

INTERORGANISATIONAL COLLABORATION AS A DIMENSION OF ENTREPRENEURIAL ORIENTATION OF NON-PROFIT ORGANISATIONS

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Abstract

The aim of the article is to identify the links between interorganisational collaboration and social entrepreneurship and to propose the way in which interorganisational collaboration can be reflected in entrepreneurial orientation scales, especially in relevance to non-profit organizations. A role of interorganisational collaboration in pursuing societal needs is examined in the view of the related theory. The dominant research method is the literature review that is focused on publications on interorganisational collaboration, entrepreneurial orientation, and social entrepreneurship. The results show that interorganisational collaboration may play an important role in meeting societal needs, however, more research addressed to that phenomenon are recommended. Propositions related to operationalization and measurement of collaborative behaviours in the context of social entrepreneurship are presented. It is recommended to include interorganisational collaboration into entrepreneurial orientation scale, and to adjust the items related to competitive aggressiveness. As measures of interorganisational collaboration related to organizational entrepreneurship, the qualitative and quantitative items are suggested in the article.

Key words: social entrepreneurship, interorganisational collaboration, entrepreneurial orientation.

JEL Classification: L26, L31, L39.

1. Introduction

Following the process of economization of social-purpose activity, we observe the development of social entrepreneurship as a field of research. Researchers

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discuss on the definition of the field and improve the related methodology. One of the ways of its explication is an implementation of practices and theories from the business realm. It also applies to methods of measuring the level of entrepreneurship in organisations. It is conceptualized and operationalized, among others, in a frame of entrepreneurial orientation (EO). There is many examples of its utilization in business organization, as well as some attempts to use it in a social-purpose organization. Implementing it in social context require some modifications, that externalize characteristics of that kind of organisations. Interorganisational collaboration (IOC) is supposed to be one of the specific traits of social entrepreneurship.

The article develops findings from the author's previous studies that were focused on linkages between interorganisational collaboration and general theory of organizational entrepreneurship (Kusa, 2017), and measuring entrepreneurial orientation in social enterprises (Kusa, 2016). Those findings will form the basis of measurement items proposed in this article.

The aim of the article is to propose the way in which interorganisational collaboration can be reflected in entrepreneurial orientation, especially in relation to non-profit organizations.

The dominant research method is a literature review, focused on works on interorganisational collaboration, entrepreneurial orientation, and social entrepreneurship. However, the review of literature related to each of these three fields is not an aim of the article, and the review will be limited to the publications that offer findings which can be combined with others.

The structure of the article is as follows. Firstly, an interorganisational collaboration is introduced. Then, social entrepreneurship is described. Afterwards, the conceptual connection between collaboration and social entrepreneurship is posited. Finally, operationalisation of collaboration in social-entrepreneurial context is proposed and modification of entrepreneurial orientation scales are suggested.

2. Interorganisational collaboration

Interorganisational collaboration and cooperation are types of interorganisational relations (IOR) (Cropper et al. 2008: 4). Despite differences between collaboration and cooperation posited by some authors (Miles et al., 2006; Thomson, Perry, 2006), both terms are used simultaneously in the article. Van de Ven (1976: 25) stated, that interorganizational relationship occurs when "two or more organizations transact resources (money, physical facilities and materials, customer or clients referrals, technical staff services) among each other". Nowadays, knowledge also is pointed among main resources that are transacted. Collaboration occurs "when a group of autonomous stakeholders of a problem domain engage in an interactive process, using shared rules, norms, and structures, to act or decide on issues related to that domain" (Wood, Gray, 1991: 146). Collaboration is based on the process of

interactions between autonomous actors, who “through formal and informal negotiation, jointly creating rules and structures governing their relationships and ways to act or decide on the issues that brought them together” (Thomson, Perry, 2006: 23).

Organisations collaborate in a search of complementarities, but also to lower transaction costs, to gain synergistic effects, to reduce competitive risks, to enhance offers to customers, to better customer retention, or to overcome operational weaknesses (Spence et al. 2008: 414). Innovation implementation, product development, and related R&D also are common motives for collaboration. Collaboration may be especially attractive for small- and medium-sized enterprises (SMEs) that often face problems in getting required resources. Gulati (1998, p. 294) observed that “many new opportunities for alliances were presented to firms through their existing sets of alliance partners”. However, multiparty collaboration is associated with coordination costs, communication barriers (distance and cultural barriers, lack of shared understanding), and disagreements over invention and innovation strategy (Walsh et al., 2016: 1662), and time consumed for creation a relationship (Klimas, 2014: 43).

