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## **Multi-Stakeholder Sustainability Alliances in Agri-Food Chains: A Framework for Multi-Disciplinary Research**

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### **Abstract**

This study provides a definition of Multi-Stakeholder Sustainability Alliances (MSSAs) based on describing the platforms formed and/or joined by the fifty largest food and beverage multinational corporations (MNCs). It develops an inductive framework on how MNCs use MSSAs to effectively signal to their stakeholders that they are sustainable and suggests a set of methods to test the developed framework in future research. Results provide management scholars a research agenda that can be implemented with agribusiness managers and their stakeholders.

**Keywords:** stakeholder; sustainability; alliances; Corporate Social Responsibility (CSR); partnerships.

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## **Introduction**

Sustainability has rapidly become a key challenge for agribusiness companies regardless of their position along the supply chain or their geographic focus (Lubin and Esty 2010; Vermeir and Verbeke 2006). As a response to this challenge, agribusiness firms are attempting to interact effectively with a much broader set of stakeholders, including not only supply chain actors and investors, but also governments, knowledge institutions, non-governmental organizations (NGO) and other civil society organizations (Jenkins et al. 2007; Rankin and Boehlje 2010; Van Latensteyn and Andeweg 2010). This process of interaction related to sustainability, especially in the last decade, has led a number of large agribusiness firms to form and/or participate in multi-stakeholder alliances.

Multi-stakeholder sustainability alliances (herewith after MSSAs) would appear to be of growing importance for the agri-food sector, yet this phenomenon has not been analyzed within the agribusiness literature and is still scarcely studied in business research (Kourula and Laasonen 2010; Selsky and Parker 2005). Introducing MSSAs to agribusiness research is thus timely and crucial. This paper uses an inductive, theory-building approach to: 1) suggest a definition of the phenomenon based on describing a set of MSSAs formed and/or joined by many of the world's largest food and beverage multi-national corporations (MNCs) (Food and Beverage International 2009); 2) propose a theoretical framework on how MNCs use MSSAs to effectively signal to their stakeholders that they are sustainable; and, 3) suggest a set of methods to test the theoretical framework in future research.

Empirical evidence supporting the development of the framework was collected from: (1) MNCs' sustainability and corporate reports, (2) press releases and reports by stakeholders both within and outside MSSAs, and (3) on-going public discussions with business managers, NGO leaders and academics participating in MSSAs (specifically, the Sustainable Agriculture Initiative Platform and Transforum) and other sustainability initiatives (the Carbon Disclosure Project and Round Table on Responsible Soy). These discussions took place during the International Food and Agribusiness Management Association (IFAMA) conferences between 2008 and 2010. The framework suggested in this study will assist agribusiness managers to develop partnerships with their stakeholders that result in effective signaling of sustainability.

Two additional points frame this analysis of MSSAs. First, MNCs are not the only users of MSSAs. Companies of smaller size and with a domestic focus form and/or join MSSAs (Van Latensteyn and Andeweg 2010) as well. Yet, MNCs appear to be more inclined to undertake these alliances and face greater complexity in their stakeholder interactions. Therefore, smaller scale, domestic companies are not treated in the analysis. Second, MNCs may form and/or join MSSAs for reasons other than credible signaling of sustainability to their stakeholders. For example, MSSAs may also be used to share resources with stakeholders in order to establish and reach jointly agreed sustainability objectives. This paper focuses on and analyzes only signaling as a reason for MSSAs existence, and leaves to future research the exploration of other reasons for MSSAs.

The fundamental research question is this: why are MNCs forming and participating in MSSAs as a significant part of their corporate sustainability strategy? The answer explored in this paper relates to the role an MSSA can play in an MNC credibly signaling to other economic, social and

environmental actors that it is committed to and engaged in sustainability practices. The intuition about the need for credible signaling arises from the complexity and uncertainty about what constitutes sustainability behavior and results. Sustainability encompasses systemic economic, social and environmental outcomes in the context of multiple stakeholders who often have dramatic and passionate differences in values and perspectives. Mistrust among stakeholders is likely high and direct observations of an MNC's sustainability efforts is likely impractical. MNC self-declarations of sustainability are not likely credible in this context. Nor are supply chain business partners credible in the eyes of governmental and societal organizations. The general proposition explored is that engagement in MSSAs is one of the few (if only) ways to credibly signal a MNC's progress in sustainability.

The rest of this paper is organized as follows. In the next section, MSSAs are described and defined. In the third section, relevant concepts from stakeholder theory, theory of reasoned action and status theory are introduced before the theoretical framework is developed in the fifth section. Based on this framework, directions for future research are presented in section five and then conclusions follow.

## **Description and Definition of MSSAs**

In the last ten years, twenty-two out of the world's largest fifty MNCs in the food and beverage sector formed and/or joined a number of partnerships with heterogeneous stakeholders (Table 1 and 2). Actors partnering within these alliances include many, if not all, of the following stakeholders: supply chain partners, competitors, investors, governments, knowledge institutions, non-governmental organizations (NGOs) and other civil society organizations. Specifically, nine out of the ten largest MNCs participate in at least one of these partnerships. All these partnerships can be described as MSSAs.

However, MSSAs are not the only means of implementing sustainability initiatives. The majority of the mentioned MNCs have developed one or more of the following: (1) a strategic model for sustainability (such as Nestlé's "Shared Value Creation" model; Nestlé 2010), (2) pursuit of a variety of specific activities that are usually reported according to recently developed environmental and/or social standards (such as the UN Global Compact, the Global Reporting Initiative and the Carbon Footprint Disclosure), and (3) initiatives in bilateral partnerships with only one other stakeholder (such as Nestlé's Nespresso E-Collaboration with Rainforest Alliance or Coca-Cola's partnership with the WWF). MNCs have been developing sustainability models and one-partner alliances since the early 1990s; their participation in multi-stakeholder alliances has emerged more recently.

The largest MNCs such as Nestlé, PepsiCo, Kraft and Unilever – which each own a portfolio of brands diversified into a number of food sub-sectors - are participating in a large number of alliances that cover multiple food sectors with a broader focus including both environmental and social sustainability (Kraft 2010; Nestlé 2010; Unilever 2010). Less diversified and relatively smaller MNCs such as Bunge, Ferrero and Cadbury focus mainly on sustainability alliances with a particular sector (cocoa, palm oil, cashew and coffee) which corresponds more closely with their core strategy. A few MNCs, including Nestlé, Kraft and Unilever, have been very active in founding or co-founding a number of multi-stakeholder alliances, demonstrating strategic intent to build core competence and leadership in tackling sustainability issues.

