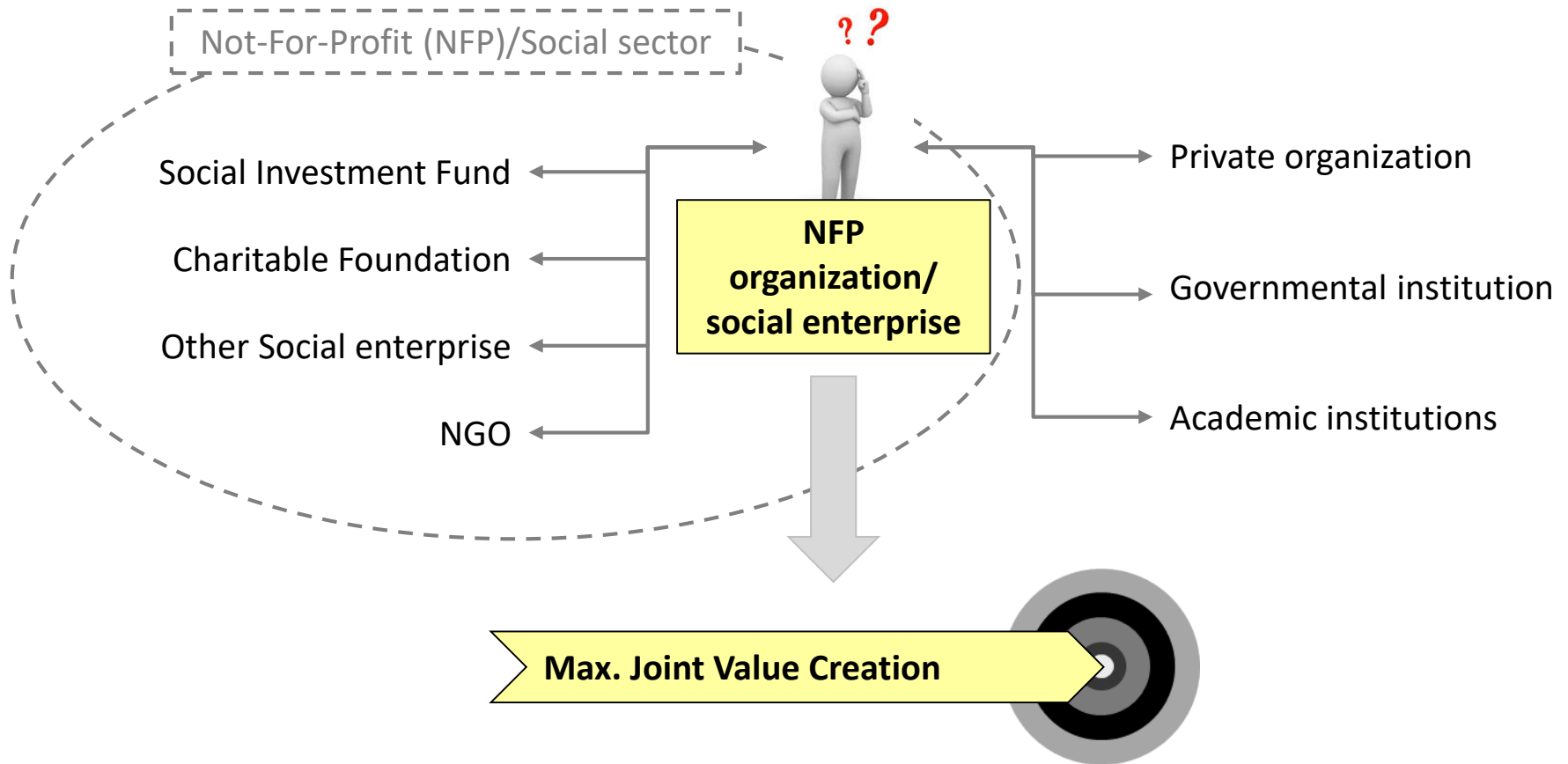


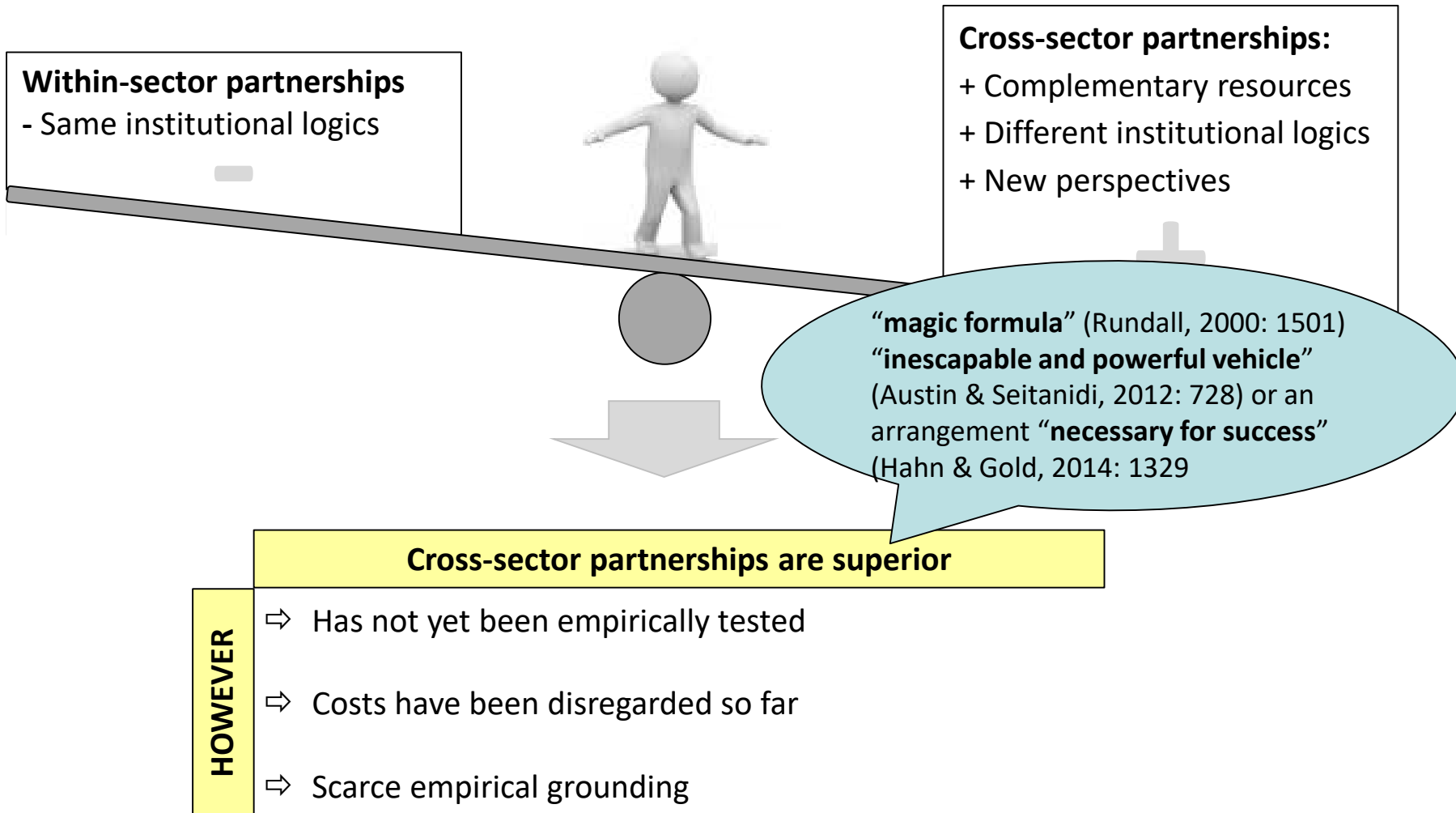
Challenging the Cross-sector Partnership Hype – A Relational View Perspective

Prof. Dr. Christiana Weber

ISIRC 3.-5. September 2018

Interorganizational partnerships in the NFP sector



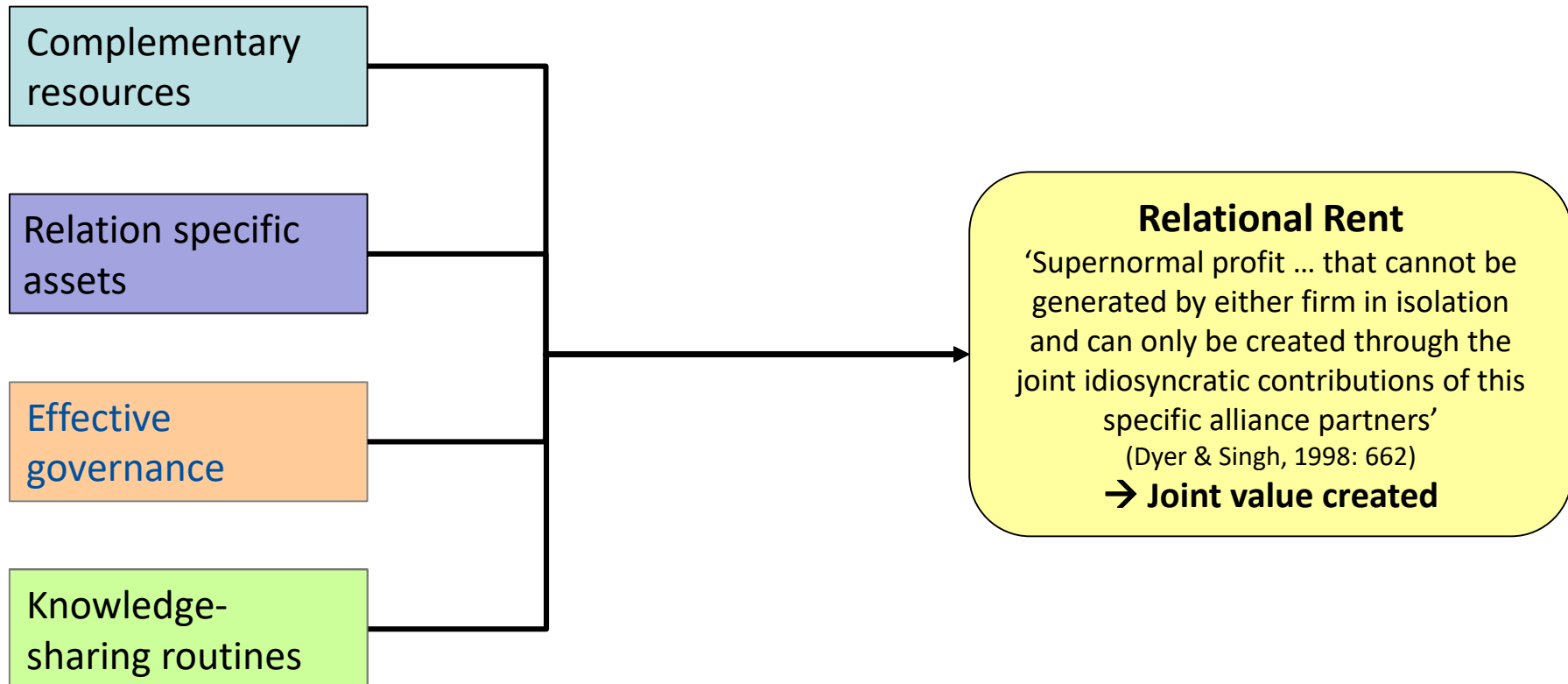


- “XSPs are also complicated and problematic A discrepancy exists between the popularity and prevalence of XSPs and evidence of their ability to produce value with respect to the problems they address” (Koschmann et al., 2012: 332)
- Conventional strategic management literature has documented how problematic and cost intensive the exchange and combination of complementary resources is (Zeng and Chen 2003: Dyer and Singh 1995)

Do cross-sector partnerships really provide
a higher “net” value add
than
within-sector partnerships?