The effectiveness of interorganisational collaborations is determined by numerous factors, that include: the choice of appropriate partner(s), the management of the partner relationship, the accumulation of relational capital (Yao et al., 2009: 566), trust and a joint commitment to the values of honesty and equitable treatment (Miles et al., 2006: 2), personal attitude towards co-operation, organisational and personal experience, organisational culture, political and legal factors, interpersonal relationships (Klimas, 2014: 43).

Entrepreneurs collaborate within their value-chain, but they can also cooperate with their competitors. Moreover, sometimes they compete and cooperate (even with competitors) simultaneously, what is reflected in the concept of co-opetition. The abilities of collaboration, competition, and co-opetition, as well as the ability to switch between different forms of interorganisational relationships, are important ones in pursuing entrepreneurial opportunities. But, in opposition to competing, collaboration is not perceived as an entrepreneurial behaviour in the traditional theory of organisational entrepreneurship. However, many changes have taken place since that theory was proposed, e.g. organisations’ environment has changed and new models of operating, that are based on the interorganisational relationships disseminated. They influence development of the theory and understanding of the entrepreneurial processes, what is exemplified in Ribeiro-Soriano and Urbano’s (2009: 421) claim that entrepreneurial organisations have the capacity to form collaborative relationships, and Franco and Haase’s (2013: 681) statement that firms are also considered entrepreneurial if they show themselves to be innovative and pro-active by forming co-operative relationships with external partners. In line with Stevenson and Jarillo (1990: 23), who define entrepreneurship as “a process by which individuals – either on their own or inside organisations – pursue opportunities without regard to the resources they currently control”, we may posit that entrepreneurs will accept collabo-

ration as a way of pursuing opportunity, despite the limitation of their independence and autonomy (that constitute some of the basic characteristics of entrepreneurship) (Kusa, 2017). Following Gartner (1989: 47), who stated that “entrepreneurs create organizations”, we can consider creating networks or alliances as entrepreneurial acts. Moreover, if general ability to cooperate is treated as one of the entrepreneurial skills (Boyles, 2012: 50), it could be generally supposed that co-operation is also a kind of entrepreneurial behaviour, that make the organisation more entrepreneurial (Kusa, 2017).

Collaboration may play an important role in achieving social goals, as well. It could be related to non-profit organization, that emphasize social purposes over other goals. Alliances among NPOs “reduce costs and risk of developing new programmes, and expand an organisation’s ability to act on larger scale” (Oster 1995, s. 63). Despite the different priorities, non-profits absorb solutions from business realm to increase its effectiveness. That results in the implementation of entrepreneurial practices to their activity.

3. Collaboration and social entrepreneurship

The social entrepreneurship is broadly defined as an “initiative of social consequences, taken by an entrepreneur with a social vision, where the initiative may be both non-economic, associated with a charity or business initiative oriented towards personal profit or without such an option” (Yunus, 2011). Mair and Marti perceive social entrepreneurship as “a process involving the innovative use and combination of resources to pursue opportunities to catalyse social change and/or address social needs” (Mair, Marti, 2006: 37). Certo and Miller (2008: 267) points that social entrepreneurship results in “social value which involves the provision of basic needs such as food delivery, health services and education”. The statistics show that social enterprises operate within a wide range of areas, including work integration of disadvantaged groups and social services of general interest (long-term care for the elderly and for people with disabilities, early education and childcare, employment and training services, social housing, social integration of disadvantaged such as ex-offenders, migrants, drug addicts, etc., and health care and medical services) (European Commission, 2014: 2). Zahra et al. (2009: 521) conclude that “most existing definitions imply that social entrepreneurship relates to exploiting opportunities for social change and improvement, rather than traditional profit maximization”.

