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# Nonprofit Entrepreneurial Orientation in the Context of Cross-Sector Collaboration

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**Triggered by budgetary challenges and growing awareness of social needs, recent years have seen increasing entrepreneurial behaviour in the nonprofit sector, of which collaboration with for-profit organizations is a case in point. Yet, while extant research has extensively studied the entrepreneurial orientation (EO) of for-profit organizations, scant attention has been paid to its manifestations in the cross-sector collaboration context and from the nonprofit perspective, even though numerous nonprofit organizations' idiosyncrasies point to the need for a reconceptualization of the EO dimensions in that domain. Thus, taking the nonprofit perspective, our research aims to explore the dynamics and nature of EO in the context of nonprofit–business collaboration (NBC), examining how the EO core dimensions manifest themselves when nonprofit organizations (NPOs) proactively engage in NBC. We unpack the meaning of EO through two complementary empirical studies. Our work nuances the rather overlooked entrepreneurial posture of so-called 'active-in-collaboration' NPOs, exposes new meanings of collaborative EO dimensions (relational proactiveness, relational innovativeness and relational risk management), discusses their underpinning mechanisms and suggests promising areas for further research and implications for practice.**

## Introduction

Entrepreneurship has become increasingly diffused in the nonprofit sector, triggered by the simultaneous rise of budgetary challenges (Gras and Mendoza-Abarca, 2014) and the complexity of the societal problems that nonprofit organizations (NPOs)<sup>1</sup> aim to tackle (Lumpkin *et al.*, 2013).

<sup>1</sup>This paper focuses on organizations meeting the following criteria (cf. Courtney, 2002; Osborne, 1996): (1) they must be formally structured – this may have different shapes (e.g. paid staff vs. volunteers), but should be clearly distinguishable from informal gatherings and meetings; (2) they must operate exclusively for the benefit of the 'public', existing for a social/environmental mission rather than for profit-making; (3) they must be independently governed, i.e. not controlled by the state/business or established because of regulatory requirements; (4) they must not be driven by financial gain motives; (5) their finan-

Nonprofit entrepreneurship has also been driven by the realization that overall social needs are much larger than one organization can meet (Morris, Webb and Franklin, 2011). In this context, maximizing efficiency while exploring new options for sustaining and expanding their activities is paramount for NPOs. This paper investigates NPOs' collaboration with the business sector as an important form of nonprofit entrepreneurship.

Cross-sector collaboration can offer numerous opportunities for NPOs, as a result of resource complementarity (Liu and Ko, 2011), knowledge

cial management approach must be such that there is no distribution of earned profit to owners or directors (any financial surplus accrued through mission-related operations or activities should be reinvested in either the services offered by the organization or the organization itself for internal development). Given their hybrid nature, social enterprises are excluded from our analysis.

sharing (Rivera-Santos, Rufin and Wassmer, 2017) and co-learning (Sharma and Bansal, 2017), which can emerge when partners interact. Concurrently, it is perceived as complex and risky due to the inherent discrepancy between the two sectors (Caldwell, Roehrich and George, 2017): 'by intent and design, cross-sector partnerships typically bring together highly dissimilar partners' (Le Ber and Branzei, 2010, p. 167). NPOs may face the dilemma that, despite its potential, collaborating with businesses might threaten their basic *raison d'être* (Yaziji and Doh, 2009). Additional challenges derive from stakeholder sensitivity (Chew and Osborne, 2009; Courtney, 2002; Osborne, 1996) to such organizational pairing, which entails potential cultural discrepancies (Baur and Schmitz, 2012).

In line with the need to leverage its potential and address its complexities, NPO–business collaboration (NBC) has been conceptualized as a manifestation of nonprofit entrepreneurship, particularly in relation to innovation and proactiveness (Morris, Webb and Franklin, 2011). Yet, the entrepreneurship literature has not paid much attention to cross-sector collaboration in general (Xing, Liu and Cooper, 2018), and NBC in particular (Lurtz and Kreutzer, 2017). A notable exception is Zahra *et al.*'s (2009) conceptual article, but their analysis of multinational enterprise/NPO alliances takes the firm's perspective, not the NPO's. In the management, public policy and, to a lesser extent, marketing fields NBC has received much more interest (for overviews, see Austin and Seitani, 2012b; Selsky and Parker, 2005). Here as well, however, the NPO's peculiarities as partner have remained relatively underexposed, compared to the ample attention assigned to the firms involved and the implications for society.

We address these limitations by taking the NPO perspective, and examine the strategies adopted by NPOs to generate resources and further their objectives through collaboration with business, using the notion of entrepreneurial orientation (EO) as our theoretical lens (Miller, 2011; Miller and Friesen, 1982). EO reflects the extent to which an organization is innovative, proactive and risk-taking in its behaviour and management philosophy (Anderson, Covin and Slevin, 2009). Scholars posit that the EO construct 'provides an effective tool for capturing evidence of entrepreneurial decision processes across a wide variety of organizational... contexts' (Lumpkin *et al.*, 2013, p. 769).

While originally conceptualized to study for-profit settings (Covin and Wales, 2019; Weerakoon *et al.*, 2020), there is increasing attention for EO's meaning and deployment in settings in which organizations aim to create social value (Davis *et al.*, 2011; Lacerda, Martens and Freitas, 2020; Morris, Webb and Franklin, 2011). As we will explain in the next section, the context-specificity of the EO concept has come to the fore very prominently; hence, to uncover how NPOs' entrepreneurial behaviour unfolds, its particular circumstances need to be considered.

Building on relevant earlier work that has examined EO's effect on organizational behaviour (e.g. Kearney, Soleimanof and Wales, 2018; Lumpkin and Dess, 2001; Tang and Tang, 2018), we unpack the meaning of EO when NPOs proactively engage in collaboration with firms, examining how EO's core dimensions manifest themselves in this context. To this end, our research adopts an exploratory sequential design (Creswell and Plano Clark, 2011) comprising two complementary studies. Study 1 uses a qualitative method to explore the EO phenomenon in NBC, relying on semi-structured interviews with 34 key staff members of 22 UK-based NPOs, combined with a review of organizational documents and reports. Study 2, which aims to enrich, triangulate and corroborate Study 1's findings, takes a quantitative approach, involving a website content analysis of 111 UK-based NPOs which actively collaborate with FTSE100 firms.

This paper contributes to the existing body of knowledge by uncovering how entrepreneurial behaviour emerges as a proactive approach embraced by NPOs to actively target potential partners and thus foster their organizational viability and development. This complements and advances extant literature that has mostly overlooked or underexposed the active role of NPOs in collaboration initiatives (Harris, 2012; Schiller and Almog-Bar, 2013). Specifically, we explain how EO manifests itself among actors driven by nonprofit motives and in the framework of a specific strategic decision (i.e. cross-sector collaboration, which entails the relationship with profit-driven actors). We also provide new insights into the meaning of proactiveness, innovativeness and risk-taking displayed by NPOs when enacting a collaborative relationship, thus exposing different meanings of the EO dimensions. We offer propositions and discuss implications for research and practice in the last

part of the paper, but first discuss the theoretical background, including the defining features of EO and NBC, followed by the methodology and findings.

## Theoretical background

### *Entrepreneurial orientation beyond the business domain*

EO is an organizational level attribute (Covin and Wales, 2019); it refers to the 'decision-making practices, managerial philosophies, and strategic behaviours that are entrepreneurial in nature' (Anderson *et al.*, 2015, p. 1579), and is thus rooted in an organization's approach to exploring and exploiting new opportunities (Eshima and Anderson, 2017). Researchers have operationalized EO as a strategic posture comprising multiple dimensions (Lumpkin and Dess, 2001; Miller, 1983). Although the specific dimensions and their covariance have been debated (see Wales, Covin and Monsen, 2020 for a review), three behavioural dimensions dominate empirical research: innovativeness (i.e. an organization's tendency to generate and experiment with novel ideas), proactiveness (the pace of innovating ahead of competitors) and a risk-taking attitude (the degree of willingness to allocate resources to uncertain initiatives) (Anderson and Eshima, 2013).

Recognizing these dimensions, extant literature highlights the importance of exploring EO in different settings (Wincent, Thorgren and Anokhin, 2014) and of 'adapt[ing] the EO scale to reflect differences in the entrepreneurship form across contexts' (Morris, Webb and Franklin, 2011, p. 948). Therefore, and driven by the explanatory power of EO for firms, the application and conceptualization of the EO construct outside the conventional business context, among organizations aiming to achieve social value, has started to gain ground in the literature (Lacerda, Martens and Freitas, 2020; Morris, Webb and Franklin, 2011). Table 1 summarizes key empirical EO studies conducted outside the exclusively for-profit domains, including the social entrepreneurial and purely nonprofit settings.

One stream investigates social entrepreneurial orientation (SEO) within firms that pursue a social/environmental agenda alongside their profit-centric mission (Gali *et al.*, 2020). Researchers have 'borrowed' the EO concept from mainstream

entrepreneurial literature and adopted it within the social entrepreneurship context (Weerakoon *et al.*, 2020). They investigate the nature of SEO in these organizations and assess SEO dimensions' impact on various organizational outcomes, including financial and social performance (e.g. Halberstadt *et al.*, 2020; Liu and Huang, 2020). The EO construct is also studied within social enterprises, which pursue 'a given social purpose through strategies which generate income from commercial activity' (Di Domenico, Tracey and Haugh, 2009, p. 893). This work contributes to the EO field by developing specific scales/measures to operationalize SEO (e.g. Kraus *et al.*, 2017), identifying its antecedents (e.g. Weerakoon *et al.*, 2020), examining its social/financial impact (e.g. Alarifi, Robson and Kromidha, 2019) and explaining underpinning mechanisms for SEO value creation (e.g. Voss, Voss and Moorman, 2005).

