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## **Private-Public Partnerships, PPP**

### **Corporate responsibility strategy in food retail**

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#### **Abstract**

Private-Public Partnerships, PPP has been pointed out as institutional conditions that may promote corporate responsibility. Today's leaders have to manage their businesses in a world of contradictions and uncertainties. So the question arises, how can PPP successfully be used as part of a sustainable business development strategy? This project aims to describe perceived conditions for the development of a fruitful PPP on the Swedish food retail market.

A context bound comparative case analysis provides an illustration of how major retail actors, ICA, KF-Coop & Axfood (accounting for 87% of the Swedish market) view conditions for successful PPP. Personal interviews with top management representatives based on thematic questions in retail corporations as well as NGOs serve as primary empirics.

In theory, the logic behind partnerships is simple but in reality the cases show that conditions for PPP are associated with challenges and strategic decisions. A conscientious selection of partners, shared objectives for the partnership and a perceived win-win situation are desired conditions. A wish for exclusivity from the corporate partners on the other hand proves counterproductive for the NGOs.

Like other relationships, private-public relationships are assumed to rarely succeed by coincidence. Research efforts are therefore focused on determining conditions for successful PPP, assuming PPP is a part of sustainable business development.

**Key words:** PPP, private-public partnership, corporate responsibility, retail market, food, Sweden

# Private-Public Partnerships, PPP

## Corporate responsibility strategy in food retail

### 1 Introduction

In theory, the logic behind such partnerships is simple, but what is theoretically desirable is practically often hard to achieve. Triggered by globalization and the notion of sustainable development, considerable interest is being directed towards collaborations and partnerships, especially after the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992. This was when the concept of Private Public Partnerships (PPP) was first pointed out as a potential way to work towards sustainability and address stakeholder's needs through responsible corporate conduct. PPP, also known as P3, can be defined as *"a voluntary or collaborative alliance which implies cooperation between two (or more) actors be it public, private, non-governmental organizations (NGOs)"* (www, UNDP, 2006, 12). Yet, PPP and its place in (responsible) corporate management is a contested area of debate. Definitions, roles and responsibilities are fuzzy as well as to what extend a private corporation can be expected to address all stakeholder's needs beyond their main operations. This leaves managers with a complicated task to direct the organization through a multitude of uncertainties in order to ensure long-term success in this complex and ever-changing environment, or as Selznick (1984, 89) phrased it *"to steer a course through uncharted water"*. Like other relationships, PPP is assumed to rarely succeed by chance or coincidence; they are described as a form of art (Kanter, 1994).

The view that *"corporations exist to satisfy the needs of their customers, markets, shareholders, stakeholders, and society"* is gradually gaining increased acceptance (Rainey, 2006, 215). In order to anticipate globalisation, continuous deregulation and market pressure, social and environmental issues are becoming increasingly prominent tasks on the daily agendas of corporations. The PPP concept builds on the idea of joining forces and resources (Macdonald & Chrisp, 2005). It is supported in classical organizational theories by Selznick (1984, 145) proposing that the leader's job is *"to test the environment to find out which demands can become truly effective threats, to change the environment by finding allies and other sources to external support, and to gird his organization by creating the means and the will to withstand attacks"*. He argued for the holistic approach of responsible corporate management, which supports more current views of a triple bottom line, TBL (Elkington, 1997) and sustainable business development, SBD (Rainey, 2006). The concepts SBD and TBL are also closely linked to Corporate Responsibility (CR), which *"implies that corporations have a fiduciary duty to meet the needs and wants of consumers and stakeholders and protect the health and safety of both humankind and the natural environment"* (Rainey, 2006, 694).

Assuming corporate ambitions aim towards sustainable management, what are the conditions for successful PPP? PPP can be observed in many different business sectors. The retailing industry offers an interesting case study, as food is undisputed one of the basic human needs; where retailers in a modern economy serve as a link between manufactures and consumers (Tansey & Worsley, 1995). In addition, due to globalization and decentralization there is a shift in responsibilities from the government to organizations (www, USCIB, 1, 2010). This leads to the point where private corporations, such as retailers, may act as political institutions, and the role of NGO's gets disputed as well. In a PPP their authority might be compromised. Therefore, retailers in partnership with NGO's are facing many dilemmas due to conflicting worldviews and power positions.

