Adaptive Responsibilities: Non-Linear Interactions Across Social Sectors. Cases from Cross Sector Partnerships

Maria May Seitanidi
ADAPTIVE RESPONSIBILITIES: Nonlinear Interactions in Cross Sector Social Partnerships

Maria May Seitanidi, Brunel University, UK

Published in:
Emergence: Complexity & Organization
E:CO Issue Vol. 10 No. 3 2008 pp.51-64

Abstract
This paper presents an instance of failed large scale social innovation from a cross sector social partnership even though the partnership seemed to succeed in its narrow mission. The mechanisms that led to less than complete success can shed light on the reasons behind the failure of social change mechanisms. The case study presented is between a non-profit organization and a business. It demonstrates that when the strategic intent of the social actors is prescriptive, it imprisons the possibilities for fundamental change. This limitation is due to the pre-defined relatively narrow responsibilities associated with different individual or social agents. The paper is calling to move beyond reactive and proactive responsibilities and to shift towards accepting adaptive responsibilities that require a multidimensional understanding towards all three levels of analysis, micro, meso and macro. Adaptive responsibilities is an empowering approach based on the coevolution of organizational actors. It holds the seeds of reciprocal multi-level change.

Introduction
The growing intensity of relations between non-profit organizations and businesses (Gray, 1989; Young, 1999; Austin, 2000; Googins & Rochlin, 2000) due to the need for sharing both tangible and intangible resources (Seitanidi, 2007) has resulted in increased interactions across diverse social sectors. At the same time, the growing prominence of the concept of corporate social responsibility (CSR) (Crane & Matten, 2007; Moon, 2004) has elicited a vigorous debate regarding the responsibilities of each sector in addressing social problems (Seitanidi, 2005) as well as an increase in interactions across the sectors thereby propelling non-profit organization-business (NPO-BUS) partnerships as one of the key mechanisms for delivering solutions to social problems (Heap, 1998; Mohiddin, 1998; Folwer, 2000; Googins & Rochlin, 2000; Mancuso Brehm, 2001; Drew, 2003; Hemphil & Vorontas, 2003).

The intersection of these sectors has served to create a useful test arena wherein researchers can explore the potential benefits of interactions between hybrid non-profit and for-profit business models which has important implications for social entrepreneurial projects. In the past social problems and for-profit actions were conceived mono-dimensionally and, accordingly, only the responsibility of the single sector in question. Although social problems were typically held to be the responsibility of the public sector, gradually the non-profit sector took on some of these responsibilities either proactively or as a result of the wider public sector’s desire to ‘hive off’ those responsibilities that were perceived as high risk or high cost (Bovaird et al., 2002: 421). More recently, with the emergence of CSR as an emerging cultural norm, actors within the for-profit sector have begun to capitalise on the positive reputational benefits of taking on some of the responsibility for social problems. Indeed, the failure of single-sector solutions has made quite
evident that social problems such as poverty, HIV/AIDS and environmental degradation are complex issues that often cannot be solved by social agents within one social sector alone. Instead, many social problems require multi-sector solutions which require an increased level of interactions among previously disconnected groups. Accordingly, new social processes are emerging such as cross-sector social partnerships and social entrepreneurship. This paper presents case study data from an NPO-BUS partnership in order to draw lessons for social entrepreneurship in general.

Social entrepreneurship and cross sector social partnerships as complex adaptive systems

Social entrepreneurship (SE) is a hybrid form of social process (Dees, 1998; and Trexler, in this volume) which combine the unique characteristics of the for-profit, non-profit and government sectors depending upon the situation and the history of organizing activities. Thus, Austin et al. (2006) define SE as an innovative and social value generating kind of activity that occur within or across the sectors in question. However, as they go on to remark, discourse both in theory and practice concentrates on the interface between the business and non-profit sectors as the most likely region wherein the expression of SE can result in the delivery of innovative solutions to social problems. This view therefore defines SE as only one relatively narrow category of social enterprise (again, see Trexler in this volume). Under this narrow definition, it is not clear that NPO-BUS Social Partnerships should be classified as a type of SE (Blowfield & Murray, 2008). Even with this narrow definition, each represents only a different style for engaging in social enterprise, yet, more importantly, they share the objective of channelling interactions across the for-profit and non-profit sectors toward social benefit (Massetti in this issue; and, Trexler in this issue).

