

Simple vernis ou avantage concurrentiel? Une étude empirique des alliances pour la RSE entre les entreprises commerciales et les ONG

Résumé :

Les stratégies de développement durable jouant un rôle majeur dans le milieu des affaires d'aujourd'hui, les entreprises cherchent à trouver des solutions véritablement écologiques en lien avec leur activité principale. Les organisations non gouvernementales (ONG) représentent un remède pour divers problèmes concernant le développement durable et les entreprises se tournent progressivement vers la coopération avec ces dernières.

Sur la base de l'analyse de 96 coopérations entre entreprises et ONG, nous démontrons que les alliances sont adaptées pour générer des avantages concurrentiels pour les entreprises, quels facteurs contribuent à leur succès et que la radicalité des ONG influence de manière significative les facteurs à l'étude dans notre modèle.

Mots-clés : Alliances stratégiques, ONG, RSE, développement durable.

Fig Leaf or Competitive Advantage? An Empirical Investigation on CSR-Alliances between Retail Companies and NGOs

Abstract :

Since sustainable strategies play a major role in today's business landscape, companies are seeking to contrive truly green solutions with regard to their core business. Non-governmental organisations (NGOs) increasingly crystallise as a remedy for miscellaneous problems concerning sustainability and companies progressively focus on cooperation with them.

Based on the analysis of 96 firm-NGO-cooperations, this paper investigates whether such alliances are suited to generate competitive advantages for companies, and which factors contribute to their success. We demonstrate that CSR-alliances are able to entail competitive advantages and that the radicalness of NGOs significantly influences the factors under examination in our model.

Key-words: Strategic alliances, NGOs, CSR, sustainability.

Management Summary

The purpose of this research project is to empirically analyse the success factors and outcomes of CSR-alliances – i.e. different forms of cooperation between retail companies and non-governmental organisations (NGOs), such as environmental organisations (e.g. WWF) or relief organisations (e.g. Red Cross) – from a company's perspective. The facets of these kinds of collaborations range from corporate philanthropy, sponsoring activities, cause related marketing and (eco-)labelling up to quite intensive forms of cooperation, like joint product developments, and are increasingly gaining in strategic relevance. A good example for these kinds of relationships is the strategic partnership between EDEKA and WWF, existing since 2012 in Germany and focusing on many different sub-projects, like sustainable fishery, sustainable forestry or sustainable palm oil (EDEKA 2013). In the context of cooperation, firms should also consider the huge variety of NGO-strategies, ranging from quite radical to very moderate forms of operations, which clearly influence the nature of CSR-alliances with companies. To investigate our research question, we first conducted a qualitative pre-study, focusing on expert interviews with CEOs and top managers of retail companies, consumer goods manufacturers and service companies as well as with international NGOs. Based on the findings of this pre-study, we gathered quantitative information through a questionnaire survey mainly focusing on retail companies.

The key managerial implication of this paper is that CSR-alliances between companies and NGOs are able to significantly contribute to the competitive advantage of the former.

As to the factors influencing the competitive advantage, opportunistic behaviour of the cooperating NGO leads to mistrust of the company and should therefore be avoided. Instead, factors like a broad communication between the parties or a high commitment of the participating company, together with a high intensity of cooperation, lead to a successful cooperation. Furthermore the choice of a partner has, with regard to its radicalness, a clear impact on the effects between the factors under examination, for example commitment and trust. In the course of a partner-selection process, managers should carefully weigh chances and risks before deciding with whom to cooperate. If it comes to the choice of a commonly aggressive partnering-NGO, an intensive communication can pave the way for a successful collaboration.

Fig Leaf or Competitive Advantage? An Empirical Investigation on CSR-Alliances between Retail Companies and NGOs

Introduction

Non-governmental organisations (NGOs) have taken a permanent place in international business research (Lambell & al., 2008). The growing interest in the topic of NGOs is caused by their rapid growth in number and influence (Bendell, 2000; Teegen, 2003). Formerly, the relationship between companies and NGOs was often characterised as comparatively hostile (Elkington and Beloe, 2010) and early literature often described NGOs as opponents of MNEs (Corlette, 1989; Frooman, 1999). However, the number and intensity of collaboration between firms and NGOs has risen during the last 30 years (Graf and Rothlauf, 2012; Lucea, 2010) and recent literature more and more describes NGOs as legitimate partners of actors within the second sector (Lambell & al., 2008). This paper builds on existing firm-NGO-literature and analyses 96 CSR-alliances, including all forms of collaboration between NGOs and companies that aim at an implementation of a company's CSR-strategies. Purpose of the analysis is to find out if these forms of collaboration entail competitive advantages for companies, and if so, what these are based on.

