Looking Through the Eyes of Others

Assessing mutual expectations and experiences in order to shape dialogue and collaboration between business and NGOs with respect to CSR.

Paper for Critical Issues in Sustainable Development

GIN, 28-29 April 2005

Dr. André Nijhof is an assistant professor at the Faculty of Business, Public Administration and Technology of the University of Twente (Enschede). Stakeholder theory, ethics of care and organisational change management are important themes in his current research. He has published in journals like the International Journal of Value Based Management, Journal of Business Ethics and the Leadership and Organisation Development Journal, besides several publications in Dutch books and journals.

Dr. Ir. Andre Nijhof

Universiteit Twente; Faculty Bedrijf, Bestuur en Technologie;
PO Box 217, 7500 AE Enschede, The Netherlands

1 The research project is carried out within the framework of the Dutch National Research Program on CSR, financed by the Ministry of Economic Affairs in the Netherlands. The National Program exists of a coordinated set of research projects on Corporate Social Responsibility executed by a group of researchers from 7 Dutch Universities in close cooperation with businesses. The program runs from January 2003 until December 2004. For this project in particular we have had the invaluable help of Jan Jonker and Michel van Pijkeren.
Abstract

To what extent do the actions of companies in the field of CSR match the expectations of NGO’s? This the leading question for a research project within the framework of the Dutch National Research Program on CSR (2003 – 2004). The research starts with the observation that companies and NGO's are increasingly interacting regarding CSR. Exploring the mutual expectations in the early stages of an interaction can deliver valuable information about the possibilities for cooperation. In order to study these expectations and experiences a web-based tool is developed. This results in some remarking gaps between mutual expectations and the comparison of expectations expressed in the beginning of the interaction with the actual experiences.

Developing indicators

Many factors determine the expectations of the parties involved. In order to start measuring the expectations in a more systematic way, “sensitising concepts” have been formulated. Sensitising concepts are pre-theoretical in nature and help to focus what most probably needs to be assessed. The sensitising concepts here are derived from the zero-assessment and the literature study with respect to stakeholder theory and partnerships. They are presumed to determine expectations and are called criteria. Each of these criteria possesses an underlying dimension. This dimension expresses the width of a specific criterion. These criteria and their dimensions can be summarised as follows:

[1] Issue: multi versus single
[2] Legitimacy: individuals versus organisation
These criteria are rather abstract in nature and difficult to measure. Therefore they need to be translated into indicators, which make the actual measurement possible.

The first criterion concerns the issue around which the parties intend to engage. Hardy and Phillips (1998) refer to it as: "... the organisational domain that emerges as different organisations perceive themselves connected to a common issue." It is a – if not 'the' - determining indicator for the further development of a collaborative process. This criterion can be operationalised into several indicators (Bendell, 2000; Stafford and Hartman, 1996; Malena, 2004; Kernel, 2004; Belou et al., 2003).

The first indicator concerns the rationale of the parties to get involved with each other. A second indicator concerns the degree of shared recognition of the problem(s) at hand. Furthermore the degree of commonality in vision of the parties involved concerning how to address the issue in the future provides a third indicator.

The second criterion focuses on the actual process of collaboration. Within this criterion the indicators that determine expectations are diverse (Malena, 2004; Kaptein and van Tulder, 2002; Phillips, 2002). We take account of the operational co-ordination, long-term commitment and sharing of risks. Furthermore the awareness and flexibility to respond to changing environmental demands also provide an indicator. Also past experiences from the parties involved in similar processes need to be taken into account.

The third criterion addresses the issue of trust. The degree of trust can be regarded as crucial to the actual interaction process (Bendell, 2000; Greenall and Rovere, 1999; Zadek, 2004). It is assumed that a basic level of trust at the start needs to be plain in order to be able to engage a constructive and fruitful dialogue. During the actual process of collaboration around a specific issue the level of trust needs
to be developed in order to foster the relations. Indicators that contribute to trust are long-term commitment and respect for different value systems and worldviews between the different parties.

[4] The legitimacy on which the parties engage in collaboration provides the fourth criterion. This criterion focuses on the conditions that legitimise the parties’ rights to engage. It also refers to the representation of actual persons that will exemplify the contact between the parties (Belou et. al., 2003; Stafford et al, 2000; Phillips, 2002; Zadek, 2004; Covey and Brown, 2001). The first indicator refers to the critical mass (in terms of competencies, professionalism and organisational resources) necessary to be perceived as a relevant and potentially satisfactory partner. This indicator addresses in particular NGOs while experiences show that a lack of professionalism and resources can be an important obstacle in developing a constructive relationship. The complementarity and recognition of capabilities and resources are also conditions that legitimise joint activities. The focus of the last indicator is on the personal authority of the parties. It is the authority of the interlocutor to make decisions that imply commitment for the organisation as a whole.

[5] The fifth criterion deals with the transparency of the future collaboration. Sharing relevant and useful information beforehand and during a project is a prerequisite for effective interaction. This will enhance building trust and enable understanding of the often different worldviews. The literature provides several indicators (Shah, 2001; Phillips, 2002; Malena 2004). The first indicator in this respect is the reliability of the exchanged information. Second the possibility for third-party or other forms of external verification. A third indicator addresses the nature of the (joint) communication towards other relevant actors. Finally a potentially threatening practice of NGOs to take action while being in dialogue with a company needs to be taken into account.

[6] The sixth criterion focuses on the independence of the parties involved. Both parties have the ability to compromise each other in the light of possible conflicting value systems and underlying assumptions. This criterion points to the risks that can accompany close contacts between NGOs and business showing the reverse-side of collaboration (Phillips, 2002; Stafford et al, 2000; Covey and Brown,
2001; Livesey and Crane, 2002). So a first indicator is the loss of legitimacy and credibility of the NGO if its support is derived from an anti-business stance. Risks are further misuse of information and undesired exposure of the collaboration at hand to third parties.

[7] The last criterion points at the impact that both parties aim for and what is actually achieved. Impact refers to possible direct and indirect results and is as such crucial in the development of patterns of expectation. Indicators are (a) linkage of activities with the core business of the organisation (b) clarity of common understanding of goals and results at the start (c) demonstrable achievement of results over a short period of time in order to gain (organisational and personal) support (c) impact of the new collaboration on (internal or external) third parties and finally (d) mutual learning (Ashman, 2001; Bendell, 2001; Greenall and Rovere, 1999; Stafford et al, 2000).

Each of these indicators and subsequent criteria has been translated into a concise questionnaire of 35 questions. This questionnaire was then mirrored for both of the parties involved trying to frame expectations and experiences at the start of a possible collaboration. After a discussion of the questionnaire with several representatives of businesses and NGOs a web-based tool was developed. This tool enables respondents to answers the various questions on a Likert five-point scale. In October 2004 the tool was released and disseminated through dedicated databases and an e-mail alert to approximately 20,000 people. In December 2004 we started with the analysis of the gaps identified in the questionnaires. By then we had 58 valid responses. This is too limited to draw any valid conclusions about the nature of the instrument and its functionality. The intention is to keep the instrument in the air for the next years and gather more data. Based on its use modifications might be required. Discussion of the results so far is therefore preliminary.

---

1 The research project is carried out within the framework of the Dutch National Research Program on CSR, financed by the Ministry of Economic Affairs in the Netherlands. The National Program exists of a coordinated set of research projects on Corporate Social Responsibility executed by a group of researchers from 7 Dutch Universities in close cooperation with businesses. The program runs from January 2003 until December 2004.