Cross sector social partnerships (CSSP) represent a form of interaction across sectors (Seitanidi and Crane, 2008) which aim to address social problems (Waddock, 1988) by combining the resources and capabilities of organizations across sectors (Bryson et al., 2001; Selsky & Parker, 2005; Berger et al., 2004; Austin, 2000; Googins & Rochlin, 2000). As a mode of SE, CSSPs can develop in constellations that encompass all sectors of society. The three types of CSSPs include: Business and public sector organizations 1. (Public-Private); Public sector and non-profit organizations 2. (Public-NPO); and, Business and non-profit organization (Private-NPO) (of course, there can also be tripartite partnerships but they are not the focus of this paper).

In this paper, CSSPs are seen as social processes that can deliver change and social innovation by operating as bridges across sector boundaries. As such, they are social processes which involve reframing the ‘rules of the market game’ and questioning fundamental assumptions that underlie established organizational forms (Bessant & Tidd, 2007; Crane and Matten, 2007). They emerge where there is market or government failure (Austin et al., 2006) or where there is an opportunity (Crane and Matten 2007). Table 1 summarizes how CSSPs can be understood as an examples of SE by highlighting their similarities.

Within this paper CSSPs, as a form of social entrepreneurship, are conceptualized as complex adaptive systems (CAS) with the latter’s emphasis on interaction across levels: macro, comprising a high level of description involving social interactions across sectors and institutions; meso, comprising those interactions across formal, informal, or hybrid organizational infrastructures; and micro, comprising the interactions of individuals from their respective organizations. Figure 1 shows the overlapping levels at issue with CSSPs.
Similarities between Social Entrepreneurship & NPO-BUS Social Partnerships

- They operate on the bridge of sectorial boundaries
- They both emerge where there is government and/or market failure
- They aim to combine the characteristics of NPO & BUS organizations
- They aim to address social problems
- They potentially can produce change & innovation
- Their challenges lie in the implementation stage

Table 1 Similarities across social processes of multi-sector solutions: Social entrepreneurship & NPO-BUS social partnerships

For example, an employee of a non-profit organization interacts with his colleagues in his own organization but also with others from other organizations in different economic sectors at the same time. Within the framework of complex adaptive system, each interaction holds those seeds whose potential impacts may crossover the specific level from which the action originated (Hazy et al., 2007).

All three levels shown in the figure interact (see, Mitleton-Kelly, 2003), and are interdependent on one another, and as such coevolve, thereby undergoing a series of adaptations, both structural (e.g., individual/organizational/social characteristics, social and political processes, missions) and non-structural (e.g., individual/organizational/social confidence, ideology, responsibilities).

According to Selsky and Parker (2005) three different conceptual ‘platforms’ are employed in the literature for the examination of CSSPs: that of resource dependence; that of the social issues involved; and a platform which extends beyond the role of the individual organizational actors. What must also be examined are both how the boundaries between the sectors can become blurred as well as the complexity of the interactions. Selsky and Parker (2005) also point out how the prevailing “simple input-output systems model” (p.17) customarily employed for the study of CSSPs accounts neither for the multi-level processes nor the nonlinear interactions that characterise them—hence the turn to complexity science to shed further light on CSSPs.

Interactive multi-level change in CSSPs: Learning from failure

The dynamics of change in organizations, in both businesses (Shen, 2005; Dechalert, 2002; Poole et al., 2000; Pettigrew, 1990; Argyris, 1985) and non-profits (Ebrahim, 2005; Lewis, 2000), has, of course, been much discussed in the literature although much more regarding the former rather than the latter (McKeith, 1993). One important aspect of organizational change for our purposes is that, according to Martin (2000: 452), change involves making different choices than in the past, ones that challenge the ‘status quo’ which then lead to taking different actions. Moreover, these choices, although happening on the individual level, can amount to multi-level changes across individuals, organizations, and society.

At the core of it all is interaction as a key ingredient in change (Dutton et al., 2001; and, Heracleus and Berrett (2001). That is why Lovelace et al. (2001) conceptualise organizational change as an interaction field and Pettigrew et al. (2001: 699) emphasise that “focusing on interaction moves away from the variables paradigm toward a form of holistic explanation.” Hence, rather than the model of linear causality with its customary dependent and independent variables, there is a complex causality springing out of the interactions between context and action. The meaning of “context” here is embedded in a complexity perspective: “Crucially,
context is used analytically not just as a stimulus environment, but also as a nested arrangement of structures and processes in which the subjective interpretations of actors’ perceiving, learning, and remembering help shape process” (Pettigrew et al., 2001: 699; emphases added).

