Building Sustainable NGO-Business Relationships

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2 authors:

Mohammad Moshtari
Tampere University

Evelyne Vanpoucke
Université Libre de Bruxelles

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BUILDING SUCCESSFUL NGO–BUSINESS RELATIONSHIPS: A SOCIAL CAPITAL PERSPECTIVE

MOHAMMAD MOSHTARI
Tampere University

EVELYNE VANPOUCKE
Université libre de Bruxelles

While NGO–business relationships have much in common with buyer–supplier relationships, the literature specifically indicates several additional challenges in achieving effective and efficient NGO–business relationships. The present study seeks to understand how NGOs and businesses can overcome these additional challenges. From a practitioner's viewpoint, we not only strive to acknowledge the complementarity of NGOs and businesses for implementing successful relationship practices but also seek to understand how these understudied cross-sector relationships can be successfully built. We use a multicase study design to investigate nine NGO–business relationships in a humanitarian context. This study contributes to the supply chain literature by demonstrating how social capital mitigates tensions within NGO–business relationships, that is, by indicating that social capital has not only a bonding, but also a bridging role when building cross-sectoral relationships. In summary, our analysis enabled us to present a more generic process framework for creating social capital within NGO–business relationships. It shows that trust within NGO–business relationships appears to develop more naturally compared to commercial relationships, but that these relationships require more effort in terms of structural and cognitive capital to ensure that partners communicate and share knowledge efficiently, as there are inherent differences in goals and communication languages between NGOs and businesses.

Keywords: *NGO–business relationships; social capital; interorganizational relationships; cross-sectoral relationships; humanitarian supply chain*

INTRODUCTION

Around the world, disaster relief and development challenges call for decisive action from all potential actors. As these problems are multifaceted and resource intensive, they have been described as complex and turbulent (Van Wassenhove, 2006). While governments and nongovernmental organizations (NGOs) have traditionally dealt with these relief and development challenges, they are now acknowledged as a more widely shared social responsibility. Thus, NGOs and government organizations are joined by businesses or local community groups to implement disaster relief and development programs such as poverty reduction, equal rights for children and women, and support for refugees and displaced people (Gonçalves & Moshtari, 2016).

Scholars and leading practitioners agree that preparing for and responding to worldwide disaster relief and development challenges are beyond the capacity and mandate of any one organization. To enhance the effectiveness and efficiency of these disaster relief and development activities, different types of organizations need to collaborate in diverse ways (Demiroz & Kapucu, 2015). Accordingly, NGO–business relationships are becoming essential to dealing with complex and turbulent disaster relief and development challenges (e.g., Kovacs & Spens, 2007; Nurmala, de Vries, & de Leeuw, 2018). For example, in line with the recommendation of *World Humanitarian Summit Synthesis Report* (WHS, 2016), some NGOs have started to embrace collaborations with businesses as an important strategic pillar for generating value in their disaster relief and development missions. While both NGOs and businesses are concerned about creating a sustainable future for all (UN, 2015), efforts to develop collaborative relationships between NGOs and businesses have been limited and slow (Bealt, Fernández Barrera, & Mansouri, 2016; Nurmala et al., 2018).

The stakes for collaborations are particularly high in humanitarian NGO–business relationships, which involve the delivery of products and services to people in need by NGOs, during emergencies or as part of development programs (Pedraza-Martinez & Van Wassenhove, 2016). For this reason, we specifically focus our cases on NGO–business relationships in the humanitarian context. Nevertheless, we believe that our results can be generalized to diverse NGO–business relationships beyond the humanitarian context, as the literature suggests that the tensions that characterize these cross-sector relationships are similar across diverse NGO contexts, including environmental activism, human rights work, and cultural preservation.

We study NGO–business relationships that contribute to both the NGO and the business supply chain of its partner(s). Although the initial impetus for an NGO–business relationship is often to assist the NGO in terms of assets and knowledge to support its operations, our research shows that businesses also learn and create value through these relationships. We also provide a more strategic perspective on previous research that focused on the specific role of an NGO in the commercial supply chain context (Dahan et al., 2010; Perez-Aleman & Sandilands, 2008; Rodriguez et al., 2016). While there have been previous research studies on how and why NGO–business relationships should be formed (Clarke & Fuller, 2010; Erakovich & Anderson, 2013), there is a lack of evidence-based research investigating the characteristics of successful NGO–business relationships (Van Tulder et al., 2016). This is of particular interest, as the evidence suggests that NGO–business relationships often fail to deliver transformational change (Gualandris & Klassen, 2018; Kolk & Lenfant, 2012).

In NGO–business relationships, the roles of the NGO and business are different. Specifically, humanitarian NGOs often have the authority to operate in affected regions in the aftermath of a disaster. Businesses have expertise and many more resources than NGOs but are limited in any humanitarian operation as they are regarded as economic institutions with conflicting goals and lacking the legitimacy needed to work independently in the humanitarian sector. In addition, businesses have concerns such as ensuring the security and safety of their staff, monitoring legal liability regarding their operations, and controlling reputational risk (Bassett, 2015; WHS, 2015). Accordingly, an effective alternative for these corporations is to establish a relationship with an NGO that can work as a facilitator in designing and managing relief and development supply chains (Rodriguez et al., 2016). On their end, businesses can contribute by offering commercial services like logistics assistance and supplying materials and products and noncommercial assets like financial or in-kind donations, infrastructure modification, and capacity building to NGOs.

Academics have posited that the operations and governance methods developed for business supply chains could be adapted to disaster relief and development chains (Day et al., 2012; Van Wassenhove, 2006). More specifically, NGO supply chains can learn about quality, productivity, and efficiency from working with businesses (Jensen, 2012). Meanwhile, business supply chains can learn how to increase flexibility and reliability in uncertain ad hoc environments from NGOs, as unpredictability and time pressures in humanitarian operations are enormous (Kovacs & Spens, 2007). Despite the evidence that both partners can reap considerable benefits from in-depth collaboration, NGO–business relationships are still far from straightforward (Nurmala et al., 2018).

Research suggests that high levels of social capital boost interorganizational collaboration. Palmatier et al. (2013) note that relationships that are open to and encourage mutual investments by building social capital are well positioned to continue to grow. Relationships between organizations are built on social interactions and exchanges, so social capital is an appropriate lens through which to examine the complexity of interorganizational relationships (Carey, Lawson, & Krause, 2011; Horn, Scheffler, & Schiele, 2014). As such, we adopt and extend the application of social capital theory to an NGO–business relationship setting. This enables us to understand the collaborative relationships and potential value creation between an NGO and a business in this particularly challenging context. While there is substantial research on social capital in supply chain relationships (Chae, Yan, & Yang, 2019; Villena, Revilla, & Choi, 2011; Whipple, Wiedmer, & Boyer, 2015), it is not clear how—or even whether—these concepts are transferrable to the NGO–business relationship context. We present case studies of nine NGO–business relationships to address the following research questions:

1 How can NGO–business relationships cope with the tensions inherent in their cross-sectoral nature?
2 What is the role of social capital in creating successful NGO–business relationships?

This study contributes to the growing literature on social capital in supply chain management (Chae et al., 2019; Gelderman, Semeijn, & Mertschuweit, 2016; Whipple et al., 2015) by extending it into an NGO–business setting, an environment that can be especially challenging due to cross-sectoral tensions. Another contribution of this study is the examination of social capital dimensions in creating successful supply chain relationships as a response to recent calls for further exploration of this issue (Chae et al., 2019; Johnson et al., 2018). As Johnson et al. (2018) suggest, analyzing the impact of NGO–business relationships on operational and supply chain activities of both partners is particularly promising as a source of funding and sharing of material, information, guidance, and knowledge to enable rapid and stable responses in these emergent and complex supply chains.

LITERATURE REVIEW AND THEORETICAL BACKGROUND

NGO–Business Relationships

Although businesses and NGOs have different missions, objectives, and challenges, establishing relationships with businesses is key to leveraging resources for nonprofit organizations (e.g., Nurmala et al., 2018; Van Wassenhove, 2006). For this study, we define these NGO–business relationships as specific forms of interorganizational partnerships designed to support the supply chains of both partners. Consistent with Pedraza-Martinez and Van Wassenhove (2016), we focus only on humanitarian NGOs, which are those that deliver emergency relief and development programs to people in need. The potential benefits of such relationships are increasing the knowledge of the partners, reducing costs, and improving the services offered to the community. In essence, partners create a formal and lasting relationship to facilitate the ongoing exchange of resources. Hence, these relationships should provide solutions to long-term needs rather than temporary fixes and should go beyond simply exchanging resources like funding.

Although there are different definitions of successful relationships, Fischer et al. (2009) suggest measuring relationship success as a higher-order construct based on dyadic relationship characteristics and relationship dynamics. Previous empirical studies suggest that successful relationships encompass qualities such as mutual trust, satisfaction, and commitment (e.g., Jap & Anderson, 2007; Lages et al., 2005). While these characteristics may be difficult to measure empirically, commitment and trust can be assessed by the willingness of partners to engage in value-added and knowledge-sharing activities. Other studies consider dynamic aspects such as the evolution of repeated interactions and transactions over time (e.g., Lai, Cheng, & Yeung, 2005; Vanpoucke, Vereecke & Wetzels, 2014). According to the folk theorem derived from the theory of repeated games (Kandori, 2008), mutual trust can be explained by the interest of transacting parties in preserving the value of a reputation of honoring past promises. This value increases over time and with the number of repeated transactions between parties. Consistent with this literature, we define successful NGO–business relationships as long-term relationships that focus on capability building and knowledge sharing to improve their supply chain.

NGO–business relationships are particularly challenging because they blur the boundaries between sectors (Prakash, 2002). Intersectoral blurring occurs when an organization in one sector adopts or captures a role or function traditionally associated with another sector, such as when business sponsors take an active role in NGOs to help with emerging societal issues. Several contemporary forces encourage sectoral blurring. Reductions in government support and changes in philanthropic giving have encouraged nonprofit organizations to generate revenues through commercial activities (Weisbrod, 1997). Businesses, on the other hand, need to respond to broader demands by stakeholders, requiring more engaged citizenship behaviors on a variety of issues (Waddock & Smith, 2000). Working with NGOs can satisfy this need to fulfill a societal role and thus meet stakeholder demands.

