

Learning in cross-sectoral cooperation: A comparative case study in saving the Baltic Sea

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Objectives of the Study

The purpose of this study has been to deepen understanding of learning in cross-sectoral cooperation in an environmentally focused network aiming to save the Baltic Sea. Two different cases of MNC-NGO cooperation provided an interesting comparison to study what the organizations had learned from cross-sectoral cooperation during the past years and what kind of outcomes did the cooperation have. When analyzing the findings, a special focus has been placed on innovations and creating shared value.

Methodology

This thesis is part of a larger research project that is taking place at the Aalto University School of Economics. The thesis is based on a qualitative comparative case study with two case studies: Nokia and John Nurminen Foundation, and IBM Finland and Baltic Sea Action Group. The data has been collected by semi-structured interviews with the key individuals who were coordinating and participating in the cooperation in the case organizations.

Findings and Contributions

The findings indicate that the role of cross-sectoral cooperation is rising and a clear change has happened over the past years; cross-sectoral actors have come closer to each other. The actors' specific roles and an initiator in the network are important; the actors must be aware of their specific tasks and how the responsibility has been divided. The actors should learn to know each other well. Innovation and creating shared value are effectively used if the project is tied to the organization's core operations.

Keywords: learning, networks, Baltic Sea, creating shared value, innovation

Laura Kehusmaa

Oppiminen eri tahojen yhteistyössä: Vertaileva tutkimus Itämeren suojelusta

Tutkimuksen tavoitteet

Tämän tutkimuksen tavoitteena on syventää tietämystä eri tahojen ja alojen välisestä yhteistyöstä. Esimerkkitapauksina toimii kahden monikansallisen yrityksen ja kansalaisjärjestön, Nokian ja John Nurmisen säätiön, sekä IBM Suomen ja Baltic Sea Action Group:in välinen pitkäaikainen yhteistyö Itämeren suojelun parissa. Yhteistyön tuloksia on vertailtu oppimismerkityksen kannalta: minkälaisia asioita organisaatiot ovat oppineet yhteistyöstä ja millaisia tuloksia sillä on ollut. Yhteistyötä vertaillessa on kiinnitetty erityistä huomiota innovatiivisiin ratkaisuihin, jotka hyödyttävät kaikkia osapuolia.

Metodologia

Tämä opinnäytetyö on osa laajempaa tutkimusprojektia, joka on käynnissä Aalto-yliopiston kauppakorkeakoulussa. Opinnäytetyö on luonteeltaan vertaileva tutkimus kahden eri yhteistyön kulusta. Aineisto on koottu haastattelemalla yhteistyötä koordinoimassa olleita asiantuntijoita yhteistyöhön osallistuneista organisaatioista.

Tulokset ja havainnot

Tärkeimmät löydökset viittaavat siihen, että eri alojen välinen yhteistyö on koko ajan kehittyvässä vahvempaan suuntaan; suuri muutos on jo tapahtunut viimeisen kymmenen vuoden aikana. Tahot ovat lähempänä toisiaan ja toiminnan aloittaa tietty taho. Onnistumisen kannalta on tärkeää, että eri tahojen roolit ovat tarkasti määritellyt ja vastuunjako on selkeää. Yhteistyö syvenee sitä mukaa kuin tahot oppivat tuntemaan toisiaan paremmin. Innovointi ja lisäarvon tuottaminen ovat helpointa silloin, kun projekti on osa organisaation ydintoimintaa.

Avainsanat: oppiminen, verkostot, Itämeri, globaalin lisäarvon tuottaminen, innovointi

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1 INTRODUCTION

This first chapter begins with the background of this study. It also introduces the research gap in the existing literature, defines the research problem and presents the research questions. The final section concludes with the key definitions used in this study.

1.1 Background

The Baltic Sea is the world's most polluted sea at the moment due to its peculiar nature and highly trafficked areas (Helsinki Commission, 2010). The Baltic Sea has shallow bays and it takes between 30 to 50 years for the entire water mass to circulate and exchange through the narrow Danish straits (Ministry of Environment in Finland, 2012). This means that the Baltic Sea is extremely vulnerable for hazardous chemicals, nutrients and heavy metals as they remain in the waters of the Baltic Sea for a long time (Ministry of Environment in Finland, 2012). The Baltic Sea catchment area is over 1,600,000 km² which is four times larger than the actual area of the sea (Ministry of Environment in Finland, 2012); there are also over 100 rivers that flow into the Baltic Sea and mainly due to agriculture, phosphorus levels remain high (John Nurminen Foundation, 2012). The International Maritime Organization has given the Baltic Sea a Particularly Sensitive Sea Area (PSSA) classification in December 2005 (Ministry of Environment in Finland, 2012). This classification has also been given to areas such as the Galapagos Islands and the Great Barrier Reef and it indicates that the area is extremely sensitive for maritime traffic (Ministry of Environment in Finland, 2012). The risks in the maritime traffic in the Baltic Sea are high since the number of traffic has increased over the years and especially the ice during the winter time creates a risk if the crew members are not familiar with winter conditions (John Nurminen Foundation, 2012).

The alarming situation of the Baltic Sea is unfortunately one of many similar stories where ecological or social problems need rapid action and radical changes. It is clear that these kinds of complex and societal problems cannot be solved without intensive cooperation from various sectors and countries. There are 9 border countries around the Baltic Sea but there are 14 countries in total in the entire drainage area of the Baltic Sea. This means that the situation needs to be tackled by many organizations across the

entire region. A multistakeholder network of influential actors from various sides of the society can together have a significant impact on the state of the sea. Change is most likely to happen when all actors are motivated to work together and share a common goal; therefore it is important to understand how cross-sectoral cooperation works in practice.

Another interesting phenomenon is spreading globally when tackling complex and societal problems. Creating shared value is stepping out as a popular way of understanding corporate responsibility (Porter and Kramer, 2011; Halme et al., 2009). Multinationals are seeking new ways to combine innovation and social responsibility with a target to improve business performance simultaneously with global welfare (Porter and Kramer, 2011; Halme et al., 2009). Michael Porter and Mark Kramer (2011) believe creating shared value could be the next big driver for global economy that would improve economic success through innovation and productivity. However, creating shared value requires intensive collaboration and coordination between the various actors of the society and here cross-sectoral cooperation steps out as a key phenomenon. The business world has increasingly started to understand the benefits of non-governmental and non-profit partners but a lot needs to be done on both sides in order to improve cooperation.

This study examines the outcomes of cross-sectoral cooperation in two environmentally focused networks; the chosen case actors from the networks are Nokia and John Nurminen Foundation, and IBM Finland and the Baltic Sea Action Group. All actors have been working towards a cleaner Baltic Sea for several years and have been able to gather valuable knowledge and experience from cross-sectoral cooperation. Two multinationals and two non-governmental organizations provide an interesting case for analysis as the setting is somewhat unusual and specific; even some of the projects and commitments have had very similar goals. However it will be interesting to find out how have the outcomes served the multinationals and what has emerged from the cross-sectoral cooperation.

This thesis is part of a larger research project that has been conducted in the Aalto University School of Economics. The purpose of the research has been to better understand the phenomenon where actors from various sides of the society work together in order to save the Baltic Sea, currently the most polluted sea in the world. Cross-sectoral cooperation across borders is a challenge even in a small area such as the Baltic Sea region and the serious ecological situation poses threats that require quick actions. Analyzing processes of network mobilization and creation of shared value in cross-sectoral networks have been a special focus in the research. (For further information please see e.g. Ritvala and Salmi, 2010; 2011)

1.2 Research Gap

Learning inside networks and information flows between the actors are an important aspect for improving cross-sectoral cooperation but it has received little attention in the network literature (Borgatti and Cross, 2003; Halonen et al., 2010, Mudambi and Swift, 2011). Organizational learning has been studied for over 30 years (eg. Argyris and Schon, 1978; Borgatti and Cross, 2003; Cyert and March, 1963) but the focus has been placed on declarative and procedural knowledge instead of analyzing the role of relationships and close linkages (Borgatti and Cross, 2003). It is important to understand how learning in cross-sectoral networks happens in practice; how are the actors able to learn from each other? Many researchers argue that actors and organizations with close linkages are able to better learn from each other (eg. Andersson et al., 2002; Hansen, 1999; Lana and Lubatkin, 1998).

When we are examining for example MNC-subsidary relations, learning often steps up in the form of innovation. MNC subsidiaries are in a complex position where they need to be innovative and coordinate their actions in a larger setting but they constantly also need the MNC headquarters' attention (Nell et al., 2010). If we are able to understand how country units or subsidiaries operate in various local and global networks and create value through local innovations, it can help us to better recognize the value of local networks such as environmentally focused networks and what kind of impacts they might have in a global level. The subsidiary's strategic position can help us to understand how knowledge is transferred across nations inside the home organization.

The collaboration between the business world and non-profit organizations in environmentally focused issues has received little attention with a few case studies (Andersson and Sweet, 2002; Crane, 1998; Ritvala and Salmi, 2010). Multi-stakeholder networks and cross-sectoral cooperation have been discussed widely in the past literature but the role of tri-sector cooperation has received less attention (Selsky and Perken; 2005).

The corporate responsibility literature is rich and extensive and it has developed over the years together with the business practices. The form of corporate responsibility has moved from philanthropy towards creating shared value (Halme and Laurila, 2009; Porter and Kramer, 2011) and it has interested researchers as well. However there is little case study research conducted from real-life examples of corporations who have implemented shared value. We cannot prove yet that shared value in all the cases would have a direct impact on business performance and it is very challenging to even try to measure it (Husted and Allen, 2006; Halme and Laurila, 2009).

Learning from the other actors inside the network, analyzing the close linkages and relationships, and the roles of the different sectors inside the network will be important topics for research in the future. Currently there is not enough information about how learning happens in practice in cross-sectoral networks; more real-life case studies are needed to explain this phenomenon. Also the roles of local agendas and creating shared value are rising but we need to understand what their roles are inside a global MNC.

1.3 Research Purpose

As briefly discussed earlier the unique form of cooperation between a multinational corporation and a non-governmental organization in a broader environmentally focused network is an interesting theme to study. The comparison of two MNCs who are both cooperating with an NGO in order to save the Baltic Sea will provide more insight on how the actors can learn from each other and how learning happens in practice in cross-sectoral cooperation. Opportunities that can arise from the cooperation, relating especially to creating shared value, can also provide a deeper understanding of cross-sectoral cooperation.

The purpose of this research is to better understand learning in cross-sectoral cooperation. The case actors have been working with each other for several years and therefore it is important to analyze what have the actors, case MNCs and case NGOs, learned from cross-sectoral cooperation and what kind of outcomes have emerged from this cooperation

1.4 Research Questions

The purpose of this study is therefore to understand what the learning outcomes of the cooperation have been so far and what has been accomplished with the cooperation in the two cases. The overall learning experience, challenges and successes, possible new cooperation partners and future projects that have emerged during the cooperation will be analyzed and discussed in detail. The focus of the research is placed on learning and creating shared value when analyzing the outcomes of the cooperation.

Two main research questions and sub-questions are presented as follows:

1. What and how have the actors learned from cross-sectoral cooperation?
2. What has the role of creating shared value been in the cooperation process?

1.5 Definitions

Multistakeholder network has been defined by Roloff (2008) as a network where the actors come from business, civil society and governmental or supranational institutions in order to find a ‘common approach to an issue that affects them all and that is too complex to be addressed effectively without cooperation’ (Roloff, 2008, p. 234). Roloff (2008) also argues that issue-focused stakeholder management dominates in multistakeholder networks as it can allow corporations to address complex problems and challenges together with various stakeholders operating in the network. Therefore in this research it is vital to look at multistakeholder networks from an issue-based perspective rather than an organization perspective as there is no conflict among the stakeholders but a common concern that needs to be solved in cooperation.

Stakeholder has been defined by various researches but the most well-known is from Freeman (1984) as he argues that a stakeholder is ‘any individual or organization that can affect or is affected by the firm’s activities’ (Freeman, 1984, p. 25). This definition can also be applied in the case of the environmental multistakeholder network as the definition is broad. The traditional comparison between primary stakeholders and secondary stakeholders is also suitable for the environmental multistakeholder network. However the problem between both definitions is that as the network is issue-focused rather than organization focused, both definitions concentrate on actors around the organization rather than the issue.

Organizational learning has been defined as ‘the growing insights and successful restructurings of organizational problems by individuals reflected in the structural elements and outcomes of the organization itself’ (Simon, 1969, p. 236 in Reast et al., 2010). Organizational learning therefore measures how knowledge can be gained, how it can be transferred inside the organization across various country levels, and how it can be recorded for future purposes.

Shared value can be defined as ‘policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates’ (Porter and Kramer, 2011, p. 66). Shared value focuses on the combination of both economic and social progress and does not exclude one from the other. Porter and Kramer (2011) argue that the value is ‘defined as benefits relative to costs, not just benefits alone’ (Porter and Kramer, 2011, p. 66).

2 LITERATURE REVIEW

The literature review is based on a combination of different theories in order to better understand the background behind complex environmental and societal networks where various actors gather together to tackle the common concern. Organizational learning and multinational corporation (MNC) and subsidiary roles are analyzed in order to better understand how knowledge and innovations are created in a local level; and how is the concept of creating innovation changing in the corporate responsibility literature. The combination of different theories is also necessary as the issue is relatively new and the issues have not yet received much attention (Ritvala and Salmi, 2010). The literature review has been divided into three sections: *2.1 Network and stakeholder theories*, *2.2 Organizational learning in cross-sectoral networks*, and *2.3 New ways of creating innovation*.

2.1 Network and stakeholder theories

The first section will combine multistakeholder networks theory and stakeholder theory because both of them are vital for the analysis of these kinds of specific environmentally focused networks. In the past there have been only few researches on environmental networks and case studies (Crane, 2008; Ritvala and Salmi, 2009, 2010) and therefore it is necessary to analyze how the process of multistakeholder networks has evolved over the years.

2.1.1 Industrial networks and cross-sectoral actors

A traditional concept of networks builds on the Industrial Marketing and Purchasing (IMP) approach which focuses on both change and stability among the industrial networks (Brito, 2001). Industrial networks can be defined as ‘living structures’ as the actors, activities and resources around the network are constantly changing due to the dynamics of the network (Brito, 2001, p. 150). Industrial networks have been defined as a network where its actors are ‘embedded in larger context of social, economic, and technological systems’ (Andersson and Sweet, 2002, p. 466). Industrial networks provide an interesting platform for researching new actor ties, connections or relationships that emerge from the dynamic network (Andersson and Sweet, 2002; Brito, 2001). Traditionally the IMP approach has concentrated on the business actors but not

placed much attention to cross-sectoral actors within a network (Ritvala and Salmi, 2010).

Recently the interaction between different cross-sectoral actors in networks has received more attention. However there has been little research on environmentally focused networks where actors from various sides of the society work together (Andersson and Sweet, 2002; Crane, 1998; Ritvala and Salmi, 2010). In 1998 Crane discussed the concept of 'green alliances' and focused on the motives of the actors when joining an environmentally focused network (Crane, 1998, p. 559). A case study research was based on the World Wide Fund 1995 Plus Group which aimed at improving the standard level of environmental management when using forest sources in production (Crane, 1998). He defined 'green alliances' as a form of a 'green marketing strategy' where actors joined either because of a moral conscious or an obligation (Crane, 1998, p. 559). Key findings indicated that different actors had very different views of the environment and this made managing relationships in the network very complicated (Crane, 1998).

Andersson and Sweet (2002) used a case study method when researching the implementation of a new waste recycling system into a Swedish food retailing chain network where a focal firm acted as the initiator. The improved waste recycling system provided a new sustainable and ecological solution into the network but in this research the focus was mainly in the network changes that affected the focal firm (Andersson and Sweet, 2002). The food retailing chain network had loose and tight couplings among its actors and many of the actors also had multiple and overlapping ties within the network (Andersson and Sweet, 2002). Key findings indicated that effective results required simultaneous coordination of relationships among actors and direct and indirect relationships and especially the focal firm needed to act as a mediator between other actors (Andersson and Sweet, 2002).

A recent study by Ritvala and Salmi (2010) focused on the mobilizers of the network in an environmental network. The study investigated how the network around a societal problem, the protection of the Baltic Sea, emerged and concentrated on two NGOs: John Nurminen Foundation and the Baltic Sea Action Group (Ritvala and Salmi, 2010).

Here the term issue network was defined as a ‘loose temporary coalition of diverse types of actors that emerges around a common issue to influence existing beliefs and practices through network relations’ (Ritvala and Salmi, 2010. p. 898).

2.1.2 Cross-sectoral and social partnerships

Sometimes cross-sectoral actors and their relationships in a network have been researched by using the term partnership. In 2000 Googins and Rochlin raised the discussion of cross-sectoral partnerships as the phenomenon was gathering more attention within the public. Cross-sectoral partnerships were defined as a ‘new socio-economic developmental model’ that combines actors from the ‘private, government and civil sectors’ in order to achieve fair and sustainable communities (Googins & Rochlin, 2000, p. 127).

This new type of cooperation enables the sectors to modify their traditional roles when solving complex, societal issues (Googins and Rochlin, 2000). The partnerships also enable the actors to combine their resources and unique capabilities when solving the issues and could turn the power driven competition into innovation (Googins & Rochlin, 2000). This early research on cross-sectoral cooperation concentrated mainly on the motives behind the cooperation and especially the monetary reasons behind it but Googins & Rochlin (2000) understood the potential of creating also other kind of value in the society, for example innovations through these cross-sectoral partnerships.

Also the term social partnership is used when describing a very similar situation. Social partnership includes non-profit organizations, various actors from the society such as the government agencies, and business organizations (Waddock, 2002; Wilson et al., 2010). Social partnership also builds around a complicated issue that several organizations try to solve in cooperation because the issue would otherwise be too demanding or impossible for a single organization to tackle (Waddock, 2002; Wilson et al., 2010). The goal of the collaboration cannot be solved without mutual trust and interactive collaboration among the organizations; the links among the organizations must therefore be strong (Waddock, 2002; Wilson et al., 2010).

Wilson and her colleagues (2010) used the definition of social partnership when examining stakeholder collaboration in a network that was built around a common project to improve highway safety and prevent accidents by using the latest Intelligent Transportation System (ITS) technology. The project involved both for-profit organizations and non-profit organizations. Interestingly Wilson and her colleagues (2010) were able to observe the entire project from a ‘bird-perspective’ and carefully analyze how the collaboration in this project evolved (2010, p. 76). Major findings indicated that politics played an important role in this project and it had an effect on the organizations’ motivation, goals and even position inside the project network (Wilson et al., 2010).

2.1.3 Stakeholder theories

Freeman (1984) was among the first authors together with Carroll (1989) and Weiss (1994) who began the conversation of stakeholders and stakeholder management. Freeman (1984) defined that a stakeholder is ‘any individual or organization that can affect or is affected by the firm’s activities’ (Freeman, 1984, p. 25) and this has probably been one of the most cited definitions of stakeholders over time (Frooman, 2010; Roloff, 2008). However this definition has been criticized for its too all-inclusive meaning (Frooman, 2010; Donaldson & Preston, 1995; Phillips, 2003; Roloff, 2008) because it does not distinguish a difference between primary stakeholders and secondary stakeholders. The comparison between primary and secondary stakeholders was first raised by Clarkson (1995) and it offers a more redefined approach towards stakeholder management. Primary stakeholders have traditionally included actors that are necessary for the corporation’s existence and close to its core operations (e.g. owners, employees, customers and suppliers) whereas secondary stakeholders consist of actors clearly outside of the corporation’s internal operations (e.g. NGOs, various institutions of the society and the media) (Clarkson, 1995).

The focus of research in various stakeholder theories has repeatedly been placed on primary stakeholders and especially the influence of secondary stakeholders on corporations’ actions has often been neglected (de Bakker and den Hond, 2008; Eesley and Lenox, 2006). Roloff (2008) argues that secondary stakeholders such as NGOs need to ‘formulate a stake in the company in order to qualify as stakeholders’ (Roloff, 2008,

p. 235). However this does not indicate that secondary stakeholders would be less important for the organization compared to its primary stakeholders. The role of secondary stakeholders is constantly rising and issues are being discussed in a tripartite level where actors from the government agencies, business environment and non-profit organizations all work together (Frooman, 2010; Ritvala and Salmi, 2010; Roloff, 2008; Teegen et al., 2004).

