structures to organize their cross-sector partnership activities (Clarke & MacDonald, 2016). Cross-sector partnerships are challenging to evaluate due to their complexity (Rondinelli & London, 2003): they address complicated and multifaceted social and environmental problems and involve at least two partners with inherently different values and goals (e.g., Austin, 2000; Rivera-Santos & Rufín, 2010). Our interviewees underlined the need for guidance especially for junior staff and highlighted the fact that their partnerships were spread across the company as they followed an integrated approach to sustainability management. A central team and standardized reporting reduce the dependency on individuals' skills, experiences, or judgements by guiding managers and by aligning the decision-making on partnerships. In addition, these formal practices could facilitate organizational learning (Arya & Salk, 2006).

3.5.2. Formalization of joint evaluation

This study contributes to our understanding of the joint evaluation process and of how the internal and joint processes are linked in multi-stakeholder engagements. We found that all firms and NPOs in our sample (comprising of humanitarian and conservation organizations, foundations, and research institutes) had formalized the timing of joint evaluations. We propose in our conceptual framework that the *need to safeguard the partnership progress* is linked to regular review meetings as potentially central aspect for such forms of social auditing. While previous research discusses the importance of trust-based or informal governance mechanisms for cross-sector partnerships (Austin & Seitanidi, 2012; Le Ber & Branzei, 2010), our findings show that formal practices play a role in cross-sector partnerships as well (Hahn & Gold, 2014). To the firms in our sample, the purpose of regular joint reviews was not only to ensure a good relationship development (Brinkerhoff, 2002a; Rondinelli & London, 2003), but also to receive input for the firm's internal evaluation and decision-making processes regarding partnerships, for instance, to prioritize resource allocation decisions. We indicate the relationships between internal and joint evaluations in our conceptual framework to underline the relevance for cross-sector partnership research (and also more broadly for social accounting research) of considering both simultaneously.

Finding and agreeing on formal baselines and assessments is particularly complex in joint evaluations and requires effort due to the different goals and approaches of for-profit and nonprofit partners (e.g., Ashraf et al., 2017; Berger et al., 2004). We propose that if firms perceive the *need for external corroboration of the firm's strategic claims,* firms set joint targets and conduct joint measurements—despite the resources required and complexities involved. Our data indicates that jointly developed KPIs tracked partnership outputs at the level of the target-community or the environment, in addition to outputs for the participating organizations. Firms' motivation to engage in cross-sector partnerships for sustainability is often to achieve reputational gains and increased legitimacy (Gray & Stites, 2013; Jamali & Keshishian, 2009). NPOs act as independent authorities that can lend credibility to a firm's sustainability effort (Den Hond et al., 2015; Herlin, 2015). However, public scrutiny increasingly questions the effectiveness of cross-sector partnerships indicating that the mere involvement of an NPO in companies' multi-stakeholder engagements might not be enough (Austin & Seitanidi, 2012). Firms face the risk of being accused of greenwashing or window-dressing (Bäckstrand, 2006; Crane & Seitanidi, 2014), which is especially problematic for a firm, if the partnership is critical to reach the firms' sustainability targets. NPOs could even face a legitimacy threat when lending their names to support a firm's dubious or unjustified partnership claims (Herlin, 2015). Our data indicate that the use of formal baselines and assessments can mitigate these risks because it enables both partners to transparently communicate on partnership ambitions, progress, and results. Furthermore, it allows the NPO to credibly control, underpin, and endorse the firm's partnership claims—similar to an auditor—which reduces the reputational risk for both partners and justifies the effort to find and agree on formal targets and measures (Rondinelli & London, 2003).

Based on our conceptual framework, which links specific formal practices to drivers of formalization, we contribute to reconciling the mixed findings of the few empirical studies on joint evaluation practices in business-nonprofit partnerships. Jamali and Keshishian (2009) and

Rein and Stott (2009) found no formal evaluation practices, which can be explained by the absence of drivers of formalization. Jamali and Keshishian (2009) describe the partnerships in their sample as being "symbolic and minimalist" (p. 293) and as not linked to the strategic goals of the business partners (p. 286). Similarly, Rein and Stott (2009) describe that the firms in their sample primarily engaged in partnerships as a response to governmental calls to contribute to community development (p. 81). Firms in these case studies seem to have had a nominal rather than a strategic approach (Jamali & Keshishian, 2009, p. 293), thus had only minimum requirements regarding partnership progress and no need for an external corroboration of the firm's strategic claims. In contrast, Seitanidi and Crane (2009) report regular review meetings, but found no joint measurements. Instead, they observed a "one-way reporting" (p. 419): NPOs compiled reports and submitted them to their firm partners. Seitanidi and Crane (2009) assessed two "high-profile partnerships" (p. 422) involving significant resources from the business partners (p. 419), which suggests a need for the firms to safeguard the partnership progress. At the same time, the partnerships were not linked to the firms' strategic goals (p. 427), indicating no need for an external corroboration of the firms' strategic claims.

3.5.3. Managerial implications

This study informs managers who seek to rigorously evaluate the cross-sector partnerships in their companies on how frontrunner companies addressed this challenge. Our findings suggest that anticipated benefits can justify the challenge to find, for instance, targets and measures for cross-sector partnerships or outweigh the resources spent to capture them in standardized systems and tools. Using our conceptual framework, managers can assess the reasons of why and how frontrunner companies formalized specific dimensions of the evaluation process and consider their applicability to their firm.

Interestingly, our findings suggest that firms and NPOs can both benefit from formalizing the baseline, timeline, and assessment of their partnerships. For strategically critical partnerships, firm managers should weigh the credibility gains of formalizing the joint evaluation process against the effort to jointly find and agree on targets and measures. At least as importantly, NPO managers should consider the legitimating function of joint formal evaluation practices and encourage them for their cross-sector partnerships to ensure that social interests are adequately reflected. This might require the building of additional skills in NPOs to be able to negotiate, measure, and report on targets and KPIs on an equal footing with their corporate partners.

3.6. Conclusion

This study explored how firms can address the critical challenge of rigorously and consistently evaluating their growing number of cross-sector partnerships for sustainability (Austin & Seitanidi, 2012; Van Tulder et al., 2016). A key insight from our study was that drivers to formalize the internal as well as the joint evaluation process exist in firms. For the internal evaluation, these drivers are (1) the pressure for resource effectiveness in the firm, (2) the criticality to reach a strategic target of the firm, (3) the perceived necessity for strategic alignment in the firm. For the joint evaluation with NPO partners, we identified (4) the need to safeguard the partnership progress and (5) the need for external corroboration of the firm's strategic claims. The inherent complexities of cross-sector partnerships for sustainability and the resources required to adopt formal practices did not prevent the firms in our sample to formalize. Building on our framework, future research can develop testable hypotheses about the conditions under which firms are likely to formalize the internal or joint cross-sector partnership evaluation process by implementing specific formal practices. Our findings expand the current research by demonstrating the formal practices used by firms to reduce the dependency on individuals' skills, experiences, or judgements in evaluating partnerships, thereby indicating the relevance of organizational coordination and control mechanisms for managing partnerships in firms.

Some limitations of our study require further discussion. First, our results are based on a rather homogenous sample of larger companies, mostly from the consumer goods and retail industries, and their partnering NPOs. While these cases provided rich information for our inductive study, further research is needed to assess the generalizability of our findings. For instance, firm-firm alliance research indicates that the firm size influences the adoption of formal practices (Kale et al., 2002). Furthermore, our sample of partnering organizations did not comprise governmental partners. Governmental partners differ from other cross-sector partners as they use taxpayers' money which requires them to ensure high levels of transparency in documenting costs and benefits of their partnership engagements (Rosenau, 1999; Stadtler, 2016). Accordingly, "government still retains the ultimate responsibility for accountability" (Gray & Stites, 2013, p. 45) in such collaborations. As our study focused on the relevance of formalization for firms' partnership evaluation processes, including governmental partners would have added an additional layer of complexity which we wished to avoid. It would be interesting to explore the influence of partner type on formalization dynamics of cross-sector partnership evaluation. Moreover, future research could expand our conceptual framework by exploring the internal partnership evaluation process in NPOs and the drivers of formalization in NPOs.

Second, we did not assess the influence of formal compared to informal evaluation practices on cross-sector partnership success, which necessarily limits the managerial implications of our research. For instance, the influence of formalization on partnership managers needs to be considered (Kolk, Vock, & van Dolen, 2016). Rivera-Santos et al. (2017) point out that firms are more likely to select partnership managers with altruistic preferences and that “excessive monitoring can demotivate employees with altruistic profiles” (p. 868). Our study points to the need for future research to better understand the implications of formalizing partnership evaluation processes for firms, NPOs, and society.

Third, some aspects of the specific partnerships between companies and NPOs such as the respective partnership goals, partner types, depth of collaboration, different institutional or cultural backgrounds of the partners, the duration of the partnerships (and with this potentially changing evaluation patterns over time) etc. could also influence the formalization of firms’ evaluation processes. These aspects were beyond the scope of our study and could be noteworthy starting points for future research.

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4. Third study: Structural adjustments in nonprofits to manage the risks of cross-sector partnerships with firms

Abstract. Nonprofit organizations (NPOs) increasingly engage in cross-sector partnerships for sustainability with companies to get access to resources and to increase their impact. Extant research underlines the risks associated with such cross-sector partnerships for NPOs, but provides scarce insights on the managerial challenges to safeguard against those risks. This study contributes to the cross-sector research by assessing how NPOs (can) adjust structurally to manage the risks stemming from cross-sector partnerships with companies. Based on an abductive analysis of 12 expert interviews in NPOs as well as of organizations' secondary data, I demonstrate how NPOs engaged in partnerships with companies adjust structurally by dedicating specialized personnel across hierarchies, by standardizing and formalizing partnership related activities across the organization and by partially centralizing partnership related activities. I link the structural adjustments made by NPOs in the sample to the key partnership risks identified in the cross-sector research and discuss the implications for the nonprofit sector.

Keywords: Cross-sector partnership, nonprofit, organization structure, risk

4.1. Introduction

A growing number of nonprofit organizations (NPOs) engage in cross-sector partnerships for sustainability with companies to jointly pursue environmental or social objectives (Gray & Stites, 2013; Kourula & Laasonen, 2010; Van Tulder et al., 2016). The close collaboration with businesses in such partnerships poses high risks for NPOs (Rivera-Santos & Rufin, 2010): the engagement with companies can taint an NPO's reputation and it can undermine its credibility to monitor corporate behaviour (Baur & Schmitz, 2012; den Hond et al., 2015). Moreover, there is a risk of power asymmetry between for-profit and nonprofit partners which can lead to the exploitation of the NPO (Herlin, 2015; Martinez, 2003). Given these risks, there is substantial controversy in practice and research regarding the desirability of such partnerships for nonprofits (e.g., Herlin, 2015; Sanzo, Álvarez, Rey, & García, 2015). However, NPOs need new sources of funding to implement their missions and to ensure organizational survival (Al Tabbaa et al., 2014) and firms are increasingly interested to be strategic partners of NPOs instead of merely donors (Van Tulder et al., 2016). Considering that avoiding partnerships is not an option for many NPOs (Al Tabbaa et al., 2014, Austin & Seitanidi, 2012a), it is critical to better understand how NPOs can protect themselves against the risks associated with cross-sector partnerships (Dahan et al., 2010b; Simpson et al., 2011).

Empirical research on how NPOs (can) manage these risks is scarce and has focused on the NPOs' partner choice (Herlin, 2015; Martinez, 2003; Seitanidi & Crane, 2009) and the use of governance mechanisms in partnerships such as formal contracts and informal, trust-based mechanisms (Simpson et al., 2011). This study contributes to the cross-sector research by analyzing how NPOs (can) adjust structurally to manage the risks of partnerships with firms.

Organizations (need to) modify and refine their organizational structure to maintain an effective alignment with their environment and to ensure that their organizational mechanisms serve the achievement of their purpose (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Miles, Snow, Meyer, & Coleman, 1978). Structure is a well-developed concept in organization theory and refers to the "allocation of work roles and the adminstrative mechanisms to control and integrate work activities" (Child, 1972, p. 3). NPOs display distinct structural characteristics compared to firms or governments (Anheier, 2000; Courtney, 2002). NPOs are typically characterized by flat hierarchies, local governance, a reliance on volunteers and an informal culture (e.g., Dahan et al., 2010b; Rivera-Santos & Rufin, 2010). Interestingly, prior nonprofit research, in the context of donor-recipient relationships, indicates that the engagement with firms and governments leads to structural adaptations in NPOs. For instance, Anheier (2000) as well as Hwang and Powell (2009) suggest an increasing professionalization in NPOs and point, as a consequence, to the potential loss of volunteer identity in NPOs.

Compared to traditional donor-recipient relationships, today's cross-sector partnerships for sustainability involve a closer and more intensive interaction at various organizational levels between partners (Austin & Seitanidi, 2012a; Van Tulder et al., 2016). Cross-sector partnerships "are about much more than giving and receiving money; they are about mobilizing and combining multiple resources and distinctive capabilities" (Austin, 2000, p. 84). To enable an effective collaboration with companies in such cross-sector partnerships, previous research points to the need for "great internal change" (Austin & Seitanidi, 2012a, p. 736) in NPOs as these partnerships place a "unique set of demands on the NPO" (Simpson et al., 2011, p. 308) and pose particularly high risks (Rivera-Santos & Rufin, 2010). However, cross-sector research on the structural implications of these partnerships is scarce (Bryson et al., 2006; Sanzo et al., 2015), particularly related to an NPO's risk management at the organization-level (Babiak & Thibault, 2009; Simpson et al., 2011). In their recent review of the literature on cross-sector partnerships, Austin and Seitanidi (2012b) underline that "despite the important role of risk management in partnerships (...), models of partnership implementation do not usually incorporate risk assessment" (p. 935). Even more recently, Herlin (2015) pointed out that "there is surprisingly little knowledge about how NPOs can safeguard themselves against the risks associated with CSPs [cross-sector partnerships]" (p. 824). It is important to better understand how NPOs can safeguard against the risks of cross-sector partnerships and to assess the potential implications for NPOs' organizational structures (Dahan et al., 2010b; Herlin, 2015; Simpson et al., 2011).

