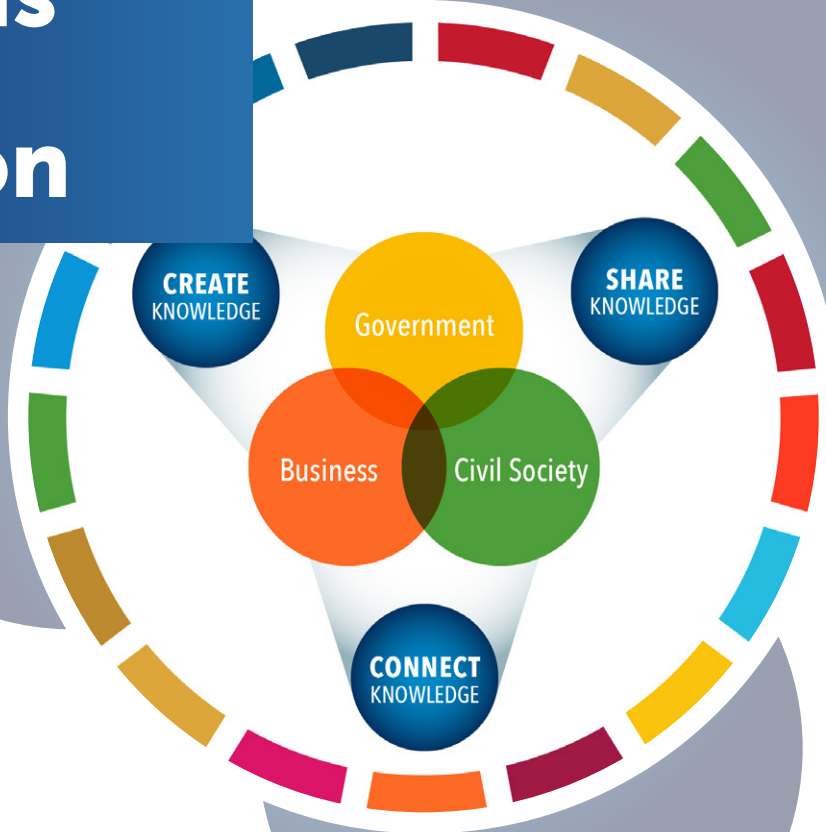


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PrC Insight Series
**Partnership
Intentions
versus
realisation**



**THE PARTNERSHIPS
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The **Partnerships Resource Centre (PrC)** at Rotterdam School of Management, Erasmus University is an international centre for research and knowledge about public-private collaboration for sustainable and inclusive development, bridging science and practice. PrC aims to understand how cross-sector partnerships work and how they can contribute to sustainable transformations. Through the **PrC Insight Series**, we share evidence-based knowledge to enhance the effectiveness and impact of partnerships.

THE GAP BETWEEN INTENTION AND REALISATION OF SUSTAINABILITY AMBITIONS

One of the greatest challenges that organisations face in the discourse on sustainability is the gap between ‘promise’ and ‘performance’ or – in more popular terms – the gap between ‘talk’ and ‘walk’. Organisations’ sustainability ambitions are often treated with considerable suspicion because of the discrepancy between what organisations say and what they do. However, this tension might also represent a normal step in a transition process.

Strategic management literature talks about the ‘intention-realisation’ gap and argues that many organisations cannot make real their intentions because they have unrealistic expectations about operationalising them

in their business model. Partnerships add another level of complexity to bringing intentions into operation, but understanding when partnerships are relevant helps to reduce the intention-realisation gap.

This issue of the PrC Insight Series discusses the importance of intentions and the fit between different types of partnerships and sustainable business models. We have based these insights on data drawn from the Better Business Scan (BBS), a tool developed by the Partnerships Resource Centre (PrC), which maps intention-realisation gaps in organisations, and provides concrete research-based advice.

The Better Business Scan (BBS)

The BBS helps to understand your organisation’s intention for sustainability and the degree to which the intention is realised. After filling out the questionnaire, you will receive an advisory report that provides guidance in making your business model more sustainable.

- The English version of the tool is available through: <http://bit.ly/betterbusinessscan>
- The Dutch version of the tool is available through: <http://bit.ly/BetterbusinessscanNL>

#1 WHY ARE INTENTIONS IMPORTANT?

All actions begin with intent. That is why motivations for sustainability matter. Almost all organisations have a sustainability ambition – some formulate their ambition explicitly in mission statements or sustainability reports, while others have a more implicit ambition that is not pronounced.