This project aims to describe perceived conditions for the development of a fruitful PPP on the Swedish food retail market. It is primarily presented from a retailer perspective but it includes NGO motives and challenges as well, given that a successful partnership needs to be perceived as fruitful for all parties involved. Sweden is dominated by the studied three major retailing chains, namely ICA, KF-Coop and Axfood, all of which have some form of PPP with non-governmental organizations (NGOs): WWF, Rädda Barnen and Naturskyddsforeningen. Further, Sweden, as other Nordic countries, can be classified as a welfare state, where it is assumed that the government takes main responsibility for public services such as taking care of weak members of society as well as the environment. So the question arises, what are the motives for retailers engage in PPP? What are the underlying conditions? And how is this responsibility reflected in their leadership approach?

## 2 Approach

A study of conditions for Private-Public Partnerships (PPP) offers several possible research perspectives. Given the relatively unexplored empirical field (LaFrance & Lehmann, 2005), the study has an exploratory approach using a flexible research design that allows for the research procedures to “*unfold as the research proceeds*” (Robson 2002, 5).

The chosen focus for this study is that of the motives and conditions perceived primarily by private actors, retail industry in Sweden. As a relatively small European country in terms of population, Sweden has globally a strong economical position as well as retail infrastructure, according to the Nielsen Company (Anonymous, 2007), which qualifies Sweden as an appealing country to use for this study. Yet, the Swedish retail market within its macro-level context is subject to different influences, such as infrastructure, economical, cultural, political, environmental, geographical, aspects among others. These influences have been widely ignored during this study, as they are the same conditions for all retailers studied; yet it is important to keep in mind that such influences create specific and unique conditions for the Swedish retail context.

In this pilot study an academic literature review provided the starting points for developing an interview guide, which was complemented by an empirical literature review. The interview guide was semi-structured with open-ended questions, focusing on motivations and challenges. It was altered to fit the perspectives of the different interviewees covering the following themes:

- the history and current status of the partnership(s)
- motives for selecting the particular partner(s)
- perceived conditions for a successful PPP outcome and
- future PPP plans.

Interviewees were selected based on two main criteria: the role and responsibility within an organization and their willingness to participate in the project given the timeframe. All the interviewees have leading management positions, handling strategic issue such as PPP. Interviewees were given an opportunity to validate and clarify misunderstandings during and after the interview in a ‘continuous validation procedure’ (Robson, 2002). Despite a delicate and careful validation process, the results are based on one representative from each organization which warrants caution in generalizing the conclusions of the study.

The study represents the current perspectives of representatives from the three major retail actors in Sweden, namely Axfood, KF-Coop and ICA. These retailers combined account for more than 85% (www, Coop, 1, 2010, 12) of the Swedish retail market for fast moving consumer goods, therefore the findings in this project carry importance in the future development of the industry. However, given that PPP expresses corporate sustainability efforts, it would ideally be studied with a longitudinal perspective, describing the development over time from a multitude of stakeholders’ perspectives.

## 3 A theoretical perspective

The selected theoretical framework is focused on what PPP represents, what the motives and challenges are and how PPP is related to corporate sustainable development.

### 3.1 PPP – motives and challenges

Corporate collaboration is described in terms like networks, alliances and partnerships. This paper is primarily concerned with PPP, collaboration between private and public stakeholders (in this case, NGOs). PPP is characterised by voluntary networking between at least two actors that used to be regarded as adversaries. The conditions for a collaborative window are determined by organizational strategies, motives to collaborate, perceived risks and challenges and various contextual factors (Figure 1).