Motivations for NGO–Business Relationships

As dealing with nationally and globally complex humanitarian problems is often beyond the responsibility and capacity of governments acting alone, businesses are under increasing pressure from investors, employees, and the societies in which they operate to take a stronger role in contributing to solving or mitigating the impact of societal problems. As a result, we see that businesses are taking a more proactive approach in interacting with NGOs to deal with the humanitarian aspects of commercial operations. Engaging in NGO–business relationships provides businesses with an opportunity to demonstrate their responsiveness to the call for corporate social responsibility (CSR) and thereby improve their reputations (Muller & Kräussl, 2011). Besides the altruism and social worth that interactions with an NGO can provide, engagement in these types of collaborations can also be a source of economic value for businesses (McWilliams, Siegel, & Wright, 2006; Peloza, 2009; Peloza & Shang, 2011), which ultimately intensifies the interdependence of businesses and NGOs (Salancik & Pfeffer, 1978; Yaziji & Doh, 2009).

In a humanitarian context, collaborating with businesses provides an NGO with access to financial donations and in-kind supplies or services such as technical expertise in logistics, supply, packaging, warehousing, and improving supply chain capabilities or processes like needs assessment, quality management, tracking and tracing, and fleet management systems. In the aftermath of a disaster, NGOs are motivated to work with businesses because the commercial partner can provide assistance by allocating infrastructure like offices, warehouses, and human resources to the humanitarian partner to scale up its operations. In addition, both parties can collaborate on context and capacity analysis, jointly identify critical issues like locations of supply chain disruptions or bottlenecks), and optimize the use of available resources such as logistics, communications, and procurement. These initiatives may help NGOs improve operations, enhance innovative practices, increase managerial skills, and eventually help to save more lives and deliver timelier, higher-quality, and lower-cost services to beneficiaries (Thomas & Fritz, 2006). For businesses, it could increase their knowledge on supply chain risk management as well as social knowledge and engagement in new communities.

Tensions in NGO–Business Relationships

NGOs and businesses face multiple tensions in building collaborative relationships. The first challenge relates to differences in mandates and goals. Both NGOs and businesses may aim for short-term benefits such as dedicating ad hoc philanthropic or pro bono resources to scale and speed up humanitarian operations, credit for CSR, visibility in a market, or product assessment. To set up a genuinely successful relationship, the aim should instead focus on long-term benefits like knowledge sharing, capability-building initiatives, and supply chain improvements (product development, market development, sustainable supply chain, etc.). Just as these short-term goals of NGOs and businesses diverge, so might their long-term goals. In the humanitarian context, NGOs are typically driven by their mandate of providing life-saving assistance and alleviating human suffering (Van Wassenhove, 2006). As such, the strategic goals of managing an NGO supply chain involve cost efficiency, capital reduction, and service improvement (Beamon & Balcik, 2008). On the other hand, businesses are driven by maximizing profit. Strategic goals in the business sector are influenced by financial returns for shareholders (Beamon & Balcik, 2008). While NGOs want to create a "better world to live in," business is focused on long-term growth opportunities. These conflicting goals may create tensions within NGO–business relationships.

Image and customer perceptions might also create tensions between businesses and NGOs. Although NGOs want to receive resources and knowledge from businesses, they must be viewed as independent (Rueede & Kreutzer, 2015; Thomas & Fritz, 2006). Meanwhile, businesses might worry that a relationship with a NGO could be perceived not only as a simple solution to demonstrate a business' societal engagement but also as a lack of capability and professionalism (Rueede & Kreutzer, 2015; Thomas & Fritz, 2006).

Another tension relates to differences in working rhythms and culture. For NGOs, relationships with businesses could entail cultural and technical issues (Haigh & Sutton, 2012). Businesses and NGOs might have diverse and even conflicting values, use different languages, and have different policies, operational standards, and timeframes, all of which inhibit efforts to establish long-term relationships. For example, donors and host governments require NGOs to develop and follow transparent procedures that include humanitarian and ethical policies like impartiality and independence that may not be core values for businesses. A high level of incompatibility between businesses and NGOs regarding these cultural and working conditions can lead to misunderstandings and conflicts in a relationship.

The final challenge relates to the resources available for developing and maintaining these crucial relationships; there is often an unequal flow of resource sharing between NGOs and businesses. This often intensifies after an event occurs or as a result of media attention, making long-term collaboration difficult. Hence, there is little effort and money allocated to building relationships in the preparedness phase (Fawcett & Fawcett, 2013; Tatham & Pettit, 2010), resulting in ad hoc decisions when unexpected disruptions arise (Fawcett & Fawcett, 2013). A further impediment is that NGO projects and programs rely largely on earmarked funds and therefore have minimal resources to invest in IT solutions, which might make it difficult to ensure visibility into NGOs' operations, which is crucial for a long-term relationship. Molina-Gallart (2014) points to the difficulty of risk assessment in establishing NGO–business relationships due to NGOs' as well as businesses' limited resources and knowledge. This is especially true for long-term relationships that seek to build capacity. NGOs generally lack technical expertise and are not well informed of business operations, market issues, and product complexities. Businesses, on the other hand, lack knowledge on the specifics of all the operations in the field. Therefore, understanding and making decisions about the benefits and risks of relationships is challenging for both partners.

Social Capital

Social capital represents the "assets and resources made available through relationships within the social structure of the collective that can be utilized by the collective" (Payne et al., 2011, p. 497). It thus provides a theoretical perspective through which the value gained from social networks can be understood

(Carey et al., 2011). Social capital can accumulate value, which represents the "sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit" (Nahapiet & Ghoshal, 1998, p. 243). As Johnson et al. (2018) suggest, various forms of social capital could be of particular interest in NGO–business relationships and warrant further research due to their complicated nature as described in the previous paragraph, which creates challenges to find consensus among both collaborative and antagonistic perspectives among partners.

Related to the concepts of reach, richness, and receptivity of networks (Gulati, Lavie, & Madhavan, 2011), Nahapiet and Ghoshal (1998) propose three dimensions of social capital: structural, relational, and cognitive. These three dimensions represent the attributes of relationships that create value, the relational quality of the relationship's ties, and the level to which these ties are expansive and heterogeneous. Together, these three dimensions form a parsimonious framework for understanding the mechanisms by which social capital creates value for relationship partners. Below, we discuss each dimension and its implications for NGO–business relationships.

Structural Capital. At the dyadic level, structural capital refers to the configuration of a network of two partners and is used to examine the extent to which people in the network are connected and the patterns and usefulness of these connections (Bolino, Turnley, & Bloodgood, 2002). Carey et al. (2011, p. 279) indicate that structural capital "describes the extent to which actors are linked in a relationship and how they come to understand 'who knows what." When partners develop connections at different managerial levels across functional departments and maintain a high level of interactions among their contact points, the social capital of their relationship increases (Chae et al., 2019; Villena et al., 2011; Whipple et al., 2015). In NGO–business relationships, structural capital can be increased by involving more employees in the NGO's activities, such as collective problem solving or knowledge sharing. Running social events, team-building exercises, joint problem-solving workshops, and cross-functional teams are examples of such interaction initiatives at the dyadic level, as they all strengthen multiple connections between employees of the NGO–business relationship (Carey et al., 2011; Krause, Handfield, & Tyler, 2007). In general, NGOs often lack adequate resources, such as human resources expertise and funds, to invest in establishing these connections, communications, and engaging in interactive initiatives. These NGOs often work under enormous time pressures, with earmarked funding that is often only available after a disaster strikes, while there is limited time and support for nonoperational programs. Business on the other hand is used to focus on profits and measuring tangible results, for example, improving returns on investments. Therefore, NGOs and businesses face difficulties in developing longer-term ties and structural capital together.

At the network level, structural capital refers to the degree to which an actor's network is expansive and diverse, as grounded in theories pioneered by Granovetter (1983) and Burt (1992). It looks, for instance, at the reach of the network, which is defined as how partners increase their direct and indirect connections to different communities. Access to these diverse communities can impact not only the "action area" of an NGO's and a business' supply chain but also its access to information and knowledge about key topics like health, infrastructure, and innovations.

Relational Capital. Relational capital refers to the qualities of the relationship that enable collaboration and resource sharing among partners. Through enduring, frequent, and intense interactions, partners can build strong ties. These interactions are often complex in nature, involving different people and different forms of communication and exchanges. The relational dimension describes the quality of connections by characteristics such as trust, respect, reciprocity, and intimacy (Kale, Singh, & Perlmutter, 2000; Nahapiet & Ghoshal, 1998). Trust is regarded as a core element of successful buyer–supplier relationships and reduces the risk of opportunism (Krause et al., 2007; Morgan & Hunt, 1994; Uzzi, 1996) that may develop through repetitive interactions (Chae et al., 2019).

Contrary to situations in which both partners work in the same industry and have a good understanding of their partners' capabilities and achievements, NGOs and businesses operate under different working logics. Because NGOs must be concerned about the credibility of any business' CSR efforts (Frynas, 2005; Gilberthorpe & Banks, 2012), they might be suspicious of the motivation of a business that seeks to engage in the NGO supply chain, which could be seeking new sales opportunities or new market approaches. Moreover, these core business values are not necessarily consistent with humanitarian principles like impartiality and independence and do not inherently imply ethical and sustainability practices. Similarly, businesses might have differences in expectations and communications delivered by the NGO, making it more difficult to see the outcomes of NGO actions and to create real commitment. Thus, mutual trust in NGO–business relationships is more difficult to develop and maintain than in partnerships between two businesses.

