# Maximising the impact of cross-sector partnerships for the United Nations Sustainable Development Goals

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## Abstract

Cross-sector partnering (CSP) among key stakeholders in the economy is essential to achieving the sustainable development goals (SDGs) advocated by the United Nations. Social entrepreneurs play a critical role in reaching the SDGs by collaborating with private organisations to increase the overall social value created. This empirical study aims to understand how social enterprises (SEs) collaborate through partnerships to enhance their value aligned to the SDGs. It found that SEs can enhance their social impact by choosing partners that have common values, building trust from early stages of the CSP, and emphasizing inclusiveness of the actors involved. However, using the SDGs for value alignment and measuring impact remains unfulfilled as often social enterprises are not aware of them and find them too corporate.

## 1. Introduction

In 2015 all member states of the UN agreed on a global plan for action to tackle societal grand challenges by the year 2030, known as the sustainable development goals (SDGs or simply the Goals), which comprise 17 clauses including putting an end to global poverty, ending world hunger, and making opportunities for education a necessity (UNEP, 2015). The UN emphasises that the systems change needed to achieve the SDGs, should happen at the local, national, and worldwide levels, through collaboration (UNEP, 2015). Cross-sector partnering (CSP) among key stakeholders in the economy is critical to achieving such transformative agendas, such as climate change, biodiversity loss, and addressing resource scarcity (Clarke & Crane, 2018).

The role of corporations in achieving the SDGs is clear (e.g., Shaltegger et al., 2018; Pizzi et al., 2020; van der Waal et al., 2021), whilst little is known about the role of SEs in addressing the SDGs (e.g., Littlewood et al., 2019). Even less is known about collaborations between the business sector and SEs, which can catalyse the achievement of the SDGs. Companies are increasingly looking for creative partners and innovative strategies to increase social impact towards the SDGs. Here, we contend that a critical component of this "collaborative equation" is social enterprise (SE). We advance that SEs are essential to

achieving the SDGs because they support a bottom-up approach to social change (Porter & Ketels, 2018). By offering innovative solutions to societal problems, social entrepreneurs play a critical role in reaching the SDGs (Günzel-Jensen et al., 2020; Littlewood & Holt, 2018).

SEs already collaborate with private organisations to increase the overall social value created, through joint relationships (Di Domenico et al., 2009; Huybrechts and Nicholls 2013; Montgomery et al., 2012; Savarese et al., 2021). An incremental shift in mindset is nevertheless needed among SEs to be more proactive in seeking partnerships that unlock further social value. This empirical study intends, therefore, to understand how SEs collaborate through partnerships, to enhance their value in line with the SDGs. Building on the social innovation and social enterprise theory, the present study aims to understand how SEs collaborate through partnership with the private sector, to enhance their value aligned to the SDGs, by answering the following research questions:

- RQ1: what motivates social enterprises to enter collaborative partnerships with the private sector?
- RQ2: how do social enterprises manage collaborative partnerships to generate social value aligned to the SDGs?

## 2. Theoretical Framework

Much of the literature on CSPs including SEs and the private sector, focuses on the structures and processes of collaborations, as well as motivations to enter the partnership (e.g., Di Domenico et al., 2009; Huybrechts and Nicholls 2013; Savarese et al., 2021; Selsky & Parker, 2005; van Hille et al., 2020; Weber et al., 2022). The motivations to start collaborations can be about exchange of resources between partners (such as knowledge, services, talents) to further strategic objectives. SEs rely heavily on collaboration to fill a need, based on the constraining and limiting resources available to them (Kwong et al., 2017). Alternatively, a collaboration between two or more organisations, may occur when complementary resources are combined to address a common challenge, or achieve a shared strategic goal (Huybrechts & Nicholls 2013). SEs collaborating with larger businesses have been known to create a 'social alliance' which can address social problems, and work together to attempt to contribute to certain SDGs that are insurmountable when businesses/SEs work unilaterally (Sakarya et al., 2012). A company may engage a SE as a value chain partner, but also act as a strategic sponsor or provide funding, mentorship, or other support to build the SEs capacity (Selsky & Parker, 2005).

Lack of common motivations, and value to start a partnership, are often root causes in the tensions that arise within the CSP (Di Domenico et al., 2009). This is typical in CSPs, which involve entities with different organisational logics (commercial versus social vision). SEs are guided by plural logics, such as a social and a commercial one, despite some of them not even showing a social entrepreneurial orientation (Weber et al., 2022). Savarese et al. (2021) highlight there are three types of collaborations involving SEs with the private sector: philanthropic, transactional, and integrative. Philanthropic collaborations, which involve limited deployment of resources, narrow scope of activities, and little interaction, lead to a focus on the dominant commercial logic (Savarese et al. 2021). Transactional collaborations focus on selling or buying goods/services, often through the establishment of long-term contractual relationships which are preferable for their agility (Huybrechts & Nicholls 2013); but the downside is they can cause mission-drift for the SE (Nicholls & Huybrechts, 2016). Finally, integrative collaborations are characterized by a stronger commitment of partners, reciprocal resource dependency, more intense interaction, and the alignment of their missions toward co-creating value (Savarese et al., 2021).

The tensions just described, are born out of discordant visions and values at times, therefore the importance of managing the partnership for value increases (Savarese et al., 2021; Weber et al 2022). The literature suggests that value alignment is also very important for a successful CSP. Managing the CSPs for value creation, requires organizations to engage in setting a common vision and common goals, as well as building trust in the relationship, particularly at early stages (Selsky & Parker, 2005). Later stages of the partnership should focus on collaboration, coordination, and clear communication between partners (Weber et al., 2022; van Hille et al., 2020). In summary, the literature on cross-sector collaboration has identified several key factors that are crucial to consider, and there is further scope to explore how to best evaluate the positive impact of these partnerships in conjunction with the transformative social innovations advocated by the SDGs.