Against this background, this study asks: How do NPOs adjust structurally to manage the risks of cross-sector partnerships with firms? The author conducted semi-structured interviews with 12 partnership managers in NPOs and collected an extensive set of secondary data of these nonprofits by archiving their websites and by collecting their annual/partnership reports and strategic documents on partnerships. I abductively analyzed the primary and secondary data.

This study offers two main contributions. First, it addresses a critical organizational challenge in NPOs to enable collaboration with companies while safeguarding against the risks of such cross-sector partnerships (Austin & Seitanidi, 2012a; Dahan et al., 2010b; Simpson et al., 2011). The findings demonstrate how NPOs engaged in cross-sector partnerships with firms adjust structurally by dedicating specialized personnel across hierarchies, by standardizing and formalizing partnership related activities across the organization, and by partially centralizing partnership related activities. The author links the structural adjustments made by NPOs in the sample to the key partnership risks identified in the cross-sector literature to advance research and to guide practitioners. Second, I discuss the implications for the nonprofit sector and join the discussion on sectoral convergence by comparing the NPOs' structural responses to manage the risks of cross-sector partnerships to the structural mechanisms implemented by companies in the context of firm-firm alliance management.

The paper is structured as follows: first, I describe the findings of extant literature on the structural characteristics of NPOs and the key risks associated with cross-sector partnerships for NPOs. Then, I introduce my method of collecting and abductively analyzing the data from expert interviews and secondary sources. Finally, I present the results and discuss the implications of the findings for theory and practice.

4.2. Theoretical background

Extant research underlines that NPOs face greater risks in cross-sector partnerships than their partnering firms due to NPOs' specific characteristics (Martinez, 2003; Rivera-Santos & Rufin, 2010; Seitanidi & Crane, 2009). I will first present the main characteristics of NPOs and then link them to the key risks identified in cross-sector research.

4.2.1. Structural characteristics of NPOs and engagement in cross-sector partnerships

Nonprofits are defined as self-governing, private (i.e., non-governmental) organizations which do not distribute any profits and benefit from voluntary contributions in their activities or management (Anheier, 2000; Courtney, 2002). NPOs typically have an advocacy and/or a service-providing function in society (Courtney, 2002). Advocacy NPOs aim to influence public policy, corporate practices, and private behaviour (Baur & Schmitz, 2012; Courtney, 2002). Service-providing NPOs offer support and dedicated programs to disadvantaged groups, species, communities or habitats (Courtney, 2002; Rivera-Santos & Rufin, 2010). Many NPOs have a twofold mission: they provide services related to a social or environmental cause and, at the same time, advocate their cause (Martinez, 2003; Rivera-Santos & Rufin, 2010).

Despite the variety of nonprofit organizations, previous research points to distinct structural characteristics of nonprofits which set them apart from businesses and government agencies (Anheier, 2000). Previous research highlights that due to the public goods function (i.e., advocacy and/or service) as well as the reliance on voluntary contributions, NPOs have only a limited set of monetary incentives to motivate and control their workforce of employees and volunteers leading to weak hierarchies and a flat organization (Rivera-Santos & Rufin, 2010). Moreover, larger NPOs are often only loosely organized as confederations or networks consisting of multiple units within or across countries with local decision-making authority and great flexibility to adjust to local demands (Brown, Ebrahim, & Batliwala, 2012). NPOs tend to be less formal organizations than firms or governments: NPOs rely less on rules, systems, and procedures to coordinate their work (Berger et al., 2004; Hwang & Powell, 2009). In addition, due to the reliance on volunteers, NPOs have less managerial professionals, that is, paid staff with credentialed experience in administration or management working in formally assigned roles—even though the level of professionalism is increasing in NPOs, particularly in large NPOs (Anheier, 2000; Hwang & Powell, 2009).

NPOs engage in cross-sector partnerships with firms primarily to get access to (financial) resources and managerial experience (Austin, 2000; Hahn & Gold, 2014). Following the literature, I broadly define a cross-sector partnership for sustainability as any initiative in which an NPO works together with at least one company to pursue at least one non-economic, sustainability related objective (Ashraf et al., 2017; Berger et al., 2004; Selsky & Parker, 2005). Partnerships can be an important instrument for NPOs to unlock new sources of funding and to increase their impact, for instance, by changing corporate practices from within and by raising greater awareness for social and environmental issues (Austin & Seitanidi, 2012a; Gray & Stites, 2013). While cross-sector partnerships can add value for both nonprofit and for-profit partners, extant research underlines that NPOs face greater risks than their partnering firms (Martinez, 2003; Rivera-Santos & Rufin, 2010; Seitanidi & Crane, 2009).

4.2.2. Main risks in cross-sector partnerships

Building on the literature, I identify three key risks for NPOs when engaging in cross-sector partnerships with firms (Austin & Seitanidi, 2012b; Gray & Stites, 2013; Herlin, 2015).

Risk of adverse visibility. Cross-sector research underlines the high risk of adverse visibility for NPOs if they collaborate with companies which are/get exposed to public criticism (e.g., Austin & Seitanidi, 2012b; Selsky & Parker, 2005) or whose practices are considered inappropriate by the NPO's followers (Rivera-Santos & Rufin, 2010). Due to their association in a cross-sector partnership, the NPOs themselves might get a tarnished reputation, for instance, if a business partner gets accused of merely greenwashing without delivering on commitments (Gray & Stites, 2013) or if the business partners gets involved in a scandal (Herlin, 2015). This is particularly relevant for advocacy NPOs as these NPOs are often referred to as watchdogs: they monitor the public and business sector, raise awareness for the root causes of social or environmental problems and have a key role in bringing about change (Den Hond et al., 2015; Martinez, 2003; Kourula & Laasonen, 2010).

To manage the risk of adverse visibility, prior research has focused on improving the partner selection process (e.g., Herlin, 2015; Martinez, 2003). Most empirical research has focused on identifying a set of partner selection criteria for NPOs such as to select business partners with similar values (Herlin, 2015; Seitanidi & Crane, 2009), but does not specify how NPOs can implement the consistent use of such criteria in partner selection processes across their organization (Austin & Seitanidi, 2012b). Interestingly, Austin and Seitanidi (2012b) underline the importance for NPOs to control the selection of corporate partners at the organization-level to protect NPOs against the risks of adverse visibility. They conceptualise a risk assessment process to be implemented across the organization, but we lack empirical research on whether and how NPOs (can) implement such a standardized process in practice. Notably, the one—to the best of the author's knowledge—empirical study in this context by Martinez (2003) reports a lack of formal and thorough partner selection processes at the organization-level of a sample of Spanish NPOs and raises concerns that NPOs might lack the expertise and resources to implement such a process. This points to the need for structural changes in NPOs when engaging in cross-sector partnerships, for instance, to build capabilities and capacities to implement a standardized partner selection process (Austin & Seitanidi, 2012b; Martinez, 2003).

Risk of power asymmetry. Previous research highlights the risk of power asymmetry between for-profit and nonprofit partners, which can lead to the exploitation of the NPO if the business partner acts opportunistically (Ashraf et al., 2017; Martinez, 2003). First, the business partners usually provides the financial resources in a partnership, while the NPO provides "non-tangible assets, such as information and know-how, local access and networks, and social capital" (Hahn & Gold, 2014, p. 1329). This can lead to power imbalances if an NPO depends more critically on the firm's resources than the firm on the NPO's intangible assets (Ashraf et al., 2017; see also chapter 2.4 and 2.5). Notably, this power imbalance can shift in favor of the NPO, for example, when an NPO has unique resources such as specialized expertise to tackle a sustainability challenge (Hahn & Gold, 2014). Second, NPOs typically have less managerial professionals in their workforce (Anheier, 2000; Hwang & Powell, 2009) and, in general, tend to have less experience than their business partners in negotiating and setting up interorganizational relationships (Herlin, 2015; Martinez, 2003). Taken together, NPOs face the risk of being the less powerful partner in a cross-sector partnership. This might have negative consequences for the NPO, if business partners act opportunistically and, for instance, impose abusive contractual conditions on the partnership (Rivera-Santos & Rufin, 2010), or use the reputational capital of the NPO but offer little in return (Herlin, 2015).

To manage the risk of power imbalance, previous research has focused on the use of formal and informal governance mechanisms at the partnership-level (Rivera-Santos & Rufin, 2010). Prior research particularly highlights the importance of trust-based or informal governance mechanisms and relational processes for cross-sector partnerships to help reducing the likelihood for opportunistic behavior of business partners (Austin & Seitanidi, 2012b; Bryson et al., 2006). Interestingly, Simpson et al. (2011) find that most NPOs in their sample of 20 Australian NPOs rely on contracts (i.e., formal governance mechanisms) when engaging in partnerships with firms and call for "further investigation" (p. 308) to understand why NPOs seem to implement contracts across all of their partnerships, that is at the organization-level.

Risk of co-optation. NPOs engaging in cross-sector partnerships with companies risk losing their autonomy and to be perceived as having been co-opted by their corporate partners (Gray & Stites, 2013). Baur and Schmitz (2012) define the risk of co-optation as the "process of aligning NGO interest with those of corporations" (p. 10). Instead of pursuing their own mission, NPOs might get absorbed into trying to develop good working relationships with their corporate partners to ensure the continuous access to funds. As a result, NPOs might be less willing to critisize the actions of corporate partners and become more accountable to their corporate partners than to their beneficiaries (Baur & Schmitz, 2012). Co-optation can have severe consequences for NPOs as it can undermine an NPOs' credibility to serve its purpose—particularly for advocacy NPOs (Rivera-Santos & Rufin, 2010). The independence of advocacy NPOs is their "core credential and sign of legitimacy" (Baur & Schmitz, 2012, p. 11). Organizational legitimacy refers to "stakeholder and public approval of an organization and its activities, granting the organization its right to exist" (Herlin, 2015, p. 825). Consequently, if an advocacy NPO is co-opted—or perceived as having been co-opted—its legitimacy is at stake and it might lose its donors, volunteers, and public support which could threaten its survival (Herlin, 2015). Empirical cross-sector research on how to reduce the risk of co-optation is virtually absent (Baur & Schmitz, 2012).

In sum, prior cross-sector research provides detailed insights into the key partnership risks faced by NPOs and indicates the need for structural adjustments in NPOs to manage these risks. However, we lack research to understand how NPOs (can) adjust structurally in practice to protect their self-interests when engaging in cross-sector partnerships with companies (Baur & Schmitz, 2012; Herlin, 2015).

4.3. Method

This study applies a qualitative, abductive research design (see e.g., Timmermans & Tavory, 2012; Van Maanen et al., 2007) drawing on 12 semi-structured expert interviews and the publicly available data of the NPOs in the sample. Abduction is a "form of reasoning through which we perceive phenomena as relating to other observations" (Timmermans & Tavory, 2012, p. 171). An abductive analysis aims at generating novel theoretical insights by systematically combining empirical evidence to a researcher's knowledge of the existing literature (Dubois & Gadde, 2002; Timmermans & Tavory, 2012; Van Maanen et al., 2007). Therefore, the author considered an abductive approach particularly suitable for this study to develop an understanding of how NPOs (can) adjust structurally to manage the risks of cross-sector partnerships with companies while continuously confronting the emerging conceptualizations with theoretical insights, for instance, regarding the types of risks associated with cross-sector partnerships for NPOs and the specific structural characteristics of NPOs.

4.3.1. Sample

The author aimed to select information rich cases to address the research question (Patton, 2015). Building on the literature, I defined an information rich case as an NPO with an advocacy purpose which is engaged in multiple cross-sector partnerships with large companies. Advocacy NPOs were particularly interesting for this study as previous research highlights the risk of co-optation and adverse visibility especially for these NPOs (e.g., Baur & Schmitz, 2012; Martinez, 2003). In addition, I focused on advocacy NPOs engaged in cross-sector partnerships with large companies, because the large size of such companies can increase the risk for power asymmetry between partners (Berger et al., 2004).

I draw from a data set gathered from a wider program of research conducted by the author on cross-sector partnerships for sustainability. I had originally selected NPOs because they were the main nonprofit partners of a sample of large European or US companies. All of these companies served consumer markets, had global supply chains and were frontrunners in cross-sector partnering: they had multiple nonprofit partners and at least a few years of experience with cross-sector partnerships for sustainability (see chapter 2.3 and 3.3).

For this study, I assessed the mission statements and the key strategic aims of all NPOs in the original sample to assess whether they pursued advocacy aims. I looked for keywords such as "advocate", "influence", or "persuade". As a result, I excluded two research institutes for this study as they did not state an advocacy purpose of their work. The remaining NPOs stated advocacy as a key purpose which made them particularly suitable for this research. These NPOs had a twofold mission: they sought to advance their cause by influencing policy, decision-makers and the public as well as by implementing programs to contribute to positive societal or environmental change. In total, I draw on 12 expert interviews with representatives from nonprofit organizations (see Table 8 for an overview). My interviewees were Heads of Corporate Partnership Teams, Senior Partnership Managers, or Directors who were based in large national offices in Germany, the Netherlands, UK and Switzerland or in an NPO's central office in Western Europe. Since my level of analysis is the organization, the high level of seniority of interviewees was important to ensure that interviewees had a good oversight of how their NPOs managed their cross-sector partnerships with companies at the organization-level and of the risks faced by their organizations when engaging in such partnerships.

Nonprofit research suggests that the organizational structure of an NPO is influenced by the size and the age of an NPO (Hwang & Powell, 2009). Most NPOs in the sample were medium (> 50 employees) or large organizations (>500 employees; Beck et al., 2005).[16] The age of the NPOs in the sample varied, but all had been founded at least ten years ago, so that they had established organizational structures. Notably, NPOs in the sample had a confederation or network structure of largely autonomous national offices and a central (support) office[17], which is common for international advocacy NPOs (Brown et al., 2012). The majority of NPOs in the sample had a worldwide presence of national offices, three NPOs were only present in Europe.

[16] Hwang and Powell (2009) found a strong link between the number of employees and the financial expenses of an NPO demonstrating that both measures are good indicators of NPO size—despite the potentially large number of volunteers in NPOs.
[17] Interviewees used different terms to describe national or central offices. For instance, national offices were also referred to as (country) member organizations or national societies. The central office was also called international secretariat/office.

The size of the NPOs' network of national offices ranged from large (i.e., 26 or more national offices) to small (i.e., 15 or less national offices; see again Table 8)[18].