**Table1.** MNCs in Multi-Stakeholder Sustainability Alliances in the Agri-food Sector

<i>MNC's Name</i>	<i>Total Sales 2008 (USD Millions)</i>	<i>Name(s) of Multi-Stakeholder Sustainability Alliance(s)</i>
Nestlé	101,580	<b>Sustainable Agriculture Initiative Platform</b> , International Cocoa Initiative, World Cocoa Foundation, Roundtable on Sustainable Palm Oil, <b>4C Association</b> , Water Footprint Network
Pepsi Co	43,251	Roundtable on Sustainable Palm Oil, Sustainable Agriculture Initiative Platform, GAIN Business Alliance, Water Footprint Network
Kraft Foods	42,201	International Cocoa Initiative, Sustainable Agriculture Initiative Platform, <b>African Cashew Alliance, 4C Association.</b>
Unilever	58,570	<b>Sustainable Agriculture Initiative Platform, Roundtable on Sustainable Palm Oil, GAIN Business Alliance, Dutch Sustainable Trade Initiative, Novella Africa Initiative, Global Packaging Project</b> , Water Footprint Network.
Coca-Cola Company	31,944	Sustainable Agriculture Initiative Platform, GAIN Business Alliance, <b>Community Water Partnerships</b> , Water Footprint Network
ADM Company	69,816	<b>International Cocoa Initiative</b> , World Cocoa Foundation, Roundtable on Sustainable Palm Oil, World Initiative for Soy in Human Health.
Mars	30,000	<b>IMPACT Partnership, International Cocoa Initiative</b> , GAIN Business Alliance, Roundtable on Sustainable Palm Oil.
Cargill	120,439	International Cocoa Initiative, GAIN Business Alliance, Soy Moratorium Working Group – GTS, World Initiative for Soy in Human Health, Flour Fortification Initiative.
SABMiller	25,302	Water Footprint Network <b>Initiative Platform</b> , GAIN Business Alliance.
Danone	22,375	<b>Sustainable Agriculture</b>
Heineken	21,030	Sustainable Agriculture Initiative Platform, Water Footprint Network
General Mills	14,691	Sustainable Agriculture Initiative Platform, Flour Fortification Initiative
Fonterra	14,560	Sustainable Agriculture Initiative Platform, Roundtable on Sustainable Palm Oil
Kellogg Company	13,750	Sustainable Agriculture Initiative Platform, Roundtable on Sustainable Palm Oil.
ConAgra Foods	12,745	Roundtable on Sustainable Palm Oil
Femsa	15,081	<b>Water Center for Latin America and the Caribbean, Alliance for Water Partnership</b> , GAIN Business Alliance.
Sara Lee Corporation	13,212	Sustainable Agriculture Initiative Platform, <b>4C Association</b> , Dutch Sustainable Trade Initiative, Global Packaging Project.
HJ Heinz Company	10,155	Roundtable on Sustainable Palm Oil
Ajinomoto	11,515	<b>Ajinomoto Stakeholder Dialogues</b>
Bunge	52,574	Soy Moratorium Working Group – GTS, World Initiative for Soy in Human Health.
Cadbury	9,960	Roundtable on Sustainable Palm Oil
Ferrero	9,135	Roundtable on Sustainable Palm Oil

**Source.** Sustainability Reports and Company Websites of the mentioned MNCs; Food and Beverage (2008).

**Note.** Alliances founded or co-founded by the MNC are in bold. Total sales include both food and non-food sales.

**Table 2.** Multi-Stakeholder Sustainability Alliances in the Agri-food Sector

<i>MNCs' Multi-Stakeholder Sustainability Alliance(s)</i>	<i>Sector Focus</i>	<i>Sustainability Focus</i>	<i>Stakeholders Involved</i>	<i>Year Founded</i>
Sustainable Agriculture Initiative Platform	Multiple	Environmental & Social	Competitors, Intl & Local NGOs, Intl Organizations, Knowledge Institutions	2002
International Cocoa Initiative	Cocoa	Environmental & Social	Competitors, International & Local NGOs, Intl Suppliers	2002
IMPACT Project	Cocoa	Environmental & Social	Intl & Local NGOs, Government Agencies, Intl Organizations,	
World Cocoa Foundation	Cocoa	Environmental & Social	Competitors, Intl & Local NGOs, Government Agencies, Intl Suppliers, Intl Organizations, Knowledge Institutions	2000
Roundtable on Sustainable Palm Oil	Palm Oil	Environmental & Social	Competitors, Intl & Local NGOs, Intl and Local Suppliers, Intl Retailers, Intl Organizations, Investors	2004
African Cashew Alliance	Cashew	Environmental & Social	Intl & Local NGOs, Government Agencies, Intl and Local Suppliers, Intl Retailers	2005
4C Association	Coffee	Environmental & Social	Competitors, Intl & Local NGOs, Intl and Local Suppliers, Intl Organizations, Knowledge Institutions	2004
Global Packaging Project, Consumer Goods Forum	Packaging	Environmental	Competitors, Intl Suppliers, Intl Retailers, Knowledge Institutions	2010
GAIN Business Alliance	-	Social	Competitors, Intl NGOs, Intl Suppliers	2002
Dutch Sustainable Trade Initiative	Multiple	Environmental & Social	Competitors, Intl & Local NGOs, Government Agencies, Intl Organizations.	2007
Novella Africa Initiative	Forestry	Environmental	Intl & Local NGOs, Government Agencies, Intl Organizations, Knowledge Institutions.	2002
Alliance for Water Partnership	Water	Environmental	Intl NGOs, Knowledge Institutions.	2007
Ajinomoto Stakeholder Dialogues	Multiple	Environmental & Social	Intl and Local NGOs, Knowledge Institutions.	2009
Soy Moratorium Working Group – GTS	Soy	Environmental	Competitors, Intl NGOs, Government Agencies	2007
Community Water Partnerships	Water	Environmental	Intl NGOs, Intl and Local Suppliers, Intl Organizations.	2005
World Initiative for Soy in Human Health	Soy	Social	Competitors, Intl & Local NGOs, International Suppliers	2000
Flour Fortification Initiative	Wheat	Social	Competitors, Intl & Local NGOs, Intl and Local Suppliers, Intl Organizations, Knowledge Institutions	2000
Water Footprint Network	Water	Environmental	Competitors, Intl & Local NGOs, Intl Organizations, Knowledge Institutions.	2008

However, these MNCs seem to interpret the role of multi-stakeholder alliances within their sustainability strategy differently. Nestlé co-founded multi-stakeholder alliances mainly with its competitors (such as SAI Platform and International Cocoa Initiative) and separately founded individual partnerships with NGOs but without its competitors (such as Nespresso E-Colaboration and Nescafé Plan) (Nestlé 2010). In contrast, Unilever seems to be adopting a more integral “multi-stakeholder approach” to sustainability by participating exclusively in alliances with multiple stakeholders in all its sustainability initiatives (Unilever 2010).

The heterogeneity of the group of stakeholders participating in a sustainability alliance provides important insight into the mission of the alliance and the type of information shared among partners. The first type of alliance that can be observed, such as the World Cocoa Foundation, the Roundtable on Sustainable Palm Oil and the Sustainable Agriculture Initiative Platform, attempts to include the broadest possible heterogeneity of stakeholders. Private businesses, NGOs, governmental departments and development agencies, international organizations and knowledge institutions (RSPO 2010, SAI Platform 2010, WCF 2010) are all deliberately brought into the alliance. In these alliances, a key initial step is seeking consensus on an “operational” definition of sustainability. Once a common definition is developed, partners meet in smaller groups to implement specific sustainability projects where each stakeholder provides technology or human capital.

A second type of alliance has less heterogeneity among its stakeholders. Among this second type are alliances such as the IMPACT Partnership, the 4C Association and the Water Footprint Network. They are mainly driven by public development actors, including (1) local civil society organizations and international NGOs such as African trade unions and Oxfam International respectively, (2) international organizations such as the World Food Program and (3) government agencies such as the German Development Agency (GTZ) and the US Agency for International Development (USAID) (4C Association 2010; IMPACT partnership 2010; Water Footprint Network 2010). In these alliances, MNCs mainly play the role of providing capital and technical assistance to the partnership.

