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Cross-Sector Models of Collaboration for Social Innovation

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A thesis submitted in partial fulfillment of the requirements for the Doctor of Philosophy degree in Business
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CROSS-SECTOR MODELS OF COLLABORATION FOR SOCIAL INNOVATION

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by

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Graduate Program in Business Administration

A thesis submitted in partial fulfillment
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The University of Western Ontario
London, Ontario, Canada

THE UNIVERSITY OF WESTERN ONTARIO
School of Graduate and Postdoctoral Studies

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Cross-Sector Models of Collaboration for Social Innovation

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ii

ABSTRACT

This dissertation consists of three studies that collectively examine the genesis and dynamics of collaborative cross-sector partnerships between nonprofit and for-profit organizations. The overarching question that frames the papers is how cross-sector partnerships organize across sectoral interfaces to advance social innovation. This thesis makes three contributions: 1) the standpoint of the beneficiaries needs to be explicitly discussed when exploring social innovation in cross-sector partnerships; 2) neither success nor failure are absolute but rather cross-sector partners deliberately and iteratively adjust their roles to sustain momentum towards success or rebound from temporary failure in pursuit of social innovation; and 3) despite largely non-overlapping sectoral frames, social innovation is possible when partners learn how to negotiate and fuse their value frames.

In the first paper, we develop a critical theory of social innovation in cross-sector partnerships by recasting value creation from the standpoint of the beneficiary. We review and contrast the principles, relations and relational processes underpinning the Marxist, pragmatist and Frankfurt schools of thought to unpack the role the beneficiary may (or may not play) in value creation. Such critical theorizing enriches the conceptual foundation of the Resource Based View by reinstating the beneficiary as an essential contributor to value creation through voice-receiving, voice-making and/or voice-taking. This paper concludes that beneficiaries are essential to social innovation in cross-sector partnerships: they create and sustain generative tensions within each value creation cycle.

In the second study, we explore the relational processes that underpin social innovation within cross-sector partnerships. Using four longitudinal narratives in

healthcare, we explain how partners navigate the duality of success and failure: deliberate role (re)calibrations help the partners sustain the momentum for success and overcome temporary failure or crossover from failure to success. Three factors moderate the relationship between role recalibrations and the momentum for success or failure: relational attachment, partner complacency, and partner disillusionment.

The third and last study uses the same four longitudinal narratives to explore how cross-sector partners come to recognize and reconcile their divergent value creation frames in order to co-construct social innovation. We argue and find that partners initially contrast their sector-embedded diagnostic frames and then work together to deliberately develop partnership-specific prognostic frames. The study develops a four-stage grounded model of frame negotiation, elasticity, plasticity and fusion which unpacks the relational process of value creation in cross sector partnerships.

Taken together, the three studies advance the cross-sector partnership project by fleshing out the (largely neglected) role of relational processes in social innovation.

Keywords: *social innovation, cross-sector partnerships, value creation, voice, relational processes, framing processes, critical management studies, RBV, healthcare*

CO-AUTHORSHIP STATEMENT

Paper 1

Le Ber, M. J., & Branzei, O. Forthcoming. Towards a critical theory of value creation in cross-sector partnerships. *Organization,* 17(5): 1-31.

The two authors have contributed equally. The candidate is the principal author and has had a major role in the preparation and writing of the manuscript.

Paper 2

Le Ber, M. J., & Branzei, O. 2010. (Re)forming strategic cross-sector partnerships: Relational processes of social innovation. *Business & Society,* 49(1): 140-172.

The candidate is the principal author and has had a major role in the preparation and writing of the manuscript.

Paper 3

Le Ber, M. J., & Branzei, O. Forthcoming. Value frame fusion in cross sector interactions. *Journal of Business Ethics,* Acceptance received on March 17, 2010.

The two authors have contributed equally. The candidate is the principal author and has had a major role in the preparation and writing of the manuscript.

DEDICATION

This work is dedicated to Jim, my husband, who encouraged and supported me to pursue my dream of doing doctoral work; to my children, Fraser, Gavin and Lauren, who kept me grounded while doing doctoral work, and to my late mother, Lydia Janzen, who inspired the focus of my doctoral work.

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A prior version of paper 1, "Towards a Critical Theory of Value Creation in Cross-Sector Partnerships" was presented at the 2008 Critical Management Studies Workshop, The Value Stream. The workshop participants Lisa Calvano, Steve Jaros, Raza Mir, Kathleen Park, Craig Prichard, Diana Sharpe, Sarah Stookey, Charles Tachney and Hugh Willmott were gracious with my early attempts at theory building: encouraging me to continue with critical management theorizing and giving me the most helpful comments and suggestions. This same constructive developmental approach continued

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

CHAPTER 1

INTRODUCTION

A wide range of urgent social challenges, including climate change, sustainability, the growing gap between rich and poor, diversity, the social and economic impacts of globalization, and the current worldwide economic downturn are part of the everyday lexicon of Western society. And increasingly, corporations and businesses of all kinds are not only expected to be good corporate citizens but also to be actively engaged in solving some of these and other retractable social challenges such as poverty, disease and lack of education. Corporations in turn are looking to nonprofit organizations to assist them in meeting societal expectations.

Yet, how these cross-sector partnerships, between for-profit and nonprofit organizations, work together to advance social innovation is not well understood. We know little of the genesis and dynamics of cross-sector partnerships; and even less of the role that the intended recipients or beneficiaries of these partnerships play in the process of social innovation. With three distinct actors, each with divergent value creation logics, power structure (or lack thereof) and identities, coming together for social innovation, the overarching question that frames the papers in this dissertation is how cross-sector partnerships organize across sectoral interfaces to advance social innovation.

SOCIAL INNOVATION

While there is not consensus on a universal definition (Goldenberg et. al., 2009) there is agreement that social innovation can bring about transformative change at the societal level if it is implemented successfully. Broadly, the goal of social innovation is to address the social challenges the world faces through innovative means. Social

innovation rests on two premises. First, it requires some degree of strategic repositioning, that is, it entails the creation of benefits or reductions of costs for society "through efforts to address social needs and problems – in ways that go beyond the private gains and general benefits of market activity" (Phills et al., 2008: 39). Second, it requires novel combinations of ideas, resources, and capabilities; the process of creating social value is deliberate, effortful and unusually demanding (Magee, 2003; Pearce and Doh, 2005; Phills et al., 2008).

While social value creation encompasses (but not exclusively) "the pursuit of societal betterment through the removal of barriers that hinder social inclusion, the assistance of those temporarily weakened or lacking a voice, and the mitigation of undesirable side effects of economic activity" (Austin et al., 2006: 264); the term also suggests that not all value can be monetized. Although western society regularly calculates the value of someone's life or health in economic terms, social value challenges the notion that individual well-being, sense of belonging, hope, self-esteem, self-sufficiency, and self actualization or justice, fairness, environmental preservation, improved health, and better education can be reduced to a monetary amount. While there may be economic impacts of these social aspects of life, they are not defined by economics but rather through relationships between individuals and within communities.

Nor is social value simply an unintended by-product of market dynamics, which is what Peteraf and Barney suggest when they say that: "The economic value created by an enterprise in the course of providing a good or service is the difference between the perceived benefits gained by the purchaser of the good and the economic cost to the enterprise" (2003: 314). We argue that social value is distinct from financial or economic

value and that trade-offs and/or generative tensions between social and economic value exist.

CROSS-SECTOR COLLABORATIVE PARTNERSHIPS

The question of how business and nonprofit organizations come together to generate social value has received substantial theoretical and practical attention in recent years (Hess, Rogovsky and Dunfee, 2002; Selsky and Parker, 2005). Many regard social value creation as the *raison d'être* of cross sector partnerships (Alvord et al., 2004; Teegen et al., 2004). Creating social value requires novel combinations of partners' experience and capabilities. The received wisdom is that cross sector partners are often held apart by deeply embedded frames (Yaziji & Doh, 2009) and identity chasms (Brickson, 2007) – this often triggers clashes in their prior logics and expertise (Bryson et al., 2006) and surfaces inherent fragilities and incompatibilities which often predispose cross sector partnerships to distrust, conflict and premature failure (Macdonald & Chrisp, 2005). A handful of applied studies vividly illustrate partners' will to 'come together' (Austin, 2000; Rondinelli & London, 2003), but the underlying question of how partners surface, negotiate and fuse their value frame remains so far underexplored.

In addition, organizational identities (Brickson, 2007), missions (Fiol & O'Connor, 2002), structure (King, 2007), and patterns of activity (Plowman et al., 2007) constrain partners' willingness to engage in increasingly intense partnerships (Austin, 2000; Rondinelli & London, 2003), their ability to adapt to evolving contingencies and opportunities (Seitanidi, 2008), and to overcome role conflict (Fiol et al., 2009). Inter-organizational relational capabilities (i.e. the capacity to purposefully create, extend and modify organizational routines and resource base through engagement and relationships

with other organizations, Dyer & Kale, 2007), fostered by prior ties, trust, overarching goals and control mechanisms can help partners move along the collaboration continuum (Austin, 2000). When the strategic value of partnerships is high and the for-profit and nonprofit partners have a high level of engagement, interact frequently, and grapple with complex issues (i.e. in integrative social alliances; Yaziji & Doh, 2009), cross-sector partnerships are more resourceful and resilient than go-it alone social innovation efforts (Rondinelli & London, 2003). Yet the process by which partners jointly create social value is often non-linear (i.e. iterative between progress towards the goals and setbacks or circuitous), and fraught with fragilities, difficulties and disappointments (Teegen et al., 2004). Only some partners manage to create social change in a constant, evolving, and cumulative manner (Weick & Quinn, 1999). Many others crumble due to "mis-es" – misunderstandings, misallocations of costs and benefits, mismatches of power, mismatched partners, misfortunes of time and mistrust (Berger et al., 2004).

THE THREE PAPERS

The first paper critically examines how cross-sector partnerships initiate radical pro-social yet economically sustainable changes. This paper reframes the tensions between economic and social value creation from the standpoint of the primary beneficiaries of cross-sector partnership initiatives – groups with urgent and legitimate social claims. Although social innovation beneficiaries are often denied knowledge/ power/voice, this critical theory model explains how they can influence social and economic value creation: by engaging in voice-giving, voice-making and voice-taking, they create generative tensions which help attain and sustain meaningful social change. The two qualitative studies examine the relational processes (i.e. engagement and

exchanges of personal energy and influence in interactions between actors) that underpin social innovation within strategic cross-sector partnerships (paper 2) and the multilevel coordination mechanisms that help bring together clashing value creation logics and conflicting identities that can stall social innovation (paper 3).

Context

Our grounded inquiry focuses on the healthcare domain, one of the most promising contexts for studying social innovation (Christensen, Baumann, Ruggles, & Sadtler, 2006; Christensen, Grossman, & Hwang, 2009; Hwang & Christensen, 2008). We construct and contrast four in-depth, longitudinal narratives of cross-sector partnerships in Canadian healthcare using interviews of senior executives of both the nonprofit health organization and the for-profit business partner; and internal as well as public documents relating to the focal partnership. Each partnership sought to reshape the corporate-NGO interface and was considered strategic by both partners. All our for-profit partners were large publicly traded companies -- two medical device firms, an e-health solution provider, and an energy conservation solution provider focused on the healthcare industry. Our nonprofit partners in each dyad were either a separate division within a multi-hospital health centre or its affiliated hospital-based research institute.

Structure of Dissertation

Chapter 1 serves as the general introduction for this thesis. Chapters 2, 3 and 4 compose the major body of the dissertation. Each of the three chapters is an independent paper that is presented in publication style, with its own introduction, theory, methods, conclusion and bibliography. Following these chapters, I wrap up the dissertation with a general conclusion chapter, Chapter 5.

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CHAPTER 2

TOWARDS A CRITICAL THEORY OF VALUE CREATION

IN CROSS-SECTOR PARTNERSHIPS[1]

WHY WE NEED A CRITICAL THEORY OF VALUE CREATION

The role of the beneficiary - broadly defined as a stakeholder who receives part of the value organizations create (Lepak, Smith, & Taylor, 2007) - is under-developed within mainstream theorizing about value creation and the resource-based view (RBV).[1] Although beneficiaries contribute both directly and indirectly to value creation in organizations, their contributions are often ignored and typically under-leveraged (Coff, 1999). As a counterpoint to the unapologetically under-socialized RBV, we develop a critical theory of value creation which reclaims the beneficiary as a missing theoretical link and whose role influences for whom, for what and to what effect organizations in general (Freeman, Martin, & Parmar, 2007) and cross-sector partnerships in particular (Austin et al., 2006), create value.

We take a beneficiary standpoint (Adler & Jermier, 2005) to revisit the historical roots of conceptualizing value to argue for a deliberate balance between social and economic interests (Smith, 1759/2000: 235) and draw explicit attention to how social processes in general (Margolis & Walsh, 2003) and relational processes more specifically (Di Domenico, Tracey, & Haugh, 2009; Le Ber & Branzei, 2010) may enable or hinder value creation. We first fill out the gap in mainstream theorizing of value creation within RBV by mapping out the distinct foundational premises of value creation within three

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[1] A version of this chapter has been accepted for publication (Le Ber, M. J., & Branzei, O. Forthcoming. Towards a critical theory of value creation in cross-sector partnerships. *Organization*, 17(5): 1-31.

critical theories – specifically, we articulate the principles, relations and relational processes that characterize value creation within each of these critical theories.

We have focused on the Marxist, pragmatist and Frankfurt schools of thought because these strands have explored largely non-overlapping facets of value creation – asking respectively for whom, for what and to what effect beneficiaries may (or may not) create value. We argue for generative tensions at the interstices between these three theories to propose a creative hybrid that, we hope, helps "advance the critical project [by putting forward] a less orthodox, more eclectic approach that favors rich diversity over rigorous contingencies" (Adler, Forbes, & Willmott, 2007: 155-156). Our beneficiary-centric approach to value creation both challenges and amends prior firm-level or resource level theorizing within the RBV (Helfat et al., 2007) to propose a critical theory of value creation.

The Resource-Based View (RBV)

RBV initially provided a firm-centric account of value creation, arguing that firms with superior resources (i.e. valuable, rare, inimitable and organized to exploit) create and appropriate or capture more value than their competitors (Barney, 1991; 2007; Lepak et al, 2007). Subsequent iterations took a resource-centric account, examining how specific resources such as employees' labour or capabilities may contribute directly (Coff, 1999) or indirectly (Branzei & Thornhill, 2006) to organizational value creation and appropriation. Implicit throughout the RBV is the notion that combinations or configurations of resources may determine whether, when or what value is created or captured by organizations – often more so than resources per se (Lavie, 2006; Teece, 2007). Explicit attention to micro-processes, foundational within the RBV since its

Penrosian roots (Rugman & Verbeke, 2002), has seen a resurgence of theoretical (Abell, Felin, & Foss, 2008; Felin & Hesterly, 2007) and empirical (Salvato, 2003) interest.

Attempts to explain the micro-processes by which resources emerge and evolve has shown the glass half full to RBV theorists – helping to articulate how issues of fit and misfit amongst resources explain value creation and especially value appropriation, i.e. yielding above- or below-average levels of organizational performance (Helfat et al., 2007). Yet the glass is also half empty. The RBV not only lacks a clear account of how social premises and social constraints influence value creation and appropriation (Sheth & Uslay, 2007), but also remains relatively silent about who contributes what to value creation (Adler et al., 2007; Freeman et al., 2007; Garnett, 1999). Theorizing about value creation from the standpoint of the beneficiary helps bridge critical and mainstream conceptualizations of value and value processes. This not only moves us towards a more overtly socialized resource based view (Westwood & Clegg, 2003), but also problematizes and enriches the foundational principles, relations and relational processes of value creation within and across critical theories.

Value Creation in Cross-Sector Partnerships

This oversight is particularly challenging when theorizing about value creation within cross-sector partnerships, which set out to create value for the benefit of a third party, the beneficiary (Austin, 2000; Selsky & Parker, 2005). Cross sector partnerships are voluntary working arrangements between for-profit and not-for-profit organizations[2] which involve the deliberate exchange, sharing, or co-development of products, technologies, or services that address an unmet need for a specific segment of society (Yaziji & Doh, 2009) – i.e. the beneficiary.

The beneficiary. The beneficiary, broadly understood as the intended "target" of value creation (Lepak et al., 2007), typically refers to a marginalized, disenfranchised or vulnerable segment of society at social risk (Phills, Deiglmeier, & Miller, 2008) that a cross-sector partnership explicitly addresses in its mission, products/services and accountability statements. Beneficiaries of value creation in general and for cross-sector partnerships in particular can be either individuals (e.g. Pearce & Doh, 2005) or collectives (e.g. Tracey, Phillips, & Haugh, 2005).[3]

In cross-sector partnerships, beneficiaries can accrue social and/or economic value. We are agnostic on which, whether and how much value is captured by the cross-sector partnership as long as at least some of the value created can be captured and appropriated by the target beneficiary. Social value creation is broadly regarded as the *raison d'être* of cross-sector partnerships (Alvord, Brown, & Letts, 2004; Mair & Martí, 2006; Teegen, Doh, & Vachani, 2004): partners join forces to pursue "societal betterment through the removal of barriers that hinder social inclusion, the assistance of those temporarily weakened or lacking a voice, and the mitigation of undesirable side effects of economic activity" (Austin et al., 2006: 264). By mission and design, the incremental social value created by a cross-sector partnership is channelled towards the target beneficiaries (Austin, 2000). Cross-sector partnerships may also create (although they typically do not appropriate) financial gains. Beneficiaries may access some of these financial gains depending on their (perceived) role in the value creation process. The partnership or the partners may capture a portion of the economic rents (Barney 1991) – either as profits or as reinvestments. The balance accrues to other stakeholders, e.g. higher wages for employees.

We conceptualize the beneficiary as a unitary social actor with the potential to make a contribution to value creation in cross-sector partnerships. Cross-sector partnerships can address multiple beneficiaries; for example, when target audiences diverge either in their needs or in how their needs are being served by the cross-sector partnership. Stakeholder theory explores how organizations in general (Freeman et al., 2007) and cross-sector partnerships in particular (Stafford, Polonsky, & Hartman, 2000) accommodate multiple beneficiaries. Stakeholder theory also explores the point of view of other stakeholders (Frooman, 1999). This theory-building exercise contrasts and cross-pollinates mainstream versus critical conceptualizations of the role that a specific beneficiary may (or may not) play in value creation.

Mainstream versus critical conceptualizations of value creation in cross-sector partnerships. Our argument contrasts RBV and critical theory conceptualizations of value creation in cross-sector partnerships. Table 2.1 highlights literature on cross-sector partnerships and juxtaposes studies relying on RBV concepts (capabilities, advantage) versus critical concepts (power asymmetries, dependency, and marginalization) as building blocks in arguing about whether, when or how cross-sector partnerships create value. The RBV theorizes optimal value creation for the focal organization. Applied to cross-sector partnerships, how the cross sector partnership can be deliberately designed and implemented to create and capture value (King, 2007) and/or carefully managed to prevent value erosion (Googins & Rochlin, 2000; Rondinelli & London, 2003; Le Ber & Branzei, 2010; Seitanidi & Ryan, 2007) has been studied. Value creation helps build capabilities and foster innovation. Cross-sector partnerships are not ends in themselves but rather instruments to partners' goals including competitive advantage and growth.

TABLE 2.1

Value Creation in Cross-Sector Partnerships

Core Assumptions	For Whom?	For What?	To What Effect?
RBV Concepts			
Value is "created primarily when business meets society's needs by producing goods and services in an efficient manner while avoiding unnecessary negative externalities" (Schwartz & Carroll, 2008: 168)	Cross-level (Lepak et al., 2007) Partners (Austin, 2000; 2006)	Harnessing complementarities (Rondinelli & London, 2003); Linkage capabilities (Stafford et al., 2000); Relational knowing (Bouwen & Taillieu, 2004); Integration through engagement (Austin, 2000; Dowling, Powell, & Glendinning, 2004) Organizational identity (Brickson, 2007)	Competitive advantage (Barney, 2007; Barney & Hesterly, 2005); Firm growth (Penrose, 1959; Rugman & Verbecke, 2004); Improved relations between the firm and the society (Waddock, 2004)
Critical Theory concepts			
Asymmetric levels of engagement (Austin, 2000); Uneven or misaligned interests, contributions or resource commitments (Yaziji & Doh, 2009); Power imbalances (Selsky & Parker, 2005; Frooman, 1999)	Inter-firm (Hendry, 2005, 2006); Inter-sector (Yaziji & Doh, 2009); Multi-party dynamics (King, 2007; Hart & Sharma, 2004)	True vs. hidden purpose of partnership (Macdonald & Chrisp, 2005); 'Mis-es', i.e. misunderstandings, misallocations of costs and benefits, mismatches of power, mismatched partners, misfortunes of time and mistrust (Berger et al, 2004)	Social change in the face of complexity (Plowman et al., 2007); Managing generative tensions (Hardy et al., 2006)

Beneficiaries are also seen as a means to organizational ends: by optimally addressing

beneficiary needs, organizations achieve a tighter alignment between internal and

external priorities or constituencies (Helfat et al., 2007).

In contrast, studies using critical concepts acknowledge that cross-sector

partnerships are fraught with fragilities and incompatibilities which often predispose

partners to distrust, conflict and premature failure (Berger, Cunningham, & Drumwright,

2004; Long & Arnold, 1995; Macdonald & Chrisp, 2005). They explore causes and

effects of power asymmetries and 'mis-es' (misunderstandings, misallocations, and misfortunes, Berger et al., 2004). These theorists view cross-sector partnerships as important in and of themselves irrespective of the costs or gains accruing to the partners or their beneficiaries, as arenas for negotiating class differences, for constructing practical meaning (Follett, 1941), or redefining social priorities through radical social change initiatives (Plowman et al., 2007).

We recast value creation from the standpoint of the beneficiary to counterbalance the focus of RBV on firm-centric resources, processes and outcomes. By marrying mainstream with critical views of value creation in cross-sector partnerships we begin to problematize for whom, for what, and to what effect value is created.

THEORY

A beneficiary-centric view of value creation sensitizes us to foundational differences in how critical theories have conceptualized value creation. To compare and contrast the roles the beneficiary may (or may not) play across different critical theories, we use a shared unit of theorizing value creation in cross-sector partnerships, borrowed from the RBV: the value cycle.

The Value Cycle

A value cycle is a set of exchanges between at least two parties (i.e. the cross-sector partnership and the beneficiary in our case) whereby the parties first create some additional value jointly and then unilaterally capture some of this value. The value captured by each party is a prerequisite for participation in future exchanges (Makadok, 2001; Peteraf & Bergen, 2003) – but it is not always, nor even necessarily commensurate with the effort and/or resources contributed by each party (Lepak et al., 2007). Each

value cycle aggregates value creation across social exchanges; in some cases a value cycle may be further disaggregated into standalone exchanges. However, it often takes multiple exchanges to generate and accrue value.

Value cycles are idiosyncratic to each cross-sector partnership: they depend on how partners define value (Le Ber & Branzei, forthcoming) and what partners expect to gain from the exchange (Di Domenico et al., 2009). They also vary across beneficiaries depending on the expected benefit. In some cases, value may be created and captured instantly (e.g. a vaccine takes a short time to administer); in other cases, value creation and capture can take much longer (e.g. building a value chain for reliably administering a vaccination program may take years).

The Beneficiary Voice

The concept of voice runs across critical theories (Alvesson & Deetz, 2006; Maguire, 2001). Voice proxies and affects power relations (Way, 1997). Not only we do not "give voice to those in less powerful positions" (Noffke, 1998: 10-11), but silencing mechanisms such as censorship, suppression, intimidation, marginalization, trivialization, discounting and gate keeping (Barrett, 2001) are applied systematically in organizations to mute contributions from specific groups. Some participants gain voice – they make sense of their everyday experiences, expose hidden relations and deep conflicts, and re-engage in (less oppressive) social relations. Finding voice helps disrupt ingrained power relationships (Brydon-Miller, 1997); exercising voice becomes "an act of power that forces the other to carry the burden of speaking or acting as if any relationship is to be maintained" (Chataway, 1997: 758).

We introduce the concept of beneficiary voice to explain how marginalized, disenfranchised or vulnerable segments of society choose to engage in cross-sector partnerships which focus on addressing their needs. Our working assumption is that beneficiaries act agentically; they can and often do contribute to value creation processes. Yet we are mindful that beneficiaries often remain marginalized during value creation processes and thus many of their potential contributions may fail to materialize. Our concept of beneficiary voice is power-ambivalent: in some cases, power asymmetries may favour the partnership (e.g. Hardy, Lawrence, & Phillips, 2006); in other cases, they may favour the beneficiary (e.g. Frooman, 1999). However, specific types of beneficiary voices carry specific assumptions concerning the relative power of the beneficiary vis-à-vis the partnership.

Table 2.2 summarizes the value creation premises of five critical theories. Marxists caution that an exclusive focus on economic value creation can undermine social good and stifle social progress through the (unreflective) reification of class structure, dominant discourse, and power asymmetries. Environmentalists similarly contrast the priorities of managerial elites with the (often foregone) contributions of human and non-human stakeholders. They criticize greenwashing and bluewashing, expose the downsides of corporate practices which are causing environmental strain and damage (Jermier et al., 2006) and bemoan the hijacking of social needs by corporate capitalists to promote private gains (Laufer, 2003; Welford, 1997; 1998). Feminists also criticize the constraints placed on women and other marginalized segments of the society (e.g. barriers to access, lesser recognition of their contributions), suggesting that these constraints unnecessarily and unfairly constrain value creation (Calás & Smircich, 2006).

TABLE 2.2

Critical Theories of Value Creation

Core Assumptions	For Whom?	For What?	To What Effect?
Standpoint			
"All phases of a research study – how we identify research issues, theorize research questions, gather and analyze data, draw conclusions, and use the knowledge produced – are conditioned to some extent by the researcher's subjective and objective place in the […] social order" (Adler et al., 2007: 145-146)	Takes point of view of those least advantaged which requires "reflexive inquiry about the values underwriting our work" (Adler and Jermier, 2005: 942); Those who are exploited, systematically oppressed and dominated (Adler et al., 2007)	"…create knowledge that raises consciousness about exploitation and helps movement toward emancipation" (Adler and Jermier, 2005: 943)	A more just and democratic public policy debate (Adler and Jermier, 2005)
Marxism			
Class conflict both limits labourers' contribution to value creation and caps their ability to appropriate this value. "Work is not designed to express human needs and values, but to maximize profit and/or to safeguard the privileges and control of managerial elites" (Adler et al., 2007: 134)	Labourers, non-owners of productive resources, property-less, working class, proletariat create value for the managerial elites (Adler et al., 2007; Tucker, 1978)	Forces of production become obsolete and cooperation becomes more important in order to further develop new forces of production (Adler et al., 2007).	A radical social-structure change (social revolution) places productive capacities of society into collective ownership (Tucker, 1978)
Feminism			
"All feminist theorizing is about social change. It is premised on the assumption that gender is fundamental in the structuring of society with women being historically disadvantaged and it seeks to end this condition" (Calás et al., 2009)	Non-dominant persons, usually women but could be racial, ethnic and sexual minorities (Calás & Smircich, 1999)	Eliminating barriers to access in public life for women; promoting workforce equity and equality; validation of women's contribution to society (Calás et al., 2009)	Social change that reduces domination/ subordination/ gendered relations (Calás & Smircich, 2006)
Environmentalism			
Critiques the misleading representation of corporations' environmental performance; the hijacking of the environmentalist movement; the environmentalist rhetoric, and the lack of green substance (Welford, 1997)	Laggards in environmental practices and corporations engaged in "Greenwashing" (Adler et al., 2007; Laufer, 2003; Lyon & Maxwell, 2004)	Green narrative (Starkey and Crane, 2003); Critiques of partisan rhetoric (Fineman, 2000; Levy & Egan, 2003; Levy & Newell, 2005)	Sustainable development (Castro, 2004)
Pragmatism			
Social realities are negotiated and contested (Blumer, 1969); Rejection of self-other dualism (Dewey, 1935/1963)	Everyday interactions; individual practice, knowledge and experiential learning	Community and participatory democracy in organizations (Follett, 1941)	Change in corporate power and social structure (Adler et al., 2007)

TABLE 2.2 (continued)

Core Assumptions	For Whom?	For What?	To What Effect?
Enlightment/ Frankfurt School			
"Assumes the feasibility and desirability of greater autonomy for individuals, who, in the tradition of Enlightenment, are able to master their own destinies through collaboration with peers" (Adler et al., 2007: 138)	Marginalized and disadvantaged groups of people (Adler et al., 2007)	Undistorted communication among stakeholders (Scherer & Palazzo, 2007); Integration of ethical concerns and economic bargaining (Habermas, 1998)	Radical social-structural change: "The aim is to (re)establish a political order where economic rationality is circumscribed by democratic institutions and procedures" (Scherer & Palazzo, 2007: 1097)

Pragmatists introduce the notion of participatory democracy to restore more balanced contributions to value creation. They view community participation on par with corporate power (Adler et al., 2007). They also place equal expectations of participation in all social relationships; Follett calls for "related thinking" (1941: 212), joint responsibility for each other's outcome (1941: 214), and a principle of integration, whereby "you and I both get what we want, the whole situation moves forward, and the process often has community value" (1941: 215). Taken together, Follett argues for self-interested contributions – but only "in the service of the highest unity with which we are capable of identifying ourselves" (1941: 218).

Enlightenment scholars, and especially those from the Frankfurt school, see the disenfranchised as masters of their own destinies and encourage them to play an autonomous role in value creation (Adler et al., 2007). Frankfurt school theorists go beyond undistorted communication among all stakeholders (Scherer & Palazzo, 2007) to advocate for a championing and self-redefining role of the marginalized in driving radical social change.

Types of Voice

The concept of beneficiary voice, deeply rooted in the critical theory tradition, foreshadows the role that beneficiaries may (or may not) play in value creation within different critical theory strands. In Marxist and related feminist and environmentalist thought, *voice-receiving* perpetuates power asymmetries and dependencies (Phillips, 2003: 1100). For pragmatists, *voice-making* equalizes and empowers (Dewey, 1935/1963; Follett 1941). Beneficiaries have the responsibility to communicate openly and explicitly to facilitate understanding and get what they really want (Follett, 1941: 221-222). For

enlightenment theorists, *voice-taking* strengthens individual autonomy and civic liberties (Alvesson, Bridgman, & Willmott, 2009) and enables emancipation from domination or marginalization (Willmott, 1997). It helps break with the historical continuum to enable radical transformation (Marcuse, 1970). It also confers legitimacy: "What can be justified as a social claim in the eyes of a social interest group may be different from the moral ideas of managers, suppliers, customers or other interest groups" (Scherer & Palazzo, 2007: 1099; see also Tomlinson, 2005).

  Voice-receiving. In Marxist and related feminist and environmentalist schools of thought, the elite class recognizes the dominated as a key contributor to value creation, i.e. "for Marx, it is the socially necessary labor time required to produce a commodity that determines this exchange value" (Adler et al., 2007: 133). The marginalized, disenfranchised or vulnerable are either silent or systematically silenced (Maguire, 2001). Any concerns they voice -- short of a revolution that uproots the dominant class -- are channelled and interpreted, and occasionally granted, by the elites. However, only claims in line with the dominant interests are heard and headed. Not only are the dominated heard only partially but their claims can be misframed, misunderstood, or misconstrued in ways that deepen and reify their dependence by the dominant actors. Even those seeking to address the needs of the marginalized still control whether, when and how these get to exercise voice (Calás, Smircich, & Bourne, 2009; Karnani, 2008). Our label of *voice-receiving* emphasizes the (often one-sided) constraints placed on the beneficiary. Should the beneficiary exercise voice, its ability to contribute to value creation and to appropriate the gains would increase (Coff, 1999). The elite class balances the possibility of greater

contributions to value creation as a result of the beneficiary receiving voice against the likelihood of disrupting the status quo.