In the case of environmentally focused networks the role of secondary stakeholders is extremely important as they are able to gather together different actors from the society (Ritvala and Salmi, 2010). Often the non-governmental and non-profit organizations have gained valuable knowledge over the issue that is affecting all stakeholders (Ritvala and Salmi, 2010; Roloff, 2008; Teegen et al., 2004). Roloff (2008) argues that traditional stakeholder theories for example by Freeman (1984) and Weiss (1994) focus on the corporation as the centre of attention and therefore cannot be applied in multistakeholder networks. Roloff (2008) provides an alternative definition for the stakeholder theory by arguing that the actors within a multistakeholder network are organized around a 'reason', a 'problem' or more specifically an 'issue' that affects all actors in the network (Roloff, 2008, p. 238).

Roloff (2008) has developed a framework to better explain the evolvement of multistakeholder networks around an issue. The process is similar to a life cycle model and it includes seven phases: initiation, acquaintance, first agreement, second agreement, implementation, consolidation and institutionalization or extinction (Roloff, 2008). Critical factors for success in the process are for example the organization's ability to improve or redirect its communication towards the other stakeholders in the network and the organization's motivation and commitment towards the issue (Roloff, 2008). Often especially in environmentally focused networks the motivation is based on a moral conscious of doing good and a personal interest of the stakeholders to participate in the issue (Roloff, 2008; Ritvala and Salmi, 2010).

Frooman (2010) defines a stakeholder by the means of 'who has a stake in an issue instead of who has a stake in a firm' (Frooman, 2010, p. 161). This definition provides an alternative version to issue networks that Frooman (2010) believes have risen from the network theory as in a network none of the actors are necessarily in a central role when the actors are usually organized around a dominant issue that affects all members in a way or another. However the way in which Frooman (2010) defines an issue is close to a definition of a conflict. His case examples of issue networks among environmental organizations and the business environment are all examples of disagreements (Frooman, 2010). The issue combining the network could also be a common concern among all network participants rather than a direct conflict. This would help to better understand for example business and NGO involvement.

2.1.4 Challenges in cross-sectoral cooperation

Power and leadership within a cross-sectoral network have been raised as a common challenge by various researchers (Andersson and Sweet, 2002; Eesley and Lenox, 2006; Hadjikhani and Ghauri, 2001; Mouzas and Naude, 2007). For example Mouzas and Naude (2007) argue that the distribution of power within a network is unequal and subject to change as the dynamics of the network change. The actors are constantly seeking ways to increase their power in the network and have more influence over other actors and control the environment (Mouzas and Naude, 2007). Eesley and Lenox (2006) examined the influence of secondary stakeholders on firms and found out that the most powerful actors such as globally-recognized NGOs were able to best influence firms. Hadjikhani and Ghauri (2001) stated that firms with strong political ties had the ability to influence also other members within the network and therefore act as a leader or an initiator in the network.

Roloff (2008) argues that the role of an initiator falls naturally on the actor that has the best of knowledge and influence over the issue and there is no need for the actors to compete against each other. Ritvala and Salmi (2010) stated that the primary initiators in the networks were influential and powerful business actors who were individually very well networked. Most of the actors within the environmental networks stated that their personal motivation and childhood memories of a cleaner Baltic Sea drove the

cooperation forward and kept the group together even though the actors came from very different backgrounds (Ritvala and Salmi, 2010).

Several researches have pointed out that *stakeholder management* in organizations has repeatedly meant informing the public and stakeholders instead of interactive stakeholder dialogue that allows all actors to participate in the discussion (Burchell and Cook, 2006; Roloff, 2008). Burchell and Cook (2006) researched the role of stakeholder management and stakeholders' interactions and found that there was no standard approach to stakeholder management. If stakeholder dialogue remains at the level of informing the public and other stakeholders, the organization loses valuable information and might not be able to effectively address even its primary stakeholders.

Roloff (2008) argues that the new issue-focused approach will be helpful when developing stakeholder management that can respond better to the needs of various stakeholders. The focus on the issue itself could provide more effective stakeholder dialogue as all participants involved in the issue would be able to express their ideas or concerns as the organization-focused approach often prevents managers from seeing the importance of all stakeholders when creating value (Roloff, 2008).

Key challenges in cross-sectoral cooperation and multi-stakeholder networks are *communication* and *the rules of the communication* inside the network (Roloff, 2008). An initiator or a leader in the network is often needed in order to guarantee the rules or communication methods (Kjellberg and Helgesson, 2007; Roloff, 2008). Multi-stakeholder dialogue is necessary when solving complex, societal issues as it can help the actors to concentrate on the issue itself and aid the actors when creating new partners and future projects emerging from the network.

Often complex and societal issues first emerge in the public arena (Daft and Weick, 1984; Frooman; 2010; Hambrick, 1982). Environmental scanning (Daft & Weick, 1984; Hambrick, 1982) is often used as a safety tool to protect organizations' reputations instead of raising issues for discussion. In the long run open and collaborative multi-stakeholder dialogue is needed in order to guarantee effective results (Roloff, 2008). Especially cases that involve future concerns in ecological developments need sustainable solutions and long-term plans (Crane, 1998; Roloff, 2008). Crane (1998)

stated that environmental networks had a risk of failing because often the societal issue was not familiar to all actors and the different backgrounds of the actors made cooperation challenging.

When actors come together from different sides of society and try to solve very complex and challenging issues it is natural that problems occur in the cooperation process. However, if we have more understanding about the phenomenon we can find better solutions to problems that are common in cross-sectoral cooperation. The various approaches in network and stakeholder theories give us an understanding of how multistakeholder networks and cross-sectoral cooperation have developed over the years. The different definitions help us to see what kind of issues have been addressed over the years of cooperation and how the actors themselves see the cooperation processes.

2.2 Organizational learning in cross-sectoral networks

The second section will concentrate on organizational learning and embedded overlaps in cross-sectoral networks. There is only little research about organizational learning in cross-sectoral networks but it is an interesting topic to study because it can help us to understand how cooperation works in practice; how are the actors able to learn from each other and spread innovativeness. It is also necessary to understand the complexity of cross-sectoral networks by analyzing what kind of impacts the local cross-sectoral network has on the organization's role in the local and global network. An example of this could be whether a subsidiary's local environmental project can have a direct impact on its financial performance and whether this will have an impact on the MNC headquarter relationships. In the case of an MNC, its subsidiaries or country units can also have multiple ties across the various operating regions and the headquarters and subsidiaries can simultaneously share very similar linkages to the same actors (Nell et al., 2010). Usually the subsidiary or the country unit is in a position where it constantly needs the MNC headquarters' attention, for example in terms of resources (Birkinshaw et al., 2005).

2.2.1 Organizational learning in cross-sectoral networks

Organizational learning has been studied for over 30 years and traditionally it has been analyzed from two diverse perspectives: through cognitive processes and individuals' behavior changes after organizational changes (eg. Argyris and Schon, 1978; Borgatti and Cross, 2003; Cyert and March, 1963; Daft and Weick, 1984; Nelson and Winter, 1982). The early studies on organizational learning have concentrated on 'declarative (know-what) or procedural (know-how) knowledge' but have neglected the influence on the relationship ties 'know-who' (Borgatti and Cross, 2003, p. 433). However relatively little research has been conducted from learning in networks (Borgatti and Cross, 2003; Halonen et al., 2010, Mudambi and Swift, 2011). In this study we are particularly interested in learning in networks with cross-sectoral actors and the organization's strategic role in the local learning process. Many researchers argue that actors and organizations with very close ties are able learn from each other by transferring knowledge easily (Andersson et al., 2002; Hansen, 1999; Kumar and Nti, 1998; Lane and Lubatkin, 1998; Mowery, Oxley, and Silverman, 1996; Uzzi, 1996) but it is important to understand how learning in cross-sectoral networks happens in practice.

When analyzing learning in MNCs and especially in the local level we should always remember that MNCs are dependent on their local environments. Mudambi and Swift (2011) have explored a new frontier in international business literature and argue that managing knowledge and learning across borders will be an important research topic in the future. Mudambi and Swift (2011) argue that 'subsidiaries act as nodes' in the MNC network and are crucially important when leveraging knowledge from the local contexts (Mudambi and Swift, 2011, p. 186). The problem with knowledge is that it is often tacit and hidden in the organizational practices and for example a subsidiary must be part of the local community in order to access these hidden knowledge bases (Brown and Duguid, 1991; Mudambi and Swift, 2011). However the local management has a great role in the learning process as they must understand how vital the knowledge gathering is for the entire MNC (Mudambi and Swift, 2011). Accessing the knowledge from the local context might require for example technical expertise, personal connections and tools for communication (Mudambi and Swift, 2011). Mudambi and Swift (2011) also argue that in the future technological advancement will significantly shorten the 'life

cycle of knowledge' and therefore knowledge must be acquired very quickly and effectively (Mudambi and Swift, 2011, p. 189). Also the role of clusters and similar innovation centers will become more important and the role of customers and local communities will increase in open stakeholder dialogue (Mudambi and Swift, 2011). The role of technical innovations, innovation centers and open innovation systems will be discussed in more detail in section 2.3 *New ways of creating innovation*.

Borgatti and Cross (2003) argue that social networks can provide more insight into organizational learning and explain how information is being shared at the network level. The key is in 'information-seeking behavior' which basically means that individuals seek for information from other individuals and once they know who is the person with the best knowledge or expertise of the problem, they turn to this person and ask for advice (Borgotti and Cross, 2003). As people are more aware of the key persons in their social networks who have the required knowledge they will turn to them also in the future (Borgotti and Cross, 2003). At a network level the actors will be able to learn from each other and if the linkages are close, one member's knowledge or expertise can benefit the entire network. Therefore the actors learn to recognize where information can be sought and later on found for future purposes.

Organizations are not able to equally learn from all the other organizations but there has to be a close connection between the organizations at a business relationship level (Andersson et al., 2002; Lane and Lubatkin, 1998). Andersson et al. (2002) also state that when learning happens through individual relationships it has more advantages than relationships based on positions. For example a subsidiary's ability to learn is connected to its business embeddedness and as discussed previously the network embeddedness is closely tied to the subsidiary's entrepreneurial performance (Andersson et al., 2002; Birkinshaw, 2005). Andersson et al. (2002) claim that 'high degree of embeddedness indicates that the actors have known each other for a long time and are used to exchanging information about market conditions' (Andersson et al., 2002, p. 982). Often it also means that actors are used to each other's way of doing business (Andersson et al., 2002). In a MNC context relational embeddedness refers to how the 'subsidiary's individual, direct relationships with customers, suppliers, competitors etc. can serve as a source of learning' (Andersson et al., 2002, p. 981). Subsidiaries can

benefit from their strategic position in the MNC context and build multiple business relationships to various directions (Andersson et al., 2002). However we should remember that especially with environmental networks it would be vital to include also the cross-sectoral actors into the learning process.

A recent study that contributed to improving learning in cross-sectoral networks was conducted by Halonen and colleagues (2010). The research was based on a case study concerning the Technical Research Centre of Finland (VTT) with a purpose to create new service research proposals across organizations and a service research strategy for VTT (Halonen et al., 2010). A new study method was implemented for the cross-sectoral actors and it combined foresight and organizational learning methods in a workshop process (Halonen et al., 2010). The purpose of the workshops was to create a dialogue between the users of the research and potential cooperation partners, such as universities, funding agencies and other partners (Halonen et al., 2010). Previously cross-sectoral actors had felt that more interactive cooperation was needed in order to create new projects but there was no venue for this kind of multi-stakeholder dialogue (Halonen et al., 2010). After the workshop process was launched a new service research network has been established at VTT and two project initiatives have been formed (Halonen et al., 2010). The workshop process improved future-oriented cross-sectoral network management and offered a venue for continuous learning and innovation (Halonen et al., 2010). This research proved that there is more need for cross-sectoral cooperation but there are rarely venues or communication tools available for implementing the cooperation (Halonen et al., 2010). In environmental networks similar solutions could be used when creating cross-sectoral dialogue. Different kinds of venues and meetings can create a new kind of a dialogue between various business and societal actors. The purpose of the meetings is to serve the actors through many means: by spreading information and awareness, creating new partners and projects and acting as a basis for continuous learning and innovation (Halonen et al., 2010, Ritvala and Salmi, 2010). Workshops are especially suitable for small- and medium-sized enterprises (SMEs) and local actors such as research centers, universities or local subsidiaries (Halonen et al., 2010).

Cruz and Pedrozo (2009) investigated how MNCs manage their corporate social responsibility (CSR) strategies across subsidiaries. The case study of two French retail companies and their Brazilian subsidiaries focused on five challenges that arose as key elements around the CSR strategies: ‘the structure of the CSR department’, ‘dialogue with stakeholders’, ‘definition of objectives’, ‘corporate posture’ and ‘awareness and information exchanged from CSR’ (Cruz and Pedrozo, 2009, p. 1174). The Brazilian subsidiaries provide a valuable comparison as Brazil is ‘one of the leading countries considering the development of social and environmental projects inside companies’ (Cruz and Pedrozo, 2009, p. 1179). The study found that information exchange happened through formal channels (CSR reports by the subsidiaries and an annual CSR report by the headquarters) and informal channels (personal contacts and social networks) and learning between the headquarters and the Brazilian subsidiaries evolved gradually (Cruz and Pedrozo, 2009). Sometimes societal programs were designed both at the global level (for example a healthy nutrition program to increase customers’ awareness) and the local level (a program designed to help poor communities in environmentally sustainable product development and production) (Cruz and Pedrozo, 2010). However Cruz and Pedrozo (2009) state as future suggestions for improvement that learning between the headquarters and the subsidiaries could be improved if annual or quarterly meetings around the CSR strategy would be organized where all the actors around the issue could be heard. This would be important as the local NGOs are an imperative partner when creating and evaluating local societal projects aimed for helping the poor Brazilian communities (Cruz and Pedrozo, 2009). The key findings of this research go in line with the findings of Halonen et al. (2010) and it seems that personal meetings and venues for communication are necessary when improving learning in networks and headquarter-subsidiary relations.

A recent and comprehensive study on cross-sector social partnerships can help us to understand the above discussed factors when looking at organizational learning in networks. Reast et al. (2010) published a study on experience and learning in a cross-sector social partnership with a case on the Manchester Super Casino. A cross-sector social partnership (CSSP) has a similar structure as an environmentally focused issue-network: actors from the government, business side and non-profit organizations work

together to overcome a socially-constructed agenda that will have an impact on the local area (Reast et al., 2010). In the case of the Manchester Super Casino the issue was what kind of social impacts a new massive casino would have on the local area in East Manchester (Reast et al., 2010). Reast et al. (2010) were interested whether organizational learning and prior experience played a role and found out that this cooperation between the different cross-sectoral partners had an impact on the organizations' learning ability; organizations with prior experience from cross-sectoral cooperation were also able learn better and use their experience, skills, and capabilities when overcoming the issue (Reast et al., 2010).

The learning outcomes were analyzed in detail from several aspects. A successful learning experience for example required a clear vision and a management strategy from the top, often a certain individual or key personnel had a significant impact on the success of the project and in this case a specific CSSP philosophy was created to increase the mutual understanding of the issue in all the partner organizations and among the personnel (Reast et al., 2010). Understanding the partners' motivation, needs, and priorities was also necessary and this resulted in the development of long-term relationships where trust and mutual understanding played a significant role (Reast et al., 2010). This goes in line with the findings of Andersson et al. (2002) and Borgotti and Cross (2003). Constructing an effective communications infrastructure was vital when improving organizational learning among the partners (Reast et al., 2010), similar with the findings of Halonen et al. (2010) and Cruz and Pedrozo (2009). In general it was also easier for the partners to learn from the cooperation if they had participated in it from the very beginning (Reast et al., 2010).

Learning happened across organizations or within organizations if the above mentioned areas had been successfully followed (Reast et al., 2010). Reast et al. (2010) followed a model of learning in organizations by Crossan et al. (1999). The model by Crossan et al. (1999), p. 525 has four different levels: 'intuiting, interpreting, integrating, and institutionalizing'. In this model the learning first happens at an individual level but when successful, moves on to touch a group or an entire organization. Reast et al. (2010) found out that the organization's prior experience in cross-sectoral cooperation helped it

to reach the higher levels of this learning model if the individuals were willing to learn and transfer the knowledge further.

Organizational learning can be a challenge for many organizations. It is sometimes difficult to say what could be the best way to learn from other actors or organizations inside the network. The findings from previous studies show that actors should first get to know each other; the better they are able to understand each other's backgrounds the better they are able to learn from each other. A regular venue for meetings is also necessary; taking the time to discuss and solve problems together is more effective than emails or phone calls. Everyone should have the right to express their opinion and present their point of view before any decisions are made.

The next section will cover the subsidiary's strategic position inside the MNC. In the case of organizational learning, a subsidiary or a country unit can sometimes hold important information that can benefit the entire MNC if the information can be spread throughout the entire organization. Local agendas and issues can have a significant effect on global projects if they are successfully transferred to the entire organization. This situation is similar to learning from other actors inside the network: the information must be transferred effectively for multiple actors (eg. other sister subsidiaries and the headquarters) and it should happen relatively quickly.

2.2.2 Transferring knowledge and resources – the subsidiary's strategic position

A traditional view assumes that the organization's performance is related to the resources that it can access from its environment (Andersson et al., 2002; Egelhoff, 1988; Lawrence and Lorsch, 1967; Pfeffer and Salancik, 1978). Some researchers argue that the organization's performance can be traced back to its networks and interorganizational relationships (Andersson et al., 2002; Powell, Koput, and Smith-Doerr, 1996; Uzzi, 1997; Zaheer, McEvily, and Perrone, 1998).

The subsidiaries or sub units of a multinational corporation (MNC) all operate in different local networks (Andersson et al., 2002; Forsgren et al., 2000; Ghoshal and Bartlett, 1990; Ghoshal and Noria, 1997). This has been considered as one of the MNCs competitive advantages as the local networks can provide valuable resources and opportunities for the entire corporation (Andersson et al., 2002; Malnight, 1996).

Andersson et al. (2002) argue that the local networks can improve the MNCs competitiveness by either improving the local subsidiary's performance alone or by benefitting the entire MNC if the knowledge and resources are transferred to its use.

There has been little research for example on the subsidiary's external networks and the connecting business relationships when examining the subsidiary's position and its role within the MNC network (Andersson et al., 2002; Luo, 2001). The subsidiary's own local environment is very important for its market performance; the relationships with competitors, local authorities and trade unions all have an influence on its performance (Andersson et al., 2002). However we should also include all cross-sectoral actors into the subsidiary's local environment as they can also have a great impact on the subsidiary's performance (Cruz and Pedrozo, 2009). The following figure presents an overview of the subsidiary's strategic position and its external networks and how these business relationships have an effect on the MNC headquarters and sister subsidiaries (Andersson et al., 2002, p. 981).

Figure 2.1 The subsidiary's strategic position

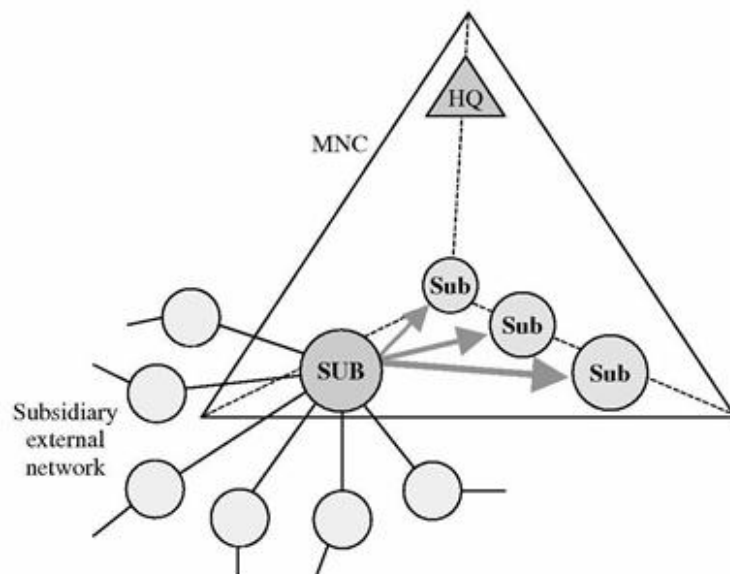


Figure 1. The subsidiary's external network embeddedness and importance for MNC development

Source: Andersson et al. (2002), p. 981

Network embeddedness has been used to clarify the business relationships among firms and it also helps us better understand locally tied performance (Andersson et al., 2002). Network embeddedness has been defined as a ‘strategic resource influencing the firm’s future capability and expected performance’ and therefore differences in network embeddedness help us to understand organizations’ different performances (Andersson et al., 2002, p. 980). Network embeddedness is considered to be something that evolves over time as organizations slowly build their relationships to involve more trust and commitment (Andersson et al., 2002; Ford, 1997; Håkansson and Snehota, 1995; Larson, 1992; Uzzi, 1997).