A third type of alliance is mainly business-driven, such as the Global Packaging Project of the Consumer Goods Forum (2010) and the GAIN Business Alliance (2010). These alliances have an organization similar to either supply chain partnerships (in the case of the Global Packaging Project) or to joint CSR initiatives (in the case of the GAIN Business Alliance). The key difference with this type of alliance is that more than one stakeholder external to the supply chain is also involved to facilitate the information exchange on sustainability.

These observations on the various types of MSSAs that have emerged suggest the following definition for the phenomenon: *A multiple-stakeholder sustainability alliance is a long-term partnership involving multiple participants from two or more categories of stakeholders (government, business, societal organizations, and knowledge institutions) with the objective of jointly defining and reaching sustainability objectives.* Consistent with Donaldson and Preston (1995) and Cronin et al. (2011), categories of stakeholders include governments, international organizations and NGOs, business entities (competitors, investors, supply chain partners, and industry groups), consumers and community representatives. Moreover, knowledge institutions (such as universities, research centers and think-tanks) are added as potential MNCs’ stakeholders in the context of sustainability given their active role in many of the MSSAs observed.

This definition *excludes* (1) partnerships between only one MNC and one category of stakeholder (such as MNCs receiving Rainforest Alliance and UTZ certifications or Marine Stewardship Council accreditations, or MNCs partnering with their competitors and customers to form the Sustainable Packaging Coalition), (2) initiatives merely based on sustainability reporting to an NGO or international organization (such as the Global Reporting Initiative, the Carbon Disclosure Project and the United Nations Global Compact), (3) joint declarations of intents on sustainability (such as the European Food Sustainable Consumption and Production Round Table), and (4) joint short-term sustainability projects formed for only a limited purpose and then disbanded.

## **Literature Review**

Three distinct bodies of literature are reviewed and used in the framework presented in the next section.

### *Stakeholder Theory and Sustainability*

Stakeholder theory provides a conceptual basis to develop a framework for how MNCs can use MSSAs as a signal of sustainability. The central message of stakeholder theory is that organizations should aim at maximizing not only their own profits, but also maximizing benefits or minimizing damages to other organizations and/or individuals as possible effects of their activities (Freeman 1984). Specifically, the three concepts of stakeholders, stakeholder interactions as critical to corporate strategy, and the formation of alliances with stakeholders are crucial to the development of this framework.

First, stakeholders are broadly defined as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman 1984, p. 46). However, in the case of large and trans-national companies, this definition of stakeholders can potentially include every member of society, leaving managers without a strategic direction for managing interactions with them. Narrower definitions identifying stakeholders in terms of their necessity for the firm’s survival (Nasi 1995) lead to pragmatically exploring under which conditions a firm’s manager should give attention and priority to stakeholders’ claims (e.g., Mitchell, Agle and Wood 1997). Consistent with these definitions, Donaldson and Preston (1995) mentioned national governments, international organizations and NGOs, competitors, investors, supply chain partners, consumers and community as categories of any firm’s stakeholders. Together with knowledge institutions, these categories are considered as “stakeholders” in the proposed framework.

Second, firms’ interactions with stakeholders play a central role within their corporate strategy. According to Mitchell, Agle and Wood (1997), firms’ managers take stakeholders into consideration when they are powerful (Pfeffer 1981) and when their claims are considered both as legitimate (Davis 1973) and urgent (Mitchell, Agle and Wood 1997). However, managers have to consider the whole stakeholders’ network in which they are embedded, as this determines the direction of influences between a firm and its stakeholders (Rowley 1997). Initially, stakeholders’ claims on sustainability were perceived as legitimate but not urgent nor powerful by firms’ managers (Brummer 1991) and therefore sustainability strategies were left to the morality or ethics of firm’s managers (Carroll 1991). However, as time passed empirical evidence grew that stakeholders were pressuring firms on social and environmental issues and they gained sufficient influence to affect the value creation of firms (Kassinis and Vafeas 2006). More recently, it

was found that firms' developing environmental (Baker and Sinkula 2005) and social strategies (Luo and Bhattacharya 2009) in interaction with stakeholders had a positive impact on the development of their own capabilities (Brown and Dacin 1997, Hult 2011), marketing assets (Krishna and Rajan 2009) and ultimately on their own financial performance.

Third, firms' alliances with their stakeholders are not an optional part of their sustainability strategies. Given its distinctive characteristics, sustainability is an example of a "wicked problem: complex, ill-defined, messy and unsolvable in any traditional sense" (Peterson 2009). Complexity mainly arises from the need to have economic, environmental, and social systems all interact to produce sustainability while the messiness springs from the situation that the plurality of a firm's stakeholders has very different definitions, capabilities, values and perceptions related to sustainability (Porter and Kramer 2006). These potentially significant differences in values means that stakeholders outside the supply chain can be motivated to take actions that will constrain a firm's strategies through governmental assaults on the right to produce or through citizen-lead efforts to curtail the right to sell if the firm does not behave more sustainably either in reality or in the perception of any one of the stakeholders. Given its "wicked problem" nature, building sustainability alliances was found to have a positive impact on both firms and their alliance partners' marketing assets and financial performance (e.g., Brown and Dacin 1997; Lichtenstein, Drumwright, and Braig 2004; Sen and Bhattacharya 2001). A narrower research strand has started conceptualizing the role of cross-sector social partnerships (Selsky and Parker 2005) among companies, governments and/or NGOs (Kourula and Laasonen 2010).