[18] I used the categories of Heimeriks et al. (2009), which developed these three categories to classify the size of a firm's alliance portfolio. I used these categories to classify network size as I did not find suitable categories in nonprofit research.

Table 8. Detailed overview of NPO sample

#[a]	NPO	Interviewee(s) based in national office (NO) or in central office (CO)	Focus (based on mission statement and main strategic goals)	Size of NPO[b]	Year founded[c]	Presence of national offices in[d]	Network of national offices[e]	Size of partnership portfolio[f]
N1	Organization for conservation of nature parks	Head of Corporate Partnerships Germany (NO)	Protect and develop nature parks, **influence policy** to improve conservation of natural heritage	Medium	>40 years ago	Europe	Small	Small
N2	Foundation for sustainable farming	Head of Department Partnerships (CO)	Make sustainable farming commonplace, implement programs and **advocate** continuous improvements	Medium	>10 years ago	Worldwide	Medium	Large
N3	Foundation for integration of migrants	Managing Director (CO)	Pursue activities to facilitate integration, **advocate** equal opportunities (work, education, social life)	Small	>10 years ago	Europe	Small	Small
N4	Humanitarian organization for emergency relief	Head of Corporate Partnerships & Major Donors Netherlands (NO)	Provide assistance to people in need, **persuade authorities** to protect and support vulnerable people	Large	>90 years ago	Worldwide	Large	Large
N5	Humanitarian organization to alleviate hunger	Board Member responsible for Communication Netherlands (NO)	Provide food to people in need and reduce food waste, **advocate** the right for nutritious food	Large	>40 years ago	Worldwide	Medium	Large
N6	Conservation organization	Senior Manager Corporate Sustainability Switzerland (NO)	**Advocate** the conservation of nature, implement programs to protect habitats and the world's resources	Large	>40 years ago	Worldwide	Large	Large
N7	Humanitarian organization to protect children	Manager Corporate Partnerships & Foundations Germany (NO)	**Advocate** the rights of children, provide support to enhance children's lives (e.g., health, education, relief)	Large	>90 years ago	Worldwide	Large	Large
N8	Organization for responsible agricultural products	Business Development Manager Switzerland (NO)	**Advocate** better trade conditions for producers of agricultural products, support them with programs	Medium	>10 years ago	Worldwide	Medium	Large
N9	Humanitarian organization to protect children	Head of Corporate Partnerships Switzerland (NO)	**Advocate** the rights of children, provide support to enhance children's lives (e.g., health, education, relief)	Large	>90 years ago	Worldwide	Large	Large
N10	Conservation organization for sustainable forest mgmt	Head of Corporate Key Account Management Team (CO)	**Advocate** sustainable forest management, implement programs to improve forest management	Medium	>10 years ago	Worldwide	Large	Large
N11	Humanitarian organization to provide development support	Head of Strategic Partnerships UK (NO)	**Advocate** the rights of vulnerable people, provide assistance to people in need, work to overcome poverty	Large	>40 years ago	Worldwide	Medium	Large
N12	Foundation for the interest of future generations	Program Manager Netherlands (CO)	**Persuade** decision-makers to include children's interests, implement programs on child inclusion	Small	>10 years ago	Europe	Small	Large

[a] Used for referencing the interviewees' quotes and secondary sources (secondary sources are marked with an "s", e.g., N1s)
[b] Based on global number of employees across network of national offices, classified as small (<50), medium (>50 <500), large (>500) (Beck, Demirgüç-Kunt, & Maksimovic, 2005).
[c] Refers to first global establishment of a national office. [d] Worldwide if national offices are in four or more continents.
[e] Network classified as small (1-15 country offices), medium (16-25) and large (26 or more) as suggested by Heimeriks, Klijn, & Reuer (2009).
[f] Estimated global number of cross-sector partnerships for sustainability per NPO, based on publicly available information (e.g. organizations' website, annual reports) and expert interviews; Classification of portfolio as small (1-15 partnerships), medium (16-25) and large (26 or more, Heimeriks et al., 2009).

The NPOs in the sample considered cross-sector partnerships with companies as an important instrument to attain their vision and strategic goals[19]. For instance, one of my interviewees outlined: “at some point the organization realized that we need to directly engage with business. They can support us in our goals” (N10). Another interviewee emphasized: “the goal is to ensure our organizational survival to implement our mission, we need corporate partnerships for that” (N3). Interviewees underlined the importance of partnerships with companies to increase their “impact, influence and income” (N11), and claimed that “we need to collaborate with large companies if we really want to have an impact” (N8). Partnerships with companies were considered important to get access to “funding” (N7), triggered partially by the difficulty to get governmental support: “if we want to do a good job, we increasingly need to unlock new sources of financing” (N1) and, at the same time, “our goal is to achieve the greatest impact possible and we achieve that with such strategic corporate partnerships” (N6). Accordingly, the engagement in partnerships with companies was strategically motivated, many NPOs even had a “growth strategy” (N11) or a “target number of corporate partners by 2020” (N4s). With regard to partnership topics, the NPOs engaged in partnerships with companies to address environmental and social issues linked to companies’ supply chains, to protect natural habitats and the world’s resources, to reduce poverty—for instance, by improving the livelihoods of smallholder farmers or empowering women entrepreneurs—and to implement health and education programs (mostly) in origin countries, often for children. Most NPOs in the sample had a large portfolio of cross-sector partnerships (i.e., 26 or more partnerships), only two had a small portfolio (i.e., 15 or less partnerships; see again Table 8).

[19] Interviews were conducted in English and German. Quotes in German were translated by the author. Interviewees are referenced based on Table 8. Secondary data sources are referenced with an additional “s” (e.g., “N1s”). The author slightly changed the wording of secondary quotes to prevent the identification of organizations via an online keyword search.

4.3.2. Data collection

The author conducted all interviews with nonprofit representatives by telephone. Interviews were held in English or German and ranged from 30 to 60 minutes. I used a responsive interviewing technique based on an interview guideline with main questions, probes, and follow-ups to generate a high level of depth, focus, and detail (Rubin & Rubin, 2005). I built the interview guideline based on insights from cross-sector research (e.g., Austin, 2000; Rivera-Santos & Rufin, 2010) and I tailored it for every interview based on prior research from public sources, to allow for specific and in-depth questions. I encouraged interviewees to describe in detail how they were organized internally to manage their cross-sector partnerships with companies. Depending on the interviewees' responses, I asked specific follow-up questions such as "how is your team set-up?", "who approves a corporate partner?" or "how do you coordinate among your national offices and the central office regarding your cross-sector partnerships?" usually followed by "Why?". I also asked interviewees, what they considered as main challenges and risks when engaging in cross-sector partnerships with companies and how they safeguarded against the risks. All interviews were transcribed and validated with the interviewees.

In addition, I performed an extensive desk research on all NPOs to collect secondary data. I searched the organizations' websites for information on their organizational structure and their engagement in cross-sector partnerships with companies and I archived the relevant sections. Furthermore, I compiled their latest annual reports, strategy papers and partnership reports/brochures. In addition to the organizations' websites, I collected 35 documents for the analysis (see Appendix VIII).

4.3.3. Data analysis

Following the guidance on how to conduct abductive analyses, I coded the data from the interviews and secondary sources in three steps, continuously matching my observations with my theoretical knowledge (Dubois & Gadde, 2002; Timmermans & Tavory, 2012; see Figure 7).

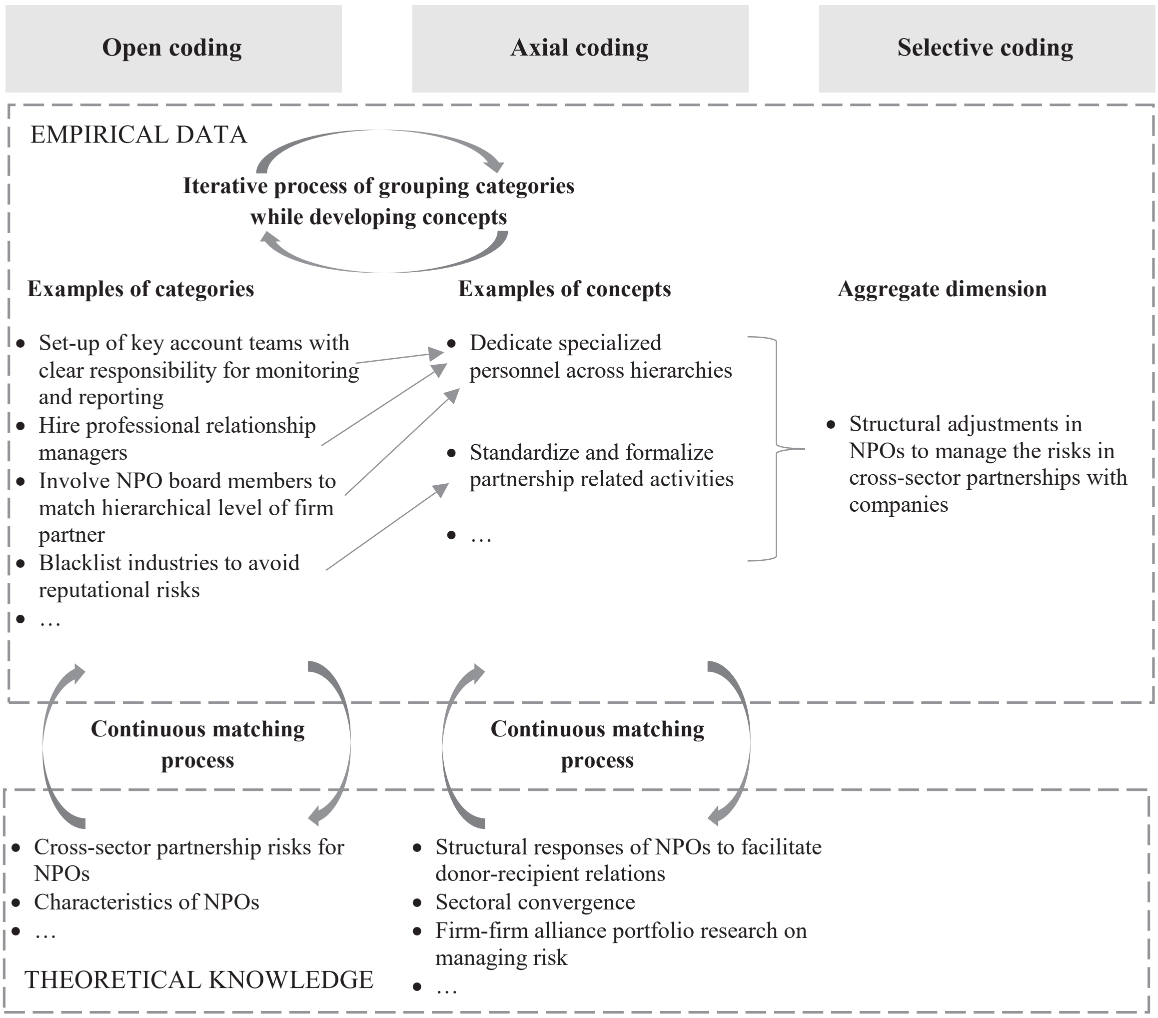

Figure 7. Illustration of abductive coding process[20]

[20] Illustration adopted from Dubois & Gadde, 2002; Hahn & Ince, 2016

First, I openly coded my primary and secondary data and created a long list of categories, to discover as many phenomena as possible in the data (Gioia et al., 2013; Strauss & Corbin, 1998). In this first step, I aimed to explore broadly how NPOs in my sample adressed the risks of cross-sector partnerships at the organization-level. To aid my coding, I applied, for instance, my knowledge of the key risks associated with cross-sector partnerships for NPOs (e.g., Austin & Seitanidi, 2012b; Baur & Schmitz, 2012; Herlin, 2015). Second, I engaged in axial coding: I tried to find similarities and differences among my categories to group them and to reduce their number (Gioia et al., 2013; Strauss & Corbin, 1998). I further structured my data by analysing the relationships between the grouped categories to develop theoretical concepts and, in a third step, aggregated dimensions (Gioia et al., 2013; Strauss & Corbin, 1998). To develop my theoretical concepts, I built on the nonprofit literature on structural adjustments of NPOs in different contexts, for instance, to facilitate donor-recipient relations with hierarchical companies (e.g., Hwang & Powell, 2009). Following the literature, I defined structural adjustments as changes to the allocation of work roles, to the mechanisms that control work activities, and to the mechanisms that integrate work activities (Child, 1972).

What intrigued me at this point was the fact that most NPOs in my sample had made changes across all these areas. I found, for instance, the creation of new work roles and hierarchies, the adoption of controling mechanisms such as procedures and the integration of partnership related activities in central teams. To better explain this finding, I expanded my theoretical search to include literature streams such as organization theory research on the dimensions of structure (e.g., Pugh, Hickson, Hinings, & Turner, 1968) and firm-firm alliance portfolio research on managing risks across multiple inter-organizational relationships (e.g., Kale et al., 2002).

In analysing my primary and secondary data on how NPOs implemented structural changes to manage their cross-sector partnerships, I always assessed the reasons provided for those structural changes and linked them back to the three key risks identified in the cross-sector partnership research (e.g., Austin & Seitanidi, 2012b; Baur & Schmitz, 2012; Herlin, 2015). By continuously matching my observations to my evolving theoretical insights, I developed my theoretical concepts depicting the structural adjustments in NPOs to manage the risks associated with their engagement in cross-sector partnerships with companies.

4.4. Findings

Based on my data, I found that NPOs adjust structurally to manage the risks asscociated with cross-sector partnerships with companies by (1) dedicating specialized personnel across hierarchies, by (2) standardizing and formalizing partnership related activities, and by (3) partially centralizing partnership related activities. I will describe how and why the NPOs made those changes below. By considering the reasons provided by the interviewees for why their organization had made structural adjustments, I was able to specify which structural measures aimed to address which of the three key risks associated with cross-sector partnerships. For further illustrative quotes, please refer to Table 9.