Another stream explores the EO construct in a purely nonprofit setting, focusing on traditional nonprofit organizations with a social/environmental centred mission funded from, for example, government subsidies, public donations or sponsoring (Ofem *et al.*, 2020). This research has started to receive increasing attention (Lacerda, Martens and Freitas, 2020), particularly because it suggests key differences in how EO unfolds in pure nonprofit settings compared to for-profit or hybrid ones (Morris, Webb and Franklin, 2011). It calls for investigating how the attitudes and behaviours adopted by entrepreneurial NPOs 'will require unique conceptualizations' (Lumpkin *et al.*, 2013, p. 779).

### *Entrepreneurial orientation in a nonprofit setting*

In general, some scholars argue that entrepreneurship in the nonprofit context is conceptually similar to that in the business domain, as both encompass pursuing opportunities for value creation (Desa, 2012). Others instead, as highlighted above, emphasize key differences between conventional and nonprofit entrepreneurship, by unpacking the concept of value creation (e.g. Austin, Stevenson and Wei-Skillern, 2006; Pearce, Fritz and Davis, 2010). While the former is solely targeted at commercial activity and profit generation, the latter aims to secure the NPO's financial viability, fundamental to achieve its social mission and/or to directly fulfil its social mission (Lurtz and Kreutzer, 2017). Moreover, entrepreneurship with a social

Table 1. Summary of empirical nonprofit/social entrepreneurial orientation studies

Author(s)/year	Research focus	Research approach	Research setting
Alarifi, Robson and Kromidha (2019)	To investigate EO's effect on SE performance, taking into account the complexity of SE dual social-economic mission and their diverse stakeholder groups.	Quantitative, survey of social enterprises	SEs
Chen and Hsu (2013)	To investigate the effect of market orientation on the EO-performance nexus.	Quantitative, survey of nonprofit foundations	Nonprofit sector
Davis <i>et al.</i> (2011)	To investigate the difference in EO level based on profit status, comparing for-profit and nonprofit settings in health and homecare service provision.	Quantitative, survey of nursing home market both business and nonprofit organizations	Nonprofit sector
Dwivedi and Weerawardena (2018)	To conceptualize and operationalize the SE construct by developing the SEO construct.	Quantitative, survey of nonprofit organizations	Nonprofit sector
Faulk <i>et al.</i> (2020)	To examine the effect of adopting business-like, market-driven and profit-generating programmes to accomplish mission-related goals on stakeholder support (using donation behaviour).	Quantitative, online survey experiment with individuals	Nonprofit sector
Gali <i>et al.</i> (2020)	To examine the pathway from SEO to financial performance, and what SEO consists of.	Quantitative, survey	For-profit firms with specific social agenda
Halberstadt <i>et al.</i> (2020)	To examine to what extent SEO and its dimensions affect social and economic performance when factoring in firms' characteristics (start-ups vs. established firms) and how different combinations of EO dimensions affect performance.	Quantitative, combination of structural equation modelling and fuzzy-set qualitative comparative analysis	For-profit firms with specific social agenda
Kraus <i>et al.</i> (2017)	To develop and verify a scale for SEO.	Mixed methodology (Delphi study and survey of experts)	SEs (experts from academia and practice in the social enterprises)
Lurtz and Kreutzer (2017)	To study the nature and role of EO in shaping the process of creating social ventures, as EO is less understood in the nonprofit context.	Qualitative, single case study	Nonprofit sector
Morris <i>et al.</i> (2007)	To examine what determines EO in the nonprofit context, and to what extent it affects performance.	Quantitative, survey of NPOs	Nonprofit sector
Ofem <i>et al.</i> (2020)	To examine the role of EO on the performance of nonprofit social enterprise in a resource-constrained environment.	Quantitative, survey of nonprofit social enterprises	Nonprofit SEs (rural economic development organizations)
Pearce, Fritz and Davis (2010)	To examine the effect of EO dimensions on the performance of religious organizations.	Quantitative, survey of NPOs	Nonprofit sector
Voss, Voss and Moorman (2005)	To investigate the effect of EO dimensions on stakeholder support and reward (EO-stakeholder nexus).	Quantitative, survey (for EO dimension) and longitudinal data (for stakeholder support)	SEs (nonprofit professional theatre industry)
Weerakoon <i>et al.</i> (2020)	To examine the determinants of EO by identifying the interrelated role of 'opportunities', 'abilities' and 'motivation' that act as a micro-foundation for EO development, where this relationship is mediated by knowledge exchange (as a capability).	Quantitative, survey of nonprofit social enterprises	Nonprofit SEs (specifically those that aim to deliver environmental/public benefit)

Note: Sorted in alphabetical order. SE = social enterprise; SEO = social entrepreneurial orientation.

mission generally suffers from higher resource constraints than conventional entrepreneurship, particularly due to the multiple demands to address (Weerawardena and Mort, 2006). These differences make the application of EO dimensions to NPOs a ‘theoretical hurdle’ (Pearce, Fritz and Davis, 2010), as ‘the form in which each of [them] is manifested changes’ (Morris, Webb and Franklin, 2011, p. 948).

Therefore, researchers have sought to unpack the meaning of nonprofit EO’s dimensionality and understand its implications, by considering the idiosyncratic features of this setting (Lacerda, Martens and Freitas, 2020). They argue that *innovativeness* in the nonprofit domain may entail the development of new solutions to achieve the social mission and/or increase revenues. Weerawardena and Mort (2006, p. 28) note how ‘the increasingly competitive environment has forced [nonprofits] to place great emphasis on innovation in all their social value creating activities’. In this context, innovativeness unfolds as an organizational commitment and a culture for generating new initiatives or novel projects that can support the fulfilment of NPOs’ mission, either directly (by offering solutions to social/environmental problems) (Faulk *et al.*, 2020) or indirectly (by generating new sources of revenue needed to sustain the organization) (Dwivedi and Weerawardena, 2018).

Like the business setting, *proactiveness* emphasizes future outlook; nevertheless, in the nonprofit context, it represents not only implementing changes earlier than ‘competitors’ (i.e. other NPOs), but also considering stakeholder expectations (Morris, Webb and Franklin, 2011). Furthermore, this dimension captures the capacity to anticipate future needs and challenges related to idiosyncratic conditions of beneficiaries and funders (Chen and Hsu, 2013), and exploit ‘weak links’ (e.g. volunteers and board of directors) that can provide information on future trends and demands (Lumpkin *et al.*, 2013). Finally, *risk-taking* is a prominent attribute of entrepreneurial NPOs (e.g. Pearce, Fritz and Davis, 2010), as it indicates their willingness to perform value-creation activities that may ‘incur meaningful probability and magnitude of loss’ of social impact, financial resources and/or stakeholder support (Morris, Webb and Franklin, 2011, p. 957). NPOs’ mission generally outweighs the available resources, pushing them to take ‘significant liabilities which intrinsically entail financial risk’ (Lumpkin *et al.*, 2013,

p. 770). Consequently, NPOs generally embrace ‘a highly cautious approach in dealing with risk having a clear focus on survival of the organization’ (Weerawardena and Mort, 2006, p. 29).

Besides dimensionality, few studies examine the EO–performance nexus (see Table 1), reporting contrasting results. Some indicate a positive impact of nonprofit EO on donors’ support (Faulk *et al.*, 2020), satisfaction of beneficiaries (Pearce, Fritz and Davis, 2010) and social innovation (Dwivedi and Weerawardena, 2018). Others find nonprofit EO to have no direct effect on financial performance (Morris *et al.*, 2007). The EO–performance relationship is also argued to be influenced by the external environment (Pearce, Fritz and Davis, 2010), with the effect of EO dimensions being nonlinear or asymmetrical (Chen and Hsu, 2013). These diverse results indicate that nonprofit EO is a highly contextual construct, requiring careful investigation of the mechanisms and their underpinning conditions (e.g. mediation effects and paths) through which NPOs can leverage their entrepreneurial behaviour.

Drawing on this point, we argue that using the EO perspective to understand how NPOs engage in NBC to accomplish their social mission is a valuable contribution to theory and practice (Lumpkin *et al.*, 2013; Lurtz and Kreutzer, 2017). As EO refers ‘to the processes, practices, and decision-making activities that lead to new entry’ (Lumpkin and Dess, 1996, p. 136), it fits naturally with NBC, which involves starting a new organizational structure outside the typical realm of the nonprofit sector. In this respect, Lumpkin *et al.* (2013, p. 778) assert that inter-organizational collaboration is vital in the social setting: thus ‘future research should consider the role of collaboration when using entrepreneurial processes to address social issues’. Therefore, since increasingly complex social issues and rising competition for funds have made NBC an important strategic and entrepreneurial activity decision for NPOs, this study examines *how the EO core dimensions manifest themselves when NPOs proactively engage in collaboration with firms*.