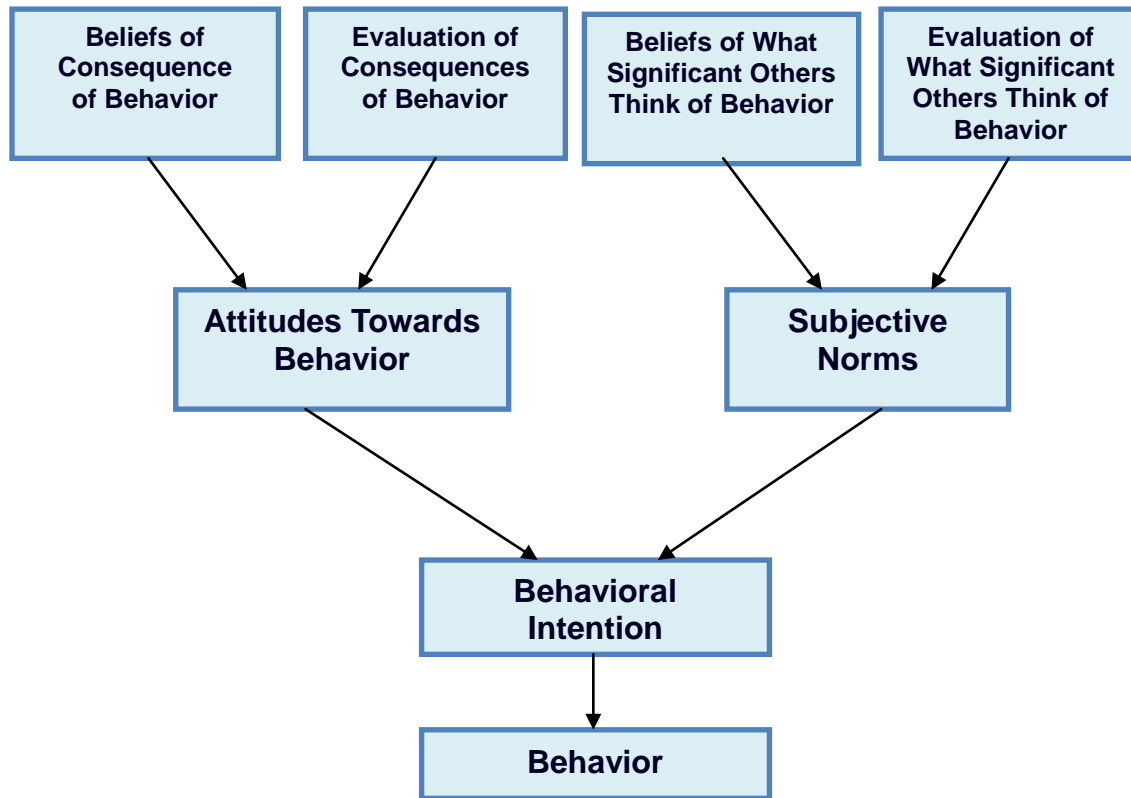
Yet, empirical evidence of the impact of cross-sector social partnerships or sustainability alliances on a firm's financial performance is still scarce since most of the research in this field has focused on the process of alliance formation and development rather than on its outcomes (Kourula and Laasonen 2010). Moreover, the specific effects of multi-lateral alliances for sustainability have not been explored yet. This paucity has recently called for further business research in the field (Cronin et al. 2011).

### *Theory of Reasoned Action and Sustainability*

The framework proposed in this paper also uses Fishbein and Ajzen's psychology theory of reasoned action (1975) to provide insight into what drives the behavior towards MNCs of stakeholders within and outside MSSAs. According to this theory, a person's behavioral intentions are driven by his/her attitude towards that behavior and by his/her subjective norms. Specifically, a person's attitudes towards a behavior are based on his/her perception that the behavior will have consequences as well as on his/her evaluation of these consequences. Finally a person's behavioral intentions predict behavior if the intention measure corresponds to the behavioral criterion in terms of action, target, context, time-frame and/or specificity (Figure 1). The theory has proven useful to predict behavior accurately, although with identified limitations (Sheppard, Hartwick and Warshaw, 1988). The theory of reasoned action provides three essential concepts to the framework developed in this analysis: perceptions, subjective norms and behavior. First, MNCs' stakeholders have perceptions about the extent a company is sustainable or not, however they define, conceptualize and measure sustainability. These also drive their perceptions on the consequences of their behavior supporting or contrasting MNCs' sustainability strategies. For example, consumers may perceive that stopping buying from a company which is believed not to be truly sustainable will make them feel that they are doing something positive for the environment



they live in. Policy-makers may perceive that tightening regulations affecting companies that they not believe are sustainable will have a positive impact on their chances of being re-elected. On the other hand, shareholders and equity funds may perceive that they will have relatively lower-risk future returns if they invest in a company which they believe is truly sustainable. In turn, stakeholders' perceptions of the consequences of such a behavior drive their attitudes towards the behavior and ultimately their behavior.



**Figure 1.** The Theory of Reasoned Action

**Note.** Boxes represent variables and arrows represent positive relationships between two variables.

Second, MNCs' stakeholders have subjective norms that also influence their intended behaviors supporting or contrasting companies. Subjective norms are defined as "the person's perception that most people who are important to him or her think he should or should not perform the behavior in question" (Fishbein and Ajzen 1975). In other words, a person's intention of taking action also depends on how he/she thinks other people would view him/her if he/she performed the desired behavior. For example, when deciding whether buying products from a company which is perceived to be unsustainable or not, consumers may have subjective norms based on the opinions that their friends and family would have about their behavior. Similarly, policy-makers, NGOs, investors and business partners have subjective norms based on the opinion that their electors, supporters and customers would have of their behavior towards a company.

Third, stakeholders' behaviors are driven by their perceptions of and attitudes towards their actions and by their subjective norms. Importantly, their behaviors towards MNCs have an impact on that company in terms of marketing assets and financial performance. A number of studies

focused on how consumers behave based on their perceptions and subjective norms related to the sustainability of the firm (Ogle, Hyllegard, and Dunbar 2004; Van Trijp and Fischer 2011; Vermeir and Verbeke 2006). A few studies also applied the theory of reasoned action to explain and predict other stakeholders' behaviors towards a firm as a reaction to its sustainability strategy, including policy-makers (Marshall, Cordano, and Silverman 2005), civil society (Ballantyne and Packer 2005), competitors and employees (Gilder, Schuyt, and Breedijk 2005). Yet, the theory of reasoned action has not been used to explain the effects of a MNC forming a MSSA on its stakeholders' behavior.

### *Social Status and Sustainability*

The idea of status, i.e. an actor's position in the social structure, as a key driver of social and economic rewards is a fundamental insight of the sociological theory (Simmel 1950). Status is strongly linked to the concept of deference from other actors (Goode 1978); while deference can be understood as a "flow", then status is the "stock" that corresponds to this flow (Parsons 1963). Although reaching a high status can be considered as an end in itself (Frank 1985), an actor's status also brings economic rewards by influencing the relative opportunities open to that actor in comparison with those available to its competitors (Podolny 1993).