A focus on social change stimulates collaboration with others to achieve the change. Many social entrepreneurs, similarly to their business counterparts, cooperate in a frame of sectoral chambers or umbrella organisations. However, many NPOs operate locally and work with particular groups and specific societal needs, so they do not meet any other NPOs having an interest in collaborating with them. Moreover, it should be noted that they have to compete for donations and resources, volunteers,

and sometimes even for beneficiaries, what can constitute an obstacle for collaborating, even if we assumed that social entrepreneurs compete less aggressively than their for-profit counterparts.

Social entrepreneurs are motivated by the willingness to solve the social problems and to increase their social impact, rather than to gain personal benefits (both financial or non-financial), or to increase their market share. That leads to weak motivation to compete and perceiving other NPOs as potential allies in creating social value. As a result, social entrepreneurs are motivated to cooperate. According to the European Research Network, one of the criteria according to which entities and initiatives are classified as parts of a social economy is that an initiative is launched by a group of citizens or civil society organisations. This suggests that from the very beginning, cooperation is one of the characteristics of social enterprises (Defourny, Nyssens, 2012: 14). Thus, it may be posited that tendency to collaborate is stronger in a case of social aims than in a case of profit-aimed activity. However, this proposition requires being verified by a comparative research of traditional and social entrepreneurs. It implies, that when social entrepreneurship is investigated, the interorganisational collaboration in striving to serve societal needs should be taken into account and included into the measurement scales. The interorganisational collaboration may be one of the crucial manifestations of entrepreneurial approach towards societal problems. and an important way of pursuing an opportunity to satisfy social needs. That leads to a conclusion, that we can treat interorganisational collaboration as a specific dimension of social entrepreneurship. In the next section, we will examine its implications for the EO methodology.

4. Entrepreneurial orientation

Entrepreneurial orientation (EO) is a widely recognized conceptualization of entrepreneurship within organizations. This concept highlights varying degrees and amounts of entrepreneurial behaviours in organisations. Miller stated that “an entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with ‘proactive’ innovations, beating competitors to the punch” (Miller, 1983, p. 771). Covin and Slevin (1989, p. 75) have built a scale to measure the EO, which is comprised of three dimensions: risk-taking, innovativeness, and proactiveness, and Lumpkin and Dees (1996, p. 137) augmented it by adding two more dimensions: autonomy and competitive aggressiveness. The EO concept is operationalized and some EO measurement scales have been proposed. EO scales are applied mainly to for-profit organisations, however, they may be utilized within non-profit ones (e.g., Davis et al., 2011; Pearce et al., 2009; Wronka-Pośpiech, 2015). The findings from the previous section suggest modifications of EO scales, that are aimed at adjusting them to social entrepreneurship context.

Firstly, some statements related to competitive aggressiveness, that emphasis characteristic of for-profit organisations, could be non-applicable to non-profit ones. The examples of such statements are: “our business takes a bold or aggressive approach when competing”, “we try to undo and outmaneuver the competition as best as we can” (Hughes, Morgan, 2007: 659), ‘In dealing with its competitors, my firm typically adopts a very competitive “undo-the-competitors” posture’ (Lumpkin, Dess, 2001: 451). In a case of a survey focused on social enterprises such statements may be removed, as the answer is expected to be definitely negative, and moreover, these questions can be incomprehensible for respondents from NPOs.

Secondly, the interorganisational cooperation has not been perceived as a dimension of entrepreneurial orientations, and there have been not items related to collaboration within previous measurement scales. Basing on the conclusion from the previous section that interorganisational collaborations can be perceived in a social context as an entrepreneurial behaviour, the relevant items should be included in EO scales dedicated to NPOs. They might sound like following (Kusa, 2017): ‘Our organisation is intensely collaborative’; ‘Our organisation takes an open approach towards other organisation’; ‘In dealing with other organisations, mine typically seeks partners to build alliances, preferring a “win-win” strategy’; ‘In dealing with other organisations that operate in our market, my organisation typically seeks the possibilities to cooperate on pursuing opportunities or increasing access to resources by sharing them (or secure sufficient resources required to seize the opportunity)’. Other questions could be: ‘We cooperate with other organizations (that are not public authorities, neither suppliers and clients from our value-chain)’ or ‘We use the ideas and suggestions of our clients and beneficiaries’, however it should be decided what shape of collaboration is to be investigated (e.g., relationships in frame of value chain or relationships with clients). One of the conditions of successful collaboration is trust. Thus, a question dedicated to trust may be included to measurement scale, to verify that antecedent of the collaboration (e.g., ‘We trust our business partners’). Some indicators utilized to measure a level of interorganisational cooperation can also be implemented. Examples are: ‘We seek to share resources and expertise for risk reduction’, ‘We promote the transfer of technology and/or innovations between the parties’ or ‘We exchange successful and failure experiences’ (Martins et al., 2016: 5). In social context they can be related to knowledge, methods or processes rather than to technology, however, in some cases, technology may play a crucial role in solving societal problems.

