



# Providing a Conceptual Model of Inter-Organizational Cooperation

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## ABSTRACT

*Inter-organizational cooperation is considered as one of the strongest factors of value creation and among the most important business tool. Today ability to manage is considered a competitive advantage. Cooperation can be occurred in various stages of the value chain and in each of the sectors of research, product development, production, marketing, distribution and services after-sales. The form of cooperation is in a spectral between two ranges "buy" and "merge-ownership". Piter Draker states that: "The biggest change in the way of business is the increase of communication growth based on partnership not based on ownership. Today inter-organizational cooperation is as one of the most important business management tool to improve the competitiveness of organizations, especially in complex and turbulent environments and ability in its effective management is considered a competitive advantage. Stimulus of companies to enter strategic alliances is to achieve a high level of success that achieving this level of success alone is not possible. (Glaister & Husan, 2003). The current research is review and in terms of methodology is in the place of descriptive study. In this study, it is tried to provide a conceptual framework of inter-organizational cooperation by the method of library and literature of conducted studies and with a total look and all-round, cooperation models and factors affecting it as well as causes of communication between the organizations investigated.*

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## INTRODUCTION

Today, in the era of globalization and knowledge-based economy, organizations should be survived in the socio-economic environment that is increasingly competitive and unstable. The development of information and communication technologies has had an important role in inter-organizational cooperation.

Cooperation effects on business performance, so different organizations operate with each other as different cooperation models. Cooperation is as a mechanism to leverage competencies. So increases survive in turbulent market conditions. A network of inter-organizational cooperation can be created between different organizations. Concerns such as identifying ways to control cost, improve quality for organizations that are faced with pressure and remain in competitive environment, increase the effectiveness and risk management are important.

Designed evaluation tools help organizations in the field. Inter-organizational cooperation as strategic cooperation and joint ventures is one of the most important business management tools to improve the competitiveness of organizations, especially in complex and turbulent environments. Cooperation fill the gap between available resources of company and the requirements of the future and

by providing organizations availability to external sources and also by creating synergies, promoting learning and rapid change, increase the competitiveness of organizations. An action that takes place now is in the context of eliminating departments and organizational units and increase cooperation between them to organization better deals with environmental factors and ensures its survival (Hoffman, 2001). For example, Chrysler company and supplier of raw materials to company operate with cynicism and lack of trust to each other. As a piece that is purchased, regardless of its quality is less expensive so the mentioned company was faced with crisis and senior managers provided a solution based on accepting both sides (buyer and seller) risks and rewards of this contact and concluded and left the tender and by formation a team, decided to plan vehicle.

In the new economy system, networks of large organizations are forming, in this system, organizations consider themselves as teams that as a result of cooperation can be more successful and prefer to not be against each other as individual units in the field of competition. Companies have always been dependent to other organizations to supply raw materials and information. Organizations are seeking many ways such as closing new contracts with suppliers of raw materials-formation of private cooperation-integration of companies to meet their

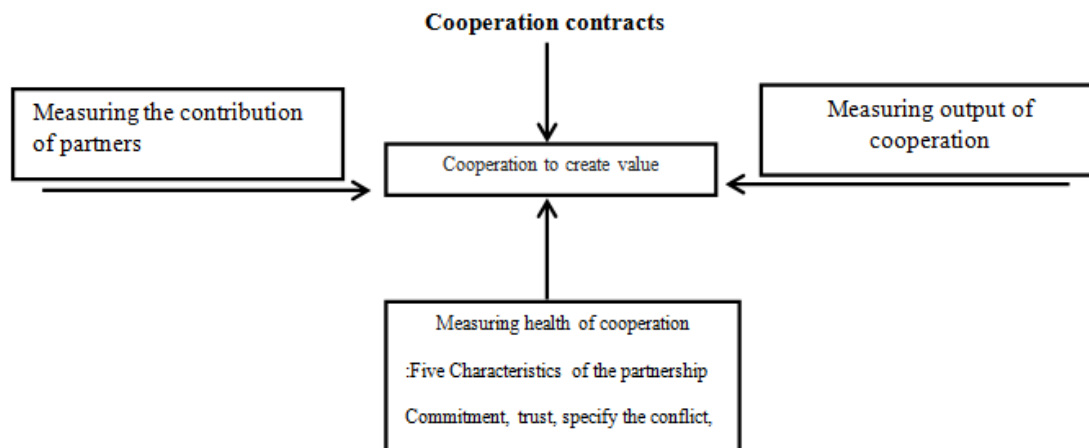
needs at the lowest cost and with the best way. (Hoffman, 2001)