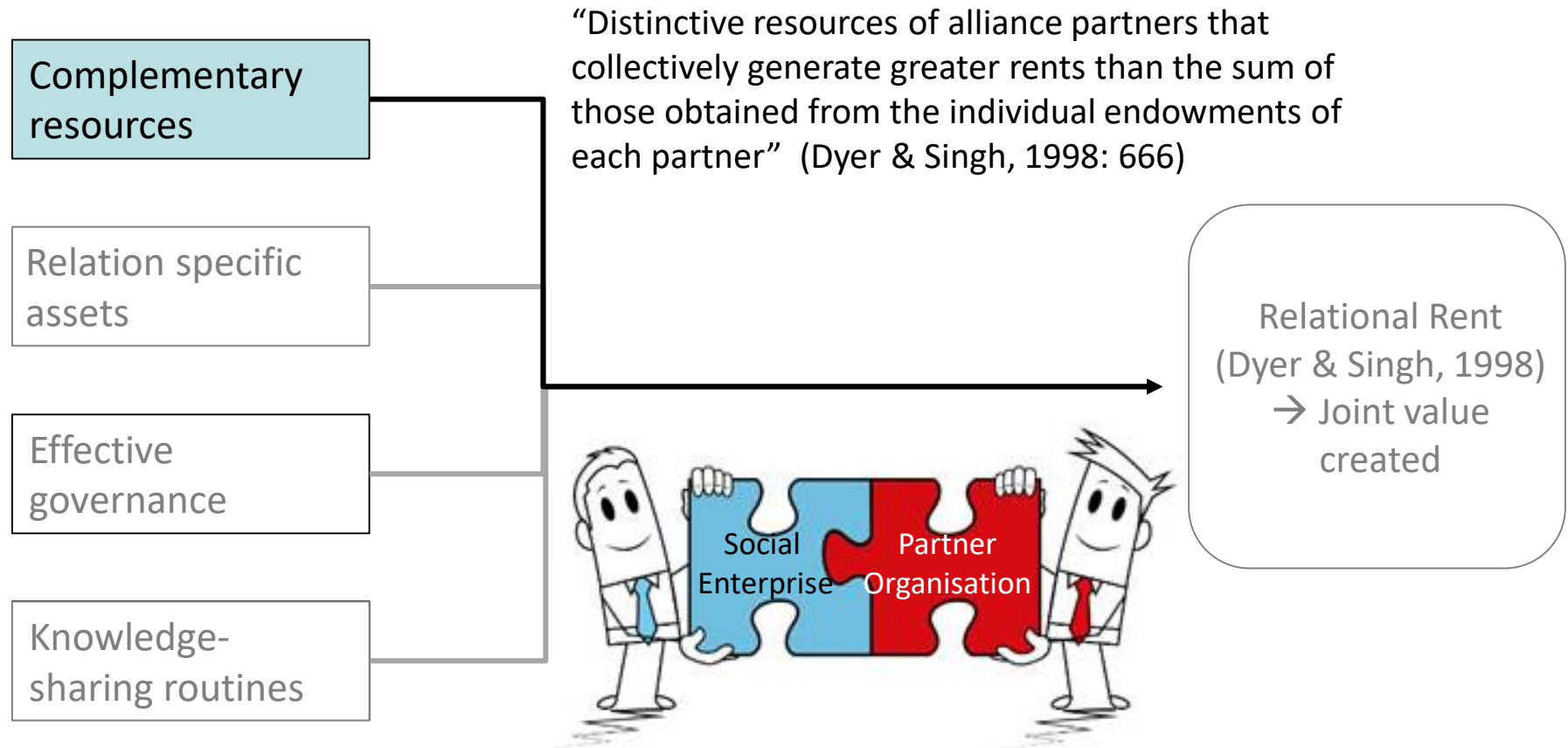
Theoretical grounding: Relational View

(Dyer & Singh 1998)