Note: The three circles inside each level of reality depict the realities of nonprofit organisations, businesses and government formations both on the meso and macro levels to demonstrate the co-existence of different realities that will be analysed.

**Figure 1 Overlapping realities: Macro, Meso, Micro**

The NPO-BUS partnership literature has not previously looked at partnerships as the agents for change but has instead tended to focus on one side of partnerships, on NPOs, as facilitating or forcing change within the business sector (Bendell, 2000). Regarding the partnership outcomes, change appears (implicitly and explicitly) to be an outcome that is both intentional and unintentional (hence processual) for both partners within their organizational group. Change is also understood as diffused within the sectors with reference made to structural changes that take place within both sectors as a result of their intense interactions (Millar et al., 2004; Heap, 1998) as well as in their own organizations (Loza, 2004; Ebrahim, 2005). Although some attention has been given to the intention for change within what’s called *movement and mobilisation theory* as well as *confrontational cross-sector relationships*, for the most part, aside from notable exceptions (see Bendell, 2000), the central issue of intent has been largely ignored in collaborative relationships.

The NPO-BUS social partnership case study presented in this paper focuses on missed opportunities for social change, using the demonstration of deficiencies in the relationships among the partners in order to move to a deeper understanding which goes beyond those processes that have been proven to work in the past in the direction of those that have the potential to work but have not yet been put to the test. As pointed out by Miner et al., 1996: 239) “historically, organization theory appears to have a ‘success bias’.”
Indeed, the majority of studies offer success stories of organizational change. However as Miner et al. (1996: 242) indicate: “failure that serves as a signal for the need for change may provide a relatively efficient device for population level change.” They also offer the proposal of looking at failure as an ‘engine for learning,’ that is, how population level changes may result from lower level organization failure. In effect, discussing factors responsible for failure rather than success moves this investigation of cross sector partnerships away from the surface of what is immediately observable and thereby opens-up other avenues for research beyond what people say or do. In other words, such an exploration allows us to look at the potentiality dimension, that is, what people are not saying or not doing but may be wanting to or intending to do anyway.

Although there are available cases of organizational failures within the non-profit sector (Anheier, 1999), there are no studies that focus on the interaction between a non-profit organization and a business and none on instances of missed opportunities involving organizational change. Therefore, a central issue for the present analysis is: How can CSSPs as complex adaptive systems function as platforms of social innovation leading to organizational and social change?

**Methods**

The case study described herein involves a partnership between The Prince’s Trust and the Royal Bank of Scotland which was initiated in the 1980s. The Prince’s Trust is the leading youth charity operating across the UK, offering to disadvantaged young people between the ages of 14 and 30 a wide range of opportunities including training, personal development, business start-up support, mentoring and advice. In 2000, after the takeover of NatWest and the formation of the Royal Bank of Scotland Group, a series of events led to a shift from sponsorship per se to a partnership relationship. The first partnership lasted three years beginning in 2001 and involving £3.4 million. In 2004 the second partnership commenced involving £5 million with a time frame of five years lasting until 2009. It is worth mentioning that the RBSG over the last years has encountered some criticism with regards to its excessive profits, credit cards policies, the take over of NatWest, and irresponsible funding. In 2003 RBS signed the Equator Principles, which represent a benchmark for the financial industry to manage social and environmental issues in project financing. The main issue addressed by the partnership is the social exclusion experienced by the disadvantaged young people and consists of seven components:

1. The funding of the initiative;
2. RBS’s employee involvement allowing the 2. PT to increase its volunteer resources;
3. The establishment of the ‘Business Awards’, a recognition event for young entrepreneurs throughout the country;
4. The funding of ‘Business Start-ups’ by disadvantaged young people;
5. The encouragement of donations by wealthy individuals through a relationship with the Coutts Wealth Management division of the Group;
6. Sponsorship of events, in particular, sports, e.g., ‘The PT Cricket’ initiative; and,
7. Utilizing IT resources from RBS to the PT in order to assist with the development of critical systems.

**Case selection**

In deciding on a case for study, five criteria were used: 1. The scope of activities (international/national); 2. The purpose of the partnership (focusing on an environmental or social issue); 3. Type of resources exchanged across the partner organizations (financial/non-financial); 4. The type of organizational reputation (a combination of three level scales of high-medium-low
and positive-neutral-negative were employed based on the media content assessed for the original research); and, 5. The style of activity among the two organizations (which was a constant collaborative interaction) since the issue under examination was partnership implementation. Table 2 summarizes the different criteria employed for the selection.