Table 9. Structural adjustments in NPOs and the reasons for adjustments

Concept	Grouped category	Representative quotations of NPOs
I. Dedicate specialized personnel across hierarchies	Ia. Create professional account manager positions	"A key account team (…) how the structure was decided to be here to make sure we actually have relationship managers and also to coordinate (...) [to] have one person that—in theory— should know about the different things that are ongoing is very useful" (N10) "The Key Account Management Team aims to build and maintain strong, productive and equally beneficial relationships with key clients" (N10s)
		"We have a team of account managers and they are really the first point of contact who are driving those partnerships forward. We also have someone working on creating new partnerships (…) we also have a contract and finance person sitting within our team (…) there is an element of reputational risk that gets managed within these partnerships." (N11)
	Ib. Establish partnership management hierarchies	"We had a board member appointed, who is responsible for food raising with corporate partners (...) a background in retailing and food brands (...) Most of our board members have «sparring partners» in the boards of our partners (...) so, there are personal contacts at different levels and in different areas—but, there is always one main contact person." (N5)
		"They recruited me for this position [as Managing Director] (…) I am responsible for the relationship management with the corporate partners (…) In general, our board members approach companies (…) the contact to corporate partners is always on an equal footing." (N3)
II. Standardize and formalize partnership related activities	IIa. Implement internal procedures for partner selection and reporting	"If it is a company in the tobacco industry or the alcohol industry or the weapon industry or the sex industry, then it's all a no go. And, of course, there are companies that are a bit more in the grey zone (…) So, there are international regulations and every national society of the NPO [name deleted by the author] should use—and we have to do it as well—a screening procedure (…) it may become tricky. But we've got procedures in place for this (…) it's about our reputation." (N4)
		"For us, the due diligence and the whole partner selection process is highly relevant. We have very strict rules, who we work with and under which conditions we work with companies to minimize the reputational risks and because we have clear principles on childrens' rights, the way children should be treated and regarding working conditions in companies." (N9)
	IIb. Stipulate governance mechanisms for partnerships	"Our partnerships always consist of a contract specifying our obligations and their obligations (...) we negotiate targets (…) We are an NGO, we have to justify why we work with companies, especially in this very strategic way. (...) These targets legitimize our work, we can demonstrate how we contribute to improve the company's environmental footprint. And it is also important to us that we communicate this transparently." (N6) "We believe that we need to be accountable for our partnership results and transparent to our supporters and our members on how we achieve them." (N6s)

		"We are a large, independent child-focused organization working globally (…) In each partnership, we define a clear accountability framework and key performance indicators demonstrating the impact we are delivering for children (…) No matter the partner or the form of partnership, the needs of children (…) are the number one priority." (N7s)
III. Partially centralize partnership related activities	IIIa. Set-up global coordination and support team	"We've done a lot of work on that in the last three years and we've set up a global practice (…) we recognize the multinational nature about a lot of our corporate partnerships and therefore aligning ourselves in terms of our approaches and our strategy and the materials and the tools with which we do this work (…) there is a relevance there" (N11) "We realized that for these global partnerships (…) we need a central, coordinating team (…) they are not involved in the day-to-day partnership activities, but rather the general issues (…) they also have the mandate to resolve complaints" (N7)
	IIIb. Build knowledge networks and exchange platforms	"Companies want to engage in partnerships with us, because we have the expertise and we have an international knowledge network, for instance, internal climate experts (…) but also policy experts (...), so we can offer a broad network of knowledge and competencies to our business partners (…) that is an important aspect of every partnership (…) so, we really negotiate, we set our demands very high" (N6) "We are uniquely placed to deliver sector leading partnerships with businesses (…) By leveraging our experience and internal expertise (…) and with our global network of teams (…) we are able to match our partners' footprints." (N9s)

4.4.1. Dedicate specialized personnel across hierarchies

The NPOs in my sample hired professionals and developed key account teams to manage their partnerships with companies. Moreover, they relied on hierarchies to manage their partnerships.

Ia. Create professional account manager positions. The interviewees described how their organization "chose to have dedicated managers for corporate partnerships" (N4), had hired "a junior account manager (...) and, at the moment, we are in the recruiting process of hiring a senior account manager" (N9) and build "a team of account managers" (N11) to manage their cross-sector partnerships with companies. Most medium and all large sized NPOs in the sample had established corporate partnership teams in their national offices with each team consisting of multiple account managers and support colleagues. Support colleagues in such partnership teams were specialized, for instance, in finance or legal to help “the contractual side and the administration side of setting up partnerships and administrating them” (N11). Account managers were “fully dedicated on corporate partnerships (…) each of the colleagues has a set of partners with all the responsibilities that belong to that” (N4). As many partnerships with companies consisted of multiple projects in multiple countries, account manager often had to coordinate among multiple projects and liaise with multiple national offices (see IIIa and IIIb). Notably, the two small NPOs and one medium sized NPO in the sample only had one or two account or relationship managers—instead of a corporate partnership team—as they “simply do not have more resources for more” (N1).

Interviewees provided two main reasons for the need of professional account managers to manage the risks of cross-sector partnerships. First, an account management structure established clear responsibilities, that is each account manager was accountable to monitor his or her corporate partners, as exemplified in the following quote: “every key account manager monitors closely what happens in the companies and if there is any potential for a scandal to arise” (N7). This was particularly relevant for the large corporate partners as the risk of adverse visibility was considered particurlaly high since “these companies are highly visible. So, of course, there is a higher risk for us to get negative publicity” (N7). Such a continuous monitoring by professionals in the NPO was considered important, so “if there is a sort of public media related interest in particular companies, which does happen (...) that we have a response there” (N11).

Second, the development of an account team with dedicated, specialized professionals helped “to work together on an equal footing. That is critical, as we aim to be an equal partner to companies, we do not want to be perceived as a suppliant” (N7) and to “build sustainable, long-term relationships with clients based on recognition of mutual benefits” (N10s). The professional management of partnerships with “a dedicated and experienced team of corporate relationship managers“ (N9s) was considered critical to reduce power asymmetries by being perceived as an “equal partner for many of the largest multinational companies” (N9s) .

Ib. Establish partnership management hierarchies. All NPOs in the sample, including the smaller ones, managed their partnerships at different hierarchical levels as exemplified by the following quote:

> “We’ve got a single point of contact, of course at several levels—in the process of creating the new partnership (…) and also during the partnership (…) usually we work at three levels, so it’s board level, it’s top management and then people on the more day-to-day operational basis (…), so the account managers” (N4).

Interviewees underlined the importance to have “contacts at multiple hierarchical levels to be considered as strategic partner NGO” (N6). To reduce potential power asymmetries with companies, NPOs tried to match the level of hierarchy and managerial expertise of corporate partner representatives “to meet on an equal footing” (N3) and to negotiate and implement a partnership with an “added value to both partners” (N7s). The involvement of board members was considered particularly important when “establishing a first contact” (N7) and during the set-up phase of a partnership with a new corporate partner to be perceived as an equal partner with valuable expertise by potential corporate partners: “at top level (…) that was a more fundamental discussion about who we are, who they are and how it’s a natural match between our two organizations” (N4). In addition to involving board members, NPOs created a “visible leadership position (...) to represent the NPO [name deleted by the author] at the highest levels of business” (N10s). For instance, one interviewee described that they established her title “around one year ago (...) as Head of Corporate Partnerships [Germany], because that signals best my role and responsibilities to the outside world" (N1). The Head of Strategic Partnerships UK of a humanitarian organization explained that his role spans two account manager teams to bundle competences and to ensure not being at a disadvantage in partnership set-up and implementation with corporate partners:

> "one team is the Private Sector Engagement Team (...) my other team is looking at partnerships with institutional donors (...) we try to move away from a sort of transactional fee-for-service-type of relationship and more towards one, where we're aiming for the same goals (...) down through to the execution (...) to have the capabilities to not being treated as a suppliant (…) and it's not a white-washing-exercise" (N11).

4.4.2. Standardize and formalize partnership related activities

The author found that the NPOs in the sample standardized and formalized their partnership activities by implementing internal procedures for partner selection and reporting and by stipulating the governance mechanisms that had to be implemented in every partnership.

IIa. Implement internal procedures for partner selection and reporting. To manage their cross-sector partnerships with companies, all NPOs had defined internal procedures and implemented them across their organization, particularly for partnership selection processes. The NPOs in the sample had established "international criteria for partner selection" (N4), implemented "a robust and vigorous risk assessment procedure" (N7s) and had set "minimum requirements that every national office needs to comply with" (N9). Interviewees underlined the need for such internal procedures and requirements due to the fact that these partnerships are "very visible" (N2) and therefore pose "reputational risk" (N9), as exemplified in the following quote:

> "We have a selection procedure and risk categories and we have blacklisted industries, as we cannot justify collaborating with them. (…) Our organization gets the majority of its financial resources from individual donors. And, of course, if we enter a partnership that we cannot justify towards the public, there is a high risk that we will lose these donors. That risk is too high, we cannot take it." (N7)

All NPOs had blacklisted industries that is, they would not approach any company from one of those industries and they would refuse to enter into a discussion on a potential partnership if approached by such a company. The types of industries varied depending on the mission of the NPO. For instance, a foundation with an humanitarian focus did not allow partnerships with companies from "harmful industries such as arms, alcohol, or tobacco" (N3). A conservation NPO excluded companies from "the oil, automotive, and nuclear power industries as well as companies that release genetically modified organisms" (N6s).

All NPOs underlined the importance of conducting personal discussions and negotiations with potential corporate partners. In addition, most medium and all large sized NPOs had established a "due diligence process" (N11) or standardized "screening procedures" (N4) across their organizations "to ensure we partner with companies committed to social responsibility and to the values of our organization" (N9s). Depending on the industry of the potential corporate partner and the financial contribution involved, the requirements for the due diligence process varied, as one interviewee explained: "for high-risk companies, we carry out a thorough due diligence, which is often done by one of our external partners on a pro-bono basis" (N9). As a result of this assessment, the partnership would be classified in risk categories. Then, a "senior management team" (N7) or a "formally appointed comittee" (N6) would critically assess each partnership proposal "from a communication, fundraising, and impact perspective" (N6) and approve or reject it. Interviewees described this approval step as “the considerations part of the due diligence process” (N11).

Interestingly, NPO interviewees expressed their interest to engage even in higher risk partnerships, despite the fact that such partnerships “of course, pose a reputation risk for us” (N7)—because these partnerships often have great potential to have a “positive effect on the people, that we are trying to support” (N11). One interviewee explained: “We could avoid a lot of criticism if we did not collaborate with certain types of companies (...) But our ambition is not to avoid criticism, we aim to achieve the greatest possible impact” (N6). Moreover, interviewees stressed that they were “on a really saturated market in terms of companies that have the ability to partner well” (N11) and underlined “the challenges to find corporate partners in general” (N1). As one interviewee pointed out “in a perfect world, of course, we would only collaborate with companies that are very committed and already have a positive reputation. But, in reality, we do not have that luxury (...) it’s always a balancing act” (N7). So, while NPOs reduced the greatest risks related to adverse visibility by blacklisting some industries, they did not attempt to avoid all potential for adverse visibility—rather, they would actively “manage the risks by having clear guidelines and criteria in place” (N6s). For instance, one interviewee stressed that “every year, we evaluate all high-risk partnerships and we reassess them in the senior management team” (N7). Moreover, NPOs would then define stricter requirements for collaboration (see also 2b) such as to include provisions in the “contract, how the company has to improve the working conditions in its supply chain” (N9).

In addition to partner selection procedures, some NPOs had established internal guidelines and requirements regarding partnership reporting. All NPOs required national offices to publish a list of their corporate partners on their websites and some NPOs specified the financial contribution of partners in annual reports. Moreover, some NPOs had internal guidelines for all national offices to publish for each corporate partnership “the intent, objectives and impact (...) and to report every year on the progress” (N6s), as they aimed to “become a more transparent and accountable organization” (N11s).

IIb. Stipulate governance mechanisms for partnerships. All NPOs had implemented standards across their organziations with regard to the governance mechanisms with corporate partners. All NPOs in the sample specified the use of contracts as compulsory for each cross-sector partnership, as exemplified by the following quote: “For every partnership with a business partner, we need to have a contract with the agreements” (N5). Some NPOs required a set of contractual provisions to be implemented in each contract. For instance, one interviewee explained that his organization set a minimum contract length: “partnerships need to be at least three years (...) so that we can move a company (...) And we can show the world, that we’re making impact” (N12). Another interviewee explained “in every contract with a business partner, we state our right to publicly critisize the company—despite our partnership. That is an integral part of all contracts” (N6). In their annual reports, the NPO further underlines “we maintain and exercise the right to public commentary in all partnerships with businesses (...) we remain independent in all our partnerships” (N6s).

Accordingly, the NPOs in the sample used contractual standards to reduce the risk of co-optation and to ensure their own impact. One interviewee underlined that his organization had a “a whole sort of process in place to keep ourselves accountable (...) whether these partnerships are contributing to our 2020 vision” (N11). He further explained, that, as a result:

> “we are not afraid to work with some of the companies, that perhaps are more controversial to work with (…) there needs to be an agreement of what we set out to

achieve together and the reason why we are working together (…) a partnership framework and a set of KPIs [key performance indicators] related to a contract (…) because ultimately, we're trying to do this on behalf of people who are living in poverty" (N11)

With one exception, all large NPOs in the sample similarly formalized targets and KPIs in their contracts with business partners. One interviewee stressed that having KPIs: "is very important to us because it is part of our values that we are accountable (...) that we can demonstrate our impact and the contribution of a business partner to our vision" (N9).

4.4.3. Partially centralize partnership related activities

The NPOs in the sample were organized as "global confederation of National Members" (N11s) or "networks of national offices" (N6) or "national societies" (N4). Nevertheless, they partially centralized partnership related activities by setting-up global partnership coordination and support teams as well as by building knowledge networks and exchange platforms.

IIIa. Set-up global coordination and support team. Interviewees underlined that "there is a big autonomy of a national society" (N4) and "each country has the final decision-making authority, whether or not they want to engage in a local partnership" (N7). At the same time, interviewees emphasized that the engagement in partnerships, particularly with large, global companies, required them to increasingly coordinate across their organizations, as exemplified in the following quote: "we are a really complex organization with multiple units that might engage with some companies (...) it is a constant challenge to really coordinate well, but it is very much needed in dealing with globally present companies" (N10). Another interviewee pointed out: "really we're looking to set ourselves out as one team—despite the confederation structure that we've got (…) that's really exciting I think, some of our peers really struggle with that" (N11).