## I. COOPERATION

Everyone has a certain understanding of cooperation and is often confused with collaboration. When words such as networking, communication and coordination arise, this confusion will be raised. Although each of these concepts is an important component of cooperation but their value is not the same (Afsarmanesh and Camarinha, 2006). There are different definitions for cooperation. According to the survey, the most comprehensive definition was defined by Afsarmanesh and Camarinha in 2006 as follows:

"The cooperation is a process that share entities, information, resources, responsibility of responding for planning, implementation and evaluation of a program of activities to get a common goal together (Afsarmanesh and Camarinha, 2006). Inter-organizational cooperation fill the gap between the existing resources of company and future requirements and by providing organizations availability to external resources as well as to create synergies, promoting learning and rapid change, increase the competitiveness of organizations. (Hoffman, 2001)

### A. Providing conceptual framework of cooperation



**Figure I-A. Interactions of structures in a cooperation network**

A cooperation contract has implications that initially should be clearly understood and followed. One of the concepts is strategic cooperation that organizations should design a common vision of cooperation. Inter-firm network attracts development and support of senior managers.

Structures and classification of relevant factors which affect cooperation communication, is provided by Verdeko (Parung Umit, 2008). Pyramid means that if cooperation is effective and sustainable, managing and creating balance in four groups of factors will be necessary: strategic, organizational structure, business and infrastructure process and cultural factors. In addition, a change in one factor causes to effect in other connected factors to it that have to adjust themselves to maintain balance of cooperation communication. As well as strategic factors that are at higher level, is due to the reason that the strategic aspects (such as the need to be competitive) have originated of cooperation communication as stimulate of cooperation between organizations. (Parung Umit, 2008)

Cooperation contracts have components that one aspect of it focuses on companies and structures that are willing to cooperate. The contract is done for creating expected value of contract parties. Partners are considered a contribution for themselves of this contract and each of them has some capital in this contract. Another important part of health cooperation is a cooperation that has five characteristics or features that these features include commitment, trust, identify conflicts and coordinate the activities of members. Figure (2-1) shows a complete explanation of activities of a cooperation network. (Parung Umit, 2008)

Dominant culture on cooperation must have common aspects of trust, commitment and partnership. Contribution in cultural concepts is one of the needs of inter-organizational cooperation. Figure I-B. shows the general framework of cooperation concepts. (Parung Umit, 2008)

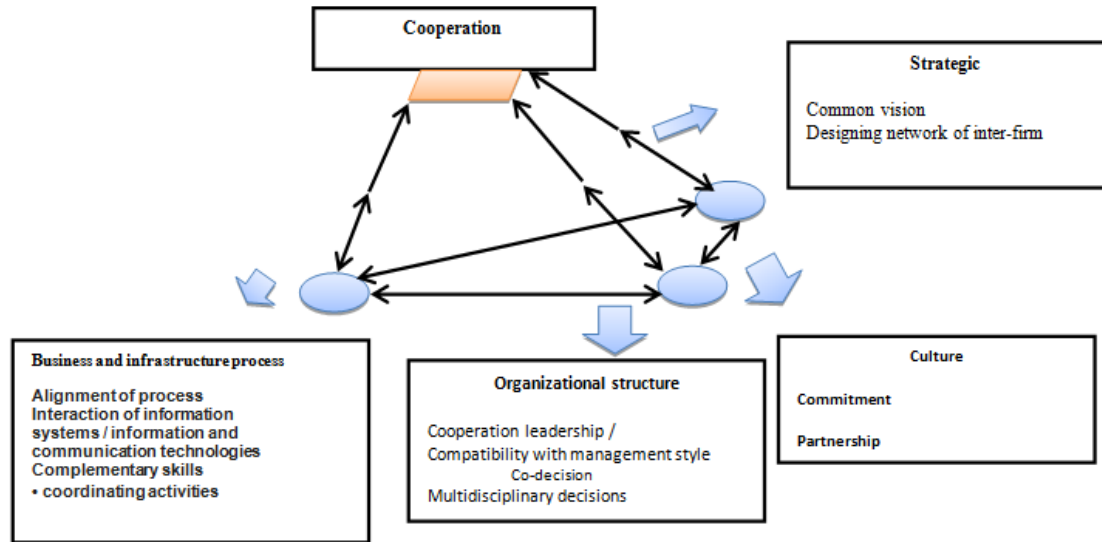


Figure I-B. The conceptual framework of cooperation

### C. Model of inter-organizational cooperation

capability: scopes and factors Factors that should be

considered for the design of inter-organizational cooperation is presented below (Verdecho, 2011).