Voice-making. Pragmatists envision beneficiaries as equal participants in value creation through an ongoing dialogue that can both surface and resolve non-overlapping, even conflicting, interests. "The hope is to provide forums so that different segments of society and different human interests can be part of a better, more moral historical dialogue, so that each may equally contribute to the choices in reproducing a future for all" (Alvesson & Deetz, 2006: 259). Voice-making brings divergent interests together by openly acknowledging that mutuality and complementarity of interests can develop through (painstaking) engagement (Follett, 1941).

Not only are voice-making beneficiaries actively and pragmatically engaged in value creation, but their claims often co-evolve as the other participants update their own goals and contributions. Voice-making requires deep and dynamic engagement by the beneficiary – it is not a foregone conclusion but an achievement which requires "hard thinking, inventiveness and ingenuity" (Follett, 1941: 212. Voice-making processes are often emotionally charged (Fiol & O'Connor, 2002) and involve constant renegotiations of identities and roles (Fiol, Pratt, & O'Connor, 2009). When successful, the equal engagement of the beneficiaries re-shapes the dialogue (Zietsma & Winn, 2008) by testing, triangulating and dynamically incorporating new sources and processes of value creation (Plowman et al., 2007).

Reflexivity and meaning are important parts of voice-making. Beneficiaries are welcome to scrutinize the bases of value creation and the compatibility between social and economic goals. However, the pragmatic beneficiary can only trigger a change in

value creation when other participants' actions are compatible with their claims, i.e. when everyone's self-interest subscribes to a common goal. Furthermore, beneficiaries share in the responsibility of finding an agreeable way forward – even when the process of value creation may crumble under tensions and adversity (Berger et al., 2004).

Voice-taking. The Frankfurt School of critical theory emphasizes social change though activism, specifically through peer connections that reaffirm individual mastery over their destiny and promote mutual support and collective power (Adler et al., 2007). Enlightened individuals take voice through collective action. Voice-taking is a marked counterpoint to the status quo. It is often a reaction to inadequate or insufficient attention by the dominant actors to legitimate and urgent beneficiary claims. Unlike pragmatists, enlightened beneficiaries do not seek attention. Rather, attention is a means to the greater end of seeing their claims resolved; they seek specific (re)alignments between their contributions and rewards and those of other participants to value creation. Thus, voice-taking beneficiaries explicitly (re)define who ought to participate in value creation, what value should be pursued and to what effect – often (radical) social change.

Clearly, such (re)definition is not always sufficient to effect social change. In some instances, voice-taking can backfire by exposing the marginalized to discriminatory treatment, by 'tipping off' their hand in negotiations, or by scaring off potential partners, who may be unable or unwilling to assume the risks associated with significant changes in the nature, scope or process of value creation. Indeed, voice-taking succeeds at times (Alvord et al, 2004; Hardy et al., 2006) but often fails (Banerjee, 2007; Habermas, 1998). The failure is not inherently problematic, and may indeed offer some forward momentum by clearly exposing the limitations of the status-quo (Tomlinson, 2005), by bringing

legitimate and urgent social needs to the fore (Stafford, Polonsky, & Hartman, 2000), and by outlining both the trade-offs and the potential synergies between economic and social value creation (Hudson, 2009).

Irrespective of its success or failure, voice-taking is often not just critical of the past, but more importantly, is forward-looking. It exposes current models of business thinking and practice to new frames or logics of value creation (Di Domenico et al., 2009) and proposes new value combinations (Le Ber & Branzei, forthcoming). However, voice-taking does not pre-empt the risk that collective action can be stalled, side-tracked, or high-jacked or exploited by powerful actors.

Several critical theories explore discrepancies between the role that the marginalized, disadvantaged or vulnerable could and perhaps should play in value creation in order to meet their own needs and goals and the role they are able or allowed to play. Next, we contrast the distinct perspectives on value creation within the Marxist perspectives and the related feminist and environmentalist strands, pragmatism and the Frankfurt School. We play up differences in foundational principles, relations and relational processes to suggest how the type of beneficiary voice patterns value creation in cross-sector partnerships.

PRINCIPLES, RELATIONS AND RELATIONAL PROCESSES OF VALUE CREATION

Critical theories articulate the role the marginalized could play in value creation (principles), the conditions that may enable or hinder their contribution to value creation (relations) and the interactions that reify power asymmetries or dependencies (relational processes). In Table 2.3, we map out the principles, relations and relational processes

foundational to Marxist (and related applications of these in feminist and environmentalist strands), pragmatist and Frankfurt School perspectives. We first explain how the type of beneficiary voice signifies each perspective; then we explore how transitions in voices help contrast, blend or shift critical perspectives to provide a more nuanced and more wholesome view of value creation in cross-sector partnerships.

To illustrate our arguments, we developed three examples of cross-sector partnerships in healthcare by combining archival sources, including partnership and partner-specific reports, beneficiary accounts, and third party representations (see Appendix). We focused on healthcare partnerships because they represent a hot bed for theoretical and empirical understanding of value creation (Christensen et al., 2006; Christensen, Grossman, & Hwang, 2009) and because they necessarily scrutinize and document the evolution of beneficiary needs, voice and contributions to value creation. We relied on well-known examples – Merck's introduction of Mectizan to fight river blindness, DND*i*-sanofi's campaign against malaria and AngloGold's HIV/AIDS program in South Africa.

For each example, we compiled rich descriptions which provided a multifaceted understanding of how the cross-sector partnership emerged and evolved over time. We kept expanding the set of archival resources to provide evidence or counterevidence for the principles, relations and relational processes outlined in Table 2.3. We then analysed each example to identify (often multiple) types of voices and explore overlaps or transitions between different types of voice. Our text narratives and supporting tables summarize and detail the key insights from our analyses.

TABLE 2.3

Principles, Relations and Relational Processes of Value Creation

Voice	Critical Theories	Principles	Relations	Relational Processes
Voice-receiving	Marxism Feminism Environmentalism	Constraint	Relations of Production	*(Mis)attribution* – the partners ignore, control, constrain, inappropriately define and/or under-leverage the role the target beneficiary could play in value creation.
Voice-making	Pragmatism	Consensus	Relations of Integration	*(Misdirected)attention* – the partners question, change, and/or expand the roles the beneficiary could play in value creation based on dialogue (adversarial and/or collaborative) with the target beneficiary.
Voice-taking	Enlightenment Frankfurt School	Contingency	Relations of Definition	*(Mis)alignment* – the recombination and/or reconfiguration of partners' contributions is contingent on the role the target beneficiary chooses to play.

Voice-receiving: Principle of Constraint, Relations of Productions, Processes of Attribution

Despite many differences in their focus and applications,[4] the Marxist and related feminist and environmentalist schools of thought share the assumption that contributions of the marginalized, disenfranchised or vulnerable to value creation are unduly constrained by one asymmetrically powerful class or faction, i.e. the elites in Marxism, the dominant gender in feminism, and the corporate interest in environmentalism. This foundational *principle of constraint* has different applications in each perspective, but the end result is similar: value creation is repressed by dominant actors, who (often unfairly) take advantage by capturing and appropriating a disproportionate amount of the value

created at the expense of the marginalized, disenfranchised or vulnerable. Although the dominated contribute essentially to value creation, the power asymmetries constrain not only their ability to increase their contributions (by withholding compensation, subsequent value cycles are short-changed), but often their motivation to do so (i.e. by systematically silencing them). For example, under-pricing natural resources not only leads to their overuse, but also undermines their contribution to future cycles of value creation (Hart, 1995). Similarly, gender barriers deny women their current and future contributions to value creation (Calás et al., 2009; Maguire, 2001).

Value creation is short-sighted (and often short-lived) due to *relations of production*, whereby the dominant actors adjust value cycles to capture the desired gains, without close regard to who contributes what to value creation in the first place. The marginalized, disenfranchised or vulnerable can bargain for a greater share of the economic gains by making their initial contribution more salient. They may draw attention to the value of their (potential or foregone) contributions, either favourably, by building capabilities, or unfavourably, by withholding capabilities (Coff, 1999). However, such bargaining is suboptimal for value creation because it remains subject to power asymmetries: dominant actors typically focus on maximizing their returns, not on maximizing value creation.

Although each value cycle creates some opportunities for bargaining and iterative correction (Coff, 1999) – these are hindered by recurrent and persistent *(mis)attributions* about who contributes what to value creation. These (mis)attributions are perpetuated by the dominant class – despite evidence to the contrary. Relational processes that make salient the contribution of the beneficiary and/or their claims for compensation can help

correct these (mis)attributions – but corrections typically fall within the interest of the dominated, consistent with the principle of constraint. When the dominant accept greater contributions from the dominated in exchange for better compensation (but without full or just compensation), value creation improves in the next cycle; however, the improvement remains suboptimal and thus sustains asymmetric contributions and compensation, ultimately reifying the dependence of the dominated on the dominant.

Table 2.4 recounts the early efforts of Merck & Co. to fight onchocerciasis (better known as river blindness) with the introduction, production, and distribution of Mectizan to illustrate how these foundational elements of value creation – principle of constraint, the relations of productions, and the relational processes of (mis)attribution – influence for whom the cross-sector partnership creates value. Merck initially assumed that the target beneficiaries – the poor going blind in Africa, Middle East and Latin America – could neither pay anything for the drugs nor contribute in any other way to value creation. Merck recognized health benefits for the beneficiary – voice-receiving thus reinforced the marginalization and vulnerability of the poor going blind but ignored their potential influence for the development, testing and distribution of the drug. This short-changed Merck's ability to create value early on – for the poor waiting for the drug and for Merck's staff scientists conducting the research.

These initial (mis)attributions were iteratively corrected. Merck through its nonprofit partners, particularly the World Health Organization (WHO), gradually expanded the roles the beneficiaries could play to include participation in clinical trial, adoption and distribution programs. Merck's and WHO's efforts to broaden the roles of the beneficiaries in value creation resulted in (significant and unprecedented)

TABLE 2.4

Example of Value Creation in Cross-Sector Partnerships: River Blindness Treatment

*For Profit: Merck & Co.; **Non Profit:** World Health Organization (WHO); World Bank; UNICEF*

	1978	1980	1982	1982-1987	1987	1987-1988	1988	1989-
Key Events	Ivermectin, a veterinary drug, thought to treat river blindness/ onchocerciasis. *Voice-receiving*	Merck moves forward with human clinical trials. *Voice-making*	Most individuals with river blindness live in remote areas *Voice-receiving* WHO scientists question the potential effectiveness and safety of Mectizan. WHO and Merck discuss the most appropriate way to conduct clinical trials. *Voice-making*	Mectizan formulated to be taken once a year in tablet form under minimal supervision. Merck pursues regulatory approval – granted in 1987. *Voice-receiving*	Merck announces that it would supply Mectizan to anyone who needed it as long as necessary at no charge. *Voice-receiving* Merck searches for parties to distribute Mectizan -US AID, African health ministries, and foundations. *Voice-making*	WHO recruits and trains community workers in 16 African countries how to dispense the drugs, look for side effects and keep records. WHO supplies the drugs from Merck to the village volunteers who do the rest. *Voice-taking*	Merck creates independent Mectizan Expert Committee to ensure appropriate distribution of and tracking of adverse reactions to the drug Funded by Merck. *Voice-making*	WHO invites Merck to join the "Global Alliance to Eliminate Lymphatic Filariasis" (elephantiasis); Merck donates Mectizan, to be used in combination with another preventive drug, albendazole donated by GlaxoSmithKline. *Voice-taking*
Generative Tensions	*Attribution*: Those afflicted with the disease can not afford to purchase the drug. Governments or foundations will pay for and distribute drug if proven effective. Head of Merck research labs approves initial funding for research in human use of drug. *Attention*: Dr. Aziz, a tropical disease expert, a native of Bangladesh, and a former WHO scientist, who had lived in Sierra Leone and had firsthand knowledge of the disease, is appointed to oversee the clinical trials.		*Attribution*: Distribution to afflicted individuals needs to be simple; risk of noncompliance if drug administration is too complicated or logistically difficult. Clinical trials require modern medical facilities to ensure proper medical oversight of study and collection of data. *Attention*: Clinical trials begin at the University of Dakar, Senegal. Merck supplies drug and grants-in-aid; WHO provides scientists and research facilities; 1983-1984 Phase 2 clinical trials Senegal, Mali, Ghana, Liberia; 1986 Phase 3 in Ghana and Liberia.		*Attribution*: If they give away the drug someone (else) will have to distribute it to those individuals with disease. *Alignment*: WHO has access to a global network of government health officials and scientists who could help run clinical trials.		*Attribution*: Merck's contributions will be complemented by a growing role of the beneficiaries. *Alignment*: WHO has access to governments and companies and can coordinate collaborations to effectively fight disease in developing countries.	
Value Creation	Building knowledge on parasitology. Maintaining culture of innovation.	Reinforcing Merck's mission to alleviate human suffering.	Establishing optimum dosage and drug's safety; establishing drug effectiveness for at-risk populations.		Goodwill for Merck – gesture to less developed countries and to WHO; Burnish company's already stellar reputation. Existing culture of self-sufficiency among villagers reinforced. Pharma executives more open minded about innovative collaborations.		40,000 cases of blindness prevented annually. 62 million acres of previously abandoned arable land recovered (World Bank). Estimated 7.5million years of productive adult labor available by 2010.	

breakthroughs. After Mectizan was approved for human use in 1987, the appropriate form/dosage was introduced, and suitable pricing and logistics were established, more than 1.5 million people were treated within three years (1988-1990). By 2007, 60 million people annually were being treated, and the WHO estimates that 40,000 more cases of blindness are prevented each year.

The Merck/WHO partnership also shifted to voice-making and then voice-taking (a journey we return to in the next section to explain generative tension). For example, Merck engaged with WHO scientists on questions about drug safety and effectiveness, and then participatively reworked the protocol, location, and timing of clinical trials (Table 2.4). Furthermore, beneficiaries' confidence that the treatment would work so they could restore their traditional livelihoods and preserve their culture of self-sufficiency and traditions broadened the scope of value creation to include reclaiming previously abandoned lands. The World Bank approximates that 62 million acres of previously abandoned arable land were recovered by addressing the health risk, and 7.5 million years of productive adult labor were restored to river-bank communities.

Voice-making: Principle of Consent, Relations of Integration, Processes of Attention

Voice-making beneficiaries can have their claims expressed, heard, and satisfied (without compromise), through equal participation in a shared course and discourse. Pragmatists emphasize social co-determination, whereby multiple parties come together as equal conversation partners to co-create a shared future. Social realities are negotiated in everyday encounters by promoting self-interest as well as identity with a greater goal (Follett, 1941); self-other dualisms are rejected (Dewey, 1935/1963) and parties feel responsibility for each other's outcomes. The *principle of consent* is foundational for

pragmatists. Change is consensual, not antagonistic, and socially constructed through open and explicit conversation (Follett, 1941).

The agenda for change is affirmative, rooted in a shared hope that institutions can be reformed through morally driven discourse (Deetz 1992; 1999). Consent is (re)built through *relations of integration.* Integration is seen as a collaborative and socially constructed achievement (Follett, 1941). "It is not power, status, prestige, ideology, manipulation, the rule of experts, fear, insecurity, misunderstanding or any other form of mischief that furnishes a base for evolving ideas; instead, decision-making is based on the strength of well-grounded arguments provided in an open forum" (Alvesson & Deetz, 2006: 263). Relations of integration not only acknowledge who plays what role in value creation, but also jointly decide for what (shared) good value is being created in the first place (Lyytinen & Hirshcheim 1988; Power, Laughlin, & Cooper, 2003; Deetz, 2007).

Consent and integration are not easily achieved. Our concept of voice-making reinforces the effortful achievement of consent through consistent participation. "One of the fundamental differences between consent and participation is that consent is not part of the process; it comes at the end of or after the process. Participation is not only part of the process; it should begin with the beginning of the process" (Follett, 1941: 223), before differences grow and crystallize.

When participants have to negotiate their interests in conflict-ridden situations, when identities clash (Hardy et al., 2006) and goals diverge (Di Domenico et al., 2009), reaching consent through integration requires *directing attention* towards shared values (Le Ber & Branzei, forthcoming). However, the cross-sector partnership can (mis)direct attention towards some beneficiary needs or goals at the expense of others, in ways that

create tension or suspicion, or may even endanger or harm the interest of the target beneficiary (e.g. Karnani, 2008). Some partnerships harbour heated conflict (Fiol & O'Connor, 2002) and most require constant (re)forming to stay tuned to the beneficiary (Le Ber & Branzei, 2010). Mis-communication and mis-understandings are not uncommon in cross-sector partnerships (Berger et al., 2004; Selsky & Parker, 2005). Relational processes help *re-direct attention* towards goals shared by the partnership and the beneficiaries – or may (mis)direct attention towards divergent claims, ending in an impasse.

Table 2.5 presents the changing role of the beneficiary in the partnership of Drugs for Neglected Diseases initiative (DND*i*) and sanofi-aventis. The partnership tackled malaria, the leading parasitic cause of morbidity and mortality worldwide. It focused on sub-Saharan Africa, which accounts for 90% of all malaria deaths and where a child dies every 30 seconds. Across Africa, the economic cost of malaria is estimated at US$12 billion every year; in high prevalence areas, malaria slows down economic growth by 1.3% a year. Even before the inception of the collaboration, the partnership paid close attention to the needs of these target beneficiaries. In 2002, Médecins Sans Frontiéres (MSF, also known as Doctors without Borders; a 1999 Nobel Peace Prize recipient for its humanitarian work but also an outspoken activist organization regarding the plights of the populations it serves) plus five public sector research organizations – Kenya Medical Research Institute, Indian Council of Medical Research, Malaysian Ministry of Health, Oswaldo Cruz Foundation in Brazil and France's Institut Pasteur joined forces to develop more locally-suitable combinations of existing malaria drugs. WHO stepped in as a permanent observer to the initiative. The partnership formalized this collaboration,

TABLE 2.5

Example of Value Creation in Cross-Sector Partnerships: Malaria Treatment
For Profit: sanofi-aventis; *Non Profit:* Drugs for Neglected Diseases initiative (DNDi)

	2003	2004	2004	2007	2007
Key Events	DNDi is founded as a patients' needs-driven drug R&D organization for neglected diseases. They create and manage R&D networks to develop new treatments; raise awareness through advocacy on R&D of drugs for neglected diseases; strengthen existing research capacity in countries where neglected diseases are endemic. *Voice-taking*	Agreement is signed between DNDi and sanofi-aventis. No patents taken to encourage local manufacturing of generic drug formulation. Pricing policies are developed that give access. *Voice-making*	The drug is adapted to all age groups (using 3 presentations for children and one for adults), following WHO advice. Drug is manufactured by sanofi-aventis in a purpose built plant in Morocco. *Voice-taking*	ASAQ (new fixed-dose combination of Artesunate (AS) and Amodiaquine (AQ) is available throughout sub-Saharan Africa to cure malaria. Available at a "no profit–no loss" price of less than 50¢ US for a child under 5 years old and less than $1.00 for older children and adults, it is affordable for public health organizations of endemic countries, NGOs and UN institutions. *Voice-receiving*	The Fact Implementation Advisory Group is convened by DNDi as an independent panel of experts to provide independent advice and guidance about rational use, equitable access and implementation more generally. *Voice-making*
Generative Tensions	**Attention**: Includes local research partners from the countries where neglected diseases are endemic. *Alignment:* Three Decision Criteria: *Quality* in galenical (organic) development, manufacturing and storage; *Accessibility,* non-patented drug at a affordable price; and *Simplicity,* once-a-day regime easy to manage for the prescriber and the patient.	**Attention**: Local partners add value to defining the needs of the target beneficiary and engaging them in the initiative.	**Attention**: Those affected by the disease can add value and guide value creation in the development and manufacturing of the drug.	**Attribution**: Those affected by the disease can access and afford the drug – pricing and distribution involve the target beneficiary. *Alignment:* The beneficiary needs inform and drive others' role in the value creation process, including pricing and distribution decisions.	**Attention**: Consensus is necessary and beneficial for the value creation process. *Alignment:* Broad consultation promotes further alignment between value creation roles.
Value Creation	At the start, major issues of contention were the requests by DNDi for: A *royalty-free license* to develop drugs arising from the research for commercialization in all disease-endemic countries; *Freedom to manufacture* the drugs in any country; Freedom from the requirement to patent the research outcomes for commercialization in any of the disease-endemic countries (Patents can add several million dollars to the cost of a drug.) UCSF retains the right to patent for other uses but not in a manner that will restrict DNDi's use of the research.[7]				By October 2008 – over 3million treatments of ASAQ had been distributed.

refocusing on the development of FACT -- Fixed dose Artesunate-based Combination Therapies -- as recommended by the WHO in 2001.

Voice-making beneficiaries helped (re)direct the partnership's attention towards the most relevant aspects of the drug development, manufacturing and distribution process. By mid 2007, ASAQ -- a new fixed-dose combination of Artesunate (AS) and amodiaquine (AQ) -- was available throughout sub-Saharan Africa at a "no profit–no loss" price of less than 50¢ US for a child under 5 years old and less than $1.00 for older children and adults. The drug fit the needs of the target beneficiary and was accessible and affordable for local public health organizations, NGOs and UN institutions. By October 2008, the partnership had delivered over 3 million treatments of ASAQ. To reinforce its commitment to voice-making beneficiaries, the partnership convened the FACT Implementation Advisory Group, an independent panel of experts who provide independent advice about rational drug use, equitable access and implementation.

Voice-taking: Principle of Contingency, Relations of Definition, Processes of Alignment

The Frankfurt school views the marginalized, disenfranchised and vulnerable as both products and producers of socio-political processes. It emphasizes emancipation – despite the acknowledgement that "everyday is characterized by the uneven distribution of power and by attempts to dismiss or even oppress other voices to promote one's own interests" (Scherer, 2009: 42). The Frankfurt school promotes the inclusion of the other – but it is inclusion without integration (Habermas, 1998: xxxvi). Focused on deliberative democracy, the Frankfurt School singles out the (unresolved) conflictual interactions among competing social groups as the driver of social change (Honneth, 1996).

Emancipation harnesses "the deep structures of subjective experience, i.e. lived experience of disrespect, exclusion and denigration" (Scherer: 2009: 46) into levers for radical change. Value creation is contingent on subjective experience. This principle of contingency is not only a relevant starting point but also the outcome of a maturation process by which individuals reclaim their autonomy and validate their morality.

Relations of definition (Beck, 1996; Goldblatt, 1996) systematically challenge the specific rules, institutions and capacities that structure a specific cultural context. Conceptually equivalent to Marx' relations of production which help explain who plays what role in value creation and Follett' relations of integration which help decide what value ought to be created to meet shared goals, the relations of definition take issue with the effects of value creation. Relations of definitions ask four different clusters of questions: "(1) Who is to define and determine the harmfulness of products, the danger, the risks? Where does the responsibility lie: with those who generate the risks, those who benefit from them, those who are potentially affected by them, or with public agencies?; (2) What kind of knowledge or non-knowledge about the causes, dimensions, actors, etc. is involved? To whom have evidence and 'proof' to be submitted?; (3) What is to count as sufficient proof in a world where knowledge about environmental risks is necessarily contested and probabilistic?; and (4) Who is to decide on compensation for the afflicted and on what constitutes appropriate forms of future damage-limitation control and regulation?" (Beck, 2000: 224). Beneficiaries take voice by asking – and proposing alternative answers – for these questions.

Relational processes of *(mis)alignment* enable reconfigurations of value creation roles to acknowledge, accommodate, and support the role the beneficiary chooses to play.

Alignment requires concerted effort to reconfigure others' roles to accommodate the subjective goals and means of the beneficiary. Alignment does not imply that all parties place equal weight on the resulting gains; in fact, each party likely derives distinct benefits. It simply requires some compromise such that multiple parties can see (some of) their objectives met. Enlightened beneficiaries do not seek recognition of their roles – they believe in the desirability and feasibility of their contribution. Neither do they seek consensus with other participants – they accept opposite positions and interests, but seek to redefine them. They do, however, recognize contingencies and deliberately act to redefine them according to their own goals.

Table 2.6 shows how beneficiaries redefined value creation in a cross-sector partnership between five South African Unions, two activist organizations (South African Treatment Action Campaign and MSF/Doctors without Borders) and AngloGold, a South-African gold mining firm, to address the social and economic risks associated with HIV/AIDS. AngloGold's program was driven by South African unions and activists who had earlier targeted pharmaceutical companies to deal with the HIV/AIDS risk by securing not only cheaper-priced drugs but also a broad exception to the evolving global regime of intellectual property rights. Although some concessions in price reduction followed (largely due to the introduction of generic drugs, Table 2.6), and although the social change was stalled by then South African President Thabo Mbeki who challenged the relationship between HIV and AIDS, the unions and activists did not give up; they saw in AngloGold a champion for their cause.

With 45,000 South African employees, and an estimated HIV/AIDS prevalence of 25 to 30%, AngloGold was sympathetic to the social and economic risks, and sought to

TABLE 2.6

Example of Value Creation in Cross-Sector Partnerships: HIV/AIDS Treatment
For Profit: *AngloGold*
Non Profit: *South African Labor Unions, South African Treatment Action Campaign and Doctors without Borders*

	Before March 2000	April 2000	November 2001	July 2002
Key Events	Activists and South African unions target pharmaceutical companies for not only cheaper-priced drugs but a broad exception to the evolving global regime of intellectual property rights. *Voice-taking*	South African President Thabo Mbeki notifies the world that he is establishing his own panel of experts to establish the link between HIV and AIDS in South Africa. *Voice-receiving*	AngloGold and all its affiliated union groups begin to jointly develop an agreement on the HIV programs at AngloGold *Voice-making*	AngloGold and all its affiliated union groups sign an agreement. On the same day as the agreement is signed Chair and CEO of AngloGold, Bobby Godsell, announces AngloGold's commitment to provide HAART for any of its workers and their spouse/life partner. *Voice-taking*
Generative Tensions	*Attribution*: After the introduction of HAART (highly active antiretroviral therapy) in the US in the late 1990s, the pharma industry fiercely protects their intellectual property rights, this despite the unprecedented pace of the epidemic in the developing world, particularly in Africa. *Alignment*: In March 2000, the pharma industry responds with "Accelerating Access" which reduces the cost of treatment to $1000 to $1500 annually per patient (10% of US pricing) but restricts access through national governments that uphold intellectual property rights.	*Attribution*: Despite the growing incidence of HIV and AIDS in South Africa and the lobby of the South African Labor Unions, President Thabo Mbeki acknowledges no expertise in the field.[8]	*Attention*: HIV and AIDS have a major impact on employees and the company, but this impact can be managed. About 15 percent to 35 percent of AngloGold's workers (45,000 employees) are HIV-infected.[9] *Alignment*: Educates workers about HIV transmission and encourages them to use the company's voluntary HIV testing and counselling facilities. Monitors infection levels at the company and persuades those who test positive for HIV to use the company's wellness centers.	*Attention*: "HIV and AIDS performance statistics are reported to the Southern Africa Division executive on a monthly basis and to the Safety, Health and Sustainable Development Committee of the Board every quarter. The issues are also considered during the company's risk management process."[10]
Value Creation	The overall company prevalence rate of HIV and AIDS around 30% (which varies in different communities). The main contributors to the economic cost of the disease are increased levels of absenteeism and reduced productivity while at work.		The provision of anti-retroviral therapy (ART), along with comprehensive prevention and treatment campaigns, has meant that mortality rates have declined, while absenteeism remained stable.[11] "On a cost per employee level, a net annual benefit of R4,000 to R12,000 per person enrolled on the ART programme is achieved through reduced absenteeism and savings in health care. At a company level, the benefits of the investment are less than initially anticipated. They are, however, in line with those of the management of chronic diseases, such as hypertension, coronary artery disease and occupational lung diseases, in the workplace."[12]	

mitigate the costs associated with HIV/AIDS absenteeism, decreased productivity, training and recruitment as well as the increases in insurance premiums. AngloGold's 2008 report quantified the total economic impact of the disease at around 7% to 8% of payroll, with the main contributors to the economic cost of the disease including: increased levels of absenteeism and reduced productivity while at work, increased benefit payments and medical expenses (excluding that of the anti-retroviral therapy [ART] programme, which comprises just 6% of the overall economic cost of HIV & AIDS to AngloGold Ashanti).[5] Total expenditure on the company's HIV & AIDS treatment programme in South Africa (excluding mine-based costs) amounted to approximately R21.36 million by December 2008, mostly for the Voluntary Counselling and Testing programme [VCT], wellness programmes, and the provision of ART.[6] These expenses helped stabilize the HIV & AIDS prevalence level among employees at the South African operations (which according to Anglo-Gold peaked at 30% in 2004, declining marginally to 29% in 2008) and helped extend the productive lives for HIV-positive employees.

Unions were also concerned about HIV-stigmatization or discrimination in the workplace, job security and illness care for its members. AngloGold and its affiliated union groups worked on a joint HIV programs at AngloGold in November 2001, and signed an agreement in July 2002. By 2008, a comprehensive prevention-treatment program was in place, with a cost-saving of R4000 to R12,000 per person enrolled on the ART programme.

GENERATIVE TENSIONS

Key events in the life and death of cross-sector partnerships (Seitanidi, 2008), and certainly the momentum towards success or failure (Le Ber & Branzei, 2010) often hinge

on (temporary) breaches in the principles and/or relations underpinning value creation (Seitanidi, 2008). However, critical theorizing on value creation in general, and bridges between critical theories of value creation more specifically, remain theoretically under-specified. In part for good reason: principles of constraint, consensus and contingency are logically incompatible. Relations of production, integration and definition also cast radically different expectations of the beneficiaries. They are embedded in social exchanges (Di Domenico et al., 2009) and cultural contexts (Scherer, 2009) and thus are prone to inertia.

Relational processes are inherently flexible and, we suggest, may create opportunities for reassessing the role of different parties in value creation (Di Domenico et al., 2009). The crux of our argument is that relational processes guiding value creation 'within' differently critical theories invite closer exploration of who contributes what and to what effect. By correcting (mis)attributions, (re)directing attention, and (re)aligning contributions, cross sector partnerships can unleash value creation, one value cycle at a time. We explore three distinct generative tensions – attribution-attention, attention-alignment, and alignment-attribution – and propose six questions. Table 2.7 and Figure 2.1 summarize these tensions.