A recent topic that has gathered attention when studying embeddedness in networks is the embeddedness overlap (Nell et al., 2011). Embeddedness overlap refers to what extent the MNC headquarters develops relationships and linkages to the subsidiary’s or sub unit’s local environment (Nell et al., 2011). Usually headquarters maintain linkages to the local environment if the subsidiary has been recently established but embeddedness overlap refers to subsidiaries that have been operating a longer time (Ghoshal and Bartlett, 1986; Nell et al., 2011).

It seems that maintaining overlapping linkages could be expensive for the entire organization (Luo, 2003; Mizuchi and Galaskiewicz, 1994; Nell et al., 2011) and implement that organizing linkages among actors is inefficient (Burt, 1992; Nell et al., 2011; Williamson, 1991). However Nell et al. (2011) have found that this is not the case and embeddedness overlap is actually needed in certain circumstances. An explanation for embeddedness overlap emerges from the organization’s internal and external environments and the subsidiary’s or country unit’s strategic position in the network (Nell et al., 2011). The research was conducted by analyzing 168 European subsidiaries mainly in machinery and chemicals, petroleum and coal industries by using questionnaires relating to the subsidiary’s local environment, business partners, resources and past performance (Nell et al., 2011).

The results indicated that most overlapping ties between the MNC headquarter and the subsidiary were found when the subsidiaries have performed well in the past and are successful, obtain resources that are valuable for the entire MNC organization, operate in dynamic and turbulent environments, and have ties to multinational organizations instead of domestic and local actors (Nell et al., 2011). This uncertain local environment makes it important for the MNC to establish relationships of its own to the local partners (Beckman et al., 2004; Garnovetter, 1985; Holm et al., 2005; Koka et al., 2006; Nell et al., 2011). Overlapping ties were found in turbulent environments but not in very competitive markets (Nell et al., 2011); this could be explained by cost-effectiveness as highly competitive markets tend to have more cost-pressure and efficiency is need in all functions of operation (Birkinshaw and Lingblad, 2005; Nell et al., 2011).

Subsidiaries can obtain a powerful position in the MNC network if the subsidiary is located in an important environment or if the local resources are valuable (Bartlett and Ghoshal, 1989; Mudambi and Navarra, 2004; Nell et al., 2011). Sometimes the decision-making power is left for the subsidiaries even though the headquarters would be able make the decision based on their own linkages; the subsidiary autonomy can also turn against the MNC headquarters if the subsidiary can implement its own decisions as the decision might not benefit the entire organization in the best way (Nell et al., 2011). Usually strong subsidiary autonomy is found in environments that are very important for the MNC (Nell et al., 2011); therefore it makes sense for the MNC to pay more attention to the environment through linkages of its own. Morgan and Kristensen (2006) found out that there are cultural differences that reflect how tightly the headquarters controls its subsidiary; especially Japanese and US MNCs have tight control over their foreign subsidiaries for example through performance and financial measures or standardized procedures across borders.

Multinational actors in the local environment are possibly considered to be more important for the learning process and knowledge transfer than local domestic partners (Nell et al., 2011). However Newburry (2001) found out that local domestic partners are important for subsidiaries whereas multinational actors are more important for the headquarters and this could partly explain why dual linkages are needed (Nell et al., 2011). Valuable resources and the subsidiary's good past performance were seen

important for the headquarters in terms of knowledge transfer and learning and guaranteeing access to current and up to date information was considered as one of the main reasons for overlapping ties (Nell et al., 2011).

The subsidiary or the country unit has a strategic and challenging position when it manages both local and global ties. In order to improve learning and knowledge transfer across the MNC it must obtain the support of the headquarters. In the future, management of internal and external linkages will become more important; network embeddedness should be used to support both the subsidiary and the entire MNC. Time also plays an important role as information should be effectively and quickly transferred across organizations and borders.

2.3 New ways of creating innovation

The last section will provide some insight into how innovations are created in a local level and it also covers the most recent studies on the idea of shared value when creating new innovations. It is important to analyze how innovations are created at the local level in order to understand what kind of motivations and mechanisms lay behind these innovations. The latest discussion of a new form of corporate responsibility is analyzed which claims that the new forms of innovation can provide both societal and economic progress (Porter and Kramer, 2006; 2011). The new idea of shared value is particularly interesting as it has been claimed to be the next driver for global business growth and it offers businesses a valuable incentive to simultaneously improve the global wellbeing and their financial performance (Porter and Kramer, 2011).

2.3.1 Creating innovations – the subsidiary’s strategic position

When looking into innovations that have been created at a local level in an MNC context it is again useful to look at it from a subsidiary’s perspective. Innovation creation in the subsidiary level has received a lot of attention in the international business literature and this context is also valid when analyzing cross-sectoral networks with a local agenda.

An early research in creation of innovations in subsidiaries is an interesting example when examining how innovations are accomplished and what are the internal or external factors that push subsidiaries forward in innovation creation. In 1988 Ghoshal and Bartlett researched creation, adoption, and diffusion of innovations by subsidiaries in MNCs. The study accumulated the findings of previous studies within the same topic that the authors had been working on during the late 1980's. The large scaled research was able to gather detailed information from European and American MNCs and analyze the results in quantitative and qualitative means (Ghoshal and Bartlett, 1988). Ghoshal and Bartlett (1988) had defined four processes that were considered to have an impact on creation, adoption or diffusion of innovations based on their previous studies and they were presented as following:

1. Extent of local slack resources
 2. Local autonomy in decision making
 3. Normative integration of the subsidiary with the goals and values of the parent company
 4. Densities of internal communication among managers within the subsidiary and the densities of their communication with managers in the headquarters and other subsidiaries of the company
- (Ghoshal and Bartlett, 1988, p. 369).

These processes were tested again with the new respondents from European and American multinationals and four hypotheses were formed on the basis of the former studies (Ghoshal and Bartlett, 1988).The hypotheses were defined as follows:

1. High levels of local slack resources will facilitate creation and diffusion but impede adoption of innovations by the subsidiary (Ghoshal and Bartlett, 1988, p. 370).
2. High levels of local autonomy will facilitate creation and diffusion, but impede adoption of innovations by the subsidiary (Ghoshal and Bartlett, 1988, p. 371).
3. High levels of normative integration between the headquarters and the subsidiary will facilitate creation, adoption, and diffusion of innovations by the subsidiary (Ghoshal and Bartlett, 1988, p. 372).

4. Creation of innovations by a subsidiary will be facilitated by high levels of intra-sub subsidiary communication, and both adoption and diffusion by high levels of headquarters-sub subsidiary and inter-sub subsidiary communication (Ghoshal and Bartlett, 1988, p. 373).

Hypotheses 3 and 4 were found positive in all forms of the innovation tasks (creation, diffusion and adaptation) and the findings were consistent in all three methodologies. Normative integration between the headquarters and the subsidiaries was defined according to what extent the subsidiary shared the same values, goals and strategies as the parent company; often this meant that managers travelled frequently between the headquarters and the subsidiary and managers were also transferred from one location to another (Ghoshal and Bartlett, 1988). The subsidiary and the parent company also had committees or other cooperative teams where members came from both headquarters and the subsidiary (Ghoshal and Bartlett, 1988). Mohr (1969) stated that innovations can be created if they are feasible and desirable and normative integration was able to make innovations desirable for both parties (Ghoshal and Bartlett, 1988). The subsidiary's motivation to produce innovations has been also been considered to be an important factor (Kanter, 1983) and the headquarters can motivate the subsidiary by supporting its needs through normative integration (Ghoshal and Bartlett, 1988).

The second factor that had a clear impact on creation, diffusion, and adaptation of innovations was intra- and inter-unit communication between the managers through formal and informal processes (Ghoshal and Bartlett, 1988). Again the role of different teams and committees had an important role in communication between the headquarters and the subsidiary and dense linkages between the headquarters and the subsidiary correlated high numbers of innovation creation (Ghoshal and Bartlett, 1988). The other hypotheses provide inconsistent findings; for example local resources were seen as a reason for innovation creation and diffusion but not innovation adaptation (Ghoshal and Bartlett, 1988). Local subsidiary autonomy did not reflect any positive impacts on the three innovation tasks and therefore highlights even more how important normative integration is in the process of creating, diffusing, and adopting innovations (Ghoshal and Bartlett, 1988).

However a more recent study on locally created innovation touches upon subsidiary entrepreneurship and subsidiary autonomy. Birkinshaw et al. (2005) argued that a multinational subsidiary is a 'semi-autonomous entity with entrepreneurial potential' that operates in a complex environment that includes both the internal environment and external environment (Birkinshaw et al., 2005, p. 227). When subsidiaries start to take additional responsibilities and develop resources and capabilities for their internal use they start implementing subsidiary entrepreneurship (Birksinshaw et al., 2005). Entrepreneurial behavior relates to innovation creation and improved financial performance. The key findings in the study by Birkinshaw and his colleagues (2005) indicate that if a subsidiary was able to develop some autonomy it was in a better position to start seeking its own local business partners (eg. customers and suppliers) (Birkinshaw et al., 2005). New local business partners can have an important impact on locally created innovations. Also the subsidiary's strategic position between the internal and external environments strengthens its resource and business opportunities and has an impact on locally created innovation (Birkinshaw et al., 2005).

Subsidiary autonomy has been explained by different types of actors and the micro-politics which clarifies why actors in the MNC network sometimes clash against each other (Morgan and Kristensen, 2006). Morgan and Kristensen (2006) argue that there are two types of subsidiaries: 'Boy Scout subsidiaries' and 'subversive strategist subsidiaries'; 'Boy Scout subsidiaries' are in tight control of the headquarters and obey the instructions from the upper levels whereas 'subversive strategist subsidiaries' seek more attention and resources form the local environment and take more autonomous freedom (Morgan and Kristensen, 2006, p. 1467). This could partly explain locally created innovation.

The past literature shows that subsidiary autonomy and entrepreneurial behavior are tied to locally created innovations to a certain extent. The subsidiary's local environment, its resources, networks, and linkages to other organizations are important factors when analyzing its innovativeness. However, the subsidiary's networks and linkages to its home organization (headquarters and sister subsidiaries) are equally important. More research is needed to find out how subsidiaries manage local innovations and dual linkages across the local and global environments. Locally created innovations can have

an impact on the entire MNC - as discussed previously - however the mechanisms between efficient knowledge transfers and local innovations between the subsidiary and the entire MNC are yet to be discovered.

2.3.2 Shared value – a new form of corporate responsibility and innovation

Various societal, environmental, and economic problems are becoming a serious threat for the global economy and global wellbeing and often it is the business world and the capitalist system that are blamed for these global threats (Porter and Kramer, 2011). Porter and Kramer (2011) argue that companies are actually being blamed more for these problems after they have started to conduct corporate responsibility but the problem lies in the way companies implement corporate responsibility. A traditional perspective of corporate responsibility is very close to philanthropy where companies donate money or other resources for a good purpose either because of good will or obligation (Fox, 2004; Halme and Laurila, 2009; Porter and Kramer, 2011). However this approach does not benefit the society in the long run and often companies choose to support projects that do not fully benefit their customers or the society but simply offer a temporary solution (Porter and Kramer, 2011).

Porter and Kramer (2011) argue that the solution for improving the situation can be found in the shared value – way of thinking. Shared value which aims at improving societal and economic progress simultaneously understands that societal needs also determine markets; by listening to the needs of their customers, companies will be able to perform better financially (Porter and Kramer, 2011). The idea of creating shared value began already in 2002 when Porter and Kramer stated that philanthropy could provide a positioning competitive advantage. In 2006 Porter and Kramer published a more comprehensive article in the Harvard Business Review and there the link between competitive advantage and corporate responsibility was fully understood. Porter and Kramer (2006) stated that in MNCs the ways of CR implementation were disconnected from the core of the business and this indicated that several profitable opportunities were lost. However if a social issue was tied very closely to the business agenda, it had better opportunities in benefitting the organization and the society (Porter and Kramer, 2006). When the next article by Porter and Kramer was published in 2011 the

phenomenon had grown to include innovativeness and stronger financial performance on the business side as the term creating shared value indicated.

In 2011 Porter and Kramer defined shared value as ‘policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates’ (Porter and Kramer, 2011, p. 66). Therefore we can argue that the key in shared value also lies in the cross-sectoral cooperation; previously societal problems have been often tackled by governments or NGOs alone (Porter and Kramer, 2011; Ritvala and Salmi, 2010) but this new way of thinking includes also the business sector as one of the societal partners. The differences between traditional corporate social responsibility and creating shared value are presented in the following Figure 2.2 (adopted from Porter and Kramer, 2011, p. 76).

Figure 2.2 Traditional corporate social responsibility vs. creating shared value

Corporate Social Responsibility	Creating Shared Value
Value: doing good	Value: economic and societal benefits relative to cost
Citizenship, philanthropy, sustainability	Joint company and community value creation
Discretionary or in response to external pressure	Integral to competing
Separate from profit maximization	Integral to profit maximization
Agenda is determined by external reporting and personal preferences	Agenda is company specific and internally generated
Impact limited by corporate footprint and CSR budget	Realigns the entire company budget
Example: Fair trade purchasing	Example: Transforming procurement to quality and yield

Source: Porter and Kramer, 2011, p. 76.

Creating shared value approach is just at the beginning of its journal but already now several companies have understood its value for doing business in a new and better way; for example IBM, Intel, GE, Wal-Mart, Johnson & Johnson, Unilever, and Nestlé have begun to gradually implement the shared value approach (Porter and Kramer, 2011). Porter and Kramer (2011) argue that there are three ways in which companies can implement shared value. The first approach is ‘reconceiving products and markets’ which basically means meeting the needs of people by offering them solutions that can improve their way of living, for example by improving housing, health care, nutrition, and security (Porter and Kramer, 2011, p. 67). An example of an organization that implements this approach is WaterHealth International, a for-profit organization that offers water purification techniques to rural areas in India, Ghana and the Philippines (Porter and Kramer, 2011).

The second approach relates to ‘redefining productivity in the value chain’ by improving energy use and logistics, resource use or distribution of products; these improvements would all happen inside the company and for example improved technology can offer a solution for most of these improvements (Porter and Kramer, 2011) For example Coca-Cola has been able to reduce its water consumption by 9% by changing its resource use (Porter and Kramer, 2011). The last approach is related to ‘enabling local cluster development’ which means that innovation towards societal improvements can best found in cooperation with other companies or entities in a similar situation (Porter and Kramer, 2011). For example Nestlé has been working on clusters in coffee regions in order to make practices more efficient through financial, technical and logistical improvements (Porter and Kramer, 2011).

Porter and Kramer (2011) argue that the shared value approach could be the key for new business innovation and economic growth since it concentrates on the right kind of profits that bring value to both business and society. Innovation is a key concept when examining the shared value approach as it necessary in all three ways of implementing shared value (Porter and Kramer, 2011). Innovation allows companies to discover better solutions for economic and societal problems by helping them to understand that traditional ways of doing business are not always the most profitable.

Similar results of innovations in corporate responsibility have been presented by Halme and Laurila in 2009. Halme and Laurila (2009) have researched how corporate responsibility relates to financial performance and whether we can prove that corporate responsibility directly contributes to better financial performance. A traditional view questions whether corporate responsibility and financial performance can even be measured (Husted and Allen, 2006). However Halme and Laurila (2009) state that it is not possible to answer this question unless we know what kind of corporate responsibility the organization implements (Halme and Laurila, 2009). An analysis of the corporate responsibility is needed before we can try to investigate its influence on the financial performance (Halme and Laurila, 2009). In this research corporate responsibility is defined as something the organizations are doing based on a voluntary basis, not through legal or other obligatory means (Halme and Laurila, 2009). Corporate responsibility (CR) has been divided into three different categories: 'philanthropy', 'CR integration' and 'CR innovation' (Halme and Laurila, 2009).

Philanthropy is considered to be the basic line of corporate responsibility where the organization concentrates on charity work for example by donating money, granting sponsorships or by encouraging employee voluntarism (Halme and Laurila, 2009). This type of corporate responsibility can rarely provide proof of better financial performance (Halme and Laurila, 2009) as discussed earlier in the beginning of this section. CR integration provides a step forward in the scale of CR and here the key is in implementing corporate responsibility into existing business operations and making them more efficient and sustainable in the long run (Halme and Laurila, 2009). However CR integration is mainly intended for the primary stakeholders (Halme and Laurila, 2009) and it does not fully consider the outcomes of deeper collaboration with cross-sectoral actors.

CR innovation has been defined in the research by Halme and Laurila (2009) very similarly as discussed previously with Porter and Kramer (2011). CR innovation is 'about creating new business aimed at reducing a social or environmental ill' (Halme and Laurila, 2011, p. 331); therefore it is a change in the company's general attitude as it sees corporate responsibility as a way of improving business performance. CR innovations aim at a 'win-win' situation where all actors are satisfied with the outcomes

of the corporate responsibility, for example through developing products and services that can help to overcome social or environmental problems (Halme and Laurila, 2011, p. 331). CR innovations could therefore improve the company's financial performance if not right away but in the long run (Halme and Laurila, 2011). It is important to remember that companies can implement corporate responsibility through philanthropy, CR integration and CR innovation and all approaches can be used simultaneously; sometimes different subsidiaries for example have reached the CR innovation level whereas others still concentrate on the philanthropy (Halme and Laurila, 2011). For a MNC it would be important to implement CR innovation in all of its business units across the world but as the CR innovation approach is a new phenomenon it will take time before it will be included as a part of the global strategy. Halme and Laurila (2009) argue that CR integration and CR innovation seem to have an impact on the organization's financial performance and larger societal impacts but further research on the topic needs to be done in order to prove this statement.

Another important issue that MNCs need to take into consideration in the future is the management of corporate responsibility. If creating shared value through innovation will become a significant competitive advantage for the MNC, it must plan how it will manage its corporate responsibility strategy. Porter and Kramer (2006) also highlighted this when they argued that the social issue should be embedded as close as possible to the core of the business approach; however Porter and Kramer (2006, 2011) have not addressed whether the MNC should have a global or local CR agenda. Hudson and Allen (2006) believe that as the relationship between business and society is getting closer, corporate responsibility will become a strategic approach for many MNCs. The role of a global or local (a specific country or region) corporate responsibility can have similar pressure of integration or local responsiveness as diverse product markets (Hudson and Allen, 2006).

Hudson and Allen (2006) investigated whether the organization's product market strategy is similar to its corporate responsibility by conducting a survey in Mexico. The results indicated that the product market strategy and corporate responsibility strategy were consistent with each other; therefore the pressure towards strategic CR management came within the organization rather than from a strategic analysis of the

external environment (Hudson and Allen, 2006). It is important to note that these findings came from a developing country but they indicate that efficient and strategic management of CR can easily be neglected. Hudson and Allen (2006) mention how the lack of a local CR agenda can harm the MNC and create a potential threat for its reputation; this was the case with Nike and Nestlé when they failed to respond to local CR issues. For some MNCs a global and local CR agenda is best suitable since it enables the company to tackle global concerns, such as environmental protection and global warming, or local issues, such as empowerment and health care (Hudson and Allen, 2006).

However if the subsidiary has very limited resources due to its small size, it is unable to manage corporate responsibility successfully (Hudson and Allen, 2006). Staff members' negative attitude towards the subject, managerial capabilities, and financial resources can also have a negative impact towards strategic CR management (Hudson and Allen, 2006). Often there is also great uncertainty in creating shared value through corporate responsibility (Hudson and Allen, 2006); risks can be high especially in the beginning of projects. The CR department might also feel pressured to perform successfully and they might follow the procedures of other successful departments even if it would not be suitable when managing CR. Therefore a strictly tied global corporate responsibility agenda can limit the creation of shared value as it is not able to benefit the local environment. This should be carefully addressed when analyzing the creation of shared value.

2.4 Theoretical Framework

The following Figure 2.3 combines the central ideas from the previously discussed literature to best suit this research setting: a comparative case study of MNC and NGO cooperation in a larger environmentally focused network. This figure was built around the main actors (MNC and NGO) and their internal and external networks and how they cooperate together based on the findings of the previous literature. Each section (from 1 to 4) illustrates a central part in the process of the cooperation. The first section begins with the issue or the matter that concerns both actors in a certain way. The second section illustrates the depth of the cooperation and how the two actors can work together. The third section presents the means of communication between the actors and finally the fourth section provides some outcomes for the cooperation.