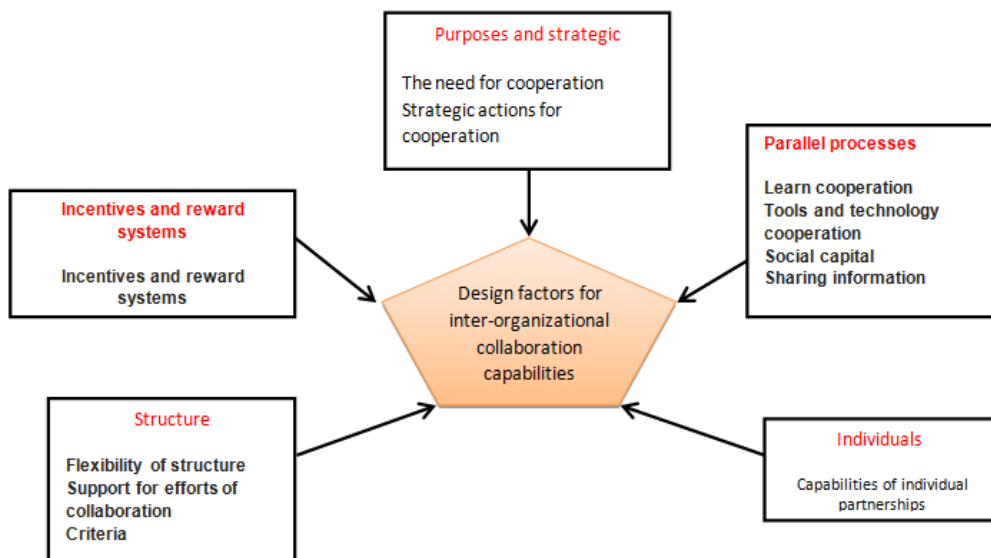
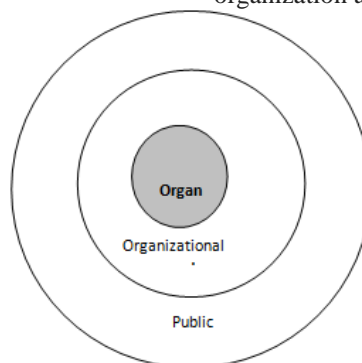


Figure I-C. The competition model of inter-organizational cooperation: scopes and factors

### D. The general reasons of operating organizations to communicate with each other:

Ms. Mary Hatch in the book titled Theory of Organization among various environments portrays organization as this.





In the classification, organization is formed of four elements of physical structure, social structure, culture and technology. Network is formed of customers, partners, competitors, suppliers and unions and the general environment including elements of legal, economic, technological, social, political and cultural. With a brief look can be achieved to compliance of these two divisions, in fact, environment is small and organization is a phenomenon. Network in Hatch's classification is according on medium environment in classification of Anthony and macro or public environment in both classifications are according to each other. Our main issue here is on the medium environment or organizational network. Richard H. Hall in his book titled Organization - Structure, Process and Outcomes- such notes that in general there are three types of relationships between organizations:

1. Inter-organizational relations, i.e. relations between two pairs or organization
2. Organization set
3. Organizational network

He says in the description of organizational network that "the network [organizational] includes all organizations that provide services in specific area. In the network that consists of organizations all organizations are linked together. "

For example, all organizations that are engaged in any kind of activity in the field of medical cares are on a network, such as universities and colleges of medical education, hospitals, clinics, emergency departments and other organizations involved in this field. Others point of view it can be said that organizational network is part of the organization's environment that organization is more in touch with it and through the network (medium) is in communication with the public environment (macro) (Verdecho, 2011).

In relation to organizational networks and in the field of technical inter-organizational called "network analysis" or Network analysis is presented. This technique determines the organizations within a network and their position in terms of importance in the network. For this purpose, first identifies the organizations in a network and then based on the number, size and value of relation between these organizations determines status and their effects on the network. For example, you can pay attention to figure (1-4) in this note.

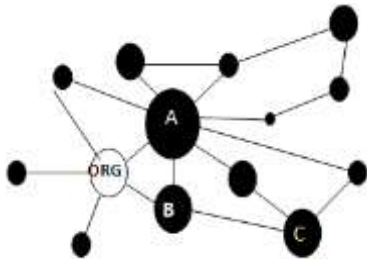


Figure I-D. Network of organization

In this image that organization is clear with ORG, A can be the biggest competitor of organization that has more effective in the network. B can be a major supply and C can represent a smaller and weaker competitor.

