Chapter 9: Managing issues through cross-sector collaboration: Unilever and Greenpeace
Sharyn McDonald

Chapter Objectives

- Proactive strategies towards issue management can avert crisis
- Cross-sector collaboration can lead to sustainable solutions.

Introduction

Proactive issue management, where organisations identify key stakeholders, and consider themselves as part of a solution can avert crisis and reap the reputational advantages as change makers. Stakeholders are defined by (McIntosh, Leipziger, Jones and Coleman, 1998) as individuals or groups that may have an impact on an organisation or who may be impacted upon. From this definition it is clear to see that no one channel or message will appeal to all. As such, effective dialogue must occur with a range of stakeholders which includes internal stakeholders and external stakeholders. All have specific wants and needs which ultimately may change over time.

Growing stakeholder expectations are being acknowledged by many private sector organisations, or for-profit organisations (FPOs). In the past, it was accepted that the role of a FPO was to meet demand whilst generating a profit thus meeting economic requirements. Added to this was the need to work within the laws governing their operation, thus meeting the legal requirements. However, over time, stakeholders have demanded more; FPOs are increasingly expected to demonstrate their contribution to society. Many FPOs fulfil such obligations through strategic Corporate Social responsibility (CSR) initiatives.

While some FPOs simply react to the negative impact they have on communities and the environment as and when necessary, others adopt a more proactive approach. The later may be considered strategic for they are aware of issues that need attention and can structure their CSR initiatives accordingly. Some address their CSR responsibilities alone using in-house expertise,
while others have forged relationships with members of the nonprofit sector to enact their CSR agenda (Husted, 2003). Emerging are best practice exemplars of resultant cross-sector collaboration.

This chapter focuses on global manufacturing giant, Unilever, who have reached the pinnacle of cross-sector collaboration with a range of different nonprofit organisations (NPOs). Of particular interest is their dynamic relationship with Greenpeace. Over time, both organisations have adapted their strategies and tactics to meet stakeholder expectations and solicit change. Focusing on the very successful 2008 campaign led by Greenpeace, this chapter exemplifies the importance of being proactive, reacting to crisis in a timely manner, and a willingness to embrace responsibility. United, both organisations have positively altered the fate of Indonesia’s forests whilst demonstrating the influence of cross-sector collaboration.

**Cross-sector collaboration and issue management**

Seminal articles on CSR date back to 1970s (Carroll 1979). Over time, CSR has transitioned from an ‘add on’ activity that few FPOs engaged in towards an integrated approach to business activities. The tide has turned and it is reasonable to expect that FPOs will assume responsibility and repair, restore and support any impact they may have on the environment and the communities in which they operate. While there are still some FPOs who do not invest in society, or who choose to only fulfil basic stakeholder expectations, there are others who are leading the field and have taken CSR to new heights. These organisations are proactive and strategic in the manner in which they deal with social and environmental issues. As a result, they are generating positive changes both locally and globally. As such, social investment initiatives not only fulfil an organisations CSR agenda but have become models of best practice towards resolving societal problems.

Speculation surrounds who should be responsible for the management of issues, particularly those that fall outside the scope of business activities. Overall there is growing recognition that the public (government) sector has insufficient resources to resolve all of the problems society
faces and as such they are reliant on the support of other sectors to fill this void (Austin, 2000a, 2000b; Googins & Rochlin, 2000; Waddock, 1988).

It would be unreasonable to assume that any one sector should be responsible for resolving society’s ills, yet there is mounting pressure on the private sector to take the lead. Realising that FPOs do not have the expertise, knowledge and skills to address broader societal issues, they have turned to the nonprofit sector to fill this void. Resultant cross-sector collaboration sees organisations work together with the FPOs injecting much needed financial resources into initiatives guided by the skills and expertise of NPOs. The result is a win-win-win situation for the private and nonprofit sector partners and the communities they serve.

Cross-sector collaboration has become an important tactic for some NPOs; together they exploring new ways of addressing their missions (Murphy & Bendell, 1999; Rondinelli et al., 2006). Organisations from the nonprofit, private and public sectors may link or share resources and skills to help each other resolve a problem or search for a solution that alone they would be unable to achieve (Bryson, Crosby and Middleton Stone, 2006; Gray, 1989).