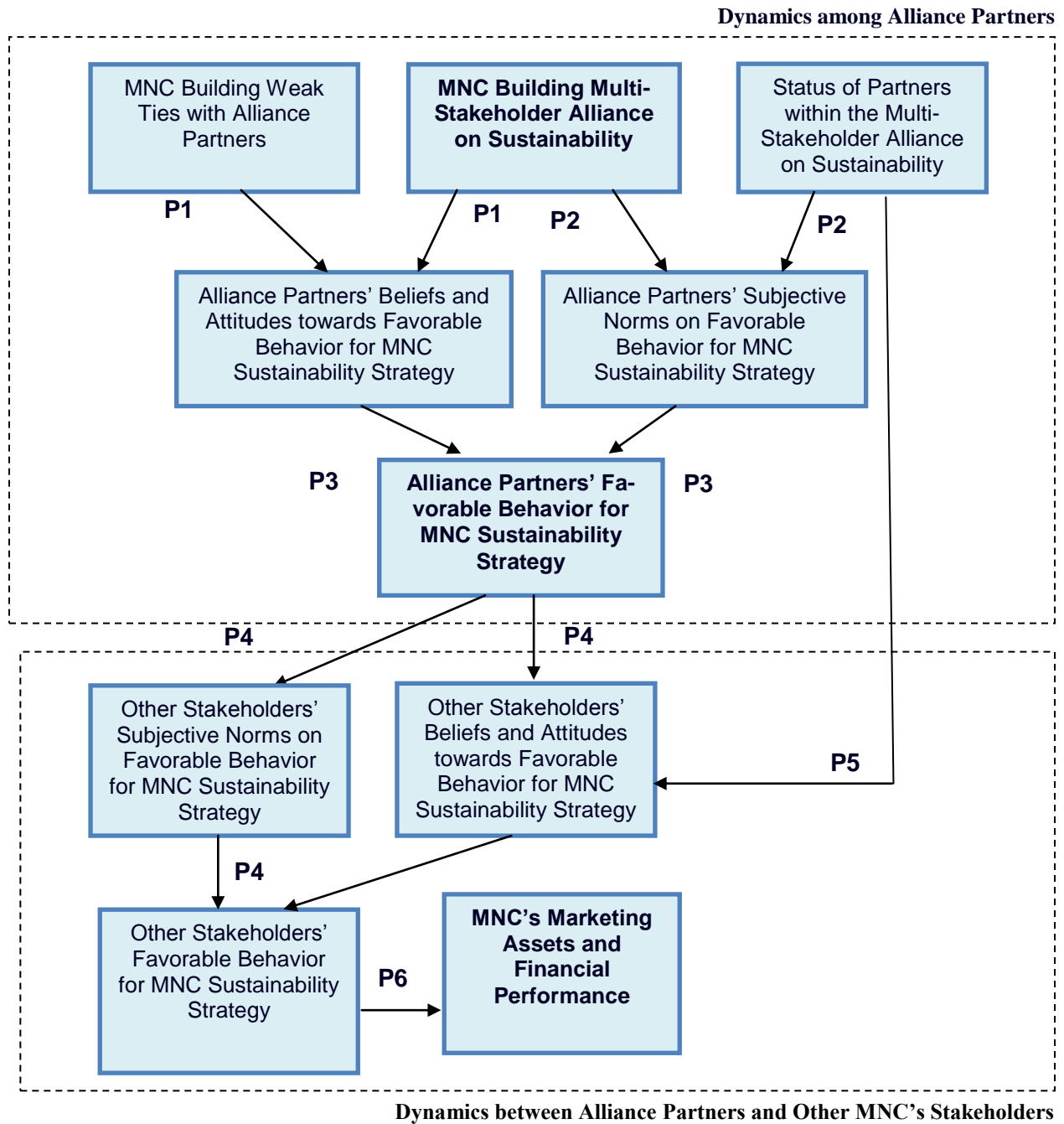
There are two fundamental ways an actor's status can open opportunities to that actor and generate economic rewards. First, status is a signal of quality (Podolny 1993), as it raises potential buyers' expectations of a product's qualities and value (Spence 1974). Importantly, the larger the uncertainty or difficulty in observing a product's quality, the stronger status becomes a signal (Podolny 1994). For example, in an artistic genre one in which objective standards are limited, and therefore uncertainty about quality is high, the perceived quality of a painter's work depends on the painter's relations to high-status actors and institutions in the artistic community (Greenfeld 1989). Similarly, when great uncertainty surrounding scientific quality is pronounced, for example during times of pronounced intellectual conflict or paradigmatic transition, the professional regard for a scientist and interpretations of the quality of the scientist's work are based on the status of those with whom the scientist actively and visibly affiliates himself/herself (Camic 1992; Latour 1987). Second, status can be considered as a means toward enhanced power over other individuals (Weber 1978). As such, the higher the status of an actor, the higher the probability of being considered as a "significant other" by other actors when undertaking their psychological process from attitudes to behavior.

In this paper, we argue that the dual role of an actor's status as a signal of quality and as a means of enhanced power over other actors is crucial to understanding – in integration with stakeholder theory and the theory of reasoned action - how MNCs use MSSAs to signal sustainability to their stakeholders. Researchers have analyzed the role of other signals of MNCs' sustainability, such as adhering to voluntary reporting standards (e.g., the Global Reporting Initiative, Nicholaeva and Bicho 2011), yet no studies have explored the key role of stakeholders' status within MSSAs in this context.

## **Theoretical Framework**

The proposed framework is presented in Figure 2. Its general flow of logic is taken from the theory of reasoned action. Alliance partners' favorable behavior toward an MNC's sustainability

strategy derives from the beliefs and attitudes of key stakeholders as defined by stakeholder theory and the status of these key stakeholders within the alliance as defined by the theory of status. The alliance partners' behavior in turn influences the beliefs and subjective norms of non-alliance stakeholders with ultimate influences on MNC marketing assets and financial performance. The framework's logic incorporates all three underlying theories and explains how MNCs use MSSAs to signal sustainability to their stakeholders within and outside the alliance.



**Figure 2.** The Proposed Conceptual Framework: The Impact of a Multi-National Corporation (MNC) building Multi-Stakeholder Alliances on Sustainability

**Note.** Boxes represent variables and arrows represent positive relationships between two variables.

The remainder of the section explores the causal links in the framework through the positing of six research propositions. These propositions are divided into two sets: one relating to the dynamics among alliance partners (upper half of the framework) and one relating to the dynamics between alliance partners and stakeholders outside the alliance (lower half of the framework). The first set of propositions proposes an explanation for how MNCs signal sustainability to their alliance partners or, in other words, change their alliance partners' perceptions and behaviors. The second set of propositions describes how MSSA partners' behavior has an impact on the perceptions and behaviors of stakeholders outside the alliance and ultimately on MNCs' marketing assets and financial performance.

## **Dynamics among Alliance Partners**

The first three propositions that follow lay out the logic that leads MNCs to build an effective signal of their focus on sustainability. MNCs often begin by developing interactions with partners with whom they had no or little prior relationship— i.e. they develop “weak ties” or “bridges” (Granovetter 1973) with these partners. The second characteristic of these partners is that they tend to have high status (Podonly 1993) in their respective arenas of influence. Once the partners are selected and the sustainability alliance formed, a MNC can use the information exchange and the joint design and implementation of sustainability initiatives within the alliance as the credible signals that favorably change its partners' beliefs, attitudes, subjective norms and ultimate behaviors towards support of the MNC's sustainability strategy.

The first proposition addresses the formation of weak ties. A first example of MNC weak ties or “bridges” with a key stakeholder is the Roundtable for Sustainable Palm Oil (RSPO) created in 2004 by Unilever and WWF together with Unilever's competitors, other international and local NGOs, supply chain partners, international organizations and investors. Up to 2004, Unilever and WWF had no relationships or structure for exchanging information, although both these organizations had interests in forests in South America, Asia and Europe. Specifically, before 2004 WWF had already been acting as watchdog and awareness leader on safeguarding forests worldwide (WWF 2004), while Unilever had supplied palm oil for its food products from the mentioned forest areas. A few months before the creation of the Roundtable for Sustainable Palm Oil in 2004, WWF denounced that seven of eight existing forest certification schemes, including the ones implemented by Unilever, were inadequate in protecting sustainability and called “upon companies and forest stakeholders to continue serious engagement for credible forest certification instead of seeking an alibi for forest destruction and business as usual”. After five years of joint work with Unilever and other stakeholders, WWF announced that RSPO “developed principles and criteria on sustainable palm oil production to ensure that palm oil production is economically viable, environmentally appropriate and socially beneficial”. Moreover, WWF announced that “by October 2009, some 195,000 tons of certified sustainable palm oil (CSPO) had been traded. This is a good start, but still only represents about 19% of the estimated 1 million tons of CSPO that has been produced so far. WWF is working to encourage companies to source 100% CSPO in the products they make and sell”.

