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COLLABORATION BETWEEN SOCIAL ENTREPRENEURS AND LARGE COMPANIES: MUTUAL VALUE CREATION THROUGH DIFFERENT FORMS OF PARTNERSHIPS

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The purpose of this paper is to deeply explore partnerships between large companies and social entrepreneurs. The objectives are as follows: to identify different types of partnerships between social entrepreneurs and large companies, determine mutual benefits of partnership, explore the challenges which large companies and social entrepreneurs face in the partnership. Important results of the paper shed light on this under-investigated relationship between social entrepreneurs and large companies. First, the study offers a new categorization of partnerships between social entrepreneurs and large companies. A new model — the Partnership Matrix accordingly was developed. This model is based on mutual benefits for both parties: Business, Innovation, Reputation — Impact, Survival, Scale. Second, benefits and obstacles to the development of collaboration between social entrepreneurs and large companies were identified. An extensive set of semi-structured interviews allowed to hold in-depth analysis of qualitative data. The research contributes to the literature on social entrepreneurship, business and society. The results of the research have practical implications; they can help social entrepreneurs and large companies to develop partnerships using more conscious, thoughtful and suitable approaches to mutual value creation.

Keywords: cross-sector partnership, social entrepreneurship, corporate social responsibility, social partnership, hybrid organization.

INTRODUCTION

Sustainable innovations are considered to be one of the core elements of any future business [Chesbrough, 2010; Upward, Jones, 2016; Geissdoerfer, Bocken, Hultink, 2016], improving company's reputation, reducing risks [Björkdahl, Holmen, 2013; Girotra, Netessine, 2013; Schaltegger, Hansen, Lüdeke-Freund, 2016] and enhancing com-

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petitive advantage [Skarzynski, Gibson, 2013]. Social entrepreneurship is the sign of a changing organizational zeitgeist, and therefore, as an academic field and practice that should be aimed at mainstream business rather than treated as a peripheral activity or specialization [Driver, 2012, p. 422]. Social entrepreneurship is especially important in a transitional phase wherein CEOs are grappling with the meaningfulness of their enterprises not just as a temporary response to a crisis of legitimacy of capitalism, but as a permanent shift toward the pursuit of higher profits, that is, profits that also produce positive social change, and financial markets that reward companies for doing just that. At the same time, large companies (LCs) such as multinationals (MNCs) have structures and processes mainly aimed towards maximizing profitability. At the same time, LCs are extremely efficient in growing and scaling up products and services. On the other hand, it seems that social entrepreneurs (SEs) can create innovative business models and be quite entrepreneurial. It is assumed that both sides have a lot to learn by partnering up offering core competences to each other.

Social entrepreneurs can help develop innovative thinking and entrepreneurial mindset and on the other hand LCs can offer access to resources, structures, processes that allow for growth and profitability. The overall effort aims to explore the simultaneous creation of economic and societal value which would allow societal value-creation to be perpetual and sustainable. In this effort the aim of the paper was to identify different forms of partnerships, investigation of mutual benefits of partnership, exploration of the challenges large companies and social entrepreneurs face in the partnership. The main issue with present business-being is that today no fresh idea is found without toll: large companies, in the constant search of original ways to gain an upper hand over their rivals, employees of large companies are working overdue, resources are large, but they are not used effectively. Overall, this intensity is often destructive as for the organizations and their workers, as for the society at large. Unbridled market forces, in combination with other global trends, are also jeopardizing Earth's life-support systems, potentially limiting humanity's possibilities for long-term progress [Asrar et al., 2019].

It seems that there are obvious potential options in partnership between LC and SE, as it can bring not only monetary value for organizations, but also have a grand societal effect. It can be noticed that social entrepreneurs, with their creative thinking in the field of sustainable innovation and lack of resources, can be a perfect match to large companies with grand financial and infrastructure power and strong desire to be profitable in the new economic reality, where sustainability and social recognition are definable. This partnership can bring a lot of use to all sides, but this issue is not fully developed and inquired, and thus it needs to be explored.

Cross-sector partnerships (CSPs) are collaborations involving organizations from at least two distinct societal sectors (e.g., business, government, and nonprofit) in the pursuit of economic, social, and environmental well-being [Selsky, Parker, 2005; Bryson, Crosby, Stone, 2006]. Such collaborations frequently address large-scale, persistent, and "wicked" problems that cut across sectors and are thus difficult to tackle from inside a single sector, because problem-solving capacity is intrinsically constrained. The potential partnership

between social entrepreneurship and large companies can bring both the monetary and societal value, which can be achieved through the entrepreneurial nature of SE and vast resources of LC. There is also a misconception about main notions of social entrepreneurship and sustainable innovation, as well as with the system of large companies and their interaction with invention and later innovation, this topic should be inquired better [Driver, 2012]. In addition, the mechanics of such partnership are unresearched, and there is little information of how impactful this cooperation would be. This issue is forthcoming as many companies are moving through transition periods and need meaningful innovations. And so, this is crucial to find out how this transition can be passed successfully with such cooperation [Di Domenico, Tracey, Haugh, 2009; Moss et al., 2011].

Thus, the paper addresses the following research questions: what are the types of partnerships between social entrepreneurs and large companies? What are the mutual benefits of partnership between social entrepreneurs and large companies? What are the challenges large companies and social entrepreneurs face in their partnerships?

The research expands knowledge on how the entrepreneurial nature of SE is deployed when met with the vast resources of LC. Furthermore, it is aimed to solve certain misconceptions on main notions of social entrepreneurship and social innovation [Driver, 2012]. The particular study follows and extends research on sustainable business models under the particular prism of such partnerships. This is an area that is under-investigated [Ringvold, Saebi, Foss, 2022], but with great socioeconomic potential. Finally, deep research in the mechanics of how these collaborations develop, flourish and survive effectively for a long time is crucial to investigate [Di Domenico, Tracey, Haugh, 2009; Moss et al., 2011].

The paper is organized as follows. In the first section literature review for the study is presented and background for the research is provided. In the second section the methodology is described, sample and data sources, as well as methods of empirical analysis. In the third section the results and provide explanation are presented. The paper ends up with the discussion and conclusion sections where limitations of the study and directions for further research are stated.

LITERATURE REVIEW

Social entrepreneurs and social enterprises. The concept of entrepreneurship is seen as an essential part of capitalist market system, especially in the frame of neoliberalism [Johannisson, 2018]. Entrepreneur is also perceived as an innovator and a catalyst of socio-economic process, who manages transformation of industry or society by spotting and capitalizing on opportunity for change. The notion of entrepreneur is strongly connected with ideas of disruptiveness and generativity [Dees, 1998]. P. Drucker defined entrepreneur as an agent of change, who always seeks opportunity for a change, arising in society, takes advantage and responds to it by generating innovations [Drucker, 1993].

The notion of social entrepreneur conveys two main sides of this activity entrepreneurial and social. From one side, entrepreneurial, social entrepreneur is an innovative

person who finds an opportunity to increase economic wealth [Brown, Thornton, 2013]. From the other side, social entrepreneur operates in social sphere, where traditionally non-governmental organizations (NGO) and philanthropies helped the State to solve social issues [Portales, Pérez, 2015].

Among the most common objectives of social enterprises are the reduction of poverty through the creation of jobs, product or service provision to a group of disadvantaged people, training for unemployed people, production of high value — added goods and creation of markets for them [Defourny, Nyssens, 2008]. Social enterprises are combinations of efficiency, innovations, resources, which usually applied to profit — aimed entrepreneurs with passion, concern, mission, and values of companies in nonprofit sector [Smith, Gonin, Besharov, 2013]. Social entrepreneurs behave as a catalyst for possible social change with social enterprises not expecting direct monetary benefit from their activities.

Social entrepreneurs build sustainable organizations through the development of capabilities and organization of valuable resources that help them to maximize the utility of resources [Renko, 2013]. Generation of revenue, engagement of stakeholders, creation of awareness about local social issues, and attraction of government support are critical factors in scaling the social influence of a social enterprise. However, the SE tends to promote social goals over business goals [Murphy, Coombes, 2008]. SEs are usually born during an economic crises, either as self-employment option to decrease unemployment or as for-profit businesses set up by non-profit organizations in response to cuts in government spending in the sector [McMullen, 2018].

Many researchers argue that social enterprises should strive to be profitable in order to maximize the future social benefits (e.g., [Haugh, 2007; Dees, 2012]). Therefore, a “double bottom line” must be managed to achieve success, balancing business goals and social goals [Lawrence, Suddaby, Leca, 2009]. Some studies have revealed a noticeable negative relationship between the economic and social mission of social entrepreneurship. These dual objectives compete for limited resources within organizations and lead to strong inverse relationships between social and economic gains [Gupta et al., 2009]. However, maintenance of social goals and management of a financially viable business are reciprocally beneficial and complementary activities for social enterprises [Zhang, Swanson, 2013]. Thus, it is reasonable to consider social entrepreneurship as entrepreneurial activity pursuing social goal, regardless of legal organizational status (for-profit/non-profit) [Aray, 2013].

Traditional multinational corporations focus their business strategies on maximizing shareholder value. On the other side, social enterprises have these goals as part of their legal framework (it doesn't matter in which form they operate for-profit or non-profit) and their behavior is context — dependent [De Bruin, Lewis, 2015]. These businesses often develop locally, which helps them better understand the opportunities and requirements of beneficiaries [Lanteri, 2015]. Moreover, these organizations address social problems more effectively than most other organizations by utilizing their own tools, methodologies and programs. These businesses impact remarkably community development as well as nation building and shared prosperity [Lan et al., 2014].

Each stage of a social enterprise faces concrete challenges related to value delivery, value creation and value capture [Goyal, Sergi, Jaiswal, 2016]. Sustainable social benefits continue to depend on commercial success in a competitive and volatile industry [Sepulveda, Lyon, Vickers, 2018]. According to [Zahra et al., 2009], three types of social entrepreneurs exist — social bricoleurs, social builders, and social engineers. The effect or social transformation that these sorts of social entrepreneurs may produce might be classified as minimal, medium, or high.