<table>
<thead>
<tr>
<th>Form</th>
<th>Scope of activity</th>
<th>Purpose</th>
<th>Resources</th>
<th>Reputation</th>
<th>Style of activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prince’s Trust</td>
<td>NPO</td>
<td>National</td>
<td>Social issue</td>
<td>All</td>
<td>High</td>
</tr>
<tr>
<td>Royal Bank of Scotland</td>
<td>BUS</td>
<td>National</td>
<td>Social issue</td>
<td>All</td>
<td>Neutral</td>
</tr>
</tbody>
</table>

Table 2 *Criteria for selecting the cases*

**Data collection and analysis**

Data collection consisted of 24 interviews taking place across the two partner organizations. Organizational documents such as annual and internal reports supplemented the interviews. Data were gathered and the case analyses were developed between July 2002 and January 2004 as part of a broader research study on non-profit-business (NPO-BUS) partnerships in the UK. Semi-structured interviews were employed, in particular, the “problem centred interview” (Flick, 1998) which is used to obtain subjective viewpoints about a social problem. The analytic framework adopted was a contextualist approach following Pettigrew (1985) which highlights the importance of studying organizational change in three dimensions: context; content; and process.

In addition, a complexity vantage point was not only used as a theoretical foundation but also as part of the method (Goldstein et al., 2004). The analysis of multi-level change emerging through interactions allows for conceptualizing the partnership as a network of embedded CASs (the for-profit and non-profit organizations) inhabiting higher and lower levels.

The interviews were recorded, transcribed and confirmed by each interviewee which allowed for a marking-off of sections as ‘off the record’ (in addition to those sections noted as ‘off the record’ within the interview sessions) due to the sensitivity of the material and the use of the real names of the organizations involved. ‘Off the record’ requests were granted in full by masking job titles. The final transcripts were imported into NVivo which was used to manage the data analysis process. A total of 837 nodes were initially developed. These were then gradually collapsed into common themes grouped around the chronological stages of partnerships. Within the case study, the aim was to arrive at theoretical rather than statistical generalizations (Ragin 1991) and to develop critical thinking (Alvarez et al, 1990) about the process of partnership and its impact on change.

**The challenge of multi-level case analysis**

This paper does not focus on a single unit of analysis—rather, the aim is to capture the course of interactions among actors on the individual, organizational and social levels. What’s crucial to recognise here is that the focus of the paper is on revealing the dynamics underlying the interactions between the partners, as well as the different perspectives on the partnerships provided by the organizational members. Moreover, all the descriptions used for the theoretical conceptualization were grounded from within the interviewees’ comments.
**Results and analysis**

First, I will describe the intentional as well as some unintentional changes in addition to mechanisms of change that came out in the interviews. This is followed by a description of what I believe is a missed opportunity for more widespread institutional and societal change. Finally, I discuss how this missed opportunity might have been realized, concluding with some lessons I think can be learned from the case.

**Intentional versus unintentional change in social NPO-BUS partnerships**

It has been emphasized above that in order for CSSPs to deliver change and innovation, the implementation stage of the relationship needs to support this aim at all levels. This section of the paper concentrates on the changes that took place both as a process and as an outcome of the partnership relationship.

The Princes Trust (PT)-Royal Bank of Scotland Group (RBSG) partnership was formed with a clear mandate: RBSG’s funding would allow The Princes Trust (henceforward, ‘The Trust’) to experiment with their work practices (content and the processes used). In this context, RBSG posed a serious creative question to its potential partner: “Where would you like to be in three years?” (Executive, PT). Attempts to answer this question allowed PT to experiment with its core programmes, undergo a process of change, and adopt a much-needed new approach. The intentional dimension of change is evident in the quotes below:

"...as part of that we recognized we had to change the way we worked and therefore we needed a partner that enables us to give us the freedom to try these things and change the way we worked to reach those people..." (Executive, PT)

"And also because the nature of the way in which the RBS gave us the opportunity to go into partnership. They asked us where we would like to be in three years, which I think got everybody thinking here and certainly that changed, you know, our perception of what we could do with a commercial partner. (Executive, PT)"

"We nested a series of, I suppose, second order objectives, the primary objective was we believed that our cash injection would help the PT achieve a shift in the way it did things. (Executive, RBSG)"

"We do need to change, we desperately need to change, because... we, it’s a competitive market, you know, and every market’s competitive, we have to be more effective at reaching our target groups. That is the number one primary objective..." (Executive, PT)

Indeed, an intention for change was explicit in both the business and non-profit partners. Equally, the direction of change was very clear: the bank would facilitate the changes at PT through its cash injection as well as through periodic work interactions with RBSG’s very experienced executives.