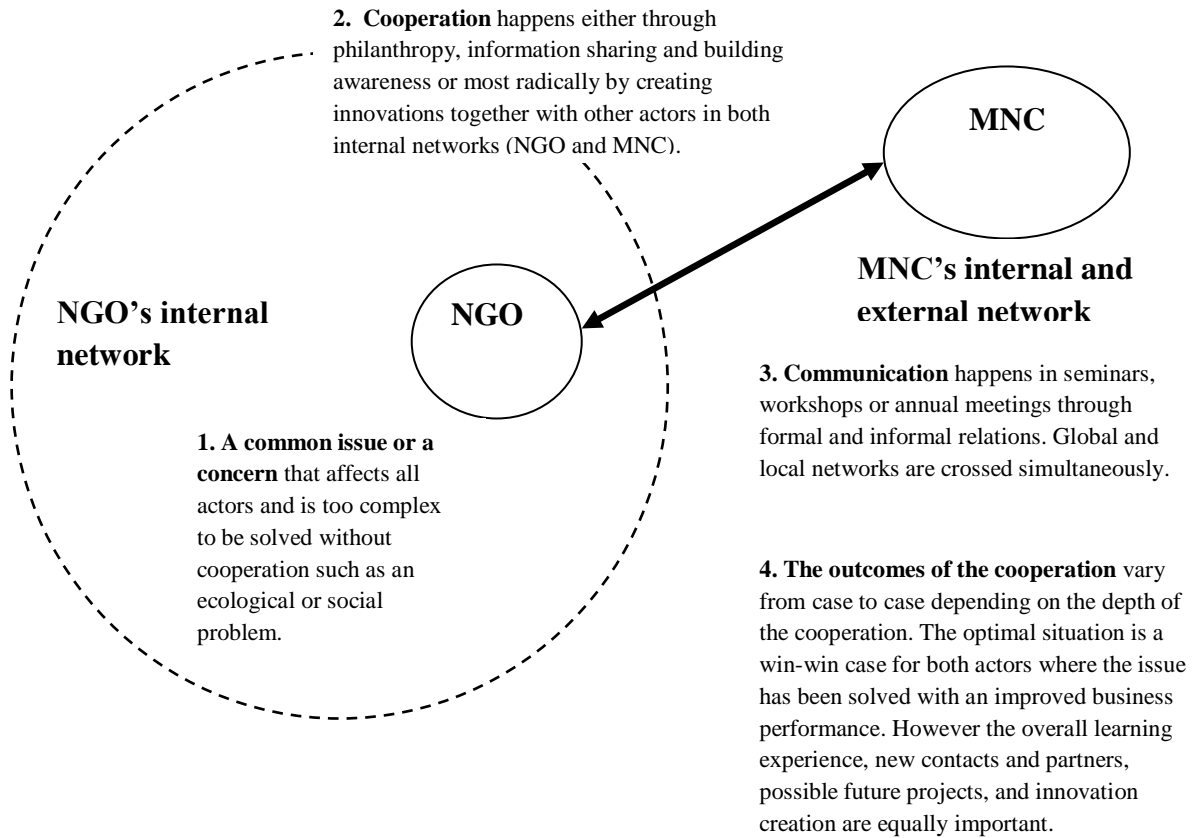
In the Figure 2.3 the first section presents the common issue or a concern that affects all the actors. The issue is for example an ecological or social problem that is too complex to be solved without the cooperation of many sectors. In this case the issue is the poor state of the Baltic Sea which brings the two actors, the NGO and the MNC, closer to each other.

The second section illustrates the different means of cooperation. Traditionally philanthropy has been a way for MNCs and the business sector to tackle complex and societal problems. However this is not beneficial for economic success and limits the business actors from creating innovative solutions (Porter and Kramer, 2011). If the MNC and NGO work together to produce sustainable and innovative solutions, it can bring better financial performance in the long run and help to solve the existing problem.

Based on the existing literature the way the actors communicate between each other is very important. The third section illustrates this aspect in Figure 2.4. In the past a common problem in cross-sectoral cooperation has been that the actors have not been aware of each other's working practices; an invisible barrier has existed between the actors in public and private sectors (Porter and Kramer, 2011). However the use of regular meetings, dialogues, and workshops can improve the communication; when the actors are more familiar with each other and have a venue for communication they are more likely to learn from each other (Halonen et. al., 2010).

The last section in Figure 2.4 presents possible outcomes for the cooperation. In the ideal situation both actors, the NGO and the MNC, benefit from the cooperation and the problem has either been solved or the situation has improved significantly. If the two actors work together very intensively, they seem to have a better chance to benefit from each other's internal and external networks; in an optimal situation the networks could even merge together. The actors can gain valuable new contacts and partners through the new cooperation; the linkages can also cross borders and different sectors in the society. This can lead to new future projects with innovative and sustainable solutions. However even the learning experience from cross-sectoral cooperation is valuable as it can bring the actors closer to each other and help them to understand how beneficial cross-sectoral cooperation can be.

Figure 2.3 Theoretical Framework



3 METHODOLOGY

This chapter describes the methodological choices used in this study. It begins with an introduction to the research setting and its background. It follows with a description of the chosen research method, qualitative multiple case study, together with the unit of data analysis and the empirical unit of analysis. The data collection methods are described in detail and the final section will conclude in the validation and limitations of this study.

3.1 Research method and unit of analysis

Saving the Baltic Sea is a challenging task, not only because of its alarming environmental state but also because there are many countries around the drainage area of the Baltic Sea and cooperation and coordination between these actors is not an easy task. As mentioned earlier in the *Introduction* section, this topic has been previously researched in the Aalto University School of Economics. The purpose of the research has been to understand why and how different types of organizations participate in the protection of the Baltic Sea. The focus has been on processes of network mobilization and creation of shared value in cross-sectoral networks. The previous phase of the research was based on qualitative research with a single in-depth case study approach with three embedded units of analysis (Ritvala and Salmi, 2010; 2011). The methodological choices of this study were partly influenced by the previous phase of the research.

3.1.1 Qualitative case study method

Qualitative case study method can be ‘explanatory’ in nature and it is often used when answering ‘how’ and ‘why’ questions (Yin, 2009, p. 9). Qualitative case study also makes it possible to describe the current situation with rich detail and explanation (Piekkari et al., 2011). Piekkari et al. (2009, p. 569) argue that a case study is a ‘research strategy that examines, through the use of a variety of data sources, a phenomenon in its natural context, with the purpose of “confronting” with the empirical world.’ Yin (2009, p. 18) defines a case study as ‘an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident’. A qualitative case study method also allows the researcher to choose the method of data

collection or analysis (Piekkari et al., 2009) which is beneficial when studying a phenomenon in a 'real-life context' (Yin, 2009, p. 18). Eisenhardt (1989) and Yin (2003, 2009) are considered to be the leading authors of case study in the field of international business and often case studies are used in a positivistic approach for theory building or testing in the international business literature (Piekkari et al. 2009). In this study the purpose is to acknowledge the information from the previous research by Ritvala and Salmi (2010) and take the existing knowledge a little further by investigating the outcomes of the cooperation between cross-sectoral actors (Piekkari et al., 2011).

The environmentally focused issue-networks that aim in saving the Baltic Sea are very complex and dynamic networks and therefore it was necessary to analyze some of its actors in order to better understand how cross-sectoral cooperation functions in such a unique setting. Stake (2005) uses the term instrumental case study when a particular case is chosen to reflect a larger issue. However as stated above the purpose in this study is not to generalize from the case. Stake (2005) argues that a case study is always tied to its boundaries; the object of a case study should be a 'systematic, unique and bounded system' with certain limitations (Stake, 2005, p. 445). Therefore this case acts in a supportive role and provides a better understanding of a larger phenomenon (Stake, 2005).

Traditionally networks have been studied by using a single in-depth case study method (Ritvala and Salmi, 2010; Halinen and Törnroos, 2005). However in this study two separate cases, both representing the cooperation of actors in an issue-focused network, seemed to best fit the research purpose. Miles and Huberman (1994) argue that the use of multiple cases increases confidence in the findings and improves the reliability of the study. Here two cases were able to provide more interesting and comparable findings than a single in-depth case study. Two cases were also a realistic comparison for this setting as it is very complex and dynamic. However multiple sources of information provided more triangulation (Denzin, 1978) and it made it possible to compare the information by using both primary data and secondary data and verify the findings.

3.1.2 Unit of data analysis and sampling decisions

Due to the complexity of the research phenomenon, cross-sectoral cooperation in an environmentally focused issue-network, it was necessary to analyze the situation from many different angles in order to collect rich and detailed data. Two comparable cases with four different actors provided an interesting setting for observation. The Baltic Sea Action Group and John Nurminen Foundation have been working fiercely towards a cleaner Baltic Sea with very innovative and novel means. Also both of the multinationals, IBM and Nokia are in the field of ICT and have developed mobile phone applications and other wireless technologies that can be used to promote sustainable action, awareness and value creation (Ritvala and Salmi, 2010). All of these actors have been working towards a cleaner Baltic Sea for several years now and they have been able to gather valuable knowledge and experiences from cross-sectoral cooperation. This was the *raison d'être* of this research.

The unit of analysis is the learning that happens between the business side and the non-profit organizations as they cooperate; in this research two multinationals, Nokia and IBM Finland, and two non-governmental organizations, John Nurminen Foundation and the Baltic Sea Action Group (BSAG). The two cases are very similar: the cooperation between Nokia, a multinational communications corporation and John Nurminen Foundation, a foundation engaged with preserving maritime cultural heritage and the environmental protection of the Baltic Sea (Case 1) and the cooperation between IBM, a multinational technology and consulting corporation, and the Baltic Sea Action Group (BSAG), an NGO working towards saving the Baltic Sea (Case 2). The cases and the actors (IBM Finland and the BSAG; Nokia and John Nurminen Foundation) will be described in more detail in the Empirical Case Description-section. Two additional organizations were also used when collecting the data, The Technical Research Centre of Finland (VTT) and Finland's Environmental Administration (SYKE), which presented the public viewpoint and provided valuable information from the cooperation processes as a third-party member.

The unit of empirical analysis included individuals who had either coordinated the projects or otherwise participated in the cross-sectoral cooperation in one of focus organizations. All interviewees were in a managerial position and most of them had participated in the cooperation from the very beginning. The interviewees will be presented in more detail in the next section.

3.2 Data collection

This study was conducted by using both primary and secondary data. The data and information from the previous phase of the research provided the base for conducting this study as it provided valuable knowledge of the cross-sectoral cooperation. This was significant also in the sense that in the past there has been little research about case studies relating to environmentally focused issue-networks (Ritvala and Salmi, 2010).

3.2.1 Interviewing

Interviewing was chosen as a method of data collection for this study. The interviews were semi-structured and followed the guidelines of an interview guide approach. Patton (2002) describes an interview guide approach as an interview situation where the topics and issues of discussion are specified in advance in an outline form. Therefore the interviewer decides the order of the questions and how each question is formed during the interview situation (Patton, 2002). The wording of the questions can change according to the situation as long as the themes remain the same in each interview (Hirsjärvi and Hurme, 2000; Koskinen et al., 2005).

The interview guide approach technique allowed more flexible and situational conversations among the interviewer and the interviewee as there was room for follow-up questions. It was important that the interviewees were able to reflect their individual perspectives and stories of how they found the cooperation between the other cross-sectoral actors and what kind of personal experiences did they have. A key strength for the interview guide approach is the efficient use of time as the topic of discussion has been defined in advance and it partly limits various irrelevant issues to emerge during the interview situation. However the interview approach guide is a challenging technique for a new interviewer if she or he does not have previous experience of conducting interviews as the researcher must have good people skills and situational awareness in order to keep the interview interactive (Patton, 2002). There is a risk that

important information might be lost if the interviewer is not able to detect new and valuable issues that emerge during the interview (Patton, 2002).

The interviewees were approached through email and almost all of them knew that a networking research about cross-sectoral cooperation in saving the Baltic Sea was taking place at the Aalto University School of Economics as they had already been interviewed or asked to be interviewed about the issue. Therefore it was easy to approach the interviewees and as the interviewees were generally very willing to take part in the research; the interviews were quickly scheduled and were all conducted in spring 2012. The interviews lasted approximately an hour and they were conducted in the organizations that were under focus, mainly in conference or meeting rooms. All the interviews were digitally recorded. To increase the validity of the findings interviews from 2010 were also used in the data analysis. The interviews from 2010 were part of the previous phase of the research. The following table summarizes which organizations and key persons were interviewed in 2010 and 2012; the interviews in bold have been conducted by the researcher.

Figure 3.1 Interviewed organizations in 2010 and 2012

Case 1: Nokia and John Nurminen Foundation

Title	Date	Length
Manager Portfolio Planning and Roadmapping, Environmental Affairs (firm)	9.6.2010	45 min
Vice-President in Sustainability (firm)	5.2.2012	45 min
Communications Manager (NGO)	23.4.2012	1 h 30 min

Case 2: IBM Finland and Baltic Sea Action Group

Title	Date	Length
Director of Innovation (firm)	28.2.2011	1 h
Senior Research Scientist (public)	21.6.2010	2 h
Research Director (public)	27.4.2012	50 min
Director of Innovation (firm)	30.3.2012	40 min
Secretary General (NGO)	29.5.2012	1 h
Co-founder (NGO)	30.5.2012	1 h 15 min

3.2.2 Secondary data

Another important source of data emerged from newspaper stories and articles, corporate responsibility reports, corporate websites, newsletters and other press releases that appeared in the mass media and certain online webcasts. The documentary was available mainly online and in certain newspaper archives and they provided important additional data to support the findings from the interviews. This was important also in the sense that the researcher was abroad the entire year 2010 and during that time had only limited access to Finnish newspapers and articles through public newspaper web pages available online.

Local newspapers and magazines in Finland have published several articles and stories about the actions against a cleaner Baltic Sea. Most of the newspaper stories and articles dated back to 2010, especially when the Baltic Sea Action Summit was organized in Helsinki in February 2010 it received a lot of media attention. However also the release of the Algae Watch mobile phone application in spring 2011 also received significant media attention and appeared even on the national TV news.

During the previous phase of the research several webcasts from the Baltic Sea Action Summit were analyzed and these webcasts provided valuable information about the different cross-actoral partners and their reasons to cooperate in saving the Baltic Sea (Ritvala and Salmi, 2010). The webcasts that included the speeches given by the chairman of BSAG Ilkka Herlin, the co-founder of BSAG Anna Kotsalo-Mustonen, the secretary general of BSAG Saara Kankaanrinta, a member of the advisory board of BSAG Jorma Ollila, IBM EMEA Larry Hirst, and the chairman of HELCOM Igor Maydanov were used in this study to provide more understanding of the cross-sectoral cooperation and the BSAG as a non-governmental organization.

The use of the secondary data helped to confirm for example the timeline of when concrete targets had been accomplished and introduced to the media and how the media had portrayed the news. It also helped to build overall awareness of the situation, which organizations were the key actors and what kind of commitments had been made publicly. It was important to know what kind of organizations were involved and why

they had decided to participate. The following table summarizes the sources of secondary data used in this study.

Figure 3.2 Sources of secondary data

<p>Nokia</p> <ul style="list-style-type: none"> -Company websites www.nokia.fi www.nokia.com -Corporate responsibility reports -Press releases -Stories and articles in the media 	<p>John Nurminen Foundation</p> <ul style="list-style-type: none"> -Websites www.juhnnurimisensaatio.fi www.puhdasitameri.fi -Newsletters and press releases -Annual Report 2010 and 2009
<p>IBM Finland</p> <ul style="list-style-type: none"> -Company websites www.ibm.com/fi www.ibm.com -Corporate responsibility reports -Press releases -Stories and articles in the media -Projects in Sweden www.smartareplanet.se 	<p>Baltic Sea Action Group</p> <ul style="list-style-type: none"> -Websites www.bsag.fi -Information about the commitments: www.bsag.fi/commitiments -Webcasts available online at http://formin.finland.fi/multimedia/bsas/videos/Arrivals.html -Stories and articles in the media
<p>Finnish Environment Institute (SYKE)</p> <ul style="list-style-type: none"> -Websites www.ymparisto.fi -Algae Watch application: www.jarviwiki.org -AIS+ system: www.aisplus.vtt.fi/index.html Information about the current ecological state of the Baltic Sea: Latest facts and figures -Newsletters and stories (Ympäristö-magazine) 	<p>Other sources of secondary data</p> <p>The archives of the following newspapers, articles and stories relating to the topic:</p> <ul style="list-style-type: none"> -Helsingin Sanomat www.hs.fi -Kauppalehti www.kauppalehti.fi -Talouselämä www.talouselama.fi

3.3 Analysis and interpretation

The form of analysis was derived from Miles and Huberman (1994) and Attride-Stirling (2001). All the interviews were digitally recorded and typed out before the analysis began. In order to find any similarities or differences in the cooperation between the different actors it was necessary to display the data in a form that was presented in a readable and clear form. The data was coded or broken down into themes and categories in order to draw conclusions (Miles and Huberman, 1994).

The data was analyzed through an interpretive method; therefore the categories emerged freely from the data. All data was regarded equally important and any additional data outside the main categories was used in a supportive and informative form; this helped to improve the awareness of the overall situation.

Attride-Stirling (2001) has created a thematic network that presents the data in different categories. The data has been divided between basic themes, organizing themes and global themes (Attride-Stirling, 2001). Basic themes are ‘the most basic or lowest-order theme that is derived from the textual data’, and on their own they provide only a little information about the text but when grouped together they form the organizing theme (Attride-Stirling, 2001, p. 388). The organizing theme provides more information about the entire text but the global theme which consists of the organizing theme, presents the text as a whole and can act as an argument or a key finding of an issue (Attride-Stirling, 2001).

This thematic network was used when displaying the data from the interviews. Usually two drafts were made before the final version. The first draft listed the key issues that arose from the text. These key issues were then grouped into different categories, some of the issues appeared simultaneously under several categories as they seemed to fit multiple themes. After this stage a thematic network was drawn by hand, similar to a mind-map, where the key issues were grouped together with the categories. The final version consisted of head categories (themes) and sub-categories (key issues and findings). The final version was always compared to the interview guide and the original research questions to see if the interview had been successful. It seemed that the

interviews have been successful as the interview guide (Patton, 2002) had been followed and the data was rich and detailed.

3.4 Validation of the study

This section presents the external validity or transferability (Lincoln and Guba, 1989) of this particular study. Validation as a definition is thought to be a broad concept (Zalan and Lewis, 2004); and it can include for example objectivity, freedom from bias, replicability and internal reliability (Zalan and Lewis, 2004). Validation is considered to be an ongoing process that the researcher must keep in mind throughout the entire research process (Pauwels, 2000 in Zalan and Lewis, 2004). For this particular research the criteria developed for validating the study was chosen from Guba and Lincoln (1989). These criteria were chosen because it best fitted to validate a qualitative multiple case study. The criteria will be discussed briefly in the following sections.

Guba and Lincoln (1989) state that a qualitative case study does not necessarily present the findings as the 'true state of affairs' or the 'way things really work' (p.8) but rather it describes valuable findings of how certain people, individuals or a group of people, see a particular setting or a phenomenon. The individuals under focus and the researcher together create a construction of findings (Guba and Lincoln, 1989). Following the philosophical assumptions of Healy and Perry (2000) this research was based on a constructionist or interpretivist assumption meaning that there are many, constructed realities and also all findings in the case research are subjectively created. Following this logic we can assume that when all the participants of the cooperation processes have not been interviewed, there are various stories and information missing that can create very different findings of this research setting, a different construction.

It is also important to note that the constructors of the qualitative case study do not necessarily share the same values and this has a great impact on how differently we see a particular situation (Guba and Lincoln, 1989). Even if the constructors come from the same culture, their educational backgrounds or philosophical ideologies shape their world of values (Guba and Lincoln, 1989). In this study the interviewees had different backgrounds since they presented differently sectorized organizations: the business side, the public view, and the non-governmental, voluntarism-based point of view. Therefore

we should note that the interviewees probably have somewhat different values and views although a strong and connecting motivator has been a concern of the Baltic Sea.

Also physical, psychological, social, and cultural contexts shape the construction of the qualitative case study (Guba and Lincoln, 1989). The construction exists when the constructors believe in it and therefore it is subjectively created (Guba and Lincoln, 1989). In this study culture played an important role in the construction and it is discussed in more detail in the following section together with other limitations of this research.