Attribution-Attention

Within Marxist and related feminist and environmentalist schools of thought, the role of the beneficiary broadens or narrows through corrections of (mis)attributions. These corrections reinforce the principle of constraint and reify relations of production. Within the precepts of pragmatist theory, the role of the beneficiary evolves through

TABLE 2.7

Types of Beneficiary Voice and Generative Tensions

Voice	Theories	For Whom?	For What?	To What Effect?	Generative Tensions
Voice-receiving	Marxism Feminism Environmentalism	***Rethinking for whom value is being created.*** Expanding and deepening the role of the beneficiary in value creation.			***Attribution –attention tension***: *clarify for whom value will be created in the next value cycle.* *Voice-receiving role: challenging attributions about the scope of the beneficiary role in value creation.* *Voice-making role: directing attention to open and explicit consensus building between the beneficiary and other parties for value creation.*
Voice-making	Pragmatism		***Rethinking for what value is being created.*** Negotiating and clarifying the role of the beneficiary to more directly influence value creation.		***Attention-alignment tension***: *clarify for what value will be created in the next value cycle.* *Voice-making role: directing attention to open and explicit consensus building between the beneficiary and other parties for value creation.* *Voice-taking role: calling for alignment between the beneficiary's and other parties' roles in value creation.*
Voice-taking	Enlightenment Frankfurt School			***Rethinking to what effect value is being created.*** Taking the lead in reconfiguring the value creation and informing or adjusting others' role in order to orchestrate positive social change.	***Alignment-attribution tension***: *clarify to what effect value will be created in the next value cycle.* *Voice-taking role: calling for alignment between the beneficiary's and other parties' roles in value creation.* *Voice-receiving role: challenging attributions about the scope of the beneficiary role in value creation.*

FIGURE 2.1

Towards a Critical Theory of Value Creation:

Generative Tensions from the Beneficiary Standpoint
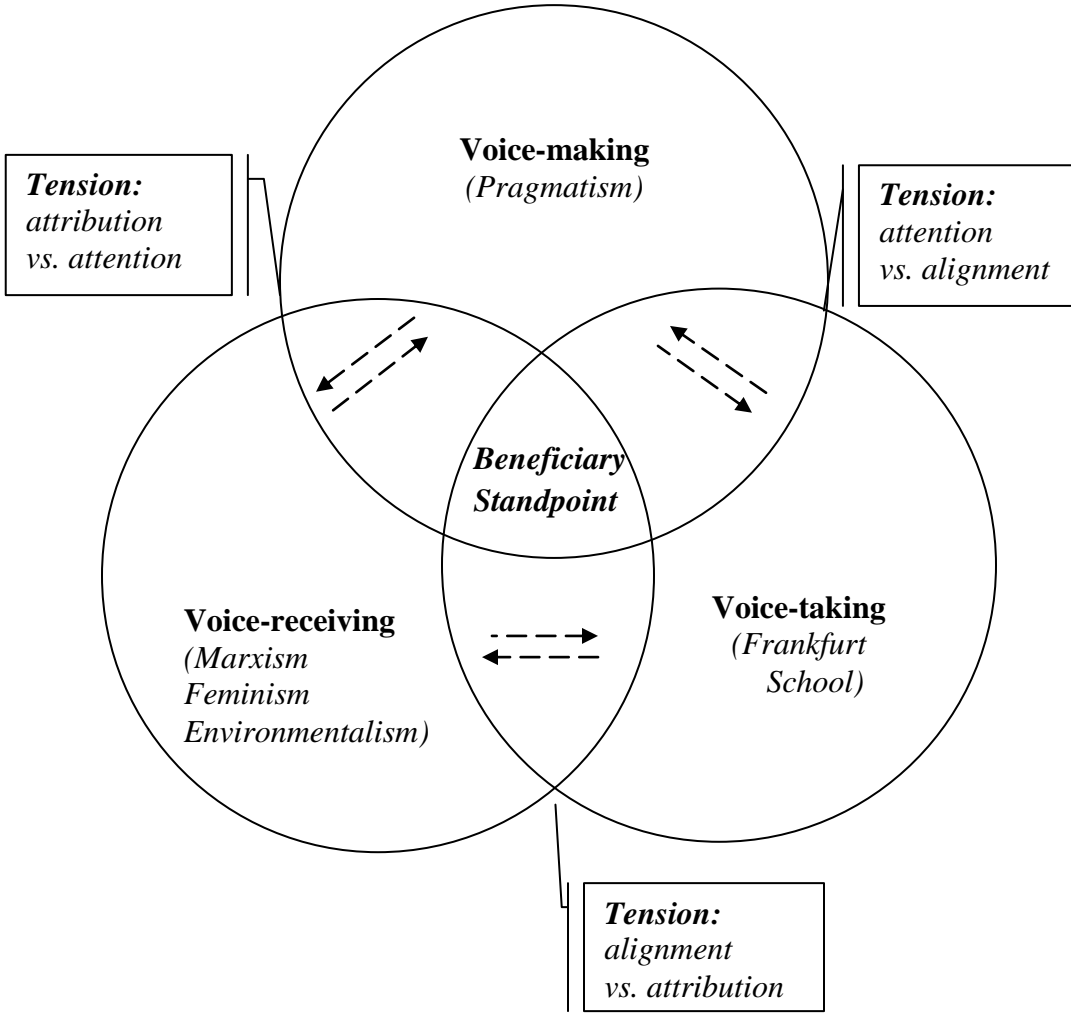
shifts in attention, which again reinstate the principle of consensus and support relations of integration. These two critical perspectives are ill-prepared to justify (relatively) sudden changes in the underlying principles of value creation, i.e. from principle of constraint to principle of consensus (or vice-versa). They are also poorly equipped to explain replacements of the relations of production with relations of understanding (or vice-versa) – without the backdrop of social unrest or societal changes. Yet such (reversible) changes were noted in studies of cross-sector partnerships (Le Ber & Branzei, 2010; Seitanidi, 2008).

Overlays in relational processes can explain temporary or incremental shifts between voice-receiving and voice-making beneficiaries (or vice-versa). Combining attribution and attention temporarily deepens relational awareness, motivating beneficiaries to monitor and bargain for their contributions to value creation (Coff, 1999); this reminds the cross-sector partnership *for whom* value is being created and may foreshadow a broader or narrower role of the beneficiary in the next value cycle. For example, in Merck's case (Table 2.4), the decision to explore human applications of Ivermectin in 1978-1980, hinged on a narrow role for the target beneficiary – those afflicted by the disease who could not afford the drug. Merck did not consider that some beneficiaries might afford the drug once they regained productive capacity; nor did Merck anticipate that others would reclaim fertile land and restore previously deserted river-bank communities. Activities that gave attention and attributed abilities to beneficiaries broadened the beneficiary's role and unleashed additional value creation potential for the cross-sector partnership. The role of beneficiary was narrowed in 1987 once Merck returned to one-sided attributions, and expanded again a year later when

beneficiaries took on village volunteer roles to enable the distribution of Mectizan (Table 2.4). Table 2.5 and Table 2.6 show the effects of attribution-attention tensions for the other partnerships.

Attention-Alignment

Pragmatists and Frankfurt School scholars disagree on what value is being created for. Pragmatists' reciprocated consensus and relations of integration see value as a shared gain. Frankfurt School's emphasize subjectively-driven (and typically discordant) social change. Overlays between attention and alignment emphasize individual agency and responsibility – this heightens expectations of what the beneficiaries contribute to value creation. Voice-making beneficiaries may step beyond their consensual role to redefine relationships, as local researchers and manufacturers did for DND*i*-sanofi in 2004 (Table 2.5) or the activist unions did with AngloGold in 2002 (Table 2.6). Voice-taking beneficiaries may subscribe to the efforts of the cross-sector partnerships and work collaboratively; shouldering joint responsibility for the outcome, as research institutes did once DND*i*-Sanofi had foregone the right to patent and priced the malaria drug for broad accessibility (Table 2.5).

Alignment-Attribution

Frankfurt school theorists and Marxists (and feminists and environmentalists) disagree on the purpose of value creation. For the former, social change is predicated on reconfiguring roles and redefining relations. For the latter, social change is the last resort for overturning unfair relations of production. Voice-taking beneficiaries direct value creation towards social change while voice-receiving beneficiaries are often seen as relatively powerless. However, the push and pull of relational processes of alignment and

attribution can at least temporarily swap one for the other. In our AngloGold example, voice-taking activists sought to redefine how organizations approached HIV/AIDS, but suddenly switched to voice-receiving when political set-backs stalled broader societal changes. Once the political climate improved, they took voice to shape AngloGold's programs (Table 2.6).

DISCUSSION

This theory-building exercise takes a step towards a critical theory of value creation by developing an eclectic and multi-vocal understanding of value creation in cross-sector partnerships from the standpoint of the beneficiary. The resulting theoretical hybrid merges different critical views on value creation to explain why cross-sector partnerships beneficiaries play broader or narrower, and often swiftly changing, roles in value creation. Merging the tool-kit of mainstream value theorists (i.e. value cycle) with critical perspectives (i.e. beneficiary voice) also equips the emerging field of cross-sector partnerships to straddle value logics (Le Ber & Branzei, forthcoming) and power asymmetries (Berger et al., 2004).

Mainstream theorizing acknowledges voice, but only as a by-product rather than an engine of value creation. For example, Coff (1999) explains how employees can increase their bargaining power, i.e. by acting in a unified manner; by securing access to key information; by signalling their high cost of replacement; and/or the relative loss in value creation if the employees move to another firm. Branzei and Thornhill (2006) show how employees can increase the value of other resources. The RBV has also focused on the role of rivals (Lockett, Thompson, & Morgenstern, 2009) and alliance partners (Lavie, 2006) in value creation. However, mainstream theorizing on value creation still

remains quiet on the role of the beneficiary (King, 2007) and more generally the role of peripheral or marginalized stakeholders who may benefit from cross-sector partnership (Calás et al., 2009; Plowman et al., 2007).

Taking the standpoint of the beneficiary enriches and extends mainstream theorizing on value creation in cross-sector partnerships. A critical theory of value creation complements the handful of studies which have asked how and how effectively beneficiaries (re)engage in value creation (Coff, 1999; Peredo & Chrisman, 2006; Plowman et al., 2007). It also adds to the theoretical toolkit of RBV theorists by enabling them to anticipate and incorporate the multi-vocal beneficiary as a key (if still neglected) contributor to value creation.

Future Directions

Our contribution focuses on cross-sector partnerships (Yaziji & Doh, 2009), but warrants future extensions to organizational forms that marry doing well with doing good (Alter, 2006; Boyd et al., 2009). Future research may also explore how the notion of beneficiary voice may carry across extreme circumstances (e.g. deep poverty, Karnani, 2008; Seelos & Mair, 2007; reintegration of disenfranchised community members, Plowman et al., 2007; coping with adversity and economic marginalization, Peredo & Chrisman, 2006).

Practical Implications

This study brings the voice of beneficiaries to the fore of value creation processes in cross-sector partnerships. We explain that voice matters, both because it systematically patterns value creation and because it informs and enables changes in the role of the beneficiary. We show how overlaps in attribution-attention, attention-alignment, and

alignment-attribution can help practitioners rethink and enhance value creation in cross-sector partnership by harnessing sudden changes in beneficiary voice. These generative tensions may also help some partnerships 'get unstuck' from suboptimal value creation cycles, or assist others in their pursuit of new value combinations.

CONCLUSION

Changing the standpoint of theorizing to bring in the voice of the beneficiary can complement firm- and resource-centric views of value creation, by stimulating critical reflection on for whom, for what and to what effect value is being created. Not only has RBV so far remained largely silent on the social processes of value creation (for exceptions, see Coff, 1999), and social value creation more broadly (Di Domenico et al., 2009), but it also lacks the theoretical tool-kit to explore value creation from alternative standpoints.

Our theorizing introduces different types of beneficiary voice to invoke, harness, and bridge the foundational principles, relations and relational processes of value creation across three distinct critical theory perspectives – Marxism and related feminism and environmentalism; pragmatism, and Frankfurt School. Our core argument is straightforward: appreciation for each type of beneficiary voice increases the potential for value creation in cross-sector partnerships. Its implications, we hope, are farther reaching. For some, rethinking value creation from the standpoint of the (underprivileged) beneficiary may be long overdue (Maguire, 2001). For others, it comes just in time, as mainstream management studies are explicitly engaging the agenda of social change (Aguilera et al., 2007; Bies et al., 2007; Orlitzky, Schmidt, & Rynes, 2003; Plowman et al., 2007). For many others this theory-building exercise may offer an early invitation to

engage critical theorizing in order to both challenge and rekindle the potential of mainstream management studies to theorize radical social change.

We end by recalling Adam Smith's lament about the corruption in our moral sentiments brought forth by the "disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect, persons of poor and mean condition" (1759/2000: 84). Our beneficiary-centric critical theory of value creation in cross-sector partnership takes a first step towards re-embedding moral sentiment in our conceptualization, and appreciation, of value.

NOTES

[1] The Resource Based View explicitly addresses value creation and capture; we consider it a mainstream theory because it "has also reached a pre-eminent position among theories in the field of strategy" (Lockett, Thompson, & Morgenstern, 2009: 9).

[2] The "for-profit" arm of a cross-sector partnership includes organizations that pursue opportunities for financial gain, often by creating or developing a market for products or services (McLaughlin, 2006). The "not-for-profit" category encompasses any non-governmental organization that focuses on delivering a social good or services – with or without financial gain (Mawlawi, 1993). Governments can partner with either or both to create or enhance public value (Moore, 2000; Selsky & Parker, 2005).

[3] In some cases, the beneficiary is equated with society at large. While the ripple effect may be at the societal level, the target beneficiaries for most cross-sector partnerships are specific individuals or segments of society. Stakeholders are defined as those who affect and are affected by its decisions (Freeman, 1984) or more narrowly as those who place something at risk in their relationship with the firm or are necessary for the firm to survive (Schwartz & Carroll, 2008). Beneficiaries may or may not qualify under these definitions. Beneficiaries are defined by their unmet needs that the firm *can* do something about. Merck was motivated to eliminate river blindness because they could.

[4] Our argument focuses only on the streams of feminism and environmentalism which share the Marxian premise of oppression and exploitation of a dominated group by the dominant group. The dominant differ across the three strands: in Marxism, the managerial elite/owner dominance over the labourer is challenged (Adler et al., 2007), in feminism the gendered dominance and subordination in social arrangements is critiqued (Calás & Smircich, 2006), and in environmentalism, humanity's right to degrade the environment is questioned (Jermier et al., 2006). Marxism, feminism and environmentalism differ in the interventions that may restore justice. While Marxism advocates seizing power through a social revolution, feminism advocates human development; structural/legal interventions; separatist institutions; and establishing organizations with feminine values (Calás & Smircich, 2006). Environmentalists urge informal and formal "green politics" activism as well as regulatory lobbying.

[5] http://www.anglogoldashanti.co.za/subwebs/InformationForInvestors/Reports08/ReportToSociety08/f/hiv_aids.pdf, last accessed April 16, 2010.

[6] The estimated total cost of providing ART in South Africa is around R1,200 per employee per month, and includes a drug cost of some R400 per employee per month.

[7] Pragmatic and Principled: DND*i*'s Approach to IP Management, http://www.protoneurope.org/ExamplesofGoodPractice/Files/ipHandbook-Ch_17_19_Banerji-Pecoul_DNDi.pdf/attachment_download/file, last accessed April 16, 2010.

[8] South African President Thabo Mbeki has been portrayed by some media as the little guy standing up to big pharma which may suggest that he is a powerless beneficiary. The beneficiaries were those individuals with HIV and AIDS. Mbeki was neither the beneficiary nor the representative of the beneficiary. He was in a position of power in comparison to the beneficiaries.

[9] http://www.thebody.com/content/world/art20655.html, last accessed April 16, 2010.

[10] http://www.anglogoldashanti.co.za/subwebs/InformationForInvestors/Reports08/ReportToSociety08/f/hiv_aids.pdf, p. 10, last accessed April 16, 2010.

[11] http://www.anglogoldashanti.com/subwebs/Informationforinvestors/Reports08/AnnualReport08/g/corporate_citizen.htm, last accessed April 16, 2010.

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APPENDIX

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CHAPTER 3

(RE)FORMING STRATEGIC CROSS-SECTOR PARTNERSHIPS:

RELATIONAL PROCESSES OF SOCIAL INNOVATION[2]

Cross-sector partnerships between nonprofit and for-profit organizations are

uniquely positioned to create and capture social value (King, 2007; Plowman et al.,

2007). Known also as social alliances, intersectoral partnerships or strategic partnerships

(Yaziji & Doh, 2009), cross-sector partnerships "emerge at the intersection of the

business (corporate) and nonprofit (NGO) sectors" (Selsky & Parker, 2005: 851). They

strategically leverage the core competencies of both partners to address market failure

(Austin, Stevenson, & Wei-Skillern, 2006) or social opportunity (Crane & Matten, 2007)

and thus engender social innovation (Hess, Rogovsky, & Dunfee, 2002; Waddock, 1989).

By social innovation we mean the pursuit of "a novel solution to a social problem

that is more effective, efficient, sustainable, or just than existing solutions and for which

the value created accrues primarily to society as a whole rather than private individuals"

(Phills, Deiglmeier, & Miller, 2008: 39). Outcomes of social innovation can range from

improving the life conditions of disenfranchised individuals to meeting unmet basic

needs for society as a whole (Austin, Gutiérrez, Ogliastri, & Reficco, 2006; Brickson,

2007); the ultimate goals include justice, fairness, environmental preservation, improved

health, arts and culture, and better education (Phills et al., 2008).

Many regard social value creation as the *raison d'être* of cross-sector partnerships

(Alvord, Brown, & Letts, 2004; Teegen, Doh, & Vachani, 2004) and suggest that

relational processes enable or hinder social innovation (Seitanidi & Crane, 2009). Prior

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studies suggest that cross-sector partnerships involve a staged progression along a collaboration continuum; that is, from philanthropic and transactional to integrative relationships (Austin, 2000; Seitanidi & Ryan, 2007), each stage rife with specific contingencies and constraints (Bryson, Crosby, & Stone, 2006). A handful of descriptive and prescriptive studies further argue that partners deliberately design and implement cross-sector partnerships to increase their likelihood of success (Googins & Rochlin, 2000; Rondinelli & London, 2003), while others caution about inherent fragilities and incompatibilities which often predispose cross-sector partnerships to distrust, conflict and premature failure (Berger, Cunningham, & Drumwright, 2004; Macdonald & Chrisp, 2005; Rondinelli & London, 2003).

We begin to unpack the relational processes of social innovation in cross-sector partnerships by juxtaposing the emergent bodies of research and practice-based insights on adversarial cross-sector interactions (Frooman, 1999; Hendry, 2005, 2006), collaborative relationships (Hardy, Lawrence, & Phillips, 2006; King, 2007; Stafford, Polonsky, & Hartman, 2000) and turnaround sequences (Fiol & O'Connor, 2002; Fiol, Pratt, & O'Connor, 2009). We ask how nonprofit and for-profit organizations deliberately adjust their roles to sustain momentum towards success or rebound from temporary failure in pursuit of social value creation. This research question joins, complements and extends current debates concerning the distinct roles (Hansmann, 1980), identities (Brickson, 2007; Fiol et al., 2009), and institutional embeddedness of nonprofit versus for-profit partners (DiMaggio & Anheier, 1990) by exploring how relational processes may help them overcome and leverage key differences.

Our working assumption is that partners form strategic cross-sector partnerships to learn how to create social value; they "must rely on strategic criteria that can both effectively utilize the firm's existing competencies in intra-sector … alliances and develop the new skills needed to make cross-sector … alliances succeed" (Rondinelli & London, 2003: 63). The odds of success and survival of cross-sector partnerships improve when partners accept adaptive responsibilities and co-design mechanisms for delivering effective solutions to social problems (Seitanidi, 2008). As collaborations grow progressively more intensive (Rondinelli & London, 2003) or engaged (Austin, 2000), early successes hinge on partners' ability to select "the right partner", their willingness to develop acceptable procedures for cooperating, and their ability to judge "relational risks" (i.e. the ability of partners to predict with confidence what the potential outcomes of the alliance will be based on past experience; Hardy et al., 2006). Higher levels of engagement promise significant collaboration gains "… both in specific benefits accruing to the respective partners and in the social value-added by the alliance, [but] the effort and investment … to obtain those are greater" (Austin, 2000: 72). Managing interdependencies requires partners to grapple with complexity and juggle "different kinds of knowledge and competencies [as] multiple actors or stakeholder parties co-construct a social learning process" (Bouwen & Taillieu, 2004: 137).

This study contributes a deeper understanding of the relational processes underpinning social value creation in strategic cross-sector partnership (Selsky & Parker, 2005; Teegen et al., 2004) by examining how partners' interactions sustain success or precipitate failure. Our research question – understanding how nonprofit and for-profit partners (re)form their strategic partnerships by actively managing their differences and

interdependencies – complements prior research from a nonprofit angle (Frooman, 1999), a corporate perspective (Pearce & Doh, 2005), and a dyadic lens (Hendry, 2006; King, 2007).

We explore how relational processes may accelerate success, undermine early wins or help reverse temporary set-backs when a nonprofit and a for-profit partner join forces for social innovation. We are particularly interested in the relevance of relational engagement (Austin, 2000; Rondinelli & London, 2003) and relational compromise (Yaziji & Doh, 2009) as partners bridge their distinctive values and objectives (LaFrance & Lehmann, 2005; Rangan, Samii, & Van Wassenhove, 2006) by negotiating new responses, new values and new logics (Austrom & Lad, 1989). Our inquiry seeks to bridge practice-based insights on the staged evolution of cross-sector partnerships (Austin, 2000; Hess et al., 2002; Pearce & Doh, 2005) with relational perspectives on the processes of social value creation in adversarial and collaborative relationships (Brickson, 2007; Fiol & O'Connor, 2002).

Our grounded inquiry focuses on the healthcare domain, one of the most promising contexts for studying social innovation (Christensen, Baumann, Ruggles, & Sadtler, 2006; Christensen, Grossman, & Hwang, 2009; Hwang & Christensen, 2008). We construct and contrast four in-depth, longitudinal narratives of cross-sector partnerships in Canadian healthcare. Each partnership sought to reshape the corporate-nonprofit interface and was considered strategic by both partners. All our for-profit partners were large publicly traded companies -- two medical device firms, an e-health solution provider, and an energy conservation solution provider focused on the healthcare industry. Our nonprofit partners in each dyad were either a hospital or a hospital-based

research institute. Hospitals represent more than one third of the revenue and over 40% in terms of gross domestic product (GDP) of the overall nonprofit sector in Canada (Statistics Canada, 2006). All Canadian hospitals are self-governed nonprofit organizations[1]; they are publicly funded and administered and cannot be purchased or owned by for-profit organizations. Although they receive more than 50 % of their revenues in grants from government, they compete directly with other nonprofit organizations for charitable donations as well significant volunteer resources for the difference (Statistics Canada, 2006). They cannot distribute any profits generated to directors, staff, or members (Brody, 1996; Hansmann, 1980). They thus meet the United Nations' international standards for nonprofit institutions (Statistics Canada, 2006).

Relational Processes of Social Innovation

We focus on the relational processes of social innovation during the formation and reformation of strategic cross-sector partnerships (King, 2007; Pearce & Doh, 2005; Yaziji & Doh, 2009). Social innovation rests on two premises. First, it requires some degree of strategic repositioning, that is, it entails the creation of benefits or reductions of costs for society "through efforts to address social needs and problems – in ways that go beyond the private gains and general benefits of market activity" (Phills et al., 2008: 39). Second, it requires novel combinations of ideas, resources, and capabilities; the process of creating social value is deliberate, effortful and unusually demanding (Magee, 2003; Pearce & Doh, 2005; Phills et al., 2008).

However, organizational identities (Brickson, 2007), missions (Fiol & O'Connor, 2002), structure (King, 2007), and patterns of activity (Plowman et al., 2007) constrain partners' willingness to engage in increasingly intense partnerships (Austin, 2000;

Rondinelli & London, 2003), their ability to adapt to evolving contingencies and opportunities (Seitanidi, 2008), and to overcome role conflict (Fiol et al., 2009). Inter-organizational relational capabilities, fostered by prior ties, trust, overarching goals and control mechanisms can help partners move along the collaboration continuum (Austin, 2000). When the strategic value of partnerships is high and the for-profit and nonprofit partners have a high level of engagement, interact frequently, and grapple with complex issues (i.e. in integrative social alliances; Yaziji & Doh, 2009), cross-sector partnerships are more resourceful and resilient than go-it alone social innovation efforts (Rondinelli & London, 2003). Yet the process by which partners jointly create social value is often non-linear (and fraught with fragilities, difficulties and disappointments (Teegen et al., 2004). Only some partners manage to create social change in a constant, evolving, and cumulative manner (Weick & Quinn, 1999). Many others crumble due to "mis-es" – misunderstandings, misallocations of costs and benefits, mismatches of power, mismatched partners, misfortunes of time and mistrust (Berger et al., 2004).

A growing body of applied studies has developed prescriptive and normative suggestions about what yields new collaborations (Hendry, 2006), what sets successful partnerships apart from the unsuccessful ones (Rondinelli & London, 2003; Bouwen & Taillieu, 2004), and how partners can overcome temporary bottlenecks and set-backs (Westley, Zimmerman, & Patton, 2006). Co-evolution, adaptability, flexibility are commonly prescribed cures, yet we know comparatively little about how nonprofit and for-profit organizations can (re)align their contributions and gains. The vast literature on strategic alliances affords additional caution. Because heterogeneity encumbers knowledge transfers (Das & Teng, 2001) and divergent identities and control mechanisms

make mundane interactions more challenging (Lorenzoni & Lipparini, 1999), the contrasting institutional logics of for-profit and nonprofit organizations make a partnership between them more vulnerable to tension and conflict.

In the past decade, research has surfaced a noteworthy asymmetry between strategic alliances and cross-sector partnerships. Strategic alliance partners can anticipate and manage success by building relational capabilities that substitute for prior ties or common experience (Dyer & Singh, 1998). They can prevent failure by selecting similar, homogeneous partners, and implementing control mechanisms that mitigate transaction costs (Das & Teng, 2001). Cross-sector partnerships follow non-linear progression paths; marked by constant adjustments and recombinations (Ring & van de Ven, 1994), and punctuated by transient successes and temporary failures (Beckman & Haunschild, 2002). Different capability bases, relational risk, intensity, engagement, interdependence, power balance and mutual expectations can draw partners closer together or push them further apart. Some transition from adversarial relations to mutuality by nurturing common missions and goals but many derail for the same reasons.

So how can (some) partners co-prosper while they share critical resources to bring forth social innovations (Hardy et al., 2006)? Our core premise, borne out by our qualitative investigation, is that (re)alignment is ubiquitous and iterative – partners continuously manage relational processes that help them appraise the progress towards their own goals and the shared purpose of the partnership. Prior literature has highlighted the role of emotions (i.e. intensity, Rondinelli & London, 2003; engagement, Austin, 2000; and cognitions, Fiol & O'Connor, 2002) and social connections (i.e. champions, Egri & Herman, 2000; feedback loops, Zietsma, Winn, Branzei, & Vertinsky, 2002;

amplifying actions, Plowman et al., 2007; and social learning, Bouwen & Taillieu, 2004).

We track these relational processes by developing longitudinal narratives of interactions

between corporations and non-profit organizations (hospitals and research institutes)

crafting social innovation in the Canadian healthcare sector.

METHODS

To build rich descriptions and deep understanding of the phenomenon under

investigation we adopted a case study design (Weick, 2007).[2] This allowed us to track the

phenomenon at the partner and dyad levels of analysis (Yin, 2003). We started by

sampling "polar types" of dyads that helped us tease out contrasting patterns in the data

(Eisenhardt & Graebner, 2007). We then extended the analyses within each dyad by

conducting in-depth interviews with the senior executives of each partner. We tracked the

initial goals of their partnerships and developed longitudinal narratives documenting how

their roles evolved as their relationships progressed (Corbin & Strauss, 2008). Figure 3.1

introduces our four dyads and their strategic objectives. To protect the anonymity of the

participants, we identify the four studied dyads by their shared goal: Energy Conservation

(EC), Telecommunication (TC), Diagnostic Imaging (DI) and Minimally Invasive

Surgery (MIS).

We sampled four cross-sector partnerships engaged in different types of social

innovation, following Christensen and colleagues' (2006) typology of sustaining versus

catalytic social innovation. Sustaining innovations "provide better quality or additional

functionality for an organization's most demanding customers" (Christensen et al., 2006:

96); they can be incremental improvements or breakthrough products or services that

leapfrog the existing technologies. In contrast, catalytic innovations challenge industry

FIGURE 3.1

Research Design – Sampling on Type of Social Innovation and Activity Focus

	Telecommunication (TC) *For Profit* Est. 1880, 17.9B CAD, publicly traded, 44,292 employees *Non Profit* (Health Centre) Est. 1875, 770M CAD, 10,515 employees & students *"I'd like to believe that some of those are good, corporate purchases and good corporate thrusts for the betterment of Canadians…. So what does that do for (my corporation)? If you believe that that's a good thing to do for Canadians, right across the country, and it is a large area in which health care, a large industry that needs sizeable transformation and you can help any individual hospital get over the financial hurdle by acquiring it and bringing it down to a cost point and a cost that is palatable on a hospital by hospital basis, then you need some hospitals that are willing to work with you to prove that it can work and be able to go out and talk to other hospitals and demonstrate to other hospitals." (FP)*	**Energy Conservation (EC)** *For Profit* Est. 1885, 34.6B US, publicly traded, 122,000 employees *Non Profit* (Health Centre) Est. 1875, 770M CAD, 10,515 employees & students *"Energy has been the leading value proposition because it's one where you actually do get to go and talk to the CEO…So that's why our energy solutions business, with our value proposition we tend to get very engaged with the executive team." (FP)* *FP was a huge advocate of energy conservation and worked hard at being able to "convert" other organizations through the development of a business model or value proposition that placed all financial risk of changing behaviour on themselves. (NP)*
	Diagnostic Imaging (DI) *For Profit* Est. 1892, 15B US, publicly traded, 10,000 employees *Non Profit* (Health Centre) Est. 1875, 770M CAD, 10,515 employees & students *"… to fundamentally change the value proposition of our customers … a wonderful proving ground for the whole concept that we have around early health." (FP)* *[We wanted] to see if we could come up with a shared vision … to provide the very, very best of imaging enabled technology to serve our patients … because we were very eager to be at the cutting edge of technology … we wanted to look at a partner who had a reputation in being at the cutting edge." (NP)*	**Minimally Invasive Surgery (MIS)** *For Profit* Est. 1969, 1.05B CAD, publicly traded, 3000 employees *Non Profit* (Research Institute) Est. 1983, 50M CAD, 850 employees *The intent was to produce a much simpler surgical system that would be more available to hospitals through a much lower price point than what was on the market and through a different business model of reusable instruments. Not only more environmentally friendly, it would be less expensive to operate on a case by case basis. It would be "good enough" for many surgeries.* *"[Our] ultimate objective … to have a prototype that is sellable to a GE kind of company." (FP)* *"develop technology for … patient care" (NP)*

The left side labels (reading top to bottom) are *Non-clinical* and *Clinical* under the heading **Activity Focus**.

The bottom labels are *Sustaining Innovation* and *Catalytic Innovation*.

Type of Social Innovation (*Christensen et al., 2006*)

incumbents by offering "good-enough" solutions to inadequately addressed social

problems.[3] Their primary objective is systemic social change. Catalytic innovations

disrupt the status quo (Anthony, Johnson, Sinfield, & Altman, 2008) through changes in

functionality of technologies, different business models or systemic reform (Christensen et al., 2009). Catalytic innovators generate resources (donations, grants, volunteer manpower or intellectual capital) in novel ways, which are initially unattractive to most incumbents. Their social innovations appear unprofitable or unattractive by the current measures of success, and thus are often ignored, even disparaged, by incumbents.

Both sustaining and catalytic innovations can be subdivided into incremental and radical innovations (Tushman & Smith, 2004), and we theoretically sampled one partnership representative of each category. Christensen and colleagues (2009) argue that the incidence of radical innovation is higher in clinical innovations (i.e. direct healthcare interventions), which build on core capabilities to generate or sustain competitive differentiation, while the incidence of incremental innovation is higher in non-clinical innovations (i.e. support healthcare services). We relied on the strategic intentions at the time of partnership formation to identify two cross-sector partnerships pursuing sustaining innovation (one clinical, one non-clinical), and two seeking disruptive innovations (one clinical, one non-clinical). With one caveat: our assessments of sustaining/catalytic and respectively radical/incremental relied on partners' initial intentions; the extent of disruption was contingent of how effectively the partners learned to work together.

Sampling Frame

Comparative case study research relies on theoretical sampling to extract a very detailed understanding of a phenomenon (Eisenhardt, 1989). The four dyads selected received significant media and analyst coverage since their early stages of formation. We used archival data to reconstruct the early steps of partnership formation; these included

published and unpublished case studies; annual reports of the partners, sustainability reports, media releases, media clippings, Memoranda of Understanding (MOU), company power point presentations, and various promotional company materials. Table 3.1 summarizes the data sources used for each dyad and provides an overview of the initial goals shared by the partners and a timeline of key events in the evolution of each partnership.

Data Collection

We combined rich archival data collected over time (Corbin & Strauss, 2008), with in-depth interviews with key informants representing both partners within each dyad. We interviewed the most senior executives who had the knowledge, motivation and authority to discuss cross-sector partnerships involving their organization. Longitudinal data can be collected both prospectively (working forward in time) and/or retrospectively (working backward in time) (Scott & Alwin, 1998). We relied on retrospective accounts because we were interested in understanding how partners diagnose, manage and interpret the duality of success and failure.

Data Analysis

Our analysis was guided by Eisenhardt's (1989) and Yin's (2003) outline for comparative case study analysis. Data collection overlapped with the analysis; the data and the literature were consulted in an iterative process. We first created longitudinal narratives for each partnership by combining archival research, interviews, and follow-ups. The data were then analyzed at the dyad level to uncover shared meanings or divergent views of collaborative processes.