Mendleson & Polonsky (1995) argue that the willingness to enter into an external collaboration, both companies and non-profit organizations, has increased due to the fact that they realized that both parties perceive benefits from these associations. Motives for businesses to engage in strategic collaborations with NGOs are associated with image management and competitive advantage (Mendleson & Polonsky, 1995, 9). NGOs may access information and networks as well as access to new markets. Forming collaborations with NGOs may also trigger increased publicity, which may be beneficial for the corporate image. Figure 1 illustrates the motives and challenges arising from PPP facing businesses and non-profit organizations.

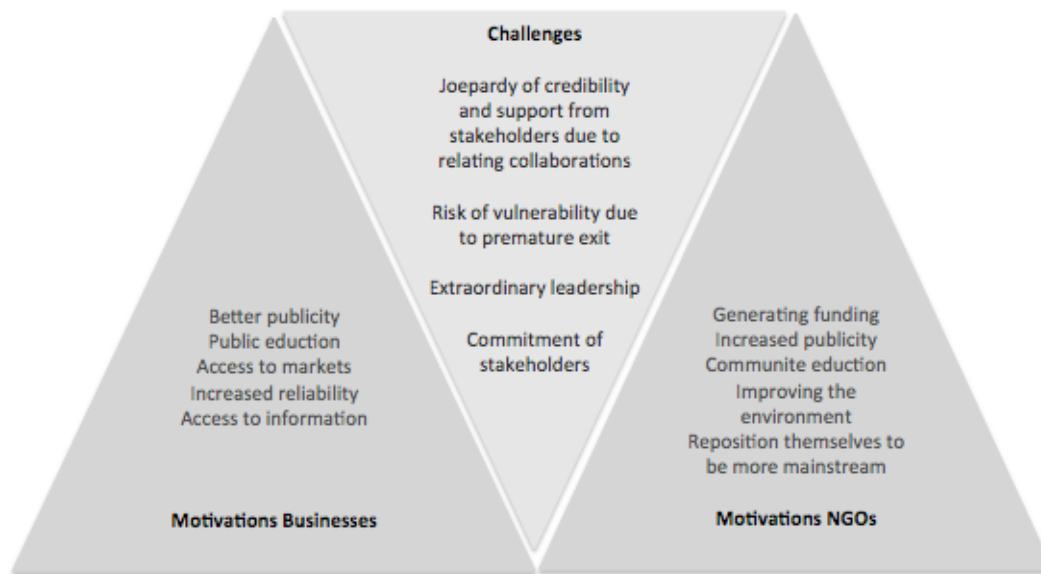


Figure 1. PPP motives and challenges (adopted from Mendleson & Polonsky, 1995, 9-15 ; Charter & Polonsky, 1999, 175-177).

PPP provide expectations of mutual benefits. NGOs objectives are associated with creating awareness, influencing decisions and gaining bargaining power. Their PPP motives are associated with increased publicity, repositioning to be more mainstream, generating funding, educating community and improving the environment (Mendleson & Polonsky, 1995). The challenges and risks that both businesses and NGOs face in a PPP include requirements of a solid commitment, expectations of an extraordinary leadership and ability to handle managerial challenges associated with credibility, engagement and willingness to take risks (*Ibid.*).

### 3.2 PPP as a part of sustainable business development

Sustainable Business Development (SBD) is a critical management concept with a holistic approach to drive organizations to achieve and maintain a sustainable competitive advantage in this ever-changing environment (Rainey, 2006, 4). SBD means to create exceptional value and exceed expectations by large in order to be able to outperform competitors on a constant basis (*Ibid.*, 361). Rainey (2006, 15) argues that SBD is built on four key elements, which are ‘enterprise thinking’, ‘strategic thinking’, ‘visionary and exceptional leadership’ and ‘leading change through innovation’.

The strategic role of PPP as a part of SBD is illustrated in academic views from the turn of the century to current date (Table 1).