The medium and large sized NPOs in the sample had recently set-up a global partnership team to ensure coordination and to support the national offices. For instance, one interviewee underlined the importance of having such a global team:

> "We realized that we need to coordinate internationally and align the work of our national offices. If we collaborate with global companies, we have to be global as well. That is a new development. This global partnership team [name changed by the author] exists since around three years (…) That is a very specific characteristic of corporate partnerships (…) the more we engage in partnerships with companies, the more we need to develop coordination mechanisms" (N9).

This global partnership team was usually part of the "international secretariat" (N4) or the "international office" (N10) of the respective NPO and was responsible to "work on topics which are relevant to all national offices engaged in partnerships, for example our due diligence processes (…) that is a hot topic right now to be better aligned" (N7). Such an alignment was considered critical to reduce the risk of adverse visibility for all national offices of an NPO by ensuring that all partnerships meet the "minimum requirements" (N9) and are "ambitious enough in an international comparison" (N6). As one interviewee pointed out:

> "we want to align and establish the same «rules of the game». That is why we develop our partnership offer to business on a global scale, so that we still remain true to our own principles and values (…) we have a high visibility" (N8).

Moreover, interviewees underlined the importance of coordinating internally to "speak with one voice towards the company" (N10). NPOs in our sample had established a "Home Donor Rule" (N7) when collaborating with global companies, as one interviewee explained: "we have the rule that in the country, where the company has its headquarters, there will also be our national partner office (…) our international office (…) acts as international coordination committee in these global partnerships" (N6). Central teams, in consultation with national offices, took strategic decisions such as to set a cap on the revenues from corporate partnerships to prevent the dependency on business partners, as one interviewee explained: "corporate partnerships are limited to around 10 percent of our income (...) even if we lost all business partners for some reason, we would still continue to exist (...) That is a strategic decision" (N6). In general, interviewees in national offices underlined that "our colleagues in the central partnership team [name changed by the author] are supporting us and connecting us (…) creating the right contracts, the right messaging" (N4) thereby bundling competences to match companies' expertise.

IIIb. Build knowledge networks and exchange platforms. NPOs tried to improve the access to internal expertise by creating knowledge networks and platforms for exchange. For instance, the Head of Corporate Partnerships & Major Donors of the Dutch national office of a large humanitarian NPO explained how they had initiated:

> "a corporate workgroup [which] consists of about 10 or 12 [name deleted by the author] national societies and there in this workgroup my peers are present (…) this is a platform where we share lessons learned, where we share experiences, where we share our ideas about the development of propositions and proposals" (N4).

The NPOs in the sample aimed "to facilitate knowledge sharing among member societies" (N5s) and "to leverage the work that we have done with partners in the past" (N11). Moreover, they built "international expert groups" (N9) and an "international knowledge network" (N6) around environmental or social issues and around industry sectors. For instance, one interviewee stressed how they tried "to build more expertise ourselves around the [industry] sector the needs there, the challenges there, the market developments there, so that we can provide more value to our partners" (N10). Interviewees highlighted the importance of building internal expertise and making it accessible across the organization to then signal their "unique network of expertise" (N9) in their communication to companies "to get like-minded companies to come to us as an acknowledgment of our expertise or experience in that area" (N11). Having such knowledge networks and platforms made them attractive partners to companies and thereby reduced power asymmetries in negotiations with business partners:

> "that is our value proposition (...) of course, we receive funding. At the same time, companies collaborate with us, because they want to get something out of it (...) our expertise, we have the knowledge in our organization on what it needs in the countries of origin and how to have an impact, that gives us a good position in negotiations" (N7).

In sum, I found that the NPOs in the sample had adjusted structurally to manage the risks associated with their engagement in cross-sector partnerships with companies. Table 10 provides a summary of the findings by specifying which structural measure aimed to address which of the three main risks associated with cross-sector partnerships for NPOs.

Table 10. Linking structural adjustments in NPOs to partnership risks

	1. Dedicate specialized personnel across hierarchies	**2. Standardize and formalize partnership related activities**	**3. Partially centralize partnership related activities**
Risk of adverse visibility		2a. Implement internal procedures for partner selection and reporting	
Risk of power asymmetry	1a. Create professional account manager positions 1b. Establish partnership management hierarchies		3a. Set-up global coordination and support team 3b. Build knowledge networks and exchange platforms
Risk of co-optation		2b. Stipulate governance mechanisms for partnerships	

4.5. Discussion

Organizational theory posits a close relationship “between key characteristics of task environments and organisational structure” (Anheier, 2000, p. 9). Selected studies in cross-sector research have underlined that the engagement in cross-sector partnerships poses new tasks and challenges for NPOs and thus requires structural changes in NPOs to increase their chances for a successful collaboration with businesses (Austin & Seitanidi, 2012a; Simpson et al., 2011). For instance, Berger et al. (2004) suggest to NPOs to hire professionals to improve the organizational fit between for-profit and nonprofit partners and Sanzo et al., (2015) propose to NPOs to adopt professional management styles to facilitate communication and innovation. This study adds to this research by demonstrating how NPOs (can) adjust structurally to manage the risks of cross-sector partnerships and by linking specific measures to specific partnership risks as specified in Table 10.

4.5.1. Need for risk management in NPOs at the organization-level

A key insight from this study is that NPOs can manage the risks associated with cross-sector partnerships with companies by making structural changes. The nonprofits in the sample considered cross-sector partnerships as an important strategic instrument to implement their organizational mission by increasing their income and impact (see also Al Tabbaa et al., 2014; Gray & Stites, 2013). At the same time, the NPOs were aware of the risks involved when engaging in partnerships with business partners and—instead of choosing to avoid these risks—they aimed to actively manage the risks at the organization-level, that is across partnerships and individuals handling partnerships in their national offices. This study contributes to the cross-sector research by deepening our understanding of the “key enablers” (Austin & Seitanidi, 2012a, p. 746) that permit nonprofits to engage in cross-sector partnerships with companies. It draws attention to structural measures available to nonprofits which can help them to minimize the risk of adverse visibility, the risk of power asymmetry and the risk of co-optation in such partnerships (see again Table 10).

To limit the *risk of adverse* visibility, previous empirical research has focused on proposing criteria for partner selection such as resource fit, goal alignment, and the existence of similar values between partners (e.g., Dahan et al., 2010b; Herlin, 2015; Kale & Singh, 2009). This study shows that nonprofits set exclusion criteria to guide the selection of corporate partners across their organizations: all NPOs in our sample had blacklisted industries to minimize the risk of adverse visibility. Moreover, most medium and all large sized NPOs required their national offices to use a standardized due diligence procedure to select corporate partners. Our findings lend empirical support to recent conceptual research, which considers an institutionalized due diligence process as critical for NPOs to reduce reputation risks (Austin & Seitanidi, 2012b). Austin and Seitanidi (2012b) propose the combination of a formal risk assessment process "to collect intelligence from previous partners in order to develop an awareness of any formal incidents that took place or any serious concerns" (p. 935) with an informal process "consisting of open dialogue among the constituents of each partner organization (...) and informal meetings between the partners" (p. 935; see also Martinez, 2003; Seitanidi & Crane, 2009). This study shows that most NPOs in the sample had indeed defined such a combined due diligence process and had implemented it in all of their national offices: they used a formal assessment to classify a corporate partner and the potential partnership according to standardized risk categories and then relied on internal meetings in senior management teams to make a decision whether to approve it or not by balancing the risks and opportunities of a potential partnership. Furthermore, the NPOs in the sample had created account manager positions to assure clear accountabilities and the constant monitoring of corporate partners and they had set-up global coordination teams to ensure alignment and that all national offices meet minimum standards.

To reduce the *risk of power asymmetry,* the NPOs in the sample focused on building and signaling their managerial expertise and professionalism and on leveraging their international know-how and experience. While prior nonprofit research noted that NPOs hire professionals and define formal roles to deal with hierarchical organizations such as companies in philantrophic relationships (Di Maggio & Powell, 1983; Hwang & Powell, 2009), this study found that NPOs developped entire teams with account managers and support staff in national offices, global coordination and support teams, and they created highly visible leadership roles to interact with corporate partners in cross-sector partnerships on an equal footing. Moreover, NPOs in the sample aimed to set themselves up as internal knowledge networks and signaled their unique expertise to become more attractive partners. Prior research suggests that the higher competitiveness among NPOs for attractive business partners than among business partners for attractive NPOs creates power imbalances in favor of companies (see chapter 2.4 and 2.5). Notably, the power of an nonprofit is "often unnecessarily under estimated" (Berger et al., 2004, p. 65) by the NPO itself. This study provides interesting avenues for future research by indicating that fostering internal knowledge exchange and developing global coordination mechanisms could help NPOs to substantiate their value proposition to companies and thereby reduce the risk of power asymmetry in partnerships (Hahn & Gold, 2014).

To limit the *risk of co-optation*, the NPOs in the sample stipulated standards across their organizations such as the use of formal contracts, minimum contract length, and the right to public commentary. Recent research points to the increasing need for NPOs to ensure accountability by relying on formal governance and evaluation processes in cross-sector partnerships to demonstrate the value for the participating organizations and society (Baur & Schmitz, 2012; Simpson et al., 2011; see also chapter 3.5). This study adds to this research by demonstrating that all NPOs in the sample relied on formal contracts for all of their partnerships with companies. Moreover, this study shows that most of the large NPOs in the sample required the use of formal baselines such as targets and KPIs in their partnership contracts and linked partnership targets to their organizations' strategic objective to legitimize their engagements (see also chapter 3.4 and 3.5). Future research is needed to explore how NPOs can minimize partnership risks by defining a clear strategy to direct their partnership engagements (Al Tabbaa et al., 2014). Notably, to demand contractual provisions from corporate partners, NPOs need to be in a good negotiation position (Baur & Schmitz, 2012; Gray & Stites, 2013). Therefore, implementing structural mechanisms to reduce the risk of power asymmetry (as outlined above) could also reduce the risk of co-optation—indicating how closely the different types of risks are linked and that NPOs need to rely on a combination of structural measures to manage the risks associated with cross-sector partnerships.

4.5.2. Implications for NPOs on Organization/ Sector-level

Another key insight is that the engagement in cross-sector partnerships has important structural implications for the nonprofit sector. Organizational research considers specialization (i.e., the extent to which dedicated roles exist in an organization to carry out specific activities), standardization/formalization (i.e., the extent to which rules and procedures are defined, regularly used, and legitimized by the organization) and centralization (i.e., the degree of autonomy of an organizational unit) as primary dimensions of an organization's structure (Pugh et al., 1968). This study demonstrates that NPOs engaged in partnerships with companies made changes to all three dimensions: (1) they dedicated specialized personnel across organizational hierarchies, (2) they standardized and formalized partnership related activities and (3) they partially centralized partnership related activities.

Cross-sector research has voiced concern regarding “the ability for NGOs to be engaged that are sufficiently endowed (resources, skills) to confront this complexity [of partnerships]” (Dahan et al., 2010b, p. 31). This study’s findings indicate that only the large sized, and some of the medium sized, NPOs in our sample had sufficient resources to dedicate specialized account manager teams in national offices and global coordination and support teams to interact with corporate partners on an equal footing. Due to their limited resources, the smaller NPOs only partially implemented structural measures to safeguard against the risks of partnerships. Future research is needed to assess whether these measures are sufficient for smaller NPOs or whether such NPOs have other options to safeguard against the risks of cross-sector partnerships. Eventually, the need for structural changes to safeguard against the risks of cross-sector partnerships could lead to a consolidation of the nonprofit sector.

Extant research points to the increasing convergence between the forprofit and the nonprofit sector (Dees & Anderson, 2003), for instance, due to the pursuit of business-like activities in NPOs (Dart, 2004) and “moves toward importing business models and practices” (Hwang & Powell, 2009, p. 271) in NPOs. This study indicates that, to manage the risks associated with partnerships with companies, NPOs use measures which are similiar to what has been reported in firm-firm alliance research such as formal, standardized due diligence procedures for partner selection and central alliance teams to ensure coordination (e.g., Kale & Singh, 2009; Kale et al., 2002). Notably, however, NPOs still retained the local decision making authority in national offices. More research is needed to understand the consequences for NPOs such as the implications for the motivation of the workforce, the potential loss of flexibility to adjust to local demands, and shifts in power balances within the organization—particularly between national offices and the international office. Moreover, there could be tensions between the parts of the organization relying on professionals, hierarchies, and the partial standardization and centralization of activities to manage cross-sector partnerships and the parts of the organizations relying on volunteers (Kreutzer & Jäger, 2010).

4.6. Conclusion

This study contributes to the cross-sector research by demonstrating how NPOs can manage the risks of cross-sector partnerships at the organization-level and by pointing to the structural implications for the nonprofit sector. In addition, this study provides guidance to practitioners by specifying the structural mechanisms that can be implemented in NPOs to safeguard against the key risk associated with engaging in cross-sector partnerships with companies.

Two limitations of this study require discussion. First, the sample of nonprofit organizations was rather small and consisted of a specific type of NPO. Building on the literature, which suggests particularly high risks for advocacy NPOs engaged in partnerships with large companies (e.g., Baur & Schmitz, 2012), I focused on these NPOs. While the sample provided rich insights on how such NPOs adjust structurally to manage the risks associated with their cross-sector partnerships with firms, more research is needed to consider a broader, larger sample of NPOs. Future research could use a survey based approach and ask about the specific measures identified in this study such as, for instance, the use of an account management team, a formal due diligence or of central coordination principles. Moreover, it would be interesting to better understand how smaller nonprofits (can) adjust structurally to manage partnership risks.

Second, this study does not assess the costs and effectiveness of implementing structural changes in NPOs to manage the risks in cross-sector partnerships. The structural changes identified in this study, in the context of cross-sector partnerships, are much more profound than the ones reported in prior nonprofit research (e.g., Di Maggio & Powell, 1983; Hwang & Powell, 2009). More research is needed to understand the implications for the nonprofit landscape.

5. Discussion and conclusion

This dissertation contributes to the extant literature by developing an understanding of the organization-level challenges related to the formation (study 1), evaluation (study 2), and risk management (study 3) of cross-sector partnerships for sustainability. Each study provides valuable insights to scholars and practitioners on the organizations' strategies, processes, and approaches to address those challenges. While the first two studies take the firm-level perspective, the third study takes the NPO-level perspective. The specific contributions of each study have been pointed out in the respective chapters. In the following, I will discuss the overarching theoretical implications of this dissertation and present avenues for further research.