#### *Nonprofit–business collaboration*

Extant literature has mainly explored NBC, as an organizational structure for value creation,<sup>2</sup> from

<sup>2</sup>While cross-sector collaboration enables value co-creation, which is the impact of conjoined actions of

the business and society perspectives (e.g. Dahan *et al.*, 2010; Feilhauer and Hahn, 2019; Hond, Bakker and Doh, 2015; Kolk, Vock and van Dolen, 2016; Ordonez-Ponce, Clarke and Colbert, 2020; Pedersen *et al.*, 2020; Yin and Jamali, 2020). In contrast with this extensive body of work, we have relatively limited understanding of NBC-related strategies and value-creation mechanisms from the *third* perspective (i.e. the NPO) (Bouchard and Raufflet, 2019; Liu, Ko and Chapleo, 2016; Shumate, Hsieh and O'Connor, 2016). It is rapidly gaining attention, however, with NPOs' engagement in NBC being studied from relational or instrumental angles. The former explores specifically how NPOs' characteristics and relational behaviours can influence the potential of collaboration to deliver its planned outcomes. This research considers the relevance of NPOs' social capital in driving social co-innovation (Johnson *et al.*, 2018) and the necessity of aligning NPOs' mission and the collaboration's collective goal to build relational trust (Chapman and Varda, 2017). Moreover, it maps the network-enabling and facilitating roles of NPOs during collaboration (Yan, Lin and Clarke, 2018) and explicates network-power imbalances (Bode, Rogan and Singh, 2019). Instrumental approaches regard NBC as a two-way win-win relationship, replacing the traditional one-way model of business philanthropy (Rumsey and White, 2009). This development was driven by the multifaceted nature of NBC value (Le Pennec and Raufflet, 2018), mirroring attention for cross-sector collaboration value delivery at the macro (public value co-creation for society) and meso (partners' ability to capture value when collaborating) levels (Austin and Seitanidi, 2012b). As such, partnering NPOs can attain various tangible and intangible assets, achieving higher visibility and building organizational capacity, which are fundamental for their survival and growth (Mirońska and Zaborek, 2019).

Notably, the literature also signals that the development of NBC is a complex process that entails numerous risks for NPOs, with the warning that losing legitimacy might happen if the business partner is perceived to be shifting the NPO's at-

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partners, most researchers perceive value generated from cross-sector collaboration as 'multifaceted' (Le Pennec and Raufflet, 2018), including associational value, transferred resource value, interaction value and synergetic value (Austin and Seitanidi, 2012b).

tention away from its core stakeholders (e.g. beneficiaries) (Anastasiadis and Spence, 2020; Baur and Schmitz, 2012). Moreover, the complexity of quantifying an NBC's impact may make it difficult for NPOs to justify the collaboration costs. This can induce credibility loss (Austin, 2000), especially when the collaboration transaction cost outweighs the desired outcomes (Ashman, 2001). Therefore, serving the core recipients of an NPO's services, satisfying the expectations of donors and other stakeholders, achieving financial objectives and fulfilling the NPO's mission can be intricate when seeking partners, thus requiring a multifaceted approach to address this complexity and capture its intertwined aspects. Accordingly, research that seeks to investigate the nonprofit sector as an active actor in cross-sector collaboration has just started (Bouchard and Raufflet, 2019; Ihm and Shumate, 2019), stressing the need for more studies to uncover the mechanisms underpinning NPOs' value creation or capture from NBC (Fu, Cooper and Shumate, 2020; Gazley and Guo, 2020).

By adopting the EO perspective, we aim to address the limitations of prior studies and the gaps identified by scholars, as indicated above. The innovativeness and proactiveness of this strategic decision, and the associated (potential) risks, make NBC a unique expression of NPOs' entrepreneurship (Lumpkin *et al.*, 2013). We thus state that it is timely to explore how the core EO dimensions unfold when NPOs are faced with the complexities, challenges and opportunities inherent to the collaboration with businesses.

## Methodology

Our empirical research consisted of two complementary studies. Study 1 was qualitative and used semi-structured interviews with key staff of 22 UK-based NPOs combined with a review of their organizational documents. It was designed to gain an in-depth understanding of nonprofit decision-makers' and senior staff's experiences and perceptions regarding active collaboration with the business sector. Study 2 entailed a quantitative content analysis of collaboration-related website content of 111 UK-based NPOs partnering with FTSE100 firms. The rationale behind Study 2 is that websites have become a platform for publicizing mission statements, values and commitments to stake-

Table 2. NPOs involved and interviewee functions

Size category <sup>a</sup>	No. interviews per size category	Interviewees' function titles
Small	6	<ul style="list-style-type: none"> <li>– Business Development Officer (BDO)</li> <li>– Chief Executive Officer (×2) (CEO)</li> <li>– Corporate Partnerships Manager (CPM)</li> </ul>
Medium	16	<ul style="list-style-type: none"> <li>– Deputy Chairman (DC)– Partnerships Manager (PM)</li> <li>– Business Director (BD)</li> <li>– Chief Executive Officer (×3) (CEO)</li> <li>– Corporate Fundraising Team Officer (CFTO)</li> <li>– Community Fundraising Team Leader (CFTL)</li> <li>– Corporate Fundraising Director (CFD)</li> <li>– Corporate Fundraiser Officer (CFO)</li> <li>– Funding &amp; Marketing Officer (FMO)</li> <li>– Fundraising and PR Director (FD)</li> <li>– Managing Director (MD)</li> <li>– Programme Director (PD)</li> <li>– Regional Fundraising Manager (RFM)</li> <li>– Senior Administrator (SA)</li> <li>– Senior Corporate Development Director (SCDD)– Trustee (T)</li> </ul>
Large	12	<ul style="list-style-type: none"> <li>– Chief Executive Officer (CEO)</li> <li>– Corporate Partnerships Officer (CPO)</li> <li>– Corporate Fundraising Manager (×2) (CFM)</li> <li>– Corporate Partnerships Manager (×2) (CPM)</li> <li>– Development Manager (DM)</li> <li>– Director of Corporate Partnerships Department (DCPD)</li> <li>– Fundraising Manager (FM)</li> <li>– Head of Business Relations (HBR)</li> <li>– Head of Finance (HF)</li> <li>– Senior Partnership Account Manager (SPAM)</li> </ul>

<sup>a</sup> 'Small' = annual income between £0.5 and £1.0 million. 'Medium' = annual income between £1.0 and £10 million. 'Large' = annual income more than £10 million.

holders (Park, Lee and Hong, 2013), embodying key elements of an organization's long-term strategic orientation (Tantalo and Priem, 2016). As website content reflects features of organizations' strategy, it can be analysed for concomitant research purposes (Du and Vieira, 2012; Maignan and Ralston, 2002). Adopting an exploratory sequential (qualitative–quantitative) mixed-methods approach was key to answer the research question. Indeed, while the qualitative, explorative study, focusing on 22 NPOs, uncovered a set of patterns and mechanisms, the second, quantitative study on 111 NPOs allowed us to complement, triangulate and corroborate these findings. Establishing consistency in findings between the two studies has substantiality enhanced the research's overall validity and generalizability (Creswell and Plano Clark, 2011). Also, by unpacking the NPOs' size effect, Study 2 advanced the understanding of how NPOs' EO may vary with organizational characteristics.

For logistic purposes, the sample selection for Study 1 started in the UK's Yorkshire region. Using the England Charity Commission (ECC) database, 414 NPOs were found. To identify 'active-in-collaboration' organizations, we examined their websites for evidence of success stories about the involvement in NBC, which yielded 34 organizations. We contacted them all, but only eight agreed to participate. Therefore, we adopted a snowballing technique (using these 8 NPOs), which resulted in a total number of 22 NPOs, representing different sizes, in terms of annual income levels (Foster and Meinhard, 2002). Table 2 includes details of the interview(ee)s. All interviews started with open questions regarding the interviewees' background and responsibilities. Subsequent, more specific questions concerned their experience and perceptions regarding collaboration with the private sector. In particular, they were asked to explain and comment on their approach for developing collaborative activities with the pri-



vate sector, their views concerning competitive aspects within the nonprofit sector, their stakeholder management approach with regard to NBC activity and any challenges encountered in building these inter-organizational linkages. Moreover, we reviewed their organizational documentation, including annual reports, business plans, consultancy reports, press reports and collaboration-related marketing materials.

We adopted the systematic combining methodology (Dubois and Gadde, 2002) and the thematic analysis technique (Braun and Clarke, 2006) to analyse the rich dataset and generate and extend theory, as follows. First, using NVivo software, all interview content was provisionally clustered across the EO three generic dimensions (proactiveness, innovativeness and risk-taking), which we utilized as initial coding framework (Nowell *et al.*, 2017). This included specific descriptions and critical incidents that supported or explained any aspect of these constructs. Second, within each construct, information that appeared as relevant was grouped to form a series of first-order categories (or sub-mechanisms). Similarities and differences between the categories were identified and used to collapse the categories into a set of second-order themes (or mechanisms). Each theme was compared across the size categories, so that the potential impact of 'size' on categories and themes could be explored. We repeated the above procedure for the document analysis. Finally, these themes were distilled further into aggregated dimensions, by identifying relationships between them (see Figure 1).

For Study 2, we examined the websites of the 100 firms comprising the FTSE100 list (2014–2015) to identify all NPOs they partnered with, paying specific attention to social responsibility and sustainability online content. This resulted in the identification of 283 NPOs. To ensure consistency, all non-UK-based organizations, explicitly self-identified social enterprises and foundations, were excluded (see footnote 1). This yielded a final sample size of 111 'active-in-collaboration' NPOs. We used the ECC and Scottish Charitable Incorporated Organization databases to classify the sample according to size using annual income: annual income below £1.0 million (small), between £1.0 and 10 million (medium) and more than £10 million (large). This resulted in 41 large, 41 medium and 29 small NPOs. For our subsequent data collection and analysis, we started

by using the technique of Maignan and Ralston (2002) to identify categories for coding the NBC-related content. The process began with an iterative analysis of 30 websites representing the three size groups (small, medium and large), 10 from each size. On these websites, we scrutinized all content referring to NBC. This resulted in a series of provisional categories, labelled in line with the websites' terms, that could be compared and refined, in a process akin to Strauss and Corbin's (1998) notion of open coding. A category represents an issue that corresponds to any of the NBC aspects. Similarities and differences among the provisional categories were identified, to match our first-order categories in the data structure in Figure 1.

