

## SUSTAINABLE DEVELOPMENT OF INTER-ORGANIZATIONAL RELATIONSHIPS AND SOCIAL INNOVATIONS

**Agota Giedrė Raišienė**

*Mykolas Romeris University, Ateities st. 20, LT-08303 Vilnius, Lithuania*

*E-mail: agotar@mruni.eu*

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**Abstract.** The paper discusses the key factors that contribute to the successful „nurturing“ of inter-organizational relationships and evolving partnership activities in a pursuance of social innovations.

In the first section of the paper, the factors influencing inter-organizational collaboration are reviewed. The second section discusses the content of inter-organizational interaction forms and link between maturity of collaboration, sustainability of relationships and partnership’s potential for social innovations. In the third part, the modern shifts in leadership are talked about. The fourth part presents the empirical research made, and a discussion based on the research findings is submitted.

Research was based on the qualitative methods: in-depth interview, case study, participant observation and personal reflection, and analysis of documentary materials. Three cases in two organizations were studied.

The analyzed inter-organizational partnerships have shown that in less mature forms of inter-organizational interaction, innovations are unlikely, as compared with the inter-organizational partnership and integrative collaboration. Also found that collaborative leadership is a dominant factor when thinking about innovative joint work results.

**Keywords:** inter-organizational collaboration, sustainability of inter-organizational relationships, maturity of partnership, collaborative leadership, social innovations.

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**JEL Classifications:** M1, L2.

### 1. Introduction

Technological, demographical, economical and other systematic changes require adequate changes from societies and from separate organizations, and even more important – require adequate attitude to the innovations. The organizations with a long perspective of the existence have the necessity of constantly taking care of progress and innovations, including social ones. In order to do this, evaluating and acknowledging the social reality is necessary. In the context of changes, both societies and organizations have to recognize and comprehend which patterns are/may be consistent and which – temporary. As a result, the knowledge on how organizations and groups may work more effectively is permanently relevant.

The changes of social world and effective strategies of organizational behavior may be demonstrated with a short example. In the year 1967, Warren stated that ‘unitary organizations would produce more innovations than would federative organizations’. After a few years, hypothesis failed (see Warren *et al.* 1975). Nowadays, there are no doubts that inter-organizational collaboration is inevitable not only for innovation development, but for the development of a successful business in general.

The leader’s role is also changing accordingly to the time. But does the influence of typical leader’s behaviour for the effectiveness of organization and group activity also change? What leadership do organizations request in case of inter-organizational collaboration? Answering these questions is very important for

organizations seeking continuity and development.

According to raised questions, the aim of the article is to find out what factors enable a successful nurturing of inter-organizational relations and evolving inter-organizational activity, when partners are seeking for social innovations. In addition, the article studies the role of a formal leader in this case.

The discussion is based on an empirical research done. The article presents the results of tree cases analysis on the inter-organizational partnership. The methodological basis of the research is formed by the insights received after completing the theoretical analysis of inter-organizational interaction. In-depth interview, document analysis and participant observation were used to accomplish the case analysis.

In the first part of the article, the factors influencing

inter-organizational collaboration are reviewed. The second section discusses the content of inter-organizational interaction forms. In the third part, the modern shifts in leadership are talked about. The fourth part presents the empirical research made and a discussion based on the research findings is submitted.

## 2. Factors influencing inter-organizational collaboration

Horizontal determinants of inter-organizational interaction may be defined as essential elements that develop and strengthen organizational collaboration. Determinant groups of influence for collaboration consist of macro-factors deriving from the outside, mezo-factors formed by the interacting organizations and micro-factors that depend on connections and interrelations between the members of the executive team (Figure 1).



**Fig. 1.** Determinants of the collaboration

Source: Author based on Thompson, 2003.

The macro-factors derive from organization's external environment. The most important components of them are cultural, social, economical systems, with an addition of political system in public sector. In the context of social innovations, development of collaboration is mostly influenced by the cultural structure of society. In the cultures with deep-rooted individualist traditions, autonomy and individual achievements are promoted instead of collaboration (Thompson 2003). Collaborative processes cannot be taken in isolation, but need to be located in their continual interactions

with wider processes (Healey *et al.* 2003).