While entering into relationships with the private sector has become an acceptable, viable option (Austin 2000a), not all NPOs wish to collaborate with businesses. Collaboration represents a shift in thinking from the nonprofit sector, particularly those that traditionally employed adversarial tactics. A NPOs organisational strategy may provide an indication of their willingness to collaborate. Elkington and Fennell (1998) classified NPOs according to their organisational strategy which reflects their operational practices or tactics, their level of influence on other stakeholder opinions and their representation of public opinion. They referred to this as ‘typology’ (Elkington & Fennell, 1998); the style a NPO adopts is dependent upon the nonprofit ideology, skills, campaign success or behaviour, and responsiveness to business.

A spectrum of NPO typologies can be visualised, ranging from adversarial through to collaborative. Adversarial NPOs adopt a confrontational approach with many regarding collaboration with the private sector as a risk to their values and reputation. Adversarial tactics include confrontational activities such as media campaigns and boycotts which are used to force
change amongst organisations that are deemed to be impacting society and/or the environment. In their fight for marine protection, The Sea Shepherd Conservation Society is an example of a NPO that utilised adversarial tactics. Organisations employing such tactics are labelled as ‘polarisers’ (Elkington & Fennell, 1998) or ‘protesters’ (Ählström & Sjöström, 2005).

While confrontation and campaigns that single out organisations may be the preferred tactics of a polariser, others will adapt their range of tactics to suit the situation as it unfolds. There are times when dialogue can work just as effectively. While this may not be considered a truly collaborative approach, periodic exchanges of formal or informal communication (Elkington & Fennell, 1998) ensures private sector organisations are aware that there activities are being watched and noted.

The other end of the spectrum sees NPOs that are willing to collaborate with the private sector, however, there are differences as to how they will engage. Bendell supported the notion that there is a growing trend toward more collaborative styles of behaviour (2000). Here NPOs choose to promote, facilitate and produce change through negotiated agreements, consultation and providing alternatives. NPOs employing such tactics are labelled as ‘integrators’ by Elkington and Fennell (1998). The ‘integrator’ category as described by Elkington and Fennell (1998: 58) is the hardest strategy for NPOs to adopt, but the one to which they most aspire, mixing their skills as integrators: “trust, openness, and willingness to understand the other’s perspective” with the credibility they convey as discriminators; seeking “interesting projects requiring a sophisticated and intelligent approach”.

Cross-sector collaboration takes many forms. Once a decision to collaborate has been made, the type of activity and degree of collaborative commitment needs consideration. When grouped according to the amount of engagement that exists between partnering organisations, there are three general classifications of cross-sector collaborations that have been summarised by Austin (2000a, 2000b): 1) Philanthropic, 2) Transactional and, 3) Integrative. Contributions from several authors investigating cross-sector collaboration have provided further expansion of Austin’s (2000a, 2000b) three general classifications. Table 1 provides a synthesis of activities
relevant to each type of relationship, noting the subtle differences and associated benefits for participating sectors.
<table>
<thead>
<tr>
<th>Collaboration</th>
<th>Type of Relationship</th>
<th>Activities</th>
<th>Commitment</th>
<th>Business Benefit</th>
<th>Nonprofit Benefit</th>
</tr>
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<tbody>
<tr>
<td>Philanthropic</td>
<td>Corporate Philanthropy</td>
<td>Charitable donations, in-kind contributions or gifts from the business to the NPO.</td>
<td>Lowest</td>
<td>Tax write-off, public relations, business rationale, alignment, brand recognition, reputation/image, reach new target market.</td>
<td>Finance, application toward NPO cause/goal.</td>
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<td></td>
<td>Corporate Foundation</td>
<td>Grants or charitable donations through separate NPO entity created by a business.</td>
<td></td>
<td>Reputation/image, reach new target market/increase awareness.</td>
<td>Finance, application toward NPO cause/goal.</td>
</tr>
<tr>
<td>Transactional</td>
<td>Licensing Agreements</td>
<td>Business use NPO name for a fee or royalty.</td>
<td></td>
<td>Increased revenues through increased sales, reputation/image.</td>
<td>Finance, increase awareness, application toward NPO cause/goal.</td>
</tr>
<tr>
<td></td>
<td>Commercial Sponsorship</td>
<td>Business exchanges cash or in-kind contributions for NPO promotion of product or service.</td>
<td>Highest</td>
<td>Reputaiton/image, reach new target market/increase awareness, advertising, increased revenues through increased sales.</td>
<td>Finance, application toward NPO cause/goal.</td>
</tr>
<tr>
<td></td>
<td>Business resources meet social needs and receive compensation rewards.</td>
<td>Reputation/image, reach new target market/increase awareness, social responsibility, compensation rewards.</td>
<td>Finance, application toward NPO cause/goal.</td>
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<td>Socio-Sponsorship</td>
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<tr>
<td>Cause-related Marketing (or Transaction-Based Promotions)</td>
<td>Percentage of revenue generated from business sales is donated to a publicised NPO cause.</td>
<td>Increased revenues through increased sales, reputation/image, and increased goodwill.</td>
<td>Finance, increase awareness/expo, application toward NPO cause/goal.</td>
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</tr>
<tr>
<td>Integrative Partnership Approach</td>
<td>Cross-sector collaboration to solve social problem of mutual concern. Aim to create new value together.</td>
<td>Reputation/image, changes to administrative system, social relations, physical infrastructure. Innovation opportunities.</td>
<td>High NPO control, application toward NPO cause/goal, changes to administrative system, social relations, and physical infrastructure. Innovation opportunities.</td>
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<td>Social Partnerships</td>
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<td>Alliances</td>
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<td>Joint Ventures</td>
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</tbody>
</table>