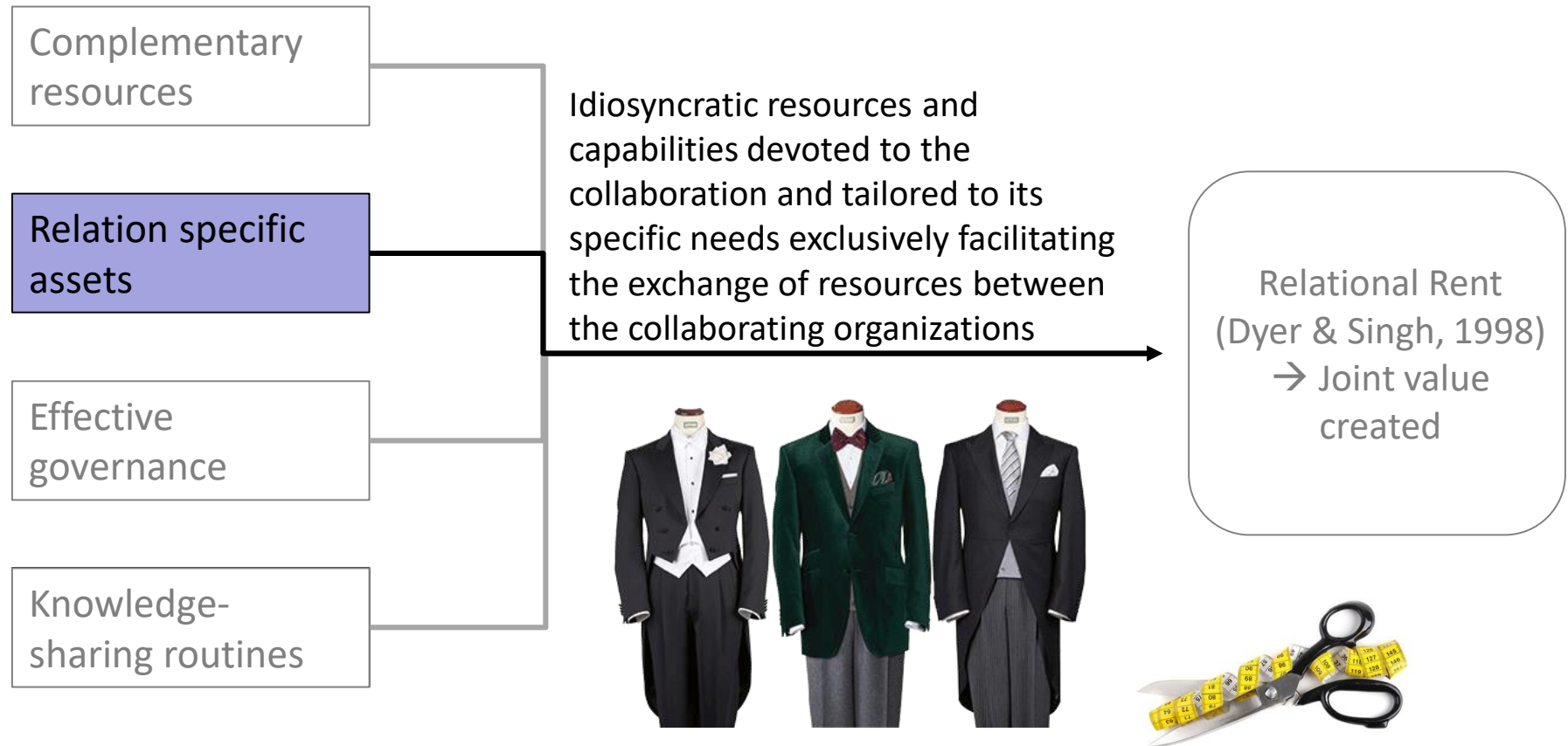
Theoretical grounding: Relational View

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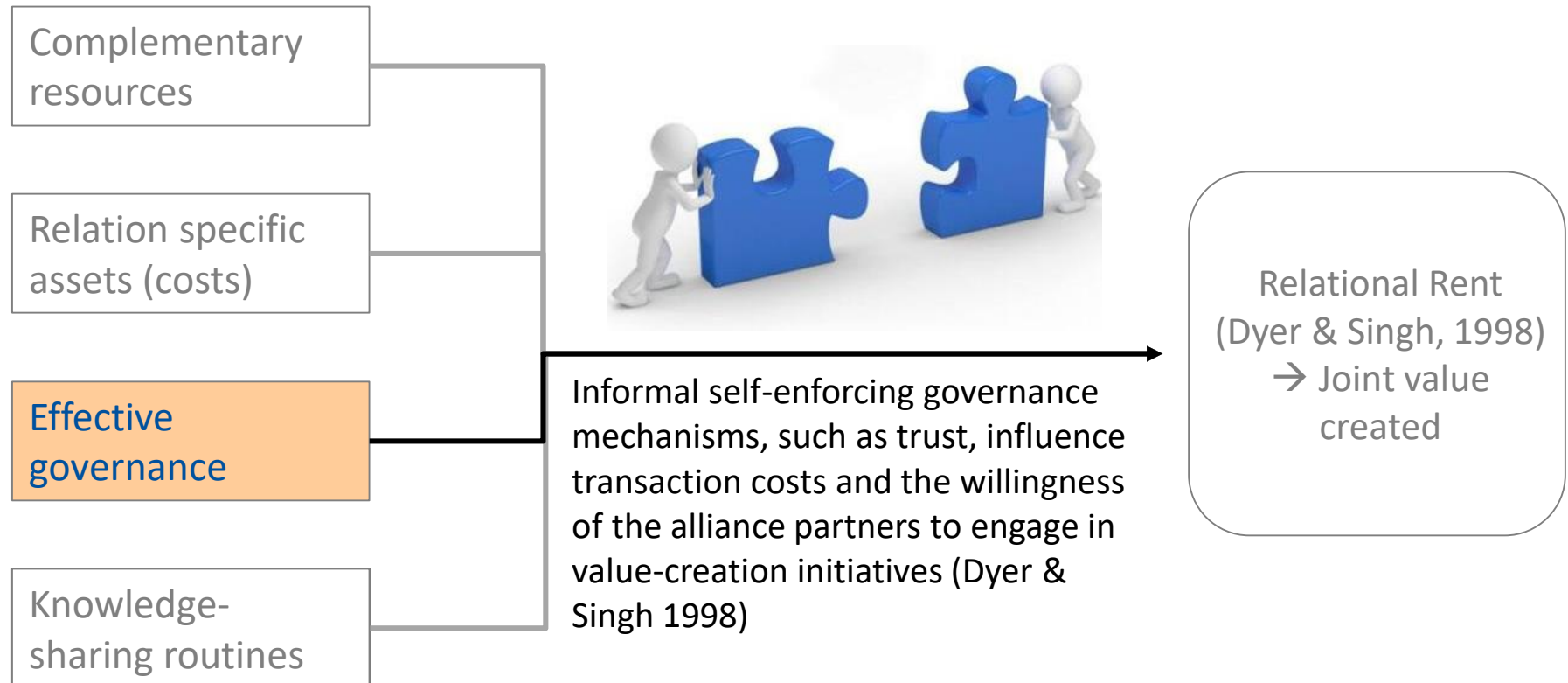
Theoretical grounding: Relational View

