

Gabriele Faber-Wiener  
Bettina Gjecaj

# Cooperation Between Companies and Non-profit Organizations

Taking Responsibility Together: Guidelines  
for Constructive, Credible and Transparent  
CSR Projects

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Taking Responsibility Together: Guidelines  
for Constructive, Credible and Transparent  
CSR Projects

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## Foreword

*Anyone who presents themselves as a credible driver of transformation would do well to operate sustainably themselves. Transparency creates credibility and reliability. The more an organization's goals shape the design of partnerships with companies, the more authentically they can present themselves externally. This guide provides helpful tips and guidance on how to achieve consistency.*

**Dipl.theol. Yvonne Zwick, Chairwoman B.A.U.M. e. V.—Network for Sustainable Business, Hamburg**

*Non-profit organizations are central pillars of our society. Especially in times of disruption and change, their performance is of increasing importance. A prerequisite for this is independence—also in cooperation with companies. This book helps both companies and non-profit organizations understand each other and establish stable cooperations.*

**Dr. Günther Lutschinger, Managing Director Fundraising Association Austria, Vienna**

*The time of lone fighters is over. In order for us to achieve the Paris climate goals, companies must offer profitable solutions for people and the planet. It's about this: How do I tackle it? The new book by Gabriele Faber-Wiener and Bettina Gjecaj particularly focuses on partnerships with non-profit organizations and aims to prepare the ground for successful collaboration.*

**Mag. Daniela Knieling, Managing Director respACT and Network Representative Global Compact Network Austria, Vienna**

*Credibility, responsibility, and transparency are the guarantee and basis for sustainable development of companies. A thriving, trustful cooperation between companies and non-profit organizations aids in answering political and societal questions and is a profound solution approach to complex ecological problems.*

**Ernst Ternon, MBA MSc MSc, Program Director of Green Marketing, Wieselburg Campus, University of Applied Sciences Wiener Neustadt**

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## Preface

### **Companies and NPOs—a relationship guide of a different kind**

Opposites attract. Or so they say. But opposites can do even more. They can complement and enrich each other, creating mutually added value. This is precisely one of the reasons why collaborations between companies and civil society organizations are becoming increasingly popular. The goals are diverse and often quite contrary—some want more money, others a better image.

But what's behind it? How can it succeed? What matters in this context? And above all: How can the collaboration between companies and non-profit organizations (NPO) be established to be truly credible and thus successful in the long term?

Exactly this is the core topic of this publication. It is about the relationship between companies and non-profit organizations. It is a matter of getting to know each other better. Companies and non-profit organizations tick differently—they have different goals, different strategies and different roles in society. The former are usually more concerned with efficiency and productivity, the latter with effectiveness and social change. There are often worlds between them.

The aim of this book is to create mutual understanding, to show the challenges both actors are currently facing in a time of value change and economic paradigm shift. But it is also about showing where the risks are, what can happen if you enter into a cooperation with a non-profit organization or a company, with there being plenty of risks, especially the risk of jeopardizing reputation.

The book is therefore aimed at practitioners in both the corporate and non-profit sectors either already in cooperation, or who are facing the possibility of one, but also parties fundamentally concerned with these two sectors and their roles in society. It also attempts to combine the claim to provide assistance for practitioners with scientific depth, i.e. the outlined solution approaches are based not only on personal experience, but on a systematic scientific examination and derivation.

As an introduction, Chap. 1 explores the world of business and its role in society. Taking on sincere responsibility, or “Corporate Social Responsibility”, means for companies today to recognize their complete scope of impact and to embrace the appropriate responsibility for it. The keyword for this is transformation, the (re-)orientation of the

entire company towards sustainability. It's about a common understanding of the inter-relationships and an attributable change in attitude, reflection and action.

The current challenges for companies are outlined in detail and supported with a series of theses and solution approaches by the authors.

These theses are:

- 1: Companies are at a system boundary—transitioning from individual CSR and sustainability projects to new ways of thinking.
- 2: Responsibility is not a parallel program to business—but is still perceived as such.
- 3: The motives have shifted—CSR is more than a competitive advantage.
- 4: Compliance is insufficient—responsibility cannot be mandated.
- 5: Companies need correctives—not a CSR “feel-good” program.

In Chap. 2 the focus is directed towards the inner workings of non-profit organizations. It highlights the role of non-profit organizations as an important corrective to politics and economics. It outlines the different fields of activity and characteristics, but also the difficulties and constraints that these organizations must overcome, from increasing challenges faced as employers, who must always remain faithful to the common good, to the increasing economization, which increasingly focuses on funding rather than the purpose of the organization.

The authors have also formulated five theses for this, which highlight problem areas and offer solutions for non-profit organizations. These are:

- 1: The economization of non-profit organizations must be critically questioned.
- 2: The NPO world is not a perfect world, but is often seen as such.
- 3: Advocacy is a central task, especially for NGOs.
- 4: The corrective role towards companies is more important than ever.
- 5: Independence ensures the trust of stakeholders in NPOs and NGOs.