1. Theoretical Background and Hypotheses

Graf and Rothlauf (2012) summarise, that literature lacks a consensus on whether or not partnerships between companies and NGOs are to be analysed analogously to firm-firm-collaboration. We address this research-gap in analysing partnerships between companies and NGOs using theories that traditionally focus on firm-firm-collaboration, with minor adjustments to the peculiar nature of NGOs. Starting from the stakeholder theory that gives implications about the formation of CSR-alliances, our model is mainly based on the relational view (RV) that derived from the resource-based view (RBV).

Coming from the RV, a first explanation for a competitive advantage derives from "idiosyncratic interfirm linkages" (Dyer and Singh, 1998, p. 661) in the form of idiosyncratic resources. The model furthermore contains several elements originally rooted in the theory of social contracts (MacNeil, 1980) and often used in the relationship marketing literature (Morgan and Hunt, 1994; Hunt, Lambe and Wittmann, 2002) such as cooperation (Dwyer, Schurr and Oh, 1987; Morgan and Hunt, 1994), trust (Achrol, 1991), commitment (Berry and Parasuraman, 1991), shared values (Dwyer, Schurr and Oh, 1987; Nevin, 1995) or the absence

of opportunistic behaviour (John, 1984) – which contribute self-enforcing agreements and accordingly effective government mechanisms as substantial promoters of knowledge exchange within relationships from a RV-perspective. In terms of an explorative analysis, the impact of the level of aggression of the partnering-NGO as a moderating variable is tested with regard to the relationships of the dependent and independent variables of our model.

Starting with the antecedents, we follow Hunt, Lambe, and Wittmann (2002) and posit a negative relationship between opportunistic behaviour of an NGO and trust of a company in CSR-alliances:

H1: The more opportunistic the behaviour of an NGO, the lower the trust of the cooperating company in the NGO.

Moreover, we suppose a positive relationship between communication and trust in CSR-alliances as the exchange of ideas and information between NGOs and companies helps to solve disputes and aligns expectations (Anderson and Narus, 1990). Furthermore, as Hunt, Lambe and Wittmann (2002) propose, communication directly promotes cooperation because effective cooperation requires extensive interactions among partners. With regard to idiosyncratic resources, we suppose that partner-specific knowledge is one of the most important resources in firm-NGO-cooperations and assume a positive relationship between communication and idiosyncratic resources. Thus:

H2: The more communication between the NGO and the company,

- the greater the trust of the cooperating company (H2a)
- the greater the cooperation between both partners (H2b)
- the more idiosyncratic resources are built up over the course of the alliance (H2c).

A positive relationship between shared values and trust as well as shared values and commitment is posited both in marketing literature (Dwyer, Schurr and Oh, 1987) and in organisational behaviour streams (Chatman, 1991). According to the findings of the qualitative pre-study, we propose:

H3: The more shared values between the cooperating organisations,

- the greater the trust of the company in the NGO (H3a)
- the greater the commitment of the company (H3b).

As suggested by Dyer and Singh (1998) in the course of the RV, trust can be seen as a self-enforcing governance mechanism. A positive relationship between trust and cooperation has been supported for example by Anderson and Narus (1990). Furthermore, a positive

relationship between trust and commitment has been underlined by social exchange theory as well as relationship marketing (Morgan and Hunt, 1994). We therefore presume:

H4: The greater the trust of the cooperating company,

- the more the cooperation between both partners (H4a)
- the more the commitment towards the NGO (H4b).

Coming to the direct effects of competitive advantage, Jap (1999) argues that alliance success results from partners developing idiosyncratic resources. Furthermore, we suppose a positive effect of these on the commitment of the partners, as idiosyncratic resources lead to litigation.