Cognitive Capital. The cognitive dimension concerns the degree to which connected parties share a common perspective. Cognitive capital is often described as a shared vision, the "collective goals and aspirations" that affect knowledge transfer among members in a network (Inkpen & Tsang, 2005, p. 157). Tsai and Ghoshal (1998) describe the cognitive dimension as the existence of a common code of understanding that is often facilitated through a common language among partners, forming a synergy among partner activities to work toward those goals (Villena et al., 2011), and facilitates the exchange of resources and information among partners (Nahapiet & Ghoshal, 1998; Preston et al., 2017; Tsai & Ghoshal, 1998). A lack of collective goals may result in conflicts among partners (Inkpen & Tsang, 2005; Rossetti & Choi, 2005).

NGOs and businesses have different values and cultures, which may complicate joint decision making and result in partnership failure (Sharma & Bansal, 2017). NGOs and businesses aim for different and even conflicting objectives (i.e., making profit versus providing life-saving assistance and reducing human suffering). They are rooted in different political, economic, and cultural contexts (Bolino et al., 2002), and therefore speak in different languages and interpret things differently. The complexities associated with envisioning relationship goals (Gualandris & Klassen, 2018) and quantifying the contribution of each partner and its proportional return (Molina-Gallart, 2014) are other factors that may result in difficulties for partners trying to create joint objectives or values (Fiol, Pratt, & O'Connor, 2009; Koschmann, Kuhn, & Pfarrer, 2012).

Interaction between Social Capital Dimensions. Previous studies often focused on only one dimension of social capital, such as the relational dimension (Cousins et al., 2006; Yu & Huo, 2018); others have examined two dimensions (e.g., Lawson, Tyler, & Cousins, 2008). By contrast, Krause et al. (2007), Carey et al. (2011), Whipple et al. (2015), and Chae et al. (2019) studied all aspects of social capital. Besides examining the effect of each dimension on the performance of interorganizational networks or dyads, scholars have specifically called for an exploration of the interaction among social capital dimensions (Gulati et al., 2011; Johnson et al., 2018).

Although Tsai and Ghoshal (1998) emphasize potential interdependency among the three dimensions, this interaction remains relatively underexplored (Carey et al., 2011). Acknowledging the multidimensional nature of social capital, Carey et al. (2011) propose that the relational dimension mediates the association between the structural and cognitive dimensions and the performance of buyers in buyer–supplier relationships. Gulati et al. (2011) suggest that there is a moderating relationship among the three dimensions. For instance, reach (structural capital) increases the impact of richness (cognitive capital) on network performance, while receptivity (relational capital) enhances partners' ability to use the potential value of the interorganizational network, but their success depends on the richness (cognitive capital) of accessible resources.

Other examples stress the trade-off between different dimensions of social capital. For example, strong structural capital could be negatively correlated to relational capital. This can be explained by the idea that maintaining strong ties generally means that there are only a few strong ties and many weak ties in most actors' networks. While these weaker links might provide timely access to a broad spectrum of information, they also reveal structural holes (Burt, 1992), creating an opening for other actors to play an important role in the network. On the other hand, these weak links also require fewer commitments (Kilduff & Tsai, 2003) but may play important bridge functions in the network (Granovetter, 1983) and create flexibility in interacting with multiple weak ties. While Johnson et al. (2018) illustrate how some of these dimensions can interact in NGO–business relationships, few studies systematically analyze the impact of all three social capital dimensions on the long-term viability of NGO–business relationships. In the present study, we seek to understand how tensions within the NGO–business relationship, as described in the literature review, hinder the formation of successful NGO–business relationships and the role of social capital in creating such successful NGO–business relationships.

METHOD

Given the limited theoretical knowledge on NGO–business relationships, a deductive case study is an appropriate methodological choice because it helps sharpen existing theories in new contexts (Ketokivi & Choi, 2014; Siggelkow, 2007). While our overall research process is deductive, the data analysis and empirical conclusions exhibit abductive characteristics through the investigation of relationships among existing concepts and boundary conditions that are not a priori anticipated (Edmondson & McManus, 2007; Yin, 2014). More specifically, we use a multiple case study design to investigate nine NGO–business relationships. Our choice for analyzing dyads instead of networks is based on previous research by Nurmala et al. (2018) showing that 96% of all humanitarian NGO–business relationships involve a single NGO and a single business. This confirms that a dyadic view covers the vast majority of NGO–business relationships, so that a network perspective is not required (Gulati et al., 2011). To understand the dyadic nature of these relationships, we conduct a nested case study analysis, where the unit of analysis was a relationship between an NGO and businesses.

FIGURE 1
Summary of Research Phases [Color figure can be viewed at wileyonlinelibrary.com]

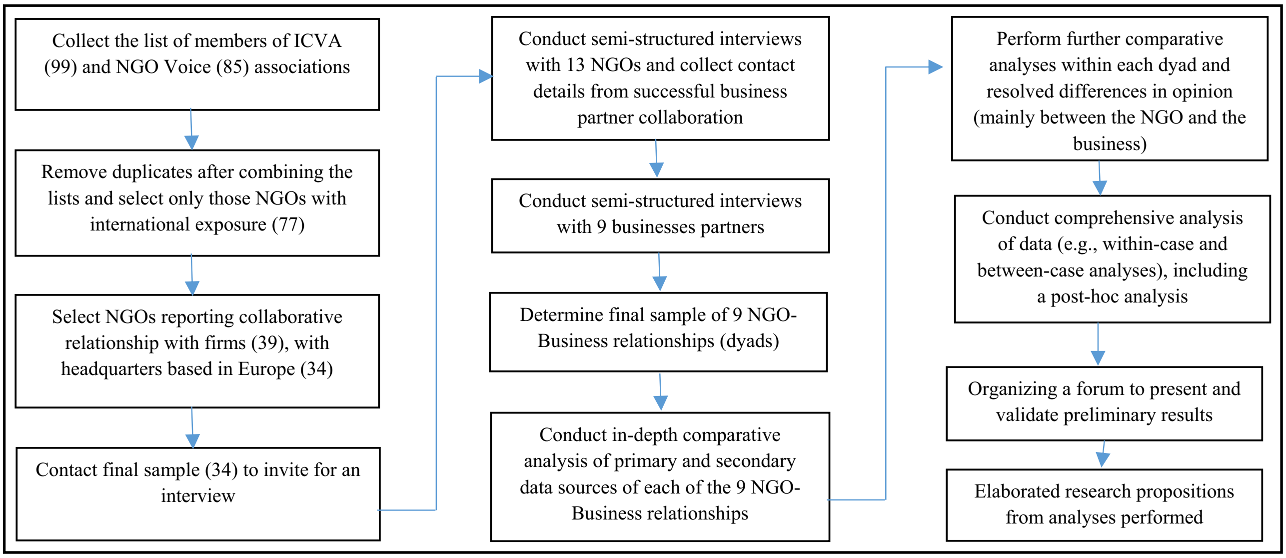


Figure 1 provides an overview of our approach; the interview protocol is provided in Appendix D (see online supplement).

Data Collection

Prior to the interviews, we developed a semistructured questionnaire and a clear case study protocol to guide the data collection (Yin, 2014). For instance, we interviewed informants who viewed the relationship from diverse perspectives (Eisenhardt & Graebner, 2007). It is crucial to select informants who accurately represent their organization's engagement in humanitarian activities and relationships with the partner. These respondents work at management levels and are knowledgeable about the relationship trajectory, involved in collaborative tasks, and ready to provide relevant documents and information (e.g., business development, corporate affairs, corporate communications, CSR). As our research question focuses on how social capital from both the NGO and the business triggers the building of NGO–business relationships, we mainly focused on the relational, structural, and cognitive resources employed to achieve these relationships.

While our review of the literature concentrates on NGO–business relationships, our data collection specifically focusses on NGOs in the humanitarian context: those dealing with products and services for disaster relief and development activities with an international scope and headquarters in Europe (Pedraza-Martinez & Wassenhove, 2016). To select our sample, we consulted the member lists of the International Council of Voluntary Agencies (ICVA) and the Voluntary Organizations in Cooperation in Emergencies (NGO Voice). ICVA is a global network of 99 humanitarian organizations, whose mission is "to build a world in which crises-affected populations are effectively protected, assisted, and enabled to rebuild their lives and livelihoods with dignity" (www.icvanetwork.org). NGO Voice is a network of 85 NGOs in 20 European countries that promotes effective humanitarian aid worldwide (http://voiceeu.org/). First, we selected those NGOs working in an international context. We then removed duplicates (those present on both the ICVA and NGO Voice lists), resulting in a list of 77 NGOs. To be considered a candidate for further investigation, we first reviewed the websites of all 77 NGOs to see whether they reported partnerships with business. Among these 77 NGOs, 39 reported partnerships with businesses on their websites. Our sample was further reduced to 34, as we only selected NGOs headquartered in Europe.

As a first step, we contacted all 34 NGOs by phone and email and invited them to participate in this research. Of this group, 21 either did not reply or declined our interview request due to time constraints, scheduling issues, or their lack of NGO–business relationships. In total, 13 NGOs accepted our interview invitation. In our first interview with these NGOs, we talked about forming relationships with businesses. The NGOs provided an overview of all their business relationships. This enabled us to identify a successful relationship, as perceived by the NGO and according to definitions in the literature, within the relationship portfolio of each NGO that reported having partnerships or successful relationships with businesses. To investigate the dyad, we also contacted the "successful" business partner of each NGO for an interview. Four business partners did not reply to our interview requests, so our final sample was nine cases. Data collected from the respondents and conclusions from our forum meeting, as described in the next section, suggested that saturation was reached with these nine case studies.

Data collection began in November 2017 and ended in March 2019. As NGOs and their business partners were in different locations around Europe, the two researchers travelled to meet the NGOs and their corporate partners in person. Follow-up interviews were planned, to the extent possible, at the premises of the NGOs and businesses offices, with videoconferences used when face-to-face meetings were not possible. We interviewed 27 managers with responsibilities in setting up and maintaining these relationships, 14 on the NGO side and 13 from businesses (see Table 1). The interviews took between 40 min and 2 h; they were all recorded and transcribed. After analysis, unclear issues were clarified through follow-up telephone calls and emails. To validate our findings, we organized a forum for the participants, during which NGOs, businesses, and researchers exchanged ideas and information through the presentation of the results, followed by an open discussion among all participants. This forum was held in Finland and lasted for five hours.