Two additional examples of “building weak ties” between MNCs and international NGOs through MSSAs are the 4C Association (2010) and the Alliance for Water Stewardship (2010). In the 4C Association case, Nestlé and Kraft started communicating in 2002 with the internation-

al NGO Oxfam and other stakeholders with the facilitation of the German development agency GTZ. Oxfam had been pressuring Nestle' and its major competitors through its global campaign "Make Trade Fair" prior to 2002 (Oxfam 2010), but an effective formal relationship with MNCs in the coffee sector only started with the creation of the 4C Association. Through a constant dialogue with the MSSA secretariat and partners, Oxfam has been making clear that its participation in the alliance does not mean Oxfam is endorsing the MNC products approved by the alliance code of conduct; however, Oxfam guarantees its participation only if its expectations regarding the alliance organization and practices are satisfied (Oxfam 2005). In the Alliance for Water Stewardship (2010) case, the Coca-Cola Company started a joint initiative with WWF and Nature Conservancy, while there was no record of communication between these stakeholders before the alliance. WWF recognized in 2010 that "the partnership has helped integrate performance and water stewardship initiatives into the company's operations, improving Coca-Cola's water efficiency by 13 percent since 2004, well on its way toward reaching a 20 percent improvement goal by 2012" (WWF 2010). All three cases cited show how the establishment of weak ties through MSSAs was followed by a change in attitudes about MNC partners.

On the other hand, there are MSSAs where no weak ties or "bridges" among partners need to be built, as the partners were already collaborating or sharing a common culture before the alliance start-up. Three examples are the Global Packaging Project of the Consumer Goods Forum (2010), the GAIN Business Alliance (2010) and World Initiative for Soy in Human Health (2010). In the first case, the alliance partners were already collaborating as global supply chain partners, while the universities involved in the multi-stakeholder alliance had already undertaken previous collaboration with Unilever. As a result, while the project has the objective of setting common sustainability standards, sharing know-how and developing reciprocal capabilities, there is no evidence that any change in alliance partners' beliefs and attitudes is taking place. In the second and third cases, the sustainability alliances link multiple MNCs to NGOs (Ashoka, Clinton Global Initiative, Helen Keller International, Catholic Relief Services) and international organizations (International Finance Corporation, UNICEF and World Food Program) which had previous dual partnerships or other types of relationships with the industry. Again in these cases, MNCs are not building new "bridges" with their alliance partners and do not need to change their partners' beliefs and attitudes.

Based on this exploratory evidence, we state the following proposition:

*P1. If it develops weak ties (or "bridges") with multiple stakeholders through sustainability alliances, the MNC increases its partners' beliefs that the MNC has an effective sustainability strategy and the alliance partners will ultimately act favorably toward this strategy.*

Second, evidence exists that building multi-stakeholder sustainability alliances moves partners' subjective norms to be more inclined towards acting favorably to the MNCs strategies when other alliance partners have higher status. This evidence is exploratory mainly due to the tentative measurement of subjective norms and status proposed herein. First, as subjective norms are difficult to measure directly in this context, we measured subjective norms indirectly based on the responses of "significant others" to the decisions of MNCs' alliance partners to act favorably to MNCs strategies. This implies that stakeholders deciding to join a sustainability alliance implicitly need to ask themselves: "what will significant others think and how will they react and affect

me if I ally myself with a MNC?” Second, consistent with Podolny’s theory (1994), we tentatively measure an actor’s status based on the number of declarations of “deference” (Parsons, 1963) that the actor receives regarding sustainability. Therefore, we consider actors that have been broadly and frequently cited for their past work on environmental and social issues as having “high status”, while actors receiving few citations for their past work in the same field are considered as having “low status”. The tentative measurement of these variables and the exploratory nature of their relationship certainly justifies further research in this domain as discussed in next section.

Based on these tentative measures, we found that when participating in MSSAs with other high-status actors, the alliance partners have generally not been accused of “greenwashing.” That is an MSSA has not been accused by stakeholders external to the alliance of collaborating to provide a superficial “green” look to MNCs that are making no real change towards sustainability. For example, we could find no cases of MSSAs being accused of greenwashing even on extremely delicate issues (such as the Soy Moratorium Group (2010) and the 4C Association (2010)) when the MSSA had a large and diversified number of high-status stakeholders including governmental agencies, NGOs, universities and international organizations. Similarly there have been no greenwashing accusations made toward the thematic working groups created within the SAI Platform (2010). They too involve a large and diversified number of stakeholders with high status.

On the other hand, greenwashing accusations have been made of (1) bi-lateral alliances or certification schemes involving only one high-status stakeholder and (2) MSSAs with a number of actors that are “low status”. Bi-lateral alliances examples accused of “greenwashing” by other stakeholders include the Roundtable on Responsible Soy (e.g., GMwatch 2010; Holland et al. 2008) with the WWF (normally considered high-status), and the environmental certification schemes (e.g. Jaffee 2007) with the NGO Rainforest Alliance (considered of lower status than the WWF). Cases of multi-stakeholder alliances accused of “greenwashing” include the International Cocoa Initiative (2010), which has NGOs and trade unions of relatively lower status, and to some extent the RSPO (2010), which has a small and undiversified number of high-status stakeholders.

Based on this exploratory evidence, we state the following proposition:

*P2. The higher the status of the alliance partners, the stronger is the impact of the multi-stakeholder alliance on other alliance partners’ subjective norms for acting favorably to the MNC’s sustainability strategy.*

Consistent with the theory of reasoned action, we posit that MNCs’ alliance partners act favorably to a MNC’s sustainability strategy when the partners’ beliefs that the MNC has a sustainability focus are strong, when their attitudes towards acting favorably to the MNC are positive and when their subjective norms do not prevent them from acting favorably to the MNC. In this explorative study, we observed three types of “favorable acts” of alliance partners towards the MNC. First, some alliance partners actively endorsed or provided a positive evaluation of the MNC’s effort towards sustainability within the scope of the alliance. This is the case of Amnesty International declaring the efforts of the Ajinomoto Group (2010) of moving towards socially

responsible practices and the case of the Rainforest Alliance endorsing Nestlé and Kraft for their effort in the development of dual and multi-stakeholder alliances on sustainability (e.g. Kraft 2010). Second, more often, the MNC explicitly mentions the name of “high status” alliance partners in sustainability reports and press releases to justify their effort in defining, implementing and measuring sustainability with that high-status partner as part of their core business. In this second case, the alliance partner provides a “passive endorsement” to the MNC. This is the case of WWF and Oxfam participation to the RSPO and 4C Association alliances, where these NGOs claim that their continued participation in the alliance is subject to the progress made by their business partners towards sustainability (e.g., Oxfam 2005). Third, alliance partners act favorably to the MNC by stopping the release of negative information on a certain behavior(s) of the MNC when they observe a positive change from previously unsustainable practices. For example, Greenpeace stopped providing negative information on Cargill and other MNCs on the specific themes under discussion in the alliance after the establishment of the Soy Moratorium Group (2010). Therefore, we state the following proposition:

*P3. The interaction between sustainability alliance high-status partners’ attitudes and subjective norms is positively associated with their behavior of acting favorably to the MNC’s strategies.*

#### *Dynamics between Alliance Partners and MNCs’ Stakeholders outside the Alliance*

MNCs communicate the activities undertaken by MSSAs mainly through reports and press releases (e.g., Kraft 2010; Nestlé 2010; Unilever 2010). These are the potentially effectively signals of sustainability to the larger set of MNCs’ stakeholders outside the alliances. At the same time, some MNCs’ alliance partners - specifically NGOs with a mission of advocacy and awareness-raising on sustainability issues – use their information released through reports and press releases as “carrots and sticks” depending on MNCs’ efforts towards more sustainable practices (e.g. Greenpeace 2010; Oxfam 2010; WWF 2010).