A network of inter-organizational is obtained of complex network connections between organizations. At the same time may be an organization is more central in this network. A network shows the relative location of all organizations within it. Centrality of an organization in network is specified by the number of links between the organization and its networks. Links (Links) in network are symbols of canals which the resources, information, opportunities and effects are present. Also managers usually placed themselves in the center in the analysis of organization's network. This causes problems such as lack of attention to the external data of network.

In general, the organizational network includes significant and important factors of the environment. But the network of organizations is a form of the relations between organizations that is as wheel and hub. The networks are mainly created by the formation of social contracts. In the networks, central organization (Hub) coordinates the relations and interdependencies of participants (Verdecho, 2011).

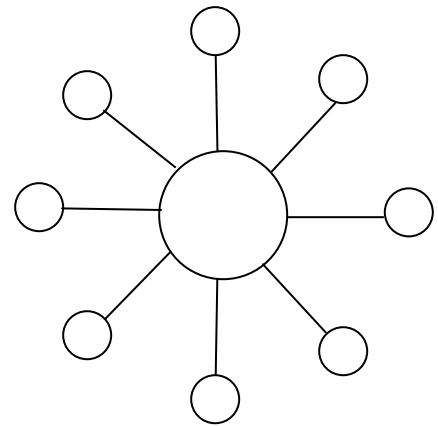


Figure I-E. Network of organizations

For this type of inter-organizational relations can consider the main company with the related companies. For example, Toyota Company with other sub companies (or its colleague) can be imagined an example for this type of network.

In another aspect should be noted that all organizations act in the surrounding of organizational network, but this will not require the existence of a relation from the type of organizations network. So it should be distinguished between these two concepts. However, it must be noted that major relationship of inter-organization probably is formed in medium environment (organizational network). (Verdecho, 2011).

#### E. The reasons of making relationship between organizations

After explaining the theories related to inter-organizational relationship, now it is briefly mentioned the reasons for making relationship between the organizations:

##### 1. Scarcity of resources or necessity of performance

When organizations have some problems in achieving resources or realizing purposes and objectives will be likely following development of organizational relations. It also increases their power and is a way to share resources, as

well as a way for weaker companies that connect themselves to stronger company for surviving.

## **2. Reaction to extra-ordinary objectives or external pressure [imposed relationship]**

The possibility of forming relationship between companies that face with an external threat or need to unite around achieving one major external objective is higher. Also in some cases, the relationship between organizations may be imposed. Here the purpose is level or ranges of a relationship that government or regulatory agencies impose on organizations with laws and regulations.

## **3. The environment structural assistance**

The structure of society may permit the formation of organizational relations, or even encourages organizations to it. For example, in Europe forming cartels is easier for producers than US because in US, antitrust laws prevail. But Pfeffer and Salansky have another approach in the issue of structural assistance of environment. They introduce three factors to determine the effect of this environmental structure:

1. Focus
2. Generosity (dignity)
3. Interrelationships

Focus is on the extent to which authority is distributed in the environment. Dignity is related to frequency of vital resources, and shows interrelationships, number and pattern of relationships or connections between organizations.

An environment with low concentration, low level of vital resources (scarcity) and the high level of interaction will cause a high level of interdependence between the organizations.

This could in turn lead to conflict and uncertainty to reduce this conflict and uncertainty, inter-organizational relationships formed here.

## **4. The permeability of the border**

The higher permeability of the borders, the more likely to form the inter-organizational relationships.

In fact, many organizations due to avoiding disruption in their activities would not welcome the development of relationships with other organizations and want to maintain their nuclear technology intensity.

## **5. Organizational objectives**

As Schermerhorn points out, if two or more organizations have bilateral objective and to scope of the organization is not jealous, they are more likely to cooperate. If two or more organizations are tried to achieve the goal, or something similar, and in direct competition with each other, not in a scope, so that one does not win at the expense of another, they probably form an alliance.

## **6. Relations in the past**

Relations in the past between one or more organizations are effective status factor for relations between them, now and in the future.

## **7. Interpersonal interactions**

The possibility of forming relationships between organizations that their managers or employees interact with each other increases more interpersonal.

## **8. The local dependence and geographical area**

Distribution or geographical proximity of organizations to each other is the determining factor in the formation of inter-organizational relationships, as near or far of

organizations can strengthen or weaken the relationship between them.

