

Extract

Strategic partnerships for transformational change towards a sustainable society

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Abstract:

Today, global socio-ecological problems are too complex and urgent for isolated actions, and cross-sector collaboration is increasingly required to generate transformational change towards a sustainable future. Partnerships between businesses and civil society organisations (CSOs) in particular have the potential to achieve the required change for sustainability. However, the ‘backcasting’ approach used in this study highlights a gap between current approaches and what partnerships might look like in a sustainable future. Research draws on literature, eighteen interviews and an action research project with Interface Europe. Results indicate that: 1) in the current paradigm shift, collaboration provides a competitive advantage; 2) individual, organisational and societal benefits of partnering are significant; 3) understanding the art and science of partnering is needed to make them work 4) organisational development and strategy affect partnership type and outcomes; 5) Corporate Social Responsibility efforts initiate cross-sector partnerships, but are responsive and fall short of being strategic; 6) articulation of visions for a sustainable future is rare and; 7) most partnerships are not aligned with core business strategies. In conclusion, dialogue across all sectors is advocated to co-create a sustainable future and The Natural Step Framework is recommended to align business planning and partnership strategies with sustainability.

Keywords:

Partnerships, Cross-sector Collaboration, Strategic Sustainable Development, Civil Society Organisations, Corporate Social Responsibility, Backcasting.

Authors' note to the reader

This document is an extract from a collaborative thesis undertaken during the international master's programme *Strategic Leadership towards Sustainability* at Blekinge Institute of Technology (BTH), Karlskrona, Sweden.

The purpose of this document is to provide the summary of our research to assist those with insufficient time to read the full thesis. However, the document is not intended to stand alone and accordingly we direct readers to the programme website (www.bth.se/msls) where the full thesis, including references and appendices, can be found.

The views expressed in this report are our own (or are otherwise referenced). We welcome your comments and suggestions on our research.

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Partnerships4SSD

Executive Summary

“Cross-sector partnering between business, government, and non-profits will be the collaboration paradigm of the 21st century.”

– James Austin, Harvard Business School.

This thesis was undertaken within the international Masters programme in *Strategic Leadership Towards Sustainability* at Blekinge Institute of Technology, Sweden. It explores how strategic cross-sector partnerships contribute to transformational change towards a sustainable society.

Background and Research Question

Today, global socio-ecological problems are too complex and urgent for isolated actions, and cross-sector partnerships have been identified as critical to creating the systemic changes required to achieve sustainability (UNCSD 2006). Cross-sector partnerships take many forms and are now common place in society, so for the purposes of this research we examined one type of partnership within our main research question: *In what ways can partnerships between civil society organisations (CSOs) and businesses contribute to transformational change towards a sustainable society?*

The purpose of this study is to explore the changing relationships between the business and civil society sectors with a focus on business-CSO sustainability partnerships and particular attention to: 1) current approaches; 2) barriers and opportunities for partnerships; 3) the gap between current approaches and what partnerships might look like in a sustainable future; and 4) the strategic steps to ensure these partnerships can effectively contribute to transformational change towards sustainability at individual, organisational and societal levels.

Methodology

An interactive model for qualitative research design was used to capture learning from multiple methods of inquiry. The methodology yielded results through a review of literature, eighteen semi-structured expert interviews, and selected case studies. Important components of the

methodology included a framework for strategic sustainable development (FSSD) incorporating a *backcasting from sustainability principles* approach¹, and an action-research project to iteratively develop theory and practice. The action-research project was undertaken in collaboration with Interface Europe, a prototypical sustainable business partnering with CSOs in its ReEntry waste recycling programme as part of a wider strategy and vision to become a truly sustainable enterprise. This project provided direct experience with a sustainability partnership model and allowed us to test new approaches to partnering derived from our academic research.

Results

We began with an exploration of the variables affecting partnerships and found overwhelming evidence that the global society is on the verge of a paradigm shift that is leading to new ways of interacting and making collaboration a competitive advantage. As a result, partnerships are proliferating throughout society in response to increasingly visible, interconnected and urgent sustainability issues that can no longer be addressed alone or in isolation.