Chapter 3 is all about the topic of cooperations. In public, it is a “latent issue”, i.e., a topic that is not yet heavily discussed and questioned (Zadek 2004).

At the same time, civil society is increasingly exposed to systemic pressure to cooperate with the private sector, according to Burchell and Cook (2013). Many public subsidies for non-profit organizations are increasingly tied to the condition of working with entrepreneurs from the private sector. Not least for this reason, the two authors see the confrontation with a critical view of cooperations between companies and non-profit organizations as highly relevant and more than urgent.

Above all, the underlying motives are the focus of this chapter, from both sides: motives of non-profit organizations as well as companies to enter into such cooperations. Furthermore, the different roles, conditions and competencies expected from the partners are examined and presented.

It is essential for both cooperation partners not to lose sight of their own role and task, to be aware of their responsibility and above all, to formulate common goals. In addition,

the various types of NPO/PO cooperations are presented and outlined, including a critical look at the associated risks for both partners.

The overarching goal of this publication is to ensure the credibility and trust of stakeholders in the acting parties. Therefore, Chap. 4 concerns the important and fundamental topic of credibility. It describes the prerequisites for credibility, both for companies and non-profit organizations, it outlines characteristics, i.e., indicators, by which credibility can be determined. Trust in organizations is also described in detail. It is the basis of social relationships. Without trust, no institution could work and be successful. This is especially important for non-profit organizations, which do not have a concrete product to offer that ideally sells itself. Their product is inversely their credibility and their service to society.

This means: The success and effectiveness of the activities of companies and organizations—and their communication—is based on three elements that are closely linked: legitimacy, trust, and credibility. Legitimacy is the basis of the existence of companies and organizations and can only be granted externally (e.g., by civil society). It is closely linked to acceptance and presupposes two parameters: the willingness of the company or organization to adapt its actions; and the willingness to involve others (Thielemann 2009). In summary, it can therefore be said:

- CSR measures and their communication cannot be effective if there is a lack of legitimacy, trust and credibility.
- All three elements—legitimacy, trust, and credibility—can only be granted by others, i.e., the recipients of the message.
- All three elements—legitimacy, trust, and credibility—cannot be achieved solely through communication measures.

From the learnings of these four chapters, the authors want to offer a creative, strategic way out of the jungle of lurking dangers faced in cooperations to the interested, practicing reader. One of these solution strategies is the “Roadmap for Equal Footing Cooperations” (Chap. 5), which is presented in this book. This roadmap outlines a practical and implementable path towards a credible and justifiable cooperation, including the individual steps that need to be considered. This roadmap is an offer and a help for designing cooperations between non-profit organizations and companies. It provides concrete questions and action options for practical implementation in all phases.

In the introductory analysis phase of the roadmap, it is about clarifying the motives of both partners and the fundamental question of “Why”. This is critical, because if cooperations are established for wrong or ethically problematic reasons, this can lead to a loss of legitimacy for both cooperation partners.

Following this, the approach of the cooperation partners, referred to in the publication as the initiation phase, takes place, during which the actors clarify and coordinate the respective requirements to be met.



Only after these two intensive phases does the implementation phase involve the actual design of a cooperation. Even at this stage, there are numerous principles and factors to consider that can help not only to ensure the credibility of the cooperation entered into, but in the best case even increase it.

The “Code for Transparent Cooperation” also presented in this publication (Chap. 6) is intended as a tool for self-commitment. It consists of basic principles, rules, and recommendations. The main pillars of the guide, first published in Austria in 2021, include: basic principles as a basis, rules for the disclosure of donations, in-kind donations, and sponsorship, clear guidelines for logo use, for studies and consulting services by NPOs on behalf of companies, for joint projects, but also for memberships of executives in non-profit organizations.

In addition, the code formulates suggestions for implementation such as due diligence of non-profit organizations, mechanisms for control and recommendations for communication. The code has already been signed by a number of companies in Austria, who have joined together in an “Initiative for Transparent Cooperation” and publicly commit to transparency ([www.transparente-zusammenarbeit.org](http://www.transparente-zusammenarbeit.org)).

Thus, the present publication is a scientifically based guide that aims to take its readers into the exciting and heterogeneous world of cooperations. It not only provides backgrounds and knowledge about the basic pillars of a cooperation, but also practical tools for improved implementation. In this way, everyone can benefit: companies, civil society organizations and the common good.

We are pleased if you too benefit from this publication and are always open to feedback and suggestions, respectively.

Gabriele Faber-Wiener  
Bettina Gjecaj

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(Photo: Christian Husar)

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(Photo: Stephan Friesinger)

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## Abstract

Companies play a central role in solving economic, social, and environmental problems. At the same time, they are also co-contributors to these very problems. Therefore, they increasingly find themselves responsible for the—not always positive—societal impacts of their activities. Not least for this reason, they are increasingly in the public eye. This chapter focuses on companies and their societal role and responsibility. It describes the upheavals at all levels and the necessity of transformation towards sustainability. It outlines the tension between ethics and economics and the various developments, but also problem areas and approaches to solutions.