(Dyer & Singh 1998)



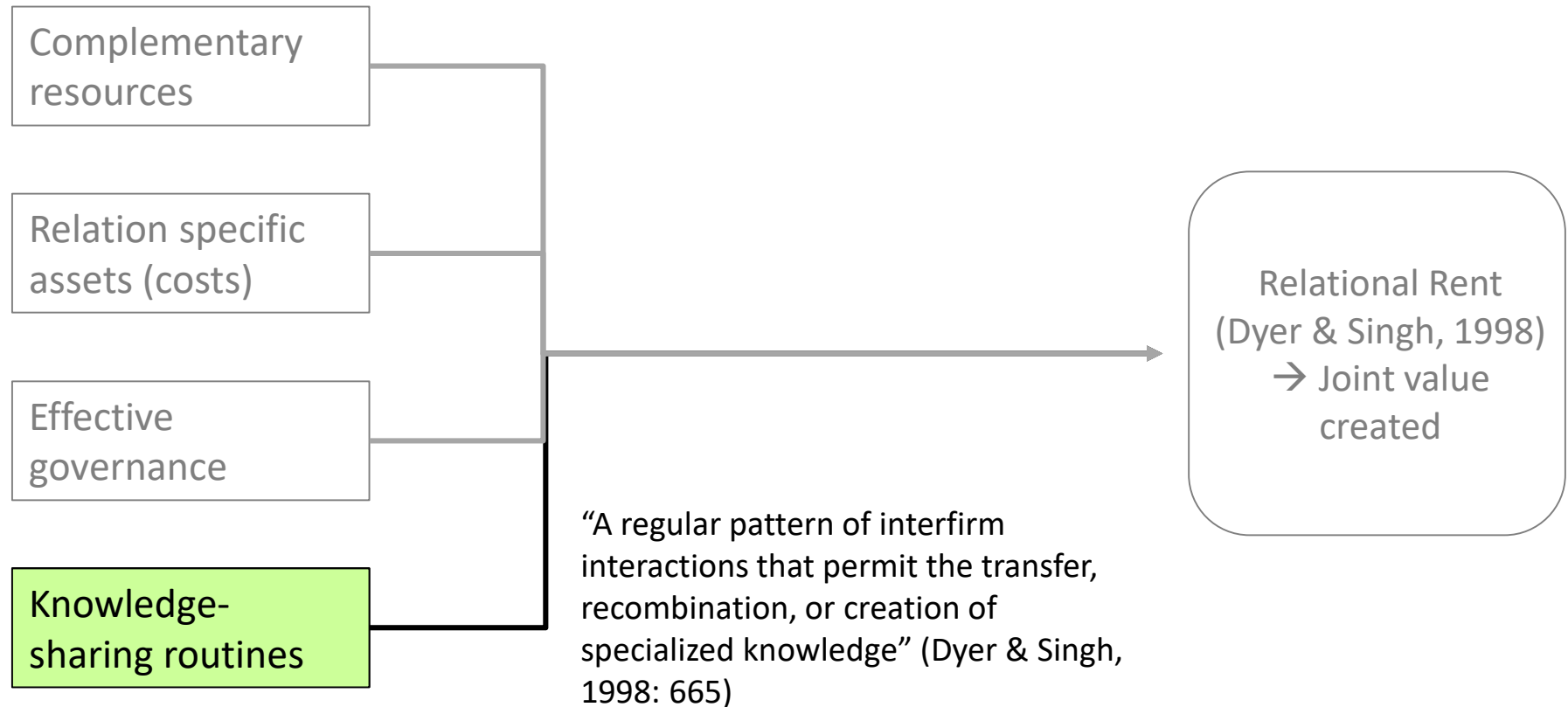
Theoretical grounding: Relational View

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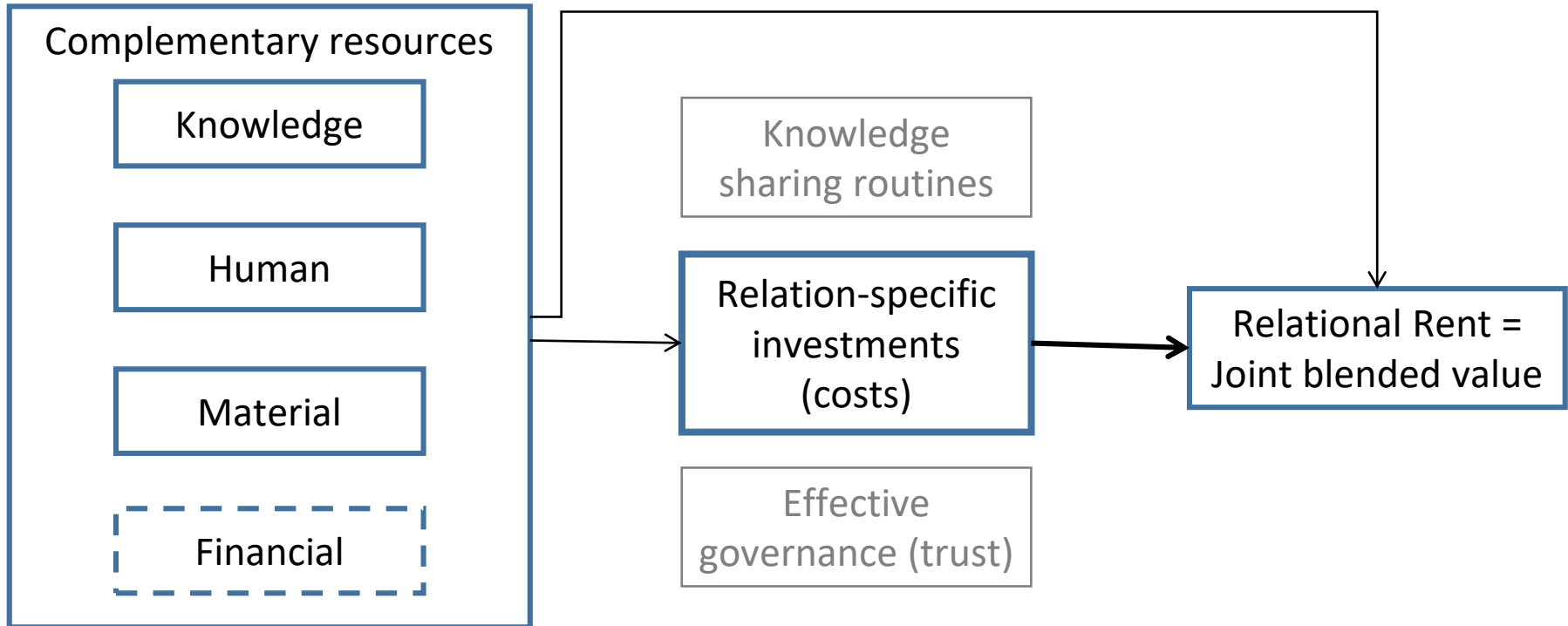


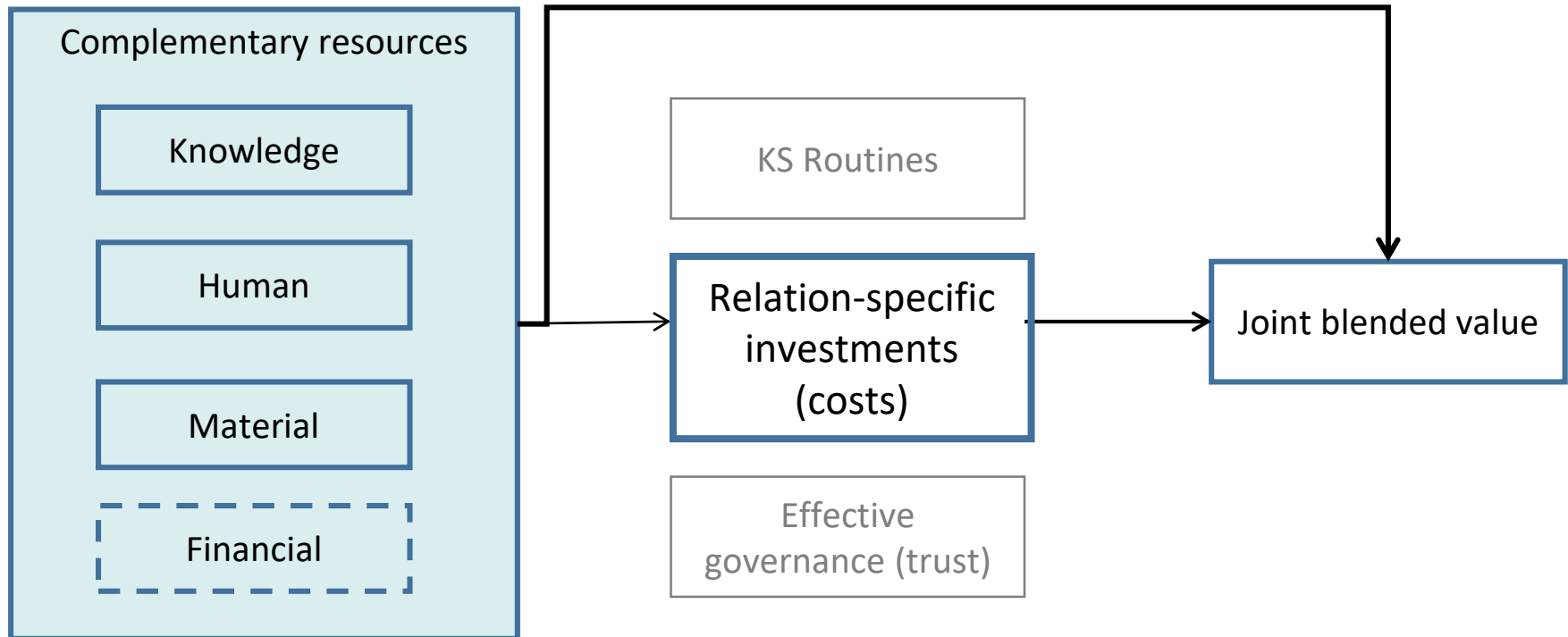
Theoretical grounding: Relational View

(Dyer & Singh 1998)



A mediated Relational View





Argument 1: The greater the amount of complementary resources obtained as a result of the collaboration, the greater the joint blended value (Parmigiani & Rivera-Santos, 2001; Selsky & Parker, 2005).

Costs are rooted in the very diversity and complementarity that is regarded as fruitful

Cross-sector partnerships have their dark sides, too.