Coupled with the spread of partnerships is a trend towards increasingly sophisticated methods of collaboration where mutual benefit is gained and measured through complex exchanges beyond just financial value. We also found a relationship between organisational strategy and development, and the approach to partnering (i.e. more advanced organisations have more elaborate strategies and sophisticated partnerships).

To make sense of the current attitudes and approaches to partnering we explored them from the perspective of CSOs, Corporates and Small and Medium Enterprises (SMEs) and uncovered some of the subtleties of the current partnership phenomenon:

- CSO Perspective - not all CSOs are using partnerships to address their social mission - some still prefer an ‘activist attack’ approach to the business sector - and there is evidence that a ‘watchdog’ role is still required to force change in some circumstances. Nevertheless, CSOs are increasingly shifting from adversarial to collaborative approaches as

¹ The framework includes basic principles for socio-ecological sustainability and is known by business and political leaders as The Natural Step Framework (Holmberg et al 1996).

a means of achieving greater outcomes and obtaining new sources of finance for their operations. With CSOs becoming increasingly important in society partnerships provide many opportunities for them to further their missions.

- Corporate Perspective - most partnerships are being driven by the corporate business sector (under the banner of Corporate Social Responsibility, CSR) in response to external pressures. Yet sources were sceptical of CSR-driven partnerships since they tend to be reactionary responses to change *forced* upon an organisation, the response may not be aligned with sustainability, and they are seldom an integrated part of mainstream business planning to create *desired* change. There is however an evolution in CSR as organisations increasingly realise that in a network economy, they will be defined only by the relationships they have with their stakeholders and natural systems. Some organisations are well on the path to reconceptualising their relationship with society and the biosphere, and Interface's ReEntry partnerships are an example for other organisations to follow.
- SMEs Perspective - partnerships tend not to be as official or institutionalised in small and medium enterprises (SMEs) and the challenges for SMEs in partnering are significant. In their sheer number, in the way they work and in the nature of the work they undertake, SMEs play a significant role in transformational change and evidence shows the contribution of partnerships involving SME's to sustainability should not be underestimated.

Understanding the differing perspectives on partnerships allowed us to describe barriers and opportunities to partnering at individual, organisational and societal levels. Some common factors noted as either barriers or opportunities (or both), depending on the perspective taken, included: accountability, competitiveness, reputation, influence, markets and stakeholders, organisational culture, organisational strategy, resources, skills and expertise and creativity.

From these results we were able to distill a number of overarching principles and considerations for creating successful partnerships. These included ideas such as mutual benefit, personal connectivity, accountability, integrity, transparency, shared visions, creativity, commitment, willingness to be transformed, evaluation and clear communication – all of which were important concepts highlighted by our sources. Understanding and paying

close attention to the partnering process and developing partnering skills were also noted as essential to creating successful partnerships.

Turning to an examination of what the future holds with regard to partnerships and sustainability yielded mixed results. On one hand, there was evidence that partnerships are evolving, yet on the other hand few sources articulated what a sustainable future would look like, and how partnerships could help to achieve it (i.e. the direction they will evolve in).

Discussion

Our analysis of the results shows that many partnerships are failing to reach their potential because partnering is complex, poorly understood and those involved may not have the right skills or outlook for effective partnering. Furthermore, by applying the backcasting from sustainability principles approach we identified additional shortcomings in partnerships today.

Firstly, we see most partnerships today are not strategic actions since they are not integrated within mainstream business planning (e.g. partnerships undertaken for PR reasons rather than to meet long-term organisational goals). Secondly, we believe most organisations have not articulated visions for themselves in a sustainable future and therefore the overall direction of the organisation may not be aligned with sustainability. Consequently, even if a partnership is successful in achieving its stated aims *and* the partnership is part of an organisation's business strategy, the contribution to sustainability may still be limited.