The second step involved a deductive quantification of the data in all 111 websites (including the first 30), using a dichotomous value of '1' or '0'. For each website offering evidence in support of a category, that category was given the value of '1', otherwise '0'. We added the value for each (sub-)category to calculate its prevalence frequency at income level (the organization size) and at sample level (the 111 NPOs). These frequencies provided insight into the importance of each (sub-)category. A chi-square test was used to assess the statistical significance of the differences between the three groups (Du and Vieira, 2012). To maintain the validity of the coding procedure, a 'member checking' technique was employed (Lincoln and Guba, 1985).

## Findings

Below we explicate how NPOs' entrepreneurial attitude towards cross-sector collaboration unfolds, by analysing their active engagement with business across the EO dimensions. To this end, the integrated findings of both studies are presented for each of the three EO dimensions. We will discuss them consecutively, each accompanied by a table with details and representative quotes.

### *Relational proactiveness*

As noted earlier, proactive behaviour in the social/nonprofit setting refers to organizations' ability to anticipate future changes or needs, and forecast potential transformations of the external environment which require adapting actions, typically

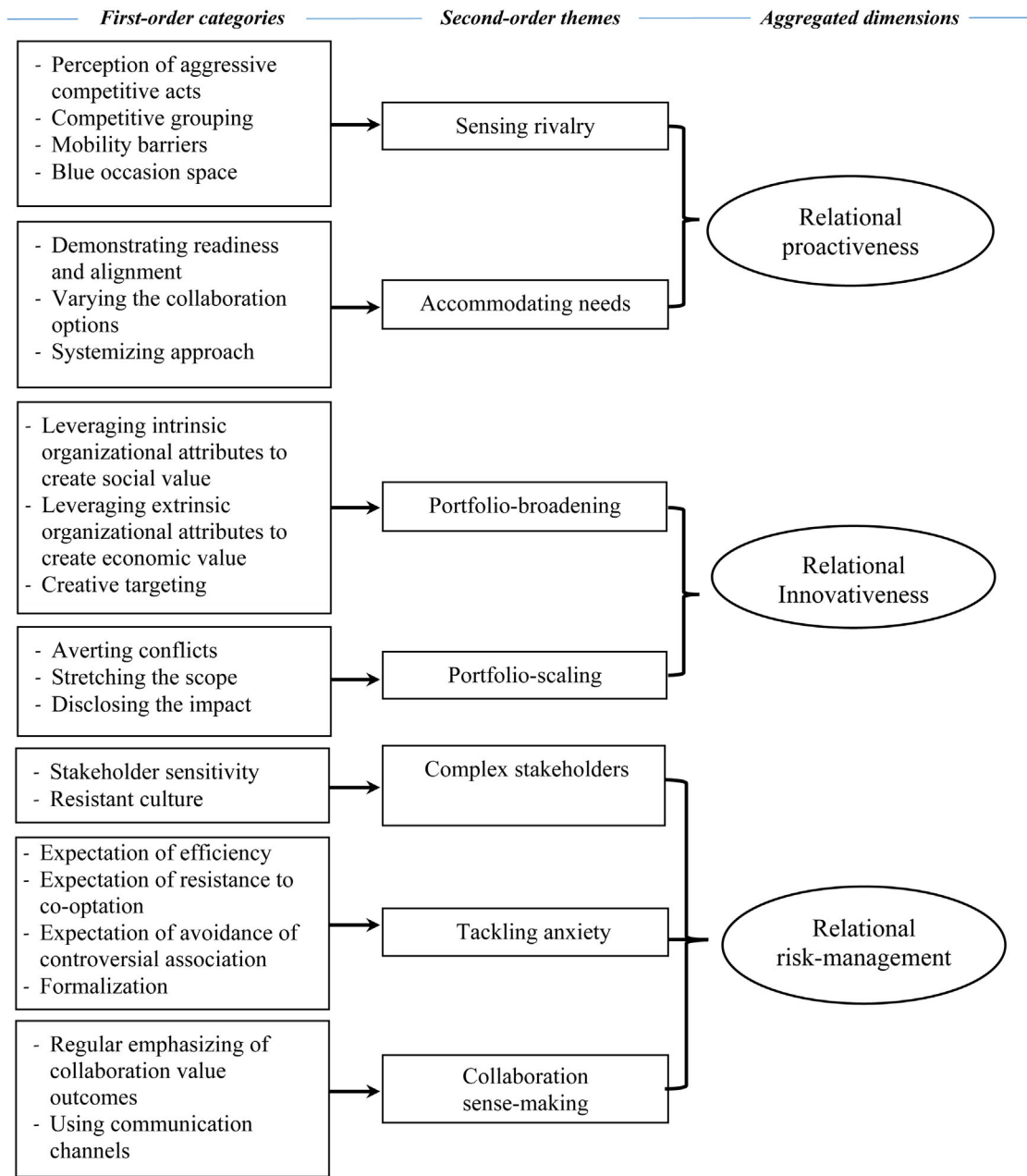


Figure 1. Study data structure [Colour figure can be viewed at wileyonlinelibrary.com]

driven by the sense of urgent necessity to address social needs (Lumpkin *et al.*, 2013). Our analysis revealed a distinct form of proactiveness, which we conceptualize as ‘relational proactiveness’, fundamentally reflecting NPOs’ explicit posture towards competition for the limited collaboration opportunities in their domain. Indeed, all respondents indicated they were actively searching for new business partners, given that ‘there are a lot of NPOs in our

region and they all are looking for [collaboration] opportunities. The sector becomes competitive... there are a lot of people fishing in the same water’ [S-CEO].<sup>3</sup> They explained that the competition for partnerships with business had intensified due to (1) macro factors (mainly governments’ changing

<sup>3</sup>Abbreviations in square brackets refer to interviewees’ organization size and function (see Table 2).

priorities and economic difficulties) that resulted in less funding for social needs; and (2) firms' higher expectations regarding the impact of their corporate social responsibility (CSR) investments, which had made them more selective and demanding vis-à-vis prospective nonprofit partners. We identified two mechanisms that underpin relational proactiveness and reflect the challenging context experienced by NPOs: sensing rivalry and accommodating needs (see Table 3).

Sensing rivalry captures NPOs' exertion to understand the landscape of competition, in order to identify and seize the limited collaboration opportunities available. Indeed, almost all the organizations examined perceived an aggressive competitive attitude in the nonprofit sector, with NPOs feeling the need to outperform rivals and enact aggressive responses to competitors' actions, in their endeavour to secure more collaboration with business: 'I think as NPOs are facing more and more financial problems and cuts, we will have much more competition from other NPOs trying to get these sorts of links... because they are going to need them because they are losing other funding schemes' [M-SA]. The analysis concerning this mechanism showed that NPOs were normally competing against each other in defined groups, resembling the concept of a 'strategic group' (Porter, 1980). The characteristics of each group in terms of mission scope, type of service and scale of resources and impact formed a mobility barrier that prevented cross-group competition, while intensifying within-group competition: 'These days it is very difficult to get funding... that big companies have their own NPOs where they focus their funding. Also, many of the available opportunities are designed to suit more national NPOs, not like us, small and local charity... because our charity is only based on [a city], it is not well known nationally... yet, other companies would rather support a local charity that works in their community... but this focus can create more competitive pressure on us' [M-PD]. Many NPOs reacted by creating their 'blue occasion' (Kim and Mauborgne, 2004) space (i.e. they moved to an 'uncontested' market segment rather than engaging in traditional competition, by extending and exploiting their unique specialization and/or experience).

The second mechanism (i.e. accommodating needs) reflects NPOs' work to establish themselves as being in line with prospective business partners' needs and capable of offering tailored col-

laborative options. This emerged as a proactive act, because, as first sub-mechanism, NPOs sought to demonstrate their readiness/capacity and alignment with prospective partners ahead of competitors. For example, one interviewee explained their proactive mind-set: 'on relationships that we think there is [a] great deal of potential to establish collaboration, we go at early stage and try to discuss business objectives so that we can design products together. With low level relationships we design products or offers to companies, then approach them with those predesigned ideas... and our capacity to deliver these ideas is always emphasized in our communication' [M-CFTL]. The interviews and website analyses offered additional insights into the second mechanism, uncovering two other sub-mechanisms: varying the collaboration options and systemizing approach (see also Table 4).

Regarding the former, NPOs signalled their responsiveness to not only business needs in general, but also more specific firms' requirements, by offering different collaborative forms: 'we've developed a number of different collaboration products... they're just different ways in which we'll interact with companies, whereby we try and match companies to the different products that we have, to explore any synergies (in location, missions, interest) between us and the company' [L-CEO]. Consistent with this finding, the website analysis revealed that philanthropic (e.g. simple donations), transactional (e.g. sponsorship) and integrative/strategic partnerships were all presented as possible collaboration options to fulfil any type of demand by prospective business partners. As shown in Table 4, these three options recorded almost similar percentages (i.e. present at around 70% of all NPO websites). Besides these more common options, many NPOs moved one step further through 'customized packages', with frequencies differing per size category (31.0% small, 68.3% medium and 85.4% large), exhibiting larger NPOs' tendency to be more adaptive in their offering. This can be attributed to the scale and scope of their resources and operations: 'we have a corporate partnerships team with the necessary skills and experience that enables us to provide lots of ideas and inspiration... we have the resources that we put together over the years to help partners and test mechanics that can work' [L-DCPD]. Overall, the identification of these multiple collaboration options underlines NPOs' proactiveness, because it indi-

Table 3. Relational proactiveness in NBC: information, analysis and representative quotes