Types of partnerships between social entrepreneurs and large companies. In the last years different types of cross-sector partnerships have gained more attention in management literature. What is called the partnership between social entrepreneurs and large companies (SE/LC) can be called a social partnership — cross-sector collaborative efforts by participants from the business and social enterprises (non-profit as well as for-profit organizations) in which the partners pursue the solution social and/or environmental issues of mutual interest [Waddock, Post, 1991; Seitanidi, Crane, 2009].

The fundamental literature in the sphere of partnerships between social enterprises and large companies is related to the literature on cross-sector collaboration of business and non-profit organizations — the organizations with different purposes, missions and core goals. In [Selsky, Parker, 2005] it is pointed out that the prevalence of partnerships between developed and developing countries has led to an unseen proliferation of various kinds and forms of partnerships between various corporate and not-commercial companies to address corporate social responsibility (CSR) issues [Dahan et al., 2010; Van Tulder et al., 2016]. Of particular importance here are issues related to public goods (such as clean water, environmental protection, health, and education) or meta-social issues that are considered to have side effects on multiple groups and stakeholders that go beyond the scope, specifics or the capabilities of an individual organization or department [Selsky, Parker, 2005; Van Tulder, Keene, 2018].

Partnerships concentrating on social, economic, and ecological concerns have expanded over the years as society has gotten more complex [Clarke, MacDonald, 2019], identifying those with partners from diverse sectors as a way to addressing sustainability challenges [Seitanidi, Crane, 2009]. These are known as cross-sector social partnerships, and they are becoming increasingly common in tackling sustainability challenges such as education, biodiversity, transportation, economic development, and climate change. As cross-sector partnerships focus on social concerns, they bring collaborators in the public sphere and ask them to participate actively by committing resources but also in the planning, coordinating, assessing, and implementing of activities required for the project's success.

Cross-sector partnerships between MNCs and non-profits can take many different shapes. In [Austin, 2000] they are conceptualized as a continuum ranging from the fully philanthropic connections, that include the unilateral flow of assets from a benevolent business contributor to a nonprofit receiver; to “integrative” partnerships, in which the two sides enjoy organizational integration; to a full cooperation, in which values, objectives, people, and activities are all combined. In [Austin, Seitanidi, 2012] it is hypothesized that the proliferation of MNC/NPO (non-profit organizations) collaborations has

resulted in the establishment of a fourth position on the cooperation continuum, beyond integration: transformational partnerships. The fundamental goal of this greater degree of collaboration is to co-create profound societal change (Table 1).

Table 1. Collaboration continuum

Nature of relationship	Relationship stage		
	Philanthropic	Transactional	Integrative
Level of engagement	Low	→	High
Importance of mission	Peripheral	→	Strategic
Magnitude of resources	Small	→	Big
Scope of activities	Narrow	→	Broad
Interaction level	Infrequent	→	Intensive
Managerial complexity	Simple	→	Complex
Strategic value	Modest	→	Major

Source: [Austin, 2000, p. 72].

Cross-sector collaborations are located in the middle of how companies engage on public problems, between those that are barely connected to others and those that merge into new categories, with the primary goal of providing public benefit that would be difficult to achieve by individual players separately [Bryson, Crosby, Stone, 2006]. Cross-sector partnerships foster collaborative atmospheres which leads to the improvement of sustainability practices [Clarke, Fuller, 2010], with massive cross-sector partnerships having a greater influence than tiny collaborations due to the heterogeneity and number of collaborators from various sectors, conditions that aid in addressing the complexity of sustainability challenges [Seitanidi, Crane, 2009].

Generally, in the academic literature there is a lack of research on the specific types of the partnerships between large companies and social entrepreneurs. As a rule, companies create their own categorizations based on their perception and interests. IKEA, for instance, emphasize three types of the partnerships — developing products collaboration, accelerating for impact collaboration and local services partnership. This method of categorization is based on the outcome, which should be generated as a result.

Resonance Global views the following models of partnerships: joint project (one time partnership with a short time span), joint program (a small number of partners, working on several projects), multi-stakeholder initiative (many partners working on the same agenda with supraorganizational governance) and collective impact (commitment from several partners to the long-term objectives). The categorization of that kind is based on the form of the partnership and the number of participants.

Acumen elaborates on the three types of the partnerships — skills partnerships (one party shares its knowledge, another gets the exposure to new markets), channel partnership (partners serve as supply channels for each other) and the venture partnership

(parties are launching business together). This categorization is based on the form of interaction.

There are also a multitude of other categorizations by the companies, which are generally based on the various factors of the partnership, which is applicable to the companies themselves. However, the lack of unifying categorization is evident and impedes the profound analysis.

Value creation in SE/LC partnerships. In CSR and social partnership studies, the notion of “value” is essential yet multidimensional. In [Austin, Seitanidi, 2012] it is described that collaborative value as the transitional and persistent gains compared to the costs which are created due to the engagement of the partners and that go to organizations, people, and society. According to [Waddock, Post, 1991], a significant distinguishing element of social partnerships is the continuing contacts of participants from many sectors with the expected influence on society problems. Yet, these collaborations frequently result in tense relationships, making them prone to failure.

J. Austin and M. Seitanidi analyzed how partnership between organizations and corporations might most successfully co-create value in their very significant assessment of the collaboration literature [Austin, Seitanidi, 2012]. The authors offer an evaluation framework that is based on the argument that, while any cross-sector collaboration has as its final objective some commitment to public welfare, sides inside a collaboration will frequently have justifications for their interaction inside the collaboration that are linked to business gains or aspirations. Therefore, it really is stated that even if the motivation of partnership would be to obtain access to funding, the possibility for creating value grows. Such potential is enhanced once the resources are not generic (cash, prestige, etc.), but organizational-specific (information, skills, facilities, connections) or are a part of a multilateral and mutual interchange instead of a unilateral movement to or from one party. Furthermore, mutual interests between collaborators are important predictors of prospective value creation, because personal or organizational self-interest is a strong motivator of action, even though cooperation incentives are frequently a combination of generosity and pragmatism. The most advanced collaboration is the transformational partnership, during which shared learning about societal needs and partners’ responsibilities in satisfying those needs profoundly, structurally, and irreversibly alter each business and its constituents. This level requires collective social entrepreneurship with the goal of creating value in the form of vast, transforming benefit to a major sector of society.

The collaborative value creation (CVC) paradigm contributes to assessing collaborations as development agents by calling attention towards the crucial role played by interaction dynamics. The compatibility of resources and the symmetry of their interchange have critical consequences for the partnership’s smooth operation and intrinsic value generation, and hence for its capacity to contribute to social transformation. By this reasoning, big internal value creation is required for social consequences; hence, the more complementary the partnership interchange develops inside, the larger its outward transformation capacity.

In [Van Tulder et al., 2016] it is suggested that an impact value chain which tracks the partnership's journey through problem characterization to impact. This paradigm depicts a series of outcomes wherein corporate inputs and actions culminate in a sequence of outputs, outcomes, and, eventually, society repercussions. Only with social problem as the initial phase, the entire process is discussed in terms of resolving a specific societal dilemma. With problem characterization, the second phase is mission, in which partners establish a strategy for tackling the identified issue. The CVC's resources (and capabilities) don't really come into consideration until about the third phase, inputs, to execute the partnership purpose.

As a result, the importance of collaborators' resources and competencies is decided by not only their reciprocal compatibility, like in the CVC paradigm, but also by the usefulness for the purpose. Throughputs are the frameworks within which partners operate and activities are carried out in the third level of the partnership process. According to the researchers, this comprises governance, responsibility, agency, transaction costs, decision-making frameworks, and authority [Van Tulder et al., 2016]. Outcomes, in turn, are the partnership's quantifiable achievements and deliverables, that should be matched with the mission's aims. Throughputs and outputs are thus derived from the partnership's problem, purpose, and inputs. The latter two phases, outcomes, and impact pertain to the impacts of outputs beyond the collaboration and, as such, are where all the prospective social benefit may be recognized.

In two fundamental respects, the impact value chain (IVC) varies from the collaborative value creation concept. Primarily, the CVC framework seems preoccupied with fundamental elements, whereas the IVC framework is organizational process and engaged with dynamics. That makes the latter more prepared to pay attention to issues that may impede with wealth generation, particularly those that are external to the collaborative partnership itself. Secondly, the impact value chain architecture begins with social consequences. The initial stage, upon which succeeding steps are built, is mutual agreed definition of a societal problem to be solved by the collaboration.

Whereas the CVC paradigm is important for understanding the relevance of partnership and cooperation traits for prospective value creation, it gives little attention to the factors that define the potential for social value. In contrast, the IVC framework allows partnership evaluation to pay special attention to the processes associated for recognizing a social issue and developing a specific, common purpose to solve it, as well as examining the compliance of inputs and outputs with this purpose.

J. Yin and D. Jamali [Yin, Jamali, 2021] showed that collaborators in social partnerships respond differently to multiple institutional logics, making practices, initiatives, and actions part of their daily work to increase or decrease the compatibility between business and social institutional logics, which strongly influences the value-creating potential of each social partnership. How these logics interact, intertwine, or conflict with larger institutional logics, such as that of the state, also helps shape value-creating or non-value-creating outcomes. Yin and Jamali proposed the following scheme of partnership (Figure).