With this in mind, we observed a gap between current practices and what partnerships might look like in the future. Therefore, in order to answer our research question we decided to explore the full potential of partnerships rather than the current approaches. We divided our answer into two parts:

Part 1) the basic requirements for developing successful and strategic, sustainability partnerships (the art and science of partnering); and

Part 2) what such partnerships can contribute to societal transformational towards sustainability.

Implications for Successful and Strategic Sustainability Partnerships

In relation to part 1, our research allowed us to characterise types, issues and current practices in partnering. From this analysis, and with other research results (e.g. Tennyson 2003, Austin 2000), we developed guidelines on the partnering process and for understanding the characteristics of successful partnerships. A summary is presented in Figure A as the ‘Seven P’s’ of strategic partnering for sustainability - partnerships, people, planet, profit, purpose, process and perspective.

Key concepts within these seven areas for action and evaluation include: that organisations identify who to collaborate with, how and when to do it, the reasons for and desired outcomes from partnering, and how to achieve mutual benefit. This allows organisations to turn barriers into opportunities by being better informed and by changing the outlook with which partnering is viewed. Explicit consideration of organisational strategies and level of development was also identified as critical to successful partnering since currently not all organisations are ready to partner, not all partnerships are strategic and not all strategies lead towards sustainability.

In order for successful partnerships to provide a strategic contribution to sustainability we advocate their integration into organisational strategies and the alignment of these strategies with sustainability. The framework for strategic sustainable development and associated ‘ABCD Methodology’ (depicted in Figure B) is recommended as a structured, directional and goal-oriented business planning approach to align organisational visions, strategies and actions (including partnerships) with sustainability.

Implications for Societal Transformation

Our findings relating to part 2 showed partnerships can contribute to societal transformation in many ways. A major benefit of partnerships is the opportunity they provide to meet many sustainability challenges that are not able to be dealt with by one sector alone (i.e. by creating synergies across sectors and allowing complementary skills to be shared). In so doing, they contribute to transformational change at the organisational level and assist the evolution of organisations towards more sustainable forms and thinking. As a result, partnerships also help organisations achieve greater reach and scale in terms of operations, organisational mission and impact.

Through analysis of case studies we found that partnerships can contribute to sustainability in more ways than just by taking advantage of complementary skills and practical synergies. The partnering process can facilitate great change in individuals within organisations; provide the diversity and interactions that increase innovation and creativity; create new norms, rules and systems of international governance; and develop new business models that create ‘blended’ economic, social and ecological value to better meet human needs. Critically, cross-sector dialogue can also provide the means to effectively ‘see into the future’ by cooperating with partners who are pursuing social development in other ways. This provides enormous opportunities to be more proactive and effective in achieving individual, organisational and societal goals through shared visions.

Conclusions

As a result of this research we see the exciting potential for partnerships to contribute to transformational change towards sustainability by driving the evolutionary development of organisations and individuals. Yet for partnerships to play this role there is a need for organisations and individuals to 1) understand how to create successful partnerships 2) have the appropriate skills, 3) use partnerships strategically as part of an organisational strategy 4) and, most importantly, ensure that organisational visions and strategies are aligned with sustainability.

Overall, this paper acknowledges that because all humans and organisations co-create the future, partnerships and dialogue across sectors are critical for evolving the development of individuals and organisations to a new level in order to collectively solve problems at a global scale. This collaboration is essential to the shared envisioning and action across society to more effectively bring about the whole-systems change that is required.

For individual businesses and CSOs, this paper provides guidance to understand how to assess and initiate cross-sector partnerships as a means to achieving their strategic goals, and exploiting the latent potential of mutually beneficial relationships. In addition, this knowledge can encourage sustainability practitioners to pursue cross-sector partnerships between *all* sectors at the local, national and international level as a means for accelerating the shift in paradigms and actions required to bring forth a sustainable future.

