Mate or Menace? Exploring Organizational Identity Threats in Nonprofit-Business Partnerships

India J. Kandel1, Alina M. Baluch2, and Erk P. Piening1

Abstract
Nonprofit organizations frequently engage in partnerships with profit-oriented businesses to fulfill their goals and social mission. Although nonprofit-business partnerships can benefit both parties, they are a potential source of intra-organizational controversy and conflict, especially when social objectives clash with business interests. An increasingly recognized risk of nonprofit-business partnerships lies in organizational identity threats. Adopting a sensemaking perspective, we investigate how nonprofit members make sense of nonprofit-business partnerships and how these appraisal processes influence whether they perceive these inter-organizational partnerships as organizational identity threats. Our qualitative study draws on semi-structured interviews and shows that nonprofit members’ evaluations of partnership congruence (i.e., the perceived fit of a partnership with members’ organizational identity expectations) and partnership relevance (i.e., the perceived meaning of a partnership for an organization’s identity) influence whether they perceive partnerships as organizational identity threats. In doing so, we extend research on organizational identity threats (and opportunities) of nonprofit-business partnerships.

Keywords
nonprofit organizations, nonprofit-business partnerships, cross-sector partnerships, organizational identity threats, sensemaking

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Introduction

Nonprofit-business partnerships have become increasingly important for both nonprofit organizations (NPOs) and for-profit businesses (Bocquet et al., 2020). Company donations, public sponsorships, and partnership events like social days can aid NPOs in accessing personal, financial, and reputational resources and increase private or public engagement with a cause (Austin & Seitanidi, 2012; Lister, 2000). While there are numerous benefits associated with these types of collaborations, employees and volunteers do not always react favorably to nonprofit-business partnerships. Indeed, these partnerships can become sources of controversy, conflict, and disruption (Bouchard & Raufflet, 2019; O’Brien & Evans, 2017; Selsky & Parker, 2005), particularly when social values, aims, and imperatives collide with business-oriented practices (Chenhall et al., 2016; Lister, 2000). Nonprofit members may also voice concerns over “greenwashing”, “selling out” to companies, or the NPO being “used” for publicity (Bocquet et al., 2020; Yaziji & Doh, 2009). As a result, nonprofit-business partnerships may challenge the organization’s legitimacy and threaten nonprofit members’ perceptions of what their organization is and what it stands for (Cornwell et al., 2018; Herlin, 2015).

Previous research has argued that employees make sense of their organization’s identity by considering not only attributes of the organization itself (i.e., values, goals, practices, etc.), but also its roles, relationships, and interactions with external stakeholders such as business partners (Albert et al., 2000; Brickson, 2013). “Who we interact” with can thereby enhance but also challenge members’ perceptions of “who we are as an organization” and whether the organization is living up to expectations about “who we should be” (Brickson, 2013; Cornwell et al., 2018). If partnerships call into question members’ perceptions about central, distinctive, and enduring attributes of an organization, they may constitute organizational identity threats (Elsbach & Kramer, 1996; Petriglieri & Devine, 2016; Ravasi & Schultz, 2006). Disidentification and voluntary turnover are potential consequences of such negative experiences (Petriglieri, 2011; Piening et al., 2020). This is an important issue for NPOs, as organizational identity and identification are key for nonprofit member engagement with and commitment to their organization (Boezeman & Ellemers, 2007). Volunteers have been found to strongly integrate volunteering in their own self-concept (Kelemen et al., 2017), and employees of NPOs often choose their work as part of a vocation from which they derive deep meaning and for which they are willing to sacrifice pay (Lee & Wilkins, 2011).

While there is some evidence that nonprofit-business partnerships may be perceived as threats to nonprofit identity (e.g., Herlin, 2015), the majority of research concerned with understanding member perceptions of nonprofit-business partnerships is focused on for-profit organizations (e.g., Rodell et al., 2016). At the same time, research on organizational identity threats is far from conclusive, showing considerable variance in how different employees perceive and respond to events that potentially threaten an organization’s identity (e.g., Piening et al., 2020). Consistent with this view, scholars have argued that inter-organizational partnerships may not only
challenge or suppress but also accentuate or enhance aspects of organizational identity (Cornwell et al., 2018). These ambiguities and the special characteristics of the NPO context (e.g., motivations, attitudes and behaviors of NPO members, mission focus and social objectives, and resource constraints; e.g., Baluch & Ridder, 2021; Buonomo et al., 2020), which can be expected to shape organizational identity processes in unique ways, suggest a need for empirical studies that provide a more nuanced understanding of the implications of nonprofit-business partnerships for organizational identity perceptions in NPOs (Cornwell et al., 2018). Recognizing that cognitive appraisal processes are key for understanding individuals’ perceptions of and responses to events that indicate potential harm to their organizational identity (Piening et al., 2020), we investigate the following research questions: How do nonprofit members make sense of nonprofit-business partnerships and how do these appraisal processes affect whether or not nonprofit-business partnerships are perceived as threats to an organization’s identity?

To address these research questions, we use a qualitative study of semi-structured interviews with 21 nonprofit members from 15 NPOs. Focusing on individual members’ perceptions of organizational identity (i.e., perceived organizational identity; Dutton et al., 1994), our findings suggest that two (interrelated) appraisal processes determine whether nonprofit-business partnerships are perceived as organizational identity threats: member evaluations of partnership congruence (i.e., the perceived fit of a partnership with members’ organizational identity expectations) and partnership relevance (i.e., the perceived meaning of a partnership for an organization’s identity). Providing further insights into the content of these processes, our interview data show that NPO members focus on various cues to assess partnership congruence, that is, organizational, project, and personal congruence, and relevance, that is, public, organizational, and personal involvement.