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
Sensing rivalry	Perception of aggressive competitive act	Many NPOs had perceived bold aggressive posture by their competitors, which sought to maximize the probability of exploiting potential collaboration opportunities (i.e. the focus is on expanding an NPO's share of collaborations to the detriment of its competitors).	'Recently we were surprised that another NPO tried to take up a sponsorship deal that we have running for about 6 years with a national company. The sponsorship decision is made by the company normally in December, and the other NPO had approached them early into this sponsorship' [M-CFTL]
	Competitive grouping	NPOs typically compete in strategic groups, a situation where a set of NPOs possess similar strategic characteristics and adopt similar strategies or target similar market segment(s) (i.e. potential business partners).	'The competition has become categorized... there is national and local competition... we [are] also in direct competition with charities and other organizations that provide services similar to our services' [M-CFD]
	Mobility barriers	The common characteristics of a strategic group (e.g. scale of resources and scope of operations) would represent a barrier that impedes dissimilar NPOs from entering and competing in that group.	'We cannot compete with Oxfam, because they are looking at things on a far greater scale than we in this country could ever look at... simply we cannot' [S-DC]
	Blue occasion space	To escape the heat of competition, some NPOs were seeking to create their own new space of collaboration opportunity by utilizing their capacity differently from the mainstream practice.	'We push our volunteering opportunities to the business as other charities do not have this capacity. We provide team building days... companies [send] their staff to us to build the teams (by working on farming activities)... so we have something unique that companies will be interested to have, and we try to attract as much as we could from firms as this will be an opportunity for us to build stronger relationships with these people' [M-SA]

Table 3. (Continued)

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
Accommodating needs	Demonstrating readiness and alignment	NPOs' explicit focus on establishing their effective approach in collaboration and communicating their ability to align and co-create value with prospective partners.	<p>'We have a professional approach when talking to companies... there are too many people that try to sell the cause and then sit there with their fingers crossed. We do not do that, we go with a very detailed proposition, we make sure that it delivers to the commercial or philanthropic agendas that the company has. We highlight that we understand the company almost as well as the company itself' [L-CPM]</p> <p>'If one of their core values is education, then we will look at linking up together over, on an education project, for example. If they are a bank and they talk about financial literacy, well then, potentially a micro-finance project might be of interest to them. So it's just kind of looking through the DNA of the company and what they're about and how they speak and what they do and what we do' [L-CFM]</p>
	Varying the collaboration options	As part of their proactive approach, the NPOs deliberately emphasized their potential as adequate and capable partners by highlighting their flexibility in the collaboration offering (aiming to co-find the optimal collaboration option).	<p>'We approach them by saying "we have three or four ideas that we want to talk about", but we'll also be prepared that if they don't like any of those ideas, we can come back to them with something that they do like. So, I think that sort of planning and involving stage is really important, because there's no point taking them something that they don't want to do. So it's about being able to adapt to the work that we've planned to do, and also stay honest on our organization wants to do your capacity... so it's just about being really flexible, providing the company with what they're after, but making sure that we stay true to ourselves, as well' [S-CPM]</p>
	Systemizing approach	NPOs' approach to establish the confidence in their effective management of the collaboration process.	<p>'We've learned how and what [to] bring to partnerships by showing that our infrastructure is compatible with what a company is looking for... they want the association to be made as simple as possible' [L-FM]</p>

Table 4. Analysing NBC-related website content and frequencies of main trends

Second-order themes	First-order categories	Sub-categories	Explanation/exemplary quotes (examples) from the NPOs' website	Small <sup>a</sup> (n = 29)	Medium <sup>a</sup> (n = 41)	Large <sup>a</sup> (n = 41)	Total <sup>b</sup> (n = 111)	Differences
Accommodating needs	Varying the collaboration options	Philanthropic collaboration	Opportunity for 'one-off' donation	55.2%	75.6%	90.2%	75.7%	$\chi^2 = 11.35$ , df = 2, p < 0.01
		Transactional collaboration	Sponsorship/cause-related marketing opportunities	55.2%	70.7%	87.8%	73.0%	$\chi^2 = 9.34$ , df = 2, p < 0.01
		Integrative collaboration	Partnership opportunities	44.8%	68.3%	87.8%	69.4%	$\chi^2 = 15.02$ , df = 2, p < 0.01
		Customized collaboration	'We are very proud that we have managed to tailor a package to suit each of our corporate sponsors' requirements'	31.0%	68.3%	85.4%	64.9%	$\chi^2 = 22.34$ , df = 2, p < 0.01
Systemizing approach	Provide evidence of the NPO's capacity to manage the collaboration process efficiently and effectively	<p>The NPO offers the option to design a collaborative arrangement that specifically fits a firm's requirements. It also includes the provision of adaptive collaboration schemes that can take different forms, such as staff involvement or payroll contribution with sponsorship</p>	'Offering payroll giving is one of the easiest ways to support our charity. Donations are deducted from employees' pay, before tax. This means that it costs less to support us, for example, a £10 donation to us will cost you £8'					
		<p>Provide evidence of the NPO's capacity to manage the collaboration process efficiently and effectively</p>	The website provides detailed explanation, with specific steps, of how a firm can collaborate. Typically, this should be more than just putting the contact details of the dedicated staff member	37.9%	41.5%	68.3%	50.5%	$\chi^2 = 7.19$ , df = 2, p < 0.05

Table 4. (Continued)

Second-order themes	First-order categories	Sub-categories	Explanation/exemplary quotes (examples) from the NPOs' website	Small <sup>a</sup> (n = 29)	Medium <sup>a</sup> (n = 41)	Large <sup>a</sup> (n = 41)	Total <sup>b</sup> (n = 111)	Differences
Portfolio-broadening	Leveraging intrinsic organizational attributes to create social value (i.e. how NBC contributes to an NPO's aims)	Continuation and strengthening of the NPO mission (enhancing their mission directly)	'We aim to harness the passion and expertise of companies and their employees to achieve ambitious change for children at home and abroad'	58.6%	75.6%	95.1%	78.4%	$\chi^2 = 13.65$ , df = 2, p < 0.05
		Enhancement of NPO performance and impact (enhancing their mission indirectly)	'Company staff can join us and offer their personal skills and experience, e.g., administration, office, property, stock generation, online communications to name just a few... their skills can help us streamline procedures, set-up new systems and help us work more effectively and efficient'	24.1%	17.1%	41.5%	27.9%	$\chi^2 = 6.34$ , df = 2, p < 0.05
	Leveraging extrinsic organizational attributes to create economic value (i.e. how NBC contributes to a firm's aims)	Support for fulfilling firms' strategic CSR agenda	'Working with us can help you to drive sales, promote your organization, achieve your CSR objectives, motivate employees & secure positive PR...'	44.8%	73.2%	87.8%	71.2%	$\chi^2 = 15.41$ , df = 2, p < 0.01
		Support for firms' competitive advantage more generally	'Businesses can gain a competitive advantage by taking the lead on climate change'	20.7%	26.8%	63.4%	38.7%	$\chi^2 = 16.95$ , df = 2, p < 0.01

Table 4. (Continued)

Second-order themes	First-order categories	Sub-categories	Explanation/exemplary quotes (examples) from the NPOs' website	Small <sup>a</sup> (n = 29)	Medium <sup>a</sup> (n = 41)	Large <sup>a</sup> (n = 41)	Total <sup>b</sup> (n = 111)	Differences
Collaboration sense-making	Regular emphasizing of collaboration value outcomes (i.e. enabling collaboration sense-making through the provision of evidence of collaboration-related achievement)	Quantification of impact: a specification of earlier collaboration impacts in numbers or tangible benefits  Success stories or case studies of previous and current collaboration activities	'Since 2006 we have trained over 3,000 GPs and healthcare professionals via our Masterclasses series. These Masterclasses have been generously sponsored by a number of pharmaceutical companies'  'Our partnership with Unilever crosses a number of themes linked to Unilever's Sustainable Living Plan and community engagement programme...'  'We are delighted to have such a significant partnership with Citizens Advice. The partnership allows us to involve our employees and better understand how we can support customers in financial difficulty'	31.0%	48.8%	87.8%	58.6%	$\chi^2 = 25.12$ , df = 2, p < 0.01
		Testimonies from partner firms' managers or staff	'Our Regional Response Workers made 184 home visits and assisted over 1,100 new families through the Scope Response helpline with expert advice'	31.0%	48.8%	78.0%	55.0%	$\chi^2 = 16.17$ , df = 2, p < 0.01
		Statistics about NPO impact or achievement in general (this should be placed in the NBC-related section/tab)		34.5%	48.8%	78.0%	55.9%	$\chi^2 = 14.40$ , df = 2, p < 0.01

<sup>a</sup> Frequencies as percentages of NPOs that include the specific category on their websites. For example, 63.4% in the medium size column indicates that 63.4% of the medium-sized NPOs in the sample have included success stories about previous or current collaborations on their websites.

<sup>b</sup> Provides the weighted average  $\frac{\sum_{i=1}^n \chi_i \omega_i}{\sum_{i=1}^n \omega_i}$ , where  $\chi_i$  = the weighted mean of a set of data and  $\omega_i$  = the weight of the averages. For instance, for the first row, 78.4% was calculated as  $[(58.6\% * 29) + (75.6\% * 41) + (95.1\% * 41)] / (111)$ .



cates their commitment to be perceived as capable of meeting diverse business collaboration preferences. This is enacted as a source of comparative advantage to tackle tough rivalry.

The latter sub-mechanism (i.e. the systemizing approach) points to NPOs' intention to take the lead and actively distinguish themselves among potential partners by offering a systematic, transparent and practical collaboration procedure. The NPOs were committed to prevent firms from experiencing management burdens or bureaucratic hurdles, as illustrated on one NPO's website: 'From your initial enquiry, to build a partnership that is right for your business, our award-winning team will work with you to make our partnership an ongoing success'. While identified in all size groups, the systemizing approach was less prevalent among small- and medium-sized NPOs (37.9% and 41.5%, respectively), compared to large ones (68.3%). This can be explained by resource shortages in smaller NPOs: 'we look carefully at where we can link what we can offer... but we have to draw a distinction between how much energy and effort you can put into that' [S-CEO]. Also, due to their size and institutional bureaucracy, larger NPOs were likely to expect that potential partners would perceive the collaboration process as complex and time-consuming. Therefore, they sought to demonstrate that procedures were simple and systematic so they could remain frontrunners.