Therefore we argue:

H5: The more idiosyncratic resources are built up over the course of the alliance,

- the greater the competitive advantage of the cooperating company (H5a)
- the greater the commitment of the cooperating company (H5b).

Partners with a high commitment to the alliance are more likely to cooperate and willing to work hard for the success of the alliance (Nevin, 1995). Therefore, commitment is considered to have a direct effect on a competitive advantage generated by the CSR-alliance as well as on the intensity of cooperation. Thus:

H6: The greater the commitment of the cooperating company,

- the greater the competitive advantage of the cooperating company (H6a)
- the greater the cooperation between both partners (H6b).

Another factor that is commonly related to the success of alliances is cooperation. Das and Teng (1998) postulate that one of the main reasons why alliances fail is due to a low level of cooperation. Therefore we argue:

H7: The greater the cooperation between both partners, the greater the competitive advantage of the cooperating company.

NGO-strategies range from cooperative to confrontational (Valor and Diego, 2009), and sometimes NGOs represent pretty uneasy partners to cooperate with (Jamali and Keshishian, 2009). Taking this into account, we suppose that the level of aggression of an NGO has a moderating influence on the relationship between the factors of our model. Though:

H8: The level of aggression of the cooperating NGO influences the relationship between the factors leading to a competitive advantage of the cooperating company in CSR-alliances.

2. Methodology

To investigate our research question, we gathered data from two different studies. First we carried out a qualitative pre-study amongst CEOs and top managers of international retail companies, consumer goods manufacturers, service companies and international NGOs. The aim was to discuss our model and the items that were used. Taking the findings of the qualitative pre-study into account, in a second step we gathered quantitative information through a questionnaire survey. A total of 2.600 questionnaires were sent out by e-mail between January and March 2012, all of which 98 were returned. After an examination with regard to completeness and sensuousness, a total of 96 questionnaires could finally be used for the calculation of our model. This equals a response rate of around 3,7%, which is satisfactory with regard to the specificity of our research-topic. The quantitative survey explicitly focuses on retail companies (52%), but also on consumer goods manufacturers (30%) and service companies (18%) in Germany, Switzerland and Austria, which maintained at least one CSR-alliance with an NGO. Each of the companies was asked to focus their answers on one single cooperation-project with an NGO. The projects described by the respondents have been existing for more than five years on average, ranging from loose forms of cooperation like regularly donations up to intensive alliances, like joint product developments. The NGOs in the analysed cooperations represented both service-oriented NGOs, like *Misereor* or *Malteser*, and more advocacy-oriented NGOs, like *WWF* or *PAN*.

3. Measures

To measure the indicators of our variables, we used 7-point Likert scales (Liu, 2012). Model testing was performed by applying partial least squares structural equation modeling (PLS-SEM) (Simonin, 2004). Except for the level of aggression of the partnering-NGO, we only used existing reflective scales, and translated and adapted them to our research context, based on our qualitative pre-study and the pre-test. For example, Communication is conceptualized according to MacMillan & al. (2005) as a reflective construct including both informing and listening, and was measured using three reflective items developed by Anderson, Lodish and Weitz (1987) and MacMillan & al. (2005). The reliability and validity assessment of the reflective measured constructs are shown in Table 1 and underline that the values for each construct are satisfying. Construct validity includes the sub-dimensions content, convergent and discriminant validity.

Items	Cronbachs Alpha	Composite reliability	AVE
Opportunistic Behaviour	0.7788	0.8639	0.68
Communication	0.8829	0.9278	0.81
Shared Values	0.9025	0.9390	0.83
Trust	0.8992	0.9297	0.76
Idiosyncratic Resources	0.8184	0.8918	0.73
Commitment	0.8589	0.9007	0.64
Cooperation	0.8419	0.8886	0.61
Competitive Advantage	0.8385	0.8909	0.67
Level of Aggression of the Partnering-NGO	0.8920	0.9200	0.81