TABLE 3.1

Description of Strategic Cross-Sector Partnerships

Dyad	Data	Shared Purpose	Timeline
Energy Conservation (EC)	**Interviews** *(2007)* Vice President, Energy Solutions (FP) Strategic Planning and Marketing Leader (FP) Sales Director (FP) Vice President, Planning, Hospital (NP) **Archival Materials** *(2006-2008)* Unpublished case study; Annual reports (FP, NP); Sustainability reports (FP); Media releases	The EC dyad constituted a new relationship between a publicly-traded corporation and a nonprofit Health Center to address efficiencies in the delivery of non-clinical services. The partnership initiated a radical commitment to energy and environmental stewardship, which consisted of installation and maintenance of new HVAC (heating, ventilation and air-conditioning) equipment with a guaranteed payback period and defined energy savings.	1998: *FP* approached CEO and executive team at *NP* with an Energy Performance Contract. Spring 1999: *NP* Board approved the 3 year Energy Performance Contract 2-3 years: Healthy scepticism on the part of the staff of the *NP* partner of the *FP* value proposition; Setting up the protocols and the methodology for measuring Spring 2002: successful conclusion of the energy performance contract moving to next level of partnership from the pure sale of an item to a relationship (*NP*) 2007: highest level of partnership described as an intelligence relationship (*NP*); Ecostewardship role with *FP* visible in the organization (*NP*)
Telecommunications (TC)	**Interviews** *(2007)* Regional Vice President (FP) Vice President, Information Management, Hospital (NP) **Archival Materials** *(2006-2008)* Annual reports (FP, NP) Sustainability reports (FP) Media releases	The TC dyad brought together a large, publicly-traded corporate partner and a nonprofit Health Center. It envisioned a shift from a prior supplier contract of telecommunications equipment and services to a multiyear learning partnership. The partnership benefits accrued to the organizations involved the reinvestment of the TC corporation's savings in marketing and sales into joint projects for the co-development of innovative telecommunication solutions.	Longstanding philanthropic involvement in the community Strong effort to go after the [*NP*] business that [*FP*] had lost to competitors. 2001 to 2004: The hospital contracted three major lines of service to [*FP*] for three years 2004 to 2009: Successful completion of contract and entered into a second, five year, contract: "But then we began to bring additional value to the table and from not only what our insights and our involvement in other health care institutions, but our work at the level of government and in our understanding of the industry and so we were bringing solutions to the hospital to consider." (*FP*)

TABLE 3.1 (continued)

Dyad	Data	Shared Purpose	Timeline
Diagnostic Imaging (DI)	**Interviews** *(2007)* National General Manager (FP) CEO & President, Hospital (NP) **Archival Materials** *(2006-2008)* Annual reports (FP, NP) Sustainability reports (FP) Media releases Published case study	The DI dyad was a partnership between the same Health Centre involved in the two previous dyads and a different corporate partner. The partnership built on a prior vendor-supplier relationship to co-develop a beta-testing site; its focus was on optimization of workflow.	Mid 1980s: Key informant joins *FP*; the two organizations are already involved; relationship evolved over time Early 1990s: new CEO heading the *NP* – entered into a CT research relationship which far exceeded their expectations in terms of software developed and disseminated worldwide; profitable for both partners Late 1990s: Opening of research affiliate; *NP* selected $150,000 to $200,000 of used equipment from the *FP* warehouse to put basic imaging infrastructure in place 2000s: *FP* awarded tender to equip the [investment]; and an official partnership agreement signed in addition 2002 to 2005: collaboration on which projects had physician and hospital interest and validity 2005: *NP* CEO retires 2006: new CEO joins the *NP;* no new primary contact person appointed. 2007: partnership agreement concluded
Minimally Invasive Surgery (MIS)	**Interviews** *(2007)* National Director, Medical Systems (FP) Director, Research Institute (NP) **Archival Materials** *(2006-2008)* Annual reports (FP, NP) Media releases & clippings Memorandum of Understanding (MOU)	The MIS dyad forged a new relationship between the MIS corporation and a Research Institute. Historically, the MIS corporation had only performed contract engineering. This was the MIS corporation's first attempt to collaborate on the development of technology with each party bringing its background intellectual property to bear on the project.	Fall 2002: Informal initial contact between *FP* and *NP* representatives followed by one week of on-site observations of surgery by the *FP* Spring 2003: 2 yr. MOU to work together; role negotiation – contractor vs. advisor Jan 2004: Key Surgeon leaves hospital Spring 2004: relationship stalls but re-emerges due to a personal contact between corporate executive and a third party representing *NP*; invitation to a (somewhat acrimonious) meeting of partners Spring 2005: *NP* representative brings investor on board, saying that he had been authorized to proceed; several months of protracted negotiations during which "… a lot of effort [went] into costing what he wanted" (*FP*) Summer 2005: The investor tried to make something happen: "came to our place at least six times and he tried to make a deal" (*FP*); MOU lapses Fall 2005: Corporate informant contacted the admin at research institute; "the whole thing just exploded" (*FP*)

FINDINGS

For two of the four studied dyads (Telecommunications and Minimally Invasive Surgery), the cross-sector partnership was the very first collaboration between them; the partners had no prior contracts, or relationships (adversarial or collaborative). The decision to go it together was rooted in a shared purpose for social value creation (see Table 3.1). For the other two dyads (Digital Imaging and Energy Conservation), the cross-sector partnership grew out of a prior transactional relationship (i.e. a vendor-supplier contract). Both the choice of partner and the choice of the type and intensity of engagement were deliberate.

In each dyad, the nonprofit (NP) and for-profit (FP) partners sought the 'right' strategic partner. Whether the partnerships had been preceded by a transactional exchange or not, partners articulated a strategic motivation and negotiated shared vision for co-creating social value. For example, in the Digital Imaging (DI) dyad:

> There are some customers who think that a partnership is a better way to do something. It's not. Not necessarily. It's just a different way to do things, right. And you have to know what it is that you want and what it is that you expect out of that partnership. You have to have a good reason for getting into it…. You've got to be able to say, at least in my way of thinking, there are three or four things that we need to accomplish strategically. (*FP, DI*)

> The whole idea here was to see if we could come up with a shared vision from the point of view of [FP] and ourselves coming to the conclusion that we wanted to provide the very, very best of imaging enabled technology to serve our patients.…We were very eager to be at the cutting edge of technology because … we were probably exposing the patients to more radiation than necessary. So, we wanted to look at a partner who had a reputation in being at the cutting edge and we had the same vision, shared vision. (*NP, DI*)

For the Energy Conservation (EC) dyad, the for-profit partner took the initiative to forge a collaboration that would be clearly distinguishable from the prior vendor relation, which was seen as transactional, not integrative (Austin, 2000):

It started with us being successful on bid day and I don't think there are any of us recall as to whether it was because our technology was better, whether our price was right. We were a vendor…. Post that… we approached them to talk to them about our energy value proposition. So I think that's how the relationship started. But I think in terms of the partnership, unlike [NP], a lot of the clients that we have sold in health care have been, energy has been the leading value proposition because it's one where you actually do get to go and talk to the CEO. (*FP, EC*)

We started out by talking about what could they offer and what could we offer…We decided to go for a partnership so that we could use the very best of what they had to offer and we would be a model site for them. *(NP, EC)*

Definitions of Success and Failure

We contrasted key informants' definitions of success and failure within each dyad and across the two types of organizations: for-profit corporation (*FP*) or nonprofit organization (*NP*). On the surface, all conceptualizations of success and failure focused on the achievement of initial expectations, that is, "…you achieve what you set out to achieve at the very, very beginning" (*NP, DI*); "ultimate success (is where) each partner gets what they expected to get" (*NP, Minimally Invasive Surgery (MIS)*); and "both people have to win, right?" *(NP, Telecommunications (TC)).* Failure was not seen as the opposite of success but rather a counterpoint -- "if you can't find things that are differentiated from everyone else … it's just been a conversation" (*FP, DI*).

The lines between success and failure were often blurred: "You know, I, sometimes I'm not sure if I can really talk about it because there's times where a failed partnership in time turns around to become a valuable partnership in the end" *(FP, TC).* Perhaps more importantly, (temporary) accounts of success or failure triggered both unilateral and mutual role (re)calibrations. Prior practice-based literature emphasizes the importance of real-time adaptation of partners' roles and responsibilities (Rondinelli & London, 2003; Seitanidi, 2008). Our findings extend and complement earlier arguments

by showing that partners engage in ongoing, iterative processes to redefine their role as the partnership unfolds. Notably, role redefinition is seen as distinct from the overarching shared purpose of the partnership which shows remarkable resilience (see Table 3.2). There is a gradual progression towards meeting that shared purpose.

Role (Re)Calibration

Prior studies emphasize the importance of (re)aligning partners' expectations (Rondinelli & London, 2003) as the partnership becomes more integrative. Our findings show that expectations form and reform cumulating forward towards the shared purpose of the relationship. Rather than an activity-based alignment, our data speaks to alignment via relational processes. Figure 3.2 models how nonprofit and for-profit partners learn to take on new roles in response to (at times hidden or emergent) needs of their counterpart. These relational processes help partners remain closely connected with the shared purpose of the alliance:

> We brought them technology. We've brought them innovative solutions. We've listened to them. We've used them so that we can adjust our own offerings so that hopefully we can add more value to them and to other clients in health care. We've brought them services so we support their staff in terms of maintaining, you know, these technologies that are implemented. We've supported them with their efforts to promote energy conservation to their own internal organization. (*FP, EC*)

> We both realized there were two parties in terms of part of the problem so we reconciled the shared impact of that and accordingly made an adjustment and, you know, that's what, to me, a partnership is about. The next level of partnership to me is moving to the value add and where you actually remove yourself from the pure sale of an item to a relationship … but the highest level of partnership to me is when you get into those things that are more, I guess you'd say it's your intelligence relationships and sharing your views of what customer service should be or how the company can move in another direction. *(NP, EC)*

TABLE 3.2

Momentum towards Success/Failure: Role (Re)calibration

Dyad	Partner's Goal	Momentum towards Success		Momentum towards Failure	
		Event	**Role (re)calibration**	**Event**	**Role (re)calibration**
Diagnostic Imaging *For-Profit*	*"Early health"*	*Successful joint Six Sigma project*	*Discussion of how to grow the partnership*	*NP changes the senior management team*	*FP ready to start over and build from the ground up*
	"…Our belief in how to make ourselves more successful is to fundamentally change the value proposition of our customers. And that is really, to make them more successful."	"[Previous successful project] gave us a really good foundation from a relationship perspective; it allowed us to learn how to work together on different stuff.... The best partnerships grow out of some shared experience, right? You learn how to be partners together."	"We had a number of retreats with [CEO and his senior team and the corporate senior team] just to talk about partnership opportunities and how we develop closer relationships."	"Unfortunately the body count there has been pretty high.… I don't think [the new CEO] knows us as a company, nor do the new people in there."	"Right now, [the relationship] just doesn't seem to be on their radar.… But I think, when it does, and they want to get back at it, it's really going to be starting from scratch again from an educational perspective of building up."
Nonprofit	*Provide the cutting edge imaging enabled technology*	*Process changes recommended by FP*	*NP sets realistic timelines*	*Non delivery on promises.*	*NP engages FP in role recalibration*
	"To provide the very, very best of imaging enabled technology to serve our patients."	"They did bring some value to changing some processes".	"One has to be very, very patient that you are realistic in terms of the time lines for achieving the … objectives that you set out. It takes, you know, we're not talking about months here. You talk about years."	"The compromise here is in terms of the time frame for achieving all of the objectives."	"You can get peeved off at your partner for doing something silly but unless you openly talk about it and say, you know, what you did is not right, and it's not helping this partnership. So, you know, there are bumps in the road."

TABLE 3.2 (continued)

Dyad	Partner's Goal	Momentum towards Success		Momentum towards Failure	
		Event	Role (re)calibration	Event	Role (re)calibration
Energy Conservation	*For-Profit*	*A responsible upgrade to NP's facilities* "An innovative solution to help them address their needs in terms of upgrading their facilities through what I call a fiscally and environmentally responsible program."	*NP CEO's public statement regarding the role of FPs* "[CEO of NP], post his retirement, has helped us, he's introduced us to other CEOs, other executives in health care…. He talked about how hospitals, the public sector needs to look to the private sector, needs to look to these partnerships to improve their overall efficiency."	*FP CEO personally engages with NP* "[The NP partner] is a major client seen by our president as a true partner, as a business partner as well. That's why our president visited [CEO] and the hospital."	*Monopoly by FP of related work for NP* (FP addressing NP): "we appreciate the opportunity to work with you on that…. You're not concerned that you're going to give us this much more work [when] we've already got a guarantee of work to begin with?"	*NP adjustment to changing needs of the FP and increases own requests of FP* "[NP response] was 'the more work I have with you … the bigger the stick I have to make sure that you have an interest in … helping me with what I want.' It helps to build value both ways."
	Nonprofit	*An innovative, upgrade without a capital infusion* "We're renewing our hospital. We're doing it through a very fiscally and environmentally responsible type of program."	*Request by FP to refer other hospitals to them* "They're great listeners. They've worked very well with the staff. And the integrity is there and the reason I say that is that since, then, they've asked me to help open some doors in hospitals and the way that they behave is very, very businesslike…. They have a huge amount of respect for people."	*FP invited to become a visible partner within the NP as NP takes on an ecostewardship role* "And so, you know, they became an active player and much more visible in the organization and then in other ways, because they know we have a strong ecostewardship role, they are one of the first ones if we're going to have these open houses, they provide hand outs to people, you know, the light bulbs, the enterprises."	*High bid from FP partner results in an award to their competitor* "Well, I know it happened in one case where [FP] automatically assumed they were going to get the contract and they weren't as aggressive on the pricing…. Well, they learned the hard way that, you know, in that particular case, because it was competitive bidding, they had to have the best price."	*Re-evaluation of the value of the partnership* "You could see how the relationship could, you know, go sideways after a period. By the time I have to test to do some sort of a third party analysis of the value of the relationship because, you know, at a certain point, you always have to test the market to make sure you're getting the best price…. It's never the price of just the product. It's the whole picture. It's the whole life cycle of the product."

TABLE 3.2 (continued)

Dyad	Partner's Goal	Momentum towards Success		Momentum towards Failure	
		Event	Role (re)calibration	Event	Role (re)calibration
Telecommunications	*Process and business transformation in healthcare telecommunications*	*Signed partnership agreement for a specified time period*	*Partners sit down on a regular basis as well as ad hoc to discuss FP capabilities and NP interest*	*NP partner took business to competitor due to personal bias, ending the partnership*	*NP new partnership failed and so returned to FP – forgive & forget*
For-Profit	"How do you optimize the business and how you transform the business?"	"We then entered into a five year contract and the services continued to get built out because we did deliver on what we said we were going to deliver for those three years."	"We have the luxury … to sit down on a regular and on an ad hoc basis to just talk about the things that are going on and say we have this capability."	"A few years ago … we delivered a terrific solution for them and surprisingly enough, our partner actually undid the relationship because of a personal bias that [the CIO of the hospital] had and took it to our competitor."	"It all depends on whether you have the ability to forgive and press on. If you can forgive and forget and move forward I think then you tend to be rewarded."
Nonprofit	*Innovative solutions to telecommunications problems at the NP*	*Personal commitment of FP General Manager to deal with any service or quality problems*	*Working and solving problems together*	*Existing vendor relationships too expensive for NP*	*18 months of clarifications before signing the agreement*
	"Bringing additional value to the table and from not only what our insights and our involvement in other health care institutions, but our work at the level of government and our understanding of the industry" (FP)	"[FP] said, `we know you haven't been happy in the past. Obviously the hospitals went away from us`. … She made a personal commitment that if there was ever any problem, she would make sure it was sorted out."	"A year later we actually cut a deal with them because it takes time to say, "okay, well what do you mean by that and how does this work for the hospital?"	"It's my experience, just says that we can't afford not to have some partnership relationships. It's just too expensive to stay in that vendor world…"	"Because you can't just say well, that's really nice, I really like that. It's how is this going to work? What are we going to do? How does that translate? … So it was probably a year to 18 months before we actually signed something with them from the first time we met them."

TABLE 3.2 (continued)

Dyad		Partner's Goal	Momentum towards Success		Momentum towards Failure	
			Event	Role (re)calibration	Event	Role (re)calibration
Minimally Invasive Surgery	*For-Profit*	*Design and build a minimally invasive surgical system together*	*NP representative shows up with an investor to proceed with the project*	*FP reengages with months of protracted negotiations*	*Perception of unequal effort by the partners*	*Post-mortem reflection on why the partnership ended*
		"I was expecting that we would work together to actually build a [surgical] system."	"About a year later [NP representative] shows up with an investor saying that he had been authorized by the research institute to proceed."	"A lot of effort went into costing and what [was] wanted…. [The investor] came to our place at least six times and he tried to make a deal."	"The final straw for me was we're about to … do a lot of heavy duty work on putting together a spec and costing and [NP representative] rolls up at the end of the driveway in his splashy sports car … and he said, oh, I'm off to the beach."	"The whole thing just exploded …, from a partnership point of view, I think it was naiveté; [NP representative – a Physician] was totally naïve from a business point of view."
	Nonprofit	*Design and build a minimally invasive surgical system together*	*First cross-sector partnership attempt by FP*	*Struggle with defining partners' contributions*	*Failure to find third party financing*	*Multiple roles of NP (research & teaching) allows success even if original goal not met*
		"It was primarily a contractual thing rather than a cooperative design problem."	"[Research Institute] wanted a surgical [device], something that they could themselves improve and essentially use it for whatever they wanted to use it."	"[FP] does not fund its own independent R&D … if you're going to develop new technology, and you want a company like [FP] to be involved, then you need to pay [them] to do the work."	"So the potential was there though for the two to go out and to get the funding…. The only problem was that it wasn't clear at that point how we would do this. How we would fund raise?"	"I mean, and even if you don't solve the problem completely, you probably come up with something new that comes out of it and from a university's point of view, it's never a failure because you have ended up at least training somebody."

Role (re)calibrations are seen as drivers of success – specifically, partners regard the gradual engagement in relational processes as forward-looking investments in crafting social innovations.

> Also, [we were part of] the first revenue generating [project] that they [NP] put into. We worked on that whole project with them, brought in capital to help finance the deal and build a stream, a financing stream that was equivalent to their perceived ability … of how they would be able to generate revenue and income from that. So, that was pretty avant-garde stuff at the time. I mean, nobody really had a business model for how you would establish an imaging service. It was pretty cutting edge stuff. (*FP, DI*)

When the partnership progressed successfully (or is seen as such by at least one partner), role calibrations were often projected forward along a collaboration continuum. The partnerships were described as flexible and dynamic; they involved "active engagement ... and testing it to make sure you're both still gaining value add and good value for it" (*NP, EC*).

> We participate in their foundation events and they appreciate the fact that, you know, this is really disconnected from the business we do with them.... But nevertheless, as a partner, we feel that that's the right thing to do. Given that our own employees, unfortunately, have to use their facilities, as a local corporate partner we should do that. So we participate in those activities and that's seen by their leadership as us being good business partners…. And we adjust our philosophy and we spend a lot of time thinking and working with a specific [NP] to get an understanding of what is it that's important to them and what are the types of things we need to involve ourselves in so that we can understand what makes an impact. (*FP, EC*)

Positive events stimulated role recalibrations; these role recalibrations provide new impetus for value renewal (Austin, 2000) by uncovering new sources of social innovation (Plowman et al., 2007): "Well, we came back with more. We came back with a new offering" (*FP, EC*).[4]

> *Proposition 1a. Role calibration accelerates momentum for success.*
> *Proposition 1b. Greater momentum for success escalates each partner's motivation to engage in role recalibration.*

FIGURE 3.2

Relational Processes in the (Re)Forming of Strategic Cross-Sector Partnerships
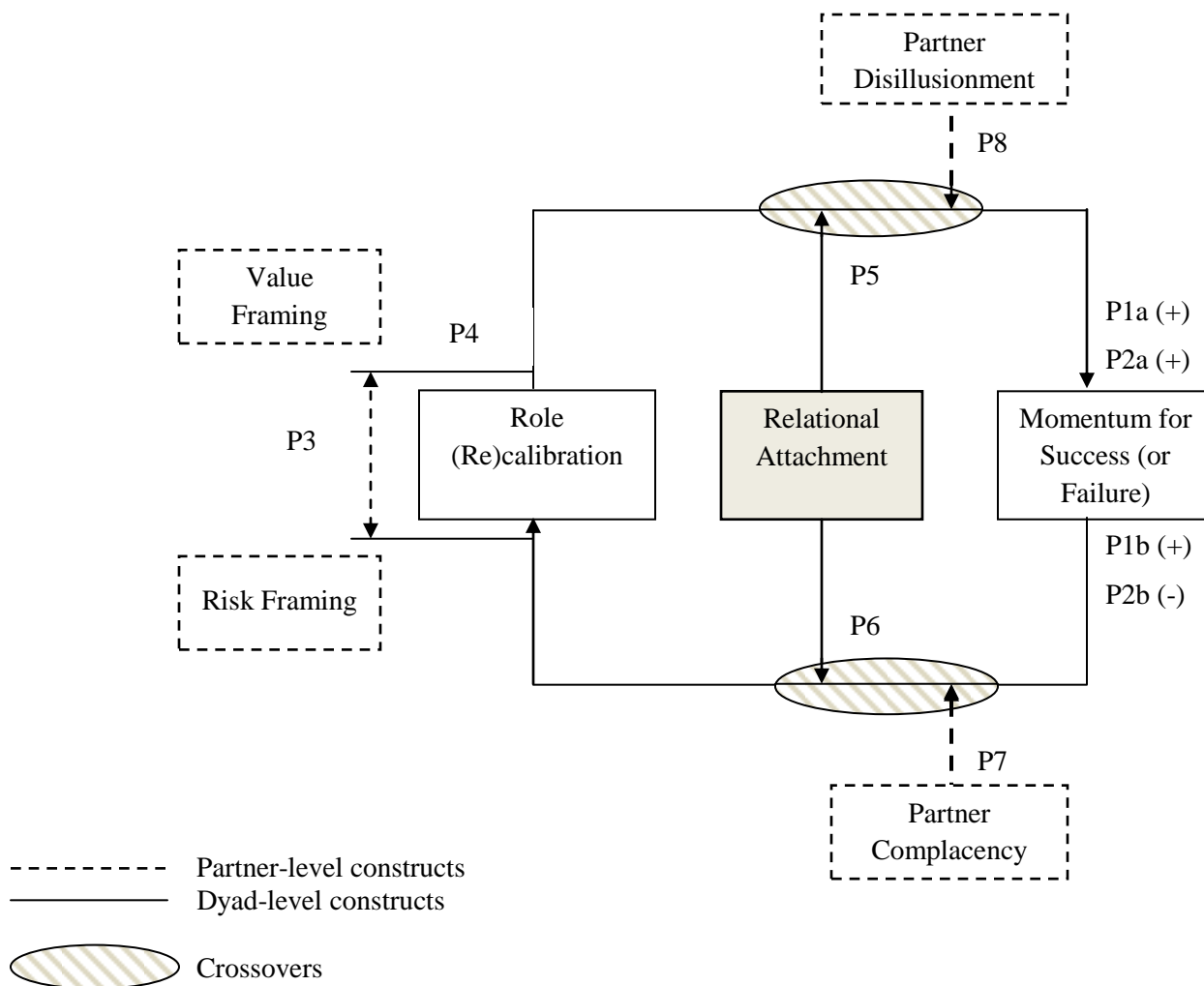
When partners anticipated set-backs or detected signs of failure, they engaged in preventive role calibrations in an attempt to delay or reverse upsets. Only those dyads that persisted in their role (re)calibration efforts in spite of temporary disappointments or imbalance managed to consistently stay the course to their intended goal of social value creation. If one partner deliberately stalled role (re)calibration efforts, for example by stepping back commitment (Hardy et al, 2006), their counterpart could avoid premature failure by pressing for role recalibration.

So you weather those storms and I think that's a sign of a good partnership that unforeseen things happen but you respectfully and mutually work through them with a sense of urgency. You know, you don't take advantage of the relationship. You have a high level of respect and you have, and that level of respect comes in by, and then intimacy comes around understanding why that's important to me and why it's important to you and I give you insight into my company and how we're structured and how we need to be able to sustain ourselves in the market place. I can't compete with free and I can't compete with lower than cost but neither one of those things are sustainable and so they're no good for you in the end either. So, and as you understand how important it is for you to ensure that your environment is up and protected and running, and we have that, we almost work as if it is our joint venture to succeed or fail. *(FP, TC)*

Proposition 2a. Role calibration reverses momentum for failure.

Proposition 2b. Greater momentum for failure reduces each partner's motivation to engage in role recalibration.

Role (re)calibrations can follow positive or negative events within each dyad (see Table 3.2). Our findings suggest an intriguing asymmetry: role calibrations come naturally as partners collaborate more intensively yet become increasingly challenging as the relationship derails: "we're getting too late now…. I would say the indecision of whether to do it or not is really hurting now … I think we've missed … a grand opportunity" (*FP, MIS*).

Constraints

Role recalibrations were constrained by partners' framing of social value and the perception of the risks incurred in co-creating the partnership. Each partner assessed the risk of the cross-sector partnership to themselves against the social value potential of the partnership as viewed through the lens of their own sectoral frame.[5]

There's a significant amount of risk there.… I can pick out a business model that makes it very attractive for us to do that and I can take that risk, right. So, it's not like we just, we don't want to touch anything. We're willing to take risk … we're not afraid to take risk, but if you're going to take risk, you have to take it with the right people under the right circumstances. *(FP, DI)*

So what does that do for (my corporation)? If you believe that that's a good thing to do for Canadians, right across the country, and it is a large area in which health care, a large industry that needs sizeable transformation and you can help any individual hospital get over the financial hurdle by acquiring it [technology] and bringing it down to a cost point and a cost that is palatable on a hospital by hospital basis, then you need some hospitals that are willing to work with you to prove that it can work and be able to go out and talk to other hospitals and demonstrate to other hospitals.... I'd like to believe that some of those are good, corporate purchases and good corporate thrusts for the betterment of Canadians. You know, we talked earlier about, you know, a lot of times to bring value to the community, bring value to Canada, those are a little harder at times to measure than they are in developing areas but if you can do it in this area, than I think that has tremendous benefit. *(FP, TC)*

When either partner assessed risks independently of the potential for social value creation, that is, they decoupled social value from risk; the hurdle of co-creating social innovation seemed harder to overcome. For example, in the Telecommunication dyad, risk assessments by the FP hinged on the potential to generate social value – the more worthwhile the endeavour, the more reasonable the risk:

Part of trust comes down to what level of risk that you're willing to take too and experiment with and either be rewarded for it or find new learnings as a result of it…. There's a lot of experience that you have to have to go in and say I think this is a worthwhile endeavour. This is good; there is a reasonable risk factor here. We are not overexposed and it has a good upside. This is good business. It's good, legitimate business for us both. *(FP, TC)*

Momentum for success intensified when employees re-coupled their philanthropic investments and the risks involved in the partnership:

Their employees said, "Boy, we really enjoy this work. They're also doing this. Let's put some of our philanthropic time and our community time towards doing things for the hospital." It's pretty huge what they've done so you know it's, and they're having fun doing that. It's not like it's, "oh yeah, we have to do this because we did that." This is totally their own thing, totally their excitement, not ours. (*NP, TC*)

It takes time to say, "okay, well what do you mean by that and how does this work for the hospital?" Because you can't just say well, that's really nice, I really like that. Its how is this going to work? What are we going to do? How does that translate? Because at the end of the day, you still have to have some sort of a

contract and agreement. It's not just; oh thank you, that's really nice. So it was probably a year to 18 months before we actually signed something with them from the first time we met them. (*NP, TC*)

Proposition 3. The momentum for success or failure is contingent on how each partner frames the dyadic interaction. When both partners couple risk and social value creation potential, the partnership maintains momentum for success as the partners progress along the collaboration continuum; when either partner decouples risk and social value creation potential, the momentum for success is hindered or stalled.

Crossovers

Because role recalibrations can lead to new, different, or stronger coupling between risk and social value creation, they can bring about turnarounds from success to failure or vice-versa. For example, following a 5-year window of musical chairs in the executive ranks of both partners, the DI dyad concluded a partnership agreement in March 2007. The for-profit partner noted that the potential for social value creation had peaked and the risks became more salient; the growing disconnect necessitated a recalibration of their roles in the partnership.

We don't have the obligation, any more, you know, to continue to do that, so we're kind of waiting to see what the hospital wants to do going forward. But, I think we've got some real notable wins out of that partnership. (*FP, DI*)

I think we're back at square one … totally back at square one.… I don't think [the new CEO] knows us as a company. So, and nor do the new people in there…. But, you know, that's not the tip of the iceberg…. The change there is so complete…. Unless we did something really dumb or were really stupid, why would you not continue that relationship with [us]? But right now, it just doesn't seem to be on their radar and this type of thing doesn't seem to be really important to them. (*FP, DI*)

In this case, the for-profit corporation bet on partnerships' ability to restore or renew social value, and turned around momentum from failure towards success: "But I think, when it does, and they want to get back at it, it's really going to be starting from scratch again from an educational perspective of building up" (*FP, DI*). The flip-side effect was

also borne out by the data. When partners let social value erode, the risks loomed larger

in comparison, shifting momentum from success towards failure:

> Well, they learned the hard way that, you know, in that particular case, because it was competitive bidding, they had to have the best price. So, I think having a good relationship but you're always testing each other that, you know, I never leave with my meeting with [FP] that I feel there's anything uncomfortable about it. But I could sense at a certain point if they weren't providing good service to us or, you know, we weren't feeling that we were … partners with them; they don't invite us to participate in their think tank sessions. You could see how the relationship could, you know, go sideways or after a period, by the time I have to test to do some sort of a third party analysis of the value of the relationship because, you know, at a certain point, you always have to test the market.… But I think what I've learned in all these relationships is it's not just the price of a product, it's the price of these other value adds and that's probably the best part of your research is to understand it's never the price of just the product. It's the whole picture. It's the whole life cycle of the product. (*NP, EC*)

> *Proposition 4. Increasing the social value creation potential and/or reducing relational risk enables crossovers from failure to success.*

Relational Attachment

Our narratives also surfaced degrees and types of relational attachment. Prior

studies suggest that relational attachment grows with good partners – through specific

investments the exchange partners make in the relationship over time (Seabright,

Levinthal, & Fichman, 1992). Our analyses differentiated two subthemes: "being the

right partner" versus "staging the next move". Being the right partner was likened to

marriage. Partners make patient investments in their relationship; their emphasis is on fit,

compatibility, and constancy of purpose.

> You just don't decide … that we're going to have a partner … and who is that going to be? The best partnerships grow out of some shared experience, right? You learn how to be partners together. You learn how to work together and you build some confidence and trust in each other. Partnerships take a lot more time. They take a lot of time. [What is important is] history, our sense of their expectations, [and] time…. My comments [are] kind of accurate historically and said with, you know, some grains of hope for the future that it's going to continue to be that way…. You know, I do think the past is important. *(FP, DI)*

The trust has to be there.… The give and take … and the communication has to be there.… You can get peeved off at your partner for doing something silly but … you openly talk about it and say, you know, what you did is not right, and it's not helping this partnership.… There are bumps in the road.… Right from the outset, openly share what you're thinking of each other. One has to be very, very patient that you are realistic in terms of the time lines for achieving the … objectives that you set out. It takes, you know, we're not talking about months here. You talk about years … the compromise here is in terms of the time frame for achieving all of the objectives.… You have … to compromise those kinds of things. (*NP, DI*)

Staging the next move emphasized the need to step up intensity and engagement in order to move the partnership to new ground. Partnerships emphasizing staging repeatedly morphed their relationship and made repeated references to the progression of the relationship in the past and in the future. These relationships start with scepticism but promote increasing degrees of closeness and transparency. Partners are less concerned about fit because their capabilities, needs and interests are evolving rapidly:

Awhile ago we used to differentiate ourselves more on the services side, but you can't tell that service on services story unless you've got the equipment footprint and you've got the relationship and you've got the quality of partner on the other side who is willing to let you in and consult, right?… To be part of how [they] shape strategy, you know, to be part of [their] planning processes. Until you've got that kind of closeness, our feeling is we can never really demonstrate what our true organizational capabilities are. *(FP, DI)*

I guess it's just an evolution. I guess what it really comes down to is you move away from selling the product. But as most corporations realize, it's all about your long term relationships and your preferred client and also … picking each other's brains and you know getting the best from both parties..... So I'd say in the first two years of the relationship or three years, there was a healthy scepticism of what I'd call marketers promoting their technology as well as this performance contracting and we undertook to focus on that company because they were prime systems and also because they were the ones coming to us with an innovative way to get into it. (*NP, EC*)

The two subthemes are not orthogonal; partners seek a balance between the stability offered by the right partner and the learning opportunities afforded by staging their next move. Combinations of these two subthemes allow partners to mitigate against

relational risks (through finding the right partner) and to push the envelope of value

creation (by staging the next move).