Based on these findings, we propose the following.

*P1:* NPOs adopt an entrepreneurial orientation in the collaboration with the business sector by enacting relational proactiveness, which hinges on sensing rivalry and accommodating business partners' needs.

#### *Relational innovativeness*

Innovativeness in nonprofit EO has typically been conceptualized as an NPO's experience and willingness to experiment with new ideas that can support the core mission, by enhancing efficiency/effectiveness in operations and/or by developing new revenue schemes (Morris, Webb and Franklin, 2011). Our analysis expands this view by revealing that, in the NBC context, nonprofit innovativeness, called 'relational innovativeness', is epitomized by the ability to create novel col-

laboration proposals that meet the business sector's needs and offer the ground for further extension. This relation-centric innovativeness builds upon two mechanisms: portfolio-broadening and portfolio-scaling (see Table 5).

The first mechanism reflects NPOs' endeavour to expand their portfolio (i.e. number of partners/partnerships) by exploring new approaches to directly target potential business partners and attract their interest. We identified three sub-mechanisms: leveraging intrinsic organizational attributes, leveraging extrinsic organizational attributes and creative targeting. The first two sub-mechanisms describe NPOs' efforts to cleverly leverage their advantages to generate interest and attract new business partners (i.e. position themselves as fundamental partners to firms). The intrinsic attributes relate to NPOs' ability to create impact on society, in line with their key objectives. In other words, the NPOs use their intrinsic advantages to help business create a genuine and significant value to society. The extrinsic attributes instead relate to NPOs' ability to bring economic benefits to their prospective business partners, thanks to their association with the NPO. This group of attributes thus focuses on how to reach a 'win-win' collaboration (i.e. create social value for society and economic returns for the firm).

The analysis of these sub-mechanisms also suggests an interesting relationship between attribute type and NPO size. Small NPOs tend to focus primarily on intrinsic attributes, as all interviewees from this group size cited at least one of these attributes. Conversely, medium-sized and large NPOs mentioned relying on both intrinsic and extrinsic attributes. They regarded this combination as an advantage that could make them widely appealing, because different firms have different interests. In keeping with these findings, the website content analysis showed that the majority of NPOs are keen to illustrate the benefits of collaborating with them, by displaying information that matches firms' drivers for NBC. The analysis signals that NPOs distinguish between the social and the economic value that NBC can generate. More specifically, the percentages of occurrence (see Table 4) indicate that, regarding social value, the NPOs focus more often on how NBC can help to achieve their mission (i.e. to fulfil their mission directly) rather than on the development of systems and procedures that can eventually en-

Table 5. Relational innovativeness in NBC: information, analysis and representative quotes

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
Portfolio-broadening	Leveraging intrinsic organizational attributes to create social value (social value-centric)	Special/highly appreciated mission To focus on specific segments of societal issues, which society and business regard as critically vulnerable, and thus have become a 'priority' for social initiatives/investments (e.g. cancer in women and disabled children).	<p>'Our mission is really powerful... I out of 8 women will develop breast cancer. With statistics like that, it is properly more powerful when communicating... I believe we stand alone from many of the other apparently similar charities to us' [S-BDO]</p> <p>'We are unique by making a significant difference to children who are mentally or physically disadvantaged... we have made a huge difference to them, and we are unusual in that we will fund all mental illnesses and physical disabilities... we cover disadvantaged in the true sense of the word' [M-SCDD]</p> <p>'We provide education and accommodation thereby and medical support for extremely vulnerable people who have complex disabilities with associated learning difficulties... there is no other organization in the country that offers what we offer' [L-FM]</p> <p>'We have the necessary skills and an understanding of poverty, where many other organizations do not. Also we have resources on the ground that can make [a] big impact' [L-HBR]</p> <p>'Think about our local communities, working with around 25 thousand children a year is more than worthwhile' [S-DC]</p>
		Development of unique resources/capabilities To develop distinctive capabilities and experience in order to deliver special social services that are much needed and demanded, but rarely fulfilled in the sector.	
		Extended embeddedness To have a greater scale of impact by reaching and serving a wide range of beneficiaries.	

Table 5. (Continued)

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
Leveraging extrinsic organizational attributes to create economic value (economic rent-centric)	Exploiting an NPO's brand strength and/or embeddedness in society awareness (e.g. having a long history, being regarded as a nonprofit leader or having wide supporters base)	NPOs with strong brands can strengthen business's CSR strategy (e.g. raise business profile by becoming more responsible, enhance business citizenship), which should eventually deliver economic benefits such as enhancement of customers' loyalty, reduction of staff turnover and improvement of stakeholders' satisfaction.	'Companies seek us out in order to enhance their social responsibility, and they do so because we are a lead charity, [a] well respected charity, and everybody knows us and everybody wants to do something for us' [M-FPD]
	Being geographically extended (globally and nationally)	Multinational/large firms would be more interested in collaborating with NPOs with extended working networks. This facilitates the design and implementation of impactful national or global collaboration initiatives given the NPO's experience (i.e. understand the operating context and its potentials and politics). Involve explicit market research to identify potential synergies.	'We have a big brand name in the UK, when we ring people up to talk with them about collaboration they usually open the doors and talk to us... they want to make donations which become easy to them to explain to their stakeholders that they paid this money to [us] which supports that this money was spent wisely' [L-HBR]
Creative targeting	Enacting collective synergy		'We do a lot of work in the UK, as well as overseas. That makes us more attractive to global companies... that seek to implement environmental projects at international scale' [L-CPD]
			'We have an on-going programme of research. Most companies now-a-days don't hide their light under a bushel, as we would say. They have websites which will give us the information that we need. We need to find synergy, to find a touch point, to say, "This is a reason why this would work"' [L-CPO]

Table 5. (Continued)

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
Portfolio-scaling	Averting conflicts	<p>NBC as a social entrepreneurship project</p> <p>Present the collaboration as an opportunity to create a novel SE project that can become a sustainable revenue source.</p> <p>NPOs seek to develop existing collaborations by proactively avoiding potential sources of conflict. This demonstrates the capacity of the NPO to predict and avoid obstacles that might affect the implementation of the collaboration project, and thus encourage existing partners to think positively when the NPO offers new proposals for expanding the collaboration (being perceived as a 'trouble-free' partner).</p> <p>Managing firms' expected social/economic return from the engagement in NBC is key here. Informants stress the need to be clear and realistic regarding the capacity of the NPO from the outset, which should limit the scope of business expectations to achievable levels.</p> <p>This can be achieved by allocating additional resources for the management of the collaboration, such as a dedicated account manager as well as monitoring and evaluation procedures to ensure the quality of the implementation process.</p>	<p>'We are not looking at companies to give us some money... we are looking to find a company which is sympathetic to our aims to get them to sponsor things which themselves will generate income... we established a butchering project [as a SE project] by partnering with a meat production company who built [a] state-of-the-art butchery department [as part of a partnership] for us' [M-CEO]</p> <p>'Our objective will be to have a longer partnership and to keep partners on board. Partners get a dedicated account manager... then we work with them to make sure we deliver the partnership as best as possible... we are going above and beyond wherever possible to make sure that companies stay after the official partnership comes to an end... so we have an account management team to focus on preserving that partnership' [L-BDM]</p>
			<p>'I think we are very good at making sure that we understand our proposition... it is about being open, honest and transparent from the beginning... this helps the relationship to last' [L-CPD]</p>

Table 5. (Continued)

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
Stretching the scope		<p>This describes deliberate NPOs' attempts to introduce new collaboration ideas that have evolved from the experienced interaction between the two partners. It involves the presentation of new proposals that the business might appreciate, or simply adding new elements to the incumbent collaboration agreement. The analysis shows that some NPOs create new opportunities by suggesting the transfer from the existing collaboration level (or type) to another. This approach is highly dependable on the gradual building of trust and understanding between the partners. This strategy is prevalent within the small and medium-sized NPOs, as their brand and reputation are less established compared to larger NPOs, which would cause businesses to be reluctant to start a high level of collaboration (e.g. strategic partnership) from the outset.</p>	<p>'We do develop our relationships with corporate, as there is an opportunity to develop existing and new relationships. We always try to move the existing relationship to the next step. It starts very small and then we work on that partnership over a considerable amount of time' [M-FPD]</p>
Disclosing the impact		<p>Businesses are typically driven by a set of predefined objectives when becoming involved in any social engagement. Therefore, the analysis shows that the validation of the fulfilment of collaboration objectives (by viewing the impact) is vital when a business makes its 'scaling-up' decision. A concrete evidence of impact would strengthen the relationship and encourage the existing businesses to start new collaboration projects.</p>	<p>'We always try to move existing relationship to the next step. It starts very small, then we work on that partnership on a considerable amount of time, it is all about building a trust and whether they are investing their money and resources in the right place... So they ask: Are we viable? Are we trustworthy? What is [the] output at the end of it?' [L-DM]</p>

hance their performance and impact (indirectly fulfilling their mission), with 78.4% and 27.9%, respectively. The reason may be that the mission is relatively straightforward, making it easier for firms to communicate their social value creation to their own stakeholders. Also, NPOs emphasized the economic value by explaining how the involvement in NBC can deliver economic return to firms (i.e. using their extrinsic attributes to generate economic rent). Two components could be identified in this respect: NBC as an instrument to help implement firms' strategic CSR agenda (71.2%) and as a means to help firms gain competitive advantage by increasing their profitability or decreasing operational costs (38.7%).