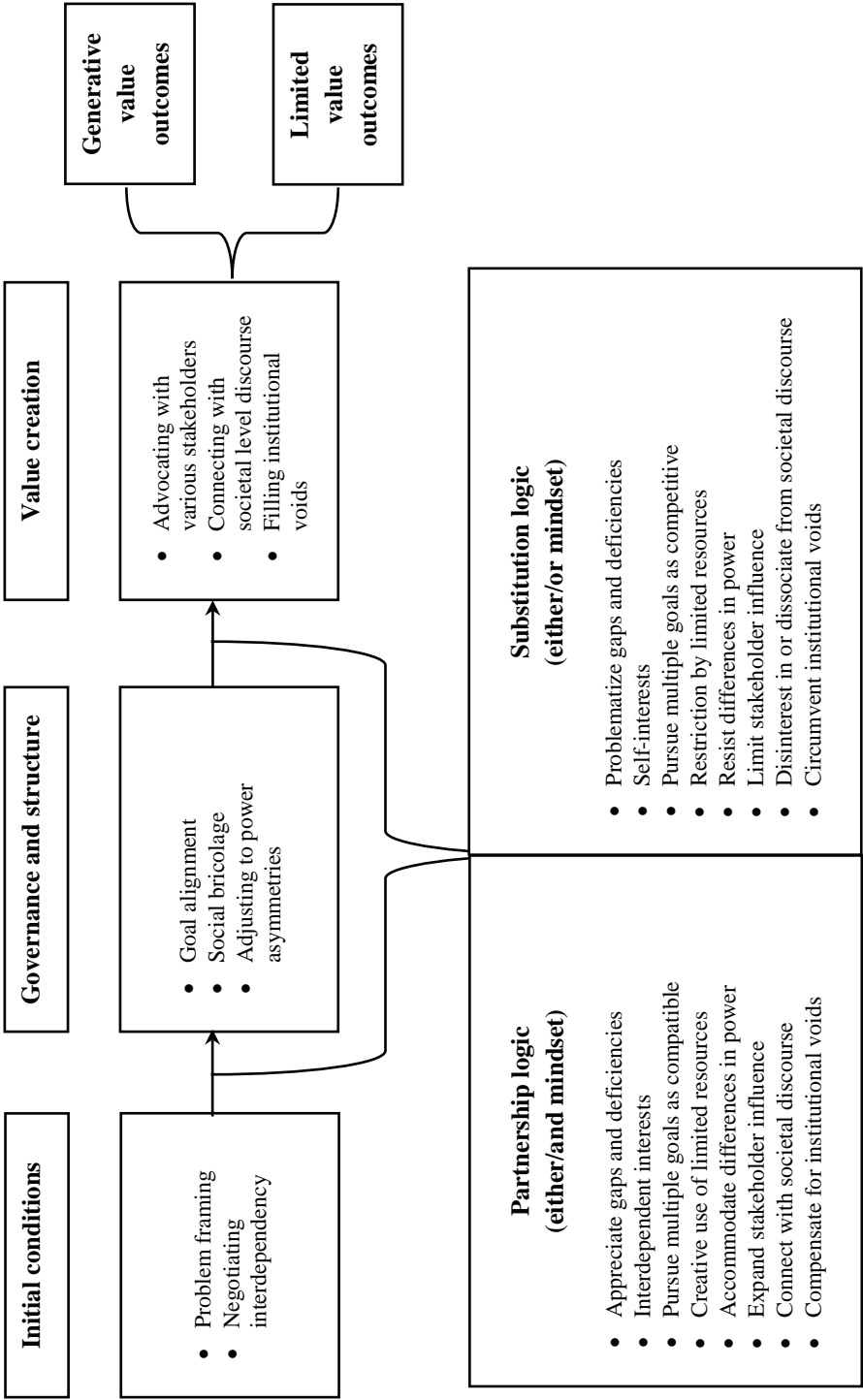


Figure. A collaborative value creation model through institutional operation in social partnerships
 Source: [Yin, Jamali, 2021, p. 688].

Although there are positive indicators that large companies and non-profits are benefiting from successful strategic collaborations, development is inconsistent and patchy. Though there are numerous examples of integrative collaborations, many MNC and NPO cultures strictly adhere to a more traditionally classical conceptual representation of CSR, and all these viewpoints, or prejudices against collaborators, have hampered cross-sector partnership advancement. Consequently, mutual misrepresentations as well as trust issues among stakeholders can be considered as major barriers for CSR policy implementation [Arenas, Lozano, Albareda, 2009].

Challenges of SE/LC partnerships. The possible partnerships between SE and LC as a private case of cross-sector collaboration can be on the frontline of a profound synergetic effect from uniting the creative resources of social entrepreneurs and material ones of large companies [Geissdoerfer, Bocken, Hultink, 2016]. However, some authors see that one of the main challenges in formulating sustainable business model (which is an aim of the LC/SE partnership) is to balance monetary and societal value [Yang et al., 2017]. Indeed, as they emphasized, there can be some difficulties to achieve this balance: social entrepreneurs will be looking for all opportunities to achieve higher social value and their mission, but it will not be always consistent with large companies which will place their dominant market position in the first place. So, there should be a little bit compromise to find a golden middle and achieve great monetary and societal results of business.

Although many scholars have emphasized the benefits of exploiting commercial and social advantages with social partnerships, handling such relationships is difficult because there are two or more disparate institutional logics are involved [Battilana, Besharov, Mitzinneck, 2017; Quélin, Kivleniece, Lazzarini, 2017]. The institutional logic, often based on values and norms, provides the existing underlying logic, limitations, and beliefs that help to form decisions and specific actions [Thornton, Ocasio, 2008]. Business and non-profit organizations from various sectors collaborating on social and environmental issues not only face conflicts of organizational values and beliefs that reflect broader cultural patterns, but also should overcome oddities to build lasting trust and comfort together [Ashraf, Ahmadsimab, Pinkse, 2017]. Institutional complexity stems from these interacting logics a is a key feature of social partnership and a base for potential joint benefits; at the same time, it is one of the tension causes, from which a cognitive dissonance and the failure of organizational expectations rise [Villani, Greco, Phillips, 2017].

Scholars, in the recent years, have called for a better comprehension of how organizational activity affects multiple, perhaps conflicting, institutional logics between different companies [Stadtler, Van Wassenhove, 2016; Dahlmann, Grosvold, 2017; Savarese, Huybrechts, Hudon, 2021]. In this sense, interorganizational collaboration is especially important as it links macro levels (domain) and micro levels (organization), which are often studied separately [Huybrechts, Nicholls, 2013]. As businesses increasingly turn to non-profit organizations that rely more than ever on business revenue and service fees, companies are increasingly turning to professional “CSR services”, an important

issue yet to be explored in detail is the seemingly opposite how businesses and nonprofits work together (or don't) to create shared value outside and within the organization [Vurro, Dacin, Perrini, 2010; Quélin, Kivleniece, Lazzarini, 2017].

Businesses and non-profit organizations have some degree of free will, but at the same time are differently bound and constrained by the wider institutional environment [Vurro, Dacin, Perrini, 2010]. For instance, both nonprofits and multinationals face extensive and established mental models about NPOs' potential to play a partnering role in value development. However, the nonprofit sector has expanded significantly over time, with many NPOs building very complex organizations containing considerable administrative and financial obligations, and also high reward initiatives involving commercial and public partners, some corporate leaders continue to hold preconceptions that assume NPOs to be "utopian", "excessively ideological", and unskilled in commercial affairs, raising fears that working with NPOs may result in unrealistic outcomes.

These attitudes cannot be ascribed only to private sector preconceptions; studies demonstrate that far too many NPOs underestimate their own potential to add value to business, even when corporate partners appreciate their professionalism, efficiency, and commitment to the achievement of key business goals [Arenas, Lozano, Albareda, 2009]. Additionally, some non-profits and community stakeholders believe it is just in the DNA of capitalism to dominate, control, and instrumentalize in the pursuit of profit, to the worsening of social welfare [Fleming, Roberts, Garsten, 2013]. There are also structural challenges, analyzed by the academia. In [Babiak, Thibault, 2009] it is found that the set of participating organizations had two major structural issues: challenges with governance, duties, and responsibilities, and the complexity of partnership forms and structures.

According to resource dependence theory, collaborative partnerships are created as an administrative reaction to the uncertainty in the resource environment [Pfeffer, Salancik, 1978]. It has looked into how different external stakeholders put pressure on businesses to encourage various degrees of social responsibility (e.g., [Agle, Mitchell, Sonnenfeld, 1999]). The ability of external stakeholders to affect enterprises' socially responsible behavior is sometimes related to the amount to which companies rely on them for critical resources [Chen, Roberts, 2010]. Partnerships enable companies in obtaining crucial resources and reducing uncertainty; nonetheless, these interactions are not free. The ongoing negotiation of mutual reliance is a significant problem for MNCs and charities working together [Hahn, Gold, 2014]. Whereas interconnectedness frequently involves an unequal power connection in which the more important party attempts to impose their institutional logic on the other, very little established about how asymmetrical power interactions because of opposing logics may affect cross-sector partnerships [Nicholls, Huybrechts, 2016]. These collaborations may be viewed as the result of individuals working on various institutional logics and demonstrating unequal economic power distribution purposefully utilizing sector-spanning narratives to manage competing logics and possible organizational dissonance.

RESEARCH METHODOLOGY

This research is conducted as exploratory research, thus the objective of it is to determine the types of partnerships, the value created and challenges that came from these partnerships and made the basis for the future research in this topic. To conduct the research, 96 cases of LC/SE partnership across the world were studied using secondary data and 14 semi-structured interviews with the representatives of large companies and social entrepreneurs were run to explore the distinct types of partnerships. Thus, analysis is based both on the primary and secondary data.

In the present paper, qualitative strategy of research is applied to answer research questions. Qualitative research is frequently coupled with a philosophy of interpretation [Denzin, Lincoln, 2011]. It is interpretative in nature because researchers must make sense of the subjective and socially created interpretations stated about the issue under investigation. In this research, the qualitative methods are needed to allow more interpretation and flexibility to extract the insights and explore them in depth.