Throughout the case studies, we collected data by interviewing informants and studying documents, meeting notes, presentations, websites, and news articles. More specifically, we used the following alternative data sources for triangulation purposes (Jick, 1979): (1) organizations' public information, including corporate CSR reports, website home pages, and

TABLE 1

Overview of Cases

Case	Country	Interviews	Interviewees
Protecting Children (NGO1-B1)	UK	4	NGO 1: Director, Partnerships Foundations and Corporates (1); Corporate Fundraising and International Development Expert (1) B1: Purchase Process Manager (1); Colead of the partnership with NGO (1)
Building Resilience (NGO2-B2)	UK	2	NGO2: Senior Corporate Partnerships Executive (1) B2: Vice President, Global Corporate Responsibility (1)
Empowering Youth (NGO3-B3)	Finland	4	NGO3: Senior Corporate Partnership Manager (1); Partnership Project Specialist (1) B3: Sustainability Lead (1); Lead at Development Partnerships (1)
Supporting Refugees (NGO4-B4)	Norway	4	NGO4: Head of Corporate Relations (1) B4: Senior Partner and Managing Director (1); Project Consultant (1)
Ending Poverty (NGO5-B5)	Sweden	2	NGO5: Manager, Strategic Partnership (1) B5: Sustainability Manager (1)
Life-saving Communication (NGO6-B6)	France	2	NGO6: Senior Corporate Partnerships Executive (1) B6: Head of International Relations and Communication (1)
Strengthening Families (NGO7-B7)	Finland	4	NGO7: Corporate Partnerships Manager (1); Fundraising Officer (1) B7: Corporate Responsibility Director (1); Communications Director (1)
Responding to Humanitarian Emergencies (NGO8-B8)	Germany	3	NGO8: Corporate Partnerships Manager (1); Head of Corporate Engagement (1) B8: Vice President, Head of Global Social Compliance and Sustainability (1)
Promoting Children Rights (NGO9-B9)	Switzerland	3	NGO9: Business Partnership Specialist (1); Fundraising manager (1) B9: Technology For Good Program Director (1)

other Internet sources; (2) documents provided by interviewees; (3) interviews with NGOs and businesses to acquire a more in-depth understanding of the institutional context of each NGO and its specific characteristics regarding humanitarian products or services; and (4) publicly accessible reports and statistics on the humanitarian context. These additional data sources also helped us to validate the insights we garnered from our primary informants and to increase the odds of capturing dyadic-level constructs. We paid especial attention to identifying and resolving differences in opinions between NGOs and businesses. In general, we found NGOs and businesses to be in significant agreement, as our interviews focused on both the dyad's social elements and their structural characteristics (e.g., how often meetings occurred, contractual documents). However, social elements are more prone to differences in viewpoints. In situations where we found differences, the researchers (1) compared our interpretations, (2) triangulated the conflicting findings, (3) asked for examples from respondents, and (4) showed our analysis to respondents and discussed it with them to facilitate a common understanding (Bastl, Johnson, & Finne, 2019).

Data Coding

The coded data were mainly qualitative and came from primary and secondary sources, as described above. We used a deductive case research approach (Ketokivi & Choi, 2014), coupling within-case and between-case analysis (Eisenhardt, 1989; Yin, 2014). Standard coding procedures (Miles & Huberman, 1984) helped us identify constructs and relationships within each case and then compare these constructs and relationships across cases. A case database was used to store, code, index, structure, and record the data. This permanent database includes all materials we used directly in the analysis. After each interview, we made an entry in our case study journal (reflective journaling) and created an interview transcript. Furthermore, we kept track of our ideas and first findings in the journal. We began our analysis with open coding by grouping quotes into categories of tensions and social capital. For example, the statement of the director of partnerships from NGO1, "it is often hard to stay aligned as both partners have their individual goals," was coded as a tension within NGO–business relationships. Another example of such a tension code was mentioned by B1's manager: "these smaller movements are due to the smaller team size of NGO1." Once we finished the open coding of all the interviews, we began axial coding to generate more abstract codes (Strauss & Corbin, 1990). During this stage, we began to connect our inductive quotes to the established tension dimensions, such as misaligned strategic goals, preservation of NGO reputation, differences in culture and working rhythm, and misaligned resource allocation. Table 2 provides insights into these coding dimensions and representative quotes. These techniques formed a recursive, process-oriented, analytic procedure (Locke, 1996) that continued until we grasped the emerging theoretical relationships. Two researchers independently coded the constructs and the relationships between the constructs in the transcripts and then compared the coding. Differences in the coding were discussed between researchers until they were resolved. When there was disagreement among the researchers, discussions and sense-making meetings were organized between them to come to an agreement. The forum was also used as a sense-making workshop to reach consensus among the different actors: researchers, businesses, and NGOs. These repeated iterations between data, literature, and theory until a strong match between theory and data emerged strengthened the validity and reliability of the findings.

Coding of Successful NGO–Business Relationships. Based on our definitions in the literature review, we determined that a successful NGO–business relationship should fulfill two requirements. First, it should be ongoing, with signed contracts for multiple years that are renewed one or more times with the intention of continuing indefinitely and creating advantages for both partners. As the literature stresses the creation of relational rents through reciprocity in exchanges that create commitment and trust in the relationship, we also looked at collaborative processes and knowledge and asset creation between partners for each case. Practically, we measured these dimensions as specified in the literature by looking at (1) the length of the agreement and (2) the willingness of partners to jointly develop capabilities and values. Agreements of three years or more are classified as long term, while those less than that are short term. In all cases, long-term relationships consisted of agreements that were extended after three years, as it is unusual to set up formal agreements for more than that length of time. The willingness of partnerships to develop jointly capabilities and values is measured by the type of capabilities that partners develop together. Based on our interviews, we classified these capabilities into three categories: (1) financial capabilities, often through financial donation from businesses, employees, and/or customers; (2) implementation capabilities, by providing required material and supplies or infrastructure like logistics or distribution networks; and (3) innovation capability, through sharing tacit knowledge, technology, and/or innovation, enabling the NGO and the relationship to improve products or processes that support the NGO supply chain. Only relationships with innovation capability activities were classified as developing joint capabilities (see

TABLE 2

Data Structure

Dimension	Subdimension	Exemplar Representative quotes
Structural dimension	Pattern and frequency of connections	• A strength is that we have a focused approach towards corporates, with a dedicated team of 7 people at the local office (NGO1) • We see that the things that we do with B5 gives us knowledge, experience, but also the possibility to talk to even bigger retailers about what could be done (NGO5) • It is important that the other partner is global and also operates in markets where we are present (B3)
	Pattern and frequency of communication	• We write blogs on the projects and these are shared with the employees at the corporate to engage them (NGO1) • In a global partnership like ours, you need to meet, you need to call, you need to have regular checks to build relations (B3) • We have good communication flow (NGO2)
	Interaction initiatives	• We repurposed a product together. Both partners played an active role in this process (B1) • We take part in a lot of industry and cross-industry round tables together (B2) • There is an aspect of employee engagement. Field visits are regularly taking place (NGO1)
Relational dimension	Trust and trustworthiness	• We've built trust within the two organizations globally for several years (NGO3) • Their level of professionalism in working with the companies is growing a lot, and of course we have grown as well because we have been working together (B7) • We hugely benefit from their competence and knowledge in medicine development (NGO1)
	Reciprocal commitment (resources, continuity)	• If they need something, we react quickly. Our responsiveness is very high (NGO1) • We're engaging with them continuously (NGO2) • A long-term partnership that involves a lot of conversations and learning from each other (B2)
	Friendship, respect, and reciprocity	• Benefits go both ways (B1) • Their openness, their willingness to discuss things with you, in a friendly way (B6) • We've been very good at being quite honest with each other, and kind of fixing things as we need to (B2)
Cognitive dimension	Shared vision (collective goals and aspirations)	• An overarching vision for the partnership is crucial (NGO1) • The effect has been greater together with a business partner rather than for us doing a similar kind of initiative alone (NGO3) • To invest in disaster preparedness not only for a humanitarian kind of aspect is also crucial for their business (NGO2)

(continued)

TABLE 2 (continued)

Dimension	Subdimension	Exemplar Representative quotes
	Shared language, codes and narratives, and joint understanding	• You have to change your communication techniques when you work for the NGO (B1) • We get a lot of sectoral knowledge and understanding (B3) • We have a much deeper understanding of how each other's organization works and how we can best work together (B2)
Successful NGO–business relationships	Long-term commitment	• As the relationship is win-win, it is also a long-lasting one (NGO1) • It is really crucial to have continuous engagement (NGO2) • Three year is not that long, but long enough to make a long-term plan for the relationship (B7)
	Supply chain capability building	• They provide us their capability to make this product (NGO1) • We do a lot of expertise sharing (B4) • We create training programs together for people on the field (NGO5)
NGO–business relationship tensions	Misaligned strategic goals	• It is often hard to stay align as both partners have their individual goals (NGO1) • One challenge is that companies are commercially oriented (NGO5) • Before we can step into a relationship, it is important that the partner has a corporate social responsibility structure in place (NGO6)
	Reputational preservation	• It is also our brand name that we are risking if we deal with the wrong kind of corporations (NGO8) • We have ethical codes indicating with whom we can work together (NGO9) • There are quite some risks in working with a new partner (NGO1)
	Incompatible culture and working rhythm	• It took a while for us to really understand how the humanitarian sector works and how we could help (B2) • The company wants faster responses, but they do not know the context (NGO5) • We require more structure from NGOs, e.g., setting KPIs (B3)
	Misaligned resource allocation	• It is no way possible to have that kind of experience inhouse (NGO3) • This slower movement is due to smaller team sizes at the NGO (B1) • As we have a larger workforce, we are far more flexible compared to the NGO (B4)

the upper right quadrant in Figure 2). In all cases, these businesses sharing innovation capabilities also shared financial and implementation capabilities, suggesting a cumulative process of capability building. Based on the two dimensions described above, we created four categories of cases, which are shown