The third sub-mechanism entails NPOs' creative approaches in targeting business. The analysis indicated two directions that NPOs pursue to establish new partnerships. First, rather than adopting a 'cold call' approach in targeting potential partners, many NPOs adopted a strategy of identifying and establishing opportunities for collective synergy with prospective partners, with several using market research as a tool to enhance the collaboration's success rate by realizing a mutual fit. The second direction pursued by NPOs consists of presenting the collaboration as an opportunity to develop a social entrepreneurial project that might become a sustainable revenue source for the NPO. Some NPOs explained that they had started such ventures as a strategic initiative: many firms would be more interested in engaging with NPOs through these projects than through traditional forms of collaboration. Firms seem keen to embrace strategic collaboration opportunities that would result in lasting projects to augment the overall impact of the initial business investment, since the project should eventually become self-sustaining and then deliver ongoing value to society and the NPO. Integrating NBC in the framework of such a venture allows NPOs to assure financial sustainability and attain their social mission.

We identified portfolio-scaling as the other mechanism of relational innovativeness. The analysis revealed that NPOs sought to actively extend and maintain ongoing collaborations. As explained by one informant: 'it's very much a priority for us because it is much more cost-effective to develop and expand on the partnerships that we have and, in a way, easier than going out and trying to secure new business, so that is a really important part of what we do' [L-CPM]. The data helped to

unpack the portfolio-scaling mechanism into three sub-mechanisms: averting conflicts, stretching the scope and disclosing the impact. By averting conflict, NPOs work to implement existing collaborations by proactively avoiding potential sources of tension and issues with the business partner, and thus increase openness to other collaboration opportunities. NPOs also engaged in stretching the scope of existing collaborations, by suggesting new projects, including novel features in existing collaborations or proposing to modify the nature of the collaboration. Finally, NPOs disclose their impact by validating the achievement of the goals with business partners, in order to foster partners' confidence in the collaboration and make them more open to other projects.

Although NPOs simultaneously adopted portfolio-broadening and portfolio-scaling mechanisms, small NPOs relied more on stretching their current partnership (i.e. scaling) than targeting new partners. This can be attributed to their 'liability of smallness': due to their lower resources/profile (e.g. weak brand identity, limited scope of operation), small NPOs expected to have less impact. Therefore, evolving and extending current relationships by gradually building trust in their capacity to co-create value through collaboration was key: 'a large company has always collaborated with us... we always move on to the next level... our resources are limited and it is costly to find a new partner and start the new process from scratch, it is definitely more efficient' [M-CFO]. The results (see Table 4, 'Regular emphasizing of collaboration value outcomes' row) support this finding, by indicating that the majority (between 78% and 87% in all categories) of large NPOs incorporate information to enhance their trustworthiness to 'new' prospective partners compared to small NPOs (between 31% and 48% in all categories), which would focus more on extending existing collaborations.

Based on these results, we propose the following.

*P2a:* NPOs adopt an entrepreneurial orientation in the collaboration with the business sector by enacting relational innovativeness that involves portfolio-broadening and portfolio-scaling.

*P2b:* Smaller NPOs are more likely to adopt portfolio-scaling than portfolio-broadening, while larger NPOs are more likely to adopt portfolio-broadening than portfolio-scaling.

### *Relational risk management*

NBCs can be paved with risks. Our analysis not only confirmed NPOs' risk-taking attitude, but also revealed that their awareness about the risks they were taking led entrepreneurially oriented NPOs to actively develop a set of complex risk-management mechanisms. Thus, different from typical EO research, which interprets the risk-related dimension as essentially attitudinal (Lumpkin and Dess, 1996), we identified a strong behavioural component, which we conceptualize as 'relational risk management'. Morris, Webb and Franklin (2011) highlighted the complexity of the risks faced by entrepreneurial NPOs, related to ensuring both their financial sustainability and social mission. In keeping with this twofold nature of risk, the management of NPOs' stakeholders emerged as prominent in the analysis (see Table 6).

The entire sample emphasized the impact of internal and external stakeholders on their active collaboration strategy. Furthermore, some NPOs indicated that, for any collaboration opportunity, the wide range of their stakeholders should be on top of 'list of issues to consider'. In this respect, managing their stakeholders in relation to the collaboration with the business sector emerged as a critical challenge for NPOs, due to the stakeholders' complex nature. The analysis uncovered two key features of complexity. The first, sensitivity of stakeholders, indicates that an NPO's stakeholders are typically sensitive to how the NPO behaves, putting it under constant scrutiny. Stakeholders' satisfaction and support can easily be lost if they perceive the NPO's actions to conflict with their expectations. Resisting culture, the second feature, concerns the internal resistance to collaboration with the business sector, perceived as a radical change inside many NPOs historically dependent and focused on government funds or fundraising programmes. This negative attitude towards NBC can be fuelled by the pre-judgement that such active approaches of NPOs are inconsistent with their traditional norms, behaviours and traditions built over the years.

In response to stakeholders' complex pressures, NPOs enacted a deliberate approach towards their various stakeholder groups, encompassing two related mechanisms: tackling stakeholder anxiety towards the collaboration and collaboration sense-making. NPOs were proactively tackling external and internal stakeholders' anxiety towards the col-

laboration by recognizing their diverse expectations (efficiency, resistance to co-optation, avoidance of controversial association) and addressing them via the formalization of the collaboration procedure. Concurrently, as second mechanism, the NPOs regularly emphasized the prospective value outcomes from past, current or proposed collaboration activities, to make sense of the NBC. This triggered stakeholders to establish a plausible and positive image (or sense of achievement) that rationalized the NPO's active attitude towards the collaboration.

The website analysis offered further evidence supporting these findings. Consistent with the collaboration sense-making mechanism, NPOs' websites frequently emphasized evidence of their achievements to increase their stakeholders' trust. Specifically, the NPOs focused on disseminating information concerning the impact of their collaboration potentials, which we categorized into: (1) quantification of impact; (2) success stories; (3) testimonials; and (4) general statistics (see the bottom row of Table 4 under collaboration sense-making). Generally, NPOs seek to quantify the impact of accomplished collaborations, to clarify the potential NBC impact and facilitate communication with different stakeholders. Indeed, stakeholders can help realize NBC's value by mobilizing broader support for future projects. The NPOs' websites thus give tangible evidence of previous collaborative projects' actual contribution to society. Moreover, providing information about previous and current partners contributes to the tackling anxiety mechanism, as it ensures transparent disclosure, enabling stakeholders to view any unintentional mission creep (e.g. when collaborating with controversial firms or sectors). Interestingly, the frequencies of occurrence show that these dissemination sub-categories are not adopted equally by the three NPO size categories. Large NPOs are more likely to include quantitative information on their websites (87.8% compared to 31.0% for small and 48.8% for medium-sized organizations). Displaying success stories was also frequently adopted, again mostly by large NPOs and least by the smallest. Importantly, these details are provided to comprehensively illustrate the NBC process and outcomes, and thus to enhance prospective partners' confidence in the effectiveness of collaboration with a particular NPO.

Building on these findings, we propose the following.

Table 6. Relational risk management in NBC: information, analysis and representative quotes

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
Complex stakeholders	Stakeholder sensitivity	NPO stakeholders are generally sensitive to incongruences arising from the misalignment between the NPO's actual values and activities and what it declares. This can erode all their support.	'Any charity can quickly become under the spotlight. They are praised when everything went right, but trashed when something is going wrong. So we are careful about who we are collaborating with' [M-SA]
	Resistant culture	NBC represents a significant change to some NPOs, who were significantly dependent on government funding to sustain themselves. So, their staff and volunteers can perceive the active approach towards the collaboration as misalignment with their historical mission (i.e. providing social service that is completely funded by the state) and/or their working patterns. Given their limited resources, the NPOs' stakeholders expect accountability to deliver the best return from any collaboration they are involved in, as it justifies the cost of collaboration.	'... there is a culture that would resist that and make us reluctant... some people are less enthusiastic about these sources of relationships and resist change... it is new; it is not how we operated before' [L-DM]
Tackling anxiety	Expectation of efficiency	It concerns an NPO's resistance to mission drift (diluting identity) that might happen due to the business influence.	'We need to justify that the effort we invested in collaboration has added value to our beneficiaries... otherwise we are under the fire!' [M-BD]
	Expectation of resistance to co-optation	It captures the risk of engaging with a business whose commercial activities contradict the NPO's mission and values. This occurs when businesses are perceived as acting unethically (e.g. harming the environment or adopting an unethical trading policy when sourcing input materials), or when the nature of the business's activity is perceived as unacceptable by society (e.g. gambling or alcohol businesses).	'We must protect our name and image as a charity, so we must be in control and driving it, because if we do not, a company can come and do something wacky that offends some of our supporters... actually they can take us away from what we should be doing' [M-SA] 'There is a lot of evidence that links sight loss to smoking... so I have to be careful about approaching the tobacco industry... is it sensible to associate our name with an organization that produces a product that can cause the problem? Such collaboration affects our staff and trustees, because a lot of them will be visually impaired. That also affects our partners, who may say, "You're working with them! No thanks, we do not want to be associated with you!"' [L-CPO]
	Expectation of avoidance of controversial association		



Table 6. (Continued)