Table 1. Academic publications that tie private-public partnership to sustainable business development

Author	Year	PPP & SBD
Hartman <i>et al.</i>	1999	Proactive sustainability strategies, discussions on PPP as a way of sustainability management
Utting	2000	PPP as a way and also as a challenge of sustainable development
LaFrance & Lehmann	2005	PPP as a part of successful SBD
Lindfelt	2006	Walking the talk
Gao & Zhang	2006	Sustainability and stakeholder engagement

Nijhof & Brujin	2007	PPP as a CSR and an effective risk-control strategy
Kourula & Halme	2008	Different PPP types and relating corporate strategies
Pelozo & Falkenberg	2009	PPP as a way to attain sustainability goals
Wadham	2009	PPP as a paradigm shift, Habermesian's theory on collaborations
Jamali & Keshishia	2009	PPP as a powerful agent of change

Table 1 points to a number of important interpretations of how PPP may fill corporate needs in responsible conduct. These needs range from challenging the established corporate vocabularies and perceptions, being a part of legitimization of pro-active strategies and a way to ensure commitment in stakeholder engagement, to the later interpretation of enhancing change processes. Recent publications indicate that PPP serves as future oriented strategy to ensure continuous change processes aimed at SBD.

## 4 Institutional empirical contexts

This section represents the core of the study, the qualitative empirical study. Firstly, it gives some background empirics about the Swedish retail environment. Thereafter, it presents the empirical findings, firstly for the retailers and then for the NGOs. Furthermore, the ways and levels of PPP involvements of the retailers are reviewed in the last section of the empirics.

### 4.1 Swedish food retail

It is important to identify Swedish contextual characteristics, such as the retail environment, in order to understand the retailers and organizations within its context. According to the Nielsen Company (Anonymous, 2007) the Swedish Retail landscape consisted of 19 hyper stores dominated by three major retailers, ICA, KF-Coop and Axfood. The market shares of the retail market is divided between three leading players and three smaller ones (Figure 2). In 2009 ICA was leading with market share of 50%, followed by KF-Coop with 21,4% and Axfood with 16.1%. Bergendahls including Vi-stores amount for 7.8% of the total market share. Lidl had 2,8% and Netto 1,9% (www, Coop, 1, 2010, 12).

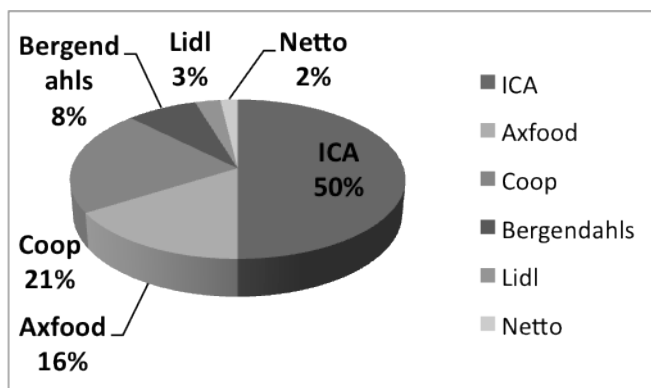


Figure 2. Market shares in food retail convenience goods trade in Sweden (2008-2007) (www, Coop, 1, 2010, 12).

From a holistic point of view, PPP involves a minimum of two parties interacting. Therefore, the following section will summarize the retail as well as the NGO perspective on PPP, shown on the cases of Axfood, ICA, KF-Coop and the NGOs that these companies have PPP relations namely as WWF, Råd Barnen and Naturskyddsföreningen. A closer description of retail and NGO perspectives is found below, followed by condensed results in table 2.

According to market figures, the retail corporations ICA, KF-Coop and Axfood dominate the Swedish retail market with a market share of around 87 % in 2008 (www, Coop, 1, 2010, 12).

- **ICA** is the largest market shareholder with business model that has remained the same in Sweden since its foundation in 1917; ICA provides a whole sale organization in which the individual retailer owns and operates his own store (www, IH, 2010).
- **Coop** is the name of the KF Group's grocery retail chain that holds the second largest market share. KF is a consumer owned cooperative (with 3 million members) KF-Coop runs grocery retail trade chains such as Coop Forum, Coop Extra, Coop Konsum, Coop Nära, and Coop Bygg. KF-Coop also operates the Daglivs store and the internet-based Mataffären (www, Coop, 2, 2010).
- The third of the retailer case study in this study belongs to **Axfood** which is the most recent established and third largest retailer group in Sweden operating retail operations with wholly owned stores as well as a large number of proprietor-run stores under the chain brands Willys, Hemköp and PrisXtra. The majority of Axfood's shares (57%) are held by private persons (www, Axfood, 2, 2010).