The context of the changes encompassed all stages of the implementation process of the partnership, that is, the selection, design and institutionalization of the relationship (Seitanidi and Crane, 2008). The content of the changes taking place at The Trust can be summarized in the following five points:

1. Changing the way of working;
2. Changing the target group of The Trust;
3. Changing the core programme and, as a result, developing the programme ‘Route 14-25’ (an organization development initiative designed to change the way The Trust
worked—it was the cornerstone of the partnership and at the core of the three-year strategy of the Trust);
4. Initiating a re-branding exercise; and,
5. The appointment of new people within The Trust.

On the one hand, according to most of The Trust’s employees, these five aspects characterized a profound change within PT that resulted in the introduction of a new programme, a new target group, and a new identity for the organization that produced different outcomes than in the past.

On the other hand, unintentional changes also took place at the bank, mostly at the human resources (HR) level. For example, the HR Manager developed an HR matrix that matched the personal development programme of RBSG’s staff to the volunteering opportunities of PT. Other changes accrued from the interactions between the PT and the RBSG were on a more personal level, characterized as “subtle” even “silent,” changes that were primarily unintentional:

Maybe we [the people] have changed... maybe it [the Bank] has changed, but I mean I think it would be subtle and over a period of time... (Executive, RBSG)

Such changes are often unobserved by researchers as many of the individuals move to new positions outside the organizations, or are due to limitations in research design or funding and other constraints.

The changes that took place at the bank were processual and driven by the people interacting rather than part of some strategic plan. The total of 560 volunteers that RBSG offered to PT was a very small percentage within the Bank, only 0.63% of RBSG’s total UK workforce. On the other hand, RBSG’s volunteers to The Trust represented 80% of PT’s actual workforce and 5.6% of its volunteers. However, as the number of volunteers increases, and hence the time that the volunteers are exposed to the PT’s culture also increases, the partnership is expected to deliver a more generalized attitude change to both organizations as the culture of each organization would suffuse into the other.

As the partners continued their interactions other changes took place on the individual, organizational and collective level. For example, a number of positive organizational outcomes were clearly the result of the partnership, notably, improved IT know-how, altered perceptions about each other’s organization, new HR opportunities, improved contacts within each other’s sector, and better working relations.

As stated above, one of the central reasons behind the two organizations forming a partnership in the first place was their common interest in doing something about social exclusion, that is, “what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown. It can also have a wider meaning which encompasses the exclusion of people from the normal exchanges, practices and rights of society” (Prince’s Trust Policy Team, 2008). The focus on social exclusion/inclusion can be gleaned from the following quotes:

So I think that we would as an organization have ticked their boxes and they would have ticked our boxes simply in terms of their social inclusion objectives and the work that we do (Executive, PT)

Our Group activities are focussed on education and promoting social inclusion. We achieve this by developing long-term partnerships with charities and Government. (RBSG, 2004: 40).
In the UK, young people from disadvantaged backgrounds (e.g., long term unemployed, without university degree or even without A-levels, problems with drugs, record of previous offences, and so forth) cannot typically receive loans from UK banks in order to start a small business. Of course, this is a matter of customary business decisions surrounding assessments of risk. On the other hand, PT offers through its programmes, financial support to these young people on a small scale, but more importantly, it provides them with a personal mentor who has business experience and financial expertise to ‘hold their hand’ through the different stages of setting up an enterprise. The mentors are people from business who volunteer their time to The Trust. Often the volunteers are the employees of the RBSG who give their time in order to make a difference in the young peoples’ lives.