Further, the proximity of the organizations in terms of geographical causes their dependence on resources that are located in a particular area or region. The purpose of local or regional dependence is that the required resources can be provided from a particular region and not from different sources, scattered and remote. Organizations that have such local and regional dependencies, if they can successfully use these resources, in the organizational network and its society are more powerful. The reverse is also true.

## **9. Homogeneous and heterogeneous scope**

Aldrich is considered the scope as the overall dimensions of the organization's environment. It is said that organizations that have common scope, more dependent on each other, so this common aspect in the scope causes to increase communication between these organizations. Some also believe that the inter-organizational relations not related to common scope between organizations.

## **10. Awareness**

Here awareness means a recognition that stakeholders or representatives of organizations should have from themselves and other organizations and also awareness of the fact that their organization with other organizations that are active in this field, have interdependence. An important part of the theory related to relations between organizations based on the assumption that if organizations are not aware of potential or actual interdependencies that exist between them, there will not create any relationship between them.

In this case, three levels will be mentioned for awareness:

1. Total awareness of the existence and activities of organizations.
2. Mutual understanding that managers of organizations should have from each other.
3. Awareness that board members should have about special relationships between organizations.

The inter-organizational relationships forms and species

## **F. The goals of inter-organizational communications**

Inter-organizational cooperation goals can be divided in six groups:

- 1. Growth / financial returns:** access to new markets, expand or retain the position in Markets, investing in growth of new opportunities;
- 2. Globalization:** Due to global competitions, companies have to find a foreign partner to acquire knowledge;
  - Expand the foreign market by a partner that has local market knowledge or well developed distribution channels, the risk is very low;
  - Cooperation eliminates the market entry barriers;
  - Cooperation prevents to enter competitors to market.
- 3. Improving product / process / service:** cooperation causes to achieve a competitive advantage through creating value in product or significant improvement of process. Therefore, it should be looking for a partner that could help in strengthen of product / service, production or delivery speed, reduce costs or increase product profitability.

- 4. Innovation:** access to new technologies or new ideas to get ahead of competitors;

- Speed up the process of innovation (new product development) through accesses the resources and knowledge of partner;
- Reduce the uncertainty and risk of innovation (to be shared among the partners);
- Reduce the cost of innovation (due to the combination of partners resources)

**5. Technological:** Due to the complexity and convergence of technologies, companies have to seek foreign partners that have complementary resources, to achieve the synergy;

- Ensuring access to complementary technologies;
- Ensuring ability to trace the evolution of technologies that increases innovation of R & D.

**6. Communication in whole network:** increase communications power in whole network;

- Increasing the power of "bargaining with their counterparts" (Verdecho, 2011).

#### **G. Factors affecting inter-organizational cooperation**

According to the needs of today's competitive market and global trade, usage of alliances is increasingly enhanced. According to conducted studies, selecting partners is mentioned as one of the most important parts of forming inter-organizational cooperation (Hocevar & Jansen, 2011). Each cooperation begins with analysis of potential partners and realizing the benefits of inter-organizational cooperation depends on right and correct selection of partners (Verdecho, 2011). In the past decade, an increasing number of companies inclined to inter-organizational cooperation and establish strategic alliances, but a significant number of alliances have failed (Haine and Back, 2010). One of the main reasons for the failure of inter-organizational cooperation is the lack of harmony and consistency between the partners. Decision-making process related to partner's selection is very complex and challenging. Especially when it is looked at the high failure rate of alliances, the importance of the issue will be highlighted. (Mosa Khani, 2014)

Criteria for selecting partners in different countries and in different business areas due to the political situation and trade regulations (Shojaei, 2013) and also with regard to the field of activities and type of inter-organizational cooperation could be somewhat different. Nielsen has also stated the issue in his research. For example, knowledge of access to local laws and regulations for partners' selection from Danish companies is mentioned least important factor in relation to Western Europe but this factor in relation to American companies is more important and in relation to Asian companies and other world areas is very important and effective (Jamali & Hashemi, 2011).