5.1. Theoretical implications

This dissertation has two significant, overarching implications for the extant literature: it demonstrates the relevance of a portfolio view to cross-sector partnership management in firms as well as in NPOs and it builds critical links between the cross-sector partnership and the firm-firm alliance research (see Table 11).

Table 11. Main theoretical contributions of the dissertation

Implications	Main contributions of dissertation	Studies
Relevance of a portfolio view to cross-sector partnership management in firms and in NPOs	Empirical understanding of organizational challenges in cross-sector partnership management and how firms and NPOs address them	1-3
	Key insights on resource allocation decisions in firms by demonstrating firms' formation strategies and their evaluation practices of partnerships	1-2
	Key insights on organizational risk management in NPOs and structural implications of engaging in partnerships with firms	3
Critical links between cross-sector partnership and firm-firm alliance research	Propositions on drivers for a network-reinforcing strategy in firms to form cross-sector partnerships Propositions on conditions triggering an opportunity-driven partnership formation in firms	1
	Conceptual framework on formalization of internal and joint partnership evaluation process	2

Relevance of a portfolio view to cross-sector partnership management in firms and in NPOs. First, this dissertation adds to the cross-sector partnership research by developing an empirical understanding of organizational challenges in managing multiple cross-sector partnerships and on how firms and NPOs address those challenges. More than 15 years ago, Austin (2003) posited that "most nonprofits and corporations have multiple cross-sector relationships. To manage these strategically, it is useful to conceive of them as a portfolio" (p. 52). However, the focus of academic research has been on individual partnerships and there is little insight on how firms or NPOs (can) strategically build partnership portfolios or how they (can) adjust their processes and approaches at the organization-level to manage a growing number of partnerships (Babiak & Thibault, 2009; Van Tulder et al., 2014; Wassmer et al., 2012). The three studies empirically show the interdependencies of managing multiple partnerships in a firm or in an NPO (see also, Austin & Seitanidi, 2012b; Wassmer et al., 2012) and they underline the relevance of systematically and actively managing a partnership portfolio at the organization-level (see also, PrC, 2010; Van Tulder et al., 2014). The first study demonstrates that frontrunner firms build dense partnership portfolios with largely repeated and common third-party ties and long term-relationships to increase their resource leverage, minimize reputational risk, and achieve stakeholder recognition of the firm's partnership engagement. The second study shows the relevance of using formal evaluation practices in firms for guiding and aligning individual employees' actions and decision-making across a firm's partnerships. The third study draws attention to structural measures available to nonprofits which can help them minimize the risk of adverse visibility, the risk of power asymmetry and the risk of co-optation across their organizations' partnerships. Taking a portfolio view and an organization-level perspective to cross-sector partnership management in firms and in NPOs will become increasingly important for scholars and practitioners as the number of cross-sector partnerships per individual organization is expected to increase even further in the coming years (Gray & Stites, 2013; Kiron et al., 2015).

Second, and relatedly, this dissertation presents key insights on resource allocation decisions in firms by demonstrating firms' formation strategies and their evaluation practices of partnerships at the entity-level. Extant research suggests that the most critical resource provided by firms in cross-sector partnerships for sustainability is financial funding (e.g., Jamali & Keshishian, 2009; Sakarya et al., 2009). Therefore, as firms form more partnerships for sustainability, a key challenge is to effectively manage the firm's limited resources (Gray & Stites, 2013; Stadtler, 2011; Van Tulder et al., 2014). Corporate social responsibility (CSR) research underlines the importance for firms to take a strategic rather than an altruistic approach to sustainability management (Husted, 2003; Porter & Kramer, 2006; 2011) to ensure that firms' "social and environmental activities are implemented in an economically beneficial way" (Schaltegger & Burrit, 2018, p. 251). Considering the increased role of partnerships in implementing a company's corporate sustainability activities, it is critical to better understand how companies effectively allocate their resources to align corporate and social interests in partnership decision-making (Gray & Stites, 2013; Stadtler, 2011). Clearly, we need to know how such corporate social initiatives are managed to provide guidance on how they ought to be (Margolis & Walsh, 2003). Recent cross-sector partnership research has started to explore partnership strategies, capability development, and managerial decision-making at the firm-level (Dentoni et al., 2016; Stadtler & Lin, 2017). This dissertation advances the current cross-sector and CSR research by empirically showing that frontrunner firms take a strategic CSR or business case approach to cross-sector partnership formation and evaluation. The first study demonstrates how frontrunner firms leverage synergies across partnerships when choosing new cross-sector partners by relying on prior partner experience and recommendations from their networks to minimize search and coordination costs. The second study shows how frontrunner firms prioritize their resources by using formal evaluation practices to assess the benefits of their cross-sector partnerships relative to each other and to other sustainability projects.

Third, this dissertation provides key insights on organizational risk management in NPOs and the structural implications of engaging in partnerships with firms. Extant research emphasizes that NPOs offer social capital and legitimacy to their business partners in cross-sector partnerships for sustainability (Jamali & Keshishian, 2009; Sakarya et al., 2009). As NPOs engage in more partnerships with business partners, risk management becomes a key managerial challenge in NPOs, especially for advocacy NPOs (Austin & Seitanidi, 2012b; Herlin, 2015; Simpson et al., 2011). Building on organizational theory, the third study contributes to the cross-sector partnership research by specifying how advocacy NPOs (can) adjust structurally to manage the risks in partnerships with firms. The structural changes identified in this study, in the context of cross-sector partnerships, are much more profound than the ones reported in prior nonprofit research in the context of donor-recipient relationships (e.g., Di Maggio & Powell, 1983; Hwang & Powell, 2009). Advocacy NPOs in the sample made changes to three primary dimensions of their organizations‘ structure (Pugh et al., 1968): they dedicated specialized personnel across organizational hierarchies, they standardized and formalized partnership related activities and they partially centralized partnership related activities in international teams. The third study joins the conversation regarding an increasing convergence between the for-profit and the nonprofit sector (e.g., Dart, 2004; Dees & Anderson, 2003), points to the potential for tensions in NPOs, for instance, due to shifts in power balances within the organization between national offices and the international office, and discusses the implications for the nonprofit landscape.

Critical links between cross-sector partnership and firm-firm alliance research. Recent cross-sector partnership research "draws attention to the value of applying concepts from the business-to-business alliance literature to the context of cross-sector collaborations" (Murphy et al., 2015, p. 159) and to explore "how the extensive literature on B2B alliances can inform B2N alliances" (Rivera-Santos & Rufin, 2010, p. 55). This dissertation answers to these calls by building critical links between the two research streams regarding formation and evaluation processes.

First, the first study's propositions on firms' drivers for a network-reinforcing strategy to form cross-sector partnerships and the propositions on conditions triggering an opportunity-driven partnership formation in firms are novel additions to the literature on cross-sector partnerships and enrich firm-firm alliance formation research. Building on social network theory, firm-firm alliance research discusses two strategies for tie formation by differentiating between a network-reinforcing and a network-broadening formation (e.g., Beckman et al., 2004; Gulati, 1995; Ozcan & Eisenhardt, 2009). However, it provides only limited empirical insights to explain which organizational forces drive firms to use which strategy (e.g., Lavie & Rosenkopf, 2006; Parmigiani & Rivera-Santos, 2011). The first study contributes to this research by proposing three drivers—resource constraints, purpose of achieving internal and external recognition, and reputational risk—to explain firms' preference for a network-reinforcing strategy in the setting of cross-sector partnerships for sustainability. Moreover, it provides valuable insights to understanding tie and network formation in the context of cross-sector collaboration.

Notably, the first study helps to develop a better understanding that “network change is a two-way process” (Beckman et al., 2004, p. 272) by considering tie formation not only as a result of interdependence or as a focal firm’s action but also as partners’ actions. The first study adds a critical dimension to tie formation between organizations by distinguishing between search-driven and opportunity-driven formation. It proposes that who takes action and searches for a potential partner depends on who perceives a higher strategic importance to engage in a partnership and a higher competitiveness for partners. This corresponds to resource dependence theory, which indicates power and dependence as motivators for tie formation between organizations (e.g., Casciaro & Piskorski, 2005; Pfeffer & Salancik, 1978). Moreover, the study’s findings support arguments from previous research that a key difference between cross-sector partnerships and firm-firm alliances is the inherent power imbalance between the for-profit and the nonprofit sector (Herlin, 2015; Weber et al., 2017). While the firms in our sample often did not perceive the need to actively search for partners, the NPOs in our sample perceived a high urgency and competitive pressure to find new corporate partners. Interestingly, as subsequently also pointed out in the third study, this power imbalance can shift in favor of the NPO, for example, when an NPO has unique resources, such as specialized expertise, to tackle a sustainability challenge (Hahn & Gold, 2014).

Second, the second study’s conceptual framework on the formalization of the internal and joint partnership evaluation process in firms advances cross-sector partnership research and provides valuable insights to firm-firm alliance research: it demonstrates why firms reduce the dependency on individuals’ skills, experiences, or judgements by formalizing evaluation practices in the context of cross-sector partnership evaluation. While firm-firm, for-profit alliance research links the adoption of internal formal evaluation practices primarily to portfolio size (Hoffmann, 2005; Wassmer, 2010), the second study's qualitative-inductive approach allows for a finer-grained view on the drivers of formalization of evaluation practices in the context of cross-sector partnerships. Notably, two drivers (pressure for resource effectiveness and perceived necessity for alignment) are clearly linked to the growing number of cross-sector partnerships in firms, while the third driver (partnership is critical for reaching a strategic target) is linked to their strategic relevance. Interestingly, the formal evaluation practices used by firms in our sample in the context of cross-sector partnerships, for instance, predefined targets, central coordination teams, and standardized databases, are essentially similar to what has been described in firm-firm alliance research (e.g., Heimeriks et al., 2009; Hoffmann, 2005; Kale et al., 2002). This indicates the potential for firms to leverage their existing skills in evaluating firm-firm alliances when evaluating cross-sector partnerships. More than a decade ago, Rondinelli and London (2003) underlined that managers must "both effectively utilize the firm's existing competencies in intra-sector (business-business) alliances and develop the new skills needed to make cross-sector (business-NPO) alliances succeed" (p. 63). However, much of the extant research focuses on the "new skills" by emphasizing the additional complexities of cross-sector partnerships at the partnership-level (e.g., Berger et al., 2004; Le Ber & Branzei, 2010). The second study indicates the firms' potential for organizational learning by leveraging these competencies but also raises critical questions, for instance, whether the societal value of cross-sector partnerships is adequately reflected in such evaluations. Moreover, the study underlines the importance of assessing the influence of formalization on partnership managers' attitudes (Kolk et al., 2016), as "excessive monitoring can demotivate employees with altruistic profiles" (Rivera-Santos et al., 2017, p. 868). Adler and Borys' (1996) suggest that firms can design formal mechanisms to enable employees to work more effectively by providing access to accumulated organizational learning—rather than to coerce compliance—which could be particularly relevant in the context of cross-sector partnership management.

5.2. Avenues for further research

Each study points out interesting avenues for further research in the respective chapters. Overall, this dissertation underlines the relevance for scholars and practitioners of taking a portfolio perspective in cross-sector management. As Tulder et al. (2016) recently pointed out: “the question facing many actors in society has shifted from one of whether partnerships with actors from other sectors of society are relevant, to one of how they should be formed, organized, governed, intensified, and/or extended.” (p. 2). This dissertation provides initial critical insights on firms’ strategies to form partnerships, on evaluation processes underlying firms’ decisions to intensify or extend partnerships as well as on NPO’s organizational set-up to manage the risks of such partnerships. More research is needed on the effective governance and organization of partnership portfolios in firms and in NPOs (PrC 2010, 2011). It is highly relevant to address this lack of understanding as an effectively managed portfolio of partnerships for sustainability not only benefits the respective firm or NPO but could ultimately enhance the social and environmental outcomes of partnerships (Kale & Singh, 2009). For instance, the first study in this dissertation indicates that synergies can be leveraged across an organization’s partnerships so that an entity of partnerships can create more impact than isolated collaborations. Building on the insights from firm-firm alliance portfolio research, future cross-sector partnership research could explore how firms and NPOs can configure optimal partnership portfolios by considering for instance, the number of partners, the linkage intensity, and the resource profile of partners (Hoffmann, 2007; Wassmer, 2010). Moreover, future research should not only consider the success of a specific partnership but also question whether the portfolio of an organizations' partnerships meets the organization's strategic goals (Hoffmann, 2005; Van Tulder et al., 2014).

The propositions on partnership formation strategies (study 1), the conceptual framework on the formalization of internal and joint partnership evaluation processes (study 2), and the presentation of the links between structural adjustments in NPOs and partnership risks (study 3) provide interesting avenues for future studies. Notably, cross-sector partnership research increasingly draws attention to the fragmentation of the field and the lack of clear frameworks to support future research (Austin & Seitanidi, 2012a; 2012b; Crane & Seitanidi, 2014; Wassmer et al., 2012). This is particularly relevant to cross-sector partnership evaluation research where "words, concepts, and definitions are embraced with sometimes limited reference to each other (…) [preventing] a productive conversation" (Van Tulder et al., 2016, p. 2). The second study provides a comprehensive, empirically grounded characterization of the evaluation process based on five dimensions: (1) Timing, (2) Baseline, (3) Type of assessment, (4) Governance and (5) Reporting. Future research can build on these dimensions to assess, for instance, the internal evaluation process in NPOs. This would help enter into a more focused dialogue to further advance our understanding of how organizations address the critical challenge of rigorously evaluating their cross-sector partnerships (Seitanidi & Crane, 2009; Van Tulder et al., 2016; Wassmer et al., 2012). Moreover, the differentiation between formal practices (i.e., those based on prescribed rules, systems, and procedures) and informal practices (i.e., those highly dependent on individual partnership managers' skills, experience, or judgement) could be applied to explore the relevance and use of formal practices in other aspects of cross-sector partnership management in firms, as well as in NPOs.

