Collaboration or Cooperation: Concept Definitions When Merging Interests of the State and Extractive Companies of Ukraine

Yliia Halynska
PhD, Associate Professor, Department of Management, Sumy State University.

Abstract

We can define cooperation or collaboration as the partnership of alliance members in the performance of a specific work or task in the frameworks of one project. We identified the differences between the concepts of collaboration and cooperation in the various countries in accordance with the historical and geographical position. For the first time we defined the concept of collaboration in coordination of interests of the state and the extractive companies in the redistribution of natural resource rent and the formation of social responsibility in the extraction of natural resources in the load regions.

Keywords: Collaboration; Cooperation; Competition; Natural Resource Rent; Coordination of Interests.

Introduction

The collaboration and cooperation is becoming increasingly important in a world of modern technology, rapid development of industries, growing extraction of resources and production of goods and services. The growing global competition pushes the companies to unite their resources, knowledge and technology with other companies to create the innovative, competitive product.

Most managers encourage such partnership, and why not? Morten Hansen in his book "Collaboration" notes that two (or more) brains can find a way out faster and more efficiently in the current situation due to the fact that their combined experience in the issue addressing should be better than the experience of only one person in the office. Hansen also notes that bad is worse than none - that bad collaboration is a waste time and resources and produces no results. Deciding not to collaborate is a better option than bad collaboration [21]. Sometimes the attempts to stimulate cooperation have unpleasant consequences, resulting in a wasted precious time of the workers.

In the world literature it can be seen both a union of such concepts as collaboration and cooperation, and the idea that they are different concepts that have a different nature and content. Under the common definition the collaboration means an engagement of people who work together in order to achieve the same goal. At the same time, depending on the historical facts of the regions, existing traditions and concepts in Western and Eastern Europe, cooperation and collaboration sometimes acquire the functions and properties of each other.

The objective of this work is to determine the difference between the concepts of collaboration and cooperation with the coordination of interests of the state and the extractive companies in the formation of social responsibility in the areas of natural resource extraction.

Main Material

When we began our studies related to the uniting of interests of different companies for the production of an innovative product, the concept of collaboration and cooperation were synonymous for us. The difference seemed insignificant and hardly noticeable, but having studied the question of cooperation and collaboration in different
countries and different branches deeper, we came to the conclusion that these concepts were different in terms of the direction of actions and the distribution of results.

Having studied the etymology of words, having analyzed the concept of collaboration and cooperation in 26 articles of the authors of Western and Eastern Europe, such as: Robert-Jan Smith, Robert-Jan Smith, Xavier Lecocq, Richard Metcalf, Nick Day, Frederic Le Roy, Jouni Huotari, Iikka Turunen, Piotr Krawczyk, O. Kozar, O.V. Inshakov, O.M. Polyakova, Maria Bengtsson, Soren Kock, Y. Pahomova, P. Kropotkyn, O. Trush, A. Myntick, Devi R. Gnyawali, Byung - Jin (Robert) Park, Annett Schottle, Shervin Haghshe, Fritz Gehbauer, Arthur T. Himmelman, Ricardo B. Boucken, Thomas Claub, Viktor Fredrich, J.McInnerney, T.S.Robert, J.Roschelle, S.Taesley etc., we identified the basic definitions of collaboration. It should be noted that the authors of articles analyzed are the representatives of Western Europe, where the concepts of collaboration and cooperation are practically synonymous. However, we have identified the main differences between the collaboration and cooperation presented in the scientific papers.