FIGURE 2
Sample of NGO–Business Relationships

	Short-term agreement (<3 years) (LOW long-term commitment)	**Long-term agreement (>=3 years) (HIGH long-term commitment)**
Co-creation of capabilities (HIGH capability building)	Supporting Refugees (NGO4-B4) Ending Poverty (NGO5-B5)	Protecting Children (NGO1-B1) Building Resilience (NGO2-B2) Empowering Youth (NGO3-B3) **Successful NGO-business relationships**
Philanthropic / pro bono resource sharing (LOW capability building)	Responding to Humanitarian Emergencies (NGO8-B8) Promoting Children Rights (NGO9-B9)	Life-saving Communication (NGO6-B6) Strengthening Families (NGO7-B7)

in Figure 2. While three cases (Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), and Empowering Youth (NGO3-B3)) clearly fulfilled the criteria for successful NGO–business relationships by scoring high on both long-term commitment and capability development, other cases fulfilled only one of the dimensions of success or even no characteristics of relationship success. More specifically, Supporting Refugees (NGO4-B4) and Ending Poverty (NGO5-B5) developed joint capabilities together but scored low on having a long-term commitment, while Life-Saving Communication (NGO6-B6) and Strengthening Families (NGO7-B7) scored high on long-term commitment but low on capability-building characteristics. Finally, two relationships in our sample did not fulfill either of the two criteria for success, scoring low on long-term commitment and capability building (see lower left quadrant in Figure 2).

Coding of Social Capital. As described in our literature review, social capital is formed by structural, relational, and cognitive capital (Nahapiet & Ghoshal, 1998). Consistent with this definition, we asked our interviewees to describe these different forms of capital. We gained in-depth information on these three dimensions by measuring each of the three subdimensions of social capital described in the literature review. To validate our social capital constructs, we followed the open and axial coding procedures described above, which enabled us to link the codes using the interviewees' own terms with the abstract theoretical dimensions described in the literature. Table 2 presents representative quotes of this validation exercise.

DATA ANALYSIS AND RESULTS

Within-Case Analysis

The within-case analysis describes the context, tensions, social capital dimensions, collaborative practices, and aims of each relationship. While a description of the three successful NGO–business relationships is provided below (Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), and Empowering Youth (NGO3-B3)), Appendix E (online supplement) provides a less detailed description of the other six cases that have not yet developed into successful relationships because they are not long term and/or have not jointly developed capabilities.

Appendix A, available in the online supplement, indicates whether the managers of an NGO–business relationship feel challenged by the tensions described in the literature review. To understand the importance of the different tensions, we summed all the quotes for each tension, as shown in Appendix A. For example, there were seven quotes (five from NGO1 and two from B1) for misaligned strategic goals and three (one from NGO1 and two from B1) for misaligned resource allocation. In addition, we labeled a tension as being high when it was mentioned at least three times during the interviews, medium when it was mentioned twice, and low if it was mentioned only once during the interviews. Appendix F provides an in-depth example of the analysis of tensions in one case, Protecting Children (NGO1-B1); those tensions were used as input for completing Appendix A. For each NGO–business relationship, Appendix A describes how often each tension described in the literature was mentioned by the NGO or the business manager responsible for the relationship. Overall, we can conclude that all NGO–business relationships are challenged by at least some NGO–business relationship tensions.

In addition, based on the validation of the social capital constructs, we describe the different dimensions of social capital in each individual case (see Appendix B in the online supplement). As discussed in the coding section, we conducted first-order coding using the interviewees' own terms, which we subsequently linked to the abstract theoretical dimensions from the literature. This coding procedure enabled us to define the level of structural, relational, and cognitive capital described in Appendix B. For example, a high level of relational capital was attributed to those cases describing a strong presence of each of the three subdimensions of structural capital (see Table 2): frequency of connections, frequency of communication, and interaction initiatives. Relationships showing the presence of only two subdimensions were labeled as medium, while low relational capital describes cases with a strong presence on one subdimension of structural capital or on none of the subdimensions. A similar procedure was used for defining the level of relational capital using the subdimensions of trust and trustworthiness, reciprocal commitment and friendship, and respect and reciprocity; for cognitive capital, the shared vision and shared language and joint understanding subdimensions were used. As cognitive capital consists only of two subdimensions, high levels were assigned to those relationships with a strong presence of both and medium levels to a strong presence of only one. If neither of the subdimensions was strongly present, the relationship was labeled as having low levels of cognitive capital. Describing these levels of social capital enabled us to understand the social capital developed in each of the NGO–business relationships for our within-case analysis; it will also enable us to associate these levels with other constructs like tensions and relationship success, which might reveal patterns in the cross-case analysis. Differences in interpretation between the two researchers were discussed and resolved through sense-making meetings and a forum organized with the researchers and respondents.

Protecting Children (NGO1-B1). In 2013, the top management of NGO1, the leading global independent organization defending children's rights, and B1, a global pharmaceutical company, formed an ambitious and strategic global relationship. As B1's strategy states that 20% of profits from developing countries should be reinvested in those countries to support local healthcare systems, B1 decided to partner with NGO1 on a more strategic level than had been the case. While these institutions had collaborated for many years, their previous efforts were purely philanthropic and project-specific; the main concerns were to raise funds and to create awareness. Once they decided to accelerate their joint work, both partners stressed the importance of clearly articulating the aspirations and expected outcomes of the relationship. Using combined expertise, resources, and influence, the relationship seeks to help save the lives of one million children. More specifically, the partners are looking for new ways to help reduce child mortality, with a focus on the health of children below the age of five. This vision was made explicit in a contract that is renewed every three years. Reporting occurs on an annual basis with clear objective measures and is supported by an open communication policy.

Both the local office in Switzerland and the coordination center in the UK of NGO1 have dedicated teams (13 persons in total) focusing on this relationship. With the large global footprint of both B1 and NGO1, the relationship intends to scale up and replicate its success for the benefit of the neediest communities. To date, the partnership has already reached 2.6 million children. It focuses on reducing child and infant deaths by developing child-friendly medicines, increasing vaccination rates, improving health worker training, and helping children whose health is affected by humanitarian crises or disasters. For example, the research and development work stream, in which NGO1 formulates the needs for medicines and B1 provides the medicines, developed a new gel for the prevention of a bacterial bloodstream infection that killed around 400,000 newborns annually around the world. In total, the relationship has ten work streams, ranging from research and development (R&D) and purchasing to communication and supply chain management. Through an exchange program, B1 employees switch roles and take up tasks at NGO1 or provide training to NGO1 employees for limited periods. For example, employees of the purchasing department at B1 helped NGO1 to conduct spend analyses, which reduced the NGO's purchasing costs. Another example is a negotiation training that B1 organized for the purchasing team at NGO1. Through universal panels, the joint platform also aims to raise awareness and influence other businesses around the world. To accomplish all these activities collaboratively between NGO1 and B1, social capital, in all three subdimensions of structural, relational, and cognitive capital, is highly apparent at both NGO1 and B1. Appendix B describes these levels in detail for the Protecting Children relationship.

Building Resilience (NGO2-B2). In 2011, NGO2 and B2 initiated a relationship. NGO2 is a major international humanitarian agency delivering emergency relief and long-term international development projects with a focus on alleviating poverty. For B2, a hospitality company with a workforce of more than 350,000 in over 5,000 hotels around the world, the impact of a natural disaster on its core business, supply chain, and employees can be substantial. B2 has adopted providing "True Hospitality" as one of its central strategies and therefore considers itself responsible for supporting the communities in which its hotels are located. Like B2, NGO2 has a global presence. They aim to be among the first humanitarian actors to begin operations after a disaster strikes and are committed to deliver humanitarian aid to 20 million people.

The relationship started with short-term programs in the life-saving response and recovery phases of humanitarian operations to support the needs of communities close to B2 hotels or businesses. NGO2 runs an initiative called Shelter in a Storm. This initiative assists victims and is funded by both B2 and its employees. With the expertise of NGO2 in disaster relief, B2 is able to deliver aid (accommodation, financial support, or vital supplies) efficiently and effectively when a disaster strikes, either directly or through appropriate partners in the affected area.

As the NGO2-B2 relationship has grown, its scope has been extended to cover long-term programs in disaster preparedness and enduring community resilience. The relationship supports B2's business goals and values and assists NGO2 in reaching its global program goals. For example, B2 financially supports research conducted by NGO2 on addressing gender equality in humanitarian shelter programming, in developing disaster risk reduction programs in the Philippines, and in identifying and making connections in disaster hotspots around the world. In addition, it supports NGO2 in developing content and facilitating training on emergency shelter. The many initiatives within this relationship were only possible because of the development of close ties among partners, through the building of communication patterns and interactions, and through the creation of a common vision. Appendix B describes these aspects of structural, relational, and cognitive capital and shows that the NGO2-B2 Building Resilience relationship has high levels of these subdimensions of social capital.

Empowering Youth (NGO3-B3). In 2010, NGO3 and B3 began a global collaboration on a wide range of projects. NGO3 is one of the world's largest development organizations working for gender equality and children's rights. B3 provides services in strategy, consulting, digital, technology, and operations around the world. A key target of their collaborative initiatives is addressing youth unemployment worldwide. In this vein, NGO3 has a Youth Economic Empowerment program that offers skills and training to support youth. B3 also has a corporate citizenship initiative, Skills to Succeed, that aims to assist more than three million people worldwide in developing skills to gain employment or launch a business. The relationship allows them to build on B3's core strengths by utilizing their technical skills, research expertise, and global networks and NGO3's grassroots presence and local knowledge of youth employment programming. In another project entitled Count Every Child, B3 supports the development of a digital birth registration system to ensure all children are counted and can therefore access their rights. Their collaboration also includes large youth employment programs in Indonesia, the Philippines, Vietnam, and East Africa. These initiatives are only possible through the building of structural, relational, and cognitive capital between NGO3 and B3. Appendix B details the presence of high levels of these subdimensions of social capital.