Taking into account the context of the partnerships and make the better judgments about them and mutual benefits, that they create, the authors investigated 96 illustrative cases of partnerships using secondary data. As a primary data, 14 interviews were conducted. The interview questions were compounded based on the two types of the interviewees — large companies (Appendix 1) and social enterprises (Appendix 2). The questions should have reflected the emphasis on the previous and existing partnerships of both parties along with the obstacles and issues that arise in the cross-sector collaborations. In the present research semi-structured interviews were used in order to get a full understanding of past experiences from the companies which practiced LC/SE partnership. Semi-structured interviews have helped to determine some useful insights and unpredicted aspects of partnership. Semi-structure interviews were transcribed and analyzed using thematic analysis.

Apart from primary data, secondary data was collected to get an information considering the present topic in the form of:

- ♦ *raw data*. Information that was not earlier processed — the cases of large companies partnering social entrepreneurs, extracted from the data repositories, such as GitHub and open statistics (for example, government statistics) with the information from internet webpages of these companies. These data included text and non-text data of the organization's workflow process along with social entrepreneurs, from which several insights of partnership procedure were gained;
- ♦ *compiled data*. Useful information supported by the processing and analysis. In the case of partnership, this data comprises of the existing academic and non-academic analysis of existing partnership cases, the impact of them on the social fiber, peeked in the various markets, which will give a depth of perspective and may be detect some new variables (for example an impact of cultural context on partnership).

For the data collection, non-random sampling has been used as for the probability sampling, — context and specific aspects are needed to be determined whether there is an actual partnership and whether this partnership can be seen as LC/SE partnership and is not including other types of organizations or objectives. Non-random sampling techniques include quota, purposive, snowball, self-selection, and convenience sampling [Saunders, Lewis, Thornhill, 2009]. In the analysis, the snowball sampling technique was used. The snowball method involves contacting the initial few instances and then being referred by them to others. In the current research this technique was also used to find new cases of partnerships and new interviewees for the semi-structure interviews.

The sampling criteria for the research was the compliance of the partnerships to the features of cross — sector partnerships of SE with LC. SE should have dual goals both for the monetary value and social value. In the research only these types of partnerships were considered.

The size of the sample for the secondary cases was set as minimum 80 cases of the partnerships, as this would reach the data saturation point and minimum 14 in-depth interviews should be conducted as [Guest, Bunce, Johnson, 2006] believe that 14 in-depth interviews should be sufficient to make conclusions about reasonably homogeneous groups. Nevertheless, that partnerships can be seen as very different, but the main variety in them are constituted in the differences of obtained mutual benefits, and that the partnership themselves are built on the homogeneous basis.

Overall, 96 partnership cases across the world were analyzed and categorized along with the 14 interviews with large companies and social entrepreneurs. The information about all cases were derived from the public sources — websites of the organizations in the partnership, media, business journals and forums. The secondary data processing included the following steps:

- 1) creating the pool of cross-sector partnerships — this step includes finding as much collaborations between commercial companies and not-for-profit organizations as possible. In the initial pool there were 224 cases of partnerships consisted of the collaborations between companies, social entrepreneurs, NGOs, Foundations etc. All of them were created to generate a social impact locally, regionally, or globally;
- 2) extracting from the pool the cases of large companies partnering with social enterprises. For this to be achieved, all the not-for-profit organizations were differentiated by their compliance with the notion of social entrepreneurship. The social enterprises then were sorted by the quantity of their partnerships, cleared from the duplicated value and each case of the collaboration analyzed;
- 3) all the partnerships were then elaborated in their essence and put into the united dataset.

After the data on cases was found, it was analyzed with the objective to find commonalities and patterns, that would allow to divide information into the meaningful subsets, that then can be used in the analysis as the different types of partnerships.

The primary data was collected with the semi-structured interviews. The main objective for the interviews was to extract and explore insights about cross-sector partnerships and find the obstacles for the successful collaboration between parties. To find interviewees, the requests to large companies and social entrepreneurs in five countries were made — USA, Russia, India, China, and Germany. The databases of contacts of Graduate School of Management, St. Petersburg University and Impact Hub Moscow were used for getting data. Impact Hub Moscow is a business incubator, innovation lab, and entrepreneur community that is part of a global network of more than 80 centers. It was formed in Moscow in 2014 and provides working/meeting space as well as access to tools for social entrepreneurs at all phases of their business.

Overall, the requests for the interview were sent to 30 large companies and 30 social enterprises, from which 5 and 7 interviews respectfully from Russia (13) and India (1) were collected. Thus, the response rate was 17% for large companies and 23% for social entrepreneurs 13 interviews were conducted in Russian, one interview in English. The time period of collecting data was December 2021 — April 2022.

The large companies and social entrepreneurs that were interviewed were all the participants in the cross-sector partnership at least at some point, they were all engaged in the process of initiation, conducting and evaluation of the partnership, so their experience is relevant. Some of the participants have asked not to disclose their companies' names, so in the research all the interviewees were codified and examined using thematic analysis (Appendix 3).

The topic of cross-sector partnerships is a multidimensional issue, that can be analyzed from the different perspectives, so, naturally, the current research has its limitations in that it looks upon the problem from the lenses of strategic management and dual value creation. The found typology in this research is also limited by the categories that were used for the differentiation and may not reflect all the combinations of factors that can be encountered in the cross-sector partnerships. There also two other limitations of the research. Firstly, nevertheless of the amount information that has been gathered for the existing partnerships from the open sources, the data is still in some cases incomplete (e.g. the specific financial conditions are hard to find, as well as other details). Secondly, the conducted interviews are also not always extensive, some of them give more information on the research questions, some of them less.

Even with those limitations however, it is believed that the research will be useful for the strategic management and entrepreneurship academic literature by the expansion of the perspectives on cross-sector partnerships. It will be definitely helpful for acting managers to navigate between various options for collaboration.

RESEARCH FINDINGS

LC/SE partnerships analysis. The analysis of 96 secondary cases of LC/SE partnerships was organized around types of the organizations (large companies and social enterprises), social value created through the partnership, value created for each of the

partner, country/region where the partnership produced an output, level of commitment from each partner, activities done through the partnerships and regularity of collaboration.

Type of LC. Types of large companies ranged from socially responsible business (acting in the benefits of society along with profit maximization — dual mission) to the business practicing social responsibility (companies that conducts some policies for society benefit, but generally profit-driven). This distinction was based on typology of companies according to open-source information (company’s mission statements, reports etc.) [Alter, 2007] and is made to differentiate cases, where for-profit companies have generally dual mission and where they are for-profit with some philanthropic pivot. The overall 55 companies included are presented in Table 2.

Table 2. List of companies engaged in social partnerships by the type of organization

Type of company	Companies
Socially responsible businesses	Hogan Lovells, Mastercard Foundation, Participant Media, Student Universe, Dermatology Times, The Travel Corporation, Sproxiol, Ethio Chicken, IKEA Social Entrepreneurship, Liverpool FC, Paul, Whole Foods Market
Companies practicing social responsibility	Wayra, PwC, Baxterstorey, LinkedIn, Microsoft, IKEA, Virgin Atlantic, EF, DHL, Canadian Living, SAP, Johnson & Johnson, Mitsubishi, Ernst & Young, Coca-Cola, Bain & Company, H&M, Sodexo, Nestlé, Dow Chemical, Novartis, Amazon, Flunch, Auchan, Starbucks, Natura, Verizon, IBM, Google, Bayer, L’Oréal, Allianz, AB InBev, Orange, PWS, McKinsey, The Foschini Group, Truworths, Woolworths, Ocado, Holland & Barret, Deloitte, Unilever

Clients — who are the main clients of the company — individual customers, other companies, startups etc. Industry — what industry is company in, what is its focus. In the considered cases, partnerships with companies from 36 industries were included, for instance: airline industry, alcoholic beverages, farming, automobiles, beverages, cinema, clothing, consulting etc. Partnerships — what social enterprises company partners with. The 55 social enterprises, that has been included in the analysis are listed in the Table 3.

Type of SE. What is the essence of activity of social enterprise which the large companies collaborate with? In the cases considered social enterprises with 27 various activities were looked on, all of them are listed in the Table 3.

Table 3. List of social enterprises considered in the cases by their activity and social value

Activity	Company	Value
Accelerator	Ashoka, Babban Gona, SIF, Social Enterprise UK, UnLtd	Social enterprises development
Agriculture	Eyes in The Sky	Risen agricultural productivity, employment
Bike Sharing	Bike for Good	Skills teaching, cheap transportation, environment protection
Biotechnology	WHI	Environment protection
Clean energy	BioFiltro, d.light, Easy Solar	Affordable clean energy
Clothing retail	Liberty Society, Ortestella, Rangsutra, Women + Waves, Yalla Trappan	Local products retail, employment
Consulting	DSC, ESG	Cheap consulting services for SE
Education	Rumah Mucaf, 100 mentors, Every1Mobile, JFF, SF Goodwill, KIMS, Me to We	Skills teaching
Financial services	Hello Paisa	Cheap remittances
Food processing	City Harvest UK, Too Good to Go, Kulaku	Cheap food, environment protection
Goods for children	From Babies with Love	Employment
Insurance	OKO	Affordable insurance for locals
Local products retailer	Sustaination	Environment protection, healthy food
Logistics	Elepha SAS BIC, Green Mining	Recycling logistics in developing countries
Medical help	Arogya Parivar, IDA Foundation	Affordable medicine
Medical technology	Shift Labs	Affordable medical technology
Psychological help	Me to We	Skills teaching, psychological help
Recycling	Greenie, Koinpack, Mr. Green Africa, Plépah, QYOS, The Clothing Bank	Employment, environment protection
Restaurant	Brigade	Cheap food
Sanitation	Clean Team, Sanergy, Splash, Tiger Toilets	Improved sanitation in the developing countries
Soap production	CLARITY — The Soap Co.	Employment
Specialty food	Aduna Ltd.	Employment, community empowerment
Transport services	Hello Tractor, Westbike Messenger	Affordable transportation, affordable technology
Venture investing	Acumen	Financing
Waste management	Duitin	Waste control
IT	BSR HERproject	Skills teaching, women empowerment
Sports	NSPCC	Environment protection

LC/SE partnership characteristics. All the cases LC/SE partnership were analyzed through the specific characteristics, such as social value created through the partnership, value created for each of the partner, country/region where the partnership produced an output, level of commitment from each partner, activities done through the partnerships and regularity of collaboration.