In the competitive environment, cooperation is a global trend in business, but there are still obstacles to cooperation. According to conducted surveys, the obstacles to successful inter-organizational cooperation are as follows:

1. The complexity of managing business processes
2. Legal restrictions and government (legal issues)
3. Economic instability (economic uncertainty)
4. Technology
5. Inability to agree on intellectual capital

So organizations to be able to survive in this competitive environment, they must work together and to do this work, it's better first evaluate their capabilities and situation in which they are located, to do this they can use the maturity model. (Shojaei, 2013)

#### **H. Important factors for the success of cooperation**

Glaister and Hsuan (2003) by investigating 20 international joint ventures have identified the key lessons of management from the perspective of experienced executives and partners of the participants in their paper. They have divided the experiences into three groups: 1. managing process of formation 2. managing operations of cooperation 3. managing communication between partners.

Mueller and Herstatt (2000) in their paper by providing a model based on process describe the factors affecting the success of cooperation. He assumes synonymous some terms such as "Collaboration" and "Partnership" and "Alliances" and "Cooperation" that in the related literature is seen as partnership and cooperation and defines all as this: "cooperation and partnership between the companies that to gain some strategic goals work together." Therefore, "Mueller" in explaining success factors has not been considered certain types of inter-organizational cooperation. Mueller and Herstatt (2000), therefore, important factors of success according to research of "Glaister" can be classified into three groups:

##### **H-1. Formation process management**

**Objectives:** The most obvious lesson of managing process of international company's investment is the need of partners to create a clear and shared strategic vision. This makes clear the path and the effective implementation of the partnership.

In the phase of forming partnership, both partners must have agreed on long-term goals. English director of one of the international joint ventures says: "I think the first thing that both partners should be sure to understand is why they work together?"

What is our common goal? A long-term vision that is shared, what is it? For achieving what both companies are trying? "

**Partner selection:** in selecting partner, identifying resources and complementary skills, ensuring their availability and what is shared between the partners has particular importance. During the phase of forming partnership, the partners should have formal analysis of financial issues and to delivery of the items by partners, provide accurate analysis.

**Negotiations:** the atmosphere of the negotiations is important and it is necessary that the partners have high honesty and integrity. Partners should be explicit and avoid the hiding things that not have benefit for them. The trust between the partners and their commitment to each other, personal relationships, business that partners has had now or in the past time, influences on the negotiations. In discussing communications management, these issues are raised.

**Structure:** During the formation process, it is necessary to specify the structure of international joint venture and predict its administrative issues. This factor in the phase of operations management will be discussed in detail.

**Exit Strategy:** Partners should also have predicted exit strategy from cooperation. Of course this not means planning to fail, but a kind of preparation when needed. When the partners strategic changes and consequently their attitude is changed to international joint venture, out of cooperation is inevitable.

During this phase, other cases are also raised such as identifying the values and expectations of the parties (which



caused creating confidence and balance in relationships and also necessary for the effective implementation of partnership), a deep understanding of the culture of partner and also internal staff communications of both partners, the formal analysis of financial issues and analysis of deliverable items by partners. (Müeller and Herstatt, 2000).

## H-2. Management of partnership operations

Administrative issues of partnership should be identified and responsibilities also predicted. For there is no ambiguity between them and managers know their future roles, some issues such as control management, structures management, task management and also communication between them should be clearly specified. In the process of formation and management of cooperation should be specified which side is responsible for delivering the final items of project and how administrative plan to improve and evolve. It is also required to specify the responsible of doing any activity to be delegated a work to several people (it causes to people not try to remove each other and also manager not have to make policy between those several people). It should be exactly specified who is responsible for what part of the decisions or, in other words, decision levels to be specified. This requires effective communication between the partners and team training to encourage them to work together (Müeller and Herstatt, 2000).

**Balance in the relationship:** According to the variety of goals, partner selection problems and complexity of the organizational structure, there isn't a unique and excellent way to manage the partnership. According to previous research, one of the most critical success factors of partnership is the balance of relations based on the sharing cost-risk and exploitation of knowledge, so that both parties benefit from it. If the benefits of one are over the other, the communication is one-way and non-sustainable. Also, if the cost and risk do not distribute between the parties, partnership will be in balance and quickly by the victim's partner, ends. Unbalanced partnership may be also created due to unequal exploitation of knowledge. (Müeller and Herstatt, 2000).

**Learning procedures:** having effective learning procedures is considered the important factors of success because by its helping can profit from the complement capitals of the other side that shared. "Hemel" has found that in the partnership between Japanese and Western companies, Japanese partner profits more. Its main reason is Japanese willingness and ability to learn more from their partnership. Also, as a Japanese executive has stated "Western attitude to us is as attitude of teachers to students, and we are glad of it because our approach is student). (Müeller and Herstatt, 2000).