Our research offers three related contributions to the literature. First, building upon Cornwell et al.’s (2018) conceptual work, we provide much-needed empirical evidence about nonprofit-business partnerships from a nonprofit identity perspective, thereby contributing to a better understanding of how these partnerships shape members’ perceptions of organizational identity. Second, using a sensemaking lens, we provide new insights into the cognitive appraisal processes of individual members (Petriglieri, 2011; Piening et al., 2020) that explain when they perceive certain events (e.g., nonprofit-business partnerships) as threats to organizational identity. Here our main extension of the literature on organizational identity-related sensemaking lies in providing in-depth insights into congruence and relevance assessments of nonprofit-business partnerships. By identifying the context-specific sensemaking cues that NPO members focus on in these appraisal processes and thus highlighting sources of variance in nonprofit member evaluations of nonprofit-business partnerships, we complement research on how such appraisals influence related constructs (i.e., organizational identification; Cornwell et al., 2018) and add to the wider sensemaking literature (Sandberg & Tsoukas, 2015; Vough & Caza, 2017). Third, we draw attention to how congruence and relevance appraisals interact in shaping member evaluations of organizational identity threats, thereby contributing to research on organizational identity
threats and opportunities (Bataille & Vough, 2022) in potentially conflict-laden inter-organizational partnerships. By suggesting that there are certain conditions (i.e., combinations of congruence/relevance evaluations) under which nonprofit-business partnerships may affirm rather than threaten members’ organizational identity perceptions, our study contributes to a differentiated understanding of this phenomenon.

Theoretical Background

Organizational Identity and Organizational Identity Threats

Organizational identity refers to the central, enduring, and distinctive features of an organization, reflecting how organizational members collectively answer the question of “who we are as an organization” (Albert & Whetten, 1985; Whetten, 2006; Whetten & Mackey, 2002). However, having a clear and shared sense of what one’s organization stands for is not a given, especially since it is increasingly recognized that identity is “not enduring and the same over time, but is instead fluid, in flux, and arguably unstable” (Gioia et al., 2013, p. 140). Ambiguities and questions related to organizational identity—including dual and competing identities—are particularly likely to arise in NPOs, as they often find themselves caught between normative (i.e., purpose-driven) and utilitarian (i.e., profit-driven) organizational operatives and attributes (Chenhall et al., 2016; Golden-Biddle & Rao, 1997; Kreutzer & Jäger, 2011; Lee & Bourne, 2017). If members’ perceptions about key organizational attributes are challenged, this may lead to feelings of confusion or even threat. Identity threats arise when individuals appraise an experience as indicating potential harm to the value, meaning, or enactment of an identity (Petriglieri, 2011). Organizational identity threats are often caused by disruptive events such as environmental change, mergers, acquisitions, or scandals that make employees believe that the organization no longer matches their expectations and compares unfavorably to others (Corley & Gioia, 2004; Dutton & Dukerich, 1991; Elsbach & Kramer, 1996; Ravasi & Schultz, 2006). This also applies to inter-organizational partnerships as they may lead members to re-evaluate and possibly revise their understanding of what the organization stands for (Albert et al., 2000; Cornwell et al., 2018). Spillover effects are a possible explanation for why collaborating with firms (not only those accused of wrongdoing) can result in negative evaluations of an organization by its members and other stakeholder groups (Lee & Rim, 2016).

Whereas organizational identity is a collective construct in that it represents the set of beliefs about an organization shared by members, perceptions of organizational identity may vary among individual members as they are imperfectly socialized into a collective view (Ashforth et al., 2008; Dutton et al., 1994). Hence, assessments of what constitutes organizational identity threats and responses to potentially identity threatening events may differ. While some members may experience a certain event as highly threatening to their organization’s identity, others may deem the same event irrelevant (Petriglieri, 2011; Piening et al., 2020). This raises the question of when, why, and how events emerge as salient to individual evaluations of organizational
identity and organizational identity threats. We argue that applying sensemaking perspectives (e.g., Sandberg & Tsoukas, 2015; Weick, 1995) can aid in better understanding these appraisal processes and thus enhance current knowledge on how and why certain nonprofit-business may arise as threatening to organizational identity in the minds of individual nonprofit members.

**A Sensemaking Perspective on Organizational Identity Threats**

 Sensemaking describes the process through which individuals seek to understand novel, unexpected, or confusing issues, events, or situations with ambiguous meanings or uncertain outcomes (Maitlis & Christianson, 2014). According to sensemaking perspectives, individuals have the desire to understand why these events have occurred and what they mean moving forward (e.g., Vough & Caza, 2017). Sensemaking can be triggered by major or minor and planned or unplanned events (Sandberg & Tsoukas, 2015), including organizational change, crisis, and conflict (Gioia & Chittipeddi, 1991; Mikkelsen, 2013). Partnerships with other organizations are a prime example of events that give rise to sensemaking efforts, as they may lead to change, crisis, or conflict (Cornwell et al., 2018; Scott & Lane, 2000). Thereby, it is not necessarily the unexpectedness of events that trigger sensemaking (here: partnerships) but rather the discrepancy between what one expects and what one encounters (Maitlis & Christianson, 2014).