Social value. What social mission is accomplished by these partnerships? Social value is usually associated with contributing to the society or the environment.

Value created. What large companies and social enterprise gain from the partnership individually, based on the outputs that either were intended (evident from the public messages from both LC and SE) or actual outputs from the partnership?

Country/Region. In what region or location the partnership is taking place, what is the area of influence. In the considered cases it may be local (one city/country), regional (several countries in the same sub-region) or international (various countries in different regions)?

The level of commitment. How embedded are the parties in this partnership in terms of the resource utilization? This categorization was made according to the open information about partnership, the level of financial, human, marketing and other resources used by parties compared to their estimated total resources. In the analysis it is divided into three categories: low, medium, and high.

Activity. From the perspective of large companies is this partnership connected with its primary, secondary, or extraorganizational activity? Primary activity is the selling or production of LC goods or services, secondary relates to financing, marketing and other activities that support the selling and the production of LC goods and services, extraorganizational activity is not connected with core activities of the large companies and essentially means, that the company is using replicable resources in the limited manner in the not-familiar industry.

Regularity. How regular this partnership requires the interaction between parties, it can be constant, irregular or project? Constant interaction means the regular and consistent interaction between parties over the indefinite amount of time, irregular interaction occurs, when time is indefinite, and the connections are only circumstantial, project interaction is happening, when the partnership is time-bound and regulated.

Partnership Matrix: Types of the partnership. Uniting the considered categories, they were put into the matrix, where the intersections of them are constituting the distinct type of partnership. We argue that there are eight types of partnerships by the level of engagement and the type of activity which companies put in. Each type of partnership implies certain values in other categories such as regularity, created value, social impact etc. Thus, the low level of resource commitment alongside with the extraorganizational activities of LC result in the irregular partnership with a small-scale impact. All types of the partnerships are considered in the Table 4 according to the level of commitment from each party (low, medium and high) (Appendix 4 includes extra data on Partnership Matrix analysis).

Table 4. Social entrepreneurs and large companies Partnership Matrix

Activity	Commitment		
	Low	Medium	High
Extraorganizational — neither core, nor supporting activities	<p><i>Philanthropic partnership</i> LC wants to get Institutional value, but does not want large participation</p>	<p><i>Sponsor partnership</i> LC wants to get a reputation, provides sufficient amount of certain resource, but is not hugely involved</p>	—
Secondary supportive activities — marketing, administration etc.	<p><i>Client partnership</i> LC wants to have some relationships with SE and give it some business for reputational interest</p>	<p><i>Golden mean partnership</i> LC is helping SE with some support activities, dedicating sufficient resources</p>	<p><i>Semi-synergetic partnership</i> LC engages in the full partnership with support of secondary activities, LC helps, but not gets into production</p>
Primary core activities — development, production and selling	<p><i>Alert partnership</i> LC starts engaging with SE in primary activities, but on the low scale</p>	<p><i>Balanced partnership</i> LC is dedicating more resources to SE, e.g. giving it an access to supply chains</p>	<p><i>Synergetic partnership</i> LC is engaging in main operations with SE, it provides full support and is involved in the production process</p>

Note: “—” means that such type was not revealed through in the current research.

All types of partnerships are staged diagonally from the most superficial to the most integrated. This is adapted and expanded in [Austin, 2000]. They are not necessarily ranged from bad to good, each type of partnership may be good or bad depending on the objectives of parties and their available resources. Each of them is considered from the point of view of large companies, as it usually is the partner with the highest share of resources in the partnership and more difficult organization.

Each type of the partnership is compounded with implied additional characteristics, they all differ in the likeliest regularity, what type of social entrepreneur is engaging in it, and how big would be the social impact. In the Table 5 different types of partnerships are elaborated on the additional categories over the typical regularity of interaction in the partnership, type of social entrepreneurs and level of social impact.

Table 5. Additional features of partnerships between social entrepreneurs and large companies

Type of partnership	Regularity	Type of SE	Level of social impact	Example
Philanthropic	Constant Irregular	Social bricoleur	Micro	PWC — Brigade; Virgin Atlantic — Me to We
Sponsor	Constant Project Irregular	Social bricoleur	Micro	Ernst & Young — Easy Solar; IKEA — Yalla Trappan
Client	Constant Project Irregular	Social bricoleur Social builder	Micro	PWC — Bike for Good; Baxterstorey — Brigade
Alert	Constant Project Irregular	Social bricoleur Social builder	Micro Meso	IKEA — Acumen; Amazon — City Harvest UK
Golden mean	Constant Project	Social engineer Social builder	Micro Meso	SAP — JFF; Unilever — Mr. Green Africa
Balanced	Constant Project	Social engineer Social builder	Micro Meso	Coca-Cola — WHI; Starbucks — Green Mining
Semi-synergetic	Constant	Social engineer	Meso Macro	Orange — OKO; Auchan — Too Good to Go
Synergetic	Constant	Social engineer	Macro	Mastercard — Babban Gona; Unilever — Elepha SAS BIC

All partnerships can be constant, however at the levels of lower resource commitment the variety of time spanning is evident, which is due to the fact, that these types of

partnerships are more flexible and, thus, more variable. The social impact and the type of social entrepreneur is dependent on how integrative the partnership is. Social bricoleurs with the local knowledge and local impact is usually engaged in the partnerships up to the Alert type of partnership, Social builders can be seen in the partnerships up to the Balanced partnership and Social engineers, capable of the transformative change is seen from the Golden mean partnership to the Synergetic one.

Micro level (the local impact, in the proximity of one city) is possible from the Philanthropic to the Balanced partnership), meso level (the regional impact, in the proximity of one region) is existent from Alert to Semi-synergetic partnership, finally macro level (the global impact) is often coming from Semi-synergetic and Synergetic partnerships.

Mutual benefits from the partnerships: Model BIR-ISS. Large companies as well as social enterprises can gain various combinations of values from their collaboration if the partnership is successful. The number of possible options are, in essence, infinite, however, the list of some of the most prominent gains, that both large companies and social enterprises get from their partnerships is identified in Table 6.

Table 6. Typical value obtained by social entrepreneurs and large companies in cross-sector partnership

Type of partner	Value obtained
Large companies	New market/customers, reputational gain, employees' attraction/motivation/development, talent development, sustainable technological/business innovation, cheap goods/services, expertise and information
Social enterprises	New market/customers, enhanced social impact, business support, logistics/distribution, networks, finance, expertise and information, technology

As it is indicated in the Table 6, for the large companies the main value is the reputation and the image, that they get from partnering social enterprise. However, the image value is also common across partnerships of large companies with NGOs and other not-profits, which do not explain why corporations need to partner with specifically social entrepreneurs. Social enterprises in this sense are helpful for companies because of the duality of their mission, which include both commercial and social aspects. That is why, companies apart from the social impact, which brings them favorable reputation and image in the lenses of its stakeholders, also can get other values, that are more measurable and perceivable. One of the values is the access to the new markets and customers, to which social enterprises have a better availability and knowledge. For this value to be achieved, companies often engage in the integrative partnerships, such as Balanced, Semi-synergetic and Synergetic, as it helps them to capture value more efficiently. These

types of partnerships are also compatible with getting the technology or innovation that social entrepreneur can develop operating on the particular market.

Social entrepreneurs can also bring the multitude of other values depending on the specific work of the specific social enterprise, for example: cheap goods/services, that can be used by large companies in the production, selling or internal use; talent development etc. For large companies' possible benefits go into three groups: business, innovation, reputation. All of the specific values are countless; however, they can be categorized into six areas.

- ◆ **Business.** All benefits that LC gets from the partnership in terms of the business development — the exposure to new markets, customers, access to the insights, local knowledge, talents, and employees etc.
- ◆ **Innovation.** All intellectual benefits that LC gets from the collaboration — new technologies, business models, systems etc.
- ◆ **Reputation.** All reputational benefits that LC gains from the partnership — image for the customers, for the employees, for the shareholders, new positioning etc.

For social enterprises possible benefits are divided into Impact, Survival and Scale.

- ◆ **Impact.** All the social benefits, that social entrepreneur gains from the partnership — awareness, social changes, area of influence etc.
- ◆ **Survival.** All the benefits needed for existence that SE gets from the collaboration — finances, equipment, customers, knowledge etc.
- ◆ **Scale.** All the benefits SE gains from the partnership to grow and scale the business — expertise, finance, technologies etc.

These six categories are united in the abbreviation BIR-ISS, in which the first three letters mean the benefits gained by LC and the last three gained by SE. The full abbreviation used to describe the partnership would mean, that the partnership brings the differentiated value for both parties, however only the part of the abbreviation is more common. For example, it is possible to see the B — I combination (Unilever and d.light partnership described above) or BR-IS (Grameen — Danone partnership described above) etc.

To sum up, the specific mutual benefits from the partnership are difficult to list separately, however with the abbreviation BIR-ISS, it is possible to represent the shared value from the partnership in the most concise manner.

Challenges in the LC/SE partnerships. To determine the specific issues and obstacles for the LC/SE partnerships and answer to the question what challenges social entrepreneurs and large companies face when creating the partnership, the total of 14 interviews were conducted, seven with social entrepreneurs and five with large companies. The short summary of the interviews is presented in the Table 7. All interviews are categorized by the industry of the company, type of the partnerships, what constituted partnership in the essence, companies — partners (wherever it is possible) and main obstacles.

