

## Planning as a Part of the Structure of Poland's Local Governments' Cooperative Potential

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**Abstract:** The aim of the article is to identify the main constituent parts of cooperation planning and to define their roles from the perspective of assessing levels of cooperative potential. Co-operative potential is a new area of knowledge that has generated interests among representatives of management sciences. They perceive the dichotomies of cooperation phenomena that can be analysed, not only as creating relationships, but also in the context of a process that require the planning of appropriate resources. This new trend of knowledge is a part of the concept of cooperative potential, while the objective analysis of planning aspects constitutes one of the elements of its structure. The article presents a 5-dimensional model of cooperative potential, developed on the basis of the organization concept of H.J. Leavitt using the "inductive top-down theorizing concept" methodology (Shepherd, Sutcliffe 2011). The research was located in the Podkarpace voivodship, where the subject was a randomly selected sample of 58 local government units (level NUTS5). The analysis shows that the cooperative potential of the surveyed offices is at a low level. The analysis also indicates that although the local government offices are aware of activities necessary for the preparation of such entities for the implementation of cooperation, they lack formalization and improvement in most of the criteria. The role of planning in the structure of cooperative potential is of a strategic nature. Majority of the offices surveyed have attained high levels of excellence in this area following the to fulfil existing legislative Acts. The article is one of the first studies using the model of cooperative potential as a tool for research.

**Keywords:** cooperation, cooperative potential, planning, local government units

## Introduction

Contemporary organizations should be prepared for cooperation, as forging relationships and working together is a characteristic feature of the 21st century. The idea of inter-organizational cooperation is important from a practical perspective and is associated with the creation of new knowledge – as opposed to the limited capabilities of individual units - which calls for the need for joint actions in various fields, not only in business (Pierścieniak, 2016). This is the analysis contemporary Polish researchers formulating new paradigms, e.g., the developed concept of the network paradigm (Czakon, 2011, Zdziarski 2016) or the paradigm of the relationship (Stańczyk-Hugiet, 2012). Others combine concepts of cooperation with regional development or innovation (Grzebyk, 2017, Bojar, Machnik-Słomka, 2014, Krawczyk-Sokołowska, 2012).

Contemporary public organizations must cooperate with each other and with external partners at many levels. This can take place both within the economic and social planes (Castanho, Loures, Cabezas, Fernández-Pozo, 2017) in the form of joint ventures (Hajduga, 2017), in the spheres of public services, as well as in the area of acquiring and using public funds (Pierścieniak 2015b). External cooperation, as an aspect of performing public tasks, which is understood as initiating, planning and implementing projects in cooperation with other local government units (Pierścieniak, Grzebyk, 2014; Zawicki, 2007), is implemented most often with non-governmental organizations, in keeping with the legislative provisions of the local government authority Act (art. 64 sec. 1) and the Poviats Self-governing Act (art. 65 sec. 1). Local development visions are supported by activities within public-private partnerships (Journal of Laws No. 169, item 1420). The European Union supports cooperation between local governments by offering financial support within the framework of integrated operational programs (Programming of the financial perspective 2014-2020 Partnership Agreement). Such activities are often described in the literature, and knowledge in this field is fully developed.

Cooperation planning is not a concept often identified in research studies. For example, in the Polish “BazEkon” database we can identify 6782 articles about cooperation, while the aspects of planning feature only 304 articles, with only 34 with the keywords “cooperation” (data from 16/05/2019). A qualitative analysis of the collected texts allows one to note that 99% of them relate to planning in the spatial dimension, focusing more on

its effects than the elements of the process, particularly when discussing the subject of collaboration. From the material perspective, it seems important to recognize the role of planning processes from the perspective of the efficiency of an operation in the field of cooperation and, in particular, in designing organizational capacity for cooperation.

In light of the above considerations, the question that seems to arise is how prepared are local governments offices for inter-organizational cooperation? What role does the planning process play in co-operative potential? The process of preparing any organization for cooperation is multidimensional, but planning should be identified as a key element of cooperation due to its primacy (Stoner, Wankel, 1996). Relying on the above assumption, the subject of the current analysis will focus on the constituent parts of cooperation planning. The aim of the article is to identify the main constituent parts of cooperation planning and to define their roles from the perspective of assessing levels of cooperative potential.