A review of the literature on sensemaking in organizations shows that identity is a major influencing factor on sensemaking (e.g., Maitlis & Christianson, 2014; Sandberg & Tsoukas, 2015) as sensemaking is both informed by and informs organizational identity (Rerup et al., 2022). Identity guides how individuals make sense of the world around them, which is why individuals engage in sensemaking efforts when they are confronted with events indicating potential harm to a valued identity such as that of their organization (Maitlis & Christianson, 2014; Vough & Caza, 2017; Weick, 1995). If deemed necessary, individuals then evaluate the implications for the threatened identity and consider strategies for dealing with the situation (Dutton & Dukerich, 1991; Elsbach & Kramer, 1996).

Conceptual work has begun to explore how organizational partnerships are implicated in such identity-related sensemaking processes (e.g., Cornwell et al., 2018). Building on this work and integrating it with prior research and theorizing on sensemaking processes in organizations provide the basis for our in-depth empirical analysis of organizational identity implications of nonprofit-business partnerships. We draw on the concepts of congruence and relevance appraisal to assess whether or not nonprofit-business partnerships may trigger nonprofit members’ sensemaking efforts (see Turner, 1999; Van Dick et al., 2005). Our focus on these two appraisal processes is particularly inspired by Cornwell et al.’s (2018) conceptual work that elaborates on the implications of firm partnerships for employees’ identification with their organization. To fit our research purpose, we extend their conceptualization by defining congruence as members’ perceived fit of a partnership with members’ organizational identity expectations and relevance as members’ perceived meaning of a partnership for an organization’s identity.
Congruence assessments involve comparing current organizational identity and expected organizational identity, that is, members’ perceptions of how the organization should be (Brickson, 2013). If members perceive an incongruence in this comparison (i.e., the organization does not meet members’ organizational identity expectations), they may question their organization’s identity and even the value of their organizational membership (Brickson, 2013). For instance, members’ organizational identity expectations may be violated by public scandals that raise questions about organizational values and moral integrity (Dutton & Dukerich, 1991; Petriglieri & Devine, 2016). While perceptions of organizational identity threats may be evoked through feelings of misalignment between one’s identity expectations and actual experiences (Brickson, 2013), this may not always trigger extensive sensemaking efforts. We argue that perceived incongruences also need to be considered relevant to emerge as threatening. If an experience does not meaningfully influence or change individuals’ perception of the organization’s identity (e.g., events of limited scope, impact, and visibility), members are unlikely to engage in identity-related sensemaking efforts (Maitlis & Christianson, 2014; Petriglieri, 2011). For example, to become relevant to individuals’ evaluation of organizational identity, events must be accessible (Van Dick et al., 2005). Regarding inter-organizational partnerships, this may occur where considerable (senior) management attention indicates that a particular partnership is strategically important or when someone’s work is personally affected by a partnership (Cornwell et al., 2018).

Although both congruence and relevance assessments have been identified as important components of identity-related sensemaking processes (e.g., Turner, 1999; Van Dick et al., 2005), empirical insights into these appraisal processes and how they are shaped by contextual factors are still limited. However, taking into account the context in which individuals make sense of potential organizational identity threats (here: nonprofit-business partnerships) is theoretically meaningful as “sensemaking never takes place in isolation but always in specific contexts” (Sandberg & Tsoukas, 2015, p. 15). In our case, a context-sensitive analysis is warranted because nonprofit members have been found to differ from members of other types of organizations in ways that are important to organizational identity-related sensemaking, including a heightened importance of the collective identity to their self-concept. Members of NPOs often strongly identify with their NPO (Boezeman & Ellemers, 2007; Kelemen et al., 2017; Lee & Wilkins, 2011; Traeger et al., 2023), which increases their awareness of and sensitivity toward organizational identity threats and the likelihood of negative reactions such as disidentification and member turnover (e.g., Eury et al., 2018; Piening et al., 2020). Furthermore, partnering with business organizations can threaten the public image of NPOs (Selsky & Parker, 2010), which may lead members to reconsider their own view of their organization (Kjærgaard et al., 2011). This and the fact that NPOs and for-profit businesses typically differ considerably in terms of their goals, values, structures, and work processes (e.g., Bocquet et al., 2020) are why we expect partnerships between these types of organizations to be associated with distinct identity-related sensemaking dynamics (especially regarding congruence appraisals) and a higher identity threat.
risk than partnerships between two for-profit organizations. Building on previous work on organizational identity and sensemaking (e.g., Brickson, 2013; Corley & Gioia, 2004; Sandberg & Tsoukas, 2015), we conduct a qualitative inquiry to provide a contextualized understanding of member sensemaking in the context of nonprofit-business partnerships. We pay particular attention to situational and organizational cues (Ravasi & Schultz, 2006; Weick, 1995) that NPO members may draw on to determine the congruence and relevance of nonprofit-business partnerships with respect to their organization’s identity.

**Method**

To gain a richer, contextualized understanding of individual nonprofit members’ evaluations of nonprofit-business partnerships and their organizational identity-related sensemaking efforts, we adopted a qualitative research design using semi-structured interviews with nonprofit members located in Germany. Following a heterogeneous sampling approach (Patton, 2002) to access those working in a wide range of NPOs, we started by selecting NPOs from the list of the German website of Transparency International Deutschland e.V. (2023). We used Transparency International as a starting point since organizations that subscribe to their transparency initiative publicly provide information on their HR structure, finances, and an annual report. In selecting NPOs, we screened their respective websites for information on corporate partnerships. Analyzing publicly available documents (i.e., strategy, mission, and values statements, funding, ties to other organizations, and annual reports) enabled us to identify and contact NPOs that engaged in some sort of cooperative activity with for-profit businesses such as sponsoring, project partnerships, or cause-related marketing (e.g., Austin, 2000; Seitanidi & Ryan, 2007). We then complemented this list with contacts from organizations from our personal networks. Our final sample included 21 nonprofit members across 15 NPOs in Germany, ranging in size from one small, local charity with no paid staff to large national and multinational NPOs with more than 10,000 employees. An overview of the respondents, their positions, information on the approximate number of paid employees, and the organization’s main area of operation is provided in Table 1.