Table 7. Partnerships between social entrepreneurs and large companies: Interviews summary

Case	Type	Industry	Typical partnership	Partnership	Partnership type	Obstacle
1	2	3	4	5	6	7
01FE	SE	Gifts	LC buys the products, that SE orders from the local artisans, and gift them to its employees	Rostelecom, Rosbank, Sberbank Insurance, Capi	Philanthropic Client	Bureaucracy Communication Unprofessional behaviour
02FE	SE	HR	SE trains people with disabilities for the LC, which need to hire them to fill the state quota	Company A	Client	Communication
03FE	SE	Recycling	LC give away their waste for free to SE, who, then transform the waste into clothing	Gruzovichkoff, ExpoForum, Zenit, Gazpromarena — Marketing Agencies	Client Golden mean	Bureaucracy Communication Unprofessional behaviour Weak CSR Closeness Prejudices
04FDE, 04FAE	SE	Entertainment	SE is a theatre with actors with Down syndrome, LC partners with theatre to perform for the company employees and to educate them	Vkontakte, Rosbank Afisha	Client Golden mean	Communication Bureaucracy Unprofessional behaviour
05FC	LC	Manufacturing	LC buys the products, that SE orders from the local artisans, and gift them to its employees	BuySocial	Philanthropic Client	Professionalism Quality of production Price

1	2	3	4	5	6	7
06FC	LC	Beverages	LC buys the products, that SE orders from the local artisans, and gift them to its employees	Company B	Philanthropic Client	Professionalism Quality of production Price
07FE	SE	Coaching	SE is an expert in how to interact with people with disabilities, LC works with SE to educate employees	Company C	Philanthropic Client	Lack of respect Communication
08FC	LC	Furniture	LC is partnering with local SE to sell their products and all revenue give to the SE	Small retailers in Russia	Semi-synergetic Golden mean	Quality of production Social Impact
09MC	LC	Banking	LC buys the products, that SE orders from the local artisans, and gift them to its employees	Small social entrepreneurs in Russia	Philanthropic Client	Professionalism Quality of production Price
10MC	LC	Consulting	LC partners with SE to educate employees on social issues	Small social entrepreneurs in Russia	Philanthropic Client	Professionalism Business knowledge
11ME	SE	Medical technology	LC partners with SE to promote its prosthetic arms and scale the production	Company D, Medical producers large Indian Technology	Semi-synergetic Golden mean	Professionalism, Business knowledge
12FE	SE	HR	SE trains people with disabilities for the LC, which need to hire them to fill the state quota	IKEA, Sber, Maersk	Semi-synergetic Golden mean	Communication Bureaucracy

Note: companies A, B, C, and D asked not to disclose information.

DISCUSSION

Partnerships between social entrepreneurs and large companies may indeed become one of the most powerful tools to create innovative business models and promote more inclusive and fair economy through the right types of partnerships and collaborations.

The primary goal of the research was to define the various forms of partnerships between large companies and social enterprises, as well as to define challenges and mutual benefits, which can be gained by both parties in the partnership. For these tasks, almost one hundred secondary cases of the partnerships between large companies and social entrepreneurs were categorized and analyzed.

First of all, the different types of partnerships between social entrepreneurs and large companies were determined, for this several categories by which different cases of such partnerships were identified. Categories have spanned throughout the main aspects of the partnership including regularity, resource commitment, activity etc. The last two criteria have made the basis for the extraction of distinct groups of partnerships. Resource commitment and activity has created the Partnership Matrix — the intersections of this matrix have constituted the distinct forms of partnerships.

Based on the matrix, eight types of the partnerships were found: Philanthropic, Sponsor, Client, Alert, Golden mean, Balanced, Semi-synergetic, Synergetic. The first five types (Philanthropic, Sponsor, Client, Alert, Golden mean) are the flexible partnerships, implying, that they require relatively low or medium levels of resources and commitment and are made for the small and medium social impact partnerships; the last three types are integrative partnerships (Balanced, Semi-synergetic, Synergetic), they require higher commitments and generally are more fit for the partnerships with wide social impact.

After the types of partnerships were found, the analysis over the mutual benefits has helped to widen the perspective on LC/SE partnerships. The suggested abbreviation BIR-ISS covers all mutual benefits, that both social entrepreneurs and large companies can achieve in the partnership. It helped to answer the question on what are the mutual benefits that can be gained by both parties from the SE/LC partnerships. This abbreviation recognizes that there are six big categories of values generated in the partnership. First three letters BIR — are the group of values that can be gained by large companies, these are *business values*, *innovation values* and *reputation values*. The last three letters — ISS put an emphasis over the values gained by social enterprises. Those are *impact*, *survival* and *scale*. The combination of these categories shows how much value can parties gain from the partnerships, the full abbreviation symbolize the highest possible benefits, whereas other combinations are also possible.

The final question of the research was to find the challenges, that both large companies and social enterprises face while they are partnering for a social good. Businesses and social purpose organizations from many sectors working together on social and environmental concerns encounter not just conflicts of corporate ideals and views that mirror wider cultural trends, but they must also overcome peculiarities in order to create

long-term trust and comfort [Ashraf, Ahmadsimab, Pinkse, 2017]. Institutional complexity is a significant aspect of social partnership and a foundation for possible shared advantages; at the same time, it is one of the tension sources that leads to cognitive dissonance and failure of organizational expectations [Villani, Greco, Phillips, 2017].

The interviews to find the challenges that are met in the practice of the social entrepreneurs and large companies were conducted. Communication issues, bureaucracy of companies, unprofessional behavior as the biggest challenges in the cross-sector partnership were determined. These findings support the academic literature, as all of these challenges are the consequences of considered in the literature incompatibility of institutional logics, organizational complexities and governance. The results of the paper make significant contribution to the social entrepreneurship, business and society literature.

CONCLUSION

Theoretical contribution. In the theoretical domain, the research extends the existing typology of partnerships between social entrepreneurs and large companies. The Partnership Matrix complements the continuum model of Austin and supports the existing categorizations of the social partnerships. In [Austin, 2000] it is stated that cross-sector partnerships as a continuum ranging from the fully philanthropic to “integrative” partnerships, in which the two sides enjoy organizational integration; and to full cooperation, in which values, objectives, people, and activities are all combined. Moreover, in [Austin, Seitanidi, 2012] it is argued that the expansion of MNC/NPO collaborations has resulted in the emergence of a fourth position on the cooperation continuum: transformative partnerships. The overarching purpose of this increased collaboration is to co-create meaningful societal transformation.

The developed typification extends the continuum model of J. Austin, as the suggested types of partnerships explain the transactional phase of the continuum and expand other phases differentiating between different states of partnerships on each stage. In essence different types of partnerships are concise with various stages at the continuum model.

The abbreviation BIR-ISS also complement the existing models on value creation — the IVC and CVC frameworks, as it helps to categorize outcomes — created values from the analysis of IVC and CVC paradigms. Research also supports the previous literature on the specific challenges, that social entrepreneurs and companies face in the partnership and proves, that the main problems still lie in the domain of competing logics and power asymmetry, which underlie the emerging conflicts and discrepancies.

Managerial implications. For the acting manager, research will be useful in the possibility to evaluate the available options for partnerships between two parties, as well as what each option entails. It would be also helpful to evaluate the quality of the value created in the partnership with the model BIR-ISS and to define what challenges exist right now and can emerge in the future.

Research gives to the managers two tools on evaluation of the cross-sector partnerships between social entrepreneurs and large companies — Partnership Matrix and BIR — ISS model. These tools can be also used in the decision-making to structure the intersectoral interactions between companies and organize the effective relationships with corporate and social partners of the company.

Limitations and opportunities for further research. The research consists of several limitations and can be improved and extended in the future academic literature. The first limitation is that some information on the cases of partnerships is hard to acquire, this impeded to construct a clear line of what types of value are created by each form of the partnership. More information in the future can help to resolve this limitation.

Another limitation is that the categorization in this research is based on the two categories, it helps to create a concise model of partnership, but it may be extended with more information about existing partnerships. Finally, as the response rate on the interview was low, there can be some limitations on the quality of extracted information, the bigger sample can either support or partly refute some of the inferences, however for the objectives of this research the information is sufficient.

To sum up, there are many ways of how current research and inquiry on the cross-sector partnerships can be extended, while the given research is self-sufficient, there are numerous blank space that can be touched.

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СОТРУДНИЧЕСТВО СОЦИАЛЬНЫХ ПРЕДПРИНИМАТЕЛЕЙ И КРУПНЫХ КОМПАНИЙ: СОЗДАНИЕ СОВМЕСТНОЙ ЦЕННОСТИ ЧЕРЕЗ РАЗЛИЧНЫЕ ФОРМЫ ПАРТНЕРСТВА

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Цель статьи — выявить особенности партнерских отношений между крупными корпорациями и социальными предпринимателями: идентифицировать различные типы партнерских отношений между социальными предпринимателями и крупными корпорациями, определить взаимные выгоды и преимущества партнерства, выделить проблемы, с которыми сталкиваются крупные корпорации и социальные предприниматели в процессе взаимодействия. Во-первых, в ходе исследования разработана новая категоризация партнерств крупных корпораций и социальных предпринимателей, объединенных в рамках «Матрицы партнерства», а также создана модель оценки партнерств на основе взаимовыгодного подхода — бизнес, инновация, репутация — воздействие, выживание, масштаб. Во-вторых, были определены преимущества и препятствия для развития сотрудничества между социальными предпринимателями и крупными корпорациями. Данные для анализа получены на основе серии полуструктурированных интервью с социальными предпринимателями и представителями крупного бизнеса. Исследование вносит вклад в литературу по социальному предпринимательству и взаимодействию бизнеса и общества. Результаты статьи имеют практическое значение, поскольку могут помочь социальным предпринимателям и крупным компаниям развивать партнерские отношения, используя более осознанные, продуманные и подходящие подходы для создания совместной ценности.