Due to this reason, if socio-cultural environment possesses deep-rooted individualist traditions and a lack of flexibility, effective collaboration may be especially difficult or even impossible.

Organizational interaction requires favorable organizational conditions: structure and philosophy of collaborating organizations, administrative support for collaboration, sufficient resources and efficient coordination and communication mechanisms.

Organizations' philosophy and their inherent values determine the degree and intensity of collaboration. Organizations that value participation, fairness and support and where a climate of openness and trust prevails, develop employees that are capable of collaboration (Henneman *et al.* 1995). Such organizations express their positive attitudes towards sharing of resources and risk (Stichler 1995).

Traditional hierarchical structures do not facilitate emergence of key conditions for collaboration (Henneman *et al.* 1995; Linden 2002). Management of organization plays a particularly significant role fostering collaborative efforts and later – maintaining the collaboration efforts. Researchers of inter-organizational collaboration emphasize the significance of facilitative leadership (Chrislip, Larson 1994; Linden 2002; Ansel, Gash 2008; Agranoff, McGuire 2003). Collaboration cannot be implemented applying principles of command and control. Facilitative leaders are serving rather than steering (Denhardt, R. and Denhardt, J. 2000). Leadership in collaboration requires maintenance of inter-organizational relations and skills of ensuring an effective interaction process (Chrislip, Larson 1994).

Collaboration development requires corresponding coordination and communication mechanisms. Collaboration can greatly benefit from united work strategy, standardized documentation, meetings of stakeholders and open communication channels (Henneman *et al.* 1995; Linden 2002). Factors enabling inter-organizational collaboration overlap in areas of group and organization activity. The factors of group interaction have received most attention in the literature on collaboration. The following factors influencing collaboration practice at micro level are identified: positive attitude and willingness to collaborate; trust; mutual respect and assistance; responsibility; open communication and consensus in making decisions (Gray 2008; Chrislip, Larson 1994; Keast *et al.* 2006; Himmelman 1992; Hogue 1993).

Factors of inter-organizational collaboration depend to each other in close and dynamical manner. It is important to consider the factors influencing collaboration and their interrelations. Otherwise it may become a significant problem when seeking an effective inter-organizational collaboration in the aspects of both process and achievements.

### **3. Links between forms of inter-organizational interaction, sustainability of inter-organizational relations, maturity of collaboration and potential for social innovations**

An abundance of terms indicating interrelations of organizations and reciprocal integration can be observed in scientific literature on organizational interaction. For example, *inter-organizational collaboration* (Bardach 2001; Huxham, Vangen 2003), mutual *inter-organizational/ interinstitutional interaction* (Milbourne *et al.* 2003; McRae, McGuire 2003), *inter-organizational/ interinstitutional/ intersectorial partnership* (Gray 2008), *social partnership* (Siegel 2010), *interorganizational/ interinstitutional networks* (Keast *et al.* 2006), *association, alliance, coalition* (Axelsson, R. and Axelson, S. 2006; Linden 2002), *inter-organizational cooperation* (Schermerhorn 1975) *inter-organizational relationships* (Koschmann 2008).

Such diversity shows that terms indicating organizational connections have no unambiguous content. The variety of organizational interaction forms and their content remains an object of scientific discussions. Nevertheless, according to some of the authors analyzing inter-organizational interaction, free interpretation of inter-organizational interaction terms may even cause disappointment in the results of inter-organizational interaction (Borden 1999; Mandell 2001). Adequate comprehension of organizational interaction content is necessary to ensure an effective collaboration between organizations or stakeholders. After reasonably evaluating the specific goals, intensity of interrelations and shared resources of interacting organizations a prognosis on the future results of joint work may be expected. Due to a reason that the empiric research the results of which are presented further in the article was methodologically based on knowledge on inter-organizational collaboration, the main horizontal forms of inter-organizational interaction will be briefly reviewed. These forms are: competition, networks, cooperation, partnership, coalition or alliance and integrative collaboration (Raišienė 2009).