## **Material and methods**

A contemporary organization is described through various theoretical concepts that are based on the classical system approach, treating organizations as part of an environment with an internal structure consisting of parts arranged according to established rules that define their relations. Most often, different authors treat organizations as a multidimensional system, consisting of elements that interrelate (Kardas, 2018). To understand the described model of cooperative potential, it is worth observing that cooperation is a relationship, which can be treated from varied points of view such as a process, structure, organizational form (Pietruszka-Ortyl, 2017). This approach to cooperation requires the involvement of the organization's resources.

The theoretical concept of the organizational potential model for external cooperation (Piersceniak, 2015a), presented as a model of the cooperative potential of the organization, consists of 11 elements that were arranged, taking into account all key constituents of the organization model proposed by H.J. Leavitt (1964). It indicates 5 dimensions such as: goals and tasks (D1), technology (D2), structure (D3), people (D4) and environment (D5). By systematically reviewing global literature (taking into account the achievements of Polish literature) from 1993-2014 (Piersceniak, 2015a); the

dimensions were designated to indicate key elements. They constitute groups of success factors for cooperation (treated in the subject context).

The following elements have been identified in individual dimensions. In the area of objectives and tasks, a single component. Namely the strategic planning of collaboration (E1) has been identified. In the technology dimension, three components were identified – the system of communication (E2), acquiring financial resources for the partnership (E3), and the decision-making process (E4). In the structure dimension, two key components such as the organisation of the collaboration unit (E5) and the assignment of tasks, duties and responsibilities (E6) have been identified. Three components, namely the process of recruiting employees for collaboration (E7), the competences and attitudes of employees towards collaboration (E8), as well as leadership (E9) were subsequently identified in the people dimension. The last dimension is the environment, in which two key components were identified, including External support for the idea of collaboration (E10) and the Goodwill of a company (E11). The research scheme constituting the model of cooperative potential is based on the inductive top-down theorizing concept (Shepherd, Sutcliffe, 2011).

One of the main components of the cooperative potential model is the strategic planning of cooperation (E1) activities (Pierścieniak, 2015, p. 96). This component in essence concerns the formulation of visions and missions, and defining a formalized strategy for cooperation. The goals and tasks related to the implementation of inter-organizational cooperation are made clear to all partners. Both partners and team members have a knowledge of the course of action of each individual, strategy; and their tasks, roles and responsibilities. The goal of cooperation, which differs from the goals pursued in the organization, is defined and accepted by the partners.

The measurement of the occurrence of a component of the strategic planning takes place, based on a scale which was described as achieving individual levels of excellence in the process of planning cooperation. It was assumed that level 1 represents a lack of awareness in creating a cooperation plan; while level 2 represents a state of awareness (discussions, informal planning); level 3 - the formalization of cooperation (definition of internal regulations, clearly defined goals, documentation, budget. Level 4, on the other hand represents actions, i.e. the dissemination of cooperation goals at the individual level and in the environment; level 5 - the evaluation of the planning process, i.e. the mechanism for monitoring and evaluating objectives and

cooperation plans, employee participation and continuous updates. The levels determined in the measurement methodology are simultaneously the measurement scales, where a given level is implemented when the previous one has been achieved (Zawicki, 2004; Pierscieniak, 2015a).

For the analysis, the aggregated measure was used for all elements of the cooperative potential defined as the synthetic index of cooperative potential. A median was used to calculate it, interpreting it as an average value for the results obtained.

The planning component (E1) was tested using a questionnaire that was part of the cooperative potential measurement questionnaire. In the survey, the table for element E1 contained 11 questions describing the 5 levels being tested. The questions were tailored to the context of the cooperation under study, based on the recommendations of the methodology of examining the organization's potential for external cooperation (Pierscieniak, 2015a).

The research was carried out on 04/05/2018 in 58 randomly selected local government offices in Podkarpacie province. The quantitative structure of the sample was similar to the actual set of entities and the following configuration for rural (51%), urban/rural (28%), urban (19%) local governments, representing the real configuration 68%-22%-10%, respectively. The final sample size results from data access.