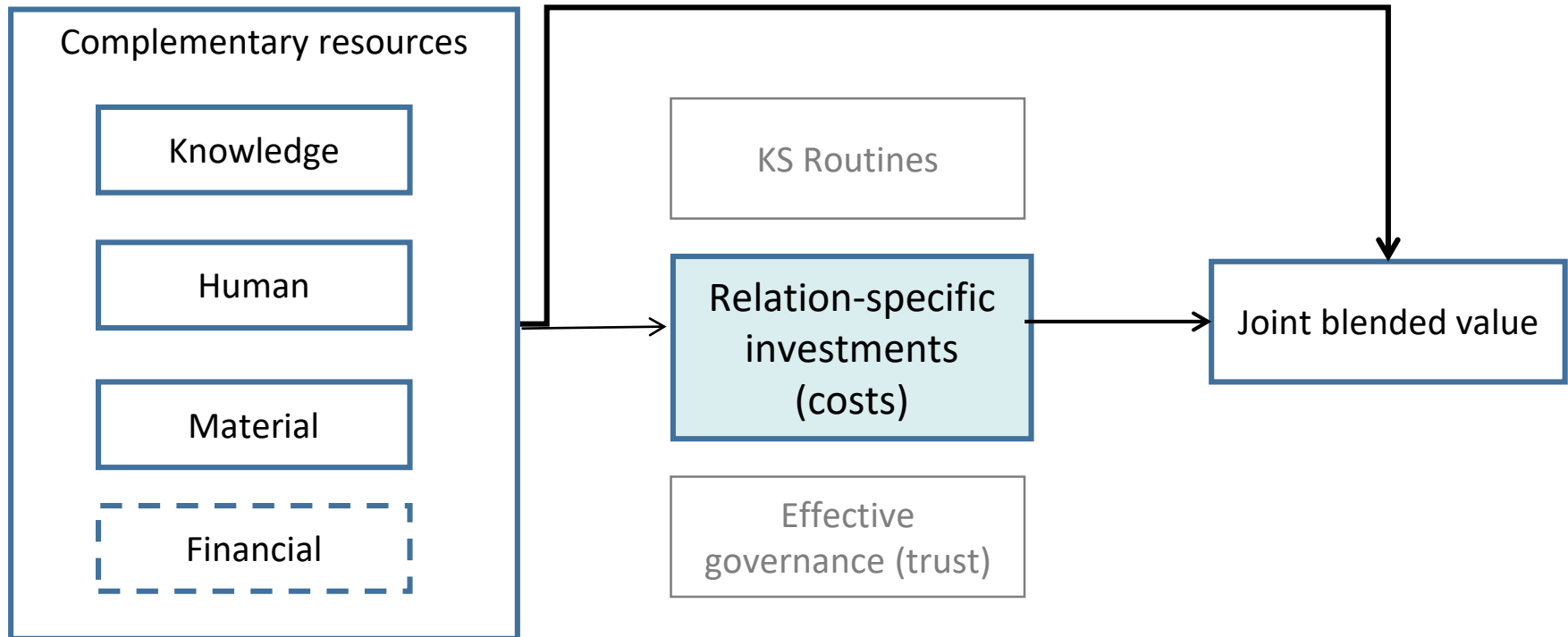
- **“large power imbalances”** (Selsky & Parker, 2005, p. 858)
- **conflicting organizational cultures** (Hahn & Gold, 2014; Kale & Singh, 2009)
- **“competing goals, ownership structures, governance mechanisms and lines of accountability”** (Di Domenico, Tracey & Haugh, 2009, p. 887)
- **different “environmental pressures”** (Cairns & Harris, 2011, p. 312).

Dyer & Singh (1998): potential difficulties of incompatible systems even for inter-organizational relationships *within* the same sector:

- “a primary reason for failure of . . . alliances is not that the two firms do not possess strategic complementarity of resources, but rather because **they do not have compatible operating systems, decision-making processes, and cultures**” (Dyer and Singh (p. 668).

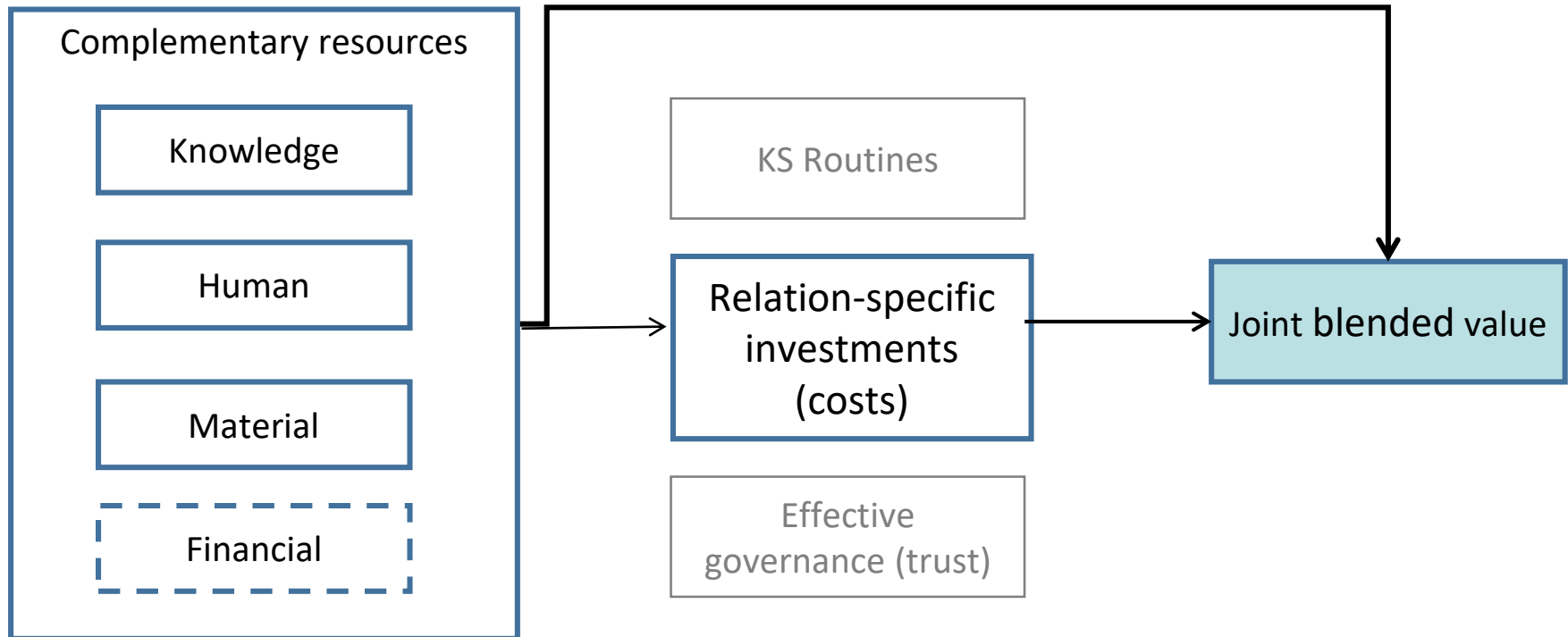
“Value is defined as benefits relative to costs, not just benefits alone”