Ключевые слова: межсекторное партнерство, социальное предпринимательство, корпоративная социальная ответственность, социальное партнерство, гибридная организация.

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Questions for interviews with social entrepreneurs

1. How can you characterize your competitive strategy?
2. Do you consider the company's business model to be innovative? Tell us about the unique and innovative features of the business model.
3. What market does your organization operate in? What are the competitive advantages of your company?
4. How does the social mission relate to the overall strategy of your company?
5. Is the company in partnership with big business? List these organizations and tell us about the projects implemented within the framework of cooperation.
6. Who initiated this partnership and how?
7. How is a partner company selected? By accident? For special projects?
8. What are the main criteria for partnership with big business? List the criteria from the most important to the least important (funding, social media promotion, source of inspiration, learning opportunities: soft skills (intrinsic motivation) / hard skills = professional experience).
9. How would you rate such a partnership? Has any benefit been gained? Briefly describe your experience.
10. In your opinion, what are the main obstacles to interaction with big business? List these obstacles from the most serious to the least important.
11. How has cooperation with large companies affected your organization? (Has a new policy been adopted, changes in daily activities, or new ideas emerged after cooperation?)
12. What can be improved in the interaction between big business and social enterprises?
13. What resources/competencies does a social enterprise need for effective partnership with large companies? (Describe based on your experience.)
14. What benefits has the company received from cooperation with big business?
15. What resources/competencies do large companies need to interact more effectively with social enterprises? (Describe it based on your experience.)
16. Do you consider your partners (large companies) socially responsible?
17. Who was usually the initiator of the projects?
18. In your opinion, what are the main features of a sustainable and profitable business model?
19. Has your social enterprise helped to introduce any sustainable innovations into the work of large companies? Give examples.
20. Do the large companies you have collaborated with measure social impact?
21. What were the expectations from cooperation with big business?
22. Did the expectations coincide with reality? What lessons have been learned from the collaboration?

APPENDIX 2

Questions for interviews with representatives of large companies

1. How can you characterize your competitive strategy?
2. Do you consider the company's business model to be innovative? Tell us about the unique and innovative features of the business model.
3. What market does your organization operate in? What are the competitive advantages of your company?
4. How does corporate social responsibility relate to your company's overall strategy? Tell us about the main principles, directions and projects.
5. Is cooperation with your company built into the organization's strategy? Is cooperation tied to the activities of the organization, or is it rather charity, divorced from the main business processes?
6. Is the company in partnership with social enterprises? List these organizations and tell us about the projects implemented within the framework of cooperation.
7. Name the most significant social contribution projects in which your company participated.
8. Who initiated this partnership and how?
9. How is a partner company selected? By accident? For special projects?
10. What are the main criteria for partnership with social enterprises? List the criteria from the most important to the least important (Funding, Social Media Promotion, Source of Inspiration, Learning Opportunities: Soft Skills (intrinsic motivation) / Hard Skills = Professional experience).
11. How would you rate such a partnership? Was there any benefit gained? Briefly describe your experience.
12. In your opinion, what are the main obstacles to interacting with social enterprises? List these obstacles from the most serious to the least important.
13. How has cooperation with social enterprises affected your organization? (Has a new policy been adopted, changes in daily activities, or new ideas emerged after cooperation?)
14. What can be improved in the interaction between large companies and social enterprises?
15. What resources/competencies does a large company need to effectively partner with social enterprises? (Describe it based on your experience.)
16. What benefits and advantages did the company receive from cooperation with a social enterprise?
17. What resources/competencies do social enterprises need to interact more effectively with large companies? (Describe based on your experience.)
18. Do you consider your company socially responsible? Give examples of social enterprise projects that your company has conducted or participated in?

19. Who is the initiator of the projects? How are priority areas selected?
20. In your opinion, what are the main features of a sustainable and profitable business model? What features are inherent in your company?
21. Tell us about innovations in the field of corporate social responsibility in your company? What kind of innovations were they? Give examples.
22. Has the company's business model become more socially responsible over the past few years? How, to what extent?
23. Give examples of services or changes in business processes that your company has introduced in order to become more socially responsible.
24. What new features were added to business processes after interaction with social enterprises?
25. What were the expectations from cooperation with social enterprises?
26. Did the expectations coincide with reality? What lessons have been learned from the collaboration? What forms of partnership do you consider the most promising? How do you see cooperation in the future in the light of the strengthening of the ESG agenda?

APPENDIX 3

Partnership experience: Interview citations

The interviews have brought several insights into what are the problems and obstacles that social entrepreneurs and large companies encounter during the partnerships. The companies that were interviewed are codified by the following manner — the number is the place in order of conducted interviews, the first letter is the gender of a person, who was an interviewee (F — female, M — male), the last letter is the type of a company they represent (C — company, S — social enterprise), the middle letter is present, where there were two interviewees from the same organization (D — director, A — assistant). In the detail, the interviews are conducted gave the following results (Table).

Table. Interview citations. Partnership experience

Case	Citation
<i>Low resource commitment cases</i>	
01FE	“So, we have several partners, but they are our clients really, they order every year baskets with gifts, several of them not every year, some of them take more and more regular, some of them not...”
02FE	“They (partners) come to us, tell us what they need exactly, well who they need exactly, and we then look if we can help them to hire someone similar, it is not very easy, to be honest, and it is not super regular”

05FC	“The initiative has been from me initially to buy something from social entrepreneurs, to help them, so we do, on some occasions, buy the gifts for our employees, for thir kids etc.”
06FC	“Yes, we were buying some things, generally for employees, to sometimes make presents to some occasion, we also sometimes invite various speakers to talk about special people in the workplace etc.”
07FE	“Usually all partnerships are going this way — they (partners) connect with me somehow, as via phone or by something else, and then they offer me to conduct a seminar in their company and essentially that is it”
09MC	“We have had some money always on various social things, and we try to buy something from social entrepreneurs, to give them money and buy something for the office or for guys...”
10MC	“We have also some companies with whom we are working for a long time, but our interaction is purely about business, we need to find the first job for our clients, and our partners just offer the work...”
<i>Partnerships were more committed</i>	
03FE	“We have a very good connection with Zenit right now and Gazpromarena, they give us, they drive us the whole trucks with waste periodically and we can make from it hats, bags...”
04FDE, 04FAE	“It is really a widespread practice, when just somebody offer us to perform and explain in their companies how to talk with this type of people, and these meetings are happening very often”
<i>Most experienced in terms of partnerships</i>	
03FC	“We have a rigid set of rules and criteria what do we expect from the entrepreneur, but if we have found a common ground, we always help him, develop so he could earn and scale...”
11ME	“Yes, I got help with how to increase the production, they (company — partner) support me, so it really works like that”
12FE	“They know that we are very flexible, and we can find the right person, teach him and we have a very profound communication and interaction is also great...”
<i>Communication problems: any decision from the company needs to undergo very long processes of approval</i>	
02FE	“We have already had negotiated everything and reached the consensus and then, when we almost finished the order, they tell us that everything is off, their director does not approve this deal, it was really 2 days before the end of the order”

03FE	“You need to somehow get the contacts of the person who makes decisions, otherwise it is an extremely long and useless process to get anything done”
<i>Unprofessional behavior and “unseriousness” of their counterpart in the partnership</i>	
04FAE	“There were also negative cases of how we collaborate with companies, I do not want to name the organization, but essentially we have had a deal in one organization, we asked that there should be some things for our artists, I mean the things for them to be comfortable we agreed on that, and eventually nothing was provided”
<i>Issue with the “respect”</i>	
07FE	“I believe that the most important thing, that for me is important is respect, so to be treated with dignity, because respect is generally in deficit when you try to make these arrangements work”
<i>Problems with a professionalism and business knowledge</i>	
05FC	“This was the problem in communication, when I have needed to explain when we need the product and why exactly that time, as the person did not understand what a lead cycle is...”
09MC	“...so, when we started discussing the budgets, I understood that this would be a problem, as that person did not comprehend what I was talking about...”
<i>The importance of quality and price on their decision</i>	
05FC	“We are checking our suppliers so the quality should be good, otherwise we would give money to charity”
08FC	“When we are applying our guidelines, our rules, we choose the partner with the best products, so the quality is important”
09MC	“I believe that these goods should not be excessively expensive, even with the ‘social’ in the name, the price should be ok”

In the several interviewed organizations, the partnership was only superficial, irregular, and often connected with a one-time interaction. These cases are 01FE, 02FE, 05FC, 06FC, 07FE, 09MC and 10MC. In these partnerships, the interaction was made with a low resource commitment, which is evident from the following citations and was not connected with the core activities of the large companies.

In the cases 03FE, 04FDE and 04FAE, partnerships were more committed, more resources were dedicated, and more stable connections were implemented.

Finally, the cases 08FC, 11ME and 12FE have been the most experienced in terms of partnerships. The resources that were committed are sufficient, and the outcomes are meaningful.

There are however several issues that came from the partnerships and challenges that need to be accounted for. Interviewees from the social enterprises are generally refer to the communication problems, that are caused mainly by bureaucracy in the large organizations. This problem is mentioned in the majority of interviews of social entrepreneurs, in cases 01FE, 02FE, 03FE, 04FDE and 04FAE, 07FE and 12FE. They particularly tell that any decision from the company needs to undergo very long processes of approval.

In the cases 01FE, 03FE and 04FDE and 04FAE social entrepreneurs also mention the unprofessional behavior and “unseriousness” of their counterpart in the partnership. For instance, here what interviewee 04FAE has mentioned during the interview.

The mentioned issue with the “respect” is also can be connected with the problems of communication and unprofessional behavior.