Realising these intentions, however, turns out to be more difficult. Take for example the commitment to the UN’s Sustainable Development Goals (SDGs).

Many organisations embrace the SDGs, but few have been able to fully materialise them. Too ambitious? Unrealistic ambitions perhaps? Or poor implementation? Understanding your motivation for sustainability – and formulating appropriate goals – helps to gain insights into the challenges and the tipping points that you will encounter in realising your intentions. Hardly any organisations can do this on their own. It will need stakeholder engagement. Therefore, partnerships are important for organisations to become more sustainable.

#2 UNDERSTANDING YOUR INTENTIONS

Intentions are based on two basic sources: primary and secondary motivation.

- **Primary motivation** relates to the origin of the motivation. We distinguish between intrinsic and extrinsic primary motives. Intrinsic motivation originates within the individual or organisation. For example, you ensure that everyone in the value chain earns a living wage because you believe it's fair remuneration and good for society. If you pay a living wage because your critical stakeholders told you to do so, you are extrinsically motivated. In practice, your motivation to pay a living wage will probably be a mixture of both.
- **Secondary motivations** define the goal or aim of the motivation: tactical (short-term perspective), strategic (long-term perspective) or mixed. A tactical motivation for paying a living wage would be to see it as a 'quick-fix' for problems in the value chain, while a strategic motivation is to be a good employer that can increase its employee retention and attract new talent.

The interactions between primary and secondary motivations result in four basic attitudes:

1. **A passive attitude** characterised by intrinsic and tactical motives (cost-driven). Short-term financial profits or cost-reduction – for example installing LED lights and solar panels – motivate organisations to get involved in sustainability in a relatively 'business as usual' mode.
2. **A reactive attitude** is the result of extrinsic and tactical motives (image-driven). Avoiding financial losses or protecting the organisation's reputation from bad press due to issues such as pollution is key. Advertisements that promote superficial sustainability initiatives and communication strategies that are largely inspired by reputational motives fall into this category.
3. **An active attitude** is characterised by intrinsic and strategic motives (strategy-driven). Organisations see sustainability as important for their competitive position, for example by producing products that integrate circular design to meet consumers' demand for more sustainable products.
4. **A proactive attitude** characterised by a mix of intrinsic and extrinsic primary motives and strategic motives (impact-driven). The motivation for sustainability here is the desire to create systemic change and value for all stakeholders. Collaboration with other parties is a necessary condition to achieve this ambition.

25 per cent of Dutch companies have a proactive attitude

Research among Dutch companies through the BBS shows that almost a quarter have a proactive attitude.

- These companies have the ambition to make impact in the long term. This includes goals such as creating a circular economy, moving towards renewable energy, and ending poverty.
- In addition, these companies have a mix of intrinsic and extrinsic primary motives. There is an internal ambition to work on sustainability, but this ambition is also shared with other stakeholders such as NGOs and governments.

While intrinsic motivation can be fickle, a mix of intrinsic and extrinsic motives for sustainability is likely to be the most stable in the long-term.

#3 WALKING THE TALK: REALISING YOUR INTENTIONS

Intentions are the starting point of any sustainability strategy, but still need to be translated into a business model. The extent to which the intention is internalised in the business model shows whether an organisation is walking the talk.