Some quantitative indicators may be employed to measure EO level in non-profit organisations as well. They include: number of business partnerships or alliances (with or without those in the frame of value chains), number of projects realized in collaboration with other NPOs, share of new initiatives realized within partnership with other organization (in total number of all initiatives of the organisation), a number of opportunities or societal needs pursued in collaboration with other

NPOs, share of investments financed through partnerships or share of costs covered by partner entities.

Some of the proposed questions related to interorganisational collaboration can be applied to for-profit organisation and could shed a new light on organizational entrepreneurship in the business sector. Moreover, it could be hypothesised that interorganisational collaboration is a dimension that most distinguishes both types (for-profit and non-profit) of organisations and entrepreneurship (Kusa, 2016: 124), wherein an extent of collaboration is expected to be higher in non-profits. This statement requires to be empirically verified, and results are expected to enrich our understanding of entrepreneurship phenomenon.

6. Conclusions

Development of entrepreneurship theory that is expressed, among other, through emergence and development of social entrepreneurship, sheds light on the role of interorganisational collaboration in pursuing opportunities. Despite traditional approach towards entrepreneurship, that highlights competitive behaviours, in the case of social entrepreneurship, interorganisational collaboration can be perceived as an entrepreneurial trait. However, in changing market conditions, such a statement could be relevant to for-profit organisations, as well. This suggest, that the place of interorganisational collaboration in entrepreneurship theory needs to be reconsidered.

The role of interorganisational collaboration in pursuing and exploiting entrepreneurial opportunities requires being explored. To do so, new measurements or modification of existing measurement tools (including entrepreneurial orientation scales) are needed. Some of them were proposed above, what is a main contribution of the article to the development of the entrepreneurship theory. In the next step, they will be implemented in the research on organisational entrepreneurship, both in business and non-profit context. Such two-theme research is believed to increase our understanding of social entrepreneurship, and entrepreneurship in general.

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WSPÓŁPRACA MIĘDZYORGANIZACYJNA JAKO WYMIAR ORIENTACJI PRZEDSIĘBIORCZEJ ORGANIZACJI NIEKOMERCYJNYCH

Streszczenie

Celem artykułu jest określenie powiązań pomiędzy współpracą międzyorganizacyjną a przedsiębiorczością społeczną oraz przedstawienie propozycji odzwierciedlenia współpracy międzyorganizacyjnej w skalach orientacji przedsiębiorczej, w szczególności w odniesieniu do organizacji niekomercyjnych. W artykule poddano teoretycznej analizie rolę współpracy międzyorganizacyjnej w dążeniu do zaspokojenia potrzeb społecznych. Jako podstawową metodę wykorzystano studia literaturowe obejmujące publikacje z zakresu współpracy międzyorganizacyjnej, orientacji przedsiębiorczej i przedsiębiorczości społecznej. Rezultaty analizy sugerują, że współpraca międzyorganizacyjna może odgrywać ważną rolę w zaspokajaniu potrzeb społecznych, aczkolwiek zjawisko to wymaga dalszych badań. Przedstawione zostały propozycje operacjonalizacji i pomiaru współpracy w kontekście przedsiębiorczości społecznej. Zaproponowano włączenie współpracy międzyorganizacyjnej do skali orientacji

przedsiębiorczej i przeformułowaniu elementów odnoszących się do konkurencyjnej agresywności. Zaproponowano jakościowe i ilościowe miary współpracy międzyorganizacyjnej odnoszące się do przedsiębiorczości społecznej.

Słowa kluczowe: przedsiębiorczość społeczna, współpraca międzyorganizacyjna, orientacja przedsiębiorcza.

Klasyfikacja JEL: L26, L31, L39.