Access to knowledge is the common denominator in terms of motives for working with PPP in the studied cases. Additional motives mentioned by the retail interviewees are: engaging and giving service to consumers, aiming towards sustainability, access to networks, external demand and employer branding.

Identified challenges in the case studies are associated with: risk of damaging the corporate image, achieving perceived mutual benefits, need for transparency and establishing a shared agenda. Despite the fact that the conditions for success in PPP are considered to be related to the overcoming rate of challenges, the existence of clear mutual benefits is further underlined in terms of accomplishing the objectives of PPP.

The selection criteria for an NGO partner mostly depend on existing PPP with the competitors or not and its nature as being stable and long-term orientated. An underlying desire to work in exclusive partnerships was discretely implied in explanations of how the existing partnerships were identified and initiated.

## 4.2 NGO perspectives

The public organizations in this study are identified through the selection of the private partners in the partnership. Each of these organizations are established and well known among consumers in Sweden.

- **Naturskyddsföreningen** (The Swedish Society for Nature Conservation, SSNC) is the largest Swedish environmental organization. It mainly operates on a national level, but also internationally, with questions ranging from a strategic level to more operative hands-on projects. SSNC works with approximately 50 organizations in 25 countries.
- **Rädda Barnen** (Save the Children) is an independent non-governmental organization that works internationally for children's rights. Their projects range from strategic missions in long term impact on international law and politics to projects that are aimed at supporting everyday life for children. Current partners include: Boston Consulting Group, Bulgari, Ikea, GS Home Shopping, Intensa Sanpaolo and Fondazione Cariplo, Nokia and Nokia Siemens Network, Reckitt Benckiser and Baker & McKenzie, SAS, IKEA and Swedbank (www, Save the Children, 2, 2010).
- **WWF** (World Wide Fund for Nature) is a globally known and respected nature conservation fund that has PPP in their business practise for 30 years working with all retailers in different areas regarding the environment. Partners include other NGO's, businesses, governments, research institutes, bank, farmers, consumers and communities. In Sweden their partners are, among others, Axfood, Tetrapak, Swedbank, Sveaskog, ICA, Ikea, SEB, Trygg-Hansa, Skandia, Ericsson, Stena Metall, Panda Försäljningen, Svenk Postkod Lotteriet, MTG Radio and TV4 (www, wwf, 1, 2010).

These organizations have an extensive political, technical, legal and social network. Their impact in society is related to the use of (eco) labels on products, corporate partnership, expertise within the organization and political power to influence.

Strong NGO motives for PPP are related to their *raison d'être*, to influence stakeholders in society. A second motive is to access resources, mainly monetary means. As service providers with articulated values these organizations are vulnerable to wrongdoings, to individuals that jeopardize the credibility by making the wrong decision. The credibility of the NGO is also at risk if PPP is associated with compromises to meet common grounds with a corporation that seeks profit.

### 4.3 PPP food retail network in Sweden

The three retailers, KF-Coop, ICA and Axfood, have various collaborations with NGOs at different strategic levels.

**KF-Coop** is “an NGO in itself!” (Pers. Com., Eklund, 2010), and as such it is questionable if it qualifies for the PPP label. One of the NGOs that they currently have PPP with, Vi-skogen, was founded by KF. Given a mission that is related to consumer needs (tangible products as well as education and political power) KF has initiated, supported and been a part of PPP and as such it has contributed in a societal development.

**ICA**, started to work with PPP 20 years ago. Kerstin Lindvall, the Senior Vice President of Corporate Responsibility at ICA revealed that ICA was one of the founders of Cancer Society (Pers. Com., 2010) Being focused on environment, public health and food safety, ICA has a network of different organizations. Swedish Food Federation, Greenpeace, Animal Welfare Platform are among the organizations stated on the annual report as being the company’s key dialogue partners. ICA has a PPP with WWF, focusing on improving fishing procedures.