The research questions of this study were decided by the researcher and none of the organizations under focus were involved in the process of setting the framework for this research. Therefore the organizations were not able to influence which factors were researched. However the organizations under focus were able to comment the study and the findings of the study do not reveal certain individuals but rather discusses the findings in a neutral view. Guba and Lincoln (1989) state that stakeholders' ability to control the research can have dramatic effects on the findings of the study and it may become a question of power. In this case the phenomenon, cross-sectoral cooperation with an environmental focus, is not a sensitive topic but rather it was seen as a positive trend.

An important factor that Guba and Lincoln (1989) emphasize is that the researcher must always respect the interviewees' dignity, integrity and privacy. Ethics is an important factor to consider from the very beginning of the research. This study has aimed to follow this logic: all interviewees have known from the beginning that the study will be available for the public, when answering the interview questions they have been able to decide themselves what kind of information they can and want to share publicly and they have been able to comment the findings of this study.

3.5 Limitations of the study

This section discusses briefly the limitations of this study: issues that have had an impact for example on the data collection process, the findings of this study or the reasons behind this research setting.

3.5.1 Size and scale

This study is relatively small in scale and size. Due to time and resource constraints it would have been impossible to for example interview all the participants who coordinated the cooperation or in some way contributed in the projects in the four different organizations. Therefore it must be taken into consideration that the findings of this study are based on the data retrieved from the current interviewees but additional and interesting data might have been lost since not all the voices of the cooperation process have been heard. This study is also based on the interviewees' post-rationalization of events which can affect the quality of the findings. Organizational and personnel changes also complicated reaching all the possible interviewee candidates. However the persons that were interviewed had personally participated in the cooperation process and had been working with these cross-sectoral partners for several years. Most interviewees had been involved in the cooperation since it first began and were able to reflect well how it has evolved over the years.

3.5.2 Time

Time can have a strong influence on the quality of the gathered data (Koskinen et al., 2005). When investigating past events, as in this study, there is a risk that some valuable data might be lost simply because interviewees have trouble remembering what happened as the events are not in recent memory (Koskinen et al., 2005). Interviewees might also be unaware of the fact that their answers can be based on speculation or false information (Koskinen et al., 2005). To overcome this problem, as discussed in one of the previous sections, the secondary sources (such as newspaper articles and press releases) were compared with the primary data from the interviews in order to verify for example timelines or other schedules. However time remains an issue that needs to be taken in to consideration when analyzing the data.

3.5.3 Language

All of the interviewees and guest speakers were native Finnish citizens. I am a Finnish citizen as well and therefore it was easy for me to approach the interviewees and interview them in their own mother language. Therefore we can say that a language barrier did not exist in the interview process of this study. However the interviews were analyzed in English using the thematic network data analysis method (Attride-Stirling, 2001) and in this process the content of the interviews was translated into English. Also all the comments that have been used in this study have been translated from Finnish into English. Therefore there might be a chance that something has been lost in the process of translation. The interviews and other material available only in Finnish were translated by the researcher. The findings of the study will be discussed in detail in the following chapter.

4 EMPIRICAL ANALYSIS OF THE FINDINGS AND DISCUSSION

This chapter presents the findings of this study. The first section introduces the two cases and looks into the actors' backgrounds and presents the case projects in detail. The two cases are compared and their external and internal networks are analyzed before the findings are presented in the third section. The findings are based on the interviews and the available secondary data. The final section discusses the findings from this study in the context of the previous literature.

4.1 Case Descriptions

4.1.1 Case 1: Nokia and John Nurminen Foundation

John Nurminen Foundation, created by Juha Nurminen and John Nurminen Oy, began its operations in 1992 in order to preserve the cultural heritage of the Baltic Sea's maritime history and seafaring. The foundation's original purpose was to conserve the historical collection related to seafaring owned by the family business, John Nurminen Oy, and preserve this unique collection for the future generations. However from the very beginning it was clear that the Baltic Sea also needed rapid ecological action: for example the blue algae situation was worsening from year to year due to eutrophication. Juha Nurminen began investigating the environmental situation and soon it was evident that preserving the maritime history meant also concrete and rapid ecological actions towards a cleaner sea. The only way to reduce the eutrophication would be to lower the high nutrient levels in the sea water. In 2004, after consulting with Finnish politicians, environmental specialists, and business leaders, Juha Nurminen decided that the foundation would begin fighting towards a cleaner Baltic Sea.

Today the foundation has two streams of operations: maritime history preservation and environmental work with the Cleaner Baltic Sea projects. The Cleaner Baltic Sea has two areas of operation: one concentrating on eutrophication of the Baltic Sea with several projects and one on tanker safety on the Baltic Sea with a single project. The foundation began with projects aiming at removing phosphorus from the waste waters which was a significant problem in the Saint Petersburg area. The eutrophication projects have been very successful, the projects in the wastewater treatment plants in St. Petersburg were able to cut down the phosphorus levels by 1000 tones and at the

moment there are several ongoing projects operating in Russia, Estonia, Latvia, Poland, and Belarus aiming at cutting down 1500 tones of phosphorus. These waste water plant projects have been called ‘small miracles’ in the media and by the foundation since this project had such a huge impact with a relatively small change. However the project initially received some opposition and it was difficult to convince the Russian partners that this change would be beneficial both for the Baltic Sea and the water waste plants.

The tanker safety project aims at preventing large-scale oil tanker disasters at the Baltic Sea. This project began after a Greek oil tanker touched the bottom of the sea in 2007 and almost caused a massive oil spill. The Gulf of Finland for example is a highly trafficked area and the risk of a disaster exists because the maritime officials do not have actual route plans from the vessels. The tanker safety project has created an automatic ENSI-navigation system (Enhanced Navigation Support System) which verifies the vessels’ route in advance and sends important information to the vessel about this route and for example weather conditions. The ENSI-system also controls that the vessel stays in the planned route and notifies immediately if the vessel is off the track or if other conditions have changed. The tanker safety project has many partners and the main partners include for example Liikennevirasto (Finnish Transport Agency), Neste Oil and Trafi (Finnish Transport Safety Agency). The project is also being coordinated with the maritime officials in Finland, Estonia, and Russia.

What is unique about this foundation is that it aims at environmental protection with means that have been borrowed from the business world. Key words are innovativeness, effectiveness, and transparency. The foundation only works with projects that have realistic targets and a clearly calculated and planned schedule. Environmental protection is implemented in areas that can bring the maximum benefit for the nature with the lowest possible cost. The foundation’s four main sponsors from the very beginning have been Nokia, Finnish Ministry of Environment, Fortum, and Sanoma. The foundation’s role is to act as a catalyst between the private and the public sector, to build a bridge between these different sides and promote innovative, rapid and efficient solutions for environmental protection. The foundation understands that a single actor cannot save the Baltic Sea but many actors across borders can have a significant impact on the state of the sea like the waste water treatment in Russia has proofed.

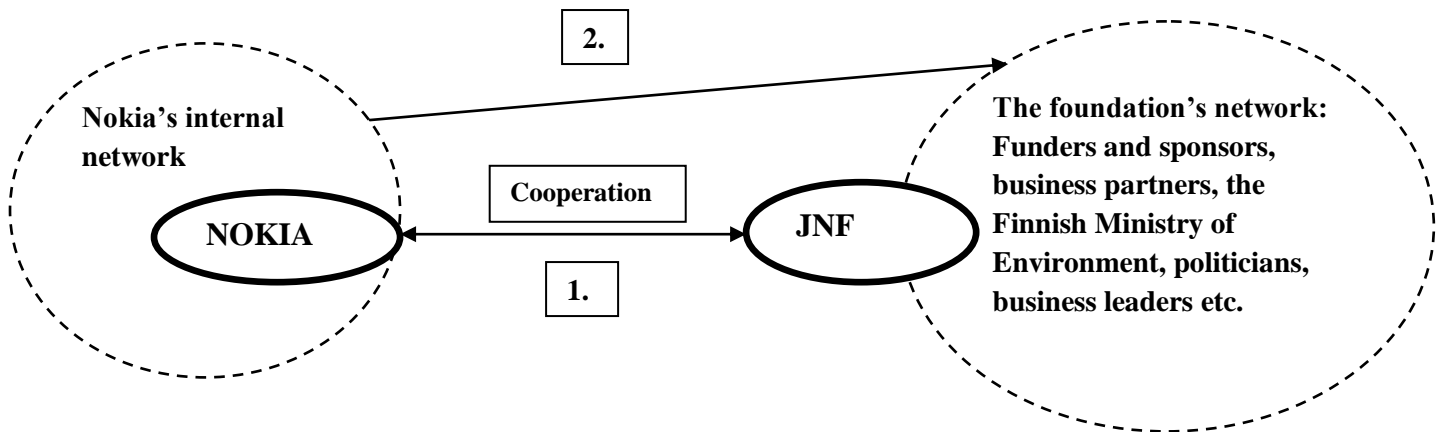
Nokia is a multinational communications corporation headquartered in Finland. In the beginning of the year 2012 there were over 1.3 billion Nokia cell phone users in the world. According to Nokia's CEO, Stephen Elop, sustainability is not a trend at Nokia but rather Nokia's way of conducting business. Sustainability has been embedded in everything that Nokia does; ranging from the core organization and its operations all the way to the suppliers and subcontractors. However global and local philanthropic projects and catastrophe help funds are not part of this sustainability agenda, they are part of Nokia's larger corporate responsibility program. These projects are carried out in various areas around the world and often they have a local agenda. For example environmental protection is being tackled through different issues and means. Although these projects are only a very small part of Nokia's holistic sustainability agenda, their local role can have a significant impact. Many of the responsibility projects are carried out in the developing countries where the need for help is most urgent and demanding. Nokia considers it important that these projects can help the local communities and motivate employees.

Nokia is working towards a cleaner Baltic Sea by cooperating with two foundations: John Nurminen Foundation and the World Wide Fund for Nature (WWF). One of the main reasons has been that the poor state of the Baltic Sea is one of the biggest environmental threats in the Baltic Sea region. Nokia has been one of the principal sponsors for the cleaner Baltic Sea projects from the very beginning in the John Nurminen Foundation. The cooperation has been close: in 2011 Nokia hosted an annual Club Baltic Sea event for the foundation and invited the foundation's partners and funders to discuss the foundation's recent activity and future trends. At the moment Nokia is for example providing funding for the foundation for the development of the ENSI-navigation service. Nokia is interested in projects that can have a significant impact and that these impacts can be measured. Transparency, effectiveness, and measurability are key words for Nokia's criteria when choosing possible partners and John Nurminen Foundation has been able to fulfill these criteria year after year. However it is also important that Nokia's partners are capable of continuing their work even if Nokia would decide to stop funding these projects. This would indicate that the projects are realistically planned and not dependent on a single main supporter.

Following the recent trend in sustainability, Nokia has developed phone applications in order to help people make ecological choices, act sustainably and create awareness about environmental issues. These applications are probably one of the most visible sustainability promotions for the large public, customers. Nokia has a specific Nokia Store Green Channel which collects all the environmentally focused applications together. One of the applications, Climate Mission 3D, is a game where the player can participate in specific donation campaigns by voting for sustainability campaigns. The goal of the game is to reduce the overall temperature of the earth. World Wide for Nature (WWF) also has a specific application on the Nokia phones, WWF EcoGuru, which helps the user in calculating his or her personal footprint and how to lower it. The Technical Research Centre of Finland (VTT) has also developed an Algae Watch application for the Nokia phones that have a Symbian-operating system, this will be discussed in more detail in *4.1.2 Case 2: IBM Finland and Baltic Sea Action Group*.

With the WWF Nokia has participated in the Operation Mermaid campaign for example by having cell phone recycling campaigns and by sharing knowledge and information about the poor state of the Baltic Sea for its customers and employees. Nokia does not use its environmental protection or other sustainability projects and campaigns in marketing or product branding. There is surprisingly little information available for the public about local sustainability projects unless you know the project's name or the partner organization. For example Nokia's annual sustainability report does not mention specific local campaigns but rather discusses the matter in a general level.

Figure 4.1 Case 1: Nokia and John Nurminen Foundation



This Figure 4.1 presents how Nokia and John Nurminen Foundation are connected together in a larger network. The first phase in the cooperation links the MNC and the NGO together and this way the actors can benefit from each others' internal and external networks. The NGO is in a strategic position; through the NGO the MNC can create networks with the NGO's other actors. Nokia has had an important role in communication. The second phase shows how Nokia has informed the NGOs potential and new partners about the projects and the agenda's importance by a third-party endorsement tactic. Nokia has been mainly sponsoring the projects; the cooperation has involved meetings and networking but not concrete projects that would require work input.

(For more information please see: homepages of Nokia: www.nokia.com, homepages of John Nurminen Foundation: www.johnnurmisensaatio.fi, John Nurminen Foundation's web pages about the Cleaner Baltic Sea: www.puhdasitameri.fi and homepages of World Wide Fund for Nature: www.wwf.fi , Annual Nokia Sustainability Report in 2009 and 2010, and John Nurminen Foundation's Annual Report in 2010 and 2011.)

4.1.2 Case 2: IBM Finland and Baltic Sea Action Group

The Baltic Sea Action Group (BSAG) is a foundation operating in the whole Baltic Sea area with a purpose to support and promote nature and human welfare and to preserve and promote the Finnish cultural heritage. BSAG aims at saving the Baltic Sea in time by assembling together various parties of the society in all the countries in the drainage-area of the Baltic Sea. BSAG believes that this kind of unique multistakeholder participation is the only way to act in time with effective results. Cross-sectoral cooperation between the private sector and authorities together with environmental researchers and specialists is seen as the most successful way to improve the state of the sea. The goal is to guarantee that know-how and resources match in the most efficient way. The foundation is neutral in its political views and its purpose is to act as a catalyst or an initiator between the various countries, organizations, authorities and NGOs. BSAG aims at innovativeness, concrete actions, and intense cooperation. The foundation's operating model has been partly borrowed from Clinton's Global Initiative but it has been modified to include only one focus area, saving the Baltic Sea.

The Baltic Sea Action Group was registered in 2008 by Ilkka Herlin, Saara Kankaanrinta and Anna Kotsalo-Mustonen but the preparations of the foundation started in early 2007. The co-founders personal networks, background, and experience from the business field have had a significant impact on the success of the foundation. The operations that are carried out by the foundation are conducted in the name of Foundation for a Living Baltic Sea which has been translated into all 14 languages used in the whole Baltic Sea area. BSAG follows the environmental guidelines of HELCOM (Helsinki Commission for the Baltic Sea) and the areas of operations concentrate on agriculture, maritime activities, hazardous substances, and loss of biodiversity.

In 2010 the BSAG organized a Baltic Sea Action Summit in Helsinki, Finland which gathered together state leaders, top politicians and business leaders from the entire Baltic Sea region to discuss the current state of the Baltic Sea. The summit was launched together with at the time President of Finland, Tarja Halonen and Prime Minister, Matti Vanhanen. In this summit over 140 organizations made concrete commitments to improve the ecological state of the sea. The commitments are either an act or a process but it must have a positive impact on the state of the Baltic Sea directly

or indirectly. New and innovative means were considered a benefit and the commitment was also supposed to match the organization's core values and business models. These commitments are planned and designed in the Base Camp workshops prior to the Summit as mentioned earlier. Two Base Camps have been organized in Finland and one was recently organized in Stockholm, Sweden. In 2012, a third of the commitments that were announced in the first Baltic Sea Action Summit had been fulfilled in just two years. The next Baltic Sea Action Summit is planned to take place in St. Petersburg in the fall 2012. BSAG is an interesting foundation in the sense that it has been able to gather together very powerful and influential leaders from the very top and by doing so it has pushed the sustainability agenda from top-to-down.

IBM is a multinational technology and consulting corporation operating all over the world. IBM has globally about 400,000 employees but IBM Finland has about 1000 employees and is therefore a fairly small organization in a global level. IBM Finland concentrates mainly on services and sales and it does not have its own resources for research and development. The IBM corporation has a comprehensive sustainability agenda around the globe and its purpose is to be an 'environmentally responsible neighbor in the communities where it operates, act responsibly and correct conditions that endanger health, safety, or the environment'. Globally IBM has been working with various NGOs, governmental organizations, and voluntary programs for many years and has been globally recognized as an organization with innovative means to implement corporate responsibility (Porter and Kramer, 2011). IBM has also received many awards and recognitions for its sustainable agenda.

IBM has a global initiative, Smarter Planet, which aims at improving living conditions, saving natural resources, and solving complex societal problems by using high technology. The basic idea is to actively collect data and information through intelligent systems, so called sensors that have been placed around the society and then use this data to create innovative solutions and solve complex problems. The Smarter Planet program began in 2008. In 2012 the program includes for example a Smarter City Challenge program which aims at turning the future cities into integrated systems where knowledge about transportation, energy, water, and communications can be used comprehensively. The use of open source data is a rising trend in various organizations

and it is considered to provide more sustainable, affordable, and realistic solutions than traditional means of gathering data. Helsinki was chosen to the Smarter City Challenge program as the first Nordic capital city in 2011; 24 cities in total were chosen around the world for this program and it will last three years.

One of the key areas of operation in the Smarter Planet is the more efficient use of water. A big concern in the future is that there is not going to be enough water for the growing population of the planet and water use is not sustainable at the moment. IBM has a water research center, SmartBay in Galway Bay, Ireland, where information and data are being collected in real time by using different sensors that have been placed in the sea. Its purpose is to help for example fishermen to have up-to-date information about the changing conditions. IBM also has water-related research projects in Hursley, United Kingdom (a research and development laboratory), Montpellier and Amsterdam (Strategic Centers for Water Research) Sao Paulo, Brazil (a cooperation project with local authorities and farmers to improve the accessibility of water systems) and Malta (a project that aims at creating an intelligent energy network that integrates the water and electricity systems on the island).

IBM Finland joined the Baltic Sea Action Group in 2008 as the foundation approached the organization with a proposition to cooperate in the BSAG Commitment program by solving an information sharing problem that existed around the Baltic Sea area. Soon after the beginning the focus of the cooperation switched into a project that was aimed to improve the poor level of IT systems in vessels together with the Technical Research Centre of Finland (VTT), the Finnish Maritime Administration (Merenkululaitos), the Finnish Meteorological Institute and Finnish Ship Owners' Association. BSAG had analyzed the risks related to the state of Baltic Sea and found out that the Gulf of Finland is a highly trafficked area and a high risk of a large-scale oil catastrophe exists as vessels do not have an effective communications system on board.

IBM Finland and its partners began creating an improved version of the automatic tracking system AIS (Automatic Identification System), a small device which works with a VHF (Very High Frequency) frequency and can be found on all the vessels as it is mandatory by the IMO (International Maritime Organization). The problem with the

AIS system is that it has a very small screen and the vessels' positions are shown with long number codes. A small mistake in the code numbers can easily show false information about the vessel's actual position. The improved system was called AIS+ and it was based on an open source free Java application. The AIS+ system worked with a PC that could be found in most of the vessels as well and through downloading a special program either from the Internet or through a USB flash drive the information from the original AIS device could be transferred to the PC's screen with an actual map. This small change in the system would enable crew members to see better where the vessel's position is and information about the changing ice conditions. This improved system was designed to send automatically information about weather and route conditions and enable improved, interactive communication between the operating vessel and authorities and together with other vessels.

IBM has a global volunteer community, On Demand Community that consists of current IBM employees and retirees. This volunteer community was established in 2003 and in two years it had more than 50,000 members. Around 50 to 60 volunteers around the world tried to tackle this new Java application, AIS+ system. However it was difficult for the volunteers to jump into the software development as the protocol key was little known and in the end the Technical Research Centre of Finland (VTT) and IBM Finland created the software. VTT had the main responsibility about the project, it had been integrated into the organization as an internal project and VTT gave funding to the project when the system was developed. The AIS+ application is ready now and has been successfully piloted for example by Viking Lines and Finnlines but it is waiting for the breakthrough where the end users would start actively using it. BSAG is working fiercely to increase its awareness to the end-users.

In 2010 IBM participated in the Baltic Sea Action Summit and the Chairman of IBM Europe, Larry Hirst, gave a speech in the summit together with many other influential business leaders, state leaders and politicians. In this speech Larry Hirst announced that IBM would contribute towards the Baltic Sea with another commitment that would use the expertise and knowledge from the Smart Bay water research center in Ireland. In this summit IBM was able to increase the awareness of its Smarter Planet program and highlight the importance of technology when solving complex and societal problems.

During the time the summit was largely addressed in the media internationally and also the participating organizations received attention.