**The ability to absorb:** knowledge is mostly tacit and intangible and therefore it is difficult to transfer it between partners. The ability to absorb expands the local knowledge power and increases compatibility with external innovation. So the new technological knowledge can be absorbed better. (Müller and Hearst, 2000).

## H-3. Managing communication between partners

All issues of communication management is related to the process of formation and or operations management, and in fact this debate is key for both activities.

**Commitment of both parties:** the partners should be fully

committed to the international joint venture. Commitment requires full involvement of the partners in the partnership and their trust to each other.

**Past relationships:** past relationships can be very useful because it can operate as a formal mechanism to control controversial issues and also create trust. Present and past relationship of partners can help to more understanding of partners from each other.

**Development of personal relationships:** good personal communications at levels of managing partners is one of the most important things that will lead to increase in international joint venture interests. Where communication is poor, problems arise. Development of personal relationships increases understanding and confidence. One of the European managers says "awareness about previous experience, business contacts and confidence between the parties at the level of partner management are considered a help. Senior management has a strong and positive effect on staff. If managers of the international joint venture feel they will be supported, they feel more confident. "

Good personal relationships play a key role in solving the problems and disputes. Although, formal mechanisms are implemented for solving disputes and lack of agreements (often through discussions at board level) but there is no tendency toward the solutions. A good substitute for this issue is to have good communication with their counterparts that will reduce tensions from the outset. When effective personal communications not continue, there may be occurred problems that adversely affect the performance of international joint ventures. Each of the partners should understand culture, goals and business of opposite side. May be there is reluctance to sensitive issues that seem minor. Therefore need to partners be patient to issues appear important.

**Information exchange:** innovation processes are basically information exchange process. Therefore effective information exchange between the partners is the basis of success of the innovation process. "Ohmae" has proposed that managers in transaction with companies have more attention to softer skills and recommends that at least in three organizational levels, senior management, middle managers and the personnel involved are held regular and appropriate meetings (Zebardast, 2006).

Leak of confidential information can lead to competitive advantage of opposite side. On the other hand, most of the information occurs in daily interactions of engineers, marketers and product developers. Therefore, companies should control gates between the partners and limit the volume of unofficial information flow to not transfer a knowledge that is confidential. Companies should have motivated employees and incentive programs so that encourage employees to act towards the interests of the company and make informal decisions well.

Partners must not escape from problems or hide them, but they should try to discuss these issues and evident them as soon as possible. They should avoid of hiding problems that are advantage, but not have any benefit to the project.

**Advocate of partnership and support of parties' senior management:** some researchers have emphasized existing a hero and advocate of partnership. This person or team controls the flow of information, creates communication



between individuals and reduces tension between partners. They must be mutually acceptable to have the power to mediate between organizations. As well as support of partnership by senior management causes to a certain + --amount of error are allowed that is appropriate for each partnership project.

**Cultural issues:** culture is related to all three areas of formation, management of operations and communications. The most affecting aspect of culture is national culture that is not controllable and therefore should be carefully evaluated before the partnership. Partners should ensure to understand cultural differences as well as the management of it before starting partnership and learn how to deal with these differences.

**Trust:** The basic concept of trust is as follows: "waiting partner believes that the other party will act on the basis of commitments among us, its behavior and action is useful to other party, or at least not harm, does his duty fully, has good faith and acts honorably even if there isn't any arrangements."

Trust eliminates concern that partner has opportunistic behavior now or in the future so harm our interests. Existing lack of trust is a warning for partnership. Trust and honest of partner in the decision-making process is very important and parties expect such behavior from each other. Although, trust in regular interaction grows between partners, but must be deliberately induced. Many issues of communication mutually reinforce each other. In fact, there is a positive cycle of communication that reinforces each other that is started from the history of previous partnership (the history included strong personal relationships between senior managers) and led to understand counterparts and commitment to a joint venture. (Müeller and Herstatt, 2000). Creating trust limits opportunistic behaviors and increases the efficiency of inter- organizational. Also acts as a control mechanism that is complementary of the contract details. Trust isn't only enough at the individual level and should be existed widely and in all values, norms and routines of organization.

Mechanism for conflict resolution: In the case that the relationships between partners are unbalanced, there will be lack of confidence or conflict between them. Understanding how this conflict is resolved is important. So before creating any conflict, should be existed an advanced management for conflict resolution. (Müeller and Herstatt, 2000).

#### **I-I. Different forms of relationships between organizations**

##### **1. Strategic alliances**

Any medium or long-term collaborative relationships between organizations are called alliance.