5.3. Conclusion

In conclusion, this dissertation assessed the challenges of managing multiple cross-sector partnerships at the organization-level of analysis. The findings add to the extant literature by offering critical insights into firms' formation strategies and evaluation processes and into NPOs' risks management approaches. The three studies underline the relevance of taking a portfolio view to cross-sector partnership management by empirically showing the interdependencies of managing multiple partnerships in a firm or in an NPO and the need for coordination and alignment at the organization-level. Moreover, this dissertation advances the cross-sector partnership research and enriches firm-firm alliance (portfolio) research by building critical links between the two research streams particularly regarding the organizational drivers for forming new ties within the network and for formalizing evaluation practices. Overall, the three studies offer interesting avenues for further research by developing conceptual frameworks and propositions. Moreover, they provide guidance to corporate and nonprofit managers on meeting organizational challenges that will become even more relevant in the future as the number of cross-sector partnerships for sustainability increases further.

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Appendix I: Overview of sample and interview rounds

IR	Organization	Interviewee(s)	Length (mins)	No[a] in study 1	No[b] in study 2	No study 3
1	Utility company	Head of Sustainability Management	93	F1	F15	n/a
1	Global non-alcoholic beverage company	General Manager Sustainability Germany	62	F2	F7	n/a
1	Global consumer & industrial goods company	Manager Global Sustainability *and* Manager Corporate Sustainability	52	F3	F9	n/a
1	Multinational retail & specialty retail chain	Head of Sustainability Near/Non Food *and* Label & Sustainability Specialist	68	F4	F6	n/a
1	Global food packaging & processing company	Manager Environment Germany	75	F5	F10	n/a
1	Multinational furniture retailer	Manager Sustainability & Communities Germany	35	F6	F5	n/a
1	Multinational coffee & clothing retailer	Category Leader Product & Strategy, CSR	52	F7	F3	n/a
2	Multinational manufacturer of natural cosmetics	Head of Sustainability Management Germany	50	F8	F13	n/a
2	Multinational dairy cooperative	Director Communication & Sustainability	28	F9	F12	n/a
2	Multinational food retailer	Manager Sustainable Products	29	F10	F2	n/a
2	Global footwear & clothing company	Head of Corporate Sustainability	32	F11	F14	n/a
2	Global alcoholic beverage company	Manager Corporate Social Responsibility	35	F12	F11	n/a
2	Multinational clothing & outdoor company	Head of Sustainability Management	30	F13	F17	n/a
2	Global consumer goods & healthcare company	Manager Sustainability	34	F14	F8	n/a
2	Global luxury fashion company	Senior Head Global Sustainability	20	F15	F16	n/a
2	Global food & agriculture company	Director Corporate Responsibility & Partnerships	29	F16	F4	n/a
2	Global food, beverage & personal care company	Director Sustainability Benelux	28	F17	F1	n/a
3	Multinational organization for conservation of nature parks	Head of Corporate Partnerships Germany	59	N1	N1	N1
3	Multinational foundation for sustainable farming	Head of Department Partnerships	28	N2	N2	N2
3	Foundation for integration of migrants	Managing Director	32	N3	N3	N3
3	Research institute for sustainable technologies	Project Coordinator	59	N4	N4	excluded
3	Global humanitarian organization for emergency relief	Head of Corporate Partnerships & Major Donors Netherlands	45	N5	N5	N4
3	Multinational humanitarian organization to alleviate hunger	Board member responsible for communication	28	N6	N6	N5
3	Global conservation organization	Senior Manager Corporate Sustainability Switzerland	48	N7	N7	N6
3	Multinational humanitarian organization to protect children	Manager Corporate Partnerships & Foundations Germany	52	N8	N8	N7
3	Multinational organization for responsible agricultural products	Business Development Manager Switzerland	36	N9	N9	N8
3	Multinational humanitarian organization to protect children	Head of Corporate Partnerships Switzerland	58	N10	N10	N9
3	Research institute for corporate sustainability management	Head of Institute	31	N11	N11	excluded
3	Global conservation organization for sustainable forest management	Head of Corporate Key Account Management Team	29	N12	N12	N10
3	Global humanitarian organization to provide development support	Head of Strategic Partnerships UK	31	N13	N13	N11
3	Foundation for the interest of future generations	Program Manager Netherlands	35	N14	N14	N12

Notes: IR refers to interview rounds. The first two interview rounds were with firms, the third round was with NPOs.
In total, the author collected more than 22 hours of interview material or roughly 161,000 words (interview transcripts).
[a] Firms sorted chronologically. [b] Firms sorted according to size of cross-sector partnership portfolio.

Appendix II: Interview guideline used in 1st and 2nd round of firm interviews

Please note, that we tailored the interview guideline for each organization based on upfront desk research of respective organization's engagement in cross-sector partnerships. We shared a tailored interview guideline of the main questions with most interviewees a few days ahead of the interview. We selected follow up questions (indented) based on the interviewees' responses.

We adjusted our interview guideline slightly after analyzing the first round of firm interviews in order to include, for instance, to include more targeted questions on the underlying reasons for active partner search compared to reacting to partnership proposals from NPOs and on the use of specific formal practices in the evaluation process. Questions added in the second round of firm interviews are depicted in Italics.

Introduction to research topic and background of interviewee

In our study, we are looking at cross-sector partnerships for sustainability defined as initiatives on which companies and nonprofit organizations work together to address sustainability issues. For example, your company's partnerships with …

1. Could you kindly give me some background information on your current function as … and on your experience in dealing with cross-sector partnerships for sustainability? Which types of cross-sector partnerships is your firm engaged in?

Motivation to engage in cross-sector partnerships for sustainability and link to strategy

2. Why is your firm engaged in cross-sector partnerships for sustainability?
3. How has your portfolio of cross-sector partnerships evolved over the past years?
4. Do you have a cross-sector partnership strategy or vision?
    - Can you elaborate on it?
    - How are your cross-sector partnerships linked to your sustainability strategy?
    - Do you have goals specified for each cross-sector partnership? Why (not)? Can you provide examples?

Management and evaluation of cross-sector partnerships for sustainability

5. How is your team set up, how do you manage your cross-sector partnerships?
6. How do you coordinate the range of different cross-sector partnerships at the local, regional, and global level?
    - Do you have guidelines/ an overarching policy for cross-sector partnerships in your company? Why (not)?
    - Are your cross-sector partnerships managed individually or as a portfolio?
7. How do you evaluate your cross-sector partnerships?
    - Why do you apply this method of evaluation?
    - How often do you evaluate your cross-sector partnerships?
8. How do you define partnership success?
    - Do you measure the success of your cross-sector partnerships? Why (not)? How?
    - *Do you have partnership targets or key performance indicators (KPIs) in place? Why (not)? Can you give examples of targets or KPIs?*
9. *Is there a person/a department responsible for keeping an overview across all cross-sector partnerships?*
    - *Do you have any tools or systems such as databases to track your partnerships? Why (not)?*
    - Who/which department decides to extend or to exit an existing partnership?
10. Do you jointly evaluate partnerships with your nonprofit partners?
    - Why (not)?
    - How? Can you provide examples?

- How often do you jointly evaluate?

11. Do you jointly measure or track partnership success with your nonprofit partners?
    - Why (not)?
    - How? Can you provide examples?
    - *Do you establish partnership targets or key performance indicators (KPIs) jointly with your nonprofit partners? Why (not)? Can you provide examples?*

Formation of cross-sector partnerships for sustainability and portfolio characteristics

12. How do new cross-sector partnerships form?
    - Can you describe the process/provide an example of entering into a new partnership with a nonprofit organization?
    - How do you find a nonprofit partner?
    - How do you hear about new opportunities for partnerships?
13. *What determines how new cross-sector partnerships form?*
    - *In which circumstances do you initiate a search for a nonprofit partner?*
    - *In which circumstances are you approached by nonprofit partners with partnership proposals?*
14. What are the most important criteria when selecting nonprofit partners?
    - Where do you get information to assess the suitability of a nonprofit partner?
    - Who/ which department approves the budget for a new cross-sector partnership?
15. *Do you consider recommendations of other partners (such as business partners)?*
    - *Why (not)?*
16. How do you organize your cross-sector partnerships?
    (→ Questions selected based on upfront desk research of respective firm's portfolio)
    - Do you have many initiatives with the same nonprofit partner at the same time/ over time? Why (not)?
    - Do you have many partnerships with the same/similar purpose? Why (not)?
    - Do you focus on selected issues? Why (not)?
    - Do you replicate partnerships/projects in different countries? Why (not)?
    - Do you have flagship partnership projects? Why (not)?
    - Do you have big/renowned nonprofit partners on board? Why (not)?
    - Do you have a mix in types of cross-sector partnerships? Why (not)?
    - Do you have a mix in types of nonprofit partners? Why (not)?

Appendix III: Interview guideline used in 3rd round of NPO interviews

Please note, that we tailored the interview guideline for each organization based on upfront desk research of respective organization's engagement in cross-sector partnerships. We shared a tailored interview guideline of the main questions with most interviewees a few days ahead of the interview. We selected follow up questions (indented) based on the interviewees' responses.

We adjusted our guideline from the firm interviews to include specific questions aimed at triangulation.

Introduction to research topic and background of interviewee

> In our study, we are looking at cross-sector partnerships for sustainability defined as initiatives on which companies and nonprofit organizations work together to address sustainability issues. For example, your organization's partnerships with …
> In my first interviews, I looked at the company perspective, I also talked to companies in your network, for example: ... Now, I am interested in the "other side", the nonprofit perspective: how you manage your cross-sector partnerships and how you perceive your corporate partners manage them.

1. Could you kindly give me some background information on your current function as … and on your experience in dealing with cross-sector partnerships for sustainability?

Motivation to engage in cross-sector partnerships for sustainability and link to strategy

2. Why is your organization engaged in cross-sector partnerships for sustainability?
3. How has your portfolio of cross-sector partnerships evolved over the past years?
4. Do you have a cross-sector partnership strategy or vision?
    - Can you elaborate on it?
    - Do you have goals specified for each cross-sector partnership? Why (not)? Can you provide examples?
5. As a nonprofit, what are the specific challenges regarding your cross-sector partnerships?
6. What do you consider as main risks?
    - How do you safeguard against the risks?
7. Regarding your corporate partners, what do they look for when they engage in cross-sector partnerships with you?
    - What do they emphasize as being important to them?

Management and evaluation of cross-sector partnerships for sustainability

8. How is your team set up, how do you manage your cross-sector partnerships?
9. Do you coordinate among your national offices (and the central office/international team) regarding your cross-sector partnerships?
    - How? Why (not)?
    - Do you have an overarching policy/guidelines for cross-sector partnerships in your organization? Why (not)?
10. When you talk to your corporate partners, who/which department do you interact with?
11. Have your corporate partners informed you of any of their general guidelines/policies on cross-sector partnerships?
12. How do you internally evaluate your cross-sector partnerships?
    - Why do you apply this method of evaluation?
    - How often do you internally evaluate your cross-sector partnerships?
    - Do you have any tools or systems such as databases to track your cross-sector partnerships? Why (not)?
13. With your corporate partners, do you jointly evaluate your cross-sector partnerships?

- Why (not)? How? Can you provide examples?
- How often do you jointly evaluate your cross-sector partnerships?

14. Do you jointly measure/track partnership success with your corporate partners?
    - Why (not)?
    - How? Can you provide examples?
    - Do you establish partnership targets or key performance indicators (KPIs) together with your corporate partners? Why (not)? Can you provide examples?
    - Do you agree on partnership exit criteria with your corporate partners? Why (not)?
15. Do you know, if/how your corporate partners evaluate you?
    - How regularly?
    - What questions do they ask you?

Formation of cross-sector partnerships and portfolio characteristics

16. How do new partnerships form?
    - Can you describe the process/provide an example of entering into a new partnership with a company?
    - Who approached whom?
    - How did you approach them? Or how did they approach you?
    - How do you decide which company you would like to approach for a specific initiative? What is an attractive corporate partner for you?
    - How do you hear about new opportunities for partnerships?
17. What determines how new cross-sector partnerships form?
    - In which circumstances do you initiate a search for a corporate partner?
    - In which circumstances are you approached by corporate partners with partnership proposals?
18. What are your most important criteria when selecting corporate partners?
    - Where do you get information to assess the suitability of a corporate partner?
    - Do you have a due diligence process? Why (not)?
    - Who approves a corporate partner?
19. Do you consider recommendations of previous partners/other partners?
    - Why (not)?
20. How do you think your corporate partners select you?
    - What do you perceive is important to them?
    - What questions do they ask you?
    - Do you feel that it is important to your corporate partners whether or not your organization has been recommended to them?
21. How do you organize your cross-sector partnerships?
    (→ Questions selected based on upfront desk research of respective NPO's portfolio)
    - Do you have many partnerships with the same corporate partner at the same time/over time? Why (not)?
    - Do you have many partnerships on the same issue? Why (not)?
    - Do you replicate partnerships/projects in different countries? Why (not)?
    - Do you have big/renowned corporate partners on board? Why (not)?
    - Do companies express their interest to have a long-term partnership with you?