In 2013, NGO3 and B3 began a more in-depth collaboration in Finland, which was formalized by a three-year contract in 2016. B3 has engaged in organizational development and knowledge management projects supporting NGO3 in improving its organizational processes. Examples include projects on digital monitoring, digital project management, documenting good practices, and organizing events on digital inclusion and digital opportunities for girls. These events enable young people to become acquainted with different digital tools. Both partners deem it important to present the collaboration initiatives at each other's forums or stakeholder events. In its early years, the partnership consisted of projects to build capacity at NGO3; only later was it transformed into knowledge-sharing and planning initiatives. Currently, NGO3 and B3 are also working together on Skills to Succeed initiatives in Uganda and Ethiopia; these are local innovation hubs for youth to develop their own business models that will serve local needs.

For a description of the other six NGO–business relationships, please refer to Appendices A, B and E.

Cross-Case Comparisons

Having described how each relationship developed in terms of activities and social capital, we now examine the similarities and differences between these relationships (Eisenhardt, 1989). To begin our cross-case comparison, we investigated patterns and differences within the social capital dimensions of the different cases, as detailed in Appendix B. We describe these patterns and differences in structural, relational, and cognitive capital. In addition, we link these dimensions of social capital to the tensions in NGO–business relationships and to the success of those relationships. This is achieved in Table 3, which synthesizes information from Appendices A and B and Figure 2. In addition, to further validate our findings, we performed a post hoc analysis by specifically looking for statements that link the ability to cope with tensions to aspects of social capital; these statements are presented Appendix C of the online supplement, and summarized in Table 4.

Appendix A provides an overview of how many times managers from the NGOs and businesses mentioned NGO–business relationship challenges during their interviews. This comparison clearly indicates that all such relationships suffer from at least some tensions, as was reported in the literature review. In only two cases—Responding to Humanitarian Emergencies (NGO8-B8) and Promoting Children's Rights (NGO9-B9)—did we find low levels of tension caused by the incompatibility of culture and working rhythms. As these relationships were less developed in terms of long-term commitment and codeveloping capabilities, their low-tension levels could be explained by lower degrees of interaction between partners than in the other relationships. While tensions due to misaligned strategic goals were mainly mentioned by the NGOs, all other tensions, such as reputational problems and differences in culture and resources, were mentioned by both partners in the relationship, indicating that these tensions are seen as equally challenging by both sides. In addition, by linking the tensions (for which counts are provided in Appendix A) to the social capital dimensions in Table 3, we illustrate how NGO–business relationships are able to cope with these tensions. In summary, Table 3 suggests that managers who are able to build up relational, structural, and cognitive capital, such as Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), and Empowering Youth (NGO3-B3), are very confident that they are able to cope with these tensions, while NGO–business relationships that are not able to build up such capital, like Responding to Humanitarian Emergencies (NGO8-B8) and Promoting Children's Rights (NGO9-B9), display far less confidence in coping with these tensions. The other cases, which scored high on two social capital dimensions but not all three, provide further insights into the specific links between the dimensions of social capital and the success of NGO–business relationships. These relationships appear to be able to cope with certain NGO–business relationship tensions very well but are less successful in dealing with others. More specifically, Table 3 reveals links between being able to cope with strategic and reputational tensions and building relational and cognitive capital, which we see in Life-Saving Communication (NGO6-B6) and Strengthening Families (NGO7-B7). We also find that relationships like Supporting Refugees (NGO4-B4) and Ending Poverty (NGO5-B5) that build relational and structural capital are able to cope with cultural and resource tensions.

To further explore this link between tensions and social capital, we created Appendix C, which contains illustrative statements from respondents that link tensions and social capital dimensions. For example, NGO1's corporate fundraising expert said, "From the outset we found it useful to be quite open around the parameters in which we would work together and what our global position is on global health issues." This reveals states how this manager copes with NGO–business relationship tensions by linking relational capital (being "quite open") with the tension of misaligned strategic goals (the challenge of working on the NGO's global position on health issues). Appendix C provides all the statements in which we found a relationship between specific tensions and dimensions of social capital, while an empty cell or a weak description indicates that the relationship is weak or nonexistent. Just as in the coding process, differences between the two researchers were discussed and resolved. These repeated iterations between the data, literature, and theory until a strong match between theory and data emerged strengthened the validity and reliability of the findings. In summary, we can state that the material in Table 4 (and Appendix C) supports our earlier findings regarding the links between tensions and social capital dimensions in NGO–business relationships. Below, we provide more in-depth information on how each social capital dimension is linked to tensions and to relationship success.

Structural Capital in NGO–Business Relationships. A common pattern revealed in Appendix B is that multiple ties increase an NGO's access to diverse sources of information and its ability to increase pressure on multiple stakeholders. NGOs might use their ties from a relationship to influence other businesses or political debates; for example, NGO1 can use its connections with B1 to influence other large pharmaceutical companies to pursue sustainable activities. The NGO in the Protecting Children relationship (NGO1-B1) tries to influence a broader audience of policymakers, customers, and governments by regularly organizing

TABLE 3

Cross-case Analysis

Cases	Tensions in NGO–business relationships				Subdimensions of social capital			Successful NGO–business relationships	
	Misaligned strategic goals	Reputational prevention	Incompatible culture and working rhythm	Misaligned resource allocation	Structural capital	Relational capital	Cognitive capital	Long-term commitment	Supply chain capability building
Protecting Children (NGO1-B1)	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Building Resilience (NGO2-B2)	HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Empowering Youth (NGO3-B3)	HIGH	HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
Supporting Refugees (NGO4-B4)	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	LOW	LOW	HIGH
Ending Poverty (NGO5-B5)	MEDIUM	HIGH	HIGH	HIGH	HIGH	HIGH	LOW	LOW	HIGH
Life-saving Communication (NGO6-B6)	MEDIUM	HIGH	MEDIUM	HIGH	LOW	HIGH	HIGH	HIGH	LOW
Strengthening Families (NGO7-B7)	HIGH	HIGH	HIGH	HIGH	LOW	HIGH	HIGH	HIGH	LOW
Responding to Humanitarian Emergencies (NGO8-B8)	MEDIUM	MEDIUM	LOW	HIGH	LOW	LOW	LOW	LOW	LOW
Promoting Children Rights (NGO9-B9)	HIGH	HIGH	LOW	HIGH	LOW	LOW	LOW	LOW	LOW

In-depth information on the coding of the tensions and social capital dimensions could be found in the online supplement. Appendix A represents a summary of the coding of the tensions, while Appendix B represents statements for the coding of the social capital dimensions.

TABLE 4

Post Hoc Analysis: Coping with NGO–Business Relationship Tensions Through Social Capital

Case		Misaligned strategic goals	Reputational prevention	Incompatible culture and working rhythm	Misaligned resource allocation
Protecting Children (NGO1-B1)	Structural Capital	–	–	X	X
	Relational Capital	X	X	X	X
	Cognitive Capital	X	X	–	–
Building Resilience (NGO2-B2)	Structural Capital	–	–	X	X
	Relational Capital	X	X	X	X
	Cognitive Capital	X	X	–	–
Empowering Youth (NGO3-B3)	Structural Capital	–	–	X	X
	Relational Capital	X	X	X	X
	Cognitive Capital	X	X	–	–
Supporting Refugees (NGO4-B4)	Structural Capital	–	–	X	X
	Relational Capital	–	–	X	X
	Cognitive Capital	–	–	–	–
Ending Poverty (NGO5-B5)	Structural Capital	–	–	X	X
	Relational Capital	–	–	X	X
	Cognitive Capital	–	–	–	–
Life-saving Communication (NGO6-B6)	Structural Capital	–	–	–	–
	Relational Capital	X	X	–	–
	Cognitive Capital	X	X	–	–
Strengthening Families (NGO7-B7)	Structural Capital	–	–	–	–
	Relational Capital	X	X	–	–
	Cognitive Capital	X	X	–	–
Responding to Humanitarian Emergencies (NGO8-B8)	Structural Capital	–	–	–	–
	Relational Capital	–	–	–	–
	Cognitive Capital	–	–	–	–
Promoting Children Rights (NGO9-B9)	Structural Capital	–	–	–	–
	Relational Capital	–	–	–	–
	Cognitive Capital	–	–	–	–

This is a summary of Appendix C in the online supplement. This supplement provides multiple example statements of our interviewees indicating how social capital (i.e., structural, relational, and cognitive) enables relationships to cope with the different tensions.

panels and open discussions for different audiences. As such, the structural capital provided by the relationship with B1 gives NGO1 access and connectivity to different functions of the business' supply chain and R&D department, enabling the partners to work together on product development and supply chain issues. Appendix B also indicates that the geographical reach of NGOs, which provides businesses with access to local communities, plays an important role in building a successful relationship. More specifically, businesses like to work with NGOs with a similar geographical focus, as this enables them to reach the local communities that the NGOs target for their humanitarian projects. For example, NGO2 and B2 are active in almost all the same places, and these overlaps enable both partners to work together extensively in areas of common interest to create reactive contingency plans in case of disasters near B2's hotels. While NGOs within successful relationships use these connections to actively influence multiple stakeholders and create opportunities and capabilities—even outside the dyadic relationship—our cases show that relationships with lower levels of structural capital limit the use of these connections to communicate joint initiatives: Examples include Life-saving Communication (NGO6-B6), Strengthening Families (NGO7-B7), Responding to Humanitarian Emergencies (NGO8-B8), and Promoting Children's Rights (NGO9-B9).

Strong structural capital requires connectivity on multiple levels within both the NGO and the business; NGO–business relationships require the visible commitment of top-level management and genuine engagement from middle- and lower-level employees. For example, the managers at B4 do not perceive the relationship with NGO4 as an add-on initiative; rather, it is an integral part of typical business activities and closely related to their corporate values. In other words, successful relationships require broad organizational as well as individual support from both partners. Table 4 shows that this broad support for an NGO–business relationship enables the relationship to overcome cultural differences and differences in terms of resources and even creates new opportunities for capability building through interactions between multiple people with diverse backgrounds. Appendix C shows that respondents linked structural capital with the ability to cope with resource and cultural tensions. Building structural capital by setting up systematic methods of communication and interactions enabled Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), Empowering Youth (NGO3-B3), Supporting Refugees (NGO4-B4), and Ending Poverty (NGO5-B5) to cope with the resource and cultural tensions that challenge NGO–business relationships.