We began by asking all interviewees about their professional background, their role in the NPO, and what they regarded as central, enduring, and distinctive characteristics of their organization (i.e., organizational identity; Albert & Whetten, 1985). To assess individuals’ perceptions of partnership congruence and relevance, we started with general questions regarding their organizations’ collaboration activities (e.g., “does your organization currently cooperate with businesses? If yes, in which ways?”, “what are key-words that come to mind when you think of nonprofit-business partnerships?”, and “how does your organization decide which business partnerships to engage in?”). Based on their answers, we added more specific questions, including “what is important to you when your organization collaborates with businesses?” (e.g., congruence), “are business partnerships important to the work your organization does and what it stands for?” (e.g., relevance), and “what do you personally think and feel about collaborating
<table>
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<tr>
<th>Interviewee</th>
<th>Position</th>
<th>Organizational area of activity</th>
<th>Organization</th>
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*For data protection purposes, the names of interviewees and organizations were anonymized, and the numbers of paid staff were rounded.*
with business X and why?” (e.g., asking about specific examples for congruence and relevance evaluations).

To ensure continuity in the interview process, all interviews were conducted by the first author, recorded, and transcribed. Informal notes taken during the interviews were complemented by memos written during interview coding (Charmaz, 2006). We began our data analysis with each researcher looking for patterns in the data around member perceptions of nonprofit-business partnerships, potential organizational identity threats arising from these partnerships, and member evaluations of partnership congruence and relevance. We adopted a flexible pattern-matching approach (Bouncken et al., 2021; Sinkovics, 2018), which involves defining constructs or dimensions a priori (here: congruence and relevance), while also allowing for both the research questions and the dimensions to shift by the end of the analysis (Sinkovics, 2018). Following this logic, we categorized and condensed our overarching categories of congruence and relevance into themes that represent cues for members’ evaluations thereof. This iterative process involved several rounds of going back to our interview data from which we generated initial categories, refined tentative categories, and, finally, stabilized categories into the identified sub-themes (Grodal et al., 2021). The first- and second-order coding and aggregate data dimensions are shown in Figure 1. Throughout the coding process, we also paid particular attention to the co-location of codes (i.e., passages containing more than one code; see Eury et al., 2018) and interviewees’ weighing and comparisons of certain partnership characteristics (e.g., donations from multinational corporations versus local businesses). Carefully analyzing these passages with regard to the co-occurrences of codes allowed us to gain insight into the relationships among the themes and aggregate dimensions, which then provided the basis for theorizing on the interplay between congruence and relevance evaluations (see Figure 2).

Findings

Our findings show that nonprofit members’ perceptions of business partnerships differ considerably. While some nonprofit-business partnerships are in fact perceived as threats to nonprofit identity, others elicit more positive perceptions and affirm organizational identity. On one hand, many of our interviewees voiced skepticism regarding the intent and impact of nonprofit-business partnerships. Perceptions of organizational identity threats arise when members feel a (potential) business partner is disingenuously using their NPO for greenwashing and/or when they believe that a partnership is associated with reputational risks. On the other hand, partnerships can create positive sentiments regarding the NPO’s cause and mission. If business partners’ intentions are perceived as authentic (e.g., exemplifying similar core values of the NPO, showing genuine interest in the cause of the NPO), partnerships tend to reinforce members’ existing view of the NPO (i.e., are identity affirming). As one interviewee expressed:

Quinn: There are many companies that really do want to support you, wholeheartedly, and where you notice that they are honestly interested . . . they are really convinced and you notice that you have been able to inspire them with your work (Nu).
However, we found the line between threats and affirmations to be fluid, for example, when assessed with respect to the perceived (in)authenticity of partnering organizations. To better understand the nuanced differences in assessments of partnerships, we provide in-depth insights into how nonprofit members make sense of business partnerships by identifying cues used in partnership congruence and relevance appraisals. Finally, based on the observation that members’ perceptions of relevance strengthen or weaken the influence of evaluations of congruence on organizational identity threat perceptions, we show how members’ congruence and relevance appraisals are interrelated.

Figure 1. Data Structure.
Nonprofit Member Assessments of Congruence

Members’ assessments of partnership congruence seek to answer the question of “is this partnership in line with who we are?” Partnership congruence is used to assess whether or not members feel like they or others perceived their organization as “selling out” to businesses or if the business is misusing the NPO’s reputation or instrumentalizing their clients. Our respondents noted that a “fit” between the values of their organization and those of the business partner was key for deciding whether to enter a business partnership.

Richard: Our [company and NPO] values align pretty well. I think, ultimately, that’s what makes the difference, that you have a common set of values. (Xi)

Departing from this general assessment of fit, our findings indicate that NPO members draw on three sets of cues in congruence assessments, namely organizational, project, and personal congruence. Table 2 provides further illustrative quotes.

Organizational congruence can be understood as the level of fit between the NPO and the partnering organization, for example, regarding values, ethics, and locality. Our interviewees often highlighted that while they did not—or as some expressed could not—expect businesses to share all of their values, there was a minimum level or threshold of agreement on values and organizational practices (e.g., not engaging in harmful business practices such as child labor) they would require from their business partners.