**Axfood’s** started a formalized PPP in 2009. Prior to this initiative, Axfood consulted NGOs on particular issues in a less formalized network arrangement (WWF, Greenpeace, Fair Trade, Action Aid in particular) and supported campaigns such as Smoke-Free Young People and the national association ‘Hem och skola’ (www, Axfood, 3, 2010). Currently, Axfood has agreements with Rädda Barnen, and Willys, one of Axfood’s store formats collaborates with Naturskyddsföreningen.

Figure 3 shows the investigated network structure between the retailers and NGOs in this paper. For example, all retailers have some form of involvement with Naturskyddsföreningen, due to the ecolabel ‘Bra Miljöval’. Additional collaboration and alliances that do not qualify as PPP, or are not explored in this study, are omitted in the analysis.

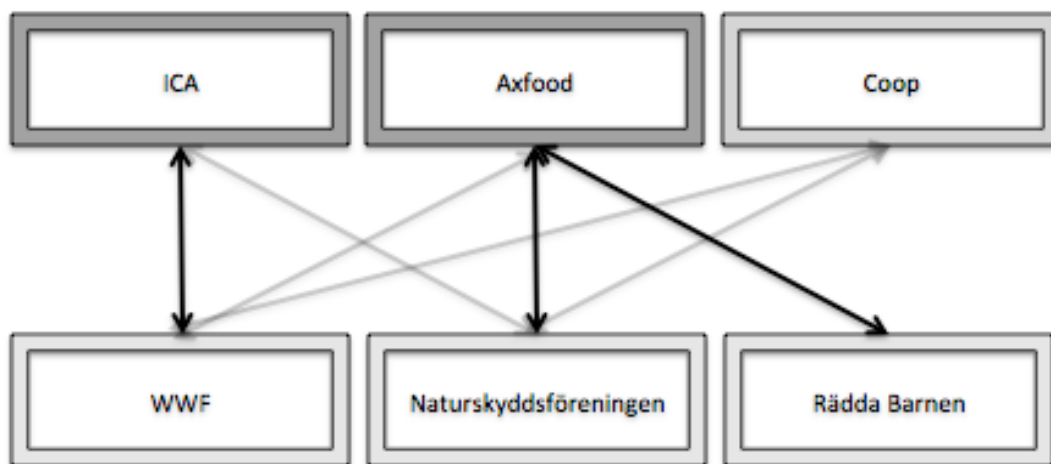


Figure 3. Network between Swedish food retailers and NGOs (2010). The black arrows indicate ties between the organizations that can be considered as PPP, whereas the light grey arrows point out less formalized collaboration efforts.

To summarize, **Axfood** states that their “intention is to have a continuing dialogue with non-profit organizations in the area of sustainability” (www, Axfood, 1, p. 10, 2010). Currently, Axfood has some form of collaboration with all three NGOs even though they are established rather recently and are at different strategic levels. **ICA** on the other hand, has a formal business agreement with the WWF, but also has some connection with Naturskyddsföreningen in regards to eco labelling in addition to the number of other collaborations in many

areas and on different levels mentioned above. *KF-Coop*, given that their corporate mission is viewed as that of an NGO does not have any formal business agreement with the NGOs studied in this paper, as they mostly work with their own NGOs.

#### 4.4 Summary of empirical results

A summary of an analysis of the empirical case studies is presented in table 2.