Appley and Winder (1977) describe collaboration as a value system. They define the term as a “relational system” in which: 1) individuals in group share mutual aspirations and a common conceptual framework; 2) the interactions among individuals are characterized by “justice as fairness”; 3) these aspirations and conceptualizations are characterized by each individual’s consciousness of his/her motives toward the other. Without distinguishing between cooperation and collaboration Tjosvold and Tsao (1989) point out that “in cooperation, people believe their goals are positively linked; one’s goal attainment helps others reach their goals”. Researchers such as Dillenbourg et al. (1996) and Roschelle and Teasley (1995) agree that it is important to make a distinction between cooperation and collaboration. While cooperative learning can be defined as “working together to accomplish shared goals” (Smith 1995), collaborative learning “is a method that implies working in a group of two or more to achieve a common goal, while respecting each individual’s contribution to the whole” (McInerney and Roberts 2004, 2005). The key difference between these approaches to group work is that cooperation is more focused on working together to create an end product, while successful collaboration requires participants to share in the process of knowledge creation (Dillenbourg et al. 1996; Rochelle and Teasley 1995). Thomson and Perry (2006) and Thomson et al. (2009) emphasize that collaboration emerges over time, while actors interact formally and informally with each other to create new rules and structures. Furthermore, Thomson et al. (2009) state that collaboration is multidimensional, while it’s affecting the governance, administration, mutuality, norms, and autonomy of an organization. Compared to cooperation, Thomson and Perry (2006) state that collaboration “suggest a higher level of collective action than cooperation”. Camarinha - Matos and Abreu’s (2007) definition of collaboration is related to a process perspective in a network. They define a collaborative process as “as a set task performed by the collaborative network members towards the achievement of a common goal”. VaaLand (2004), Eriksson and Westerberg (2011), Schottle et al (2014) agree that every interorganizational relationship defines the manner in which participants interact and perform in a project and therefore is critical for the project success. Inshakov (2013) defines the collaboration as a process of joint labor, production or economic activity of two or more business entities (individual or group) to achieve the common goals, where there is a mutually beneficial exchange of knowledge, training of participants to improve their competences, production of innovative products with a significant intellectual component to market and achievement of significant cumulative effects on the principles of consent and trust. At the same time Inshakov notes that “one of the most important principles of collaboration is the principle of equality of obtaining equal income after the sale of goods in the markets”, which in fact equalizes the collaboration and cooperation. We cannot agree with this view by taking all of the above factors into consideration. Also a major component of effective collaboration is the full trust and solidarity of all participants in the process thereby eliminating a natural competition. However, (Le Roy) argues that the partners can be competitors at the same time, thus increasing the efficiency of interaction of alliance participants. We cannot agree with this statement, given the realities of interaction of the companies in the external environment.

Himmelman, (2002) identifies such a concept as Collaborative effect – is the mutual influence of the collaboration participants on the results of each other through the mutual learning of the participants and their common product with a new intelligent component obtained through a special form of cooperation of the workers and their teams, companies and enterprises, corporations and states, their integration associations, bilateral and multilateral alliances.

In our opinion, the collaborative effect is an indicator of interaction of the project participants. A positive effect shows the true chosen strategy by uniting the parties’ interests and the desire to get the result. A negative collaborative effect, in turn, identifies major shortcomings in the process of interaction between the participants and makes to apply more effective control methods of the project teams.

**Method**

In this work we conducted the research concerning the name that shall be given to the union of common efforts for achievement of common goals. Having interviewed 32 respondents from Eastern Europe, we have come to the
conclusion that collaboration and cooperation are the similar concepts, but they differ in terms of interaction between their participants.

The experts were represented by the representatives of various spheres of activity in the 2016 year. Initially we identified three groups of respondents: 1. - government officials (MPs). We carried deputies of local councils, employees of public institutions which are related to nature protection departments in various regions of Ukraine to the first group (Sumy, Mukachevo, Kiev, Lviv, Kharkiv, Poltava, Glukhov, Uzhhorod). 2. - representatives of the extractive companies and natural resources exploiting companies. Top managers, directors, heads of departments of the enterprises on gas and oil production (Kiev, Poltava, Okhtyrka, Lviv, Kharkiv), heads and leading experts of agricultural firms and woodworking enterprises in the Sumy region treat the second group. 3. - representatives of Higher educational institutions treat the third group of respondents: professors, associate professors and teachers whose scientific activity is bound to environmental management, environmental protection, questions of withdrawal and distribution of investment income from production of natural resources (Sumy, Lviv, Kiev, Kharkiv, Poltava, Vinnytsia).

During the survey, we asked respondents to answer the question: Is there any difference between the concepts of Collaboration and Cooperation at uniting interests of the state and the companies in the sector of natural resource management, and what is it?

As a result, we have created a chart 1, which shows the answers of the respondents.

![Figure 1 Factors determining the difference and commonality of concepts of Collaboration and Cooperation](image)

As it can be seen from the chart, 84% of respondents have said that the collaboration and cooperation is a similar thing, at the same time they have identified the key features of differences in the terms:

- in the long view of interaction of the alliance members, the collaborative partnership includes the mutual solution of problems through the allocation of responsibilities and risks; cooperation includes a control and clear coordination of a process at the problem solving;
- depending on the tasks in the project, the collaboration includes a community in a view of project creation, determining the overall structure; it is indicative for cooperation to orient to the individual results according to the task, without the creation of a common command structure;
- depending on the historical and geographical position of the member countries. The representatives from Eastern Europe have had more negative attitude to the term "Collaboration," which is associated with the historical events in the territory of these countries, and have understood it as forced partnership. For the representatives of Western
Europe the Collaboration is a positive phenomenon of joint activities without a negative accent. However, taking into account the integration processes in the world economy, the term "Collaboration" is increasingly seen in the terms of economic relations in the alliances for the representatives of Eastern Europe;

- depending on the availability of competition in the member teams. The respondents note that the existence of competition is indicative for the collaboration alliances with the same command (company) structure and focused on common goals; at cooperation the members try to maximize their own profits, without a common vision of the alliance goals.