Quinn: The ethics and the morals have to fit. It just can’t be that we’re trying to help people, those who need help, and that the companies are exploiting the same people who we are trying to help. It does have to match these principles. (Nu)

Members also mentioned that they would not collaborate with organizations involved in certain industries such as the arms industry, or, in the case of one youth organization, adult films. Organizational congruence is not only assessed regarding values but also location. Many of our interviewees mentioned that small, local businesses are often a better fit for them or more congruent with what they stand for than large, national or even international corporations. This particularly applies to smaller NPOs that consider being locally active and serving the local community as key to their work and identity, and one which can be amplified by building connections with local business partners.

Dana: It’s rather this regional, local connection that is important for us; for our orientation, for the people who seek help from us, as well as for the companies. So small, medium-sized companies are pretty interesting for us. (Delta)

The second set of cues for members’ assessments of congruence we identified was project congruence, which refers to the congruence between a specific nonprofit project and the business partner; for instance, this entailed an IT company providing notebooks to children in need or a company specialized in first aid kits donating to a disaster
Table 2. Additional Representative Data for Congruence and Relevance Cues.

**Congruence** (i.e., perceived fit of a partnership with members’ organizational identity expectations)

**Organizational congruence** (e.g., “fit” between the NPO and the partnering organization, for instance, regarding values and area of operation)
- Ben: Even if we could, we would never cooperate with a company, which—in some way—doesn’t go hand in hand with the values we represent, that’s pretty clear. (Beta)
- Quinn: [Company producing band aids] fits quite well to our topic of first aid. (Nu)

**Project congruence** (e.g., “fit” between a specific project and the partnering organization, for instance, by focusing on a common issue)
- Dana: They contacted me, and then I researched them: What kind of company are they, anyway? . . . they’re actually an ecological company. . . So it’s very nice, very fitting. And their name also fits our project. (Delta)
- Quinn: We often talk to insurance companies because they do a lot of prevention work . . . It’s very important work; the earlier you help people, the lower the damage that occurs, and maybe the lower the costs for the insurance companies. (Nu)

**Personal congruence** (e.g., “fit” between a person’s personal values and/or attitudes toward partnering with businesses)
- Talia: Personally, I’d say I’m a bit more reserved than [NPO] when it comes to entering cooperations, because, personally, I sometimes find it difficult to distinguish between, greenwashing and a real will to change. (Pi)
- Alex: Well, we are quite pragmatic about this [cooperating with businesses], and I’m also pragmatic. So both our organization and the vast majority of people working for it are very pragmatic. (Alpha)

**Relevance** (i.e., perceived meaning of a partnership for an organization’s identity)

**Public involvement** (e.g., partnership visibility and publicity, media reports about the partnership)
- Gaby: There are the types of companies that really only use it for internal communications, so that the employees know what their company is doing. But of course, there are also those that are like: yeah, we really want to print that somewhere. (Delta)
- Alex: I’d say the real partnerships are those that are publicly known, the ones we communicate publicly. (Alpha)

**Organizational involvement** (e.g., level of integration of the partnership; one-off, transactional donation versus highly integrated long-term project)
- Max: Well, that is not a real cooperation then, just a selective donation. (Iota)
- Oliver: It’s also about financial value, but it’s also a bit different from that part, where it’s only about donations. This [joint project] was more, it was about cooperation. (Lambda)

**Personal involvement** (e.g., member’s personal involvement in partnership, for instance, communications, coordination, and decision-making)
- Helen: In my case it’s also because I’ve got pretty good connections to the industry. (Delta)
- Paul: Whenever people ask basic questions, for instance, this one about business cooperations, then that’s my area. (Mu)

*Note. NPO = nonprofit organizations.*
relief charity. Members also use “win-win” situations as indicators of a good “match” or fit. Congruence on the project level helps to generate not only mutually beneficial situations but also partnership credibility as clearly establishing what each party gains through these kinds of partnerships can counteract perceptions of greenwashing.

Simon: I think it always depends on the individual case... If it’s only greenwashing, then that’s nonsense... but if it’s about certain, very specific things, and that was part of this specific cooperation, then I think it’s worthwhile. (Pi)

Finally, as indicated in the previous quote, nonprofit members assess the personal congruence of business partnerships, that is, whether or not the partnership is congruent with their own personal expectations of a partnership. Here, members may evoke their own values, for instance, with respect to human rights or environmental protection. These values are not always uniformly shared with or identical to those of other organizational members. However, even though personal values are used when assessing business partnerships, interviewees acknowledged that the organization’s partnership requirements would trump personal reservations. This is an important finding as the analysis indicates a divergence in personal values which are used to assess the partnership:

Kasey: As a team, we did have a pretty heated discussion about whether or not we could cooperate with [the company]. I was in favour, because I thought that the way in which they had distanced themselves from it [incident with CEO] was very credible, ... but the majority of the team was against the cooperation ... so we didn’t do it. (Eta)

Nonprofit Member Assessments of Relevance

As indicated above, partnership relevance also plays a key role in how nonprofit members perceive and make sense of business partnerships. Partnership relevance refers to the perceived meaning of a partnership for an organization’s identity. Perceptions of relevance are tied to partnership accessibility and perceived or actual partnership involvement—both on the organizational and personal level. Specifically, we found that members’ assessments of partnership relevance are influenced by three sets of cues: public involvement (i.e., partnership visibility), organizational involvement (i.e., level of integration of the partnership), and personal involvement (i.e., members’ own involvement in the partnership) (see Table 2 for further illustrative quotes).