Despite the signaling intent of MNCs and of some of their alliance partners, to the best of our knowledge there is no direct evidence of the impact of multi-stakeholder alliances on the behavioral intentions or behavior towards MNCs of these other external stakeholders. Recent literature found that a set of positive information from different sources related to the sustainable practices of a firm has a positive impact on consumers’ attitudes towards the firm and on intentions of acting favorably to it (Dentoni et al. 2011; Tonsor et al. 2005), but these studies are based on hypothetical experiments and involve only one category of stakeholders (consumers). The declared signaling intent of MNCs and some alliance partners and the scarce empirical evidence collected so far makes testing this relationship very important in future research. Therefore, based on the exploratory evidence provided and consistent with the theory of reasoned action, we state the following proposition:

*P4. Sustainability alliance partners’ behavior of acting favorably to a MNC’s sustainability strategy is positively associated with other external stakeholders’ (1) beliefs that the MNC has sustainability focus, (2) their attitudes towards acting favorably to the MNC and (3) their actual behavior of acting favorably to the MNC’s sustainability strategy.*

When presenting multi-stakeholder alliances on sustainability to other stakeholders through press releases and annual sustainability reports, MNCs often highlight the importance of their alliance partners' contribution to define, implement and measure jointly undertaken sustainability initiatives. MNCs often describe their alliance partners with deference to justify their alliance partners' choices (e.g. Cargill 2010; Fonterra 2010; Sara Lee 2010).. MNCs thus use the status of their alliance partners to signal their focus on sustainability to their stakeholders outside the alliance.

While the use of alliance partners' status as a signal of MNCs' sustainability focus is evident, to the best of our knowledge research has not analyzed the impact of MNC alliance partners' status on other stakeholders' beliefs and attitudes towards the MNC. Consistent with Podolny (1993 and 1994), recent agribusiness research found that the status of endorsing actors outside the supply chain has a role on beliefs and behaviors of a firm's customers and final consumers (Dentoni and Reardon 2010) but these findings were in a context different from sustainability alliances. Moreover, other research analyzed the impact of endorsers' credibility on consumers' beliefs and buying intentions again in different contexts from sustainability alliances (Dentoni et al. 2011; Frewer, Howard, and Shepherd, 1998). The relationship between endorsers' status and credibility has not been explored.

The importance attributed by MNCs to the relationship between alliance partners' status and the beliefs, attitudes and consequent behaviors of stakeholders external to a sustainability alliance, together with the current paucity of research in this domain, makes testing the following proposition important for future research:

*P5. The higher the status of MNC sustainability alliance partners, the stronger is the impact of alliance partners' behavior of acting favorably to the MNC on other external stakeholders' beliefs that the MNC has an effective sustainability strategy.*

Finally, through their annual reports and press releases, MNCs often declare that they consider sustainability strategies as necessary not only because they are of crucial importance to the future of planet and people, but also due to the practical relevance for their survival and for enhancing innovation by developing sustainability skills, knowledge and reputation within the MNC organization (e.g., Dutch Sustainable Initiative 2010). Through MSSAs, MNCs clearly intend to generate improved financial performance together with improved environmental and social performance. This intention is consistent with the triple-bottom line concept (Elkington 1998) and the concept of sustainability as an opportunity to learn from a larger group of stakeholders (Cronin et al. 2011; Hult 2011). Despite these MNCs' stated intentions, little empirical evidence exists on the impact of MSSAs and of MNC alliance partners' acting favorably on the value of MNCs' marketing assets and on the MNC's financial performance. This lack of evidence may simply arise because a sufficiently long series of historical data on MNC performance is not yet available to measure these relationships. This makes it interesting to test the following proposition in future research:

*P6. Other stakeholders' behavior of acting favorably to the MNC is positively associated with the value of MNC marketing assets and with MNC financial performance. Specifically, MNC's financial performance and market value is enhanced by greater consumer acceptance*



*of its products, greater access to capital from investors, and fewer obstacles to strategy implementation by non-supply chain stakeholders, e.g., governments and NGOs.*

The framework and the six propositions are presented in Figure 2. They provide a first answer to the questions posed at the end of the first section. In particular, the framework proposes that MNCs' forming or joining MSSAs effectively changes alliance partners' perceptions and behaviors if multiple partners are involved in this process and if MNCs ally themselves with partners who have high status. By first influencing attitudes, perceptions and behaviors of high-status partners within the alliance, MNCs can effectively change attitudes, perceptions and behaviors of the larger group of their stakeholders outside the alliance. Under these conditions, MSSAs could ultimately have a positive effect on MNCs' marketing assets, and financial performance.

### **Discussion: Research Opportunities and Implications**

We identify a number of opportunities to be explored in future research (Table 3) by comparing the proposed framework with the existing literature on sustainability in agri-food value chains. We posit that multidisciplinary research testing the stated propositions would lead to key implications for both MNC managers and other stakeholders deciding to participate in or create MSSAs to signal sustainability to its stakeholders.

Specifically, by testing the stated propositions P1 to P3 related to the dynamics among MNCs and their partners within MSSAs, agribusiness research has the opportunity to tackle the following broad question: how can a MNC choose partners and build relationships with them in an MSSA to effectively signal sustainability to all its alliance partners and to favorably change their behavior towards the MNC? However, testing these propositions may present a number of challenges in terms of methods of measurement and analysis. Measurement challenges are mainly given by common rater's social desirability biases (Podsakoff et al. 2003) if the variables of interest such as rater's beliefs, attitudes, subjective norms and behavioral intentions are measured with direct questions to MNC managers, alliance partners and other stakeholders. Analytical challenges mainly refer to the risk of misspecification error if a significant variable is not identified and included in the framework (Grewal, Cote, and Baumgartner 2004).

We suggest the use of the following range of research methods to tackle these challenges and test the suggested propositions effectively. First, researchers can conduct natural experiments where the creation of weak ties and of a sustainability alliance among multiple stakeholders is the "natural" treatment and alliance partners' beliefs, attitudes and behaviors are measured. Specifically, panel data (Wooldridge 2002) effectively measure the dynamic change of the measures over time and the impact of the creation of weak ties and sustainability alliances. Moreover, multivariate statistical approaches such as latent growth models and hierarchical linear models (Duncan et al. 1999; Raudenbush and Bryk 2002) allow the dynamic analysis of both individual variables (related to individual alliance partners) nested within "group variables" combining direct questions to alliance partners and the use of qualitative analysis software on alliance partners' reports and press releases (Barry 1998). Second, case-based grounded theory methods (Eisenhardt 1989) would allow the collection a richness of data which describes the process of alliance creation in detail and decreases the risk of misspecification errors in future research. Specifically, grounded theory would allow further exploration of the conditions under which the creation of sustainability alliances influences alliance partners' beliefs, attitudes and behaviors. Third, simulation

methods such as agent-based modeling (Bonabeau 2002) would allow a dynamic analysis of how stakeholders would react according to their expected benefits, costs and risks of participating in MSSAs and of acting favorably or unfavorably to MNCs' sustainability strategies. Once expected benefits, costs and risks are validated through discussions with the interested actors and experts on MNCs' sustainability strategies, agent-based modeling allows the study of a simulated iterative chain of reactions across stakeholders until an equilibrium point is reached (Bonabeau 2002). This type of simulation would effectively tackle the measurement challenges of social desirability biases of the interested actors (Table 3).