Appendix IV: Secondary data sources in addition to organizations' websites (study 1)

Organization	Secondary data sources[a]
F1	- Integrated annual report 2013 - Firm's sustainability blog - Strategy paper (2015): Sustainability mission* - Strategy paper (2015): Stakeholder mapping*
F2	- Sustainability report 2014/2015 (Global) - Sustainability report 2013 (Germany)
F3	- Sustainability report 2014
F4	- Integrated annual report 2014 - Partnership report 2013
F5	- Sustainability report 2014 - Partnership descriptions (published case studies)
F6	- Sustainability report 2014 (Global) - Sustainability report 2013 (Germany) - Strategy paper (June 2014): Sustainability strategy for 2020 - Partnership descriptions (published case studies)
F7	- Sustainability report 2014 - Strategy paper (May 2014): Sustainability strategy insights
F8	- Integrated annual report 2014
F9	- Sustainability report 2014 - Strategy paper (February 2016): Partnerships and sponsoring*
F10	- Sustainability report 2015 - Partnership descriptions (published case studies)
F11	- Integrated annual report 2014
F12	- Sustainability report 2015 - Partnership report 2014 - Partnership descriptions (published case studies)
F13	- Sustainability report 2014 - Partnership descriptions (published case studies)
F14	- Sustainability report 2014 - Strategy paper: Measuring sustainability performance* - Strategy paper (May 2016): Sustainability goals for 2020 - Partnership descriptions (published case studies)
F15	- Sustainability report 2014 - Final report (January 2016): Partnership report on sector risks
F16	- Sustainability report 2015 - Partnership descriptions (published case studies) - Press report (June 2016): Partnerships' role to reach SDGs - Press report (May 2015): Partnership success factor
F17	- Integrated annual report 2015 - Sustainability and partnership report 2015 (Global) - Sustainability and partnership report 2015 (Benelux) - Partnership descriptions (published case studies)
N1	- Final report (August 2015): Online corporate engagement platform* - Partnership descriptions (published case studies)
N2	- Annual report 2015 - Partnership descriptions (published case studies)
N3	- Press interview (April 2012): Managing director outlines foundation's strategy

Organization	Secondary data sources[a]
N4	- Strategy paper: Corporate partner liaison network
N5	- Annual report 2015 - Strategy paper (2016): Strategy 2017-2020 - Partnership descriptions (published case studies)
N6	- Report (2016): Facts and figures 2014-2015
N7	- Annual report 2016 (global) - Annual report 2014/2015 (Switzerland) - Corporate partnerships report 2016 (global) - Corporate partnerships report 2015 (Switzerland) - Partnership descriptions (published case studies)
N8	- Annual report 2015 (global) - Annual report 2015 (Germany) - Corporate partnerships report 2016 (global) - Partnership descriptions (published case studies)
N9	- Annual report 2015 (Switzerland) - Information brochure for corporate partners - Partnership descriptions (published case studies)
N10	- Annual report 2015 (global) - Annual report 2015 (Switzerland) - Corporate partnerships report 2016 (global) - Partnership descriptions (published case studies)
N11	- Information brochure for corporate partners 2016
N12	- Annual report 2015 - Strategy paper (March 2012): Key account management factsheet - Partnership descriptions (published case studies)
N13	- Strategy paper: Program strategy 2020 - Partnership descriptions (published case studies) - Press report (September 2016): Implementation guide for companies - Press report (October 2016): Emerging best practices for partnerships
N14	- Annual report 2015 - Financial report 2015 - Partnership descriptions (published case studies)

Notes: Organizations' websites were analyzed for all firms and NPOs. Relevant information was extracted and archived by the authors on organizations' background, sustainability strategy, and partnerships.
* Depicts internal documents provided by interviewees, all other documents were publicly available.
[a] Refers to global if not specified differently. Organizations' latest sustainability/integrated annual reports were always assessed. Other sources on partnerships (e.g., partnership reports, case studies, strategic papers) were accessed whenever publicly available and/or when provided by interviewees.

Appendix V: Further quotes on drivers inducing frontrunner firms to pursue a network-reinforcing strategy (study 1)

Theme	Representative quotations of firms and NPOs (*NPO quotations are in italics*)
Constraint driven: Ia. Maximize resource leverage by expanding and replicating partnerships with existing partners	"I'll call it efficiency, it could also be called cost pressure (...) many advantages, a partnership where you don't have to start from scratch, you don't need to explain everything, saves time and is a lot more efficient" (F3) "there is only a small number of us, so we can't have a hundred partnerships, we are very specific in the ones that we can really build a long-term collaboration with (…) sometimes we will continue to work in the same countries with these partners because we are really trying to achieve a longer term impact or (…) look at where else it might work" (F16) *"if you look at the time that's needed to create a partnership, that's an investment that both organizations need to do (...) perspective of return on investments it's worthwhile to keep on investing in it, because you know each other you know the processes of each other" (N5)*
Recognition driven: Ib. Ensure recognition of commitment by renewing and extending partnerships with existing partners	"In the past it happened that people were jumping on every amiable initiative that came along, nobody really had the overview and consumers couldn't tell what the brand was actually supporting (…) we went through a process overtime to bring much more focus in all the partnerships we have, ensure partnerships are close to our business, to increase our impact. That holds for all levels of the business: global, functional (e.g. supply chain related) local and brands" (F17) "it is a continuous process of investing (…) my first worry is of course to get my colleagues enthusiastic about these partnerships (…) they are rolling this out to other countries" (F9) "we aim to engage employees as volunteers for our strategic social partners" (F9s) *"it has changed how companies approach such partnerships, they don't want to only do some good deed once, like a helicopter, but they look for a longer engagement, they want to communicate on it and demonstrate the positive impact of their contribution" (N3)*
Risk driven: Ic. Minimize reputational risks by partnering with tested NPO partners	"We have quite a reputation to lose. So if we simply say we do this and start working with somebody and it turns out to be a rather shady organization or it can be easily criticized then, of course, it will immediately reflect on us, so we need to have a close look at it (...) we ask other partners (...) our clients (…) one can always start small pilot projects" (F2) *"This first step that is the most difficult one. Once you are in a partnership, a lot is possible (...) But, this cold calling is really very arduous, it is very difficult" (N1)* "*We try very hard [to get recommended], because one has a certain reputation as an organization (...) we also have many corporate representatives in our Board that get us in touch. It's not like we are getting selected because we have that person in our Board, but it gives us the opportunity to present our partnerships ideas and to initiate discussions" (N8)*

Appendix VI: Further quotes on conditions triggering frontrunner firms to form opportunity-driven partnerships (study 1)

Theme	Representative quotations of firms and NPOs (*NPO quotations are in italics*)
IIa. Lower strategic importance of partnerships for firms than for NPOs makes NPOs more active in partnership formation	"At the moment, we are focusing on the partnerships we have to manage them as good as possible. We are currently working on a new strategy, and when that's done, we might look for additional partners—possibly" (F8)
	"There has never been a stronger sense of urgency for action. We are working on new ways to collaborate to make a difference at a scale that matters (…) Companies shape much of the global economy, so we believe that they also have a specific responsibility (…) We form partnerships with companies to achieve our conservation goals" (N7s)
	"Decided that corporate fundraising has more potential and needed more dedication (…) three people fully dedicated on corporate partnerships (…) have some acquisition targets and activities." (N5)
IIb. Higher competition among NPOs for attractive firms than vice versa makes NPOs more active in partnership formation	"Due to the fact that we are very visible and that we bring a very visible product to the market worldwide, the interest of many different NGOs (…) is certainly great—and perhaps also the desire to work together with such a partner as we are" (F5).
	"I think that's more a dynamic for us in terms of expansion: it's quite competitive in terms of who else is out there eyeing for setting up those partnerships" (N13)
	"We dedicate a lot of time and effort trying to reach out and to acquire companies as partners (…) it is certainly our greatest challenge in Switzerland, that our visibility is relatively low (…) It is the reality that it usually takes years of negotiation and it is very tough to get in touch and to get access to companies." (N10)

Appendix VII: Secondary data sources in addition to organizations' websites (study 2)

Organization	Secondary data sources[a]
F1	- Integrated annual report 2015 - Sustainability and partnership report 2015 (Global) - Sustainability and partnership report 2015 (Benelux) - Partnership descriptions (published case studies)
F2	- Sustainability report 2015 - Partnership descriptions (published case studies)
F3	- Sustainability report 2014 - Strategy paper (May 2014): Sustainability strategy insights
F4	- Sustainability report 2015 - Partnership descriptions (published case studies) - Press report (June 2016): Partnerships' role to reach SDGs - Press report (May 2015): Partnership success factor
F5	- Sustainability report 2014 (Global) - Sustainability report 2013 (Germany) - Strategy paper (June 2014): Sustainability strategy for 2020 - Partnership descriptions (published case studies)
F6	- Integrated annual report 2014 - Partnership report 2013
F7	- Sustainability report 2014/2015 (Global) - Sustainability report 2013 (Germany)
F8	- Sustainability report 2014 - Strategy paper: Measuring sustainability performance* - Strategy paper (May 2016): Sustainability goals for 2020 - Partnership descriptions (published case studies)
F9	- Sustainability report 2014
F10	- Sustainability report 2014 - Partnership descriptions (published case studies)
F11	- Sustainability report 2015 - Partnership report 2014 - Partnership descriptions (published case studies)
F12	- Sustainability report 2014 - Strategy paper (February 2016): Partnerships and sponsoring*
F13	- Integrated annual report 2014
F14	- Integrated annual report 2014
F15	- Integrated annual report 2013 - Firm's sustainability blog - Strategy paper (2015): Sustainability mission* - Strategy paper (2015): Stakeholder mapping*
F16	- Sustainability report 2014 - Final report (January 2016): Partnership report on sector risks
F17	- Sustainability report 2014 - Partnership descriptions (published case studies)
N1	- Final report (August 2015): Online corporate engagement platform* - Partnership descriptions (published case studies)
N2	- Annual report 2015 - Partnership descriptions (published case studies)
N3	- Press interview (April 2012): Managing director outlines foundation's strategy

Organization	Secondary data sources[a]
N4	- Strategy paper: Corporate partner liaison network
N5	- Annual report 2015 - Strategy paper (2016): Strategy 2017-2020 - Partnership descriptions (published case studies)
N6	- Report (2016): Facts and figures 2014-2015
N7	- Annual report 2016 (global) - Annual report 2014/2015 (Switzerland) - Corporate partnerships report 2016 (global) - Corporate partnerships report 2015 (Switzerland) - Partnership descriptions (published case studies)
N8	- Annual report 2015 (global) - Annual report 2015 (Germany) - Corporate partnerships report 2016 (global) - Partnership descriptions (published case studies)
N9	- Annual report 2015 (Switzerland) - Information brochure for corporate partners - Partnership descriptions (published case studies)
N10	- Annual report 2015 (global) - Annual report 2015 (Switzerland) - Corporate partnerships report 2016 (global) - Partnership descriptions (published case studies)
N11	- Information brochure for corporate partners 2016
N12	- Annual report 2015 - Strategy paper (March 2012): Key account management factsheet - Partnership descriptions (published case studies)
N13	- Strategy paper: Program strategy 2020 - Partnership descriptions (published case studies) - Press report (September 2016): Implementation guide for companies - Press report (October 2016): Emerging best practices for partnerships
N14	- Annual report 2015 - Financial report 2015 - Partnership descriptions (published case studies)

Note. Organizations' websites were analyzed for all firms and NPOs. Relevant information was extracted and archived by the authors on organizations' background, sustainability strategy, and partnerships.

* Depicts internal documents provided by interviewees, all other documents were publicly available.

a. Refers to global if not specified differently. Organizations' latest sustainability/ integrated annual reports were always assessed. Other sources on partnerships (e.g., partnership reports, case studies, strategic papers) were accessed whenever publicly available and/or when provided by interviewees.

Appendix VIII: Secondary data sources in addition to organizations' websites (study 3)

Organization	Secondary data sources[a]
N1	- Final report (August 2015): Online corporate engagement platform* - Partnership descriptions (published case studies)
N2	- Annual report 2015 - Partnership descriptions (published case studies)
N3	- Press interview (April 2012): Managing director outlines foundation's strategy
N4	- Annual report 2015 - Strategy paper (2016): Strategy 2017-2020 - Partnership descriptions (published case studies)
N5	- Report (2016): Facts and figures 2014-2015
N6	- Annual report 2016 (global) - Annual report 2014/2015 (Switzerland) - Corporate partnerships report 2016 (global) - Corporate partnerships report 2015 (Switzerland) - Partnership descriptions (published case studies)
N7	- Annual report 2015 (global) - Annual report 2015 (Germany) - Corporate partnerships report 2016 (global) - Partnership descriptions (published case studies)
N8	- Annual report 2015 (Switzerland) - Information brochure for corporate partners - Partnership descriptions (published case studies)
N9	- Annual report 2015 (global) - Annual report 2015 (Switzerland) - Corporate partnerships report 2016 (global) - Partnership descriptions (published case studies)
N10	- Annual report 2015 - Strategy paper (March 2012): Key account management factsheet - Partnership descriptions (published case studies)
N11	- Strategy paper: Program strategy 2020 - Partnership descriptions (published case studies) - Press report (September 2016): Implementation guide for companies - Press report (October 2016): Emerging best practices for partnerships
N12	- Annual report 2015 - Financial report 2015 - Partnership descriptions (published case studies)

Notes: Organizations' websites were analyzed for all NPOs. Relevant information was extracted and archived by the author on organizations' structure and engagement in cross-sector partnerships.
* Internal document provided by interviewee, all other documents were publicly available.
[a] Refers to global if not specified differently. NPOs' latest annual reports were always assessed (when available). Other sources on partnerships (e.g., partnership reports, case studies, strategic papers) were accessed whenever publicly available and/or when provided by interviewees.

Statement regarding authors' contribution in studies with co-authors

PhD candidate: Feilhauer, Sylvia

Co-author: Hahn, Rüdiger

Title of study: Firm-nonprofit collaboration: Explaining the rationale behind firms' cross-sector partner choices[1]

Relative contribution of authors:

Sylvia Feilhauer: 80%

Rüdiger Hahn: 20%

The PhD candidate, Sylvia Feilhauer, contributed to the study as stated below:

- Idea generation and formulation of overarching research goals and aims
- Development of methodology
- Conducting the research process: literature research, preparing/setting up & conducting of expert interviews
- Abductive analysis of data
- Writing original draft
- Visualization and presentation of data and published work

The co-author Rüdiger Hahn supported the PhD candidate in the idea generation phase and in developing the methodology. He validated the research outputs, critically reviewed and revised the original and subsequent drafts, and actively engaged in the publication and review process. He provided oversight and mentorship to the PhD candidate throughout the research process.

Düsseldorf,

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[1] Published as: Feilhauer, S., & Hahn, R. (2019). Firm-nonprofit collaboration: Explaining the rationale behind firms' cross-sector partner choices. *Long Range Planning*, in Press, https://doi.org/10.1016/j.lrp.2019.101952

Statement regarding authors' contribution in studies with co-authors

PhD candidate: Feilhauer, Sylvia

Co-author: Hahn, Rüdiger

Title of study: Formalization of firms' evaluation processes in cross-sector partnerships for sustainability[2]

Relative contribution of authors:

Sylvia Feilhauer: 80%

Rüdiger Hahn: 20%

The PhD candidate, Sylvia Feilhauer, contributed to the study as stated below:

- Idea generation and formulation of overarching research goals and aims
- Development of methodology
- Conducting the research process: literature research, preparing/setting up & conducting of expert interviews
- Inductive analysis of data
- Writing original draft
- Visualization and presentation of data and published work

The co-author Rüdiger Hahn supported the PhD candidate in the idea generation phase and in developing the methodology. He validated the research outputs, critically reviewed and revised the original and subsequent drafts, and actively engaged in the publication and review process. He provided oversight and mentorship to the PhD candidate throughout the research process.

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