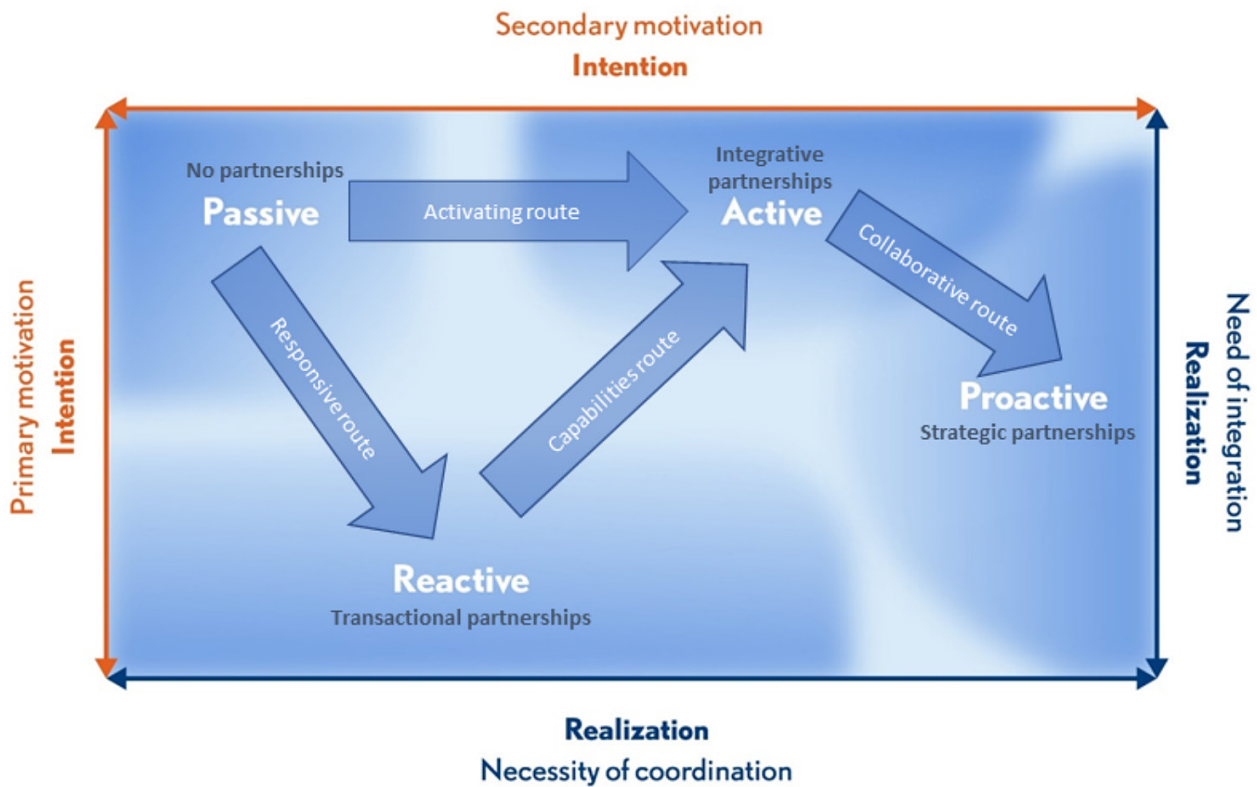
In our research, we found that 87 per cent of companies fall short of realising their sustainable intentions. This can be explained – and managed – by understanding the transition pathways that they are engaged in.

There are different transition trajectories in the four archetypal attitudes:

1. a responsive route (passive to reactive)
2. an activating route (passive to active)
3. a capabilities route (reactive to active) and

4. a collaborative route (active to proactive).

Each attitude fits with a certain partnering approach so the transition to another attitude also requires a change in the partnering approach (see illustration below).



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An organisation with a passive attitude often lacks a partnering approach. There are either no partnerships, or the partnerships are limited to charitable giving to other organisations – an example of an organisation with a passive attitude would be a bank that sponsors the local football club or food bank: these are philanthropic partnerships.

Organisations that demonstrate their commitment to the reactive route move towards transactional partnerships; the partnerships are created in support of this transition. These partnerships are often focused on a single issue. In practice transactional partnerships often include partners from the same sector (e.g. two companies) or two sectors (e.g. a company and NGO or governmental organisation).

The activating and capabilities routes lead towards an active attitude. The partnering approach here requires

a more integrative nature. The two organisations in the partnership can help each other with the processes of internal alignment and developing capabilities that are needed for partners to become more sustainable.

Whereas the partnerships linked to the passive, reactive and active attitudes are focused on performing better within the existing system, partnerships with a proactive focus are aimed at transforming the system. Proactive partnerships are impact-driven and strategic, rather than performance-driven partnerships. Organisations on the collaborative route have found out through experience that sustainability challenges cannot be solved by a single actor alone. Strategic partnerships are a mechanism to address these complex issues and create system change.

The specific challenges of strategic partnerships require some additional attention.

#4 THE CHALLENGE OF PROACTIVENESS

Strategic partnerships are not necessarily better than philanthropic partnerships; what's more important is that there is a fit between an organisation's transition route and the type of partnership it chooses. But if partners

want to address grand challenges – such as the SDGs – the collaborative route by which companies get involved in strategic partnerships requires more attention.

Only 2 per cent of companies operationalise their proactive attitude in their business model

Just two percent of the companies in the Better Business Scan research successfully operationalised their proactive attitude in a business model that can realise transformational change and create shared value. This is far less than the almost 25 per cent of companies with a proactive attitude. This means that more than 95 per cent of companies with a proactive attitude are not yet able to realise their intentions.