## **Findings and discussion**

The diagnosis of the cooperative potential indicates that the surveyed local government offices of the Podkarpackie Voivodeship are not well prepared for inter-organizational cooperation (Figure 1). The synthetic index of cooperative potential has been estimated at level 2 (median), which means that the offices surveyed are, on average, aware of activities related to the preparation of the office for cooperation. But these activities have not been formalized or improved upon in most of the criteria.

Although the synthetic index, determined using the median, is not an excellent measure for the level of individual components, it does allow for an estimation of the overall level of the cooperative potential of the organizations covered in the study. When conducting a qualitative analysis of the structure of synthetic factor components, it can be observed that components E2 and E3 were estimated based on the set of 11 components at level 1. The low level of E2 characterizes the examined offices as organizations that do not attach any

importance to the communication process. The lack of proper (in the form) and effective communication can be an element hindering the implementation of cooperation and achieving the intended goals (Danik, Gołębiowski, 2014; Bryła, 2012; Poradnik MpiPS, 2007). Low level of E3 “Gaining financial resources” for the partnership proves that the offices do not attach importance to raising funds for cooperation, although this argument often appears in publications as a factor hindering the implementation of cooperation in a given organization (Davey, Baaken, Muros, Meerman 2012; Pierscieniak 2015b; Galan-Muros, Davey, 2017; Tarhini et al., 2015).

**Figure 1.** Profile of the cooperative potential of selected local governments from Podkarpacie



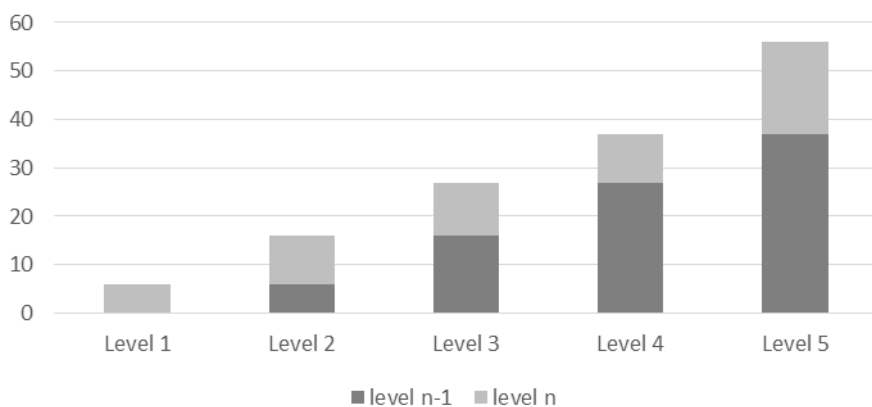
Source: own elaboration

As many as 7 potential components were estimated at level 2 - awareness. At this level, all the components of the structure, relating to the organization of the cooperation unit and the division of tasks and responsibilities were included. One of the important components in this area, which researchers pay attention to, and which is important for the success of cooperation, is the flexibility of organizational solutions (Cygler 2008; Détienne 2006; Malkus, 2013). Another component diagnosed in the structure of potentials at a low level are people. The low level of D4 proves that none of the components

relating to the selection of employees for cooperation, the shaping of competences or attitudes and activities related to leadership in the majority of assessed offices, is sufficiently formalized or evaluated. This conclusion is important in the light of the concept of human capital, which is the basis for the development of each organization as the employee competences in the area of performed tasks are identified as strategic components (Paauwe, Boon, 2018; Wood, 2018). In the analysed component set, E10 has been identified at level 2. This concerns the preparation of an organization to exploit external support for the idea of collaboration. In the majority of surveyed offices, no good practices of building awareness related to seeking opportunities to support cooperation were identified. Offices operate routinely using known procedures while duplicating standard behaviours.