First, public involvement refers to the public visibility of the partnership, that is, how “close” or involved the NPO and the partnering business appear to others, which also determines the ease of accessibility of partnership information, and how “involved” the public is in the partnership. Member perceptions of partnership relevance are heightened when partnerships are highly visible to others, for example, via press releases or the NPO’s website. This particularly applies to partnerships with large, well-known firms, which are highly visible in their own way. Highly visible partnerships are often deemed more
relevant for both internal and external perceptions of NPO identity. Here interviewees stressed that these partnerships are at higher risk of being subject to public criticism and scrutiny.

Simon: There were difficulties, just regarding the looks of it... If you want to read something bad into it [the partnership], if you want to write a sensational headline or newspaper article about it, it’s easy. (Pi)

Demands of visibility and publicity were also used as an indicator of business intentions for nonprofit members. Businesses that do not request publicity are perceived as more credible and genuinely interested in aiding the cause of the NPO. Conversely, interviewees often have reservations about a partnership, if an interest in publicly mentioning the partnership is expressed early on in the partnership process.

Oliver: I’ve recently had a conversation with an entrepreneur who basically wanted to put us on his website, as a big social project, and use us for marketing. Those are the negative experiences. (Lambda)

Second, organizational involvement refers to the extent of integration of the partnership on both an organizational and dyadic partnership level. On an organizational level, partnership relevance is tied strongly to how members understand business partnerships as part of what their organization does, that is, how involved or invested the organization is in partnering up with businesses. While some organizations strongly integrate cooperating with businesses in their mission and strategy, for instance, as a means of “influencing the influencer” (Alex), others see business cooperations as rather peripheral to their work, and hence less relevant.

Max: We’re not that interested in business partnerships, but if an organization makes that their business or organizational principle, they may have to think like that too. Fortunately, we don’t have to. (Iota)

On the partnership level, involvement is assessed in terms of the specific type of partnership the partnering organizations engage in, for example, simple and rather transactional exchanges such as one-off donations versus highly integrated, long-term partnerships with mutual goals (e.g., Austin, 2000). Less integrated partnerships such as donations are deemed less relevant—and if perceived negatively, less critical—than highly integrated partnerships. Interestingly, various interviewees stressed that they viewed one-off donations as rather separate from and sometimes not even as a form of “partnerships”. A similar logic is applied to partnerships that are loosely integrated but high in impact, that is, when an organization receives a large versus a small donation. Indeed, many organizations set a maximum financial threshold for business donations.
Ian: You don’t want to become dependent, that’s always a bit challenging. There are other organizations, that do a lot more [business partnerships], but that’s also because, financially, we’re doing okay, we’re not desperate for supporters. (Epsilon)

The higher relevance of integrated partnerships such as joint projects can also be attributed to these partnerships requiring nonprofit members to invest more time and resources. This, in turn, leads to members questioning if this partnership enables or hinders them in fulfilling their mission, and if they are indeed “selling out” if they assign too much time and resources to these partnerships.

Alex: Who do we collaborate with? Who really wants to change? And well, if it’s worthwhile to invest our resources, which are limited, indeed . . . We discuss this all the time. (Alpha)

Highly integrated partnerships can also be organizational identity affirming, if members feel like the business partner is genuine in its intent to support the NPO’s cause. This can be upheld by personal relations and conversations with members of the partnering organization.

Helen: We actually only have one long-term business partnership . . . We did get a lot of support from them, including financially, which we didn’t really expect. That’s when we noticed that on part of the company, our contacts, the people we talk to, were really commited to support us. (Delta)

The quote above stresses the importance of the third relevance cue we identified, namely members’ personal involvement in the partnership. Personal involvement refers to the degree to which an individual is involved in a partnership, for instance, due to their position in the organization. Members who are strongly involved with business partnerships often attribute high relevance to them. Sometimes, this is tied in with beliefs that partnerships are important to achieving the nonprofit’s mission and lead to efforts of developing additional business partnerships. If members are directly involved in the partnership decision-making process, they often feel a sense of responsibility for protecting their NPO against reputational damage stemming from business partnerships. This may prompt them to thoroughly investigate partnership congruence. However, as demonstrated in the quote below, when members are not directly involved in the partnership decision-making process, they may feel less responsible and sometimes even less critical of partnerships as they feel like due diligence is already accomplished.

Emma: I know that [colleague] makes sure that the company’s values and ideals do fit. (Delta)
Interplay Between Nonprofit Members’ Congruence and Relevance Assessments

During our data analyses, we noticed passages where codes regarding congruence and relevance appraisals co-occurred. For instance, when talking about the perceived congruence of partnerships with their organization’s identity, interviewees indicated that they would assign different weightings to partnership congruence in highly visible (e.g., sponsorships) versus less visible types of partnerships (e.g., donations). This suggests that congruence and relevance appraisals interact to some extent. Based on these initial observations, we began to dig deeper into the data to identify how the themes and aggregate dimensions of congruence and relevance interact in shaping NPO members’ perceptions of identity threats arising from nonprofit-business partnerships.

Here we found that when a partnership is perceived as highly relevant in terms of how involved the NPO and the partnering business appear to the public, the congruence of said partnership seems to be more important to NPO members to avoid potential backlashes. This results in these partnerships being subjected to more rigorous assessments of congruence.