Relational Capital in NGO–business Relationships. Appendix B indicates that successful relationships require large investments in dedicated personnel to build relational capital, as in Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), and Empowering Youth (NGO3-B3). Both partners in Protecting Children invested in new personnel dedicated to the relationship. NGO1 strengthened its team with eight employees at the coordination center and seven at their local office in Switzerland to work specifically on the relationship, while B1 invested in communication and purchasing personnel with a similar assignment. Apart from these dedicated full-time personnel, other B1 employees are regularly involved in and consulted about the relationship. As both partners have offices in central London, managers at B1 often spend significant time in the NGO's offices, providing ample opportunity to create trust between the organizations and friendships among partners. NGO5 and B5 are also in constant dialogue through meetings and field visits, as indicated by the business partner at NGO5 and the sustainability coordinator at B5. The other cases in our sample show little or no shared investments in personnel and joint initiatives. For example, in the Strengthening Families relationship (NGO7-B7), the partners meet two or three times per year to discuss activity themes and associated budgets. Another example is the Promoting Children's Rights collaboration (NGO9-B9), in which partners only approach one another after a disaster.

By working collaboratively on projects, NGOs and businesses learn about one another's culture and consequently create a kind of reciprocal commitment based on an appreciation of the other party's manner of communicating and decision making. While businesses make decisions based on numbers and rational arguments, projects that place business managers at the NGO enhance the "soft" skills of these managers. Another not entirely financial benefit is personal enrichment for employees and development of their leadership skills. These intensive collaborations also strengthen joint product and service developments, as illustrated by the codevelopment of a gel for the prevention of a bacterial bloodstream infection (NGO1-B1) or the development of a digital birth registration system (NGO3-B3). Such hands-on joint projects between NGOs and businesses create high levels of openness and transparency and facilitate knowledge sharing, cocreation, and long-term commitment between partners.

While Appendix B reports low levels of relational capital for Responding to Humanitarian Emergencies (NGO8-B8) and Promoting Children's Rights (NGO9-B9), all other cases show medium to highlevels of relational capital, which suggests that this dimension correlates with the success level of NGO–business relationships. The quotes in Appendix C, and its summary in Table 4, on relational capital show that Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), Empowering Youth (NGO3-B3), Supporting Refugees (NGO4-B4), Ending Poverty (NGO5-B5), Life-Saving Communication (NGO6-B6), and Strengthening Families (NGO7-B7) possess either medium or high levels of relational capital, which appears to help them cope with the four tensions in the NGO–business relationship.

Cognitive Capital in NGO–Business Relationships. To create cognitive capital in NGO–business relationships, the cases shown in Appendix B reveal that speaking the same language in the relationship is crucial. This common language can be created by formulating relationship goals and strategies together. The Protecting Children relationship (NGO1-B1), for instance, jointly established a target of saving one million children under the age of five by providing them better access to healthcare. While this target fits the broader target of NGO1 to stand up for children in the world's most difficult environments through protection and education, it provides a specific focus on the relationship with B1. For B1, meanwhile, the joint target fits their broader vision of donating 20% of the profits the company earns from developing countries back to those countries. This common goal enables the partners to formulate multiple collaborative projects that strengthen their relationship and are also in line with each organization's strategy. It further enables open communication channels, generates a shared sense of responsibility for achieving these goals, and leads to a mutual feeling of accomplishment. Creating this cognitive capital requires each party to know the other party's values. Often, this requires the NGO to perform risk audits and to speak the language of businesses.

Appendix B shows that Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), Empowering Youth (NGO3-B3), Life-Saving Communication (NGO6-B6), and Strengthening Families (NGO7-B7) all possess high levels of cognitive capital. Combining this with the information in Figure 2 reveals that high levels of cognitive capital can be linked with long-term committed relationships. By contrast, relationships that are not (yet) long term still need work on formulating joint visions and potential achievements; see Supporting Refugees (NGO4-B4), Ending Poverty (NGO5-B5), Responding to Humanitarian Emergencies (NGO8-B8), and Promoting Children's Rights (NGO9-B9). In addition, Appendix C and the summary in Table 4 show that cognitive capital helps enable relationships to overcome misaligned strategic goals and to preserve the parties' reputations. More specifically, for Protecting Children (NGO1-B1), Building Resilience (NGO2-B2), Empowering Youth (NGO3-B3), Life-Saving Communication (NGO6-B6), and Strengthening Families (NGO7-B7), we found support for the presence of cognitive capital and the ability to cope with two specific tensions: reputational preservation and misaligned strategic goals.

DISCUSSION

In a humanitarian context, NGOs are increasingly confronted with challenges in their supply chains. They need to respond to complex situations and demands of disaster and development management that may transcend their expertise. To deal with these complexities and uncertainties, increasing numbers of NGOs and businesses choose to form cross-sectoral relationships that can enhance the relationship's supply chain capability since business partners might provide donations, in-kind supplies, pro bono resources, low-cost consulting, transportation services, and even knowledge on supply chain processes and digitalization. All this extra support and knowledge sharing increases the humanitarian impact of the NGO. In return, NGOs might contribute to the sustainability efforts of the business partners as they become more involved in commercial supply chains (Hyatt & Johnson, 2016). Collaborating with NGOs can thus serve as a means for businesses to overcome sustainability challenges within their global supply chain. These relationships can also affect a company's competencies: resilience, innovations, market development processes, and so on.

As more and more NGOs engage in cross-sectoral relationships and eagerly incorporate supply chain thinking into their own supply chains, there is a growing need to study these cross-sectoral relationship arrangements. While talking with NGOs in the humanitarian context, we discovered significant differences in the stages that these NGO–business relationships have reached. NGOs often use the term "partnerships" or "strategic partnerships" to talk about their cross-sectoral collaborations, which range from philanthropic or pro bono resource arrangements to cocreative supply chain capability arrangements. Some are focused on the long run, while others are short-term collaborative projects. Rather than the notion of "partnership," we are interested in how successful NGO–business relationships can be built, relationships that focus on the long-term and on joint capability building. In summary, our research contributes to the supply chain management literature by examining the role and mechanisms of social capital in creating successful NGO–business relationships. First, we show how social capital can help manage the tensions within cross-sectoral relationships. Second, we explain how the structural, relational, and cognitive dimensions of social capital and their interactions can enable successful NGO–business relationships. This inspires a set of propositions and a process framework that together explain the crucial role of social capital in NGO–business relationships (Figure 3) and respond to the call made by Johnson et al. (2018) and Rodriguez et al. (2016) for deeper insights into developing NGO–business relationships. We explain our two main contributions in the sections below.

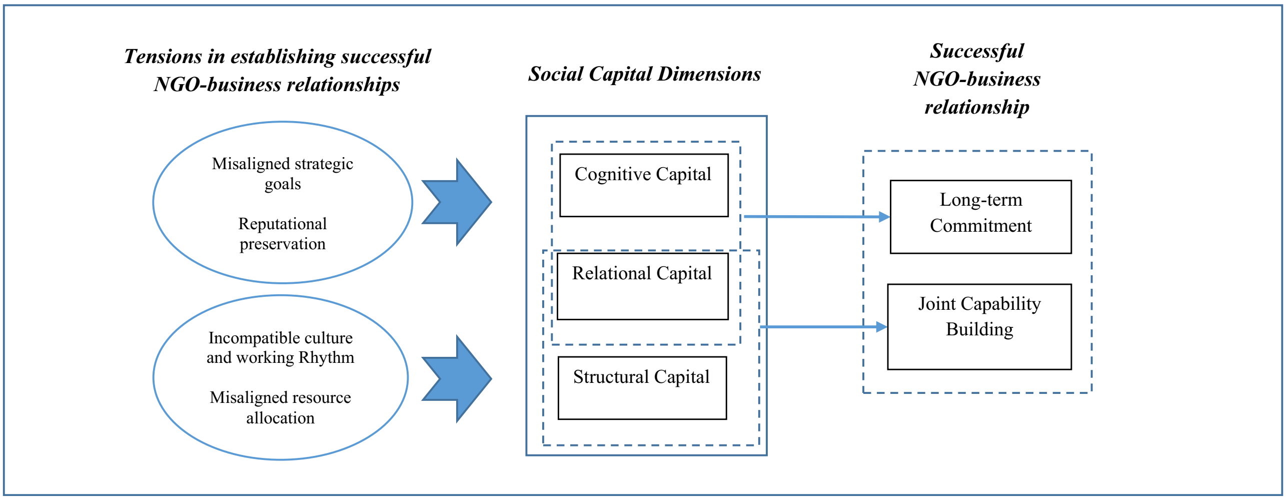
Building Social Capital to Manage Tensions in NGO–Business Relationships

Consistent with the literature review, our cases re-affirm several tensions that make it difficult to build NGO–business relationships. To overcome these tensions, NGO–business relationships respond by building social capital. Specifically, through our dyadic cases, we illustrate how three different dimensions of social capital—structural, relational, and cognitive—can help manage the tensions common in NGO–business relationships.

The most successful NGO–business relationships in our sample show that tensions concerning differences in mandates and roles can be mitigated by creating common goals and setting up a collaborative mission. The strong ties that result from this collaboration can smooth discussions and conflicts in the relationship and leverage the impact of the relationship's common goals. This finding echoes Carey et al. (2011), who suggest that relational capital mediates the impact of cognitive capital on the performance in a relationship.