Table 2. Corporate and NGO perspectives on conditions for successful PPP in Swedish retail 2010

<b>RETAIL PERSPECTIVES</b>			
	<b>Axfood</b>	<b>ICA</b>	<b>KF-Coop</b>
<b>Motives</b>	supporting sustainability positive image influence engage consumers access to knowledge service to consumers employer branding	positive image influence access to knowledge access to networks	supporting sustainability positive image influence engage consumers access to knowledge external demand
<b>Challenges</b>	negative image influence	negative image influence	sharing same agendas transparency
<b>Conditions for success</b>	continuous evaluation of collaboration commitment	mutual benefit wish for exclusivity clearly stated objectives	clear and mutual objectives genuine commitment
<b>Selection criteria</b>	stability existing agreements with competitors nature of NGO size  long-term orientation trust	good reputation access to information political influence	long history – works with committed partners KF is a consumer-owned retail business and an NGO (intra-organization partnership) based on needs of members
<b>NGO PERSPECTIVES</b>			
	<b>Naturskyddsföreningen</b>	<b>WWF</b>	<b>Rädda Barnen</b>
<b>Motives</b>	supporting sustainability communication channel economic incentives	supporting sustainability communication channel economic incentives	supporting sustainability communication channel economic incentives
<b>Challenges</b>	negative image influence monitoring costs of PPP	green-washing influencing companies	monitoring costs of PPP
<b>Conditions for success</b>	mutual interest		
<b>Selection criteria</b>	good environmental input	fore fronted, size proactive in environmental matters	size being well-known

Further interpretations and discussion of these results are provided in the following section.

## 5 Analytical discussions

This project set out to analyze conditions for the development of PPP in Swedish retail. Starting with the motives for engaging in PPP, the analysis continues with a discussion of conditions for PPP and CR as a part of responsible leadership.

### 5.1 Motives for PPP

Looking at the motives identified for PPP, the cases have shown consistent results as found in previous empirical studies and in theories (Hemphill, 1996; Hardy *et al.*, 2003; LaFrance & Lehmann, 2005); key motives being access to knowledge and legitimacy in sustainable business development (Hartman *et al.*, 1999; Livesey *et al.*, 2009; Robertson, 2007). The importance of additional motives identified in the literature was less pronounced in this empirical study, such as: risk management (Mendleson & Polonsky, 1995), increased resource efficiency (Elkington & Fennel, 1998), globalization (Loza, 2004; Jamali & Keshian, 2008) and competitive advantage (Frithiof & Mossberg, 2008).

Internal marketing, labelled by the interviewees as ‘employee branding’ is identified as a new motive for PPP. Internal image management increases the awareness of CR and it may broaden the contact area in the PPP. In addition, external marketing towards consumers may reinforce the corporate identity and internal engagement. Expectations in a PPP from corporations and NGOs respectively are associated with accomplishing something neither of these organizations could by themselves. Accessing resources appears to be the primary motive for corporations as well as for NGOs. The exception in the empirical study is KF-Coop that is a consumer owned retail chain taking the role as an NGO. They have a long history of collaborating with established NGOs and developing sub-units of their own to address CR issues such as health and environmental concern in consumption.

### 5.2 Conditions for success in PPP

Like other relationships, private-public relationships are assumed to rarely succeed by chance or coincidence. Researchers have therefore focused on determining what potential success factors are for businesses to follow and hopefully avoid failure. Our findings aim to contribute to these studies by reinforcing the view that a successful PPP can be only achieved by having mutual benefits and objectives (LaFrance & Lehmann, 2005). Exclusivity requests and transparency are also emphasized important conditions since hidden agendas may constitute a big risk in the process of building trust and thus fulfilling the PPP goals. The risk of green-washing by the companies is also defined as a challenge from the NGO’s perspective; transparency and clear goals set by both parties appear to offset identified risks.

In the literature review, we found that the success of PPP relies heavily on the soft side of management (Hartman & Stafford, 1997; Kanter, 1994; Mac Donald & Chrisp, 2005) referring to management and development of social capital in partnerships. Social capital is considered to set the conditions for a relationship such as a partnership, where commitment and trust are identified as limiting factors (Hartman *et al.*, 1999; Robertson, 2007; Dahan *et al.*, 2009). Limiting factors can be divided in emotional values, such as trust, expectations, compatibility, commitment and understanding, and structural aspects, such as a written business agreement with clearly defined goals (Hemphill, 1996; Hardy *et al.*, 2003). These limiting factors are abstract; they are not verbalized directly but they are possible to detect in examples and arguments during the interviews. What we have learned from these case studies is that PPP are based on formal agreements, stating clear objectives and the outcome is monitored. Structural aspects appear easier to establish as well as monitor, compared to emotional values, such as trust and personal chemistry. However, trust was mentioned as an important underlying criterion for establishing PPP with a NGO in literature as well as some of the cases (MacDonald & Chrisp, 2005; Kanter, 1994).