The problem with prejudices was mentioned in case 03FE, where social interviewee said that companies have some initial assumptions about the product only because of people who made it (she brought up an example with the company who refused to collaborate when it has learnt that the clothing was made by ex-convicts. However, this may be due to cultural or even person-specific issues, as other interviews did not show this.

Large companies also referred to some issues, emerged during the partnership. The most prominent were the problems with a professionalism and business knowledge that were lacking in social entrepreneurs. This was mentioned in the interviews 05FC, 06FC, 09MC, 10MC.

Interviewees from large companies were also emphasizing the importance of quality and price on their decision. This topic is mentioned in the cases 05FC, 08FC, 09MC.

To sum up, the challenges, that were mentioned in the interviews are consistent with what has been found in the literature review. The competing institutional logics are realized in the difficult communication between social entrepreneurs and large companies. The issue of power asymmetry and the perceived dependence of social entrepreneurs are seen in the seeming “unseriousness and unprofessional behavior” of large for-profit companies. Bureaucracy is a result of the complex organizational structure that come into a conflict with relatively flat companies of social entrepreneurs.

Therefore, interviews have helped us to confirm the previous findings of literature on the cross-sector partnership and institutional logics in it and prove, that these problems are indeed fundamental.

Extra notes on the Partnership Matrix: Activity and commitment

Based on the categories it would be safe to say, that the consistency and similarity between various cross-sector partnerships are evident in three categories — Activity, Regularity and The Level of Commitment. The value created in those partnerships is essentially limitless in its type and may range from environment protection to the local farmers empowerment.

These structures are found at the intersections of two categories — activity and the level of commitment, that are united in the one matrix, which is called Partnership Matrix. However, before constructing this matrix, it is necessary to elaborate on how to divide partnerships by the type of activity and the commitment.

Primary, secondary and extraorganizational activity. The categorization of partnerships by activities is based on the viewpoint of the companies as the party with the highest share of resources in the partnership. Thus, when a company is embedded in the cross-sector partnership with a social enterprise, it partners to fulfill one of three types of its activities, each of which requires the relevant set of resources and capabilities of the company to be exploited.

Primary activities are the development, production and selling of companies' products and/or services. In terms of social partnership, the company is conducting its primary activities, when it invests its production and/or selling facilities to be directly involved in the creation and selling the value, generated in the partnership.

When LC is partnering with social enterprise by conducting its primary activities, the value, that companies seeks is usually new market and customers, which company wants to serve, simultaneously promoting social benefit. large companies can also seek for the new technology, that can help it to create a new value, consistent with its CSR or ESG policies.

The examples of such partnerships are usually very prominent. Grameen Danone partnership — the joint venture of multinational food-products companies Danone and, community development bank, Grameen Bank. This is a social enterprise founded in 2006 to provide rural Bangladeshi children with many of the key nutrients commonly lacking in their diets. Its operating principle is “no losses, no dividends”. Grameen Danone Foods aims to decrease poverty by creating business and job opportunities for the local population, as raw materials such as the milk needed for production, will be sourced locally.

The organizations that created Grameen Danone Foods Ltd have agreed not to take profits from the company. Instead, they will invest in creating new opportunities for people's well-being and development. Danone in this case partners with Grameen and invest in it its primary activity production and selling of its food, by that resolving local malnutrition problem and even earning a small margin by cross-subsidizing the expenses with revenues from larger priced Indonesian cities customers.

Secondary activities are typically seen in the partnerships, where companies are taking the role of an accelerator, which develops social enterprises to promote the solution to social issues in underdeveloped regions, thus promoting its image and influence.

There are also a couple of other prominent examples of such partnerships. IKEA — Ashoka partnership — Ashoka and IKEA Social Entrepreneurship created the Dela accelerator program. The program aims to increase the impact of existing social enterprises operating at a system level in the areas of livelihoods, equity, and inclusion. The program unites IKEA employees and social entrepreneurs to help SE to change systems and scale. For IKEA it is the opportunity to also learn from social entrepreneurs, adopting and testing their business practices within IKEA.

Together they propose a unique experience based on the knowledge and networks of both IKEA and Ashoka. IKEA also has the opportunity to recruit social entrepreneurs as ambassadors and sparring partners, heading to IKEA's eminence as a fully circular by 2030. In this case IKEA is providing its expertise along with its employees to help SE to scale, which in turn would generate the sustainable business practices for IKEA itself. IKEA.

Extraorganizational activities are the hardest to spot on, as they can be similar to the secondary ones, however there is a difference, that also differentiates the types of cross-sector partnerships from each other. Extraorganizational activities are in general do not require non-physical resources and capabilities of the companies, neither do they require the activity of organization departments. As a rule, extraorganizational activities are aimed at building the "social" image of the organization through the donations, grants, or sponsorships. Thus, when companies invest in partnership extraorganizational activities it usually means financing or other involvement, that do not require active participation in value creation.

The examples of this type of partnership are the most common. PwC — Brigade partnership — PwC owns the building that houses the Brigade Bar + Kitchen and Beyond Food Foundation. The PricewaterhouseCoopers Foundation has provided the Old Fire Station Building, a professional kitchen and dining room, which also houses a training kitchen and meeting rooms. PricewaterhouseCoopers is a multinational network of professional services companies operating in various partnerships under the PwC name. PricewaterhouseCoopers is considered the second largest professional services network in the world and is seen as one of the Big Four accounting companies together with Deloitte, Ernst & Young (EY) and KPMG.

PwC does not provide any of its legal services or consulting in the partnership with a Brigade, rather it allows the restaurant to use one of its buildings to conduct its activity. This indirect approach to the partnership from one hand contributes to social issues resolution, but from the other hand it does not require the organization to be involved in this value creation.

Low, medium, high commitment. The level of resource commitment is also crucial, as it reflects the importance which parties endow on their partnership with each other. Resource commitment is differentiated between low, medium, and high.

Low commitment implies the very limited investment from the large companies and social enterprise, low engagement (or none) of company employees and top management. Usually, this commitment is seen in the irregular interactions between large company and social enterprise, such as when company is buying SE — partner products as a part of its CSR or provides financial support.

The example of such partnership is EY — Easy Solar partnership. EY is a global professional services organization headquartered in London, England. EY is one of the world's leading professional services networks. It is one of the Big Four accounting companies, alongside Deloitte, KPMG, and PricewaterhouseCoopers. Its clients are largely served by assurance (which includes financial auditing), tax, consulting, and advice services. Easy Solar is the social enterprise that is producing affordable solar panels, thus providing clean and cheap energy.

In this partnership EY sometimes provides consulting services on pro bono basis for Easy Solar, in exchange it is gaining the reputational boost and construct the social image. Investing only one resource (in the EY case this is an expertise) on the irregular basis, makes this partnership a low commitment one.

Medium commitment companies with medium commitment in the partnership are essentially invest 2–3 types of resources with a moderate participation from the employees and attention of managers.

The prominent example of such commitment is Coca-Cola — WHI partnership. The Coca-Cola Company is a multinational beverage company based in the United States that is best known for producing Coca-Cola. Other non-alcoholic beverage concentrates and syrups, as well as alcoholic beverages, are also manufactured, sold, and marketed by the Coca-Cola Company. The company's stock is traded on the New York Stock Exchange and is included in the DJIA, S&P 500, and S&P 100 indexes.

WaterHealth International (WHI), an Acumen portfolio company, builds and operates decentralized WaterHealth Centers (WHCs), financially viable water treatment plants that use UV and reverse osmosis technologies to deliver safe and inexpensive drinking water. The company, which was founded in 1995, has already installed over 500 WHCs in rural, underserved populations in India, Bangladesh, Ghana, and the Philippines.

The Coca-Cola Company acquired a minority equity investment in WHI in 2014. This investment will aid WHI in accelerating the installation of new WHCs around the world, as well as The Coca-Cola Company's aim of refilling all of the water used in its products by 2020. In this case, Coca-Cola is making a strategic investment by financing and giving an expertise to the social enterprise. However, comparing to other investments of the large companies, this one is not a big one and is differentiable, but enough to make a solid commitment from the large companies.

High commitment implies that there is a multidivisional involvement of the companies in the partnership, high involvement of the top management and utilization of multiple types of the resources. In this case, large company and social enterprise are actively participating in their partnership creating value together.

The example of the high resource commitment is the Mastercard Foundation — Babban Gona partnership. The Mastercard Foundation was founded by Mastercard in 2006 as an international non-governmental organization. The group, based in Toronto, Ontario, has aided projects in 49 countries. Through its Young Africa Works initiative, the Mastercard Foundation turned its focus to Africa in 2018. The foundation primarily produces programs aimed at eliminating gender and economic inequality, boosting access to high-quality education, extending chances for decent work, and promoting general economic growth.

Young Africa Works, a program of the Mastercard Foundation, is partnering with Babban Gona, a thriving social enterprise in Nigeria's agricultural sector that is partially owned by the farmers it helps. Babban Gona hopes to create 560,000 jobs for young entrepreneurs and smallholder farmers through this cooperation by 2022, and 7.5 million by 2030. In Nigeria, five Young Africa Works partners (Access Bank, Sterling Bank, EDC, IITA, and NIRSAL) are working together to give integrated training, leadership development, and finance to young grassroots level entrepreneurs.

The collaboration with Babban Gona is based on a strategy that has been tried with Trust Group Entrepreneurs who manage Trust Groups of 3 to 5 farmers each. The strategy is scalable and can unlock youth entrepreneurship, increase young women's participation in rural economies, and allow young people to develop and service a burgeoning agriculture market if it is repeated. It puts the young person at the center of its growth strategy and gives them the opportunity to run their own franchised agribusiness. In this case, Mastercard Foundation invests expertise, money and other resources to increase the social impact in the collaboration with Babban Gona and impact African Region.