The planning element (E1) may be interpreted differently depending on the evaluation method used. The general analysis shows that the arithmetic average of 3.5 is between levels 3 and 4. By calculating the median value, level 4 was obtained, based on which one can conclude that the planning of cooperation is in the units under study at a high level. It consists of the significance of planning cooperation, popularized by the chief executive, especially in the area of accomplishing set commissioned tasks. Its formalization through the creation of plans, regulations and other documentation consisting records of activities in cooperation as well as its formal rules are important components. Level 4 also includes the identification of clearly defined goals and budget planning. The measure of excellence at this level involves spreading the goals and directions of cooperation not only at the office level but also in communication with the environment. A slightly different but equally high result of the level of cooperative potential for the studied group is obtained by calculating the dominant value, which is the most frequent figure in the test sample. As much as 33% of the surveyed offices for the E1 component attained level 5, which means that it has, besides accomplishing activities from levels 1-4, started to formulate monitoring of rules and price implementation for communal cooperation programs with external entities as well as their formalization. On at least one occasion, they modified the website. An important component in this area was employee participation, which was declared in the research. The size of the test sample for component E1 was, at particular levels of excellence, very diverse (Figure 2).

**Figure 2.** Number of offices with a defined level of excellence for element E1  
- Strategic planning of cooperation



Legend:

Level 1 - Lack of awareness in creating a cooperation plan.

Level 2 - State of awareness (discussions, informal planning).

Level 3 - Formalization of cooperation (documentation, budget).

Level 4 - Dissemination of cooperation goals.

Level 5 - Evaluation, monitoring, updating.

Sources: own elaboration

A qualitative analysis of the results obtained in terms of good and bad practices used in offices, revealed that 13% of the surveyed units did not carry out any discussion at the level of the local government council; at least twice, on the formal building of relations with the environment. In 13% of the examined offices, there are no internal regulations defining the forms and areas of cooperation with other local government units or other entities. The analysis of the survey results shows that 9% of offices do not have clearly defined objectives of cooperation, and 5% of municipalities do not have documentation related to the implementation of any given type of agreement. Financial resources for the implementation of cooperation were not included in the budget of 2018 in 4% of the examined offices. As much as 21% of the surveyed entities declared that they do not promote the objectives and directions of cooperation with the environment among office employees, while 23% admit that the goals and directions of cooperation are not shared on their websites. There is no publicly available information on the current directions of cooperation that could encourage other entities to cooperate. The



research shows that 27% of offices do not have formulated rules for monitoring and evaluating the implementation of the local government's program of cooperation with external entities.

As many as 32% of offices declare that they do not modify or update the objectives or directions of the local government's cooperation with the local environment; nor do they incorporate such provisions into their strategic plans. As many as 41% admitted that they do not provide information about the changes or updates of employees' cooperation goals. Every third surveyed office acknowledges that it does not update the website with new information related to the modification of directions and forms of cooperation. The above analysis shows that most offices have visions of cooperation and awareness of obtaining partners from the environment. This is necessary for the implementation of own tasks and activities in accordance with the provisions of the Local Government Act of 1990.

The Pearson correlation coefficient for level E1 between cooperation planning and the level of cooperative potential, is  $r_1 = 0.47$ , which indicates a very moderate relationship. The coefficient of determination for the cooperative potential is  $r_1^2 = 0.2209$ , which means that about 22% of the variability of the cooperative potential is explained by the variability of the level of cooperation planning. A similarity exists in the correlation for level E1 between planning cooperation and the subjective evaluation of experience in cooperation, for which a correlation result  $r_2 = 0.45$  was obtained. The greater the experience, the greater the excellence in planning cooperation identified in the studied group of local governments in Podkarpacie province.

## Conclusions

Planning in the cooperation process is a central consideration. It is treated by researchers as a strategic element; and it is, in this context, diagnosed in the concept of cooperative potential. The research shows that despite the low synthetic index of the cooperative potential of the surveyed offices from Podkarpacie Voivodeship, the strategic planning component of cooperation (E1) is developed relatively high. In analysing the level of E1 excellence, it is worth noting that most offices are not only aware of this process, but also take care to clearly define the objectives for their communication with the local environment. One of the key components that can be improved here is internal communication, better information from the about plans and goals of

cooperation; as well as any changes that may have taken place. Another important conclusion here is the low level of the synthetic index of cooperative potential. Many elements related to the success of cooperation are not implemented, and this requires further research and analysis.