Table 1. Reliability and validity assessment of the constructs

Table 2 reports correlations between the constructs and the analysis of discriminant validity according to Fornell and Larcker's (1981) criterion. The results presented indicate that none of the constructs shares more variance with another construct than with its own indicators.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(1) Commitment	0.64	0.34	0.24	0.05	0.37	0.38	0.11	0.25
(2) Idiosyncratic	0.59**	0.73	0.24	0.0001	0.19	0.12	0.07	0.36
(3) Communication	0.49**	0.49**	0.81	0.04	0.32	0.19	0.07	0.32
(4) Opportunistic	-0.23*	0.01	-0.19	0.68	0.04	0.05	0.0009	0.02
(5) Shared Values	0.61**	0.44**	0.57**	-0.21*	0.83	0.27	0.07	0.18
(6) Trust	0.62**	0.35**	0.44**	-0.23*	0.52**	0.76	0.01	0.11
(7) Comp. Adv.	0.33**	0.26**	0.27**	0.03	0.26*	0.11	0.67	0.08
(8) Cooperation	0.50**	0.60**	0.57**	-0.14	0.42**	0.34**	0.29**	0.61

Table 2. Correlations and discriminant validity of the constructs¹

4. Hypotheses Testing

Figure 1 shows the results of our PLS analysis. The Q^2 values are consistently higher than zero, indicating that the prerequisites of predictive relevance for the model are fulfilled (Chin, 1998). With an R^2 of 0.25 for idiosyncratic resources, 0.32 for trust, 0.39 for cooperation, 0.61 for commitment and 0.14 for competitive advantage the explanatory power of the model is sufficient. Effect sizes (f^2) are acceptable, except for H4a and H5a. Prediction accuracy was measured by a Stone-Geisser-test.

¹ Diagonal terms (in bold) are the average variance extracted. The lower triangle of the matrix provides the correlations (** $p < .01$, * $p < .05$). The upper triangle of the matrix provides shared variances. The discriminant validity of the constructs is tested according to Fornell and Larcker's (1981) suggestions, i.e. that AVE should be greater than the square of the correlations between the constructs.

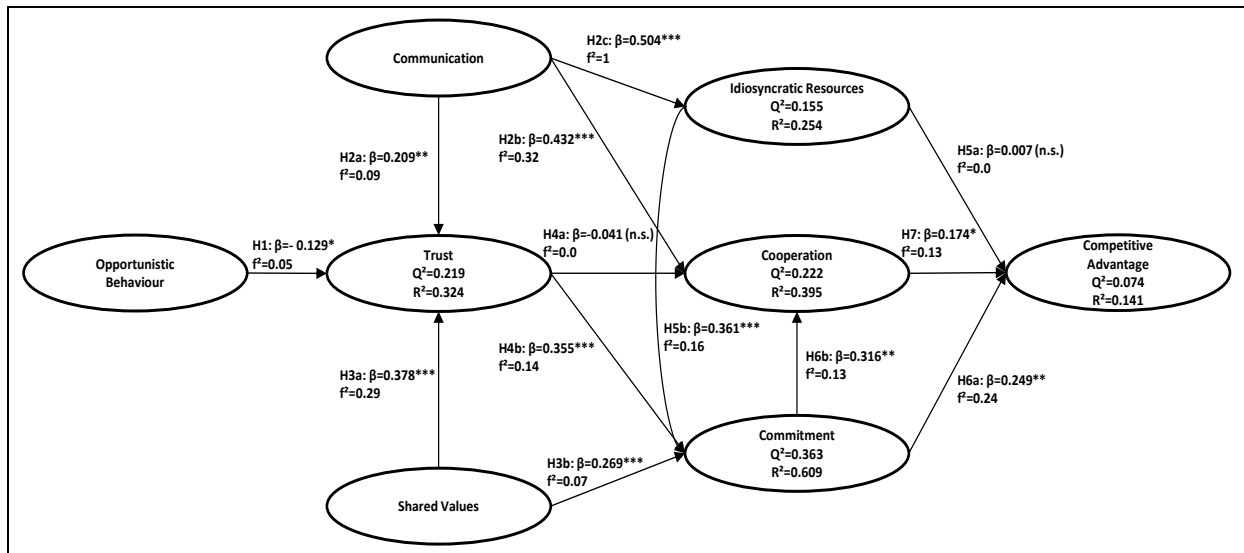


Figure 1. Path Model²

Hypothesis 8 aimed at an explorative analysis of the moderating effects of the level of aggression of the partnering-NGO. Therefore, we performed a multi-group causal analysis (Henseler and Chin, 2010) and segmented two groups according to their perception of the level of aggression of their partnering-NGO. Using the parametric approach of Keil & al. (2000), we compared both groups with each other using a t-test. In doing so, we identified remarkable and significant differences between both groups in Hypotheses 2b, 2c, 3b, 4b, 5b, and 6b.