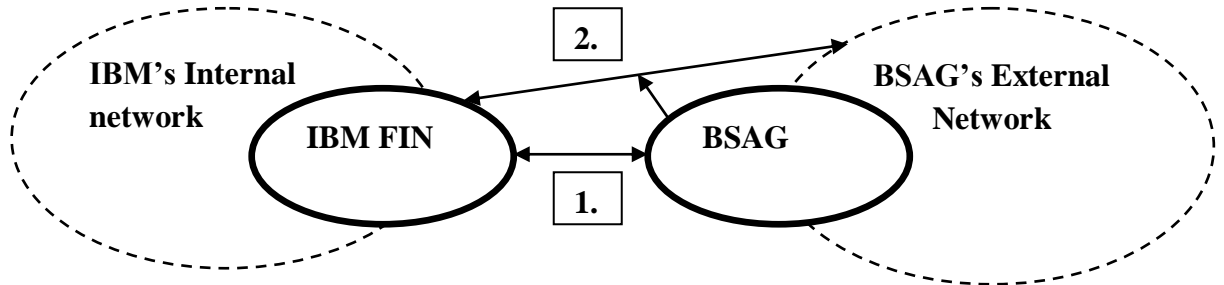
The initial plan for the second commitment was to implement a large project together with smart Bay, the Irish water research center, Technical Research Centre of Finland (VTT) and the Finnish Environment Institute (SYKE). Staff members from IBM's Irish water research center, SmartBay, were involved in the project in the beginning and participated in the planning meetings in Finland but later left the project. The project turned out smaller than expected but the partners decided to tackle the issue of monitoring the algae in the Baltic Sea and Finnish lakes by using a simple mobile software solution. Blue algae are a sign of eutrophication in the sea whereas the other focus area, bladder wrack blooms that are a sign of clean and health sea water. The Finnish Environment Institute (SYKE) had felt in the past that they needed to modernize and modify the algae monitoring system and increase the awareness of citizen sensors who would collect the data. SYKE had previously collected data manually about the algae situation but this was considered difficult to use. The goal was to design a new mobile phone application that would enable people to take a photo of the water surface, describe how much algae there were, and send this information automatically to a website, JärviWiki, which would collect the data for official use. JärviWiki shows the data in a visual form and gathers the collected data on maps. The basic idea was that the collected data can benefit both private and official use.

The project was coordinate in a way that SYKE and VTT were responsible for the content of the application; it was important that the data would be reliable and well recorded. IBM's role was to develop an Algae Watch phone application for the iPhone. IBM had developed in the past a 'Creek Watch' application for the iPhones in their Silicon Valley lab. The basic idea in the 'Creek Watch' was similar to the Algae Watch: normal citizens could take pictures of the environment and report to authorities if problems existed. The Algae Watch was based on the same platform as the Creek Watch. VTT's task was to develop a similar application for the cell phones with Android- and Symbian-operating systems. Symbian-operating systems can be found for example in certain Nokia mobile phones. In these operating systems the Algae Watch was integrated into a larger environmentally focused application where the Algae Watch

would only be a small part of it. The project also received funding from five countries around the Baltic Sea as IBM's other country units gave donations.

In the beginning of the summer 2012 the Algae Watch application was available on mobile phones with Android and Symbian operating systems. Last summer about 1000 findings were reported around Finland when the JärviWiki web sites were launched. However the iPhone Algae Watch application is yet not available, according to the JärviWiki web pages it can be downloaded from AppStore later this year. According to JärviWiki, the experiences from this summer, 2012, will be used when deciding how the system could be improved or whether the project will be continued in 2013. The partners are also looking into if the Algae Watch application could be translated to other languages as well. The Baltic Sea Action Group has also cooperated with IBM Sweden. BSAG, IBM, the Nobel Museum, and Hallvarsson & Halvarsson (an organization specializing in creating value through improved communications among organizations) organized a workshop for 130 Swedish organizations. This workshop, Base Camp Stockholm was designed in a way that organizations were able to hear more about the Baltic Sea Action Group and design and plan possible commitments that would benefit the organization itself and the state of the Baltic Sea.

Figure 4.2 Case 2: IBM Finland and Baltic Sea Action Group



This Figure 4.2 defines how IBM Finland and Baltic Sea Action Group are linked together in a larger network. The first phase of the cooperation began with personal networks connecting IBM Finland and BSAG. The second phase describes how the cooperation with IBM Finland and the other actors in the BSAG's network began. The commitments were first designed and planned together before the implementation phase started. BSAG coordinated this cooperation process and it had a strategic position as a facilitator. The BSAG's network included actors such as the Finnish Environment Institute (SYKE), Technical Research Centre of Finland (VTT), Finnish Maritime Administration, Finnish Meteorological Institute, and Finnish Ship Owners' Association. IBM Finland's internal network and resources were also benefitted in the cooperation to some extent. IBM Finland's internal network in this case included IBM's global volunteer community, On Demand Community, the water research centers, such as the Smart Bay in Ireland, and the innovations that have been created in the global organization, such as the Creek Watch mobile phone application from US.

(For more information please see: IBM corporate web sites: www.ibm.com and www.ibm.com/fi, IBM Annual Environment Report 2010 and 2011, homepages of the Baltic Sea Action Group www.bsag.fi, information about the BSAG commitments: www.bsag.fi/coomitmets, webcasts from the summit: <http://formin.finland.fi/multimedia/bsas/videos/Arrivals.html>, IBM Sweden's workshop project: www.smartareplanet.se and the JärviWiki web sites: www.jarviwiki.org)

4.2 Case Comparison

The two comparable cases have both similarities and differences. All actors are working towards a cleaner Baltic Sea but their means of operation differ. Therefore it is important to analyze in detail how many years the cooperation has continued, what the nature of the cooperation has been, and what kinds of outcomes have emerged from this cooperation. It is necessary to understand how the cooperation has evolved over the years and how this experience has influenced the current situation.

One of the biggest differences between the two cases can be found when looking at how many years the actors have cooperated together. In Case 1 the cooperation between Nokia and John Nurminen Foundation has lasted already eight years. Nokia became one of the main supporters when the foundation began working on the state of the Baltic Sea in 2004 and the actors described the cooperation as close and intense. In Case 2 the actors have been working together for a shorter time. IBM Finland and BSAG have cooperated since 2008 when BSAG approached IBM Finland with a proposition. However there had been discussions about a partnership prior to this.

Another important difference is the nature of the cooperation. In Case 1 the cooperation between the actors has been based mainly on philanthropy. Nokia has been sponsoring John Nurminen Foundation financially and for example by hosting and arranging an event for the foundation but Nokia has not donated any work input towards the projects. The situation is the opposite in Case 2; IBM Finland has donated its work input instead of funding the projects. IBM Finland has also stated that it would not have cooperated with BSAG if they had asked only for funding. In Case 2 the purpose of the cooperation has been to create an innovation together with the other actors in the network whereas in Case 1 the purpose of the cooperation has been to support the NGO's projects. Case 2 is part of a larger phenomenon since the NGO, in this case the BSAG, arranged a Baltic Sea Action Summit where the partner actors made public commitments towards a cleaner Baltic Sea and the projects between IBM Finland and its partner actors were one of over 140 commitments.

The projects' role in the global sustainability agenda also differed significantly between the two cases. In Case 1 Nokia has not used its global internal network to support the project; the cooperation between Nokia and John Nurminen Foundation has been coordinated from the headquarters in Finland and it has been implemented at a local business unit level. In Case 2 however the original purpose was to benefit also IBM's global network and resources in the projects.

Similarities also exist, especially between the MNC actors. Neither of the two MNC actors has used the cooperation or projects in consumer marketing. The cooperation has been shared to stakeholders but it has not been used with a marketing purpose. In Case 2 the agenda has been made public at the Baltic Sea Action Summit by the speech given by Larry Hirst. The summit gathered a lot of media attention. Both global MNC actors in the two cases are present in all the countries in the Baltic Sea region but their primary markets are outside this area, for example Asia, North America and Central Europe are one of their biggest and most strategic markets. Neither of the MNCs has had any business operations in the field of seafaring or marine technology so this phenomenon has been new in both cases. In Case 2 IBM Finland has had to become more familiar with this field in order to understand the need for the innovations and implement the projects. In Case 1 Nokia has also become more familiar with the field through the intense cooperation with John Nurminen Foundation but it has not been a success factor for the projects.

Understanding the different backgrounds of the cooperation will be helpful when analyzing the findings of the research. The next section presents the findings as key themes and issues that arose from the interviews.

4.3 Findings

The findings of this study are presented in the following sections. The key findings have been grouped together according to the interview questions. During the data collection phase it was important that the interviewees were able to reflect their personal experience and know-how. The interviewees discussed what kind of learning experiences the cooperation between a MNC and a NGO had brought to the organization and how they had personally experienced it.

4.3.1 Networking – New partners and contacts

All interviewees stated that participation in the projects had been beneficial especially in the sense that the organizations and key individuals were able to broaden their networks and contacts in the cross-sectoral partner organizations. Other interviewees highlighted the networking perspective more than others; this subject differed across the actor organizations. Interviewees stated that they had learned to know the actors better and gained experience from working with various sectors. All of the interviewees considered that the new networks were valuable even if they had not directly resulted in new projects. If the MNC had a neutral role as a sponsor in the project it was still able to form new networks and contacts even if did not actively take part in the project. These new contacts were considered equally valuable for the organization because in the future it could either seek for other similar projects to fund through the new partners or find a project that could be a business opportunity.

‘This project has been an excellent example of cooperation between large and publicly known organizations that are experts in their field. It has been a huge benefit for us ... It gave us a lot of experience and knowledge.’ Interviewee H

‘Networking has been the greatest benefit but of course we have to think if this is the most efficient way to network with the actors. It has been very interesting personally though. It is motivating to work with other actors when you are working towards a good cause.’ Interviewee B

‘All the networks are valuable to us.’ Interviewee C

'The key is in networking and creating connections; the more MNCs innovate towards sustainable solutions the faster we can solve the problems. This way it is most efficient for everyone; this is the core idea.' Interviewee J

'We choose our partners based on a set of criteria but if an organization has a large network with many business partners it is simply considered as a benefit but it is not mandatory in anyway.' Interviewee G

It seemed that the networks and contacts were most financially beneficial for the organizations if the original project had been closely tied to the organization's core operations. One of the interviewees stated that the project had brought them new networks and contacts that had even resulted in invitations to participate in other similar projects but since the original project had not seemed to fit anywhere in the organization, the other business proposals were declined. If the project could be tied to the organization's core operations it could have a positive impact on the future contacts and projects.

'After participating in this project we have received business proposals that we would have not otherwise received but we have decided not to respond to them.' Interviewee C

However new networks and partners need attention and resources. A new project or a business opportunity must be sought; innovations can be created if they are realistic and desirable. In the future the actors should be highly motivated to create new innovations. Therefore it is important to note that the organization must be active and enthusiastic both in finding and maintaining the relations with new business partners.

Many interviewees stated that the projects were coordinated or implemented by a couple of enthusiastic key persons inside the organization. Often these people had a personal motivation or a background to save the Baltic Sea. Interviewees considered it partly risky that if these key persons would leave the organization, the projects might end and resources would be allocated to other agendas. NGOs were particularly concerned that replacing the key persons might be very difficult because of their specific know-how and long work experience from the field. Often the key persons have their own social networks that can be very valuable for the entire organization.

'Of course we hope that the same experts could continue working on this forever even though it is not possible. But we have to spread the competence around the organization and divide the managerial responsibility.' Interviewee F

4.3.2 Role ambiguities and expectations

When analyzing the cooperation process between the actors, the MNCs and NGOs, it became evident that sometimes the actors had different expectations about the roles in the network. The role of a third-party member, a NGO or a foundation acting as a catalyst or an initiator in the project, was a somewhat new model for some of the actors. It was clear that actors who had cooperated together for a long period of time were more certain about their specific roles. The actors were also able to function together very well because they had created mutual trust and respect towards each other during the past years. If the NGO was a familiar partner to the business organization or the authorities, cooperation was generally described as positive and straightforward. Often it meant that individual actors and key persons had known each other for several years and had formed informal relations.

'Yes they are sometimes very informal (relations to the NGO partners), in the sense that we have to stop laughing and start continuing working. There are so many small details that we need to work together so at best the cooperation is very intense, close, and rich.'
Interviewee A

'It is very important to have someone in the background with a large and influential network.' Interviewee F

However sometimes actors were uncertain what their role in the network was and what was expected from them. This was the case especially if the NGO was a relatively new partner to the business side. Sometimes actors were not certain how responsibility had been divided among the partner organizations and who had taken the leading role.

'Sometimes it was difficult to know who was giving the orders and to whom and how was the responsibility divided among the actors.' Interviewee B

'I was hoping that the NGO would have had a more facilitating role in the negotiations so that they would have pushed the agenda a little bit further by using their tactic of reaching the top management and making it happen.' Interviewee B

'Sometimes it felt that they (a partner organization in the project) simply wanted to network, facilitate, and promote but not coordinate or work like we did here.' Interviewee B

'The NGO acted as a catalyst between the partner organizations and tried to group them together. I believe they could have used this tactic more often and introduce more possible partners to each other ... by combining the forces of several partners we could have found more business opportunities.' Interviewee C

The NGO, the catalyst or an initiator, therefore has a critical role in the cooperation process. The NGO must often act as a mediator between the other actors in the network and coordinate the process simultaneously with various actors. The role of a communicator often falls on the NGO; the initiator in the network is needed to guarantee the rules of the communication and how the process develops. The initiator must also make sure that the other actors are fully familiar with the issue, in this case the state of the Baltic Sea, and that all actors have understood what kinds of actions are needed to solve this problem. Often the catalyst or initiator has strong political ties and a large network of experts as its resource so that it can guide the cooperation process.

The NGOs in the two cases are in a challenging position since they have the expertise and know-how but even though they have international contacts and projects they operate in a relatively small region. The MNCs on the other hand have global networks but because the projects are not directly related to their field, it is difficult for them to take the managerial responsibility. If an organization participated in the project as a funder or a sponsor, its role was fairly neutral in the actual implementation phase as it did not donate any work input towards the project. Its role was most significant in the beginning when the foundation needed financial resources. The MNC's knew that there was risk involved and they needed to convince some of the other actors together with the NGOs that the projects would work.

'In the beginning when we decided to participate in this project we knew that there was quite a lot of risk involved, we were not sure if the project would work because it was challenging to get all the actors together. The beginning of the project delayed a little and we had to work hard to convince all the actors to participate.' Interviewee E

The use of voluntarism in the cooperation process also caused uncertainty. Actors were confused about the role of the volunteers. It was too difficult to coordinate actors who were involved only in the development process. Actors who were aware of the background of the project and understood the need for the new development were able to best work in the creation process. Some interviewees stated that in the end the project worked when the actors were from the same local area and a cultural bias did not exist.

'Actually what happened, was that we learned that the model doesn't work well in practice. If I am honest it was too difficult; the system was simply too complex and unknown and it was difficult to activate the developers.' Interviewee C

'This project has been very special; we have cross-sectoral actor projects in the past but the other projects were carefully planned and scheduled, this kind of voluntarism just did not seem to work, we cannot just invite everyone to join us if they are free.' Interviewee B

'We realized that the project worked here in Finland when the actors were relatively similar and there were no cultural conflicts.' Interviewee B

'Of course the global NGOs are important but sometimes it seems that the most efficient way to push the agenda through is to recognize the importance of local and small partners. The local actors are equally important as the big, global actors. They simply fill a different need.' Interviewee A

'I think that it would have been impossible to coordinate this project if all the eleven countries around the Baltic Sea would have been part in it. By concentrating and doing things well here in Finland you can increase your reputation. We would have never participated if all the countries would have joined immediately.' Interviewee C

Different expectations about the actors' roles had an impact on the amount of resources and time each organization was supposed to use in the projects. This was sometimes considered a challenge. Especially the business side felt that they did not have enough time and resources to the pro bono projects whereas some organizations in the network felt that they had used too much time and resources for such a small project. It seemed that it was not clear to the actors how many resources each organization should contribute towards the project.

'There are a lot of challenges related to these kinds of pro bono projects, at least for our organization. Getting enough resources can be difficult. We are a small country unit; we do not have resources for creative projects that need rapid implementation.'

Interviewee C

'We used time and financial resources on this project and recorded how many hours had been spent on this project; however in other organizations they were supposed to work on the project if they had spare time from their regular tasks. This conflict was clearly visible.' Interviewee B

4.3.3 Communication

Communication between the actors was generally described as positive and direct. In both cases the actors had regular meetings with each other. Emails and phone calls were most often used as the regular means of communication but also the use of Facebook and other social media forums were mentioned in some of the organizations. It was important that the case organizations were able to implement a communications strategy that best fit their size and values.

The organizations had different kinds of meetings. Regular meetings were organized in relatively small groups with the key individuals from the actively participating organizations. For the NGOs it was important to arrange annual meetings where the main funders and supporters were able to hear what kind of actions had been implemented during the past year and what kind of plans and actions had been made for the future. The business side had also arranged large meetings where various multistakeholder actors gathered together to discuss an issue or a theme.

'Once or twice a year we have a brainstorming session with our most significant partners where we discuss what has been done and plan the agenda for the next year. We have also arranged meetings where our NGO partners gather together to discuss a single theme or an issue and how this problem could be tackled with the use of technology.' Interviewee E

The Baltic Sea Action Summit arranged by the BSAG foundation differed significantly from the other multistakeholder meetings and seminars by its size and complexity. This summit was massive as it was able to gather together so many cross-sectoral leaders with power and influence from various countries around the Baltic Sea region. The summit gathered a lot of media attention and in this way increased the public's awareness of the issue. The other cross-sectoral meetings had been arranged only for relatively small groups and had not been so visible to the public.

Workshops were commonly used when the project was at its early stage and required planning, scheduling, and setting up the concrete targets for the process; however they were vital also in the sense that they enabled the cross-sectoral partners to realize what kind of capabilities and resources the other actor had. Most of the interviewees considered that workshops had been beneficial and improved mutual understanding about the issue. An interesting solution in the use of workshops was to use a third-party member; an organization specialized in creating workshops and brainstorming sessions would arrange and run the workshop. This third-party member took the responsibility of the workshop and donated the work for the benefit of the NGO.

'Many of the NGOs do not understand what you can actually do with mobile technology. They tell us what is important for them and then we propose ideas.' Interviewee A

'I was involved in one of the workshops as an observer and you can immediately tell when the right professionals are taking the lead, it was so result-oriented. Their principle is that we are not going to leave the room until we have a concrete plan of actions. For us this would be difficult to implement.' Interviewee F

'In the workshops we first explain the organizations what is our focus and goal, and how can they participate and innovate, and if they don't come up with anything on their own we can help them to create new ideas.' Interviewee J

Something that is important when improving cross-sectoral learning is the use of follow-up meetings and questionnaires. Communication should play an important role also after the project has been successfully launched. For example the Baltic Action Group Summit organized a follow-up meeting in 2011, a year after the official summit. However it would be important that a follow-up system would be used also with the small projects, because it could help actors to understand what was successful, what could be improved and most importantly if the cooperation could still be continued with a different project.

'The project has ended now but a follow-up system has not been created. It is difficult to demand one since this has been a pro bono project, in the case of sponsoring project it would be possible.' Interviewee B

Another important factor for the success of the project was to hear the ideas and suggestions from the end-users of the technological innovation and involve them in the communication process. The importance of the agenda must also reach the end-users. This means that a communicational challenge exists as the actors must spread the message forward in the network so that it reaches all the different levels. All case organizations mentioned that this was essential. For example end-users can be easily forgotten in the creation process as actors are busy working with the other cross-sectoral actors. However all of the case organizations understood that the significance of the end users and their role was taken into consideration in the development and creation process.

'A private company is involved in the project simply because they are testing this system. We have received information such as do not make it any more complicated than this; otherwise it will not be used. It is really important that we have someone who honestly says whether it is good or bad.' Interviewee F

'When the application is designed in a way that it is smart and easy to use it serves its purpose. If we start designing very complicated functions citizens cannot act as sensors and the application loses its purpose.' Interviewee G

4.3.4 Working with cross-sectoral actors

When analyzing the learning outcomes of working with cross-sectoral actors it is good to remember that the actors in the two cases had very different backgrounds. The actors' experience and knowledge from cross-sectoral cooperation with an environmental focus differed significantly as discussed in the *Case comparison* section. Other actors had been working with various cross-sectoral actors for several years while some of the actors had somewhat little experience. However environmentally focused networks are a relatively new phenomenon (Ritvala and Salmi, 2010) and therefore it is a somewhat new concept for all the actors. In the beginning some of the actors were careful about some of the actors' true motives to join the network and decided to work with actors that they considered reliable and trustworthy. However certain biases or prejudices remained during the cooperation process.