Coopetition implies cooperation of organizations providing the same products or services in one sphere of their activity and competition in other activities (Walley 2007; Padula, Dagnino 2007). Bengtsson *et al.* (2010) states that the nature of co-opetition could be defined as a process rather than a context. Coopetition provides a possibility to create relations in that

way making assumptions to access the beneficial resources managed by other organizations and to have a advantage against third-party organizations (Yami *et al.* 2010). Accordingly to expected benefits for organizations, the interest in joint work changes along with the solidarity of relations. Competitive interaction requires various combinations of network, cooperation and partnership features. Networks are dynamic connection structures involving participants in different volume and intensity. The main goal of inter-organizational network is to share mutually beneficial and relevant information (Raišienė 2009). Cellular connections between organizations help to meet the needs of organization flexibility and implementing innovations, as due to a rapid environmental change, organizations are unable to acquire and control the intellectual capital necessary for the assurance of their work (Clegg 1990). Organizations involved in networks create a system of dependent variables, but do not have a permanent organizational structure. These systems constantly change along with the directions of shared information (Agranof, McGuire 2001).

**Cooperation** is a collective association grounded on agreed political, economic, cultural, scientific or any other obligations. The notion of cooperation presupposes that particular goals that are relevant to all the parties involved may be implemented through a collective action (Vigoda-Gadot 2004). Contrary to networks, cooperation calls for involvement of stakeholders, higher level of trust, conformity of meeting times and places, since some decisions are made jointly. The range of resources subject to sharing may vary from informational and technological to financial and human resources (Sanderson 1999).

**Partnership** is perceived as a form of intensive interaction among organizations' targeted at implementation of political, economic, social programs and at solution of problems. Partners commit to share resources, expertise and risk. Partnership is established on the basis of involvement and is characterized by open communication among all the parties involved. Speaking about social partnership it is notable that the highest value is created by the joint work of organizations that represent different sectors (Seitanidi *et al.* 2010). If partnership between commercial organizations is created by choosing partners according to market value (competitive advantage), equalization is implemented after involving non-profit organizations. This means that no partner may be changed or eliminated for his unique position (Samii

*et al.* 2002).

**Association/ alliance/ coalition** is an inter-organizational interaction based on mutual interests, when a service, product and relation system is created by sharing ideas, social and economical resources (Raišienė 2009). Having joined an alliance, organizations grant access to physical and financial resources or the corresponding institutions support the aimed status (Linley *et al.* 2009). The bases of coalitions are different. This form of interaction is characterized by attention to innovative results in a long-term perspective. The relations between stakeholders are intense, mutual and based on interest.

**Integrative collaboration.** The main difference between integrative collaboration and other forms of inter-organizational interaction is the effect of synergy and attention to the sustainability of inter-organizational relationships. In this case, the interacting subjects are not only characterized by the aim to share risk, responsibility and expenses, but also specific knowledge and experience to help each and every collaborating organization reach the best possible results. Integrative collaboration is characterized by the time given for joint work, especially high level of trust and joint resources, from material to intellectual. Table 1 presents the generalized features of different forms of inter-organizational interaction from the perspectives of goals, structures and processes of the social subjects. The data is based on the works by Hogue (1993), Himmelman (1994), Vigoda-Gadot (2004), Alnoor (2004), Torres, Margolin (2003), Alter and Hage (1993), Mandel (2001) and other researchers. Term "integrated collaboration" is introduced by Raišienė (2009).