**Table 3.** Suggested Research Directions on the Role Multi-Stakeholder Alliances as Signals of MNCs' Focus on Sustainability

Testable Propositions	Research Method	Analytical Models	Key Variables of Interest	Research Questions of MNC Interest	
P1	Natural Experiments	Panel Data, Latent Growth Models, Hierarchical Linear Models	Weak Ties between Alliance Partners (X), Alliance Partners' Beliefs and Attitudes (Y)	<i>How can a MNC choose partners and build relationships with them in a multi-stakeholder sustainability alliance to effectively signal its sustainability focus to other stakeholders?</i>	
	Grounded Theory	Case-Based Analysis	Conditions under which Weak Ties between Alliance Partners (X) impact Partners' Beliefs and Attitudes (Y)		
P2	Simulations	Agent-Based Models	Alliance Partners' Status (X), Other Alliance Partners' Subjective Norms (Y)		
P3	Simulations	Agent-Based Models	Alliance Partners' Subjective Norms, Beliefs and Attitudes (X), Alliance Partners' Behaviour (Y)		
P4	Hypothetical Experiments	Latent Growth Models, Hierarchical Linear Models	Alliance Partners' Status and Alliance Partners' Behaviour (X), Other Stakeholders' Beliefs and Attitudes (Y)		<i>Under which conditions the behavioural change of MNC's partners in a multi-stakeholder sustainability alliance influences other stakeholders' behaviour towards the MNC and ultimately on MNCs' marketing assets and financial performance?</i>
P5	Simulations	Agent-Based Models	Alliance Partners' Status and Alliance Partners' Behaviour (X), Other Stakeholders' Subjective Norms (Y)		
P6	Natural and Hypothetical Experiments	Logistic Models, Latent Class Analysis, Structural Equation Models	Other Stakeholders' Beliefs and Attitudes (X), MNC's brand equity and corporate reputation (Y)		
	Natural Experiments	Panel Data, Latent Growth Models, Hierarchical Linear Models	Other Stakeholders' Beliefs and Attitudes (X), MNC's financial performance (Y)		
	Simulations	Agent-Based Models	Other Stakeholders' Beliefs and Attitudes (X), MNC's financial performance (Y)		

**Note:** X represents the independent variable of interest, Y represents the dependent variable of interest.

By testing the stated propositions P4 to P6 on the dynamics among partners within MSSAs and external stakeholders, agribusiness research has the opportunity to tackle the following broad question: under which conditions does the behavioral change of an MNC's partners in a MSSA influence external stakeholders' behavior towards the MNC and, ultimately, the MNCs' marketing assets and financial performance? To test the suggested propositions, we propose the use of the following range of research methods. First, hypothetical experiments can be used to test the potential change in beliefs, attitudes and behavioral intentions of stakeholders that are outside the sustainability alliance under study. In this case, depending on the stakeholder under study, treatments can be manipulated by the researcher with pieces of information on the creation or outcome of MSSAs, similarly to a large established strand of consumer economics and behavior research (Lusk et al. 2004; Rao and Sieben 1992). Second, through both hypothetical and natural experiments with stakeholders, research can also test the moderation role of alliance partners' status on the relationship between their favorable behavior towards the MNC participating to the alliance and the reactions of other stakeholders external to the alliance and the mediation role of alliance partners' credibility (Frewer, Howard, and Shepherd 1998). Ultimately, both hypothetical and natural experiments can be used to test the impact of the reactions of stakeholders external to sustainability alliances on MNCs' brand equity, corporate reputation and financial performance. Finally, to avoid social desirability biases in hypothetical experiments, simulations such as agent-based models (Bonabeau 2002) can be used to analyze how other stakeholders react to information about MNCs and their sustainability alliances.

## **Conclusions**

This study had three objectives. First, it aimed to introduce a new and still scarcely studied phenomenon of great importance for the current global agri-food context, which is the formation of MSSAs by MNCs in the food and beverage sector. Second, it suggested a multidisciplinary conceptual framework to analyze how MNCs use MSSAs to signal sustainability to their stakeholders. Third, it discussed the use of a set of methods to effectively test the developed multidisciplinary framework in future research. The importance of key concepts from the domains of management, psychology and sociology can be effectively applied to the agribusiness arena and specifically to the analysis of agri-food firms' sustainability strategies. As described, the application of concepts from different disciplines and of the appropriate methods of measurement and analysis can open up wide opportunities for future research and collaboration between business and academia.

The results of this study can be synthesized as follows. First, there is exploratory empirical evidence that MSSAs have recently become a key element of the largest MNCs' sustainability strategy in the global food and beverage sector. Second, MNCs are more likely to change alliance partners' beliefs, attitudes, subjective norms and behaviors towards MNCs when they develop weak ties with their partners and when partners have a higher status. Third, MNCs and their partners in MSSAs aim at influencing external stakeholders' beliefs, attitudes and behaviors towards MNCs, which in turn affect MNCs' marketing assets and financial performance. Future research has the opportunity to validate and deepen these exploratory results to provide useful guidance for decision-making in sustainability strategies to both MNC managers and their stakeholders.

This study has three major limitations which can be overcome in future research. First, the evidence presented in this paper is largely exploratory. In particular, variables of interest such as alliance partners' beliefs, attitudes, subjective norms and status are measured indirectly and that is to say that they are implied based on related observable outcomes such as behaviors and acts of deference from other stakeholders. Moreover, the relationship stated in the suggested propositions among the variables of interest has analytical validity but no statistical validity. We suggested a number of research methods to overcome this limitation by testing the conceptual framework developed in this paper. Second, the paper does not explore in depth the structure, organization and processes of multi-stakeholder sustainability alliances and their role in changing alliance partners' beliefs, attitudes and behaviors. Among the methods suggested for future research in this field, we indicated case-based grounded theory as an appropriate approach to explore these variables. Third, the developed conceptual framework contributes to explaining only one aspect of why MNCs form sustainability alliances with a large and heterogeneous number of stakeholders. As discussed in Figure 2, MNCs' use of alliance partners as signals of their sustainability focus vis-à-vis other stakeholders represent only one of the two major incentives justifying MNCs' formation of such an alliance. As recently discussed in the literature, MSSAs are also an opportunity for MNCs to share and co-create knowledge and capabilities on sustainability (Berger et al. 2006; Peterson 2009) and ultimately to generate innovation based on an orientation towards a larger set of stakeholders than merely customers and final consumers (Cronin et al. 2011; Hult 2011; Nikolaeva et al. 2011). By following both these discussed directions, future research has the opportunity to fully develop a theory of the formation of MSSAs that provides a guide for both MNCs' managers and their stakeholders.

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