RBSG’s leadership in corporate banking in the UK is especially well-known regarding business start-ups. With the largest retail network and as the top bank in the country for private banking (Royal Bank of Scotland, 2004), RBSG provides the perfect background for mentors in offering high quality advice to young people. The EU measures the success of micro-, small- and medium-sized enterprises (SMEs) (European Union, 2003) during the three years since the day they were first set-up. Most businesses fail within their first three years, but interestingly, this is not the case with the businesses of disadvantaged young people that PT supports:

*Firstly, as their role is the leading small bank ... business, small business bank in the UK, they operate within certain parameters of cost and risk on lending. The PT offers or starts businesses and offers capital to those people who the banks cannot lend money to, due to credit risk assessment. So effectively this is a way for them to get to a new customer market. Now PT’s businesses... 60% [of them] after three years are still running which is better than any High-Street bank... better than the RBS and Natwest and Lloyd’s and Barclay’s. (Executive, PT).*

*We also give them second-generation customers... The bank [interviewee draws a figure] ... here are all of the different variations in potential customers for the bank, in terms of their business start-up programme. The bank operates within this circle here, which is highly populated, low-risk, low-cost business lending. The PT can operate out here because ... so we effectively expand their customer base. Now what happens is once these businesses are running for three years, after three years they’ll usually look for some kind of expansion lane by which point the business is stable and the business is... you know it’s a recognized business after three years... so the risk drops down to there, so you’ve effectively increased the access that High Street lenders get to small businesses (Executive, PT).*

*When you think that the PT for instance, starts up 11% of all businesses in Wales and, I mean, we start up several thousand businesses a year that fall outside ... and all of those businesses fall outside of the traditional cost-risk lending model that they operate... (Executive, PT).*

As is evident from the above remarks, PT’s model is highly successful from both a business and a social perspective and for both partners. For RBSG, it generates second generation customers by turning disadvantaged young people into successful entrepreneurs. Indeed, some of the stories of PT entrepreneurs reveal some remarkable achievements on the part of the young people. Through the help of dedicated individuals (both the employees of The Trust and their business mentors/volunteers) a chain of change events occurs on the individual, organizational and social level. Remarks (also videos are available on the PT’s website) of young people whose lives have changed offer a glimpse into the changes on the individual level:
Before I contacted The Prince’s Trust, I didn’t have a future, but their support and encouragement has meant I’ve turned my life around. It was great to just be nominated... This whole experience has made me realize just how much I have achieved with the support of The Prince’s Trust (Prince’s Trust website, 2008).

Chris is a skilled worker and conscientious bookkeeper, with a good work ethic, so he quickly built up a steady stream of clients—a remarkable achievement for a man with 176 previous convictions (Prince’s Trust website, 2008).

A missed opportunity?

Although so far we have seen a directionality of influence mainly from the bank to the charity, in fact, The Trust has been (and still is) in a unique opportunity to transform the banking industry as a whole in the UK through its close relationship with the RBSG. However, the relationship between the two organizations was set from the beginning in an instrumental way so that

The Trust would change its way of working. In fact, there’s no mention within the interviews of any attempt on the part of The Trust to change the way the bank was operating, e.g., by encouraging the bank to change its practices towards disadvantaged young people. Yet, the UK government’s priority on social enterprise could offer leverage to The Trust’s efforts in that direction, according to a PT executive, should they have wished to develop such an initiative:

...extend the partnership, I think that would become more prominent for a number of different reasons. First reason being that this... that model of lending outside the traditional risk model is high on the government agenda in terms of things like social enterprise... (Executive, PT)

This represents a missed opportunity for social innovation and change. The responsibilities of The Trust towards its immediate target groups were fine, but when the partnership with the RBSG emerged, a new set of responsibilities also emerged. These responsibilities emerged due to this unique association between a for-profit and a non-profit organization, the former playing the role of providing a model for efficient operations and risk management while the latter playing the role of a standard bearer of civil society (Meadowcroft, 2008). As such, non-profits need to embrace a new role that often requires them to expand beyond their sector’s responsibility in order to adapt by embracing an extended responsibility that encompasses its partner’s and in effect its sector’s responsibilities.

The missed opportunity was that The Trust could have extended its impact by actively and intentionally seeking to change its partner and even its partner’s industry. If indeed the lending practices of the RBSG would have changed, then it seems to be nearly certain that other banks would have followed their example, and eventually revolutionized the entire banking sector’s lending practices. Hence, by keeping too close to the original strategic intent of the relationship, the sense of responsibility of PT did not adapt to a new more expansive role. Perhaps under different conditions, an additional level of social responsibility could have emerged within the partnership in the context of the successful elements of the relationship. This broader sense of responsibility could have included the opportunity to leverage PT’s relationship with RBSG toward positive changes across the entire banking sector in the UK.