Transition to a sustainable business model along the collaborative route is not easy. Many organisations get stuck in because of three common challenges:

1. Challenge of setting up an adequate portfolio of partnerships

Setting up a good portfolio of partnerships takes time. There is a danger that you will work with all possible partners, without having thought carefully about the preconditions for effective initiatives. Forming a coalition

takes time and effort, but ending an unfortunate coalition often proves even more difficult. For an effective partnership, it is important that there is agreement on the degree of involvement and motivation between the various parties.

It is difficult to find the right strategic partners

Our research shows that 37 per cent of companies with a proactive attitude have trouble finding the right external partners for cross-sector partnerships.

2. The internalisation challenge

With the growth in number and complexity of partnerships, proper support for the staff involved becomes more important. Partnering requires particular competencies to become effective, and without proper support there is a risk that partnerships become isolated activities rather than integrated into the core activities of the organisation.

3. A governance challenge

A governance structure based on distrust or control will often reduce the effectiveness of the partnership. The organisations must invest time and space in learning and monitoring – this creates a space to share dilemmas.

Strategic partnerships focus on dilemmas

Our research discovered that the companies that successfully operationalised their proactive attitude in their business model stated that their partnerships focus on sharing dilemmas rather than informing the other partners. In addition, these companies are often involved in partnerships that include actors from different sectors. On the other hand, companies that perceive a gap between their proactive attitude and realised intentions (i.e. those that didn't manage to operationalise their proactive attitude), are less involved in partnerships with actors from different sectors, and also indicated that sharing dilemmas is less common for them.

#5 TACKLING THE BARRIERS

Demonstrating the collaborative route might not be easy, but it is necessary if organisations want to achieve transformational change. Luckily there are ways to smooth the journey.

Embracing the Sustainable Development Goals helps to connect internal and external stakeholders. Companies that have successfully embraced the SDGs usually started

with an internal discussion. Following this, they brought together a select group of external stakeholders to devise a strategy that had broad support. Selecting which SDGs to address provides a focus for the partnership portfolio. The importance of cross-sector partnerships as a mechanism to address sustainability challenges is reflected in SDG 17 – Partnerships for the goals.

Proactive companies embraced the SDGs effectively

We found that 30 per cent of companies we looked at in our research have included SDG 17 in their strategy. This number is higher for companies with a proactive attitude. Almost half of these companies stress the importance of *SDG 17 Partnerships for the goals* in their activities.



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It can help to align the organisation's leadership style with the phase that the organisation is in. If organisations are still in an internal transition, 'agile' or 'strategic' leadership styles can be useful. The more the organisation is engaged in relationships with external parties, the more a 'connected' leadership style helps to establish mutually supportive relationships because a connected leader builds bridges between stakeholder groups using a focus on developing a common strategy to meet sustainability challenges. This process includes dealing with dilemmas

and trade-offs that will undoubtedly occur because stakeholders have different ideas about the issue and its solution. Connected leaders recognise that it's not just willing stakeholders that should be involved, but all stakeholders that are involved in the problem (we could call this a coalition of the needed rather than a coalition of the willing). Moreover, developing partnership skills and a good governance structure is crucial to deal with internalisation and governance challenges.

Practical guidance

Developing partnership skills helps to make sure that the right people are in the right place to build meaningful partnerships. You can read more about partnership skills in our PrC Insight Series No. 3 – Partnership Skills. Partnership principles and partnership agreements are useful in building a good governance structure. Principles can guide collaboration processes (see PrC Insight Series No. 1 – Partnership Principles) while agreements are an important factor in setting out guidelines and rules for the partnership (see PrC Insight Series No. 2 – Partnership Agreements).

A roadmap for addressing the intention-realisation gap: seven steps towards strategic partnerships





FURTHER READING

[Smit, J. \(2019\) Het Grote Gevecht & Het Eenzame Gelijk van Paul Polman. Amsterdam: Prometheus.](#)

[Tulder, R. van \(2018\) Business & The Sustainable Development Goals: A Framework for Effective Corporate Involvement. Rotterdam School of Management, Erasmus University, Rotterdam. This book is part of RSM's Positive Change Book Series, and is free to download here.](#)

Tulder, R. van (2018) Getting all the Motives Right: Driving International Corporate Responsibility (ICR) to the Next Level. Rotterdam: SMO Boek.

COLOPHON

For an introduction to the PrC Insight Series and the other Insights, please visit:

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