The study enabled to reveal the main factors indicative to different types of partnership (collaboration, cooperation and individual activity of economic entities) and to determine their interaction through the assessment of these factors. The terms range from very low, low, high to, very high. Further, by combining the factors identified in our study and the factors identified by Schottle A., Haghsheno S., Gehbauer F.[1], we have created a radar chart. The point is situated from the center, the more important it is for the relationship.

Figure 2 illustrates the interaction between different forms of cooperation according to the factor assessment.

Burden sharing, information exchange, trust, role of State, coopetition, competition communication, willingness of participance to take risk are strong factors in collaboration. Cooperation is the middle ground between individual activity and sometimes to collaboration. Thus, we define the terms of cooperation and collaboration as follows:

**Collaboration** - inter-organizational relationships based on a shared view of creating a joint project and its objectives, with the identification of the structure and communication culture in the project. At that the interaction is based on trust, all risks and responsibilities are distributed among the alliance participants.

**Cooperation** – inter-organizational relationships among the project participants who are not united by a common goal and structure and are focused on maximizing their own profits.

Considering the specific nature of our research, namely a consideration of the need for cooperation between the state - business - society in order to reconcile the interests of all the parties, we think that it will be the most objective to call this engagement as collaboration. It should be noted that this engagement is a necessary measure for all participants in order to achieve the common goal under a specific project (alliance).

Coordination of interests of the state and extractive companies on the natural resource rent distribution within the collaborative alliance, in our opinion, is the most objective. The community of interests of the participants and the desire to create social responsibility as the primary objective will be correspond towards collaboration and meet the basic ideas of collaborative partnership - transparency and trust.

We consider the collaboration as a partnership between the state, extractive companies and society in the process of creation and redistribution of public goods in the form of natural resource rent. In this case the collaborative partnership is an alliance between stakeholders interacting within the distribution of public goods.
Collaboration – is an engagement between the state, extractive companies and society in the creation and redistribution of public goods in the form of natural resource rent. At that, the extractive companies interact with each other in a competitive environment and combine their interests in the seizure and redistribution of rental income.

Collaborative Effect - the result of interaction and influence of members of the collaborative alliance on each other, and the degree of responsibility of each member is proportional to their decisions made with respect to social responsibility and the distribution of public goods in the society.

To date, there is no such form of collaborative partnership, but the studies show that the interaction between the state and the extractive companies on the rental income redistribution can be effective, if all the members will be interested in its implementation. Coordination of interests through the formation of social responsibility in the areas of natural resource extraction can be achieved through the collaborative mechanism and common objectives in the distribution of natural resource rent.

Jeff Dance outlined the main advantages in the collaborative partnership:

First, collaboration increases the chances of associations between ideas that result in an innovative combination.

Second, collaborative feedback speeds up the necessary iterations.

Third, Collaboration results in more connections to people that can help push a good idea forward.

Fourth, Teams provide energy and help overcome the expected resistance.

Finally, collaboration helps ideas reach implementation.

Conclusion

i) According to our research, collaboration and cooperation of interests - similar concepts with a difference in the future interaction of participants, distribution of profit and the relationships between the members. Thus, a survey of the respondents has showed that the Collaboration and Cooperation differ in the degree of trust of the team (company) members to each other, sharing risks, responsibilities and profit as well as the formation of goals and corporate culture.

ii) The historical events of a particular region of Western or Eastern Europe are of great importance in the formation of attitudes towards collaboration and cooperation. For the representatives of Eastern Europe (Ukraine, Poland, Slovenia, Romania, Belarus), the concept of “Collaboration” is mostly negative uniting of interests, while cooperation has a positive meaning. For the representatives of Western Europe (Austria, Germany), the concept of “Collaboration” has positive meaning and is mostly acceptable to determine the uniting of common efforts, in countries such as France, Spain, Italy, the concept of “Collaboration” and “Cooperation” are similar and are used depending on the style of articles.

iii) It should be noted that the integration processes gradually affect the outlook of people, and the concept of “Collaboration” is mostly considered from the point of view of the essence of economic processes in the world, and not under the influence of the "historical” and “genetic” memory.

iv) During the partnership implementation there is a number of issues on coordination of the parties' interests with observance of the established communication rules. In the course of cooperation it is revealed a formal or actual collaboration because the legal agreement and contract execution is not enough for the emergence of the collaboration process and its desired end result.

v) Evaluation of factors specific to the various forms of partnership has shown that at collaboration the greatest number of factors has the highest value for the effective interaction between the business entities. This means that firstly: - collaboration is the most transparent form of interaction of economic entities in comparison to other forms of partnership, and secondly, similar forms of interaction such as collaboration and cooperation have some differences in the formulation of objectives, form of communication, presence of competition, etc.

References