A partnership between two entities is typically assumed to be an equal relationship. This is in contrast to sponsorships or donations (Seitanidi & Ryan, 2007) which are clearly one-sided. In sponsorships or donations, status reporting is usually one-way, i.e., the non-profit organization reports to the corporation in order to account for the money it has received.
Individual (core P team members employees programme participants);
Organisational (core teams organisations other stakeholders);
Collective (both partners interactively) and;
Societal (externalising the change to society: other partners other distant organisations within the same industry or across other industries and other sectors)

Table 3 Levels of change in NPO-BUS social partnerships

Contrary to typical business partnership reporting expectations, in the PT-RBSG relationship, reporting practices took place only one-way—from PT to RBSG—in order to account for the money received. In other words, reporting was much like a sponsorship or donation. The Trust could have instead requested greater equality, insisting that it receive reports from RBSG with regards to their efforts to improve processes involving a number of criteria such as social exclusion, social responsibility and so forth. The actual situation of one-way reporting can be interpreted as not only an asymmetry that favoured the business partner but also as a missed opportunity and a way to introduce intentional change at the bank through the introduction of a two-way reporting.

The lack of appreciation of the partnership’s deeper role, beyond its instrumental dimension, also testifies to the lack of training on partnerships as representing a new governance arrangement. By failing to negotiate two-way reporting during the partnership relationship, PT missed an opportunity not only for inter-organizational change but also the chance to hold the bank accountable for their processes and practices as standards bearers of civil society (Meadowcroft, 2008). As both are high profile and exemplary organizations, it seems quite certain that if implemented in their partnership, the practice of two-way reporting would have been repeated in other cross-sector partnerships between businesses and non-profit organizations. This would have potentially facilitated positive social change on the societal level. Tables 3 summarizes the levels of change within the partnership.

Conclusion: Moving from reactive and proactive to adaptive responsibilities

CSSPs represent the potential of a flexible, non-regulated network structure that can address a broad range of important social issues (macro-level) by functioning as change mechanisms. They endeavour to facilitate social innovation through organizational interactions (meso-level) and through the decisions of individuals (micro-level) by operating at the bridge across sector boundaries. The level of change produced either as a process or as an outcome of the interactions depends not only on the elasticity of the sector boundaries, but also on whether the responsibilities that are assumed are adaptable across levels of analysis and among sectors. Because they address the complexities of for-profit / non-profit hybrids, there are important lessons to be learned for students of social entrepreneurship.

The case study described herein demonstrated the multi-dimensional and multi-level character of change. The intentional changes were produced as an outcome of the relationship while the unintentional changes were part of the evolutionary process of the partnership. Intentional change can be carried through as a strategy facilitated by either the for-profit or the non-profit partner. If there is no strategy in place, then change is primarily unintentional and takes place in a subtle
way over a longer time period, unlike the intentional change that is intense and concentrated within a short period of time. However, unintentional change can also produce lasting positive outcomes if the organizations seize opportunities that emerge through the evolution of the relationship.

CSSPs as complex adaptive social systems coevolve through their interactions on all different levels with a multitude of actors. As such the roles and responsibilities are negotiated and renegotiated among the participants. Interactions across the sectors or organizations do not automatically produce intentional change. I argue that in this dynamic of interaction, the sense of responsibility itself is an important operator that can potentially make change happen within the system either by operating from within it or by being brought in from outside the system. Partnerships are a new domain in which the benefits of interdependence across the involved systems might reinforce one another, and in so doing capture additional potential that might result from a higher level of interdependence at different phases of the evolving relationship.

In the case that was analyzed, one organization and its employees assumed a level of responsibility due to its core business (as was the case with PT) while a second organization needed to react to societal criticism (as was the case with the RBSG. By forming a partnership, both were able to embrace the other and act upon their responsibilities successfully. However, in the case, an additional opportunity emerged that required an adaptation of responsibilities. What emerged was not a responsibility to react to a particular problem. It was not even a responsibility to develop a proactive action plan in anticipation of a possible problem; something else was needed to instigate change on a larger scale. Unfortunately, these organizations were unable to fully adapt and hence failed to seize the opportunity to deliver industry-scale change.