7. Discussion and Implications

As to the antecedents of our model, opportunistic behaviour of the cooperating NGO leads to mistrust of the company and should therefore be avoided by NGOs. Communication has a strong and significant influence on the generation of trust, cooperation and on idiosyncratic resources. In the case of its influence on cooperation as well as on idiosyncratic resources, this effect is significantly stronger in CSR-alliances with more radical NGOs, presumably due to the fact that an intensive communication with a respected or even infamous NGO can break the ice for a successful cooperation. While shared values have a significant and positive influence on the trust of the cooperating company, we cannot identify a significant correlation between trust and cooperation. This is most likely due to the fact that there are several ways in which companies can cooperate with NGOs that call for trust without being intensive in their nature (e.g. stakeholder dialogues). Nevertheless, we did find that trust positively influences

² Note: Bootstrapping: n=96, cases=96, samples=250; * p < 0.1; ** p < 0.05; *** p < 0.01; n.s. = not significant. Effect size f^2 should be more than 0.02 for small effects, more than 0.15 for medium effects and more than 0.35 for large effects (Chin, 1998).

the commitment of the cooperating company, a correlation that is especially strong in relationships with highly aggressive NGOs. In contrast, the correlation between shared values and commitment is even stronger in the case of a CSR-alliance with a moderate NGO. As to the factors directly leading to a competitive advantage, we could not support a positive and direct impact of idiosyncratic resources. This could be due to the fact that CSR-alliances themselves are frequently idiosyncratic in their nature, as the resources built up in a firm-NGO-relationship are often very specific and customised with regard to the needs and purposes of both parties. However, we did find a strong and significant effect of idiosyncratic resources on commitment, which indicates that companies develop a strong motivation through the joint development of relation-specific resources.

With regard to the direct influences on competitive advantage, commitment shows the strongest effect, followed by cooperation. Furthermore, commitment has a significant and positive effect on cooperation. This effect is significantly stronger in alliances with moderate NGOs, as the business partner can better rely on the constancy of the NGO.

The key managerial implication of this paper is that CSR-alliances between companies and NGOs can contribute to a competitive advantage of companies. Retail companies, that represent the biggest group of our sample, but also consumer goods manufacturers as well as service companies can benefit from these kinds of relationships. Furthermore, these collaborations contribute to a sustainable development, and society as well as NGOs can benefit from these as well. Nevertheless, the choice of a partnering-NGO with regard to its radicalness has a clear impact on the effects between the factors leading to a competitive advantage, for example commitment and trust. In the course of a partner-selection process, managers should carefully weigh chances and risks with regard to shared values or a potential opportunistic behaviour before deciding with whom to cooperate. If it comes to the choice of a commonly aggressive partnering-NGO, an intensive communication can pave the way for a successful collaboration.

8. Conclusion and Limitations

The main purpose of this study was to empirically test if partnerships between companies and NGOs can be analysed analogously to firm-firm-collaborations. Taking the results of our analysis into account, we encourage the idea of Teegen, Doh, and Vachani (2004) to impose theories of business alliances on the analysis of firm-NGO-collaborations as well.

Although our study contributes to the understanding of CSR-alliances, several limitations ought to be stated. For example, we focused our analysis on companies in German speaking parts of Europe. A future survey could be extended to a more international focus, including the analysis of cultural or country-specific differences evolving in the course of a firm-NGO-relationship. Furthermore, a more specific analysis, e.g. explicitly focusing on retail companies, or a comparative analysis, e.g. focusing on commonalities and differences of green alliances of retail companies and consumer goods manufacturers, could give further insights regarding industry-specific characteristics but would require a larger sample with regard to the respective category. Another interesting implication for future research could be an extension of the model with further elements explaining the competitive advantage of companies generated by CSR-alliances and would contribute to the understanding of these kinds of relationships.

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