Alex: Of course, there are companies we don’t really want to be seen with in public communications . . . these are lines we frequently discuss and re-evaluate internally. (Alpha)

Conversely, if the perceived meaning of a partnership for an organization’s identity (i.e., relevance) is low, for instance, due to low public and/or organizational involvement (e.g., a one-off donation), members tend to be more lenient in their congruence assessments (e.g., accept donations from companies they would not engage with otherwise, e.g., in joint project development). In a similar vein, business partners can indicate nonprofit values (e.g., helping others) by not asking for public disclosure of the cooperation (i.e., a situation of low public involvement), thereby increasing perceived partnership congruence.

Gaby: So what we think is very positive is when companies like [company A] come in and it is pretty clear that they’re not interested in doing PR. So . . . in the end it [their donation] didn’t show up anywhere. Of course we still have to weigh things up again, but it’s great to know that it’s not about reputation, it’s simply about helping. (Delta)

A genuine interest on the side of the company (e.g., expressed by long-term commitment, including repeated donations or joint project development) can sometimes not only mitigate the fear of greenwashing but also be regarded as identity affirming if congruence is high.

Oliver: You can make a donation from the company or from somewhere else or from an event the employees organize . . . but there’s another quality to this
working together, that people actually deal with us and don’t just say what internal company interests do we have . . . That would be a model where I would be a bit cautious, which is why the question is always: ultimately, what is it that connects us? (Lambda)

Furthermore, depending on the perceived congruence and fit of the partnering organization, NPO members would sometimes change the level of involvement in the partnership (e.g., donation rather than joint project) to mitigate potential risks. As one interviewee told us when talking about whether to allow a new company to enter their youth mentoring program:

Kasey: We are currently weighing up whether and to what extent we would like to list [company] as an official partner, because we need to say, okay, is the way you have addressed [this issue regarding the CEO] sufficient, or it is not enough for us? The result would probably be that individuals can be mentors in the program, but the company as such wouldn’t become a partner. (Eta)

In light of the above interplay between relevance and congruence, our findings indicate that congruence and relevance-related sensemaking do not occur in isolation or concurrently, but can reinforce each other through feedback loops, whereby perceptions of congruence may shape perceptions of relevance and vice versa. This suggests that considering the amplifying and weakening effects of both mechanisms is crucial for understanding members’ assessment of organizational identity threats—and potentially even identity opportunities—arising from nonprofit-business partnerships.

Discussion

The aim of this study was to shed light on how nonprofit members perceive and make sense of nonprofit-business partnerships. Previous work on individual’s evaluations of nonprofit-business partnerships largely adopted a for-profit perspective, focusing mainly on corporate employees (e.g., Cook et al., 2023; Rodell et al., 2016) or external stakeholders such as cause-related marketing customers (Thomas et al., 2020). What is missing from these conversations, therefore, is an understanding of nonprofit members’ perceptions of nonprofit-business partnerships (Bocquet et al., 2020; Harris, 2012; Schneider & Neumayr, 2022). Given the centrality of organizational identity and identification for nonprofit member engagement and commitment (e.g., Boezeman & Ellemers, 2007; Kelemen et al., 2017; Lee & Wilkins, 2011; Traeger et al., 2023), this paper’s concern with how and why certain nonprofit-business partnerships are perceived as organizational identity threats addresses these shortfalls in the extant literature.

Building on the organizational identity and sensemaking literature, we conducted a qualitative study to gain a more nuanced understanding of the organizational identity implications of nonprofit-business partnerships. We found that evaluations of congruence and relevance play a major role in members’ assessments of
nonprofit-business partnerships and provided in-depth empirical insights into the content of these appraisal processes. Here we identified *organizational, project,* and *personal congruence* as important cues for evaluations of partnership *congruence,* and *public, organizational,* and *personal involvement* as cues for partnership *relevance* appraisals. Our data also allowed us to theorize on the interplay between congruence and relevance assessments. We suggest that perceptions of high (low) relevance may exacerbate (weaken) the potential effects of partnership incongruence, thus amplifying (weakening) the influence of congruence evaluations on organizational identity threat perceptions. Furthermore, partnerships may even have an identity-affirming effect if NPO members perceive a high degree of congruence between the NPO and the business partner. Figure 2 illustrates our theorizing on how partnership congruence and relevance appraisals interact in shaping organizational identity implications of nonprofit-business partnerships.

We posit that when nonprofit members perceive a high congruence but low relevance, partnerships can even be expected to be nonprofit identity affirming (1: low risk). If, however, members regard the partnership to be highly relevant, notwithstanding a high degree of congruence, partnerships tend to be perceived as riskier, since the partnership may still act as a trigger that leads members to re-evaluate aspects of the organization’s identity (2: low to medium risk). In contrast, if the perceived congruence is low, the risk that the partnership acts as an organizational identity threat increases further (3: medium to high risk). Finally, the highest risk can be attributed to partnerships where congruence is low and relevance high (4: high risk).

**Figure 2.** Interplay Between Nonprofit Member Assessments of Partnership Congruence and Relevance.
Research Implications

Our research draws on and connects the literature on NPOs and nonprofit-business partnerships with the literature on organizational identity (e.g., Petriglieri & Devine, 2016; Ravasi & Schultz, 2006) and identity-related sensemaking (e.g., Maitlis & Christianson, 2014; Rerup et al., 2022). Our findings are in line with and support previous literature in this realm, for example, by providing empirical support for the conceptual idea that congruence and relevance assessments matter for the evaluation of inter-organizational partnerships (Cornwell et al., 2018), while simultaneously adding a contextualized perspective on how, why, and when events emerge as salient to nonprofit members’ (re-)evaluations of organizational identity. In doing so, our paper makes three important contributions.