PPP is especially complex as it involves different types of organizations with different governances and agendas, yet working for the same goal, which is to stay competitive and maintain a license to operate in this ever-changing environment. Understanding and clarifying their positions and each of their motivations can contribute towards the success of PPP for all parties involved. All organizations interviewed, private as well as public, commonly agreed that so far they perceived their collaborations as successful. Therefore, it can be assumed that emotional challenges were potentially overcome as well as structural ones in the studied partnerships.

### 5.3 PPP as a part of responsible leadership

Corporate responsibility is a core element of sustainable business development, as it involves “*shifting from managing the internal aspects and direct linkages of the corporation to assuming broader responsibilities for the entire enterprise*” (Rainey, 2006, 2). This understanding has been confirmed by our empirical findings as three of the retailers have defined PPP both in their strategic documents and during the interviews as a part of their responsibility towards society. Using Selznick’s vocabulary (1984,5) businesses take on institutional characteristics; “*it is more a natural product of social needs and pressures- a responsive, adaptive organism*” than “*a rational instrument engineered to do a job*”. As a corporate institution sustainable management is associated with creating stakeholder value by taking responsibility.

In this sense, it can be concluded that PPP in the Swedish retail market is under development. The actions of these three major actors on the market may also influence other fast moving consumer goods markets and smaller actors on the food retail market. The selection criteria indicate that both business and NGOs are in need of trustworthy partners that are willing to commit. In a world of unknowns, the PPP serve as guidance, given trust in mutual strategic expectations. However, it is worth keeping in mind, as Rainey stated (2006, 7), “*to date, there are no corporations that might serve as the perfect model of what SBD means in a corporate setting*”. The core idea of SBD is to focus on what the enterprise must become instead of what it currently is.

## 6 Conclusions

Corporate sustainable strategic management implies efficient use of resources directed at creating conditions associated with responsibility. Given perceived mutual benefits for NGOs as well as corporations, PPP is associated with enhanced access to resources as well as a positive corporate image. Even though the concept of PPP is simple, there are some challenges associated with partnerships, which are seen as conditions for it to be considered successful. As outlined in the literature and supported in this study, PPP is ideally based on a well-structured formal business agreements with *clear goals*. These goals may be especially important in the initial stages of a partnership when conditions for building trust are established. They clarify roles and expectations which lead to limited risks for all parts involved.

One interesting condition in this study, which is related to trust, is the need for *exclusivity*. Exclusivity was pointed out directly but was also identified as underlying requirement when it comes e.g. to selecting a partner. Exclusivity itself is a well-accepted concept in society that can be found in many areas in life, as well as in personal relationships, where it often is part of the values that a relationship is based on. However, when it comes to PPP exclusivity is connoted with controversy.

The dilemma arises from conflicting corporate and NGO missions and worldviews. Corporations aim, in these cases, towards (own) sustainable conduct. NGOs aim towards influencing various stakeholders, thus creating impact. The case studies indicate that PPP is based on a careful selection of partners, where each has their own criteria. Especially from the retailer’s side, exclusivity appears important, which implies that retailers differentiate by responsible conduct that is enhanced by exclusive PPPs. A crude, short-term label for this phenomenon would be that it is simply a matter of image management. A less critical view is expressed in the interpretation of PPP as a process where a gradual establishment of a PPP leads to trust, which in turn reduces the need for exclusivity.

Positive experiences but difficulties assessing the outcome, continuous changes on the market and yet the need for long term strategic collaboration and corporate legitimization ambitions but fear of negative publicity; these are contradictory factors that influence the continued development of PPP. Numerous research questions related to PPP outcomes and institutional contexts will give answers to questions about usefulness in responsible leadership.

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