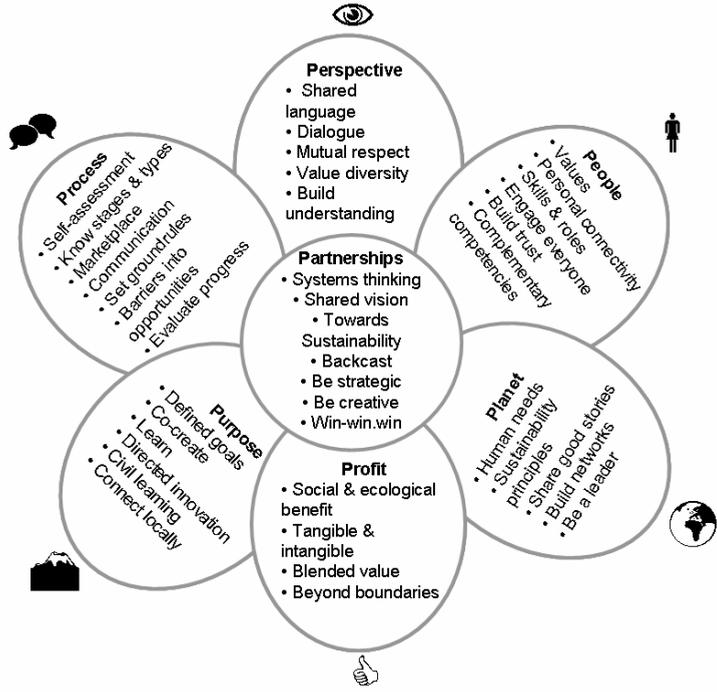
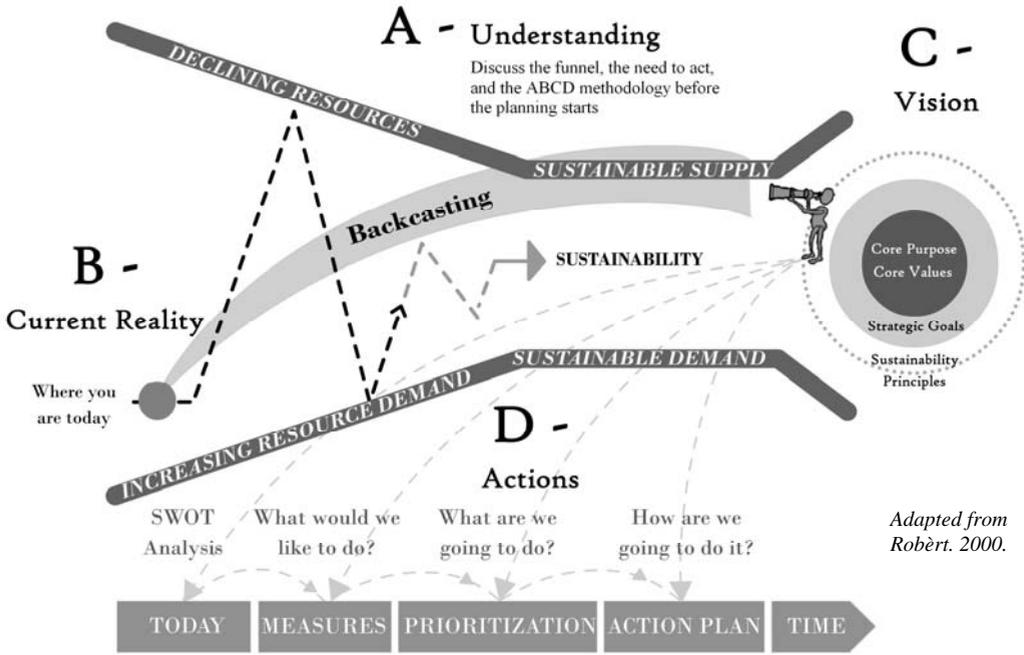


Figure A - The Seven Ps of Strategic Partnering for Sustainability.



Adapted from Robert. 2000.

Figure B – The ABCD Methodology for Organisational Planning for Sustainability.