Table 1: Types of Nonprofit and Business Collaboration
Source: (Adapted from Austin, 2000a, 2000b; Elkington & Fennell, 1998; Hartman & Stafford, 1997; Kanter, 1994; Samu & Wymer, 2001; Seitanidi, 2006; Seitanidi & Ryan, 2007; Waddock & Post, 1995; Wymer & Samu, 2003, cited in McDonald, 2010:15)
Nonprofit acceptance of private sector involvement can be considered a positive turning point for innovative solutions towards issue management. The realisation that the private sector can help NPOs achieve solutions toward their social and environmental objectives, Heap (2000) believed, has contributed to an increase in the number of cross-sector collaborations. This is supported by Milne, Iyer and Gooding-Williams (1996: 203) who suggested that environmental organisations in particular, “are abandoning the "us versus them" mentality with regard to business by allying themselves with businesses to better pursue mutual goals”. In describing the benefits of adopting an inclusive strategy, Lyons (2007) believed NPOs that partner with private sector organisations can create faster, necessary and far-reaching changes.

**Case Background**

Unilever is a global consumer goods company that own and manufacture a range of products including food, beverages and toiletries. Included in their portfolio are well known brands such as Dove™ hygiene products, Flora™ margarine, and the Omo cleaning range (Unilever, 2013a). Unilever globally employ 171,000 people, sell products in over 190 countries, and estimate that two billion consumers use one of their products on any given day (Unilever, 2011).

Evident throughout their history, Unilever pride themselves in their underlying values. They began in the late 19th century with products that sought to improve the health and hygiene of their employees and continue today with the ethos “that success means acting with 'the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live’” (Unilever, 2013b). Their social and environmental investment which includes philanthropy, innovative campaigns and sustainable practice are recognised globally. Sustainable brands have been acquired such as Ben and Jerry’s Ice cream and, positive initiatives have been generated within the organisation, such as the Omo *Dirt is Good* campaign. This case will focus on the collaborative activities undertaken by Unilever.

**Relationship portfolio**

A portfolio of relationships exists between Unilever, NPOs and/or government departments. Some of the issues being addressed are localised to one town, region or country, while others span borders and are considered global relationships. The relationships Unilever has with communities, government departments and NPOs span
the collaborative spectrum arranged in Table 1, yet those with the highest profile tend to
be those addressing broader issues on an integrative level. Table 2 presents a selection of
some of the relationships between Unilever and NPOs or government agencies that tackle
broader issues and thus are classified as integrative (Table 1).

<table>
<thead>
<tr>
<th>Unilever Partner</th>
<th>Initiative</th>
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<tbody>
<tr>
<td>United States Agency for International Development</td>
<td>‘Handwashing to reduce newborn mortality’:</td>
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<tr>
<td>(USAID)’s Maternal and Child Health Integrated Program</td>
<td>“The partnership aims to improve handwashing practices among birth attendants</td>
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<tr>
<td>(MCHIP)</td>
<td>and family members in developing countries, reducing the risk of newborn</td>
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<tr>
<td></td>
<td>deaths caused by infection” 1</td>
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<td>FDI World Dental Federation</td>
<td>“… the two organisations drive nationwide campaigns globally and widely</td>
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<td></td>
<td>promote educational material on the importance of tooth-brushing to schools</td>
</tr>
<tr>
<td></td>
<td>and dentists” 2</td>
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<tr>
<td>World Wide Fund for Nature (WWF)</td>
<td>‘Marine Stewardship Council (MSC)’: “to establish a global standard for</td>
</tr>
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<td></td>
<td>sustainable fisheries management” 3</td>
</tr>
<tr>
<td>Learning Links</td>
<td>‘Reading for life’: volunteer support helps improve children’s reading,</td>
</tr>
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<td></td>
<td>self-esteem and motivation 4</td>
</tr>
<tr>
<td>Butterfly Foundation</td>
<td>‘The Dove BodyThink program’: “promoting positive body image messages to</td>
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<td></td>
<td>young people and the broader community through the Unilever Dove Self</td>
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<td></td>
<td>Esteem Fund, in partnership with the Butterfly Foundation” 5</td>
</tr>
</tbody>
</table>