> Partnerships do bring benefits if you pick the right one but there really needs to be trust there.... You really have to be comfortable; you have to know them really.… You have to say, well, okay, I'm going to partner with [NP] … what is it I want from the partnership?… And you kind of write a little check list down. What is it they bring to the table? What are the gaps? Even if we don't have a perfect match in the first day, if we work on this, this and this, do you think we can get there? I don't think going into a partnership you know for absolute certainty it's absolutely going to work, but I think you make your best judgment. *(FP, MIS)*

By choosing a specific type of relational attachment, partners can buffer relational

risks (through the stability afforded by having the right partner) and push the envelope of

social value creation (through the exploring closer, more complex, more challenging

partnerships). In so doing, relational attachment supports more effective, timely, or

frequent role recalibrations; this in turns sustains momentum towards success or

facilitates crossovers from failure to success.

> *Proposition 5. Relational attachment strengthens the positive effect of role (re)calibrations on momentum for success.*
>
> *Proposition 6. Relational attachment increases the likelihood of crossovers from failure to success.*

Partner Complacency

Prior literature speaks about the importance of value renewal. Even successful

collaborations may slide into complacency and stop searching for value opportunities.

Austin observed that "in the social purpose alliance marketplace, as in the commercial

marketplace, the failure to innovate and create new value will likely lead to the

displacement of laggards by innovators" (2000: 80). Our narratives showed evidence that

complacency – taken-for-grantedness and/or lack of ongoing investment of time and

energy into renewing the social value of the partnership – eroded the relational

attachment between the partners:

> But sometimes, you know, the relationship is too comfortable. So all of a sudden people know that's the business, I've got it. So maybe they don't try so hard anymore and you know, and that's where you get that perimeter defined. You still both have to feel that both organizations are hungry and supporting the relationship. I can't get complacent about ignoring securing the supplies from them if they're the best provider and they can't get complacent about serving my needs and it can happen. They might just take it for granted. *(NP, EC)*

> *Proposition 7. Partner complacency weakens the feedback loop between prior success and role recalibration.*

Partner Disillusionment

Relational attachment is a double-edged sword. Engagement helps partners

uncover novel capabilities and improves their odds of social value creation (Brickson,

2007; Plowman et al., 2007). However, in intense relationships, even isolated incidents

can have damaging consequences:

> The final straw for me was we're about to go into [NP representative's] house to do a lot like, heavy duty work on putting together a spec or something together and costing and [their surgeon] rolls up at the end of the driveway in his splashy sports car, somebody else in the car, and I said … he's coming to work with us and he said, oh, I'm off to the beach. And so … I began to question then, is this really serious and so then it died out and I never really knew, and I feel bad for never having that closure. *(FP, MIS)*

> *Proposition 8. Partner disillusionment weakens the positive effect of role calibration and momentum for success.*

Figure 3.2 summarizes our key propositions. Our framework emphasizes the

duality of success and failure in cross-sector partnerships and articulates a central if

subtle role of relational attachment in sustaining or constraining micro-processes of social

innovation. Taken together, our propositions suggest that dyad success (or failure) hinges

on partners' motivation to iteratively realign their roles. Partners sustain momentum

towards success by developing a stronger degree of relational attachment; this in turn mitigates relational risk and releases partners' capabilities to tap into unexpected synergies to co-create social innovation.

PRACTICAL IMPLICATIONS

The main insight from our grounded investigation is the importance of how partners relationally (re)engage each other. The process of co-creating social value is rife with differences and difficulties, yet mindful practicing helps partners recalibrate their roles as the relationship unfolds in order to sustain momentum towards success or reverse momentum from failure to success. Our analyses show that shared goals are resilient to partnership friction, but reaching these goals requires gradual progression through iterative role recalibrations. When partners take steps to deliberately recalibrate their roles, they tighten the coupling between social value creation and risk; this fast-tracks success or helps them overcome premature failure.

FUTURE RESEARCH DIRECTIONS

Our findings suggest that cross-sector partnerships often overlay rational decision-making with fine grained relational interactions (Fiol & O'Connor, 2002). Emotionally-laden relational processes may influence partners' mindfulness, their ability to recognize and adjust to each other's cues as the partnership progresses towards shared goals (Hite, 2005). Future studies can examine how partners can use socio-emotional levers to stimulate learning and capability transfer among the partners (Fiol et al., 2009).

Second, by intent and design, cross-sector partnerships typically bring together highly dissimilar partners. Because partners often espouse different expectations of what social value is and how best social value can be pursued and achieved, their actions often

reflect a priori values and beliefs (Hardy et al., 2006). Future research can explore how differential attention to social innovation processes shifts the creation and capture of social value within each dyad. Our questions and analyses caution researchers and practitioners that social value creation may be tightly coupled with the level of risk partners initially perceived; the higher the social value creation relative to the perceived risk, the better the odds of engaging in social innovation. Our analyses suggest that at times partners deliberately jack up their tolerance for relational risk or revise upward their social innovation target. However, we encourage additional inquiry into when, why and how partners may rethink their risk frames (Stafford et al., 2000) and/or recraft or mutually adjust their social value propositions (Brickson, 2007; King, 2007).

Finally, research on strategic alliances suggests that as partners make repeated investments in the relationship over time, they develop relational coordination mechanisms (Dyer & Singh, 1998; Hite, 2005; Seabright, Levinthal, & Fichman, 1992) and construct shared realities (Palmer, Benveniste, & Dunford, 2007). Our study suggests that sustained investments in such relational mechanisms are contingent on partners' ability to sustain momentum towards success. We put forth relational attachment as a buffering mechanism, which tempers the negative effects of complacency and disillusionment. However, we know very little about how partners may foster and sustain strong relational attachment in the face of difference, adversity and external pressure. The literature on cross-sector partnerships would benefit from a finer grained understanding of how, and to what effect, partners nurture positive affect. With a handful of exceptions (Fiol et al., 2009; Winn, MacDonald, & Zietsma, 2008) most research on partnership and alliances in the environmental and social domain has emphasized conflict and friction.

Moving forward we need a better understanding of how partners overcome friction. We would also welcome research into the antecedents of the role recalibration efforts fleshed out in our analyses and framework, and empirical tests of factors that may moderate the effects of role recalibration on partnership outcomes.

CONCLUSION

Our study contributes to the literature on social value creation by unpacking the strategic processes of sustaining and catalytic social innovation in cross-sector partnerships. We explain how partners can make "things happen that never would have happened on their own or would have happened much later on their own" *(FP, DI)* by unpacking the relational processes that sustain momentum towards success or failure. Our analyses surface the inevitable duality of success and failure in cross-sector partnerships, specify the roles of relational attachment, partner complacency and partner disillusionment in fast-tracking success or hastening failure, and explain how relational processes combine to help partners manage "crossovers" between successes and failures -- "there's times where a failed partnership in time turns around to become a valuable partnership in the end" *(FP, TC).*

NOTES

[1] Consistent with Selsky and Parker (2005), we use the terms *nonprofit organization* and *nongovernmental organization (NGO)* interchangeably. Teegen et al. define NGOs as "private, not-for-profit organizations that aim to serve particular societal interests by focusing advocacy and/or operational efforts on social, political and economic goals, including equity, education, health, environmental protection and human rights" (2004: 466).

[2] Complete details on the study design and execution are available from the authors.

[3] Neither of the MIS partners, FP or NP, would be considered to be industry incumbents but rather catalytic innovators in this scenario. The alternative explanation for our findings that the MIS partnership was unable to reverse the momentum for failure - that by its very nature, catalytic innovations are disruptive and thus more uncertain and at higher risk of failure – is not supported. The desired innovation would not be disruptive to either of the partners' routines and business models.

[4] While we acknowledge success traps (a tendency to stay the same when successful), we observed process learning. That is, the partners learned that their success was related to the ongoing process of role recalibration. Thus the process of role recalibration was reinforced by success, which then lead to further role recalibration.

[5] Social value potential and risk assessment is partner specific. The FP and the NP partners face different risks while engaging in cross-sector partnerships. For example, the NP faces a reputational risk that may challenge their position of representing the interests of beneficiaries which could negatively impact their funding. The FP partner, on the other hand, risks poor utilization of financial resources which could lead to market repercussions.

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CHAPTER 4

VALUE FRAME FUSION IN CROSS SECTOR INTERACTIONS[3]

By intent and design, cross sector partnerships bring together for-profit and nonprofit organizations to generate social value (Alvord et al., 2004; Teegen et al., 2004) – whether by overcoming market failures (Austin et al., 2006) or pursuing social opportunities (Crane & Matten, 2007; Nicholls, 2006; Mair & Martí, 2006). The received wisdom is that cross sector partners are often held apart by sector-specific value creation frames (DiMaggio & Anheier, 1990; Yaziji & Doh, 2009). Frames[1] refer to individual interpretations which inform and guide their actions (Goffman, 1974; Kaplan, 2008; Snow et al., 1986); they articulate "what is going on" or "should be going on" (Benford and Snow, 2000: 614). Frames are collectively negotiated understandings that punctuate framing processes by providing shared interpretations of people, events, or settings. Frames are not only outcomes of framing processes, but also important inputs. Frames motivate agency (Benford, 1993). They pattern subsequent action (Gamson, 1995). And they provide adherents and opponents with compelling accounts that both motivate and justify their beliefs and actions.

Cross sector partners enact contradictory value-creation logics (Bryson et al., 2006; Hansmann, 1980), partly because the for-profit and the nonprofit sectors espouse divergent expectations of and approaches to value creation (King, 2007; Waddock, 1989), and partly due to distinct identities (Brickson, 2007). Clashes in expectations and/or identities often predispose cross sector partnerships to distrust, conflict and premature failure (Fiol & O'Connor, 2002; Macdonald & Chrisp, 2005; Nowell, 2010). However,

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most partners work hard to understand and overcome their dissimilarities (Seitanidi &

Crane, 2009); some fitfully align their contributions so they can co-create (often

unprecedented) social value (Croteau & Hicks, 2003; Le Ber & Branzei, 2010).

We marry prior research on dynamic framing processes in multi-organizational

fields (Benford, 1997; Evans, 1997; Klandermans, 1992; Rochon & Meyer, 1997) and

across organizational boundaries (Croteau & Hicks, 2003; Kleidman & Rochon, 1997)

with insights on social value creation in cross sector interactions (Le Ber & Branzei,

2010; Seitanidi & Crane, 2009) to draw attention to the dynamic and distinctly relational

processes of value (re)framing in cross sector partnerships. Our qualitative inquiry asks

how for-profit and nonprofit partners come to understand, reconcile and productively

combine their (often opposing and deeply embedded) sectoral frames. We use four

longitudinal value creation narratives of how for-profit and non-profit organizations come

to (or fail to) develop a relational process framework of value frame fusion in cross sector

partnerships.

Our intended contribution is three-fold. First, we map the effortful processes by

which for-profit and nonprofit partners iteratively revise their own frames in relation to

each other to reach common ground. This extends the literature on dynamic framing

(Benford, 1993; 1997) and especially dynamic frame alignment (Snow et al., 1986)

across organizations and/or sectors (Croteau & Hicks, 2003; Nowell, 2010). Several

recent reviews call for open challenges to the 'static tendencies' of prior theory on

framing and explicitly call for the unravelling of the dynamic processes of "social

construction, negotiation, contestation, and transformation" (Benford, 1997: 415). This is

particularly important in multi-organizational fields, where new frames need to "link

previously existing organizational frames in some complementary fashion" (Croteau & Hicks, 2003: 253) – despite divergent and deeply embedded initial frames (Fiol and O'Connor, 2002), intractable conflict (Fiol et al., 2009), and even ideological clashes (Bobo et al., 2001; Kleidman & Rochon, 1997). Our framework extends and interconnects the initial arguments on frame flexibility versus rigidity (Benford & Snow, 2000) to explain how cross sector interactions stretch each partner's frames to craft areas of overlap, even synergies, for social value creation. We start with the working assumption that framing may succeed or fail (Noy, 2009). Cross sector partners may (or may not) reach common ground (Le Ber & Branzei, 2010). Our research question and findings are agnostic to the (un)anticipated consequences of framing processes. However, we hasten to acknowledge that any frame can have both functional and dysfunctional consequences for any actor as well as for the larger partnership (Trumpy, 2008) or coalition (Croteau & Hicks, 2003).

Second, we introduce a new concept of frame fusion, which we define as the construction of a new and evolving prognostic frame that motivates and disciplines partners' cross sector interactions while preserving their distinct contribution to value creation. This construct complements prior research on frame alignment within organizations (Labianca et al., 2000; Balogun & Johnson, 2004) and across multiple players (Croteau & Hicks, 2003; Kaplan & Murray, 2008). Frame alignment describes how distinct actors may reach frame convergence (Noy, 2009), consonance (Fiol & O'Connor, 2002) or at least balanced compromise (Croteau & Hicks, 2003; Nowell, 2010). By fleshing out the generative properties of cross sector differences we explain how frame flexibility and rigidity may enable (constantly re-negotiated) overlaps without

necessarily locking into a common frame. Frame fusion is akin to symbiotic relationships that positively affect both parties without acquiescing to each others' frames (Trumpy, 2008). However, it is different in that neither party 'drives' the social change, but rather partners become voluntarily associated and seek to overcome their differences so they can actively and interactively address a common social problem (Waddock, 1988).

Third, we begin to illustrate the multilevel relational coordination mechanisms that help partners re-negotiate shared understandings within the cross sector partnership, notwithstanding the important and persistent dissimilarities between partners' goals, approaches, and outcomes. Our findings corroborate the rich tradition in cross sector partnership research which has already discussed the individual, team, and organizational-level mechanisms that can help for-profit and nonprofit partners mutually adjust their goals and expectations (Andriof, 2000; Austin, 2000b; Googins & Rochlin, 2000; Seitanidi & Crane, 2009). However, we also contribute by introducing a new set of cross sector relational coordination mechanisms by which representatives of each partner sample, espouse and enact subsets of each others' practices. We discuss how these relational coordination mechanisms can enrich prior arguments on the role of conversations (Lawrence et al., 1999; Hardy et al., 2005) and identity (Brickson, 2007; Fiol et al., 2009) in cross sector interactions. We further suggest that these cross sector coordination mechanisms may offer new insights on whether, when, and how multi-player partnerships enable or constrain social value creation, especially in novel value domains (Kaplan & Murray, 2008).

SOCIAL VALUE CREATION IN CROSS SECTOR PARTNERSHIPS

Cross sector partnerships have been described as "social problem-solving mechanisms among organizations'' (Waddock, 1989: 79). Because social value creation is, according to many, the raison d'être of cross sector partnerships, the question of how for-profit and nonprofit organizations come together – despite their differences – to generate social value has received substantial theoretical and practical attention (Hess et al., 2002; Selsky & Parker, 2005). Although a full review and problematization of social value falls beyond the goals of the current study (for reviews, please see Mair & Martí, 2006), research on cross sector partnerships largely agrees on the centrality of social value creation as well as on notable discrepancies in how social value is defined, created and captured by for-profit versus nonprofit partners (Adler et al., 2007: 133).

Value Creation Logics

By mission and design cross sector partnerships "address issues that extend beyond organizational boundaries and traditional goals and lie within the traditional realm of public policy – that is, in the social arena" (Waddock, 1988: 18). Cross sector partners often come together to solve a specific social problem, for example, homelessness (Croteau & Hicks, 2003) or domestic violence (Nowell, 2010). Cross sector partners strive for a common goal (i.e. social value creation, Waddock, 1988). However, their underlying logics of social value creation often stand in stark contrast, in part because for-profit and non-profit partners are often deeply embedded in distinct value logics (Dees & Andersen, 2003; Di Domenico et al., 2009; Yaziji & Doh, 2009). By value logics we mean interpretations of value which comprise the organizing principles

of what is valued and valuable in the institutional setup of a field (David, 2003; Kaplan & Murray, 2008; Friedland & Alford, 1991).

The for-profit partner pursues mainly, although not necessarily exclusively, economic value creation, typically by serving profitable markets for products or services (McLaughlin, 2006). Economic value creation refers to the generation of financial gains through economic transactions, irrespective of who accrues these gains (e.g. the organization may capture some of the economic value as profits; employees may appropriate it as higher wages, or consumers may benefit through a relatively lower price for the same quality product, Peteraf & Barney, 2003). The nonprofit partner is largely driven by its social mission (Teegen et al., 2004) – trying to address market failures and provide socially necessary goods and services despite institutional roadblocks (Sud et al., 2009) (e.g. promoting community development, advocating for more inclusive or fair policies, advancing education or worker's rights, and dealing with social problems like domestic violence or homelessness, Croteau & Hicks, 2003; McLaughlin, 2006; Nowell, 2010).

Social value creation encompasses "the pursuit of societal betterment through the removal of barriers that hinder social inclusion, the assistance of those temporarily weakened or lacking a voice, and the mitigation of undesirable side effects of economic activity" (Austin et al., 2006: 264). The literature on cross sector partnerships has long grappled with the trade-offs (Hardy et al., 2006) and the synergies (Austin, 2000a) between social and economic value creation, but has so far lacked a solid foundation for explaining for whom, for what, and to what effect value is created (for recent exceptions, see Le Ber & Branzei, forthcoming). We contribute by explaining how partners may

deliberately fuse their economic and social value frames when they come together to address a specific social problem.

Dynamic Processes of Value Creation

Our focus on how partners dynamically (re)frame social value creation in cross sector partnerships heeds recent calls for studying value frames at and across organizational and sectoral boundaries (Kaplan & Murray, 2008; Nowell, 2010). These studies draw attention to parallel, analogous, but often clashing logics: "frames are not finished, static products. Instead, they are the contingent products of dynamic processes fraught with ongoing challenges and disputes" (Croteau & Hicks, 2003: 270). Yet we know more about the differences between for-profit and non-profit partners, then about whether, when, or how for-profit and nonprofit organizations may deliberately recognize and/or reconcile these differences (Austin, 2000a; Rondinelli & London, 2003). The handful of studies which tackle this question head on can be grouped into two distinct camps. The first and earlier group of studies provides practical advice (Googins & Rochlin, 2000; Rondinelli & London, 2003) and at times predicts which actions may help bridge the divide (Andriof, 2000; Christensen et al., 2006). The second and more recent stream (e.g. Fiol et al., 2009; Seitanidi & Crane, 2009) suggests that cross sector partners learn how to co-create social value by carefully designing, implementing, and adjusting their contributions, and gradually advancing along a collaboration continuum, that is, from philanthropic to transactional and then integrative partnerships (Austin, 2000b; Seitanidi & Ryan, 2007). Our qualitative inquiry leverages and extends these arguments by taking a closer look at how partners (re)frame social value creation as their relationship unfolds.

Relational Processes of Social Value Creation

We adopt a relational view of cross sector partnerships, whereby the alignment of partners' expectations and contribution is non-linear (Seitanidi, 2008; Seitanidi & Ryan, 2007), fitful (Le Ber & Branzei, 2010) and contingent on both partners' relational capabilities – that is, their willingness to sensemake (Sonenshein, 2007), craft shared realities (Dyer & Singh, 1998; Palmer et al., 2007), and pursue common goals (Plowman et al., 2007). While "active rather than passive involvement from all parties" (Waddock, 1988: 18) has long been implicit in much of the cross sector literature (e.g. Austin, 2000a; Selsky & Parker, 2005; Westley & Vredenburg, 1997; Wilson & Charlton, 1993), a relational view has only recently been explicitly used to model how for-profit and non-profit partners overcome conflict (Fiol & O'Connor, 2002), engage in meaningful conversations (Hardy et al., 2005), reconstruct identities (Brickson, 2007), and manage their fitful collaboration path through successes and failures (Croteau & Hicks, 2003; Le Ber & Branzei, 2010).

Because frames evolve within and through specific relationships (Croteau & Hicks, 2003) our research question -- how for-profit and nonprofit partners come to effectively combine their different and distinctly sectoral frames for social value creation – calls for an explicitly relational view. Relational processes play a critical role in (re)framing – especially in emergent, unstructured, and ambiguous situations (Garud & Rappa, 1994; Kaplan, 2008). Relationships are particularly important when organizations seek to "transform current means into co-created goals with others who commit to building a possible future" (Dew et al., 2008: 983), because they necessarily engage inter-subjective and non-predictive processes. In these settings, partners learn by stitching

together networks of relationships and iterating through complex feedback loops to understand how their different capabilities, viewpoints and expectations come to bear on newly (re)constructed frames. While the relational underpinning of frames has a long tradition (Bourdieu, 1977; Gioia, 1986; Zerubavel, 1997), several recent studies explain when and how relationships provide structures of opportunity and constraint for value creation in cross sector partnerships (Nowell, 2010; Plowman et al., 2007).

SOCIAL VALUE CREATION FRAMES

Our working premise is that partners can overcome the inherent fragilities and incompatibilities of cross sector interactions (Berger et al., 2004) by first anticipating their differences and then deliberately adjusting their value creation frames – in relation to each other. There are several precedents for this two-fold premise in the framing literature more generally and in cross sector interactions specifically. First, organizational actors are motivated and able to accurately perceive others' frames in strategic decisions (Kaplan, 2008), organizational change processes (Balogun & Johnson, 2004), and multi-player interactions (Croteau & Hicks, 2003; Kaplan & Murray, 2008). In cross sector partnerships, partners are motivated to continuously monitor and interpret each other's frames (Le Ber & Branzei, 2010). Second, partners purposefully align their social value frames. Several recent studies have theorized that the for-profit and nonprofit partners engage in deliberate conversations about their value frames (King, 2007; Stafford et al., 2000). These conversations help connect partners to a common issue and draw them closer together through particularized ties (Hardy et al., 1998). Sometimes, these conversations help partners to develop a collective identity (Hardy et al., 2005).

Social Value Framing

The social movement literature describes framing as a dynamic and interactive process of meaning construction, which both challenges and changes prior interpretations (Snow & Benford, 1988). This literature further defines frame alignment as a relationship of congruence and/or complementarity between an individual's interests, values and beliefs on one hand and a social movement organization's activities, goals and ideology on the other (Snow et al., 1986). Framing is ubiquitous but demanding. Effortful frame alignment represents a necessary condition for movement participation; when successful, frame alignment enables more individuals to join a specific social movement organization. The social movements literature describes four distinct types of frame alignment processes.[2] Here we elaborate on the initial conceptualization of frame transformation. Snow et al. (1986) suggests two distinct paths to frame transformation for social movement organizations: transformation of domain-specific frames (i.e. within a particular domain of life) and/or transformation of global frames (i.e. changing an individual's broader view of the world, often referred to as their master frames).

Although the original conceptualization focused on how ideologies conflict and combine at the individual level, frame transformation processes are applicable at other levels of analysis (i.e. cross-individual, cross-organizational). For example, later applications of framing processes to organization studies offer several qualitatively different ways of domain-specific frame transformation, whereby new schema may come to replace old schema (Balogun & Johnson, 2004). Frame transformation is especially pertinent in cross sector interactions where common ground is not readily available

(Dahan, Doh, & Teegen, 2010; Lucea, 2010), partly because partners have to cross-referentially reconstitute what is going on (Goffman, 1974).

The growing literature on framing has remained relatively silent on frame transformation processes at and across two distinct domains with only a handful of recent exceptions. Croteau and Hicks (2003) describe the framing processes in coalitions that pursue social change. They explain how partners develop consonant framing through analogous but distinct framing processes. Nowell (2010) similarly studies community collaborations among for-profit, non-profit and public agencies and finds a greater degree of frame alignment when partners converge on their understanding of the problem. Even these recent exceptions address self-referential frame transformation, whereby future frames are compared against a common set of expectations (see also Lawrence et al., 1999).

We seek to fill this research gap by qualitatively exploring how social value creation is deliberately (re)framed in cross sector interactions. Cross sector partners can reach common ground, often by concomitant frame transformations which tend to occur incrementally and at times even accidentally (Plowman et al., 2007). However, cross sector interactions often start with distinct frames and the recognition that partners' initial differences are often hard to reconcile in the first place (Hardy et al., 2005; Fiol & O'Connor, 2002).

In addition to the literature on framing and frame alignment reviewed above, our qualitative inquiry was prefaced by prior research on the flexibility versus rigidity of frames (Benford & Snow, 2000), core framing processes (i.e. diagnostic versus

prognostic framing, Snow et al., 1986), and relational coordination mechanisms (for a

review see Okhuysen & Bechky, 2009).

Flexibility versus Rigidity

Variation in collective frames has long been a central topic of research on framing

(for a review see Benford & Snow, 2000), especially in research on social change agents

(Capek, 1993; McCaffrey & Keys, 2000). Most attention has been focused on variance

compressing mechanisms, such as alignment (Snow et al., 1986), consonance within and

across levels (Croteau & Hicks, 2003) and convergence within and across organizations

(Nowell, 2010). This direction has been motivated mostly by a commonly understood

need to reach agreement, whether between social movement organizations and

individuals in the case of micromobilization (Snow et al., 1986) or between individuals

within organizations in the case of organizational change (Balogun & Johnson, 2004).

However, research on multi-organizational coalitions has also shown that agreement is at

best fleeting (Croteau & Hicks, 2003) and often rife with ongoing controversies and

compromises (Nowell, 2010), prompting renewed research interest in how (relational)

processes may influence the social (re)construction of frames (Benford, 1997).

To sum up a rich and growing stream of case studies dealing with variation in

framing processes, we know that: 1) shared framing is neither necessary nor sufficient to

effect social change but tends to be more effective when backed by material resources

(Noy, 2009); 2) partners interact both substantively and symbolically, but frames are

most effective when backed by action (Trumpy, 2008); and 3) variation co-occurs at and

across levels resulting in complex and hard to anticipate shifts in frames (Croteau &

Hicks, 2003). Research on cross sector interactions further suggests that partners'

motivation to converse about their different logics (Hardy et al., 2006) and to accommodate incremental and radical changes (Plowman et al., 2007) are important for social innovation – even when partners may not espouse a common frame. But many partnerships do not converse, in part because they lock into adversarial positions (Frooman, 1999; Hendry, 2005, 2006) and/or lack the resources (Noy, 2009) or forego the actions (Trumpy, 2008) required for social change. Guided by earlier arguments that "collective action frames may vary in the degree to which they are relatively exclusive, rigid, inelastic, and restricted or relatively inclusive, open, elastic, and elaborated in terms of the number of themes or ideas they incorporate and articulate" (Benford & Snow, 2000: 618), we looked for evidence of flexibility versus rigidity in partners' frames as their partnership unfolded.

Diagnostic versus Prognostic Framing

Frames can encode "a variety of previous experiences—including individual career histories, project experience, functional membership, position in the hierarchy—and contexts—including the firm, the industry and the prevailing technological paradigm" (Kaplan, 2008: 738; e.g., functional affiliation, Dearborn & Simon, 1958; demographic measures, Hambrick & Mason, 1984; Wiersema & Bantel, 1992). These prior experiences can be used diagnostically (Benford & Snow, 2000; Campbell, 2005) to understand a specific problem, such as the competitive structure (Porac et al., 1989; Sutcliffe and Huber, 1998) or the degree of threat or opportunity (Gilbert & Bower, 2002; Jackson & Dutton, 1988). Or they can be used prognostically, to make forward-looking decisions (Garud & Rappa, 1994; Kaplan, 2008; Tripsas & Gavetti, 2000).

Diagnostic frames tend to grow increasingly specific and detailed over time and thus can become rigid. Their rigidity is functional, in so far as it narrows attention to specific environmental stimuli (Thornton & Ocasio, 1999) and/or predictably patterns resource allocation decisions (Glynn, 2000). In contrast, prognostic frames tend to be more malleable through social interactions. Kaplan (2008) shows the deliberate (re)construction of frames through daily encounters among politically motivated actors. The research on frame alignment and frame transformation provides at best mixed evidence about the interaction between diagnostic and prognostic frames. Aligned diagnostic frames can (Croteau & Hicks, 2003), but do not always (Noy, 2009), enable alignment in prognostic frames. For example, alignment in diagnostic frames is unlikely to translate into convergent prognostic frames when actors have heterogeneous experiences (Nowell, 2010) or inadequate or at least differential resources (Noy, 2009). Convergence in either becomes more challenging when problems or solutions are novel or ambiguous.[3] Given these prior insights, we approached our inquiry forewarned that flexibility and rigidity may differentially impact diagnostic versus prognostic framing. We not only examined whether or when partners fuse their interpretations but also looked for (un)successful transitions between diagnostic and prognostic frames for the partners and for the partnership.

Functions and Dysfunctions of Frame Conflict

Frames often clash in cross sector interactions because the partners hold distinct interpretations of social problems and solutions (Fiol and O'Connor, 2002) – even when partners try to work together (Trumpy, 2008). Because partners typically approach social problems and solutions from distinct (and often opposing) sector-specific frames (Yaziji

& Doh, 2009), our working assumption is that frame conflict is pervasive and likely unavoidable in cross sector partnerships. Many for-profit partners strategically motivate their commitments of time and resources to cross sector alliances as investments with economic returns (King, 2007); social returns are valued, but often remain subdued and are largely circumscribed by their mandate of economic efficiency (Brickson, 2007). Nonprofit partners focus primarily on doing good; economic costs and benefits are typically of secondary concern.

Prior literature on cross sector partnerships has documented clashes in diagnostic frames. For-profit and nonprofit partners differ clearly (and often transparently) in how they define the purpose of the partnership and the desirable outcomes (Bryson et al., 2006). These differences have often been discussed as a cause of friction (Berger et al., 2004), yielding the working assumption that success in cross sector interactions hinges on partners' efforts to deliberately reconcile their divergent interpretations of value creation (Googins & Rochlin, 2000). Prognostic frames are also discrepant because partners start with different expectations (Hardy et al., 2006) and/or interpret issues and goals from different angles (Lucea, 2010) – this even when they have a shared vision of the end goal and are motivated to work collaboratively to reach it (Le Ber & Branzei, 2010).

Clashing frames can have generative or dysfunctional consequences (Carlile, 2002; Dougherty, 1992). When conflicts are approached systematically, they can yield new insights (Bechky, 2003). Deliberately engaging divergent assumptions can thus be generative. For example, framing contests enable partners to change or expand their frames (Foster & Kaplan 2001, Schön & Rein, 1994). It can also release the hold of domain-specific frames, especially when these are ill-fitting to the social problems or

solutions (Trumpy, 2008). In cross sector partnerships, clashing frames can help surface (un)anticipated social value creation (Fiol & O'Connor, 2002; Le Ber & Branzei, 2010). In other organizational settings, there is evidence that conflicting frames can promote new searches and creative solutions (Balogun & Johnson, 2004). Furthermore, "managers do not have to be victims of institutionalized frames. Adaptation can be the result of purposeful action on the part of actors to shape the frames of others. These efforts can lead new frames to predominate in new sets of strategic choices" (Kaplan, 2008: 747).