**Table 1.** Forms of inter-organizational interaction in terms of goal, structure and process (Raišienė 2009)

<b>Form of interaction</b>	<b>Goals and objectives</b>	<b>Key features of structure</b>	<b>Key features of processes</b>
<b>Networks</b>	1. To constantly exchange mutually useful or specific information.	1. Flexible, informal relations; 2. Roles of participants are not clearly defined or are defined loosely; 3. Formal leader is absent; 4. Boundaries of interacting groups constantly shift.	1. No purposive leadership; 2. Initiation of search for common decisions is practically absent. 3. No obligations in terms of time.
<b>Cooperation</b>	1. To constantly exchange mutually useful or specific information; 2. To delegate activities and tasks for pursuance of single-sided or reciprocal goals.	1. Semi-formal structure of relationship is established; 2. Some of the roles are defined; 3. Well-defined communication centre; 4. Boundaries of interacting groups can be established.	1. Leadership oriented to maintenance of relationships; 2. Agreement on positions; 3. Making of complex decisions; 4. Formal communication with central group. 5. Short-term obligations.
<b>Partnership</b>	1. To constantly exchange mutually useful and/or relevant information; 2. To delegate activities and tasks for pursuance of single-sided or reciprocal goals; 3. To achieve specific and beneficial (to all the partnership subjects) outcomes.	1. Relationships are formalized; 2. Roles are determined; 3. Leadership is shared: a single leader is absent; 4. Informal centre of interacting groups decisions initiation can be identified. 5. Standing and/or interim workgroups are formed to complete objectives provided for in partnership documents.	1. Leadership oriented to maintenance of results and to outcome; 2. Coordination of interests in decision-making; 3. Coordination of interests of informal decision-making centre and subgroups initiating decisions; 4. Medium-term obligations, possibility for continuation of activity. 5. Inter-organizational relations partly oriented on sustainable development.
<b>Union</b>	1. To constantly exchange mutually useful and/or relevant information; 2. To delegate activities and tasks for pursuance of single-sided or reciprocal goals; 3. To exchange ideas and to create an innovative outcome (a service or product, or a system of service, product or relationships) combining social economic resources.	1. Relationships are formalized 2. Roles are defined; 3. Transitional leadership prevails or a leader is elected for a certain term with approval of the majority of members; 4. Standing and/or interim subgroups for preparation of decisions and evaluation and coordination of the activity are formed.	1. Leadership oriented to outcome; 2. Priority over maintenance of relationships among groups; 3. Considerable amount of time and focus is laid on coordination of all the members' interests; 4. Collegial decision-making; 5. Long-term commitments.

<b>Integrated collaboration</b>	<ol style="list-style-type: none"> <li>1. To pursue common vision sharing risk, responsibility and benefit and employing common human, financial, technological, information and other resources;</li> <li>2. To establish an independent system which enables employment of possibilities deriving from common and specific environment and to solve arising problems</li> </ol>	<ol style="list-style-type: none"> <li>1. Relationships are formalized, distribution of tasks is characteristic;</li> <li>2. Roles are defined;</li> <li>3. Transitional leadership prevails or a leader is elected for a certain term by consensus;</li> <li>4. Standing and/or interim subgroups for preparation and approval of decisions, for evaluation and coordination of the activity are formed.</li> </ol>	<ol style="list-style-type: none"> <li>1. Leadership oriented both to outcome and to relationships;</li> <li>2. Priority over maintenance of relations among groups: special efforts for preparation and organization of partner meetings;</li> <li>3. Inter-organizational relations oriented on sustainable development;</li> <li>4. Particular focus on enhancement of trust in each other;</li> <li>5. Decisions are made on the basis of consensus;</li> <li>6. Considerable attention on training of members, development of their skills applying methods of mutual assistance and employing external experts;</li> <li>7. Considerable amount of time allotted to working together;</li> <li>8. Attention on social effect of activity.</li> </ol>
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With favorable conditions, inter-organizational interaction is characterized by continuity and progress (Himmelman 1992). The form of interaction changes along with its intensity. The development of inter-organizational interaction is also influenced by the goals of the participant organizations. The more activity areas of each organization are included by the necessity of inter-organizational goal realization, the closer relations are formed (Torres, Margolin 2003) and the higher results of inter-organizational work and sustainability of partnership can be expected. According to this, a conclusion can be made that not all of the interaction forms are equally mature. Intensity of collaboration and sustainability of inter-organizational relationships leads to inter-organizational partnership maturity. This means that on the basis of intensity and sustainability criteria, maturity categories of interaction may be determined. Each higher (more mature) category should contain features of lower (less mature) categories as well as exceptionally specific qualities. However, the form of interaction itself should not be an aspiration. In some cases, choice of the so-called mature form of interaction may be irrational from the perspective of resources. For example, integrated collaboration for pursuance of common goals set by organizations is not necessary in all cases. If organizations are united by a goal to exchange relevant information, all the other activities are independent. Such interaction does not call for special management effort, consensus in decision making, except issues related to nature of information, limits of its sharing and periodicity. Moreover, such interaction is comparatively low time-consuming and does not call