Second-order themes (mechanisms)	First-order categories (sub-mechanisms)	Unpacking the underpinning logic of categories	Representative quotes
	Formalization	All NPOs have gone through a formalization (process of clearly defining policies, rules and activity alignment) to manage stakeholders' three expectations. Yet, large NPOs tend to be more systematic than smaller NPOs (which developed criteria to act as a 'collaboration safeguard' policy) in enacting explicit policies that govern their association with the business sector. These policies aim to protect the mission, avoid problematic association and ensure fair return. Thus, they guide the strategy of collaboration initiation and implementation in a way that ultimately seeks to reduce unforeseen risks and satisfy stakeholders.	'We have a policy for our partnerships and they are regularly evaluated to ensure their relevance and effectiveness. We scrutinize what the potential within a partnership is and look at how the association with the company will help us achieve our goals. Ultimately, the main priority is to determine whether there is sufficient potential for us to justify the potential resources that we would have to put in to deliver it. Also, we have to consider potential risk and any detrimental impact on our brand... there is so much about looking into the company's background, what's their track record with charities, whether they achieved before, what's their culture, what's their goals, is there a fit between the two brands, does the partnership make sense to stakeholders?' [L-BHF]
Collaboration sense-making	Regular emphasizing of collaboration value outcomes	Alongside tackling stakeholders' expectations, the NPOs seek to enable their stakeholders (specifically internal staff and volunteers) to make sense of the collaboration.	'We already did things seriously about the private sector... it made us think more seriously about how we align ourselves with that sector. Over the last 12 months, we have changed our focus quite significantly. We have used the European framework for quality management to do that... which included all staff... we looked at relying less on grants and work more with the corporate in order for this charity to survive' [M-MD]
	Communication channels	Various communication channels (including public meetings, bulletins, etc.) are used to provide information about the benefits that both society and the NPO would obtain from collaborating with the prospective business partner(s). In their annual reports, NPOs regularly refer to the collaboration as a powerful tool that benefits society.	An extract from an annual report: '[NPO name] worked with a diverse portfolio of national corporate partners. As well as raising vital funds for research, we've been able to train close to 5,000 of their employees in life saving CPR... We would not be able to [do our] research without the funds raised by over 80 national retail corporate partners' 'We use independent evaluators for our projects. So they write up reports that evaluate and describe our achievements in the projects. Then we successfully launch these reports by having stakeholders' events. This would make a lot of publicity, press and increase stakeholder engagement' [S-CPM]

P3: NPOs adopt an entrepreneurial orientation in the collaboration with the business sector by enacting relational risk management. This entails managing the complex nature of stakeholders through two mechanisms: tackling anxiety and collaboration sense-making.

## Discussion and conclusions

This study explored how EO's core dimensions manifest themselves when NPOs proactively engage in collaboration with firms. The analysis led to a novel conceptualization of the dimensions and uncovered a set of (sub-)mechanisms. Below we discuss the theoretical contributions, limitations and implications for practice.

### *Contributions to the literature*

Our study makes several contributions to the cross-sector collaboration and nonprofit EO literatures. First, we offer new insights into the nature and dynamics of nonprofit EO in cross-sector collaboration, responding to calls to examine the role of inter-organizational relationships within entrepreneurial processes that address social issues (Lumpkin *et al.*, 2013; Lurtz and Kreutzer, 2017). This focus is important given the idiosyncrasies of EO dimensionality in a domain where profit-making is not the core motive (Faulk *et al.*, 2020). We show that proactiveness, innovativeness and risk-taking can take on new meanings when considering NPOs' collaboration with firms. Specifically, the *relational proactiveness* dimension centres on NPOs' endeavour to appraise the intensity of the competition for collaboration opportunities (i.e. sensing rivalry), while seeking to accommodate prospective partners' collaborative needs. This highlights a competition-centric perspective, in comparison to Morris, Webb and Franklin (2011) who conceptualized nonprofit proactiveness primarily as moving faster than competitors. Importantly, our findings reveal how the severe competitive setting faced by NPOs is shaping this sector's structure.

Moreover, we add to the typical conceptualization of innovativeness in nonprofit EO, which indicates the commitment to generate new ideas to be transformed into new products/services and/or processes (Lacerda, Martens and Freitas, 2020), by introducing the notion of *relational innovativeness*

in NBC. This hinges on NPOs' potential to create new collaboration opportunities (portfolio broadening) and/or develop existing partnerships (portfolio scaling). The analysis shows that building on NPOs' capacity to co-deliver social change and economic rent is a core component in both strategies. This supports Webb *et al.*'s (2010) contention that NPOs would need to establish a clear identity, signalling their capacity to create value to establish inter-organizational social alliances. Finally, we identified the *relational risk-management* dimension as more relevant to NPOs than 'traditional' risk-taking. Managing the relationship with their stakeholders is seen as both critical and complex for NPOs (Laidler-Kylander, Quelch and Simonin, 2007; Letts, Ryan and Grossman, 1998), given that they face multiple types of accountability (Hofer, 2000; Kearns, 1996). Our findings show that NPOs address this complexity by engaging systematically and proactively with their various stakeholder groups. This emerged as a risk-management approach towards stakeholders which would enable the NPOs to pre-empt sources of conflict (Berger, Cunningham and Drumwright, 2004) and obtain stakeholders' support (by enabling collaboration sense-making).

Second, we add insights concerning the pre-collaboration stage (Austin and Seitani, 2012a), seen as vital for collaboration alignment and success (Bryson, Crosby and Stone, 2006). While existing studies on the pre-collaboration stage have concentrated mostly on problem-setting (Gray, 1989), preconditions (Bryson, Crosby and Stone, 2006) and partner selection (Rondinelli and London, 2003), our research specifies NPOs' active enactment. In general, EO is regarded as a strategy-making process (Lomberg *et al.*, 2017) that enables entrepreneurial decisions and actions with the purpose of creating a competitive advantage. The mechanisms uncovered by our analysis demonstrate that the relation-specific EO dimensions provide a systematic approach for considering NBC as a strategic option. NPOs emerged as proactive in finding adequate partners and managing risk, while seeking to create new schemes for interaction with the business sector. Therefore, we contend that 'active-in-collaboration' NPOs have adopted deliberate actions regarding their relationship with business in an entrepreneurial manner. This challenges the view that NPOs are more reactive actors in such relationships (Harris, 2012; Schiller and Almog-Bar, 2013) and/or that they are a mere 'sub-

contractor' for corporate social investment (Dahan *et al.*, 2010; Porter and Kramer, 2002).

Third, the findings highlight the importance of reckoning with the specifics of NPOs as organizations. Typically, larger NPOs are assumed to have several advantages (e.g. reputation, geographical reach, experience) that make them 'automatically' and relatively effortlessly more attractive to the business sector (Yaziji and Doh, 2009). Therefore, it was expected that firms would be particularly eager to engage with them to exploit these advantages (Porter and Kramer, 2011), with the implication that large NPOs could be more passive towards NBC (i.e. not promote their collaboration interest to the business sector). Our findings challenge this view by indicating that larger NPOs, compared to smaller ones, were more likely to adopt portfolio-broadening (i.e. seeking to expand the number of new partnerships/partners) than portfolio-scaling (i.e. extending current partnerships) strategies. Supporting the paper's main argument, the prevalence of this proactive mindset among larger NPOs, manifested in specific NBC strategic practices, reflects the severe political and economic conditions confronting the non-profit sector in general, to which larger NPOs have responded by changing their approach. Accordingly, NPOs appear stronger when entering into NBC and hence create more value, not only to support their beneficiaries but also to enhance their long-term sustainability.

Finally, the study contributes more generally to the NBC literature, which thus far predominantly adopted business and society perspectives, by focusing on NPOs as distinct organizational actors, to help uncover value creation and capture. Scholars have also pointed to the importance of reconciling the potentially contradictory self-interests of each partner (i.e. value capture) vis-à-vis the overall NBC agenda (i.e. value creation) (Kivleniece and Quelin, 2012; Wood and Gray, 1991; York, Sarasvathy and Wicks, 2013). Ignoring such issues is likely to complicate NBC design and generate tensions and opportunistic claims in the implementation phase (Wood and Gray, 1991). Our findings articulate how active-in-collaboration NPOs have deliberately taken entrepreneurial actions and evolved specific capabilities to manage and extend their relationship with their business partners, aiming to optimize value from the collaboration. These capabilities are necessary for NPOs to become proactive in search-

ing for collaboration opportunities, while protecting their identity and avoiding potential mission drift. Hence, we address the call to differentiate between value created for society (conceived as the sum of benefits obtained from the collaboration) and value captured by individual collaborators (Kivleniece and Quelin, 2012; York, Sarasvathy and Wicks, 2013).

#### *Limitations and implications for practice*

Our exploratory study obviously has its limitations, which concurrently point to areas for future research. To start with, it would be interesting to test the effect of the three 'relational' dimensions of EO on the collaboration performance using a larger sample than we could include. Examples of research questions are: To what extent will 'less entrepreneurial' NPOs be different, in their collaboration activity, to NPOs that embrace these dimensions? How might 'conservative' NPOs still be able to develop successful collaborations with the business sector? When testing this relationship, moderating variables can be included, particularly relational factors such as mutual trust, commitment and alignment (Parker and Selsky, 2004), which are perceived as critical for the effectiveness of inter-organizational relationships (Austin and Seitanidi, 2012b). Moreover, in our analysis we regarded the EO dimensions as equally important, but further research could examine each dimension's individual effect, following, for example, Lomberg *et al.* (2017), who distinguished between the unique effect of each dimension and their shared effect on firm performance. Follow-up investigations might help to deepen our understanding of the effect of context on the EO-performance relationship and how the relative importance of the dimensions might be affected by the collaboration conditions.

Finally, as already indicated, our research has clear implications for practice. We want to underline that our findings can guide less active-in-collaboration NPOs to develop a strategy for NBC. More specifically, the (sub-)mechanisms provide a checklist of critical methods/practices/approaches that might help decision-makers to forestall problems and risks associated with NBC. This should enable NPOs to become more open and less sceptical towards crossing sector boundaries and working with business. Furthermore, the study gives substantive details about the features of NBC strategy, under-

pinned by an identification and communication of NPOs' distinctive qualities (e.g. intrinsic and/or extrinsic attributes). If articulated adequately, they would enable a fit with the strategic orientation of firms' CSR policy and concomitant business aspirations to create better social and economic returns from collaboration.

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