Partners' search for common ground often surfaces conflict and requires ongoing assessment and compromise (Nowell, 2010). Conflict may simmer permanently (Nowell, 2010), burst out (Croteau & Hicks, 2003) or become intractable (Fiol et al., 2009) and thereby stall progress towards a common goal. Even consonant frames are not immune to conflict. Conflict per se is neither good nor bad. Prior research suggests that it is not necessarily the presence or absence of conflict that matters, but rather how partners approach and proceed to resolve it (Kaplan, 2008). Noy (2009) shows that even when conflict is absent or swiftly resolved, partners do not necessarily meet their goal. Rather, the greater the attention to the incidence and resolution of conflict at and across different levels, the better the odds that clashing frames have functional consequences and achieve their social change goals (Croteau & Hicks, 2003).

Relational Coordination

Last, because prior studies of cross sector partnerships speak to the importance of relational alignment in managing success and failure (Le Ber & Branzei, 2010), we reviewed research on coordination mechanisms at and across levels of analysis (Okhuysen & Bechky, 2009). Relational coordination contributes to the creation of a

common understanding within and across organizations. We adopted Faraj and Xiao's

definition of coordination as the "temporally unfolding and contextualized process of

input regulation and interaction articulation to realize a collective performance" (2006:

1157), and heeded Okhuysen and Bechky's recommendation to focus on "coordination as

it happens assuming that people must coordinate the work regardless of the

organizational design" (2009: 469).

　　Okhuysen and Bechky (2009) further describe several coordination mechanisms

that may create a common perspective even in the absence of formal structure or routines.

These mechanisms include: roles which enable a finer-grained understanding of how the

work itself is performed (Okhuysen & Bechky, 2009: 489); representations like schedules

and maps that help team members develop a shared mental model of the task or goal

(Okhuysen & Bechky, 2009: 475); and plans and rules that enable parties to become

familiar with the task and figure out how their tasks fit together (Okhuysen & Bechky,

2009: 488). We were particularly interested in both planned and spontaneous relational

coordination practices, such as responses to unexpected events or crises (Majchrzak et al.,

2007: 147). We paid attention to multi-level processes at the individual, team, and

organizational levels (Croteau & Hicks, 2003) and to interactions across multiple

stakeholders within and across sectors (Nowell, 2010) which have been discussed in prior

research on framing. We also expected to identify new relational coordination practices

that could help bridge across the for-profit and non-profit sectors.

METHOD

Context

  We focused on cross sector partnerships in health care because this setting offers a rich context for social innovation and has a longstanding commitment to social value creation (Christensen et al., 2006; Hwang & Christensen, 2008; Christensen et al., 2009). We sampled four dyads -- all among the very first cross sector partnerships that involved Canadian health centres in co-creating social value with private firms. All four were formed in late 1990s-early 2000s and had received substantial public and media attention since their formation.

  Table 4.1 describes the partners, the initial goals and the purpose of each sampled dyad. To protect the anonymity of the participants, our study identifies the four dyads by their initial objective: energy conservation (EC), Telecommunication (TC), Diagnostic Imaging (DI) and Minimally Invasive Surgery (MIS). All four dyads engaged a for-profit (FP) and a nonprofit organization (NP). The NP organizations were affiliated with a major Canadian Health Centre. Canadian hospitals pursue the fulfillment of social needs by engaging in non-competitive activities oriented towards community service (Baum & Oliver, 1996; DiMaggio & Anheier, 1990; Hansmann, 1980). All four NP partners were registered as nonprofit organizations (Statistics Canada, 2006).[4] The dyads engaged four distinct FP organizations, all large companies (ranging from 3000 to 122,000 employees, and respectively \$1.05B CAD to \$34.6B USD).[5] For confidentiality, we refer to the four FP organizations by acronyms (Energy Solutions, Telecom Solutions, Imaging Solutions and Tech Solutions), and where necessary we also disguise their specific products/services and/or otherwise identifiable respondents.

To contextualize our findings, Table 4.1 presents the goals and outcomes of each partnership in the respondents' own words. There was notable agreement among the partners of the EC, TC and DI dyads. For the MIS partnership, the FP and NP organizations differed in their assessment of success or failure, but they both fulfilled their contractual obligations and agreed to the completion of the partnership agreement.

Data

Our unit of analysis for understanding social value (re)framing processes within cross sector partnerships was the cross sector dyad. Each cross sector dyad was followed over time, using a combination of primary data collection (interviews, follow-ups, conversations and feedback) and archival data (internal and publicly available records spanning the full length of the relationship between each FP and NP partner, specifically 3 years for the MIS dyad (the complete span of a 3 year partnership), 6 years for the TC dyad (3 years of cross sector partnership, out of a 5 year partnership agreement, preceded by a 3 year supplier relationship), 8 years for the EC dyad (5 years of cross sector partnership, preceded by a 3 year supplier relationship), and 25 years for the DI dyad (the FP partner was a supplier for the first 20 years, followed by a 5 year completed cross sector partnership). Three of the four dyads (EC, TC, DI) had a five-year partnership agreement in place; MIS had a three-year partnership agreement. Our initial interviews were conducted during the active period of each partnership. Our last follow-up debriefed the completion of the partnership for the MIS, EC and DI dyad. The EC partnership is still ongoing but offered sufficient evidence of social value (re)framing, including frame fusion.

TABLE 4.1

Description of Strategic Cross-Sector Partnerships

Dyad	Partnership		Partners		Data
	Goal	Outcome	Characteristics	Purpose	
Energy Conservation (EC)	"To value build both ways" (FP) Energy and environmental stewardship	"We're renewing our hospital […] through a very fiscally and environmentally responsible type of program. We're not using patient care dollars. We're not using [government] dollars to upgrade our facilities yet. Instead, *we are using dollars that will come from energy savings and those energy savings are guaranteed.*" (FP)	**Energy Solutions (FP)** Est. 1885, $34.6B USD, publicly traded, 122,000 employees. **Health Centre, Planning (NP)** Est. 1875, $770M CAD, 10,515 employees & students.	"Upgrading [Health Centre's] facilities through what I call *a fiscally and environmentally responsible program.*" (FP) "We began with *small energy and building retrofit projects to save energy costs.*" (NP)	**Interviews** *(2007)* Vice President, Energy Solutions (FP) Strategic Planning and Marketing Leader (FP) Sales Director (FP) VP, Planning (NP) **Archival Materials** *(2006-2008)* Unpublished case study; Annual reports (FP, NP); Sustainability reports (FP); Media releases
Telecommunications (TC)	"Working together, solving problems together." (NP) Innovative e-health solutions	"So you weather those storms and I think that's a sign of a good partnership that *unforeseen things happen but you respectfully and mutually work through them with a sense of urgency*. You know, you don't take advantage of the relationship." (FP)	**Telecom Solutions (FP)** Est. 1880, $17.9B CAD, publicly traded, 44,292 employees. **Health Centre, Information Technology (NP)** Est. 1875, $770M CAD, 10,515 employees & students.	"We are bringing [telecom] solutions to the hospital to consider." (FP) "They bring people in to work side by side with our folks." (NP)	**Interviews** *(2007)* Regional Vice President (FP) Vice President, Information Management (NP) **Archival Materials** *(2006-2008)* Annual reports (FP, NP) Sustainability reports (FP) Media releases
Diagnostic Imaging (DI)	"We had the same vision." (NP) Co-develop a beta-testing site for optimization of workflow	"[Imaging Solutions] offered the technology side, [health Centre] offered the fact that, you know, we're a major player in the system and our culture was one, I believed, was one that was compatible to their culture and that is if we wanted to stay in the front when it came to acquiring some new technologies." (NP)	**Imaging Solutions** (FP) Est. 1892, $15B USD, publicly traded, 10,000 employees. **Health Centre, Radiology and Ultrasound (NP)** Est. 1875, $770M CAD, 10,515 employees & students.	"[Health Centre] had the lion's share of diagnostic imaging [and thus offered] *a wonderful proving ground for the whole concept that we have around early health.*" (FP) "We started out by talking about what could they offer and what could we offer, *work processes [like six sigma] associated with that part of the hospital.*" (NP)	**Interviews** *(2007)* National General Manager (FP) CEO & President, Health Centre (NP) **Archival Materials** *(2006-2009)* Annual reports (FP, NP) Sustainability reports (FP) Media releases Published case study
Minimally Invasive Surgery (MIS)	"We would work together to actually build a [surgical device]." (FP)	"And despite all of our experience, they unwittingly suckered us into, they didn't know they were doing it, but *they suckered us into something that wasn't uninterpretable.*" (FP) "It worked out fine in the end because *we did manage to achieve all the objectives of the contract.*" (NP)	**Tech Solutions** (FP) Est. 1969, $1.05B CAD, publicly traded, 3000 employees. **Research Institute (NP)** Est. 1983, $50M CAD, 850 employees.	"ultimate objective … to have a prototype that is sellable to a GE kind of company" (FP) *"If you own, if you design your system, you have everything that you need.* You can always extend the range of applications." (NP)	**Interviews** *(2007-2009)* National Director, Medical Systems (FP) Director, Research Institute (NP) **Archival Materials** *(2006-2008)* Annual reports (FP, NP) Media releases & clippings MOU

We sampled dyads based on their objective. Specifically, we were interested in cross sector partnerships that attempted new types of social value creation (Christensen et al., 2006; Hwang & Christensen, 2008; Christensen et al., 2009). Our initial selection was based on expert commentaries and first author's familiarity with the healthcare sector. We sampled locally to maximize access and connection. The data collection confirmed that all four partnerships, and their social value creation goals, were "cutting-edge": "in the front" and "a wonderful proving ground [for a new concept]" *(FP, DI)*; a demonstration site for a new business model of energy conservation, able to "convert others" *(FP, EC)*; a sampler of "new solutions [for] the hospital to consider" based on [FP's] experience in other industries and engagement with the government *(NP, TC)*; and a first-time medical application of world-first technology *(FP, MIS)*.

We deliberately sampled for variation to maximize opportunities for comparison and contrast (Eisenhardt & Graebner, 2007). The four dyads differed in their goals and outcomes, in their resource commitments (Noy, 2009), their actions (Trumpy, 2008), and partners' frames – that is, their approach towards the social problem and/or solution (Croteau & Hicks, 2003). In addition to these planned contrasts, the sampled dyads afforded several opportunities for unplanned contrasts. For example, we were able to contrast social value (re)framing depending on whether the partnership was championed by the NP or the FP partner, on whether the journey was smooth or fitful, or whether the results were favourable or not. We also used several control codes, including strategic leaders' experience (sector- or organization-specific frames) and the pre-partnership involvement of the FP and NP organizations in three of the sampled dyads.

We used archival data to construct longitudinal narratives of each partnership. Archival data sources included published and unpublished case studies; annual reports of the partners, sustainability reports, media releases, media clippings, Memoranda of Understanding (MOU), company power point presentations, and various promotional company materials (Table 4.1).

We triangulated these narratives with the views of strategic leaders (including the NP and the FP representatives, and other members of their organizations directly involved in the formation and/or implementation of the partnership, Table 4.1). In cases of leadership change, we contacted multiple leaders and members tasked with their duties during the transition. We focused on strategic leaders (Ireland & Hitt, 1999; Rowe, 2001) because they actively wrangle with paradox and conflict (Lewis, 2000; Smith & Tushman, 2005). Further, these strategic leaders functioned as the primary boundary spanners for their respective organizations and thus set the frame for their organization.

The primary data collection started in 2006. The main field work lasted from April 2007 to January 2008 and was supplemented by additional onsite visits in February and March 2009. The initial interviews, conducted after signed informed consent, lasted from 1 to 2.5 hours. Their accounts included real-time challenges as well as retrospective accounts covering their own involvement and experience both before and during the cross sector interaction. Several rounds of shorter follow-up (by email, phone and in person) with respondents helped clarify, validate, and expand our insights on each partnership as the study unfolded.

As with most qualitative work, our study has important limitations. Our 'view from the top' does not paint the full picture of the cross sector collaboration (Croteau &

Hicks, 2003). However, it offers a high-fidelity context for our research question, because

the leaders of the FP and NP partners reflected openly and often on their similarities and

differences (Noy, 2009). They were also mindful of potential biases, and made explicit

efforts to be transparent with their employees. For example, the CEO of the NP

organization in the DI dyad explained:

> People like [VP, Diagnostic Services] were really, really ticked off because I was
> pushing the envelope and he thought I was pushing too much but as I tried to say
> to [him], … 'you know, we've got to, we've got an obligation here to get the best
> founding for this organization' and he felt that we had received all the value and I
> kept on pushing and people like [him] would say, 'well, what the hell's the use of
> me being involved because you're going, you're going to sort of drill them
> anyway so why should I be involved?' And my answer to that was '… you have
> to be involved, but for goodness sakes, keep in mind that if I see an opportunity
> for this organization, I'm going to push hard.' So, I mean, he accepted it and he
> understood it but he wanted to be the deal maker and the fact of the matter is that
> the [CEOs] of the world don't necessarily make the best deal with people at [the
> VP] … level. They always want to shoot up to the top, but I had Board members
> involved in that deal too by the way. *(DI, NP)*

Although archival data and retrospective reports enabled us to reconstruct a rich

narrative for each dyad, we only have real-time interview data with their leaders for a

portion of the duration of each partnership. These limitations notwithstanding, prolonged

engagement in the field (Miles & Huberman, 1994), the combination of primary and

archival data collection mechanisms (Corbin & Strauss, 2008; Scott & Alwin, 1998) and

especially our repeated efforts to triangulate, elaborate and validate the accounts of the

strategic leaders increase our confidence that the framing processes and the frames are

presented accurately (if perhaps not exhaustively).

Analyses

Both authors analyzed the data. The first author collected all the data and had

deep experience in the healthcare sector. As an "outsider," the second author kept a

distance and identified questions and patterns that the first author (i.e., the insider) would either support or refute by using her rich understanding of the data (Gioia et al., 1994: 368).

We used two analytical strategies to ground our interpretations and insights (Langley, 1999). First, we co-developed rich longitudinal narratives for each dyad, going back over specific events and asking how partners framed them, and how these frames influenced the next steps (Trumpy, 2008). Each narrative included quotes juxtaposing the interpretations of the FP and NP organization against others' interpretation and/or other internal or public records.

Second, we developed a data structure consisting of first-order codes by iterating between prior theoretical and case-based insights on frame flexibility versus rigidity, diagnostic versus prognostic framing, and (a) relational coordination and the in-vivo interpretations provided by the strategic leaders of the NP and FP arm of each dyad. Analyzing each longitudinal narrative, we then developed second-order themes by repeatedly inquiring: 1) how did each partner understand social value as the relationship progressed (Croteau & Hicks, 2003)? 2) what interpretation of social value creation did the partners articulate and enact in each dyad (Trumpy, 2008)? and 3) when and why did partners' social value frames become more or less alike as the partnership unfolded (Noy, 2009)? We tracked these subjective understandings at multiple levels and stages of partners' interactions (Corley & Gioia, 2004; Weick, 2007) and relied on constant comparison techniques (Glaser & Strauss, 1967; Golden-Biddle & Locke, 2007; Yin, 2003) to discern common patterns across the four dyads (Eisenhardt & Graebner, 2007).

In all four cases respondents showed a sound understanding of each others' motivations and commented openly on differences in their goals, capabilities and approaches. Our findings further corroborate prior insights that actors can compare their frames at arms length, even when their interpretations stand in stark contrast (Kaplan, 2008; Fiol & O'Connor, 2002; Trumpy, 2008). Furthermore, our respondents were mindful to changes in their own, as well as in their partner's interpretations (Noy, 2009). The FP partner of the TC dyad commented on how deliberate attention to understanding each other enabled the two organizations to establish a joint responsibility for the common success or failure of the partnership: "As you understand what it takes for me to stay in business, and as I understand what importance it is for you to ensure that your environment is up and protected and running, and we have that, we almost work as if it is our joint venture to succeed or fail" *(FP, TC).*

FINDINGS

Our first order codes provide several preliminary insights about partners' frames and their co-evolution as their cross sector interactions unfolded. In three of the four dyads (EC, TC, and DI), our respondents explained how they had already reached a full understanding and appreciation of each other's contributions and complementarities, despite their notable differences. For example, the FP partner in the DI dyad commented vividly on how the improved understanding of their partner has enabled them to see more clearly their own unique contribution:

> You cannot tell that service on services story unless you've got the equipment footprint and you've got the relationship and you've got the quality of partner on the other side who is willing to let you in and consult, right. To be part of how you shape strategy, you know, to be part of your planning processes. Until you've got that kind of closeness, our feeling is we can never really demonstrate what our true organizational capabilities are. *(DI, FP)*

This co-evolution was linear for EC, where both partners worked steadily to realize their initial goal, but non-linear for TC and DI, both of which involved multiple 'firsts'. For the MIS dyad, the partners commented at length about each other, but showed little appreciation for their unique contributions. For example, the FP partner explained that the NP partner "unwittingly suckered us into this", while the NP partner commented that they were "kind of zigzagging along instead of going in a straight line" and that the FP partner "worked on it because it was a contractual obligation" *(FP, MIS)*.

Table 4.2 presents an overview of how the partners' frames evolved in the four dyads. We focus on three 'moments' in each partnership, as seen retrospectively by each partners' leaders and in some cases validated with real-time media releases and internal documents. First, we capture first partners' initial frames regarding their relative contributions to social value creation. Each partner explained how the other provides a complementary contribution, for example, "fiscal and environmental responsibility" *(FP, EC)*, "access to the latest and greatest" *(NP, TC)*, "a reputation in being at the cutting edge" *(NP, DI)*, and an innovative medical application of cutting edge technology *(FP and NP, MIS)*. Second, we explore the direction and nature of frame dynamics in each of the four dyads. This evolution was described as an expansion to "a fuller ecological stewardship approach" in the EC dyad, as creating additional value by "working together, solving problems together" in the TC dyad, as a sequence of firsts and an opportunity to demonstrate success in the DI dyad, and as a stall-and-go, respectively zigzagging, journey in the MIS dyad.

TABLE 4.2

Value Frame Overview in Four Cross-Sector Partnerships

Dyad	Initial Value Frames	Value Frame Dynamics	Value Frame Fusion
Energy Conservation (EC)	**Energy Solutions (FP)** "…*to help them address their needs in terms of upgrading their facilities* through what I call a fiscally and environmentally responsible program."	"Then what do they see in us today? First of all, *they see a partner* […] *that has brought to them an innovative solution* to help them address their needs in terms of upgrading their facilities through what I call a fiscally and environmentally responsible program." (FP)	"And, we adjust our philosophy and we spend a lot of time thinking and working with a specific business *to get an understanding of what is it that's important to them*. And, what are the types of things that we need to involve ourselves in so that we can understand what makes an impact." (FP)
	Health Centre (NP) "*We're renewing our hospital.* We're doing it through a very fiscally and environmentally responsible type of program."	"We […] have now expanded to *a fuller ecological stewardship approach that recognizes how* our product purchases, waste management and disposal, travel, landscaping and staff awareness can reduce our impact on the environment and improve our health." (NP)	"The more work I have with you the more, the bigger stick I have *to make sure that you have an interest in getting that done … helping me for what I want*." (FP, paraphrasing NP).
Telecommunications (TC)	**Telecom Solutions (FP)** "*How do you optimize the business* and how you transform the business, so business transformation, process transformation."	"*Bringing additional value to the table* and from not only what our insights and our involvement in other health care institutions, but our work at the level of government and our understanding of the industry and we are bringing solutions to the hospital to consider." (FP)	"You have a high level of respect and you have, and that level of respect comes in by, and then *intimacy comes around understanding why that's important to me and why it's important to you*." (FP)
	Health Centre (NP) "We're not staffed to do a whole pile of research and things on our own. We never will be and that's fine, but then *you have to find a way to make sure that you have access to the latest and the greatest* and you know how to get to certain things in certain places."	"We can't afford not to have some partnership relationships. It's just too expensive to stay in that vendor world…. When you get over to the strategic partner level, you're actually *working together, solving problems together*." (NP)	"Trying to put those kinds of sessions in place on a regular basis so that there is some ongoing evaluation: Is this working? *Can we do something different? Should we do something different?*" (NP)

TABLE 4.2 (continued)

Dyad	Initial Value Frames	Value Frame Dynamics	Value Frame Fusion
Diagnostic Imaging (DI)	**Imaging Solutions (FP)** "We looked at [Health Centre] as *a place for real imagination and innovation*, […] a customer who was really uniquely positioned to be able to do that with us."	"*As the relationship kind of evolved over time, we did a number of things with [Imaging Solutions] that we did for the first time in [City].* They bought the first cardiovascular designed MR system that we had and were part of the clinical development program […]. We entered into a very fruitful CT research relationship with them […]. We did the first co-operative cost management program." (FP)	"You cannot tell that service on services story unless you've got the equipment footprint and you've got the relationship and you've got the quality of partner on the other side who is willing to let you in and consult, right. To be part of how you shape strategy, you know, to be part of your planning processes. *Until you've got that kind of closeness, our feeling is we can never really demonstrate what our true organizational capabilities are.*" (FP)
	Health Centre (NP) "We wanted to look at a *partner who had a reputation in being at the cutting edge*"	"We decided to go *for a partnership so that we could use the very best of what they had to offer and we would be a model site for them so they could bring their future partners or future customers into our organization to see what we had done.*"(NP)	"It was agreed that *anything that was working for them as a corporation that we would be able to tag along and get the benefit of whatever it was that brought benefits to them.*" (NP)
Minimally Invasive Surgery (MIS)	**Tech Solutions (FP)** "The original motivation was [to leverage intellectual property for commercial applications]. We've just been bought by [Acquirer] and they kept saying well, you built 10 [devices] in 30 years *[but]* there's *a million [still untapped potential medical applications] out there, what's wrong with this picture.*" (FP)	"We build the [surgical device], we try to get approval from the FDA […] at the end of the day, you still have this problem of potential litigation.... *can an organization that is essentially a nonprofit organization deal with this?* And that's going to be a problem for anybody who comes up with newer [surgical devices]." (FP)	"Basically we figured it out that *nobody really cared about the … [surgical device].*" (FP)
	Research Institute (NP) "[Research Institute] wanted a surgical [device], *something that they could themselves improve and essentially use it for whatever they wanted to.*" (NP)	"For [Tech Solutions], the original problem was finding that they worked on it because that was a contractual obligation. But because they were interested in something else, at every point they would sort of stop and say, how do we do this now? So, it's kind of, you know, *you're kind of zigzagging along instead of going in a straight line and that's okay.*" (NP)	"It worked out fine in the end because *we did manage to achieve all the objectives of the contract.*" (NP)

Third, we explore how value frame fusion occurred in three of the four partnerships but failed to materialize in the fourth. Both EC partners commented on their commitment to understand each other – but noted the subtle differences in how they interpreted this commitment. The FP partner saw joint commitment as a way to maximize (social) impact; the NP partner as a "bigger stick" so they could better align the FP partner's interest with their own. Both TC partners praised intimacy because it enabled them to pursue new things, which were important to both partners. Both DI partners commented on closeness as a surprising way to rediscover what they wanted, and what they were good at. The MIS partners' interpretations of value creation were at odds. The FP partner felt that not much was achieved, that "nobody really cared", and that big egos got in the way of creating social value; the NP partner felt that the contractual obligations were met, and the transfer of technology and the related training was beneficial. As we will explain in a subsequent argument, whether or not partners achieved frame fusion depends on their willingness to both challenge their own sector-specific frames and (at least partially) embrace their partners' sector-specific frame.

Frame Fusion

Our second-order themes address our initial research question by modeling the relational processes by which partners assess and 'fuse' their value creation frames. The concept of frame fusion differs from the prior static constructs of frame alignment (Snow et al., 1986) and the later more dynamic discussion of convergence (Noy, 2009), consonance (Fiol & O'Connor, 2002) or at least balanced compromise (Croteau & Hicks, 2003; Nowell, 2010). Frame fusion partners reach common ground by coming to appreciate their (complementary) differences rather than espousing and/or enacting a

similar frame. Frame fusion leads to symbiotic relationships because it can positively affect both parties without requiring one to acquiesce to the other's frame (Trumpy, 2008). Partners voluntarily and relationally seek frame fusion. Neither partner 'pushes or pulls' – the dynamic process of frame fusion relies on partners' (re)engagement in the relationship and their gradual recognition that (at least in some domain of thought and action) the partnership's view of value creation comes to overwrite with their own, often deeply institutionally-embedded, views about what value is and how it can be achieved (Kaplan & Murray, 2008).

Frame fusion also differs from earlier conceptualizations of frame transformation (Balogun & Johnson, 2004; Kaplan, 2008) because the frame renewal process is double-barrelled. Partners not only update their frame in relation to each other but they also do so in reference to, and in conversation with, each other. Furthermore, the frame fusion concept differs from self-referential frame change processes because the reference point is not only outside each partner's direct control (Croteau & Hicks, 2003), but it is also constantly changing according to two (often contradictory) sets of institutional logics. The process of frame fusion, which we will illustrate next, thus requires an effortful cross-reference of value creation frames both within and across sectors.

Our second-order analyses describe a dually punctuated journey of frame fusion. Table 4.3 interlaces the value frame narratives for the FP and NP partners in the DI dyad to uncover four distinct relational processes: frame negotiation (which iterates between frame contrast and frame rift), frame elasticity, frame plasticity and frame fusion.

TABLE 4.3

Interlacing Value Frame Narratives for the Diagnostic Imaging Dyad

	Frame Contrast	Frame Rift	Frame Negotiation	Frame Elasticity	Frame Plasticity	Frame Fusion
Imaging Solutions (FP)	"When you look at your fleet of diagnostic imaging assets and you have one CT scanner but six radiographic rooms, you've got a different kind of tolerance, a different requirement for service based on those two units because there is differences in co locality and there's differences in through put and so if that one rad room goes down, not such a big deal. That one CT scanner goes down, well, guess what. Your trauma capability is shot. You're no longer in business, right?" (FP)	"The first proposal that we got to review was […] research on a competitor's product but […] you know, you can't be that restrictive in terms of how you're going to let a partner allocate those funds. So, I mean, that was kind of one of the early tests." (FP)	"And then as the relationship kind of evolved over time, we did a number of things with them that we did for the first time in [City]. They bought the first cardiovascular designed MR system that we had and were part of the clinical development program […] We entered into a very fruitful CT research relationship with them […] in the early '90s. […]. We did the first co-operative cost management program for service." (FP)	"The program was very, very meaningful because it brought [researcher] into kind of [our] product family and [the researcher] developed the CT profusion package through that agreement and that has been one of the most successful research ventures, the sort of public/private kind of research ventures if you will that [we have] had, right. Almost like phenomenal successful." (FP)	"So, it was a means of adjusting service delivery, reflecting cost and working with the hospital to manage demand, because if you want to manage cost, you've got to manage the demand side of it too […]. In a way for us to do that in a sustainable matter […], there had to be some drag on demand. And we were able to work out a great agreement with them that's progressively saved them service money year over year over year." (FP)	"They're just, they are a model for the not-for-profit segment and if you ask the chairman of … [Health Centre] how they got there, he will tell you it was through this relationship with … [Imaging Solutions] and effecting that culture transformation of bringing six sigma, lean, you know, work out culture into their organization." (FP)
Health Centre (NP)	"We were looking at what does … [Imaging Solutions] have that we don't have but we could use […]. *They've got a lot to offer, a lot to learn from* and we were looking at [Imaging Solutions] to provide us with some of that". (NP)	"We wanted to provide the very, very best of imaging enabled technology to serve our patients. […]. How can we provide the latest state of the art technologies to help with the diagnosis and the treatment of the patients that relied on [Health Centre]." (NP)	"You can get peeved off at your partner for doing something silly but unless you openly talk about it and say, you know, what you did is not right, and it's not helping this partnership. So, you know, there are bumps in the road including [Imaging Solutions] where we questioned how they arrived at some of the savings and they came back and said, 'yeah, you're right, this was not the way that it should have been calculated' and the savings cheque became something bigger than it originally was. So, you've got to, right from the outset, openly share what you're thinking of each other and the trust and integrity has to be there." (NP)	"Tied into all of this, … was the fact that we were about to design new x-ray rooms … and we wanted them to help us with the design of the rooms because, again, we had some ideas but they could offer other ideas as well […]. And so, they had to share some confidential stuff with us and it was done in that manner." (NP)	"You compromise, you know yourself that Tuesday is not the best day; bring him on Thursday and again, you compromise on those kinds of things. *You don't compromise on the monetary side.* If you've agreed that savings are going to be this or you agreed that the purchase price is going to be that, that's what it is. You don't compromise on those kinds of things." (NP)	"It was just something that was not going to happen on its own for a long, long time, right. And we were able to go in there, I think, and, you see, it's not just the equipment. I think it was also the black belts who knew how to collect data in a bullet proof manner, who knew how to modify the working processes, work with them and modify their work flow so that they could really extract the value out of the investment. That was the key." (NP)

Frame Negotiation

Frame negotiation processes enable partners to diagnose discrepancies in their value creation logics (Kaplan, 2008). We emphasize the interactive nature of this process: partners negotiate their interpretation of what value is and how value can best be achieved by engaging in constant questioning of how they compute value. The NP partner in the DI dyad captured this back-and-forth eloquently:

> You can get peeved off at your partner for doing something silly but unless you openly talk about it and say, you know, what you did is not right, and it's not helping this partnership. So, you know, there are bumps in the road including [Imaging Solutions] where we questioned how they arrived at some of the savings and they came back and said, 'yeah, you're right, this was not the way that it should have been calculated' and the savings check became something bigger than it originally was. So, you've got to, right from the outset, openly share what you're thinking of each other and the trust and integrity has to be there. *(DI, NP)*

However important (Hardy et al., 2005), conversation is not sufficient for frame negotiation. Our analyses surfaced a dialectic process between frame contrast (deliberate juxtaposition and comparison of each partner's frame against the other, Kaplan, 2008) and frame rift (the joint recognition that some changes are taking the partnership in a different direction, at a different pace, or produce a different magnitude of social change than either – and often both – partners desire). Table 4.3 illustrates one example of frame contrast in the DI dyad. The FP partner recognized how the value of a CT scanner changes depending on partners' unique circumstances – if they have many, and one goes down, "not such a big deal;" but if they only have one and it "goes down, guess what. Your trauma capability is shot. You're no longer in business, right?" *(FP, DI).* Simultaneously, the NP partner recognized the value of better understanding the technology itself and looked to the FP partner "to provide us with some of that."

Table 4.3 further shows the complementarity between frame contrast and frame rift. Specifically frame rift is necessary for diagnosing boundary conditions to value creation, that is, specifying what value each partner can create, and when these contributions are unsatisfactory for one or both partners. The notion of rift encompasses the often quoted mis-es in cross sector partnerships – misunderstandings, misallocations of costs and benefits, mismatches of power, mismatched partners, misfortunes of time and mistrust (Berger et al., 2004). However, it also overlays an (often intuitive) appreciation of these mis-es: partners can diagnose that something is not how they wish it were. The notion of frame rift also embodies a sense of missed opportunity, even when the results work out nonetheless. For example, the MIS FP partner explained that "business has to think about money, money, money and management, whereas a hospital is funded by its taxpayers, by the government" (Table 4.4). This "huge rift" caused a lot of missed opportunities.