## 3. Methodology

Many authors state that the approaches used when analysing data from an experiment or study are qualitative, quantitative or mixed methods (Bryman & Bell, 2011; Creswell & Plano Clark, 2011). Mixed methodology was deemed appropriate for this research investigation as it was important due to the interdisciplinary nature of this topic. Mixed methodology is "*a class of research where the researcher mixes quantitative and qualitative research techniques, methods, approaches, concepts and language into a single study*"

(Johnson & Onwueqbuzie, 2004, pg. 17). The research included a pilot questionnaire, sent purposively to SEs and active members of SE networks in the East Midlands (UK), taking advantage of a professional network in which the lead author is involved. It was further complemented with three purposive interviews with SEs engaged with CSPs, that involved a commercial actor. The Appendix contains a summary of respondents' profiles. Data were analysed using descriptive statistics and thematic analysis (Bryman & Bell, 2011).

## 4. Main Findings and Discussion

According to the data, the most common reason for forming the CSP was "generating social innovation" (45.45% of respondents), followed by filling resource and capabilities gap; partners were found to provide funding primarily (60%). Co-ordination through periodical meetings and joint evaluation were key tools for guaranteeing governance. Lack of time is a key barrier persistent during the partnership, mentioned by all respondents. The main social impact addressed by respondents of the survey was SDG3, Mental Health and Wellbeing.

The interviews revealed a focus on working collaboratively on projects and transactional behaviour, rather than philanthropic collaborations, which in contrast dominated the survey responses (with 60%). This is to be expected of a SE as they seek to achieve the dual mission of social purpose and making a profit. In these transactional collaborations, repeat business was evidenced with close, repeat relationships being cited with one local authority relationship lasting over 13 years. Reputation and trust are deemed a fundamental precondition to growing the transactional CSP. These respondents were also involved in integrative collaborations.  This was characterized by a stronger commitment of partners, reciprocal resource dependency, and more intense interaction. The alignment of their missions toward co-creating value were clearly evidenced in all three enterprises and repeatedly cited as a driver behind partnering with external partners. The choice of collaborative partner for both parties is clearly linked to an alignment of core values with interviewees not being prepared to compromise on this. For example, one SE working closely with a university explicitly referred to the importance of the university's values with another citing the importance of a 'shared ethos'.

> *"The driver is always the shared ethos about wanting to create opportunities, often for people who don't have a voice or don't have a platform."*

There is high level of awareness about the SDG, with the highest level of engagement with Goal 3: Good Health and Wellbeing (12.5%), followed by Goal 8: Gender Equality and Goal 4: Quality Education (10% each). Despite this focus on social innovation, when responding if

the partnership generated further goals, the same goals were mentioned (SDGs 3 and SDGs 4), apart from the obvious Goal 17. The importance of alignment to the SDGs is mentioned specifically by two interviewees and this is frequently built into bids for contracts, therefore external pressure to demonstrate commitment is a driver for engagement. The centrality of value alignment is clear and where there is disagreement, it is called out; however, this did not necessarily mean the rejection of the CSP contract.

> *"Sometimes in these commissioning arrangements, they will have things like sustainable development goals in there. How are you going to meet this? How are you going to meet that? How are you, for example, going to look at climate action, you know, in terms of recycling and things like that. So, they look wider in our application. So, they will have things in there where we have to say how we're doing that in the organisation."*

Our research shows how companies can enhance their social impact by aiming to choose partners that have common values, building trust from early stages of the CSP, and the importance of inclusiveness of the actors involved (Savarese, et al., 2021). Lack of common motivations and the different logics can be main barriers that lead to tensions in the CSPs (Savarese et al. 2021). It was found that SEs find it easier, to avoid tension, to enter transactional or philanthropic partnership; these CSPs tend to be less transformational and integrative in creating higher social value, in fact it was found these CSPs do not tap into any new SDGs. Using the SDGs for value alignment and measuring impact remains unfulfilled as often SEs are not aware of them and finds them too corporate (Littlewood & Holt, 2018).

**Potential contribution**

This empirical paper contributes to the SE literature, clarifying how these can enhance their contributions to the SDGs through leveraging partnerships (Littlewood & Holt 2018; Kassim et al., 2020), rather than just focusing on the heroic aspect of SE (Bacq et al., 2016). It also enriches the literature on interorganizational relationships and, more precisely, cross-sector collaborations involving SEs (Di Domenico et al., 2009; Huybrechts and Nicholls 2013; Montgomery et al., 2012; Savarese et al., 2021). It can help SEs to choose best partners and advise how to avoid mission drift due to different logics (Savarese et al., 2021).

**Future Development**

The data collected about SEs involved in partnerships included the private sector, but often it was a public or charitable body that dominated the CSP. Future research should therefore

specifically focus on CSPs between SEs and the private sector only, to fully examine the dynamics that lead to processes involved in transforming philanthropic and transactional CSPs into integrative ones, for higher social impact aligned to the SDGs.

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**Appendix: Table with respondents.**

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| Survey: 13 social enterprises | Respondents had an average tenure of 4.3 years in the sector, with 40% having 21 or more years of experience. 40% of these SEs had been in existence for 1-5 years, while 40% had been in existence for over 10 years. |
| Interviews: 3 social enterprises | Three semi-structured interviews were conducted with SE providing services in relation to wellbeing, education, assisted technologies and specialised psychological health care support designed to increase accessibility for marginalised groups including individuals with physical disabilities, black and minoritized families and communities, and young people. |