First, we contribute to the nonprofit and organizational identity literature by exploring the organizational identity implications of nonprofit-business partnerships from the perspective of individual nonprofit members. Although it is increasingly recognized that inter-organizational relationships play an important role in individuals’ construction of organizational identity (e.g., Brickson, 2013; Scott & Lane, 2000), limited empirical attention has been devoted to this issue in general and in the context of the nonprofit sector in particular. Against this backdrop, we empirically show that nonprofit-business partnerships matter for organizational identity evaluations of NPO members, thus adding to prior conceptual work in this domain (e.g., Cornwell et al., 2018). Especially the observation that there are conditions under which such activities affirm their organizational identity serves to challenge prevalent assumptions that NPO members harbor negative attitudes toward business partnerships (e.g., Bocquet et al., 2020; Herlin, 2015; Yaziji & Doh, 2009). Although the idea that inter-organizational partnerships may be identity affirming has been discussed before (Cornwell et al., 2018), this finding is surprising in a nonprofit context, not least given nonprofit members’ strong motivation to preserve a value-based organizational identity and the increasing public awareness that companies may misuse partnerships with NPOs for greenwashing purposes (e.g., Bocquet et al., 2020).

Second, this study extends research on identity-related sensemaking in organizations by providing a context-sensitive analysis of how nonprofit members make sense of business partnerships. Bringing the organizational context into the foreground is theoretically meaningful, since sensemaking can never be isolated from the context in which it occurs (Sandberg & Tsoukas, 2015; Weick, 1995). Our findings support the idea that congruence and relevance appraisals explain why the perceived organizational identity implications of similar partnerships may vary considerably among individuals (Piening et al., 2020; also see Brickson, 2013). Thereby, an important extension of previous research lies in providing insights into the content of these appraisal processes (i.e., the cues individuals draw on to assess partnership congruence and relevance) that have been largely underexamined in the literature. While organizational, project, and personal congruence are cues that matter for congruence assessments, public, organizational, and personal involvement determine the perceived relevance of partnerships. Together, these two sets of cues
provide a better understanding of the sources of variance in nonprofit member evaluations of nonprofit-business partnerships.

Third, our research shows how congruence and relevance appraisals interact in shaping whether events are perceived as organizational identity threats. While previous conceptual research has begun to discuss how the perceived congruence and relevance of inter-organizational partnerships jointly affect employees’ organizational identification (e.g., Cornwell et al., 2018), our study provides empirical evidence on what this interplay means for organizational identity threats. With respect to nonprofit-business partnerships, our results indicate that negative organizational identity-related implications of partnership incongruence can be either amplified or weakened by perceptions of high and low partnership relevance, respectively. This implies that it is necessary to investigate the interrelations (e.g., feedback loops) of these sensemaking processes rather than viewing them solely as parallel or even isolated occurrences. Jointly taking both appraisals into account provides an explanation for the finding that under certain conditions partnerships can have an identity-affirming effect. While the nature of our data did not allow us to make claims about whether there is a point at which the two mechanisms may cancel each other out, our empirically grounded model (see Figure 2) offers a platform for further research into these interaction effects.

Limitations and Future Research

This research has limitations that suggest various directions for future research. First, although we identified patterns across nonprofit members working in different organizations in Germany and our qualitative design allows for analytic generalizability, scrutiny of the transferability of our findings in other contexts is needed to dive deeper into how members make sense of nonprofit-business partnerships. For example, comparative studies that systematically explore the role of both individual member attributes (e.g., values and attitudes toward business partnerships) and organizational characteristics (e.g., size, experience with business partnerships, etc.) in identity-related sensemaking processes would be valuable. The same can be said about in-depth investigations of single partnerships, ideally over an extended period of time. For example, such studies could explore how power dynamics shape nonprofit members’ evaluation of business partnerships. This is particularly relevant, as power imbalances between partner organizations have been identified as a major area of conflict and tension in cross-sector collaboration (Bouchard & Raufflet, 2019; Elbers & Schulpen, 2011; O’Brien & Evans, 2017).

Second, future research should go beyond the individual-level analysis of this study by exploring the collective sensemaking efforts of nonprofit members confronted with potential organizational identity threats emanating from business partnerships. Here it would be interesting to analyze the characteristics of an organization’s collective identity (e.g., its strength, that is, the extent to which organizational identity perceptions are widely shared and densely articulated by members; see Ashforth et al., 2008) shape members’ evaluations of business partnerships. This would be a fruitful area for further studies, as neither organizational identity nor identity-related sensemaking in
organizations occur in isolation but are shaped and informed by other members of an organization (Rerup et al., 2022).

Third, our study focused on the antecedents and processes rather than the outcomes of organizational identity threat assessments of nonprofit-business partnerships. Hence, to gain further insights into organizational identity implications of inter-organizational partnerships, future studies should go beyond their current exploration and investigate organizational and individual-level outcomes of identity threat assessments. Specifically, it would be valuable to study how partnership-induced organizational identity threats trickle down to affect individual members’ sense of self and their identification with the organization (e.g., Cornwell et al., 2018; Piening et al., 2020).

**Conclusion**

We empirically examined how nonprofit members make sense of nonprofit-business partnerships and the conditions under which they perceive these partnerships as organizational identity threats. Our analysis shows that members’ congruence and relevance assessments of nonprofit-business partnerships play a key role in their organizational identity threat appraisals. We also identified cues that NPO members draw on for their assessments of partnership congruence and relevance and provided insights into how congruence and relevance appraisals interact in shaping organizational identity threat perceptions.

**Data Availability Statement**

The data are not publicly available due to ethical, legal, or other concerns.

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