for exchange of knowledge, skills or experience. However, innovations are impossible without open exchange of knowledge (which is only possible with high level of trust), share of resources, risk and synergy (Faems *et al.* 2003). Due to this reason, it could be thought that in inter-organizational interaction of lower sustainability and, at the same time, lower maturity levels, the creation of innovations is unlikely to occur.

#### **4. Shifts of leadership required to implement inter-organizational interaction**

The group managers may experience an inner conflict when an increasingly wider circle of specialists are characterized by high work competence, specific information and good team work skills. Managers should always re-ask themselves about their functions as leaders and about competences that enable to be effective in nowadays. These and similar issues have caused shifts in the attitude to leadership. In the practice of traditional management, the belief that leaders know how to manage the organizational concerns best has changed to a comprehension that specialists perfectly know the everyday issues of work content and work process and due to this reason employees' help with making decisions is indispensable. Management as leadership is becoming less effective than management as followership. As Keast, Mandel (2011) mark, leaders must comprehend the inherent connection between them and their employees. Leaders are not able to reach the group, organizational or inter-organizational goals without any help

of employees. In addition, old methods of management are practically not functioning.

In recent decades the paradigm of collaborative leadership has crystallized (for ex. McGuire 2006; Torres, Margolin 2003). Collaborative leadership includes coaching, facilitative leadership and servant leadership (Figure 2). Conceptually describing collaborative leadership, it could be stated that it is a joint creative process that takes place in a common environment (Vizgirdaitė 2011: 83). The leader who is orientated to collaboration gives most attention to collective success, team assembling, creation of a favorable environment for collaboration and coordination of group members' interests and organizational goals. The key principles of the collaborative leadership are mutual trust, group members' participation in making decisions, effective communication and mutual respect culture (Chrislip, Larson 1994).



**Fig. 2.** Paradigm of the collaborative leadership and its props.

*Source:* Author based on McGuire, 2006; Torres, Margolin 2003.

A modern leader must be able to perceive the best abilities of every particular subordinate and to adapt them in difficult situations of decision making (Linley *et al.* 2009). In other words, the leader must know deeply every group member and „talk to them in their language“. On the other hand, a belief that the leader can inspire the group with his charisma for high achievements that workers are reaching for separately (by taking the responsibility for decisions and results) is regenerating (DeRue *et al.* 2010). Speaking about the sub-types of collaborative leadership it may be observed that all of them have the same relation horizontality when leader is collegially asking the employee's opinion on how to cope with a particular

assignment and what goal would be appropriate to set in the given situation, instead of only expecting that the employee will accomplish the assignment correctly (Sendjaya *et al.* 2008; Pirola-Merlo *et al.* 2002; Linley *et al.* 2009; DeRue *et al.* 2010). Both serving and facilitative leader and the coach motivate education in case of problems instead of punishing.

The value of *servant leadership* was perceived by Greenleaf (1977). He stated that the hierarchical gap between leaders and employees is not beneficial for the organization. The other sub-type of collaborative leadership - *facilitative leadership* – is a style of leadership that creates favorable environment for collaboration and the reach for organizational goals (Simonin, Ozsomer 2009). A helpful leader is interested in performance expectations, goals and dreams of group members and puts effort to help their realization. Finally, *a coacher* is learning from and with the group members. The key provision of this leader is that employees have the biggest knowledge about what should be done and how it should be done to reach the goals set and most importantly – to enable them.