To alleviate reputational prevention tensions, NGOs and businesses can jointly define their goals and aspirations to create a common view of the NGO supply chain. In addition, risk audits of a business performed

FIGURE 3
Model for Creating Successful NGO–Business Relationships [Color figure can be viewed at wileyonlinelibrary.com]



by an NGO can help determine whether the goals of both partners are genuinely aligned. In combination with cognitive capital, strong relational ties can lessen the impact of misaligned strategic goals and help with reputational preservation in successful NGO–business relationships. In summary, the following propositions could be formulated:

> **Proposition 1a:** Simultaneously building cognitive and relational capital reduces the tension of misaligned strategic goals within NGO–business relationships.

> **Proposition 1b:** Simultaneously building cognitive and relational capital reduces the tension of reputational preservation within the NGO–business relationship.

Our cases show that tensions created by cultural differences and differences in working rhythms can be reduced by geographically and/or operationally overlapping areas and projects, which create the opportunity for businesses and NGOs to work closely together. This more intensive collaboration increases all parties' understanding of the others' culture and work rhythms. Moreover, the fact that the NGO and the business can obtain high levels of structural capital leads to more enduring NGO–business relationships. As Chae et al. (2019) suggest, this effect can be strengthened by solid relations between partners, as strong ties further stimulate the impact of dyadic and network strengths on the success of cross-sectoral relationships.

Finally, tensions related to the availability of resources can be managed by collaborating in the field, which is possible if both partners have overlapping projects or action areas in which to undertake joint efforts. However, it will be easier to cope with this tension when these projects are managed with trust and respect between partners, in other words, when relational capital is present. Consequently, we can formulate the following propositions that suggest a synergetic effect between structural and relational capital:

> **Proposition 1c:** Simultaneously building structural and relational capital reduces the tension of bringing different cultures and working rhythms together within the NGO–business relationship.

> **Proposition 1d:** Simultaneously building structural and relational capital reduces the tension of having misaligned resource allocations within the NGO–business relationship.

Developing Successful NGO–Business Relationships through Social Capital

The literature suggests that, for relationships to become highly successful, they need to consider the long term, and partners need to be committed to jointly creating capabilities that will support the relationship. This is also consistent with the life cycle view of relationships (Dwyer, Schurr, & Oh, 1987; Jap & Anderson, 2007; Vanpoucke, Vereecke & Boyer, 2014), indicating that knowledge creation is only possible in the later stages of relationship formation. However, in terms of building these relationships, there are impediments in NGO–business relationships that are not found in commercial relationships. In the latter, the building of trust requires a great deal of energy (e.g., Villena et al., 2011), but trust appears to develop more naturally in NGO–business relationships. On the other hand, NGO–business relationships require more effort to ensure that partners communicate and share knowledge efficiently, as there are inherent differences in goals and communication languages between NGOs and businesses.

Our results show particular challenges to social capital formation when working across sectors. While the global sourcing literature has found higher transaction costs to be associated with sourcing from culturally distant suppliers (Handley & Benton, 2013; Larsen, Manning, & Pedersen, 2013), our study explains this cost in a cross-sectoral context in terms of sectoral rather than cultural distance. These sector-based differences require even closer collaboration in projects and activities before those efforts translate into a commitment to a long-term relationship. As suggested by earlier research (e.g., Carey et al., 2011; Chae et al., 2019; Gulati et al., 2011), structural and cognitive capital form the cornerstones of building these close relationships. Our cases make clear that creating structural, relational, and cognitive capital add value and reinforce one another in a stronger way than in commercial partnerships. This can be explained by the role of social capital in overcoming tensions in cross-sectoral relationships, indicating that social capital has not only a bonding but also a bridging role in NGO–business relationships (Granovetter, 1985).

Structural capital is fundamental to the creation of NGO–business relationships. In these relationships, structural capital is also a crucial vehicle for reaching and influencing other businesses, governments, and customers, all of which go well beyond access to supply chain capabilities. This is important as it can create far-reaching effects beyond a single NGO and/or business supply chain, impacting multiple supply chains and societies. As such, even more than in commercial supply chain relationships that largely build social capital as a source of market information and referrals to prospective partners, social capital in NGO–business relationships is used as a vehicle for accessing a variety of intangible and tangible assets from partners.

Together, relational and structural capital create extraordinary benefits. Cross-sectoral relationships that can build strong structural and relational capital tend to shift their focus toward the cocreation of supply chain capabilities within the relationship. This is mainly visible in shifting from a reactive toward a more proactive approach, which enables collaboration much earlier in the process. Collaboration in the preparation phase is crucial to NGO–business relationships, as previous research has reported (Nurmala et al., 2018). However, only 20% of these relationships take an active role in the preparation phase. The interaction of relational and structural capabilities enables the business and the NGO to focus on prevention and preparedness—what we call the "co-creation of joint capabilities"—instead of reacting after problems arise. In case of an emergency, the NGO can react much faster due to the earlier availability of funding. For example, in the Building Resilience relationship (NGO2-B2), NGO2 can react much more rapidly to disasters because B2 shared its experience with how early budgets and knowledge sharing can create leverage effects in the recovery processes. Consequently, the following proposition can be formulated:

> **Proposition 2a:** Simultaneously building structural and relational capital fosters the cocreation of joint capabilities for successful NGO–business relationships.

A long-term commitment for NGO–business relationships is only possible when cognitive capital is strongly cultivated. This often requires the NGO to perform a risk audit of the corporation's supply chain to check for alignment and whether the business does not violate any of the NGO's core beliefs. In order to perform these risk audits, NGOs have to develop new skills necessary to start up the NGO–business relationship. The start-up process also requires potential partners to talk frankly about achievements in a language that both partners understand, which can pose an additional challenge. To succeed in bridging the different backgrounds of NGOs and businesses, NGOs often hire employees with a business background to serve in a liaison role for these partnerships. As these employees understand the requirements of businesses, it is easier for them to communicate with the business world and to defend the NGO's vision. In addition, relational capital in the form of trust and friendship enables the partners to leverage the impact of cognitive capital on their long-term commitment to the NGO–business relationship. Altogether, this leads to the following proposition:

> **Proposition 2b:** Simultaneously building cognitive and relational capital fosters the long-term relationship commitment needed for successful NGO–business relationships.

Successful NGO–business relationships require different dimensions of social capital to overcome NGO–business relationship tensions: Just as the combination of structural and relational capital enables the cocreation of joint capabilities, the synergies between cognitive and relational capital are necessary for long-term commitment. This fits with the idea of Gulati, Wohlgezogen, and Zhelyazkov (2012) that there are two facets of collaboration: cooperation and coordination. The present paper clearly supports the interdependent model of cooperation and coordination, as it shows a superadditive effect of these facets of collaboration, measured here as dimensions of social capital.

LIMITATIONS AND FUTURE RESEARCH

Although our research enabled us to acquire new insights into managing the complexities of NGO–business relationships, it has limitations. Our research stresses that multiple forms of NGO–business relationships exist (short versus long term and philanthropic versus reciprocal). These multiple forms exist because it is not easy to quickly establish relationships that were not in place prior to a disaster that brings partners together (Dolinskaya et al., 2011). While our research distinguishes these multiple forms of collaboration, we were not able to address the compromises inherent in short-term versus long-term collaboration in this study. While our research made clear that long-term collaborations are much further developed in terms of cognitive capital together and clearly described the benefits of building these long-term relationships, it did not represent a cost–benefit analysis for partners in making choices concerning relationship length. Future research might address these compromises and specific choices in partnership development from both the NGO and the business perspective. It should also further investigate the interaction between various dimensions of social capital. While our cases showed a combined effect of structural and relational capital on the capability-building dimension of successful NGO–business relationships and a combined effect of cognitive and relational capital on the long-term nature of these NGO–business relationships, previous research suggests different types of synergetic effects—such as relational capital as a moderator or mediator—between these dimensions of social capital (e.g., Carey et al., 2011; Chae et al., 2019; Gulati et al., 2011). While we are not able to confirm the exact nature of these complex relationships based on our case studies, future research could provide clarity as to the precise nature of the interactions among social capital dimensions. Finally, our research deals with NGO–business relationships in a European context, which enabled us to collect comprehensive and qualitative data because we were able to develop trust between the managers in these organizations and the research team through personal contact. However, regulations and cultures for NGOs and businesses on how to approach one another and work together might vary and create different dynamics in other geographical areas. Thus, extending this research beyond the European context might be a fruitful avenue for future research.

CONCLUSION

Our research contributes to the general theory of social capital in interorganizational relationships by providing support for the interactions among social capital dimensions. More specifically, it shows that cognitive and structural capital create the fundamentals that can be leveraged in synergy with relational capital for the creation of successful interorganizational relationships. In addition, our study shows that NGO–business relationships follow the same logic as in a business setting in terms of how social capital impacts interorganizational relationships. Although similar mechanisms are at play, our study demonstrates that the formation of social capital is even more prominent within this cross-sectoral relationship context, as social capital can be used as a driver to mitigate the tensions and complexities common in NGO–business relationships.

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Mohammad Moshtari has been an assistant professor in supply chain management at Tampere University since 2017. He completed the PhD program at the Università della Svizzera Italiana (University of Lugano) in Switzerland and was a Swiss National Science Foundation postdoctoral research fellow at Hanken School of Economics between 2014–2016. His work and research interest relate to supply chain management in private and public sectors including NGOs and higher education institutes, humanitarian operations and crisis management, and operations in emerging markets. His research appears in peer-review international journals such as *Journal of Supply Chain Management, Production and Operations Management, European Journal of Operational Research*, and the *International Journal of Voluntary and Nonprofit Organizations*.

Evelyne Vanpoucke (Ph.D., Ghent University) is Associate Professor in Operations and Supply Chain Management at the Centre Emile Bernheim de Recherche Interdisciplinaire en Gestion (CEBRIG) at Solvay Brussels School of Economics and Management, Université Libre de Bruxelles (ULB). Her research interests include supply chain collaboration, sustainable supply chains, governance issues in supply networks and supply chain risk management. Her research has appeared in *Journal of Operations Management* and *International Journal of Operations and Production Management*, among others.

SUPPORTING INFORMATION

Additional Supporting Information may be found in the online version of this article:

Appendix S1 Online supplement.