'From the beginning it was clear that some of the organizations involved were very careful about their public announcements. It seemed that some of the commitments were not new and they were simply there to convince the public.' Interviewee C

'You always have to remember that a certain 'green wash' aspect remains when you are working with the business side. However we try to make sure that our name is not being used in this kind of projects, it cannot be simply 'green washing'.' Interviewee G

When asked about possible challenges working with cross-sectoral actors, some of the interviewees thought that the values and working practices of the private and non-profit sectors differed. For example the actors' different skills, capabilities, and know-how had an impact on the cooperation process.

'Maybe one of the challenges working together with NGOs is that they live in a slightly different world than we do. NGOs rarely have skills and capabilities for example in our field, in high technology. If we want to work together and combine environmental protection and mobile technology let's say in mobile education, it requires a lot work from our side simply because the technological know-how in the other side is not sufficient. It is a slow path and it is not possible to implement projects as quickly as we would like, NGOs lack the know-how and implementation skills.' Interviewee E

Many interviewees however stated that a big difference had happened during the past ten years and the sectors had been able to come closer to each other. For example the changes in legislation have forced the business side to consider the environmental issues in advance. The atmospheres about cross-sectoral cooperation had changed towards a more positive direction.

'Change has happened during the past years, the legislation has changed and perhaps because of it attitudes have changed.' Interviewee G

'I believe that this would have been impossible ten years ago so our timing has been excellent.' Interviewee H

'I think that a huge change has happened over the past ten years. In the past the MNCs, NGOs and small foundations were quite far away from each other, the custom was that you just followed the same procedures but now the cooperation is much more integrated. However a great way to improve and learn would be to switch jobs or shadow the other key individuals if only this could be possible.' Interviewee F

'This kind of private-public sector cooperation was out of the question when I initially started working on this agenda. The atmosphere has changed in the 21st century and now we have to act according to what is possible. Our current accomplishments are an outcome of hard work in the past in different sectors.' Interviewee J

NGOs had learned different techniques when approaching the MNCs and the business side. One of the interviewees stated that the use of a third-party endorsement technique had turned out to be very successful. The NGOs had realized that it was important to push the agenda forward in many different fields. For example an organization could be

approached simultaneously through the top management and the operating staff, because the NGOs had found out that it was simply not enough to get only the top managers interested in the agenda. Very complex projects also required the coordination of many authorities and organizations and sometimes it was necessary to push the agenda through an unofficial channel.

'We used a third-party endorsement tactic when trying to convince our (foreign) partners. Our Finnish partners communicated the same message from many different directions until we had convinced them about the importance of the agenda.'
Interviewee F

'Sometimes it can be useful to act in a different way, not to use the normal path but to say things they really are.' Interviewee F

'Our goal is to spread this to the grass-roots level between corporations and public authorities, to get it into the operating fields, create concrete cooperation.' Interviewee J

'This was a classic example: when in Rome, do as the Romans do. When you talk to shipping people you need to talk like the people there talk; when you talk to officials you need to talk like the officials talk.' Interviewee H

'You need to have the support from the executive managers but you also need to find the doers who are enthusiastic about this. Just like in everything else the firm does.'
Interviewee J

On the other hand a top down agenda was necessary when a cultural difference existed. Sometimes it was most useful for an NGO to approach the legislators and the authorities before approaching any MNCs.

'The public authorities make the decisions and then the corporations step out and start offering the solutions. This is how it goes; this is where the network is based on. Our role is then to act as a catalyst and speed up things.' Interviewee J

4.3.5 Creating shared value

Creating shared value is a fashionable topic at the moment and the case organizations had understood its potential value. Creating shared value was generally described as something vital and necessary in the business world, at least according to the case MNCs. MNCs considered it important that creating shared value reaches the entire organization's core operations instead of individual projects. The NGOs also considered shared value to be an important factor in the future because they believe it brings the business world and the non-profit organizations closer to each other and helps to build innovative solutions that can have a societal value.

'We believe that creating shared value is not a new thing, we have been following it for years. We must implement a sustainability agenda throughout the organization and follow its development and new requirements. It must reach the entire organization, not just a single project.' Interviewee E

'The role of creating shared value is rising ... We became partners through concrete projects; we would have never wanted to participate by buying a partner logo with money.' Interviewee C

'We believe strongly in creating shared value. In the future the role of sustainability will come more through business operations, for example what kind of new solutions mobile technology enables. This is the direct towards we are heading.' Interviewee E

'In a way you can think that a company has to go beyond the old boundaries in a modern society, sometimes it is difficult to distinguish what is the company's responsibility as a corporation and its responsibility in the society.' Interviewee F

'Corporations have a lot of know-how that should be directed more efficiently, more efficiently towards the Baltic Sea. This way it would actually benefit the economy, because when you solve these problems quickly it becomes inexpensive for everyone.' Interviewee J

The projects had been able to benefit the case organizations through different means. New networks and contacts were one of the most important benefits for the organizations but learning more about creating shared value was considered equally valuable. For example gathering publicly available data from the various sectors of the society and using it to create new business opportunities seemed to interest many partners, both the business side and the public side. Also all interviewees stated that voluntarism and citizens acting as sensors were important aspects in these projects; and that their role was a rising trend as well.

After cooperating with the cross-sectoral actors, the organizations had learned that it is difficult to predict the outcomes of projects that implement creating shared value. As mentioned earlier there was great risk involved when the projects initially began. This is typical for innovative projects implementing creating shared value (Porter and Kramer, 2011). However the case organizations were aware of this fact but decided to participate. In both cases the actors knew that measuring the success of the projects would be difficult.

'We don't even know yet if these projects are going to succeed, we have taken a risk with (a partner cross-sectoral actor) and are hoping that it will work.' Interviewee C

'Many organizations nowadays want to create something innovative and start measuring it with the traditional and quantitative means in advance and start demanding the calculated return on investment. That is impossible though; there is no way you can know it advance if you are speaking of something so unknown, you just have to take the risk.' Interviewee C

'The ones who invest in this (creating shared value) are the best; they are the winners already in the near future. This is what is happening now.' Interviewee J

'These kinds of projects can clearly have a positive impact on the workers' motivation and the atmosphere in the organization. If the atmosphere stays positive you can be sure that something good is coming out of this but if you try to force innovation it does not work at all.' Interviewee C

However the uncertainty in the beginning might have affected the organization's willingness to turn the project into a business proposition or invest work input. If the MNC was a funder in the project it considered it important that the impacts of the project were measurable to a certain extent. Also the NGOs had realized this and concentrated on the projects that were realistic and carefully planned.

'We did think about it in the beginning and considered if there could be a business side to this project but this a pure pro bono project. However taking part in these kinds of projects is a benefit in the sense that you will create new networks that will be valuable.'
Interviewee C

'The reason why we decided to join this project that it had clearly measurable impacts on the state of the Baltic Sea and the project and a concrete and realistic plan of actions that was followed from the beginning to the end.' Interviewee E

'We must follow the situation actively and if it looks like it is not cost-efficient any more we must say no to the projects, how else could we justify them to our sponsors?'
Interviewee F

The complexity of the phenomenon was an issue that most of the interviewees stated as a challenge. The actors had learned that it was difficult to coordinate a project that was not closely tied to the organization's core operations, especially when the system or the application under development was new. Both case MNCs do not have any business operations in the field of seafaring or marine technology and therefore the projects were complex to the MNCs.

However the interviewees stated that taking part in the project had been able to benefit the organizations in many ways. In one of the case MNCs the projects had pushed the agenda of internal entrepreneurship forward. Its purpose was to allocate more resources to creative and innovative projects, similar to the case projects that were difficult to implement in other departments. The case actors had learned new ways to implement creating shared value in a small organization.

'Now we have an Intrapreneurship-project to encourage internal entrepreneurship. We have a new venue for innovation which means that I have three employees only for creative projects. Our hands are not tied anymore and now projects like this could be implemented without resource and time problems. In a way I could say that this project helped us to understand the need for internal innovation.' Interviewee C

'With our expertise we can react quickly and see that this specific and complex problem requires these key persons. We can reach the Ministry of Environment relatively quickly and advice who are the best experts in the field. We can arrange an initial meeting where the problem and the possible solutions are presented.' Interviewee F

'The fact that we can actually improve the situation and create new things through cooperation is quite amazing but it would not work without a leader or an innovator, otherwise it would stop existing.' Interviewee H

'The system has already been approved by the IMO (International Maritime Organization). This is a clear indication that when you build something in a local level it can suddenly have global effects as well.' Interviewee J

Some of the interviewees mentioned that it was relatively easy to find funding for innovative projects when they are in the development phase. However when the project should be transferred to an operating mode the funding usually ends. Often the public side, authorities or research centers, have taken the responsibility of the project once it has been launched. For example if a system has been developed together with cross-sectoral partners, it is then transferred to an organization in the public side which is then responsible for the system's operating costs and updating costs. This proves that it is important to tie the project into the organizations' core operations or this issue should be addressed in advance and the actors should decide which organization is responsible for the project's outcomes.

'The technical challenges are a problem, if we design a system it must be updated regularly as the platforms change constantly, however there needs to be someone who takes this responsibility.' Interviewee G

'The projects are carried out in a way that someone takes the responsibility of them and gets a benefit from it. At best these projects can start developing even further and benefit the Baltic Sea at the same time.' Interviewee H

'Even if there would be enthusiastic and innovative persons working on the project and it would be successful its future often depends on the resources, are there enough resources to include it in the core operations? Often the NGOs and the business side have left the cooperation at that point and if the public side views that it is not beneficial enough for the entire society it simply stops existing even though the outcome, a system for example, would be great.' Interviewee G

Certain factors can hinder the implementation of creating shared value. The case actors had learned that in the future legislation and the role of the European Union play a significant role when creating innovative solutions to help the Baltic Sea. At the moment it is difficult to coordinate the state of the Baltic Sea since all the other countries in the region belong to the European Union except for Russia. Especially the NGOs are concerned about the fact that waste water levels in the Baltic Sea are still high and the EU should implement stricter purification techniques by legal means to better control the waste water plants. At the moment EU's waste water restrictions are too loose for a vulnerable sea like the Baltic Sea and for example HELCOM has published stricter levels that could have a significant impact on the state of the sea if they would be followed in all of the countries.

However changes in the legislation take time due to bureaucracy and the complexity of the phenomenon. The case NGOs follow the guidelines of third-party research centers such as HELCOM and SYKE in Finland that advice other organizations where the biggest challenges in the ecological state of the Baltic Sea are and how could these problems solved. Also these research centers must have funding to continue their valuable research work; otherwise the projects are not based on recent and accurate findings. However most of the research centers are funded by the governments and due to the economic slowdown are worried about losing resources. The European Union has developed a special strategy for the Baltic Sea region and this strategy is hoped to provide more active and integrated cooperation in the entire Baltic Sea region.

'Research is the most important thing. Our entire operation is based on it and the research findings must be reliable and accurate.' Interviewee F

Because legislation and scientific research determine what kind of projects are needed in the future, one of the key challenges when implementing creating shared value is to find projects that can have a significant impact on the state of the Baltic Sea with efficient use of resources. One of the interviewees stated that this is an important issue in the future. If similar projects cannot be found, the NGO might either have to change its focus and plan of actions or it might have to give up on the projects if they do not fulfill the strict requirements. The organizations must therefore monitor both the situation and the projects and try to find innovative solutions that could tackle the problem with relatively small cost.

4.3.6 Local and global ties

The case projects were coordinated and implemented in a local level: some only in Finland and some in the entire Baltic Sea region. Initially some of the case organizations had thought about using the case MNCs' global networks and resources to support the project but in the end the projects were successful when they were implemented in a small region. The actors in the both cases had learned that transferring local projects to a global level was challenging. Actors realized that it was difficult to promote the projects in a global level because the projects' niche was so closely tied to the Baltic Sea and special expertise. If the project did not fit into the organization's core operations or if did not appear to be financially beneficial it was difficult to transfer it across nations. All the actors had realized the agenda's global importance and the need to transfer local innovations to a global level but in practice it was found difficult.

'We haven't transferred this project abroad because we haven't taken projects where we would have the managerial responsibility. We are a financial supporter because we do not have the possibilities to invest so much. It demands so many resources that we simply cannot do it.' Interviewee E

'Our project has a small focus area now; otherwise it would be too difficult to coordinate it. Once it is ready and operating and it has a concept we can transfer it to other seas as well. But these channels are slow and we are only interested in the Baltic Sea.' Interviewee F

'Of course we are benefitting this project in our internal Intranet and we are sharing information about things we do but we do not use it for educating people in the protection of the Baltic Sea. It is beneficial in general and for example motivates our employees when they see that we are involved in environmental protection and benefitting our country.' Interviewee E

'Our operations are fully global; it is globalizing all the time because everything links to each other.' Interviewee H

'It naturally links to larger issues; all the seas in the world have the same problems as the Baltic Sea.' Interviewee J

However if the organization was able to benefit its past experience and know-how from cross-sectoral cooperation it was in a better position. It was important that the projects were supported in the entire organization, especially the headquarters' and getting the other country units' attention was valuable.

'We were able to develop software that was built on an existing platform that had been created in our organization in the past.' Interviewee C

'It looks like they have a similar project in (another country in the Baltic Sea region); which is a good thing since originally we thought that since there are about eleven countries around the Baltic Sea and we are present in all those countries and it would be great if this idea would spread to other countries as well.' Interviewee C

'This topic actually affects all the countries (in the Baltic Sea region) which makes it quite challenging as there are so many actors and issues to cover.' Interviewee H

As discussed earlier, a big challenge when creating the new systems and innovations was that the case MNCs did not have any prior experience from marine technology as their core business operations came from different fields. The case MNCs primary markets are also outside the Baltic Sea region. This fact seemed to have an effect on how these projects were documented and shared inside the organization in a global level.

'We document and record these projects to a certain extent but not in the same way as our customer projects are being documented.' Interviewee C

'I know they haven't documented this project very well inside their organization since I met with some of their colleagues from (another country in the Baltic Sea region) and they had a very similar project there but they had no idea that a project like this had been implemented in Finland.' Interviewee G

However the projects were used to improve the country unit's profile inside the global organization and there was a motivation to spread the innovations to the other countries as well even if it was a difficult challenge in practice. Often the problem in transferring the innovation abroad is in finding the right partners and organizations that are willing to continue working with the project. It is a challenging task if the innovation or project does not have significant financial value.

'Every time we come up with even the smallest innovation we try to spread it across the organization.' Interviewee A

'We know that our headquarters are supporting this project. These projects are a way for us to intentionally improve our country unit's profile inside the organization. I can be honest, it is very important for us.' Interviewee C

4.4 Discussion

The previous section covered the main findings of this study. This section represents the discussion of the findings continuing the previous literature. The themes follow the same line as in the *Findings* section; the main findings are discussed in the light of the existing academic literature and they highlight this study's results.

4.4.1 Networking – New partners and contacts

The results from this study revealed that the amount of new contacts and partners was an important motivation factor when joining the network. Actors were able to form new contacts and find possible partner organizations. It seemed that the actors were satisfied with the new networks and considered them valuable but some of the actors also stated that the new contacts had not directly led to any new projects or partnerships.

The value of local networks has been discussed widely; especially the subsidiary's local networks have received attention (Andersson et al., 2002; Forsgren et al., 2000; Ghoshal and Bartlett, 1990; Ghoshal and Noria, 1997). Andersson et al. (2002) and Malnight (1996) argue that access to local networks through subsidiaries is one of MNCs competitive advantages. If the local networks are efficiently benefitted and used within the MNC they can provide valuable opportunities for the entire organization. For a subsidiary or a country unit the local networks can have a significant impact on its market performance; the relationships with competitors, local authorities, and trade unions are all important (Andersson et al., 2002). Cruz and Pedrozo (2009) argue that the cross-sectoral partners, such as the non-profit organizations, should be considered equally important for a subsidiary or a country unit.

It became clear in this research that the actors had understood the value of cross-sectoral partners and the local network's importance. However the case projects were problematic in the sense that they were not closely related to the case MNCs core operations. Through the case NGOs the MNCs were able to solve new contacts and vice versa but because their fields of operation were so far away from each other it was difficult to directly say that the contacts had led to new projects.

The true value of the networks and contacts will emerge in the future. In an ideal situation the new contacts and networks will result in future projects that will be beneficial for all the actors. An important subject that has received some attention in the literature is the management of the networks and contacts. In the future the actors need to be active and seek for new opportunities (Borgatti and Cross, 2003). The networks' value should not be neglected even if they are not from the organization's own field. Organizations need time and resources to maintain the new networks and contacts. If the actors neglect their importance and do not pay any attention to the networks, they easily stop existing. In this research it seemed that maintaining the relationships with the other actors was in the responsibility of certain key individuals who were coordinating the projects. If these people would leave the organization, there is a risk that the social networks would be lost and the cooperation would end simply because there would no longer be a key person with a personal interest in the matter in the organization.

Borgotti and Cross (2003) have discussed this topic and argue that key individuals' social networks have a significant value for the entire organization. The social networks can improve organizational learning but that the key is in information-seeking behavior. The actors need to learn where the correct information can be found and who are the key persons to turn to (Borgotti and Cross, 2003). However maintaining these relationships requires close linkages (Andersson et al., 2002). One member's expertise and knowledge can benefit the network if the linkages are close enough (Andersson et al., 2002). Therefore it would be important that in the future the case actors would continue their cooperation in a way or another and maintain the relationships to better to learn from each other.

4.4.2 Role ambiguities and expectations

The findings of this research indicate that the roles of the actors in the cooperation process were not clear which seemed to cause some uncertainty among the actors. The actors were not aware how the managerial responsibility was divided between the actors and how much resources and time each organization was supposed to allocate towards the project.

In the past literature the power and leadership within a cross-sectoral network has been widely discussed (Andersson and Sweet, 2002; Eesley and Lenox, 2006; Hadjikhani and Ghauri, 2001; Mouzas and Naude, 2007). Mouzas and Naude (2007) argued that the power distribution inside a cross-sectoral network is subject to change constantly as the dynamics in the network change. The findings of this research indicate that actors in an environmentally focused network do not directly compete against each other to gain a stronger position in the network; however the actors want the project to match their organization's core values and this issue can affect the way power is distributed inside the network.

The case NGOs had significant roles in the networks. They were able to coordinate the cooperation with the case MNCs and other actors in the network. This goes in line with the past literature. The role of an initiator or a leader in the network is necessary to balance the network and define the rules and communication methods (Kjellberg and Helgesson, 2006; 2007; Roloff, 2008). Often the role of the initiator naturally falls on the actors with strong political ties and the ability to influence the other actors in the network (Hadjikhani and Ghauri, 2001). Roloff (2008) has argued that the initiator's knowledge over the issue also has a significant impact on the way the network functions. Therefore we can argue that the NGOs role as an initiator in the network is critical in many ways.

The roles of the actors were more certain when the actors had known each other for a long time. The findings indicate that when the actors had worked together for several years they had learned to know each other better and had created a stable system of network dynamics. This went in line with the past literature; actors in a network build relationships slowly and increase the amount of trust and commitment gradually

(Andersson et al., 2002; Ford, 1997; Håkansson and Snehota, 1995; Larson, 1992; Uzzi, 1997). Andersson et al. (2002) claim that actors must learn the way the other actors in the network do business. Once the actors have learned to know each other they are able to exchange information more efficiently (Andersson et al., 2002).

4.4.3 Communication

Communication among the actors in a cross-sectoral network has received a lot of discussion in the past (Burchell and Cook, 2006; Crane, 1998; Roloff, 2008). The actors in the research stated that communication with the other actors had been positive and straightforward. However the uncertainty in the actors' roles indicates that some problems have existed in the communications process.

Stakeholder dialogue has been addressed by many researchers in the past. One of the current problems with stakeholder dialogue is that it too often means one-sided communication where one actor informs the others about a specific issue (Burchell and Cook, 2006; Roloff, 2008). This means that interactive discussion does not happen and actors are not able to learn from each other.