The reason to call them strategic is this that arises to achieve strategic goals.

##### **2. Joint ventures**

A situation in which two or more companies bringing together a part of their resources to create joint venture.

JV usually formed to access foreign markets.

##### **3. Network**

A collection of businesses that have been achieved more through the creation of social contracts to legal contracts. Most researchers are considered networks as wheel and hub structure.

##### **4. Consortium (Consortia)**

In fact, consortia are the specialized JV. In other words, in this state, organizations with similar needs gather to provide a new identity in order to satisfy their needs, such as research and development consortium.

##### **5. Trade Association**

Typically is a non-profit organization that by operating companies in an industry is formed to collect and disseminate trade information and technical advices and training related to the industry.

##### **6. Membership in the Board of Directors (Interlocking directorates)**

Membership in the board of directors simply means being CEO of a company in other company's board of directors.

There are two types of membership in the board of directors:

1. Direct, when the CEO of a company being in other company's board of directors.
2. Indirect, when two companies have managers that are on board of directors of third company.

##### **7. Coalition**

Sometimes, organizations are established relationships for a specific purpose or project. Alliances are temporary and usually disappear with the completion of the project.

##### **8. Reciprocity**

Sometimes inter-organizational relations include bilateral arrangements between the organizations. A company agrees by doing something for others, if the second company agrees to do something for it.

##### **9. Social interlocking**

Informal relations that organizations form it together and basically are due to social interaction between managers.

The importance of this relationship is in providing "contact". Contact between the managers can help a lot to the formation of inter-organizational relationships.

##### **10. Merge and acquisitions**

In the case of merge, two organizations link together to create the third organization. In the acquisition, an organization acquires (education) other organizations.

##### **11. Dark networks**

Networks that are created to neutralize legal systems and activities of government agencies. Such as drugs or terrorism networks and so on. (Shojaei, 2013)

#### **II.CONCLUSION**

Currently circumstances and environment governing the activity of organizations formed in such a way that it can be said that continue of their existence is in relationship with each other. Perhaps, in the past, the image of some organizations was possible that only by relying on capacity, capability, financial resources, human and intelligence were able to survive. But on the horizon of time and in parallel with the evolution and development of organizations, the image is fainter and the need of relationships between the organizations is strengthened. So the inter-organizational relationship is raised as an undeniable fact and one of the organizational challenges.

Accurate and timely relationships between organizations will have in following many advantages, including obtaining the information resources, human, new financial and management, facilitating in the acquisition, preservation and promotion of sustainable competitive advantages, gain more share of market, reduce costs of providing services

and produce goods, increase innovation and creativity. Now effective organizing of inter-organizational relationships by the formation and using more complex systems, cultural considerations, and rapid innovations in the area of ICT of short-lived cycles of products and services becomes more difficult day by day, and requires its own delicacies.

### III.RECOMMENDATIONS

Organizations that act in inter-organizational cooperation in business market to achieve the organization's objectives must have the following conditions.

\*recommended companies make relationships and inter-organizational cooperation with organizations that these companies have their own competitive advantage and technology.

\*One of the most important criteria in inter-organizational cooperation is, having a good reputation and partners' reputation. Companies pay more attention to reputation of partners on a contract of inter-organizational cooperation.

\*having tangible assets such (financial resources), intangible assets (such as required reputation for ...) is one of the main criteria in deciding for inter-organizational cooperation. Therefore, it is suggested that the signed cooperation contract with organizations that have tangible and intangible assets in an acceptable level.

\*having special technical capabilities that help partners, has a particular importance to organizations that tend to inter-organizational cooperation. Therefore, it is recommended that organizations with lack of these important factors or are at low level strengthening their technical capabilities to be able to have inter-organizational cooperation with influential organizations.

\*have a good market share in the industry is the features that in the relationship of inter-organizational cooperation affects more on other factors. Therefore, it is suggested that organizations that in this field are at a low level do an appropriate action to improve it and organizations that in this field are at an appropriate level for selecting partner will have sufficient regard to this factor.

\*factor of having distribution channels such as agencies and sales offices in target markets influences on the relationship of inter-organizational cooperation. According to this proposed in inter-organizational cooperation contract pay attention to companies' ability in distribution channels and consider this factor in their decisions.

\* having willingness to share its expertise with partners is also one of the important factors affecting the success of the inter-organizational cooperation. An organization that is not willing to share its expertise with other partners will have no positive effect on the partners so organizations should be aware that they cooperate with companies that are able to exploit their technical and specialized abilities.

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