Frame rift does not, however, herald failure. In the 'phenomenally successful' DI dyad, we also observed frame rift. For example, the FP partner agreed to fund a research project using a competitor's product, even though this was not aligned with their expectations of what their partnership could accomplish. But they recognized this frame rift as "one of the early tests" and they admitted that "you can't be too restrictive in terms of how you're going to let a partner allocate those funds" (Table 4.3). Similarly, the NP partner wanted "the very, very best of imaging enabled technology," "the latest state of the art," "pretty avant-garde stuff at the time" (Table 4.3) but agreed to interim proposals because "nobody really had a business model for how you would establish an imaging

service." The DI FP partner clarified that frame rift was necessary, and closely monitored

to keep forward momentum and ultimately reach the partnership's goals:

> It was pretty cutting edge stuff. [...] great from a business development perspective, research perspective and infrastructure development perspective. [...] But we did not just, you know, when we formed this partnership, it was monitoring. It was also, you know, on the diagnostic imaging side it was CT, MR and x-ray. It was not ultrasound and it was not nuclear medicine at the time, okay. And it has become nuclear medicine over time but ultrasound has never been part of it. The first proposal that we got to review was an ultrasound proposal, interestingly enough, which we approved, right, which I thought was the right thing for us to do. It was research on a competitor's product but it was out of the department that we had elected to support and you just, you know, you can't be that restrictive in terms of how you're going to let a partner allocate those funds. So, I mean, that was kind of one of the early tests which goes to support that. *(DI, FP)*

Contrasting the incidence and resolution of frame rift in the MIS and the DI

dyads, surfaces one counterintuitive insight about the functionality, even desirability, of

frame rift. When recognized and closely monitored, frame rift provides an opportunity for

practicing together, within the mandate of the partnership. This is particularly useful

when tasks are novel, or approaches are yet uncharted because it offers a trial-and-error

course by which partners can gradually uncover each other's preferences. Frame rift

fulfils a function akin to frame elasticity, a concept we introduce next and which builds

on the earlier discussion of frame rigidity and flexibility (Snow et al., 1986). But the two

constructs are conceptually distinct. In the case of frame rift, partners' frames drift apart

(from each other and/or from the agreed common ground), but the frames of each of the

partners (i.e. their definitions of social value, their assessments, and/or their own and

joint ambitions) neither 'give', nor 'bend'.

TABLE 4.4

Value Frame Narratives for Tech Solutions (FP), Minimally Invasive Surgery Dyad

		Frame Contrast	Frame Rift	Frame Negotiation	Frame Elasticity	Frame Plasticity	Frame Fusion
Diagnostic Framing	Sectoral Embeddedness	"In the commercial process, the reason why you have to have margins as high as that is you have to take most of that money and use it to regenerate the next product so no government is going to come along and say, well, you did a good job on the first one, here's $100 million to do the next one. *You're on your own. You can only succeed on your own so that is a fundamental difference*."	"There's a huge rift […] I mean a different approach, there's a whole different approach between a hospital and say a business. […] *The business has to think about money, money, money and management, whereas a hospital is funded by its taxpayers, by the government*. It doesn't have money to pass out to a project [like surgical devices]."	"*I say the most important things in business are money, money, money* and that's not a greed thing. That really comes from the fact that you have to have investors and partners."			
	Relational Processes	"*You have to understand what is a fair price, what is a price the market can bear*. You have to understand what gross margins you must have to enable you to generate the next product."	"I've learned over the last four years in the American model of business hospitals, *if you can't do it for less than $1 million you're wasting your time*."	"When we developed [space technologies], it was thrilling and exciting, but *we only succeeded because we managed the money*. We wouldn't have lasted a year if we hadn't had done it properly."			

TABLE 4.4 (continued)

		Frame Contrast	Frame Rift	Frame Negotiation	Frame Elasticity	Frame Plasticity	Frame Fusion
Prognostic Framing	Sectoral Embeddedness	"So, I suppose the lesson we've learned from it all is the number one issue again is money and in this case, if you want to get some transaction like this off the ground, *creating the money is the number one issue*."	"Well, the real [issue] is whoever gets the money […]. *We can't actually do the design and development until somebody brings money to the table*."	"Even though we had a one common goal to develop [a medical device] *the every day interests are very different* so I've always tried to be as open as I can with everyone I ever deal with and I would always try and help situations."	"*We invested, not cash, but one of the things that's important in industry* […]. We've done $2 billion worth of robotics over the years so we've established a tremendous back log of what we call background intellectual property […]."	"When we do something additive to what we've always done, we make sure we document it […] So, the business negotiation has to be based on what you own in terms of intellectual property […]. *That is a very important thing in […] the type of business we're in*."	"Basically we figured it out that *nobody really cared about the … [surgical device]*, they wanted this, they wanted that, they wanted simplicity, they wanted something a way less than $1 million and so on and so forth."
	Relational Processes	"[Some] go into the partnership […] not expecting to kind of solve their financial problems. [Some] enter into partnerships thinking well, this one project's going to do it for us. *It's not. That's not going to work*." (NP)	"…they're going to say, 'well, don't do it then,' simply because we don't have a $1 million off of our bottom line to contribute."	"But at the end of the day, if I go back to my company saying, 'well, [Research Institute] wants me to do this for $5 million but they've only got $4 million' […]."	"We spent very deliberately 2 years [working together]. We lived with surgeons, we listened, […] we spent weeks in operating rooms, *we listened, we asked, we made a nuisance of ourselves*."	"So, *we set out to produce a system that we felt the majority of surgeons said they wanted*. We've gone ahead and done it and by the end of next year, we'll be in a position to start selling it and [this] is why the intellectual property thing is so important."	"We build the [surgical device], we try to get approval from the FDA […] at the end of the day, you still have this problem of potential litigation.... *can an organization that is essentially a nonprofit organization deal with this?*"

Frame Elasticity

Frame elasticity helps partners experiment with different prognostic frames – interpretations of possible solutions (Benford & Snow, 2000). They see whether or how their own interpretations of value creation may include, or at least tolerate, partners' different goals or approaches. This stretch in interpretation was deliberate but short-lived, as in many cases the experiment did not take. However, the process of experimentation itself was an important meeting ground where partners could try on each other's understandings and better assess fit in their social value creation goals and approaches. Frame elasticity can be immediately rewarding, as in the case of the DI dyad, where sharing helped partners quickly recognize their complementarities. In this case, both partners assessed the program as "very, very meaningful" (Table 4.3).

But frame elasticity can be uncomfortable (Kaplan, 2008) as it requires ongoing compromise and attention to multiple dualities (Croteau and Hicks, 2003). The zigzagging journey of the MIS partnership (Table 4.2), with the FP partner's representatives making "a nuisance of themselves" (Table 4.4) and trying to do what "the majority of the surgeons wanted" when they felt the surgeons did not care about the technology (or their needs as engineers), suggests that frame elasticity can be strenuous and stretch across long periods of time (almost 2 years in the case of the MIS dyad, Table 4.4). Frame elasticity was necessary but not sufficient to reach a shared appreciation of each other's complementarities. We observed that partners often took a step back after gaining a new level of understanding. They attempted to reconcile the newly acquired understanding with their prior take, often reverting (at least some way) towards their prior frames. Sector-specific frames were often invoked. Although some compromises were

made, each partner identified at least a handful of issues which they wouldn't (or couldn't) compromise on. We labelled this construct frame plasticity.

Frame Plasticity

Frame plasticity refers to partners' deliberate efforts to retain some of the newly acquired understanding while discarding others. These processes are akin to frame updating or retyping (Weber & Crocker, 1983), in that each partner deliberately 'edits' their understanding as the result of the interaction (Balogun & Johnson, 2004). It is also similar to Bartunek's (1984) frame conflict because new meanings emerge through the dialectic between old and new understandings. However, the important difference between frame plasticity and these earlier constructs is that frame plasticity requires a greater level of deliberation and iteration through multiple levels of understanding – sector, partnership and partner. Indeed, it is neither the editing nor the dialectic that drives the emergence of new meaning. Rather it is the effortful cycling back and forth between sector-specific, partnership-specific and organization specific frames that allows the newly acquired understanding to fall into place for each of the partners.

Our construct of frame plasticity is also different because partners tend to plastify different portions of meanings. Put differently, frame plasticity does not strive for frame alignment within the partnership but rather facilitates inner alignment across each partner's sector-, partnership- and organization- specific understanding of what social value is and how it can best be co-created. Table 4.4 illustrates frame plasticity for the partners in the DI dyad. The FP partner felt that they were able to reach a great agreement that progressively saved money for the NP partner, despite the NP's partners (non-negotiable) constraints – that is, they "[didn't] compromise on the monetary side."

FRAME TRANSITIONS

Our second-order analyses also shed some insights on how partners transition

from diagnostic processes (frame negotiation) to prognostic framing processes (frame

elasticity, plasticity and fusion). By contrasting the successful progression reported by the

DI dyad partners shown in Table 4.3 with the 'zigzagging' journey experienced by the

MIS dyad partners illustrated in Table 4.4, we can shed some additional light on two

likely causes of mismanaged transitions from diagnostic to prognostic framing (Kim &

Mauborgne, 1997). First, reluctance to stretch away from sector-specific frames results in

an (unconditional) unwillingness to engage frame elasticity processes. Second, lack of

appreciation for the partner's self-defining and thus hard to change characteristics hinders

frame plasticity processes.

Perhaps the most important factor that held back frame elasticity for the FP

partner in the MIS dyad was their deeply ingrained allegiance to two sector-specific

frames: "money, money, money" – because "you are on your own. You only succeed on

your own" and their "tremendous backlog of what [they] call background intellectual

property" (Table 4.4). These two sector-specific frames were co-dependent. The FP

partner 'invested' their intellectual property, in order to create and eventually monetize

'additive' intellectual property. For example, they "only succeeded [in developing

complex technologies] because [they] managed the money. [They] could not have lasted

a year [let alone thirty] if [they] hadn't had done it properly" (Table 4.4). The FP partner

was interested in social value creation, that is, "what the surgeons said they wanted" to

get "in a position to start selling in" (Table 4.4). They "listened, [they] asked, [they]

made a nuisance of [themselves]." Note the emphasis the FP partner placed on listening:

> There's all kinds of qualitative considerations and knowledge and that's an important aspect of what I call market assessment and knowing the customer, knowing the user. It's not about knowing their technical capabilities, while you have to know that, it's about knowing what their limitations are, knowing how they operate, knowing that constraints they have on them which can vary from year to year. Have they just had a bad year? Did they have a good year? You know, and sometimes ... it's kind of ... knowledge that you have to assemble. You have to, you know, and you just, there's all kinds of ways of gathering information and then you can read annual reports, you can just get to know people and you actually build up a knowledge base of what makes them tick and what they don't like, what they do like, you know, or what their CEO will let them do. If you really listen, I think the skill is in listening. If you really listen, you'll hear them talk about stuff and you can gather from that what their constraints are. *(MIS, FP)*

The MIS partners painstakingly engaged the frame negotiation process (especially frame contrast). However, their frames were rigid (Snow et al., 1986). This prevented the FP organization from trying on partners' different interpretations, a fact openly recognized by both partners as constantly and mutually frustrating.

The disparities between social value (re)framing in the DI dyad (Table 4.3) versus the MIS dyad (Table 4.4) also surfaced an important benefit of frame elasticity – even when the tried-on interpretations neither fit, nor last. The willingness and ability to see each other's point of view builds forward-momentum simply by creating a sense of connection. For example, the FP partner in the DI dyad qualifies a program as "very, very meaningful because it brought [the researcher] into kind of [their] product family" (Table 4.3); similarly, the NP partner commented that "we had some ideas but they could offer other ideas as well […] and share some confidential stuff" (Table 4.4). This sense of connection was conspicuously lacking in the MIS dyad, where the FP partner felt that "nobody cared about the [surgical device]" while the NP partner felt that the FP partner was simply fulfilling contractual obligations. Both valued the technology, but their interpretation of what value this technology represented or how that value would be

realized did not (and would not) overlap. Put differently, the MIS partners recognized differences in their diagnostic frames (Kaplan, 2008), but could not work together to craft compatible, let alone complementary, prognostic frames. Despite the early success in developing a radically innovative medical device and despite significant commitment of time and resources, the MIS partners never aligned their frames.

Lack of appreciation for each other's self-defining features created a second layer of hold-back in the MIS dyad. Intellectual property was self-defining for the FP partner: "When we do something additive to what we've always done, we make sure we document it so when you negotiate with a customer, it's very important to get [intellectual property] on the table and get it recognized." (Table 4.4) But note their admitted lack of appreciation for one of the NP partner's self-defining features, the professional egos of the surgeons who would help design and who would use the surgical device:

> Yeah, we definitely learned. We learned a bit about the medical profession. We learned a lot about egos, how to manage an ego. […] We found all doctors are like that, they don't want to be bothered with the specifics. They'll critique it when you get it wrong but they don't want to put the time in at the beginning. *(MIS, FP)*

This lack of appreciation was not due to poor understanding of such self-defining features. The FP partner had (and has since) worked with other hospitals and understood how they went about value creation. Although the MIS cross sector partnership was the FP's first partnership agreement while all prior collaborations had taken the form of contract engineering, these prior relationships provided the FP partner with sufficient knowledge of hospitals' self-defining features. Nor was the FP's appreciation for the NP's contribution restored as the FP partner "learned over the last four years in the

American model of business hospitals" (Table 4.4). In hindsight, the NP partner reflected

on FP's partner lack of appreciation for the users of the technology:

> I think the company … probably didn't get as much out of it as they should have…. In my mind, that was probably because of a lack of foresight on their part. When you enter into a project like this which is really a high technology project, you need to have in mind that you would be able to use it, that you are open to receiving high technology into your company. If you're going to be very conservative about it and say, well, no this is, we're really not comfortable, we can't do this, then you should not do this kind of work. And that, I think, shows that there is a lack of understanding perhaps at the senior level in some of these companies about the need to absorb new technology. *(MIS, NP)*

Symmetrically, the FP partner felt that the NP partner did not care about the technology

and the intellectual property and thus could neither appreciate their contribution, nor help

them deliver on the full promise of the technology itself:

> Because for you, in an engineering business, nailing the requirements, even though it might only be two pieces of paper, is the most important step in every project because that's, if somebody tells you on day one I want this instead of that, it costs nothing. If they tell you that just before you're going to make it, it costs a thousand times more than that. So, it's absolutely critical that you understand what your customer wants. *(MIS, FP).*

In contrast, the DI partners were eager to work together, not just in spite of but

rather because of their clear differences. As the FP partners recalled: "We were very

eager to be at the cutting edge of technology, because as you know, in [our one campus],

we had some of the x-ray equipment that should have been thrown out 15 years ago […].

So, we wanted to look at a partner who had a reputation in being at the cutting edge."

Appreciation facilitated the transition from frame elasticity to frame plasticity by

helping partners agree and disagree on specific compromises. For example, the NP

partner in the DI dyad didn't compromise on the monetary side – they couldn't due to

their requirement of competitive bidding. FP partner's appreciation for this constraint

enabled both parties to shift attention to other types of benefits, for example, "working

with the hospital to manage demand [as an alternative way to manage costs and achieve sustainable cost savings]."

DISCUSSION

Figure 4.1 illustrates the parallel (if often asymmetrical) processes of frame negotiation (i.e. iteration between frame contrast and frame rift), frame elasticity, frame plasticity and frame fusion; these processes unfold simultaneously and relationally for the NP and FP arms of the cross sector partnership. Our findings speak to these distinct and often iterative frame processes, as well as to when and how partners effectively transition (or not) from relational diagnostic framing processes (i.e. frame negotiation) to relational prognostic framing processes (i.e. frame elasticity, plasticity and in some cases fusion). Our grounded framework draws these insights together to explain the unique and effortful nature of social value (re)framing in cross sector partnership.

Frame transformation processes can be both self- and other-referential (Snow et al., 1986). Unlike single organizations, cross-sector partners depend on each other. They move forward together, but rarely in lock-step. Often, partners take turns trying on each others' interpretation, retaining those understandings which best fit their sector- and organization-specific frames, and discarding those less comfortable. Each process of frame elasticity, plasticity and fusion is dynamic; in addition there may be movement back to an earlier process. But once frame fusion is achieved, this frame is used to address new conflicts and problems as they arise.

These frame transformation processes are relational; they require connection and appreciation. Connection encourages frame elasticity. Appreciation motivates frame plasticity. We also found that relational framing processes do not necessarily lead to

frame fusion; however, frame fusion requires relational framing processes. It especially

necessitates attention to the relationship to counterbalance sector-specific frames: the

more specific or ingrained sector-specific frames become the more emphatic and/or

elaborate the requisite relational processes. Relational work alone is not sufficient for

frame fusion (e.g. the MIS partners worked hard to listen but did not come to understand

or appreciate their differences). Rather, a willingness by both partners to invest in each

other's understanding so the partnership can grow stronger is required. The FP partner in

the DI dyad expressed this vividly:

> The best partnerships grow out of some shared experience, right? You learn how
> to be partners together. You learn how to work together and you build some
> confidence and trust in each other. *(DI, FP)*

Relational coordination mechanisms scaffold relational processes and sustain

forward momentum, a point we illustrate further below. This finding extends prior

interest in the multilevel processes of relational coordination that enable frame fusion and

thus complements prior insights into the mechanisms associated with frame consonance

(Croteau & Hicks, 2003).

Multilevel Coordination

Several relational coordination mechanisms were operational in each of the four

studied dyads (with the caveat that coordination was both less pervasive and less

effective within the MIS dyad, where frame fusion was never achieved). Relationships

stitched across multiple fault-lines, bringing key individuals together, aligning

departments, uncovering organizational synergies, and (towards the end of successful

partnerships) overstepping sector lines to extend value creation beyond the current scope

of each partnership.

FIGURE 4.1

A Dynamic Model of Value Frame Fusion in Cross-Sector Interactions
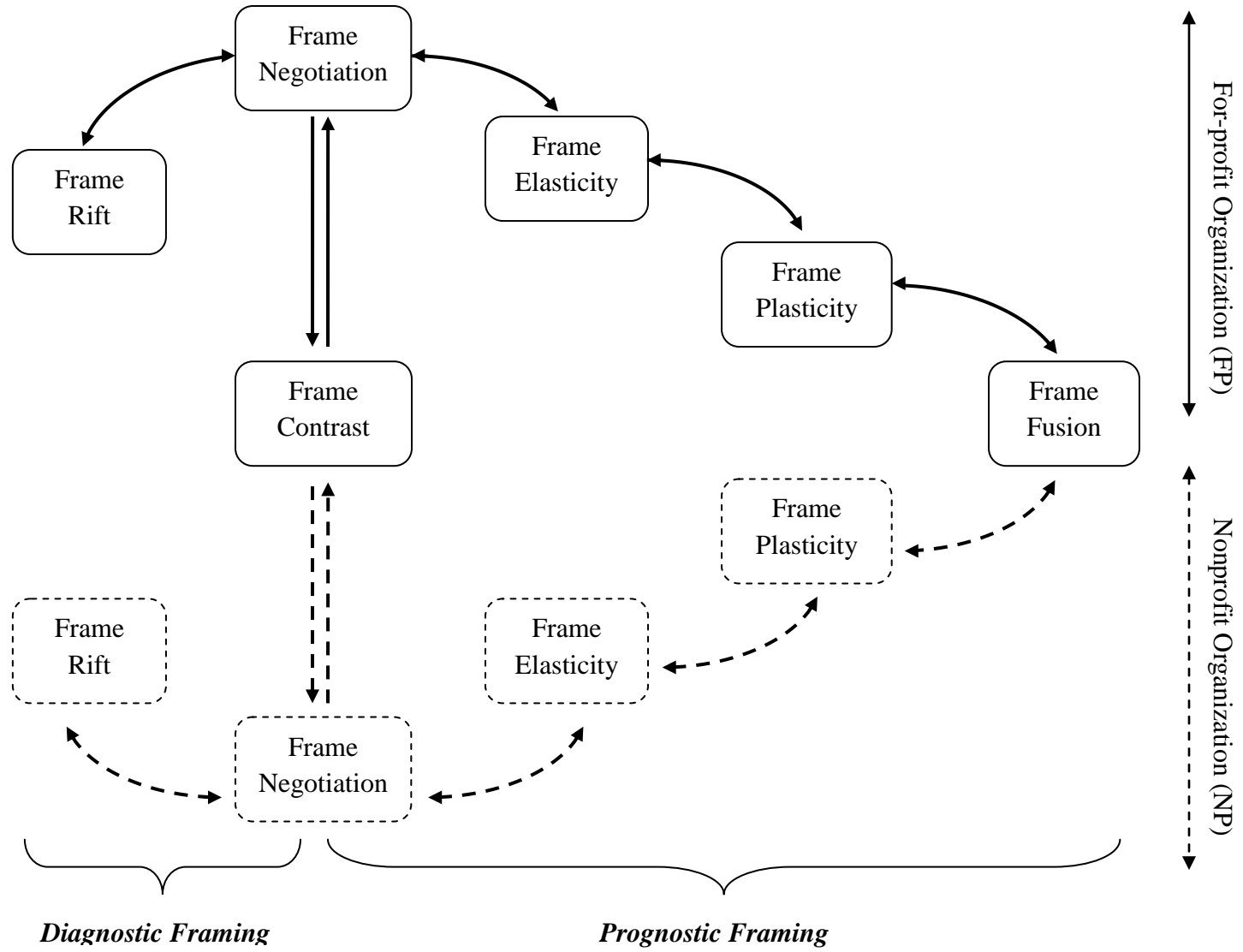
The usual suspects, cross-individual, cross-team and cross-organizational coordination mechanisms (Okhuysen & Bechky, 2009) surfaced – albeit with some interesting peculiarities. We found that a single point of contact was particularly helpful in frame negotiation. This single point of contact provided an anchor for frame contrast and a partnership-level reference point. The single point of contact had positive effects, such as bringing ideas and helping "value build both ways" (EC, Table 4.5). TC used an inner circle -- appointments to technical advisory groups. MIS struggled with "single point failures where the loss of one person can really hurt you" (Table 4.5) but also recognized that one well-positioned connector could open doors. DI had a 'quarterback:'

> You've got to have a quarterback. You've got to have a quarterback who makes it her business, his business, to make sure that they understand the kind of partnership that they want for their particular organization and make sure that the vision that that organization has is shared with the potential partners out there. If that vision isn't shared right from the outset and if that culture doesn't match up, you're fighting uphill and you have to question whether there's value with that kind of partnership agreement. *(DI, NP)*

Cross-team coordination was particularly helpful when the team members knew what they wanted and acted in concert, as the DI FP partner explains: "they extracted value from us and they knew exactly how to do it and it worked. It absolutely worked" (Table 4.5). Cross-organizational mechanisms, such as retreats (DI), "senior people working together" (TC), opportunities to reconcile expectations (MIS), helped organizations "understand each other's unique circumstances" (EC). Cross-team and cross-organizational coordination enabled, sustained, and/or renewed frame elasticity in each of the four dyads, albeit the effort was only temporarily and partially effective in the MIS dyad.

TABLE 4.5

Multilevel Coordination for Value Frame Fusion

	Energy Conservation (EC)	Telecommunications (TC)	Diagnostic Imaging (DI)	Minimally Invasive Surgery (MIS)
Cross-Individual	"You actually do get to go and talk to the CEO….So, we were able to get right to [CEO, VP, the Board]. We tend to get very engaged with the executive team. And, today we see executives talking about all of the benefits." (FP) "When [Operational Leader, Health Centre] needs help or he wants some information or he'd like to do, we're right there to help him. And, he's good about it because he'll actually bring it to us and say listen, like, you know, 'I've got an idea guys. I want to do this […]. *It helps to value build both ways*." (FP – also paraphrasing NP)	"*They bring people in to work side by side with our folks*. Our folks are gaining huge and again, it's personal development… their own skill… just a huge jump for some of them because they have now access to experts in the field where they didn't have that access before.... Some of our folks have been invited to be on those technical advisory groups, and now you're in the sort of the inner circle with their key people. It's huge, absolutely huge." (NP)	"You can have […] honest organizational commitment and it can be undermined by one person just not doing their bit. […] We went and hired, actually, a six sigma black belt so this is someone pretty deep in … [our] process skills.… So, this individual went down there as the strategic alliance manager to really participate, you know, from the research side and setting up those mechanisms, on the professional development side setting up those mechanisms and working in the department to enhance departmental efficiency[…]. *We also put in place a single point of contact*, what we call a technical account manager to help … [NP partner] manage their service resources and their fleet of assets more effectively." (FP)	"You should never be in a position of having what we call *single point failures* where the loss of one person can really hurt you -- even an all-star. An all-star leaves, somehow or other and it's difficult, there should be someone who within six months can assume the [responsibilities]" (FP) "I have to say, the [surgeon] was *the one who could* open the political doors because of his fame. People knew [Tech Solutions] as a company and what we've done, but they knew him personally because he got a lot of recognition out of that [world's first surgery]." (FP)
Cross-Team	"Not only have we been able to provide them with services, *we've actually used them to help us shape our offerings*. So, [our] users' group was really designed to be a forum where executives and users would come together to discuss some of the challenges they face and to listen to what [we] may be developing in terms of solutions, but it was also to listen to them so we could develop those solutions." (FP)	"So, you know, you've got to do the due diligence to make sure you've got all of that kind of infrastructure in place and […] *your people have to know who to work with and how to work with them and so on*." (FP)	"The people in the departments knew what they wanted from the partnership. They wanted a partnership and they knew how to milk it and I don't mean that in a derogatory way. I mean it in a very positive way. They knew how to extract value from a partner. *They extracted value from us and they knew exactly how to do it and it worked*. It absolutely worked." (FP)	"In other words, the [Research Institute] engineers would have acted as a sort of a go-between between the medical and the contractor. So we would have been there most likely just over viewing what they were doing and giving an engineering perspective on how things were going and maybe even suggesting some changes just to translate what the medical and the surgeons wanted to [know] what [Tech Solutions] were able to do." (NP)
Cross-Organization	"So at the end of the day, we could, in confidence, understand that did we accomplish what the objective was and we worked together on that. And in fact, in cases where it didn't deliver [Energy Solutions] came back and, you know, made it right. And so there was accountability. I would call it a mutual accountability and relationship. You also get to another step because a true partnership says, '*do you understand each other's unique circumstances?*'" (NP)	"In the partnerships that we've put together, what we've said is that there will be sort of semi-annual meetings and the expectation is that *it's senior people from both organizations working together* and doing things together so that you're having some evaluations, putting some business case around it. And I think that ties in both organizations to what you're trying to do....There's a commitment in the organization to spend time together and that really, I think, is really essential." (NP)	"So we had a number of *retreats*, actually, with … [Health Centre CEO] just to talk about partnership opportunities and how we develop closer relationships." (FP)	"I thought it was successful because my expectations or the expectations of my group from that interaction were to work with industry, to work […] on something that was state of the art technology development." (NP)

TABLE 4.5 (continued)

		Energy Conservation (EC)	Telecommunications (TC)	Diagnostic Imaging (DI)	Minimally Invasive Surgery (MIS)
For-profit -Nonprofit		"We participate in [Health Centre's] foundation events and they appreciate the fact that, you know, this is really disconnected from the business we do with them. […] But nevertheless, as a partner, we feel that that's the right thing to do given that our own employees, unfortunately, have to use their facilities that we, as a local corporate partner, we should do that. So, we participate in those activities and that's seen by their leadership as us being good business partners. We've had employees volunteering on committees." (FP)	"And in the case of [Telecom Solutions], […] the people here, have looked at [Health Centre] as their hospital. And their employees have embraced that and … [Telecom Solution] pride themselves on their community involvement and they've chosen the hospital as one of the places where they'll do a ton of community involvement so they work tirelessly with their folks raising money for the foundations, doing different things….Their employees said, 'boy, we really enjoy this work. They're also doing this. Let's put some of our philanthropic time and our community time towards doing things for the hospital.' It's pretty huge what they've done so you know it's, and they're having fun doing that. It's not like it's, 'Oh yeah, we have to do this because we did that.' *This is totally their own thing, totally their excitement, not ours*." (NP)	"Prior to the [request for proposals], [Imaging Solutions] wanted to come in and say, you know, we want to be your partner and we'll give you best prices, best service and all that kind of stuff, but we couldn't do it that way, because of it being a public organization. You've got to give people out there an opportunity because, I can tell you, if you don't, [their competitor] will be banging on the Minister's door […]. I think they understood that we had to do it as a public organization." (NP)	For-profit – Nonprofit "In the end […] we did manage to achieve all the objectives of the contract […] I mean, and even if you don't solve the problem completely, you probably come up with something new that comes out of it and from a university's point of view, it's never a failure because you have ended up at least training somebody. So that's not a failure." (NP)
Cross Sector	**Third Party**	"I was invited for the first time to go and speak in Phoenix on what we were doing at their North American function user group for instance. That was an *eye awakening* for me … I went to speak and I came back, wow, understanding a whole new side of [Energy Solutions]" (NP)	"Insomuch as our senior executives meet often with government officials too to give them our view of where the government should be involved and shouldn't be involved in business and in communications, whether that's at the *regulatory side or whether that's in support of providing funds* to various sectors to do various kinds of work […]. And so we do that and then indirectly that influences government to begin to release funds to do those kinds of things." (FP)	"And the other thing about partnerships, that is really, really important is that the policy makers, meaning governments, have to buy in on the concept of partnerships. […] If you *introduce partnerships* to a novice governance group, you have to spend a lot of time explaining to them what they're getting into. Yeah, like before we signed off on [Imaging Solutions], we went to the Board and we told them that we were looking at establishing a partnership and told them about the risks and told them about the benefits and they were really very supportive of that." (NP)	"*The catalyst* this time has been specifically [third party well known internationally]. Not that he asked to come here, but we see somebody in the middle of all this who really thinks like a Canadian; who really wants to do this as Canada. He] has been down here recently talking to [Chair/Chief of Surgery] and [Medical Director]." (FP)
	Community	"[Energy Solution has] become an active player and much more visible in the organization […] they are one of the first ones if we're going to have these *open houses*, they provide handouts to people, you know, the light bulbs […]. They don't have to do those things but they do it….You know, it's all business. I mean, they're hoping to do well by it but they do it with a great willingness. There's never hesitation; it's just, oh yeah, we're here for you and provide materials and resources and we had a big open house and they helped facilitate that." (NP)	"But then we began to bring additional value to the table and from not only what our insights and *our involvement in other health care institutions, but our work at the level of government and in our understanding of the industry* and so we were bringing solutions to the hospital to consider." (FP)	"What I want him to do is put on what is called the health products services sessions whereby [Imaging Solutions] will assemble a *dozen opinion leaders* and then present some of their products from the point of view of how to market them and products can be things like the latest technology, but they can also be things like early health initiatives and they've got a pharmaceutical company now [working on] genetic screening […] they're ready to roll that out and I'm trying to say to them, think of [Health Centre] as a possibility." (NP)	"Have graduate students working on it, students for which the ultimate goal for us in fact in academia is to be able to train people so that was an important goal that we were able to achieve. *We trained quite a few graduate students out of that*. And there was the technology that came into the university." (NP)

The most interesting insights spoke to cross sector coordination. We observed at least three distinct types of mechanisms that contributed to frame plasticity and frame fusion. First, we found mechanisms that helped NP partners understand for-profit sector logic and vice-versa (where partners became 'excited' about what the other was doing beyond the partnership, and consequently emulated some practices or volunteered to implement some of those practices). As the TC NP partner remarked: "This is totally their own thing, totally their excitement, not ours" (Table 4.5). The DI FP partner further recalled how their NP partner emulated one of their work practices to enhance social value creation, both within but also beyond the partnership.

> work[ed] out culture into their organization. [...] They had actually taken our corporate calendar, they'd figured out that some pieces of this just don't apply to what we do here, right. There are pieces that really do apply and for those pieces that don't apply, we have other stuff that does apply. So, they had actually taken the whole concept of the race track, modified it for their purposes and undertaken it with all the operating rigour that we pursue it with. It's like really cool stuff. They've taken our lessons; they've figured out what's applicable to their operations; they've discarded what isn't and have made themselves far more successful….They have learned to fish, no doubt. *(DI, FP)*

Second, we noted mechanisms that helped partners expect or extract greater value from each other. These included catalysts, awakening experiences, and deliberate engagement with influential third parties. These third parties helped the partners to understand "a whole new side of [the solution]" *(EC)*, "release funds to do those kinds of things" *(TC)*, create broader "buy-in" for cross sector partnerships *(DI)* and move things along for the greater good *(MIS)*.

Third, and perhaps most noteworthy, we observed that value frame fusion was associated with spontaneous efforts to deliver value to new communities, often partners' stakeholders for which the organization had no contractual obligation and in some cases

no expectations of quid pro quo. Mechanisms included open houses and handouts *(EC)*, spanning multiple industries and interest groups *(TC)*, workshops for opinion leaders *(DI)*, and training future trainers *(MIS)*.