Organizations with the aim to improve, enrich and renew their activity, and widen their possibilities increasingly often unite into partnership networks. This also applies to organizations that are expecting social innovations. The collaborating organization leaders' orientation to innovations in general obtain a special significance. Unfortunately, the leaders' orientation to development and innovations in Lithuania have been weakly expressed for a long time (Jucevičius 2005: 15). Moreover, individualistic culture and unperceived content of collaboration along with unknown tools for implementation of partnership and collaboration still more or less impede the real possibilities of organizational collaboration (Raišienė 2011). The data of the newest researches on leadership in Lithuania provide some optimism. The leadership competences are becoming more relevant than management skills (Šilingienė 2011). Bakanauskienė, Petkevičiūtė (2003), Skaržauskienė (2010) note that management is related to reaching goals and leadership is related to influence. As Diska (2009:16) states, a manager acts according to determined responsibility and procedures, and does not actually create something new in contrary to leader, who forms assignments and seeks to create. The priorities of a leader are adapting innovations and implementing changes. As a result, it can be stated that when two interacting organizations are reaching for social in-

novations, the most important factor is the choice of an formal manager: to be a manager or a leader and to be “above the group” or “within the group”.

## 5. Research findings and discussion

Research about leadership influence on social innovations in the inter-organizational partnership is a part of a broader research of inter-organizational interaction practice in Lithuania’s public and non-profit sector organizations. Empirical research presented in this paper was done in September 2011 – May 2012. Research was based on the qualitative methods: in-depth interview, case study, participant observation and personal reflection, and analysis of documentary materials. Also the new social partnership was initiated in the tested organizations. This instance does not allow forming conclusions due to its one-time nature and due to a fact that the pre-trust factor (the factor of an authority of a person providing the idea of partnership) was not eliminated. Nevertheless, when the gathered research data and the process of creating new partnership were compared, it was noticed that the essential behavior models of organizational leaders and partnership group members reoccurred.

This allows making a conclusion that the data of the research is reliable enough and reflects the real practice of inter-organizational partnership well enough.

Three cases in two organizations were studied. The organizations were selected based on the following criteria: i) organizations act in social science R&D field; ii) organizations seek commercialization of the scientific research; iii) each organization demonstrate active social expansion; iiiii) each case involves an inter-sector and cross-sector social partnerships; iiiiii) sufficient information is accessible to triangulate the research findings. In the article, the examined cases are called A, B1 and B2. Primary research data were collected through 7 in-depth interviews with experts for the study of cases B1 and B2 and 4 in-depth interviews with experts for the study of case A. Each interview lasted between 15-45 minutes and then was transcribed and analyzed. Some information about partnership was collected on the base of documentary analysis (partnership contracts, operational guidelines, invitations to meetings/events, reports about operations/events completed etc.). Results of analysis are shown in the Table 2.