The first two types of expressed responsibilities can be characterized as uni-dimensional as they are usually associated with the responsibilities only on one level of analysis (be it individual, organizational or societal) and usually within the familiar sphere of a social system. On the other hand multi-dimensional responsibilities demonstrate the ability of social systems to adapt when an issue emerges. The issue at stake usually extends beyond a single dimension of responsibility and instead encompasses all three levels of analysis as solutions emerge out of deep transformation. The responsibility becomes adaptive when the entity is able to transcend beyond its self-centred reality (see, e.g., Goldstein, 2007, for a discussion of emergence as a self-transcendence of antecedent or lower level conditions). Table 4 provides a summary of the uni-dimensional and multi-dimensional responsibilities:

Due to the co-evolution of the sectors there is a need for adaptive responsibilities which will embrace all three levels of reality (tri-dimensional reality) and allow for multi-sector perspectives. This is the only way to facilitate reciprocal multi-level change as these emergent responsibilities will not be captured by merely a strategic intent for change. As the case study demonstrated, opportunities exist for reciprocal multi-level change, however they require a more symmetric and reflective approach in conjunction with advanced training in order to extend the organisational and individual capabilities.

It is important to study failure in cross sector relationships in order to move beyond the rhetoric of past structures and institutional mechanisms. There is an urgency to open-up the social sectors to new ways of thinking in order to address the new institutional realities that are emerging and call for new roles and responsibilities that are defined beyond familiar boundaries. This case shows that NPO-BUS social partnerships are addressing issues beyond traditional organizational boundaries.
Hence, there is a need for a different understanding of sector responsibilities. This paper introduces the term “adaptive responsibilities” and posits a shift beyond proactive and reactive responsibilities.

**Uni-Dimensional Responsibilities**

Re-active responsibility: demonstrates a reaction **after** a problem, issue, event has taken place in order to minimise the cost to the sector or organization or individual

Pro-active responsibility: demonstrates a reaction **before** a problem, issue, event will surface in order to avoid or minimise the cost to the sector or organization or individual

**Multi-Dimensional Responsibilities**

Adaptive responsibility: demonstrates an adaptation to an emergent issue that extends **beyond** a single dimension of responsibility (tri-mensional reality) in order to offer solution to problems that require fundamental change. The responsibilities become adaptive when the entity is able to transcend beyond its self-centred reality

| Table 4 Uni- and multi-dimensional responsibilities |

Adaptive responsibilities signifies an empowering approach for all the parties in partnership, one based on the coevolution of organizational actors seeding reciprocal multi-level change. In this perspective, the whole can influence its parts, but also the parts can exercise influence on the whole as a reflection of the changing roles of organizational actors, social sectors and individual roles. If indeed our world has moved beyond simple, linear processes (Goldstein *et al*., 2004)—from the state of “being to becoming” that is manifest in the dismantling of traditional boundaries at all three levels of analysis—new organizational forms are required with new senses of boundaries and responsibilities in order to better adapt to the social complexities of our age.

**References**


Bovaird, T., E. Loffler, E. and Parrado-Diez, S. (2002). Finding a Bowling Partner. The role of stakeholders in activating civil society in German, Spain and the UK.


Prince’s Trust PolicyTeam, 2008. Personal Communication via email.


**Acknowledgements**

I would like to thank Prof. Eve Mitleton-Kelly, Director of the LSE Complexity Group, for providing the inspiration to use complexity as a framework for the analysis of cross sector social partnerships. I am also grateful to the organisers of the Adelphi Conference on Complexity, Leadership & Social Entrepreneurship and editors of the Special Issue, Professors Jeffrey Goldstein and Jim Hazy, for the opportunity to present my work and for their valuable comments.
Finally, I would like to thank Georgia Seitanidou, my mother, for teaching me how to use Art as a way of searching for new ways to see reality.

**Maria May Seitanidi** is an assistant professor for the Business, Management and Marketing divisions at Brunel Business School, London, UK. She is also a visiting fellow at the International Centre for Corporate Social Responsibility (ICCSR) of the Nottingham University Business School. She is a member of the editorial review board of the *Journal of Nonprofit and Public Sector Marketing*. She is currently working towards her book on Social Partnerships (Springer). May is the founder of a network of 290 professionals specialising on Partnerships from all around the world. A yahoo group is currently set to encourage exchange of information and sharing of experiences among the members [http://tech.groups.yahoo.com/group/NPO-BUSPartnerships/](http://tech.groups.yahoo.com/group/NPO-BUSPartnerships/). In 2007 she organised an international symposium on “The Future Challenges of Cross Sector Interactions: Interactions between Nonprofit and Business as Complex Evolving Systems” together with the LSE Complexity Group.

Email: mmayseitanidi@yahoo.com