## 1.1 Introduction

We live in a time of change. The former EU Commissioner Franz Fischler described this during an online discussion in the spring of 2022 as the “greatest turning point since World War II”.<sup>1</sup> These upheavals also affect companies. They face immense challenges. Many pillars of their activity have become unstable: steady economic growth, stable framework conditions, clear rule sets, committed employees, secure raw materials—all these pillars are unstable.

This instability is exacerbated by a plethora of new regulations and rules from the EU and by major changes due to generational change, especially among employees. A widespread,

<sup>1</sup> <https://www.vbv.at/nachhaltigkeit/vbv-im-diskurs/>

societal shift in motives and values has been underway for some time and has been further intensified in many areas by the Covid-19 pandemic.

This means that not only the role of companies in their core activity, but also their position in society is changing. It's about redefining the concept of economy and work, the question of the value of work and economy including the framework conditions that will be needed in the future to create values.

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## 1.2 Questioned: Transformation and Future Viability

Companies and organizations are confronted with a paradigm shift on many levels. The keyword is transformation. This does not primarily mean technological transformation towards digitalization, but the (re)orientation of the entire company towards sustainability. It's about understanding the interrelationships. This means that one must understand and consider ecological, technological, economic, cultural, and social upheaval processes in their interplay.

This perspective goes beyond the previous three-pillar principle of sustainability, which is based on social, economic, and ecological aspects. It includes further central dimensions: a technological, an economic, a political-institutional, an ethical, and a cultural dimension. Transformation means understanding this interplay and leveraging it for sustainable future development. This is referred to as "future art" by the German Wuppertal Institute (Englerth and Pföhler 2019).

This "future art" is not a theoretical size. Digital transformation, new framework conditions, and changed customer needs pose new challenges to companies as well as society. In view of the climate crisis and rapid change, companies are dealing with a number of fundamental questions: How can we make ourselves fit for the future? How do we design our business model sustainably? How do we assert ourselves in innovation? What does responsibility mean today and in the future?

Thus, the future viability—or future fitness—of companies has become a central and omnipresent term. At the same time, there has so far been a lack of clarity on how to define future viability concretely and thus implement and communicate it credibly. Together with participants from business, administration, and civil society, the sponsoring organizations of the Austrian TRIGOS<sup>2</sup> have dealt with defining the term "future viability", making it tangible, traceable, and thus strategically usable and measurable for companies.

Accordingly, future-oriented, sustainably oriented companies understand themselves according to this developed definition "as part of a larger whole. In their core business,

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<sup>2</sup>The TRIGOS is Austria's most prestigious award for CSR and sustainability and is jointly awarded by six organizations from business and civil society. Gabriele Faber-Wiener is the jury chairwoman.

Matrix: Faber-Wiener, Center for Responsible Management

		Dimensions	Attitude	Reflection	Action
Inside ↓		Strategy & core business	This is reflected, among other things, in: Corporate purpose or orientation, circular thinking, etc.	Information policy, inside-out or outside-in relationship, etc.	Structural and strategic anchoring Sustainability, strategic orientation, etc.
		Leadership & culture	New leadership, diversity, etc.	Ethics processes, communication and exchange, etc.	Employee participation, promotion of employee health, etc.
		Resilience & innovation	Innovation, digitalization, agility, etc.	Integrated innovation policy, openness, taking risks (VUCA), etc.	Anchoring sustainability criteria in the innovation process, etc.
Exterior		Environment & Resources	Ecological sustainability, use of resources,	Species and environmental protection, biodiversity, etc.	Land consumption, eco-design, species protection programs, etc.
		Society & added value	Industry exchange, collaboration and exchange with the environment, regional corporate responsibility, etc.	Stakeholder involvement, exchange with the environment, etc.	Use of regional resources and providers, cooperation with NPOs, state organizations, etc. etc.

**Fig. 1.1** Future viability in companies and their dimensions. (Source: Faber-Wiener 2019, based on TRIGOS 2019)

they act responsibly in dealing with resources and act in the interest of future generations. Behind these companies are people who are already dealing with the challenges of tomorrow today. They approach new things openly and courageously and adapt their strategy flexibly. With their actions, they contribute to solving relevant societal and ecological challenges.”<sup>3</sup>

Future viability is thus an integral part and is reflected in five dimensions:

- Strategy & Core Business
- Leadership & Culture
- Resilience & Innovation
- Environment & Resources
- Society & Value Creation (Environment)

These five dimensions are divided into many individual areas, which in turn are summarized in their own “Matrix of Future Viability” and must be addressed at all three levels of responsibility—attitude, reflection, and action (see Fig. 1.1).

This definition, as well as the associated five dimensions, already suggest: The future fitness or viability of companies is not achieved by changing individual processes or establishing a new department. Real transformation is laborious. It breaks up existing structures. It brings problems to light. It demands thinking long-term instead of short-term and communicating transparently. Above all, it requires questioning one’s own

<sup>3</sup><https://trigos.at/trigos-barometer-zukunftsfachigkeit/>, Download 14.11.2022.