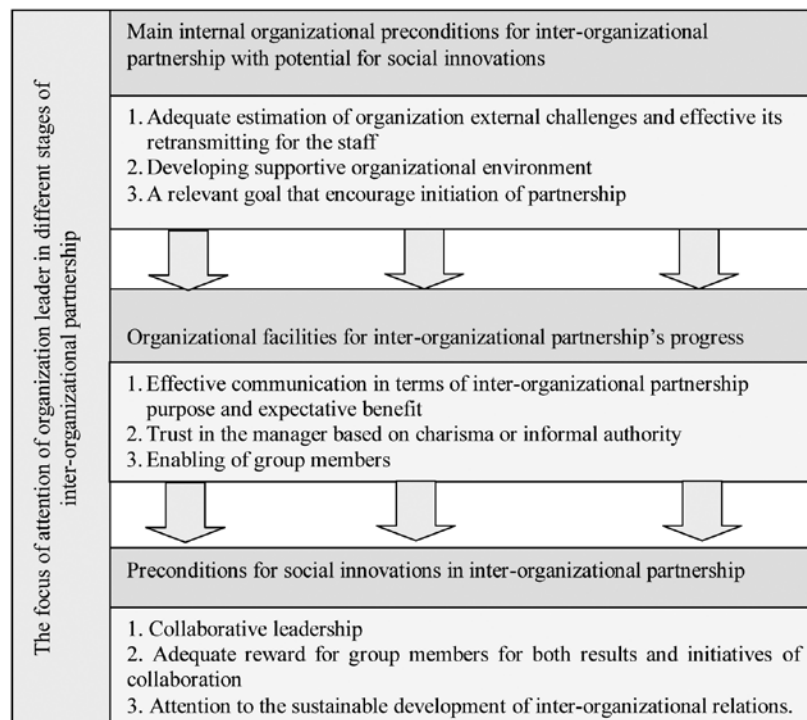
**Table 2.** Features of inter-organizational partnership in studied cases

	<b>Social partnership dimension</b>	<b>Case A</b>	<b>Case B1</b>	<b>Case B2</b>
1	Number of social partnerships in the organization	18	20	36
2	Forms of interaction	Network (permanent process of information shearing), cooperation (contribution in activities), partnership (joint projects, resources shearing).	Network (shearing of selected information), cooperation (contribution in activities).	Network (shearing of selected information), cooperation (contribution in activities).
3	Inter-organizational interaction nature	Constantly developing network.	Interaction between two organizations.	Networking
4	Ground of picking over the partners	Close or compatible area of activity, purposeful initiative of partnership (a vision of joint activity is present)	Institutions and other organizations of public sector with high probability of social influence	State and non-governmental organizations working in local area
5	Area of joint activities	Social innovations	Social innovations to implement own organization’s purposes	Social innovations, commercialization of researches
6	Activity initiator	Initiative from partners and the organization	Initiative from organization	Initiative from organization
7	Documentation of activity guidelines	Operational guidelines are documented	Operational guidelines are not documented	Operational guidelines are documented



8	Commitment	Middle level commitment in planning of joint action. High level commitment in joint projects.	Low level commitment	Low level commitment
9	Attitudes to the risk	Middle risk tolerance	Low risk tolerance	Low risk tolerance
10	Originator of initiatives of the joint activities	Leader of the organization or/and leaders of partners' organizations	There are no joint activities planned.	Leader of the inter-organizational partnership group
11	Interaction character	Intensive collaboration for exchanging information and developing new ideas and new products	There is no permanent interaction	Rear contacts for exchanging information and developing joint action
12	Maintaining contacts/ Communication between partners/Members involvement into decision making processes	Intensive communication. Communication initiative flows from organization leader and partners' organizations. Executives and members of partnering organizations participate in discussions about joint activities.	There is no permanent or periodic communication. Contacts are based on one person gate-keeper (executive of the organization).	Rear contacts. Periodic communication. Communication initiative flows from the group leader. Representatives from the partnering organizations are involved into processes of the decision making weakly.
13	Partnership projects in total/Projects for social innovations	6/2	1/0	2/0

The concluded insights of the research are illustrated by Figure 3. The research has shown that the closer the goals of interacting organizations are and the better they are expressed between the partners (in the partnership network), the more representatives of these organizations emotionally comprehend themselves as members of the whole – a total derivative and the more actively they undertake the voluntary initiative of acting and creating for the common good.



**Fig. 3.** The focus of attention of organization leader in different stages of inter-organizational partnership

Source : Author.