Table 2: Unilever partnership initiatives

Source: 1 Unilever (2013c) 2 Unilever (2013d) 3Unilever (2013e) 4 Learning Links (2012) 5 Unilever (2013f)

The partnerships listed in Table 2 provide evidence of Unilever’s strategic approach to
issue management. It is unlikely that stakeholders linked to the issues identified in Table
2 would single out Unilever as responsible for the overall improvement in these diverse
areas, yet in each example Unilever has taken a proactive leadership role, assumed
responsibility to help present a solution and, helped establish and maintain momentum for
each cause.
Unilever’s leadership role became pivotal in the quest for sustainable palm oil. As one of the largest buyers of palm oil (Unilever, 2013g), Unilever is reliant on sourcing this ingredient from suppliers in Malaysia and Indonesia. Conscious of the devastating effects associated with deforestation, Unilever developed ‘Good Agricultural Practice Guidelines for palm oil’ which led to their representation as founding members of the Roundtable on Sustainable Palm Oil (RSPO) in 2004 (Unilever, 2013h).

The RSPO was composed of representatives from industry and the NPO, WWF.

*RSPO is a not-for-profit association that brings together stakeholders from seven sectors of the palm oil industry, namely oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental and social NGOs, to develop and implement global standards for sustainable palm oil.*

*The RSPO currently has over 500 members, representing over 40% of all palm oil produced in the world. Working to increase the amount of certified sustainable palm oil that is available, the RSPO has set sustainability criteria against which suppliers can now be certified.* (Unilever, 2013h)

This initiative sought to fill the void left by governments who were unable to regulate the sector or give priority towards forest preservation over economic development (Unilever, 2013h). However, while Unilever has successfully positioned themselves as enviable leaders in social responsibility, remaining at this level involves constant renewal of processes and practice. This extends to their supply chain for there are reputational consequences if suppliers do not conform to ethical practices. Although Unilever work with their suppliers, persuading them to adopt sustainable practice, a report released by Greenpeace in 2008 revealed that more needed to be done.

Several of Unilever’s suppliers were implicated in the Greenpeace report, ‘How Unilever palm oil suppliers are burning up Borneo’ (Greenpeace International, 2008a). This report criticised Unilever’s lack of leadership in sustainable palm oil and lack of awareness of the practices that accompany palm oil production. The report names and shames several of Unilever’s suppliers, and graphically illustrates the destructive loss of habitat, warning of the subsequent extinction risks for vulnerable animals such as orang-utans (Greenpeace International, 2008a).
Alarmed by the devastating effects of deforestation on orangutan habitat in Indonesia, Greenpeace launched a geographically dispersed activism campaign on 21 April 2008. Dressed in orangutan costumes, Greenpeace activists protested at two Unilever sites in the United Kingdom, with similar protests in Netherlands and Italy (Greenpeace International, 2008b). In addition, a creative video went viral via social media. Dove Onslaughter\(\text{er}\), was a parody on Unilever’s popular You Tube clip Onslaught.

Supported by the Dove™ self-esteem fund, the original Onslaught advertisement drew attention to the overwhelming number of images produced by the beauty industry that a child is exposed to as they navigate their way into adulthood. Backed by a music track, the fast-paced imagery portraying female perfectionism by the beauty industry brings message to those audiences concerned about the negative impact this can have on self-esteem. The video concludes with a written caption, “talk to your daughter before the beauty industry does” (Piper, 2007). Greenpeace’s parody replicated the fast-paced visual imagery that a child faces, yet the images are of the blatant destruction of her community and the habitat that surrounds her. The beautiful and impactful images transition into those more graphic and disturbing. The You Tube video concludes with the caption, “98% of Indonesia’s lowland forest will be gone by the time Azizah is 25. Most is destroyed to make palm oil, which is used in Dove products. Talk to Dove before it’s too late” (Greenpeace, 2008).