(Porter and Kramer, 2011: 6)



Argument 2: The greater the amount of complementary resources obtained as a result of the collaboration, the greater the relation-specific investments made by the respective parties (Dyer and Singh; 1998, Maula et al., 2003; Weber et al. 2016; 2017).

Mediating role of relation-specific investments



Argument 3: The greater the relation-specific investments made within a collaboration, the greater the joint blended value (Dyer and Singh, 1998; Weber et al., 2016).

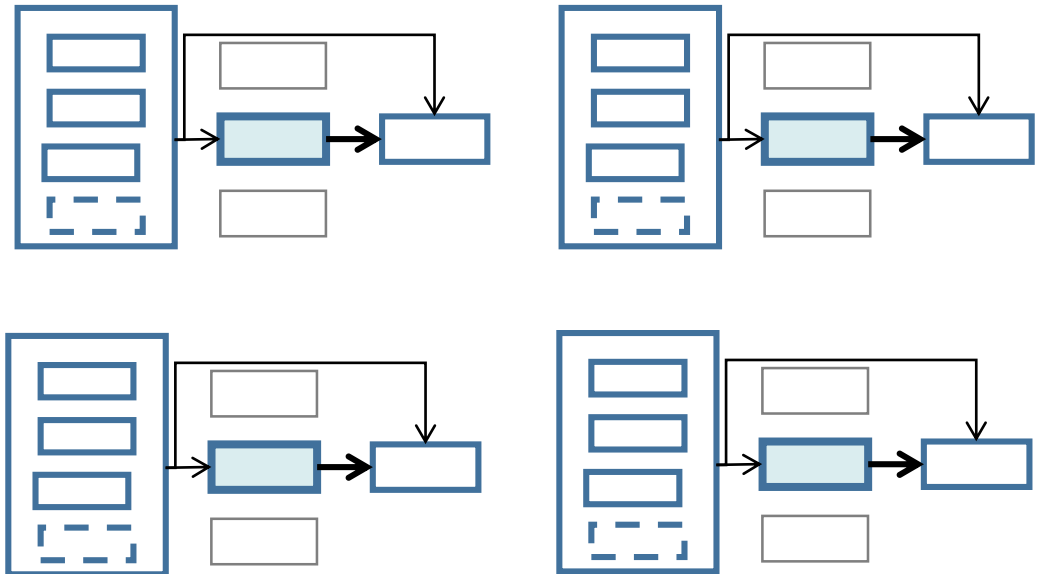
343 organizations in total

Four groups:



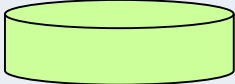
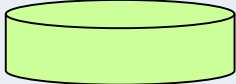
	Social Enterprises	Partners
Cross-sector	(1) n=90	(3) n=76
Within-sector	(2) n=96	(4) n=81

⇒ **Analyses:** Partial least squares structural equation models (PLS-SEMs)


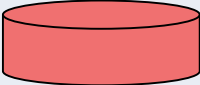


⇒ Corresponding latent variable scores for the costs constructs were used to compare the overheads between these four models



Results – Comparing Joint Blended Value and the respective relation-specific investments / costs

Joint Blended Value			
Social Enterprise		Partner	
Cross-sector (n=96)	Within-sector (n=90)	Cross-sector (n=56)	Within-sector (n=81)
			

→ **Joint blended value does not significantly differ between cross-sector partnerships and within-sector partnerships** – for both the social enterprises and the partners.

Relation-specific Investments/Costs			
Social Enterprise		Partner	
Cross-sector (n=96)	Within-sector (n=90)	Cross-sector (n=56)	Within-sector (n=81)
			

→ **Relation-specific investments (costs) in cross-sector partnerships are significantly greater for both the social enterprises and the partners as compared to within-sector partnerships.**

Cross-sector partnerships are unreflectedly hyped

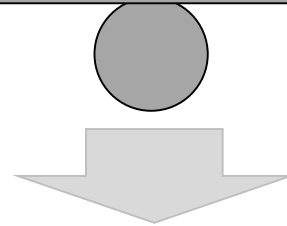
Within-sector partnerships

- Same institutional logics
- Less complementary resources
- **BUT:** Lower transaction and opportunity costs



Cross-sector partnerships:

- Different institutional logics
- More complementary resources
- **BUT:** Higher transaction and opportunity costs



Empirical evidence, that

- ... cross-sector and within-sector partnerships are equally appropriate, it depends on their purpose and the context
- ... the alleged superiority of cross-sector partnerships can not be supported
- ... a conventional variable—costs of a partnership—seems to be important to advance the discussion of joint value creation

Thank you for your attention!

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