The research has also shown that joint activities and mutually beneficial goals are realized smoothly and qualitatively when they are initiated being supported by leaders in contrary to the situation when leaders avoid getting involved into the processes of organizational interaction - especially in the initial stages - or do not have enough skills. It is important to mark that i) when there are no mechanisms for the organization members to involve/participate in partnership processes created, but ii) the leader delegate the responsibility for initiating joint work to employees (supposedly encourage collaboration and personal initiatives), the inter-organizational partnership stays formal and do not improve. In such case, a real interaction between the organizations that signed partnership contracts does not take place. This is best seen from case B1. The meta-analysis has shown that most important factor for the interacting organizations is the choice of an official manager: to be a manager or a leader and to be “above” the group or “within” the group. The research discussed in this article has proven that social innovations are motivated the most by a leader who works “within” the group and uses the instruments of collaborative leadership. Along with the good examples (case A), an another phenomenon can be observed in Lithuania, when inter-organizational partnership contracts are signed without having a clear vision and without having thought what is the purpose of the interaction (Raišienė 2011). This is also proven by this research (case B1). As a result, a *formal* leader is working neither “above” the group nor “within” the group. Instead he is working “near” the *formal* group. Due to this reason, there are practically no *real* actions. It seems that the members of partnerships (cases B1 and B2) are satisfied by knowing that the partnership contract (critically evaluating – exchange of contacts) only provides an opportunity to work jointly in the future. This may be assessed both negatively and positively.

On one hand, such artificial social partnerships impede the development of collaborative culture. The employees and clients of the organizations that signed the contracts start doubting in the benefit of collaboration in general when they cannot see real results of inter-organizational interaction. Moreover, they start considering it more theoretical, conceptual than a possible to practically implement and a tangible value having issue. The comprehension of collaboration is impoverished. Collaboration stays an elementary definition that describes a mood of non-competition and does not require real actions or commitments from organizations related by

the partnership contract. Of course, such comprehension of collaboration does not help the social innovations and creative changes initiatives to occur.

On the other hand, it is important to regard the fact that not so long ago organizational interaction in Lithuania only seemed possible in the area of politics, and the term of collaboration itself had a very negative shade due to the communist Russia occupation experienced (those who ideologically agreed with Soviet Union were called collaborators). The society had a better understanding about cooperation. However, just a decade ago cooperation was linked with cooperatives and unethical business. Due to this reason, the fact itself that social partner networks are actively created in Lithuania, and organizations begin to comprehend the power of partnership while seeking for economic competitiveness and changes in development, should be very commendable.

The support from the organizations’ management for these partnerships in spite of their informal nature is also positive. Due to a management’s positive attitude to partnership, a next stage of inter-organizational collaboration maturity may be expected: leaders will derive from organizations’ specialists and will be determined to realize their ideas by concentrating the resources of their and partner’s organizations, in that way making a huge step towards the initiation and implementation of social innovations.

The analyzed inter-organizational partnerships have shown that collaborative leadership is a dominant factor when thinking about innovative joint work results. The more active the informal concentrating and inspirational activity of the “ideological” person is, the more qualitative the objective results of joint activity are. Due to this reason, a presumption is made that the success of inter-organizational collaboration committed for social innovations mainly relies on the behavior of key person and his interpersonal skills of focusing, supporting and leading the group towards the goal and developing a team vision, and does not rely on outworn traditional “right” management. The inter-organizational group composition, a nature of common relations, a significance of the goal set for the members of partnership, an effective communication and trust in each other are evidently significant but, however, less important factors for social innovations than adequate leadership which ensures that all of these issues herewith.

It can be pointed out that in less mature forms of inter-organizational interaction, innovations are unlikely, as compared with the inter-organizational partnership and integrative collaboration. However, it is also clear that not every manager can establish and maintain sustainable inter-organizational interaction, and has internal capability to develop partnerships that create social innovation. As shown by the researched cases, it is insubstantial to develop social innovations when limited with signing of Partnership Agreement and with formal encouraging staff to initiate inter-organizational projects. Whilst this conclusion is not original, it could help (Lithuanian) leaders to understand how to achieve more effective performance in inter-organizational partnerships.

The analyzed cases of partnership are not enough to generalize the conclusions. It would be purposeful to examine how the insights of this research reflect in wider investigations about leadership concentrated on the creation of social innovations with the help of inter-organizational partnership.

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