In this study the actors in both cases met regularly and participated in various meetings and workshops. The use of workshops between cross-sectoral actors is a fairly new phenomenon. For example Halonen et al. (2010) researched the use of workshops and found that workshops were beneficial especially with cross-sectoral actors. Previously there had not been venues for the cross-sectoral partners to discuss and create new innovative solutions. The case actors stated that often the other actors in the network were not aware of what kinds of skills and capabilities the other side obtained. The case MNCs stated that especially the technological solutions were unfamiliar to the non-profit organizations. This research goes in line with the past literature: workshops can improve continuous learning and innovation through cross-sectoral workshops. The actors need to understand their partners' backgrounds, motivations, needs, and priorities in order to cooperate successfully. This is not possible without efficient communication between the actors.

The role of an initiator in the network has been highlighted in the past literature as discussed earlier (Crane, 1998; Kjellberg and Helgesson, 2007; Roloff, 2008). The initiator often takes the responsibility of informing others and guarantees that the communication between the actors is efficient (Kjellberg and Helgesson, 2007; Roloff, 2008). In this research the role of the initiator fell on the case NGOs because of their expertise and knowledge in the issue. The NGOs were responsible that the actors in the network were communicating with each other and that they were all informed about the agenda's importance. Therefore we can agree that the role of an initiator in a network is necessary when improving the communication between the actors. For example the Baltic Sea Action Summit has already proven that in the future new venues are needed for new kind of dialogue that crosses sectors and borders but there has to be a catalyst or an initiator that makes it possible.

During the research process some of the interviewees stated that a follow-up system had not been used after the projects ended. Also the follow-up systems are an important part of the communication between the actors. This subject has not been discussed in the past literature. In the future an effective follow-up system should be created when the projects are initially launched. Otherwise there is a risk that the actors are not able to indicate what were the challenges or successes in the implementation phase. A survey or a questionnaire might be very useful for the project's initiator but it does not help the actors in the network to learn from each other. The actors should be able to communicate with each other at all times. However this is problematic in projects that are implemented as pro bono projects, because the actors in the network do not want to spend too much time and resources on them. This is a problem that needs more attention in the future.

4.4.4 Working with cross-sectoral actors

The findings of this study indicate that the case actors had learned more about working with cross-sectoral actors. Especially actors who had cooperated for a long time had been able to learn each other's working practices and organizational values. Also the changes in legislation had forced the actors to increase their cooperation and therefore the situation had improved significantly during the past ten years. However the actors' responses revealed that certain prejudices about the other actors still remained a problem as briefly mentioned earlier.

Similar findings have been found in the early researches on environmentally focused networks (Andersson and Sweet, 2002; Crane; 1998). An environmentally focused network has actors from very different fields and these cross-sectoral actors represent the business side, the public view and the non-profit organizations. Often these actors have a very different view on the societal agenda and they might also have prejudices against the other actors and their motives to join the network (Crane, 1998). These issues affect the way the actors communicate between each other and the way they learn from each other. In this research the case actors were very aware of the societal problem, the state of the Baltic Sea but especially the business side had little information about the ecological facts. The case NGOs were able to consult marine biologists and hear about the latest research findings but often the business side heard about the latest findings from the NGOs. If the case actors have very different views about the societal problem and how to solve it, cooperation in the network can be very challenging. Then it easily turns into a struggle of power (Mouzas and Naude, 2007).

In 1998 Crane argued that environmentally focused networks, 'green alliances', can easily fail if the actors have very different organizational cultures. Crane (1998) was one of the first researchers who discussed environmentally focused networks and their outcomes. Crane (1998) found out that the actors' backgrounds and working practices complicated the cooperation; if the actors were not aware how the other organizations typically addressed complex problems it was difficult to find mutual solutions inside the network. As previously discussed the best way to overcome this problem is to encourage open and interactive communication among the actors. Crane's (1998) findings go in line with this study: if the actors have information about the agenda and

they have learned to know each other's working practices, they are able to cooperate and create innovative solutions.

An interesting phenomenon that has not received much discussion in the past literature is the way the actors approach new partners. The case NGOs described how they had learned different ways to approach the possible partners and enter the field. The case NGOs had learned that it was necessary to push the agenda forward in many sectors. Often the most efficient way was to reach the top leaders and politicians to fasten the agenda's processing. The business side was accessible through two ways: either from top-to-down or bottom-up, both ways had proved to be successful. In the past literature there was little mentioned about this subject. Many researchers have noted that the initiators in the networks often have strong political ties (Hadjikhani and Ghauri, 2001; Roloff, 2008; Wilson et al., 2010) but they have not addressed how these initiators have formed these contacts. In the future it will be important to analyze how single actors can access large networks and maintain the relationships in these networks.

4.4.5 Creating shared value

The results of this study indicate that the projects that were implemented in cooperation with the case actors followed the creating shared value phenomenon to some extent. The actors had cooperated together to improve the complex and societal problem and had used innovative means when creating the solution but creating shared value was implemented differently in the case MNCs. There is only little research available from creating shared value; for example its role and importance inside the MNC have not been researched.

Creating shared value is considered to be a rising trend in the existing literature even though the concept has been recognized for a long time (Halme and Laurila, 2009; Porter and Kramer, 2011). The most cited definition of creating shared value comes from Porter and Kramer (2002, 2006, 2011) but the phenomenon has been addressed by Halme and Laurila (2009) among other researchers but through slightly different terms. The basic idea has been that cross-sectoral cooperation can enable benefits for all the actors; when a complex and societal problem will be solved it will increase the society's wellbeing and it can improve the business side's financial performance. Porter and

Kramer (2011) argue that creating shared value has different levels or stages and an organization can implement it simultaneously at all the levels. The three levels include sustainable products and markets that can promote human welfare, integrating crating shared value into the organization's value chain, and creating local clusters to support cooperation and innovation (Porter and Kramer, 2011). It seems that the MNC is fully exploring the creating shared value ideology if it actively seeks for new partners and implements innovative solutions in fields that it has not explored in the past. Philanthropy alone should be left in the past because it cannot alone provide sustainable solutions; philanthropy should be replaced with active cooperation.

The two case MNCs operate globally around the world. Both of them have a very comprehensive and integrated sustainability agenda. Creating shared value was a familiar concept to them and the interviewees stated that it was important to integrate creating shared value to the entire organization and its core operations. However most of the case MNCs sustainability projects are carried out in developing countries where the need for improvement is most vital. Creating shared value is a common trend in the United States but in Europe its role has not yet been significant. For example in Finland the comprehensive welfare system has pushed the responsibility agenda to the state and the government; the business side has not been liable for the country's welfare in the past. Based on the interviewee responses it seems that creating shared value is a rising trend; many interviewees stated that they considered it very important and it had been recognized in the organization for a long time. However it also seemed that creating shared value had not been fully explored and exploited to its full potential in Finland. Many potential opportunities exist but the MNCs are careful and do not want to impose too much risk. It would be important to have more research about the creating shared value agenda in Europe since the past literature has not addressed this question. The phenomenon should be researched in developed and developing countries.

Participation in the projects was able to push the creating shared value agenda forward in both case MNCs. It was clear that if the MNC participated in the projects actively with work input and creative solutions it was able to learn more from creating shared value. Participation in the projects and the cooperation improved internal entrepreneurship inside the MNC; the organizations also understood that similar

projects needed specific resources that could enable creative action and rapid implementation. If the MNC is hesitant about changing its sustainability agenda towards creating shared value it can lose many opportunities.

There is also little research about how the implementation of creating shared value differs across subsidiaries or country units. Hudson and Allen (2006) have researched this phenomenon and argue that if creating shared value will become a strategic competitive advantage for an MNC, it should carefully address whether it has a global or local corporate responsibility agenda. The results from this study indicate that the management of creating shared value differs across subsidiaries or country units. The case MNCs had several simultaneous projects around the world that were benefitting global and societal welfare but as previously discussed the projects seemed to differ from each other. The next section will address what is the role of a local sustainability project in a global level.

4.4.6 Local and global ties

The projects that were created in cooperation with the case actors have the potential to spread globally: all the seas in the world suffer from similar problems as the Baltic Sea. However actors realized that it was difficult to coordinate the projects in the implementation phase if the actors came from different countries and backgrounds. Continuing the previous discussion about creating shared value, in the future it will be important to analyze how local sustainability projects can be transferred to other contexts and benefit the entire MNC (Andersson et al. 2002).

Locally created innovation has been addressed for example by looking at MNC-subsidiary relations. Birkinshaw et al. (2005) argue that the subsidiary's entrepreneurial behavior is related to its financial performance. Innovations are best created when they are both realistic and desirable (Mohr, 1969); therefore the subsidiary's or country unit's motivation has an important role when creating innovation. This was also the situation in the case MNCs. The participation in the case project was able to improve internal entrepreneurship inside the MNC's country unit. In the long run the internal entrepreneurship program can provide financially beneficial opportunities for the country unit and lift its position inside the entire MNC. It is also important to note that

many interviewees stated that the projects were coordinated by a couple of enthusiastic key persons inside the organization and therefore in the future it will be necessary that the subject's importance is well understood throughout the organization.

In general subsidiaries or country units are in a strategic position: they are constantly in a dual position between the internal and external operating environments and this requires balancing between competition and collaboration with the sister subsidiaries (Birkinshaw et al., 2005). The subsidiary should maintain close linkages to its local environment but actively cooperate with the MNC's internal network. The local networks have been argued to be most beneficial for an MNC but it requires that the knowledge and resources are transferred to the entire MNC's use (Andersson et al., 2002; Malnight, 1996).

The outcomes of the case projects have yet not transferred abroad. They have the potential as previously mentioned but the process is slow due to many reasons. Complex and societal problems require fast action and therefore it is a big challenge that implementing sustainable solutions takes time. In the future it will be necessary to address how cross-sectoral actors, such as MNCs, could spread the innovative solutions globally as quickly as possible. This problem has not been addressed in the literature. One of the solutions could be that the projects are included in the organization's core operations but it is equally important to spread the innovation simultaneously in many sectors and fields.

The findings from this study have revealed that cross-sectoral cooperation can provide many opportunities for its actors but the cooperation process can also be challenging if the actors come from very different sectors and backgrounds. The role of cross-sectoral cooperation will rise in the future and therefore more emphasis should be placed on the flow of the cooperation process. Efficient communication between the actors, the use of internal and external networks, and a creative and innovative mindset are some of the key factors in the cooperation process. The success of cross-sectoral cooperation often depends on the key people behind the project but it is equally important to guarantee that the outcomes of the cooperation will be efficiently managed; the knowledge that

has been gathered from the process should be spread throughout the home organizations even if it means crossing borders.

5 CONCLUSIONS

This final chapter concludes the study. It begins with a summary of the research and then presents the theoretical contributions that this study adds to the existing literature. The managerial implications present the main issues and themes that organizations and managers should address carefully. The last section provides suggestions and ideas for further research.

5.1 Summary

The Baltic Sea has always been integrating the Nordic countries, the Baltic countries, Russia, and Central Europe together in a way that is quite remarkable. Goods and products have changed owners, languages and traditions have mixed and close relations have been formed while the years have passed. Even the Cold War did not end the cooperation even though it did create an unusual situation. Now the borders have been open for over 20 years and things have gone towards a positive direction.

In August 2012 the Baltic Sea region is still a very integrated area. However the global recession has had its impact also on this region even if has survived well in a global level. The European Union, the rise of Asia and the BRIC countries (Brazil, Russia, India, and China), increasing demand on natural resources, and the global recession have changed our focus to global issues. In the middle of the global phenomena it would be extremely important to look around in the local environment and see what could be done here. Many organizations have understood that local agendas are as important as global agendas since in the end they are all linked to each other.

The purpose of this study was to analyze the process of cross-sectoral cooperation between two NGOs and two MNCs. Two cases with different actors were able to provide an interesting comparison. The data collection covered also partnering organizations, because the cooperation was linked to a larger network. This study had two special focus areas: learning and creating shared value. It was important to analyze what the actors had learned from cross-sectoral cooperation during the past years. The actors' motives to join the network, the challenges and successes in the cooperation process, and the actors' roles in the network were among the key issues to analyze. The phenomenon of creating shared value was researched in the cooperation process. The

actors reflected their opinions about this idea and explained whether it had played a role in the cooperation process.

Several interesting themes emerged from the main findings. In general cross-sectoral cooperation and creating shared value will have a significant role in the future. However actors who participate in an environmentally focused network and cooperate with various organizations need to learn how to work with these new actors from very different sectors. The more experience the actors will be able to gather, the better they are prepared for the future.

The research process has been an interesting journey for the researcher. Networking and cross-sectoral cooperation were a subject that had interested me for a long time but when the phenomenon was tied to an environmental setting it made it even more fascinating to research. All the persons that were interviewed were very enthusiastic about the subject; they were committed to the issue and had realized its importance long ago. Meeting these people and hearing their thoughts about the phenomenon was very rewarding. During the data collection process it was very important that the interviewees were able to reflect their personal views and ideas about cross-sectoral cooperation and the particular cases. They described it based on their individual experiences and know-how. Therefore this study is constructionist in nature (Healey and Perry, 2000). It represents only one version of the reality and is subjective, but it is an interesting story with an important cause.

5.2 Theoretical contributions

The actors' roles inside the network have received much discussion in the past literature. This study confirmed that the roles of the actors in an environmentally focused network are significant. The actors need to know their place in the network and what is expected of them. The network should be coordinated by a leader or an initiator who divides the managerial responsibility and the specific duties inside the network. This helps the network to function efficiently as a certain organization is in charge of the process and knows how the responsibility should be divided. The role of a leader or an initiator inside the network has received much attention in the past literature. The issue is very significant in an environmentally focused network since the cross-sectoral actors are not

often familiar with the complex and societal problem, such as the state of the Baltic Sea in this research. The role of the initiator or the leader therefore falls on the actor who has the best experience from cross-sectoral cooperation and the issue in hand. The findings of this study indicate that the role of the leader inside the network best suits a NGO, because it can act as a catalyst between the authorities and the business side.

Communication between the actors is vital in an environmentally focused network. The actors need to actively share their views and knowledge and learn to know each other better. Communication and knowledge sharing inside the network has also received a lot of discussion in the past. The results from this research indicate that when the actors know each other's working practices and organizational values, they are able to best learn from each other and cooperate. Many researchers have had similar findings: mutual trust and commitment towards the issue are also critical for the projects' success. Workshops have a significant role in improving cross-sectoral cooperation, it enables continuous learning and supports innovation; the findings from this study go line with the past literature.

The findings from this research strongly indicate that the role of cross-sectoral cooperation and creating shared value will rise in the future. Porter and Kramer (2002; 2006; 2011) among many other authors, such as Halme and Laurila (2009), have been able prove that creating shared value as a phenomenon is spreading across the world. Hopefully this research can increase the awareness of the issue in Finland. European companies have yet not fully implemented the creating shared value ideology and therefore many opportunities exist. The gradual change from philanthropy towards creating shared value takes time and resources. One of the most important findings in this research indicates that cross-sectoral projects should be closely tied to the organizations' core operations; this way they have a higher probability of succeeding. Porter and Kramer (2006; 2011) have also highlighted this fact and argue that it can turn philanthropy to a strategic competitive advantage. Locally created innovations can be transferred across nations if they have a strategic importance. Many researchers have addressed this question in the past. Local innovations can provide their creators a strategic competitive advantage if they are implemented in the right way. The role of local innovations will rise in the future and MNCs need to understand their importance.

However it is important to remember that this study has been a Master's thesis and it is small in scale but it has been able confirm some of the key issues in the findings of the previous studies and explored new areas that have not been addressed in the past.

5.3 Managerial implications

Managers and organizations need to understand the agenda's importance; sustainability is not a passing trend but the new future. Cross-sectoral cooperation and creating shared value will have a significant role in the future; it will affect the way organizations operate in the business world and change its dynamics. Organizations and managers need to understand that the world has changed so radically during the past years that new solutions and innovations are needed to solve the existing problems.

Cross-sectoral cooperation seems to be most successful when the network has a leader and all the actors have specific roles and the managerial responsibility has been divided. A good way to avoid uncertainty and confusion in the network is to agree on the project's life-cycle in advance. Managers should decide who are responsible for the project's implementation phases and who will own the outcome once the project is ready. Especially funding is a problematic issue; its role is uncertain in the beginning but also this should be planned for the future.

Managers and organizations should actively seek for new partners and focus areas. It is time to leave the old prejudices and assumptions behind and stay open-minded and creative. Cross-sectoral cooperation and creating shared value might sound risky and managers can be very uncertain about them. It is natural that there is always risk involved; it is difficult to predict the outcomes of innovative solutions. The beginning is always challenging. Managers and organizations should understand that the process evolves gradually. The more experience actors have from cross-sectoral cooperation, the better they are able to cooperate together. It takes time to learn about different actors' working practices and values. For example NGOs should take into consideration the business sector's working practices and use the same approach when working with the business sector and approaching new partners.

If one project fails it does not directly indicate that cross-sectoral cooperation between the specific actors should end; rather it gives the organizations and the managers a chance to improve their actions in the future. Learning is the key in improvement, because sustainable actions and solutions are the future. The ones, who understand its importance now, will have a strategic competitive advantage in the future. Therefore managers and organizations must learn techniques that will allow them to access and obtain knowledge quickly.

5.4 Suggestions for further research

The themes in this thesis are generally quite novel in the existing literature and therefore there are many areas that need more research in the future. The research topic, learning from cross-sectoral cooperation, requires more accurate and detailed research in the future. The phenomenon should be researched in various organizations and sectors before there is enough evidence to prove the findings of this study. In the future it will be important to address cross-sectoral cooperation in different contexts, for example comparative researches between developed and developing countries are important. This study was small in scale and closely tied to a Finnish setting; therefore it is not possible to generalize from these findings. The case actors have proven to be interesting organizations to research. For example the Baltic Sea Action Group is an interesting case. The way the foundations develop and expand their operations in the future are possible research topics; the directions of the future can probably be seen in the next two to five years.

The outcomes of cross-sectoral projects should be carefully monitored over the next years. It will be important to analyze whether the projects have ended or if they have developed any further. It is good to remember that the outcomes of the projects might have a significant value in a global level but this path might take some time. Creating shared value in general has many areas that need more research in the future; researchers have just begun to explore its possibilities. An interesting and possible theme could be the way MNCs manage and implement creating shared value across nations.

A theme that several interviewees mentioned is the collection of open data from various sectors of the society. Information about water consumption, energy consumption, and traffic together with many other areas can be linked to business opportunities. For example IBM's Smarter Planet program aims at this. Data collection, data processing, and data analysis will be important themes in the future that require research. Also the rise of voluntarism and citizen activism need more attention as their roles will have an impact on cross-sectoral cooperation.

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APPENDIX: Interview questions

The following interview questions were used as an interview guide (Patton, 2002). The questions were modified to suit the interviewee's background and home organization but the themes remained the same in each interview.

Interviewee's background

Could you tell me a little bit about your background; how long have you been participating in the cooperation?

The beginning of the cooperation

How did the cooperation initially begin? What were the main motives for your organization to join the projects?

What was your organization's role in the cooperation process?

Learning from cross-sectoral cooperation

How would you describe the cooperation process?

What has been positive about the cooperation? Have there been any challenges with the cooperation process?

What has been learned during the years of cooperation? For example about working with cross-sectoral actors or other important factors that have helped to improve the cooperation.

Can the learning experience be transferred across borders or does it remain in the home organization or even with certain individuals who have contributed to the projects?

Communication

How does the communication happen between the different cross-sectoral actors?

Are relations to other actors (for example NGOs) formal or informal?

Is there a need for better communication methods or regular meetings with the cross-sectoral actors? For example workshops, seminars, or other venues for open dialogue.

What are the biggest challenges in communication between cross-sectoral actors?

Creating shared value

There is a growing trend of companies shifting from philanthropy towards creating shared value; what is your personal view on this? Could it be the next big thing in economic growth and success?

Have these cross-sectoral projects followed the principles of creating shared value?

Does this cooperation project with the cross-sectoral actors contribute to your organization's business performance in any way? Could this even be measured?

The outcomes of the cooperation

What has been accomplished with the cooperation so far, for example concrete targets and milestones?

Has the cooperation with the other actors brought any new cross-sectoral partners or business partners to your organization?

Has the cooperation had an impact on other future projects, perhaps similar to this with an environmental focus?

Local and global ties

How significant is the project's role in a global level? Are innovations or techniques used in this project being transferred around the globe for the use of other projects?

How freely is your organization able to implement local CR projects similar to the Baltic Sea project or are CR projects always coordinated by the headquarters?

Are there any other projects in the organization related to cleaner oceans or purified drinking water?

Future

What kind of challenges are there in the future? How can we prepare for them?

Is there anything else you would like to add or comment?