Implications

Taken together, our framework for value fusion in cross sector partnerships and the multilevel coordination mechanisms (especially the cross sector mechanisms) underpinning value fusion extend the literature on framing in three important ways. First, they provide preliminary evidence of dynamic fit, whereby different frames can come together without becoming one. Our concept of frame fusion opens new research avenues by drawing attention to the importance of orchestrated complementarities that stimulate rather than inhibit partners. Second, our findings extend the literature on framing by showing how organizations can use multiple referents to socially-construct new frames. Third, we begin to explain how organizations accomplish this challenging but important task by mapping out new sets of coordination mechanisms, both planned and spontaneous, that helps partners dynamically and relationally create social value.

We also contribute to research and practice on cross sector partnerships. We comb together a heterogeneous set of studies on framing that bring to the fore the importance of difference in co-creating social value —despite substantial contingencies and challenges that organizations face when they engage in cross sector interactions. Our synthesis positions cross sector interactions as a unique and rich context for understanding framing and as a (largely under-explored) locus of social value creation. Theoretically, cross sector partnerships are essential in understanding dynamic frame alignment processes. Practically, cross sector partnerships have risen in prominence and social impact, and

there is a rapidly growing appetite for fully leveraging their potential to co-create social value (Yaziji & Doh, 2009).

Our findings also offer two immediately actionable insights. First, our framework of value frame fusion helps cross sector partners troubleshoot 'zigzagging' interactions, by walking them through the benefits and downsides of frame negotiation, elasticity, plasticity and fusion, and by explaining how they can engage transitions from one stage to the next. Second, we identify several leverage points by providing examples of coordination mechanisms that help partners not only overcome sector differences but at times even immerse themselves, totally and excitedly (*TC NP*, Table 4.5) in a different sector to experience a new understanding of value.

Our research question and findings speak directly to value frame fusion in cross-sector partnerships. However, the qualitative framework derived in this study may generalize to instances when two organizations starting with discrepant or conflicting value logics voluntarily work together to explore and leverage complementarities for additional or atypical value creation. To begin with, such differences can be observed within the for-profit sector as well as within the non-profit sector. Traditional for-profit and nonprofit models are increasingly confronted by hybrid models, which straddle common-good mission-driven values and market-oriented profitability and competitiveness (Boyd et al., 2009).

Future research can explore to what extent the value fusion processes described here for cross-sector partnerships may also apply to partnerships between traditional versus hybrid nonprofits (Pallotta, 2008), or between traditional versus hybrid for-profits (Hoffman, 2010). In both cases, we expect lesser discrepancies in value creation logics –

yet more stubborn commitment to these differences. For example, expectations may be less flexible because each partner 'sees' just another non-profit (respectively just another for-profit). Within either sector, future research can also tackle larger discrepancies in value logics, that is, when organizations differ in their sector-specific frames, value chain position, organizational orientation or norms, or even national culture. Where, how and how effectively partners reconcile distinct value logics across overlapping or multiple divides certainly merits additional research.

CONCLUSION

This study models the dynamic, relational processes of value-creation in cross sector partnerships to explain how for-profit and nonprofit partners come to effectively combine their different and distinctly sectoral frames for social value creation. We start with the working assumption that partners can leverage their mis-es (Berger et al., 2004) by deliberately engaging, and gradually reconciling, their differences. We find that although diagnostic frames (partners' divergent understanding of the problem, Snow et al., 1986) may be hard to bridge, their prognostic frames (partners' distinct understanding of possible solutions, Snow et al., 1986) offer particularly generative grounds for crafting new understanding of what value is and how it can best be achieved, sustained or enhanced. Our four-stage model of prognostic frame negotiation, elasticity, plasticity and fusion begins to reconcile two contrary stances in the literature on cross sector partnerships. On one hand, cross sector partnerships face harsh hurdles and they rarely and at best ineffectively cross their divide to generate social good (Fiol & O'Connor, 2002). On the other, some succeed in creating unprecedented social value, in spite of great divides (Austin, 2000a). Our qualitative framework explains how four cross sector

dyads (re)frame their social value creation, and illustrates several multi-level relational coordination mechanisms that enable value frame fusion.

NOTES

[1] The social movement literature explains that "collective action frames are constructed in part as movement adherents negotiate a shared understanding of some problematic condition of situation which they define as in need of change, make attribution about who or what is to blame, articulate an alternative set of arrangements, and urge others to act in concert to effect change" (Benford and Snow, 2000: 615).

[2] According to Snow et al. (1986), frame bridging adjoins ideologies that bear on the same issue/solution; frame amplification clarifies and invigorates interpretations which were buried under ambiguity or lethargy; frame extension recruits related individual values and motives by portraying them as congruent with the core ideology; frame transformation requires a systematic alteration: "new values may have to be planted and nurtured, old meanings of understanding jettisoned, and erroneous beliefs or 'misframings' reframed" (Snow et al., 1986: 474).

[3] Kim and Mauborgne (1997) show, for example, that novel prognostic frames fare better when they completely leave out prior diagnostics.

[4] The NP partners in the EC, TC and DI dyads were distinct divisions within the Canadian Health Centre, with separate leaders, objectives and reporting processes. The NP partner in the MIS dyad was a Research Institute affiliated with the same Canadian Health Centre but managed by its own Board, again with separate leaders, objectives and reporting processes.

[5] Canadian dollars (CAD) and US dollars (USD) were roughly equivalent at the time of the market capitalization estimates.

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CHAPTER 5

DISCUSSION AND CONTRIBUTIONS

The need for social innovation is evident in the urgent yet longstanding social and environmental challenges facing our global society, such as ensuring human rights, combating environmental degradation, alleviating poverty, minimizing disease and providing education (Westley, Zimmerman & Patton, 2006). Both nonprofit and for-profit organizations are expected by society to take an active role in the social transformation that is needed to address these challenges (Cone, 2010; King, 2007). And increasingly, these organizations are working together. Each of the three studies included in this dissertation addressed the underlying challenge of social innovation at the interface between the two sectors; in so doing, it lays the groundwork for understanding how cross-sector partnerships are key arenas of social innovation.

THEORETICAL CONTRIBUTIONS AND IMPLICATIONS

Several theoretical contributions and implications are advanced by each of these studies as well as by the set of studies together.

Critical Theory of Value Creation

In the first paper, the most significant contribution is the beneficiary-focused theorizing as a conceptual bridge between the tenets of economic and social value creation. There is little argument that collaborative solutions that transcend the ideological and practical boundaries of organizations within defined sectors benefit society. However, despite success stories, there are few accounts about how such collaborations may create social innovation. Within the broader premise that creating social value sustainably (through repeated value cycles over time) often requires trade-

offs, we proposed a critical account of how beneficiary-focused theorizing can help overcome the stalemate in both economic- and social-based theories.

We showed how social forces can deeply enrich RBV theorizing by cross-pollinating the core findings concerning the origins and dynamics of economic value creation with the social premise of critical management theories, to more explicitly look into the foundational principles, relations, and relational processes constraining value creation. Our theorizing introduced different types of beneficiary voice to invoke, harness, and bridge three distinct critical theory perspectives – Marxism and related feminism and environmentalism; pragmatism, and Frankfurt School. Our core argument is straightforward: appreciation for each type of beneficiary voice increases the potential for value creation in cross-sector partnerships.

The inclusion of beneficiary voice has several theoretical implications for management research more generally and strategy research in particular. First, giving voice to the beneficiary in theorizing value creation builds on and extends more recent trends in stakeholder theory. While the voices of stakeholders are often included in stakeholder research, the focal actor continues to be the corporation. There are only a few notable exceptions conducted from the perspective of the stakeholder (i.e. Frooman, 1999; Hendry, 2005, 2006; Zietsma & Winn, 2008). These theoretical and empirical studies examine the influence tactics and strategies of stakeholders who are activists in adversarial relationships with corporations. While these "secondary" stakeholders drive issues onto the political or corporate agendas (Zietsma & Winn, 2008), the role of the beneficiary (still) remains under-studied. This study advocates for recasting theories of

social creation from the point of view of the beneficiary, and suggests a more inclusive analysis of cross-sector partnerships as three-party ventures.

Second, the beneficiary voice is nuanced and these nuances matter: voice receiving, voice making and voice taking may differentially transform social interactions and political structures. In offering a new narrative of capitalism, Freeman, Martin and Parmar advocate "stakeholders as essential to value creation and trade" (2007: 304). Yet their principles for stakeholder capitalism, which focuses on individuals voluntarily working together to create sustainable relationships, are silent on how to achieve this state particularly for those segments of society who are disadvantaged, marginalized or disenfranchised. This study explains the critical theory underpinnings and the theoretical implications of voice receiving, voice making and voice taking.

Third, explicating the role of the beneficiary in value creation calls for a rethinking of the role of actors outside the firm (who may not have an existing relationship with the firm) in our major management theories. The firm centric view can be limiting theoretically because it excludes outside influences on value creation (and destruction). For example, RBV has so far considered only resources that the firm can appropriate to further the goals of the firm but RBV could gain new theoretical grounds from understanding how beneficiaries transform these resources. Other firm-centric theories stand to benefit equally from explicating when and how beneficiaries matter. King, for example, challenged the transaction cost perspective in an effort to specify "when and how firms act as sources of positive social change" (2007: 889); we feel that re-thinking the role of the beneficiary can help in this endeavour.

Relational Processes of Social Innovation

The second study contributes to the growing recognition in the cross-sector partnership literature that relational processes are important (Seitanidi, 2008), deepening our understanding of how advancing and/or repairing relationships through the iterative processes of recalibrating roles enables social innovation in cross-sector partnerships. It bridges practice-based insights on the staged evolution of cross-sector partnerships (philanthropic, transactional, and integrative) with relational perspectives on the processes of social value creation in adversarial and collaborative cross-sector relationships to offer a grounded elaboration of the framing literature in the specific context of cross-sector partnerships. Social value framing and risk framing shape the genesis of the cross-sector partnership and the (re)calibration of the roles each partner offers.

Attention to the relational processes within the cross-sector partnership has several theoretical implications for management research. First, the act of formation of the cross-sector partnership is not a one time event; it is socially elaborated and depends on both partners. It is nonlinear and the stages are progressive, often without a clear demarcation. The process is punctuated by changes in partner's positions and roles that are shifting which affords multiple opportunities to make the relationship work or fail. And each partner can easily unilaterally stall the partnership. Thus an explicitly relational perspective offers a more accurate description than a contractually based account. This relational perspective both distinguishes the cross-sector partnership from interfirm alliances and opens new directions for relational theorizing within the broader domain of interfirm alliances.

Second, the learning literature has recently examined how organizations learn not only from successes and failures but also from the ambiguous "grey zone" between success and failure where it is unclear whether an approach was successful or not (Rerup, 2006). Our findings offer cross-sector partnerships as fruitful contexts for theorizing and analyzing this grey zone. We argue and show that neither failure nor success is lasting or unconditional; both hinge on partners' relational flexibility and adaptability. We see great promise in studying different contexts (including cross-sector partnerships) as important contingencies to the grey zone argument.

Last, social processes within an organization are well recognized as hindering or facilitating innovation (Garud & Nayyar, 1994; Bartel & Garud, 2009). A new study (Garud, Gehman, & Kumaraswamy, forthcoming) tackles the social processes of innovation in a single organization. They "theorize that combinations of relational and temporal practices represent interwoven complexity arrangements. These interwoven complexity arrangements afford organizational actors multiple agentic orientations as innovation journeys unfold" (Garud et al., forthcoming: 3-4.). Our study supports this understanding of the process of innovation and points to the extension of learning for both partners as well as the cross-sector partnership itself.

Value Frame Fusion

In the third study, we offer a theoretical elaboration of the framing literature (specifically micro-frame alignment) which originally explored interactions between individuals and social movement organizations and recently tackled frame transformation processes within single organizations, by applying core framing propositions to frame transformation processes across two distinct domains (economic

and social value) and two distinct logics of operations and governance (for profit and nonprofit organizations). Our analysis brought forth an interesting and counterintuitive insight – the more the partners worried about their mis-es, the more likely they were to invest in reframing their approach to social value creation. Their commitment to revising their prognostic frames was an essential and necessary step which both preceded and informed their novel basis for co-creating social value in the partnership. Theoretically, bringing the processes of cross-sectoral frame transformations to the fore of social innovation research shows that deliberate efforts to align their value frames offers partners an alternative path to co-creating social value, even in cases when they do not intend or are not successful at forging a collective identity. Because the process of framing itself is transforming, it provides a necessary but still missing link in extant theorizing about social innovation in cross-sector partnerships.

Second, the framing process should be of great interest to institutional theorists, particularly those developing new institutional theory. If cross-sector partnerships fuse together key elements of different logic, this process may hold a new key to understanding the development of other hybrid arrangements that cross sectoral (or institutional) boundaries. Tracey, Phillips and Jarvis, who have recently studied hybrid organizations, advocate for the development of a new hybrid logic by "bridging two conflicting logics – the logic of for-profit retail and the logic of nonprofit homelessness support" (2010: 1-2). We strongly second their advice.

Third, we found that the framing processes represent an important if so far neglected, source of value creation, which can enrich theorizing on value creation (Lepak, Smith & Taylor, 2007). Perhaps more importantly, our focus on social innovation

draws attention to the under-theorized role of social value creation in mainstream theorizing.

Overall

Although each paper makes unique theoretical contributions as highlighted above, the greatest contribution however, lies in their combination. Their collective contribution is a more openly social theorizing about the phenomenon of social innovation —going beyond the confines of mainstream strategy theories to explore processes and contingencies unique to the domain of cross-sector partnerships. The set of studies offers a fresh, rich and distinctly relational perspective on social innovation in cross-sector partnerships by recasting processes of relating as one important but so far neglected source of value creation in general (Study 1) and social innovation more specifically (Study 2 and 3).

Moving forward, cross sector partnership theorizing would benefit from incorporating four working premises. 1) Beneficiaries are absent without voice in most of the cross-sector partnership literature. Theorizing with the exclusion of beneficiaries severely limits our understanding. Future studies should bring to the fore three rather than two actors (beneficiary, nonprofit organization and for-profit organization). 2) Understanding the relational processes between and among these three actors (bilateral and tripartite) is of utmost importance as social innovation is enacted through, and depends on these relational processes. 3) Shifting perspective to view the same phenomenon from the perspective of the different actors can uncover virgin theoretical ground. Although cross-sector partnerships are relationally onerous, it is precisely the (different perspectives) on these effortful processes of alignment that can bring social innovation about. 4) A relational perspective can also inform the evolving definition of

social innovation. While the very thinking of what social innovation means is still being developed, we have shown the merit of rethinking social innovation as an important by-product of cross-sectoral relationships.

An important next step in theorizing social innovation requires a deeper understanding of the tensions and synergies between economic and social value creation and the role of relational processes in leveraging the two. While our research questions did not specifically address the coevolution of social value creation and economic value creation, "exchanges" between the actors helped us see the need to explore this co-evolution and even the conversion of one to the other and the mechanisms that enable it. We are particularly interested in whether, when and how relational processes may enable or hinder the social-economic value conversion, but other mechanisms may also be important. Complexity theory may further stretch our collective understanding by identifying the simple rules and principles that attract and shape social-economic value conversions.

Finally, the context of cross-sector partnerships can offer a window into the future of institutional arrangements by understanding how competing institutional logics may come together. Relational and framing processes may also contribute a fresh lens from which to understand the emergence and diffusion of alternative hybrid forms of organizing – cross-sector theorists ought not ignore these alternatives: some may even internalize or 'cannibalize' the social innovation function of cross-sector partnerships.

PRACTICAL IMPLICATIONS

The practical implication of the collective findings is a greater understanding of why some cross-sector partnerships are more successful than others. Engaging the

beneficiaries as active participants and contributors to social innovation and not just as recipients of the goodwill of the cross-sector partnership tackles the very essence of the power structure within society and is essential for the desired social transformation. The very act of inclusivity begins the journey of transformation. This is counterintuitive as it is assumed that the powerful successful organizations have the knowledge to enact change.

The main insight from our grounded investigation is the importance of how partners relationally (re)engage each other. The process of co-creating social value is rife with differences and difficulties, yet mindful practicing helps partners recalibrate their roles as the relationship unfolds in order to sustain momentum towards success or reverse momentum from failure to success. Our analyses show that shared goals are resilient to partnership friction, but reaching these goals requires gradual progression through iterative role recalibrations. When partners take steps to deliberately recalibrate their roles, they tighten the coupling between social value creation and risk; this fast-tracks success or helps them overcome premature failure.

Last but perhaps the most actionable insight comes from the enabling effects of relational improvisation on value frame fusion. Our framework helps cross-sector partners troubleshoot 'zigzagging' interactions, by walking them through the benefits and downsides of frame negotiation, elasticity, plasticity and fusion, and by explaining how they can engage transitions from one stage to the next. Second, we identify several leverage points by providing examples of coordination mechanisms that help partners not only overcome sector differences but at times even immerse themselves, totally and excitedly in a different sector to experience a new understanding of value. Although we

do not set up to compare the relative effectiveness of alternative mechanisms, and our findings are subject to the usual limitations of qualitative research, we offer one motivating insight for researchers and practitioners grappling with cross sector interaction. Simply put, we show that effective value creation across sector boundaries require effective ongoing interactions; these interactions are at least a necessary complement to strategic efforts, and at best an effective means to effectuate catalytic social change.

REFLEXIVITY STATEMENT

During the five years prior to entering the doctoral program at the Richard Ivey School of Business, I was a senior executive at a Health Research Institute. One of my responsibilities was to develop relationships with industry – predominantly with medical device companies. To leverage government grant monies, the Institute needed to have industry partners. We were able to engage some companies but others not at all. Some partnerships were deemed successful and met both parties' expectations. Other partnerships never got off the ground or started off well but disintegrated prior to initial expectations being met. These differences puzzled me and thus formed the basis of my dissertation work. These experiences might have biased me to a "view from the top" similar to the participants in the two empirical studies. We thus address this potential limitation in studies 2 and 3.

Given my previous work, I was either known by reputation to the participants in this study or was introduced and endorsed by a highly regarded and well known national health care leader. This may have influenced a "social desirability" bias in the responses from participants even though complete confidentiality and anonymity was assured. We

addressed this potential limitation to the two empirical studies through triangulation of interviews and archival materials, and comparison within a dyadic partnership. But more convincing is the frankness displayed by the participants in describing some of the dynamics internal to the organization as well as within the partnership. Their, at times, negative comments discount the social desirability bias claim.

Finally, my first career was in psychiatric and community health nursing. I had first hand observations of the struggles of individuals with mental health issues and of single parent women and their children living in a subsidized housing development. More recently I have had volunteer experiences with helping refugees navigate their way through our social systems. Thus the critical management studies literature resonates with me and the standpoint of the beneficiary in value creation is of personal interest to me.

LIMITATIONS

The two qualitative studies share three important limitations with case-based inductive theory building studies (Eisenhardt, 1989; Yin, 2003a, 2003b). First, the cases were selected to afford causal inferences (Tsoukas, 1989) – and while we are comfortable that these causal inferences generalize to other cross-sector partnerships, we acknowledge the possibility (indeed the desirability) of further scrutinizing our findings in other contexts (Eisenhardt, 1989: 547). This applies particularly to our non-profit partners, which were part of or associated with the same divisional organization (albeit independent of each other) - a multi-site health centre and its research institute. We followed a comparative case design because multiple-case studies often provide a stronger base for inductive theory building (Yin, 2003b). Since the usual process of data

analysis and data collection in qualitative research is iterative (Corbin & Strauss, 2008), adding additional cases and data would enrich our understanding across contexts.

The same limitation of restriction of range applies more broadly to the type of for-profit and non-profits partners selected, which by intent and design represented cases of positive deviance – that is, they engaged in social innovation before and better than their sectoral peers. We captured significant portions of the evolution with our original longitudinal design, but it would be really interesting to understand how the same partners 'shorten' or lengthen the cycle of their processes in subsequent partnerships and how later adopters of cross-sector partnerships may move slower or faster. This replication would allow us to study what changes in the causal mechanisms depending on the type of cross-sector partnership.

And although archival data and retrospective reports enabled us to reconstruct a rich narrative for each dyad, we only have real-time interview data with their leaders for a portion of the duration of each partnership. This limitation notwithstanding, prolonged engagement in the field, the combination of primary and archival data collection mechanisms and especially our repeated efforts to triangulate, elaborate and validate the accounts of the strategic leaders increase our confidence that the relational and framing processes and the frames themselves are presented accurately, albeit at only one layer of relational interactions. There is enough evidence to suggest research at and across other levels (Seitanidi, 2008) would be pertinent and enlightening because it would get us closer to multiple voices first hand.

FUTURE RESEARCH

Research Extensions

A restricted range of the phenomenon was purposefully chosen in this dissertation as it allowed meaningful cross-dyad comparison (across issues and times) while each of the dyads themselves were first in class – and selected as such. This we felt was beneficial given the theory-building stance in the two qualitative studies, and the need to get closer to the causal relationships, pinning down contingencies and contexts (Tsoukas, 1989). We have done so, but are mindful of the need to replicate the findings (validate or invalidate) depending on the characteristics of the non-profit organizations involved, e.g. community focus, research focus, and visibility.

The extension underway includes a double replication - both a nonprofit centred extension as well as a for-profit design extension. The nonprofit sample will add two different hospital/health research institute sites, following the same dimensions for sampling across types of innovation and activity focus: four (independently-run) cross-sector partnerships for each. We will continue to deliberately sample for variation within the nonprofit organization's partners as done in the two previous studies (Miles & Huberman, 1994) to maximize opportunities for comparison and contrast (Eisenhardt and Graebner, 2007). The eight additional partnerships will focus on different social goals, differ in the resource commitments required and their anticipated life course, may have been championed by different parties, and may have met with different degrees of success. Where possible, we will include partnerships involving some of the same for-profit partners (e.g. Energy Conservation) or similar for-profit partners (e.g.

Telecommunications) so that we can examine the possibility of learning within partner and across subsequent partnerships.

The for profit centred design extension uses a snowball sampling strategy[1] (Miles & Huberman, 1994: 28), where each of the for-profit partners, identified by the nonprofit organizations in the larger study, are asked to identify at least one distinct nonprofit partner (from the nonprofit organizations included in the initial study and the two nonprofit organizations studied in the extension) with whom they implemented a similar innovation, most likely after the partnerships analyzed in this dissertation. This will add another 4 – 12 dyads (depending on the overlap of for-profit partners between the nonprofit organizations) to help us get at the issue of sequentiality and time-varying processes. The total extension is a minimum of 12 dyads in addition to the 4 dyads studied in this dissertation giving us an expanded context from which we can theorize.

The double replication study also affords us an opportunity to explore further contingencies to the findings already identified (Tsoukas, 1989) and also more importantly, to advance our understanding of cross-sector partnerships from relational processes to the generative mechanisms of value creation at the interface between economic and social value creation. Our research speaks to one and only one layer of relational interactions – but there is enough evidence to suggest research at and across other levels would be pertinent and enlightening (Klein, Tosi, & Cannella, 1999). The questions of how economic and social value co evolves and what the practices of value conversion are, require additional cross-level layers of understanding and perspectives. The initial inclusion criteria for each partnership selected were business and nonprofit (hospital) executives who have the knowledge and authority to discuss cross-sector

partnerships involving their organization. Going forward, efforts will be made to include as many voices as possible both within each dyad and across organizational levels (for anyone participating directly or indirectly in the cross-sector partnership) including beneficiaries.

This extension will support a research program that will explore applications and extensions of complexity theory to cross-sector partnerships, specifically the patterns of self organizing (simple rules or principles of value conversion) (Stacey, 2001) of cross-sector partnerships. The focus will be on intentional social transformations – in the broader context of "life as it is: unpredictable, emergent, evolving and adaptable" (Westley et al., 2006: 7).

Research Directions

This research opens up a number of unanswered questions for future research both theoretically and empirically. Some particularly interesting avenues of research include the processes of value conversion (economic to social and vice versa) and various forms of hybrid organizing that advance social innovation. Complexity theory holds much promise for theorizing about social innovation.

The social enterprise literatures describe the juxtaposition of social and economic value – using typologies, blends, frameworks, and/or configurations (Short, Moss & Lumpkin, 2009) but offer few guidelines on how managers may deliberately (re)align them. The concept of value conversion is anecdotal at best in this literature. And it is silent on the mechanisms of value conversion. The context of cross-sector partnerships would be well suited to such investigation.

New organizational forms are emerging as agents of social innovation. Hybrid organizations defined as both market-oriented and common-good mission-centered entities (Boyd et al., 2009)[2] blur the distinctions and boundaries between nonprofit and for-profit forms and (re)couple economic and social value creation within the organizational boundaries. Given our interest in the framing processes of cross-sector partnerships, which brings the different logics of two organizational forms together, the internalization of these two logics raises some intriguing questions about the role of institutional logics in the creation of organizational forms. Greenwood et al. highlights that "organizational forms - are manifestations of, and legitimated by, institutional logics" (2009: 2). Recent work by Tracey et al. (2010) looks at processes of bridging institutional entrepreneurship that create new hybrid logics. With the paucity of studies of hybrid organizations, much work is yet to be done in understanding the processes that these hybrids use for social transformation (or perhaps hybrid organizations are the transformation).

There is still much we do not know about the processes of social innovation. The approach from a complexity theoretical lens would be to study the self-organizing processes as they occur. As the understanding of these processes becomes deeper, the simple rules and principles that pattern social innovation emerge.

CONCLUDING REMARKS

Social innovation by its very definition challenges existing social systems and institutions in order to address today's most pressing local and global social issues. Collaborative cross-sector partnerships hold promise as a vehicle of social innovation. The three studies included in this dissertation jointly suggest and find that relational

processes (beneficiary voice, relational contingencies, and relational framing) are important contributors to social innovation and explain how each process recasts and enriches mainstream theories and how each advances the collective project of cross-sector partnership research.

NOTES

[1] A snowball or chain sampling strategy "identifies cases of interest from people who know people who know what cases are information-rich" (Miles & Huberman, 1994: 28).

[2] These hybrid organizations are also known as Fourth Sector, Blended Value, For-Benefit or B-Corporations as well as social enterprise. The introduction of new laws to regulate these new entities such as an L3C Statute (Low Profit Limited Liability Company) in several states in the United States or the CIC Regulations (Community Interest Corporations) in the United Kingdom legitimizes and propels the hybrid momentum.

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APPENDICES

Ethics Approval Letters

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APPENDIX A

ETHICS APPROVAL LETTERS

Ivey

Richard Ivey School of Business
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Use of Human Subjects – Ethics Approval Notice

Principal Investigator: Tima Bansal   Review Number: 013/07(BREB)
Protocol Title: Cross-Sector Partnerships that Address Social issues
Approval Date: April 13, 2007   End Date: April 13, 2008

This is to notify you that the Ivey School of Business Expedited Research Ethics Board (BREB) has granted expedited approval to the above named research study on the date noted above.

The BREB is a sub-REB of the University of Western Ontario's Research Ethics Board for Non-Medical Research Involving Human Subjects (NMREB), which is organized and operates according to the Tri-Council Policy Statement and the applicable laws and regulations of Ontario.

This approval shall remain valid until the end date noted above assuming timely and acceptable responses to the BREB's periodic requests for surveillance and monitoring information.

During the course of the research, no deviations from, or changes to, the protocol or consent form may be initiated without prior written approval from the BREB except when the change(s) involve only logistical or administrative aspects of the study. Subjects must receive a copy of the signed information/consent documentation.

Investigators must promptly also report to the BREB:
    a) changes increasing the risk to the participant(s) and/or affecting significantly the conduct of the study;
    b) all adverse and unexpected experiences or events that are both serious and unexpected;
    c) new information that may adversely effect the safety of the subjects or the conduct of the study.
If these changes require a change to the information/consent documentation, and/or recruitment advertisement, the newly revised information must be submitted to this office for approval.

Members of the BREB who are named as investigators in research studies, or declare a conflict of interest, do not participate in discussion related to such studies when they are presented to the BREB.

Signature:_____
Craig Dunbar, Associate Dean, Faculty Relations & Research
Chair, Business Expedited Research Ethics Board (BREB)

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Use of Human Subjects – Ethics Approval Notice

Principal Investigator: Tima Bansal		Review Number: 013/07(BREB)
Protocol Title:	Cross-Sector Partnerships that Address Social Issues	
Approval Date:	Revised March 30, 2009	End Date: Revised March 30, 2010

This is to notify you that the Ivey School of Business Expedited Research Ethics Board (BREB) has granted expedited approval to the above named research study on the date noted above.

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If these changes require a change to the information/consent documentation, and/or recruitment advertisement, the newly revised information must be submitted to this office for approval.

Members of the BREB who are named as investigators in research studies, or declare a conflict of interest, do not participate in discussion related to such studies when they are presented to the BREB.

Signature:

Rod White, Associate Dean, Faculty Relations & Research
Chair, Business Expedited Research Ethics Board (BREB)

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Use of Human Subjects – Ethics Approval Notice

Principal Investigator:	Oana Branzei	Review Number: 013/07(BREB)
Re: PhD student	Marlene Le Ber	
Protocol Title:	Cross-Sector Partnerships that Address Social Issues	
Approval Date:	Revised October 14, 2009	End Date: Revised October 14, 2010

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Chair, Business Expedited Research Ethics Board (BREB)

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Use of Human Subjects - Ethics Approval Notice

Principal Investigator: Oana Branzei
Review Number: 013/07 BREB
Re PhD Candidate: Marlene Le Ber
Protocol Title: **Cross-Sector Partnerships that Address Social Issues**
Ethics Approval Date: June 8, 2010   **Expiry Date: June 8, 2011**
Documents Reviewed and Approved: **Notification of Revision**

This is to notify you that The Ivey School of Business Research Ethics Board for Non-Medical Research Involving Human Subjects (NMREB) which is organized and operates according to the Tri-Council Policy Statement: Ethical Conduct of Research Involving Humans and the applicable laws and regulations of Ontario has granted approval to the above named research study on the approval date noted above.

This approval shall remain valid until the expiry date noted above assuming timely and acceptable responses to the NMREB's periodic requests for surveillance and monitoring information. If you require an updated approval notice prior to that time you must request it using the UWO Updated Approval Request Form.

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Investigators must promptly also report to the NMREB:
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    b)   all adverse and unexpected experiences or events that are both serious and unexpected;
    c)   new information that may adversely affect the safety of the subjects or the conduct of the study.

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Cc: ORGANIZATION; Branzei, Oana
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Regards,
Marlene

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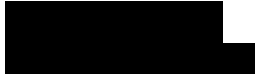
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Cc: Huizer, Astrid, Springer SBM NL; Srinivas, Radhika
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To: Srinivas, Radhika
Subject: Permission to Include JBE Paper No. 27 in PhD Thesis
Importance: High

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with such permissions. I understand that Astrid Huizer normally handles requests such as this.
However, my thesis is due on this coming Monday July 12th and thus a quick response is
needed. Many thanks.

Regards,
Marlene

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	Le Ber, M. J., & Branzei, O. Forthcoming. Towards a critical theory of value creation in cross-sector partnerships. *Organization*, 17(5): 1-31.
	Le Ber, M. J., & Branzei, O. Forthcoming. Value frame fusion in cross sector interactions. *Journal of Business Ethics*, Acceptance received on March 17, 2010.
Publications Refereed Conference Proceedings:	Le Ber, M. J. 2007. Public-private partnerships: How nonprofit organizations can more effectively attract support from corporations. Proceedings of the 35th *Annual Administrative Sciences Association of Canada Conference*, 28(29): 22-34.
	Bansal, P., & Le Ber, M. J. 2008. Google's Way: Don't be Evil. Proceedings of the 36th Annual *Administrative Sciences Association of Canada Conference*, 29(30): 20.
	Le Ber, M. J., Bansal, P., & Branzei, O. 2010. Managing the tensions between social and economic value in hybrid organizations. Proceedings of the 38th *Annual Administrative Sciences Association of Canada Conference*, 31(29): 2509-2528.
	Le Ber, M. J., & Branzei, O. 2010. Towards a critical theory of value creation in cross-sector partnerships. In Leslie A. Toombs (Ed.), Best Paper Proceedings of the 70th *Annual Meeting of the Academy of Management*, ISSN 1543-8643.