Greenpeace felt that they would achieve change more effectively by publically exposing Unilever’s involvement and responsibility towards palm oil rather than endorsing a consumer boycott campaign (Greenpeace International, 2009a). The Dove Onslaughter\(\text{er}\) video has now been viewed over one and a half million times. Overall, the various tactics used by Greenpeace to draw attention to the issue was successful and the response from Unilever was swift. On 9 May 2008, Greenpeace and Unilever representatives met and agreed the need for proactive leadership.

Averting crisis, Unilever responded within two weeks, began collaborating with Greenpeace and led the way to generate change within the sector. In a transparent act, Unilever commissioned their own independent study and published the results which had confirmed Greenpeace’s original findings (Unilever, 2013i). Unilever shared the findings with their suppliers urging them to rectify their practice, suspending purchases from one
supplier in particular, until they could “provide verifiable proof that none of their plantations are contributing to the destruction of ‘high conservation value’ forests or expanding onto peat lands” (Unilever, 2013i).

Collaboration between Greenpeace and Unilever achieved much more than a reaction to public exposure and pressure on suppliers. Accepting their status as leaders within the industry, Unilever also agreed to, “support an immediate moratorium on deforestation for palm oil in South East Asia” and lobby the Indonesian government and all the major companies such as Kraft, Nestle and Cadburys to immediately support the moratorium (Greenpeace International, 2009b).

This case presented a snapshot of two organisations that adopt proactive strategies towards issue management. The steps Unilever undertook to become proactive leaders in issue management provided a solid foundation upon which to approach impending crises. In addition, the innovativeness and responsiveness of Greenpeace is also captured through their use of clever and creative campaigning.

Conclusion
While activism prompted a reaction, the willingness of both sectors to work collaboratively demonstrates the capacity of cross-sector relationships to be able to influence and change unsustainable practices. From a tactical perspective, NPOs that are prepared to collaborate with FPOs who share the same overarching objective are well placed to encourage societal change. FPOs that are prepared to move beyond reactive strategies and invest in achieving long-term objectives may achieve reputational benefits whilst demonstrating leadership amongst their peers. Together, the two organisations in this case have demonstrated the fast pace at which sustainable change can occur.

Case Questions and Answers
1. Collaboration has provided some well-known cross-sector relationships. Using Table 1, can you provide an example for each relationship type?

There are many examples of localised philanthropy and sponsorship. One exemplar cross-sector social partnership is FPO Timberland, and the NPO City Year.

2. How significant is the role of Unilever in achieving sustainable solutions?
The problem begins further along the supply chain but Unilever are in a powerful position. Unilever are large users/purchasers of palm oil and if an organisation this large does not purchase from the palm oil producers, it has obvious financial consequences. By placing pressure on Unilever (and other large purchasers) to change their policy, Greenpeace have been able to influence a change in policy further along the supply chain. An organisation driven by a profit imperative will have to consider their bottom line; if income ceases, changes have to be made. Deforestation remains a significant problem – this was a positive step towards an moratorium on deforestation in Indonesia.

3. Why do you think Unilever responded quickly to the Greenpeace campaign?

Similar to the rationale in question 1 yet the focus is on Unilever’s stakeholders. They received pressure from various stakeholder groups and responded promptly to the communication generated via social media. It would be appropriate to map the stakeholders and identify who would have had the most pressure/impact on Unilever. If could be considered a good strategy to minimise the period of time the issue remains at a crisis level until a suitable response has been provided.

4. Deforestation remains a significant problem; has there been any progress surrounding this issue since?

Which stakeholders and what actions have occurred lately to help resolve the problems surrounding habitat destruction and palm oil production?

Glossary of terms

Cross-sector Collaboration: where organisations from different sectors exchange dialogue and/or resources in an effort to resolve issues.

Corporate Social Responsibility (CSR): “The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll, 1979).

Nonprofit Sector/Nonprofit Organisations (NPO)/Non-Governmental Organisations (NGOs)/Civil Society: are groups which are neither business nor represent government that seek to address societal issues.

Private Sector/Business/Corporates/For-Profit Organisations (FPO): An organisation that seeks to generate a profit through the sale of goods and/or services.

Typology: The tactics used by NPOs to create awareness.
Images

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- All images need to be high resolution suitable for print.

Photo 1

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Photo 2

http://photo.greenpeace.org/C.aspx?VP3=ViewBox_VPage&VBID=27MZV860XEDC&IT=ZoomImageTemplate01_VForm&IID=27MZIF2HN9RC&PN=30&CT=Search

References


