Human perfection is not only the acquisition of abstract knowledge ... but also active relationship with another human being.

John Paul II

Introduction

In the global economy, the nature of business relationships is changing rapidly. Executives at companies of all sizes are beginning to realise the need to collaborate and partner more frequently with suppliers, customers and alliance groups—and even competitors—to launch new products, innovate more quickly, lower costs and improve overall customer service. The goal is to develop a network of suppliers and corporate partners that is mutually rewarding and transcends traditional business agreements, which were based largely on price negotiation.

As companies collaborate with one another the old transactional arrangements have become more complex and, in some ways, more risky. Firms now share more information with their partners than before, opening up the possibility of sensitive business data ending up in the wrong hands and creating significant issues around trust. In addition, corporate cultures may clash, as companies extend their business networks across different regions, management styles and languages. As a result, companies must think very carefully about the types of partnerships that make the most business sense, and how best to manage the development of these relationships to ensure success [Report “The collaboration advantage. Customer-focused partnerships in a global market”, 2008, p. 6].
In recent years the development of market economy in Poland has caused that ordinary administration in local communities stopped to be effective. Implementation of community management has become very useful. Activities being a part of process of the management of territorial self-government unit can be divided into a few kinds. The most important ones are: defining rules of community's policy and coordination of the realization of local policy and monitoring of the usage of sources and means given to community, verification and control of effects of the realization of local policy aims as well the introduction of territorial marketing which is to be used to create specific unit’s image and help in its development in particular region. Unfortunately, elements of management in the modern economy more and more often are not enough that is why specialists are looking for new instruments supporting communities’ activities in the region. On account of that inter-organizational relationships will become one of the major issues brought up and used by practitioners in the management of territorial self-government units as communes.

**Inter-organizational relations (IOR) – a short overview**

Inter-organizational relations, as its subject name suggests, is concerned with relationships between and among organizations. “IOR”, in this article, refers to the name of the field – i.e. inter-organizational relations – and “IORs” refers to these inter-organizational relationships. The study of IOR is concerned with understanding the character and pattern, origins, rationale, and consequences of such relationships. The organizations can be public, business or non-profit and the relationships can range from dyadic, involving just two organizations, to multiplicitous, involving huge networks of many organizations [Copper S., Ebers M., Huxham C., Smith Ring P., 2010, p. 4].

Interorganizational relations have been the focus of many studies. The shift from perceiving organizations as autonomous entities to understanding the extent of interdependency among organizations is largely the result of environmental influences on organizations [Pennings J.D., 1981, pp. 433-455]. In order for organizations to deal with on-going environmental pressures and uncertainty, organizations have established linkages with other organizations as one strategy to deal with these new challenges [Fenell M.L., Ross C.O. and Warnecke R.B., 1987, pp. 311-340; Oliver C., 1990; 1991; Thibault L. et al., 1997]. The establishment of partnerships is viewed by organizations as a new way of operating in order to control and minimize environmental pressures. In this part there are some examples of these studies.

Establishing partnerships between organizations and local governments has become imperative for the provision and delivery of services/programs. Societal, economic, and political changes have forced professionals to consider their service delivery approach. Alternative ways of delivering services such as
enabling the community to provide their own services, by forming partnerships with community organizations by mutually exchanging resources in order to maintain public welfare [Vail S., 1992; 1994] and offer new possibilities from the already established service provider approach.

Aforementioned, only a few studies have investigated inter-organizational relations between a local government and other community organizations. For instance, L. Thibault examined the influence of environmental pressures on inter-organizational relations between parks and recreation departments and other organizations. They found that “local governments are increasingly relying on partnerships in order to acquire important resources aimed to maintain or enhance the quality of services offered to the public” [Thibault L. et al., 1997, p. 353]. The establishment of these partnerships is attributed mostly to the need to respond to environmental pressures facing local governments. Further to this study, L. Thibault have identified how local governments interpret environmental pressures, such as economic, political and social pressures, are affecting the establishment of partnerships for the provision of leisure services to their community. They found that senior managers identified limited financial resources, political and social pressures as major reasons for developing partnerships.

*economic pressures as budget cuts and maintaining the same level of leisure services without increasing taxes.* Political pressures... as the existence of competing values held by politicians, special interest groups and the public. *Notion of accountability also surfaced in their interpretation.* For social pressures, population growth and ethnic diversity were identified [Thibault L. et al, 1999, p. 13].

As confirmed by these studies [Parsons M., 1990, pp.12-18; Thibault L. et al, 1997, pp. 351-358; 1999; Vail S., 1992 pp.217-233], the establishment of inter-organizational relations with other groups is perceived by local governments as one solution to adopt in order to maintain and sometimes increase the level of leisure services offered to the community.

Vail examined inter-organizational relations in the study of the sport delivery system of the City of North York in Ontario. She specifically focuses on the inter-organizational relations between community organizations and user groups. Vail’s results showed a stronger line of communication between the North York Parks and Recreation department and community sport organizations than among community sport organizations. Sport organizations communicated rarely amongst themselves; their perceived competition for facility access and human resources appeared to be deterrent to communication. As Vail argued, establishment and management of effective partnerships by way of communication becomes a priority for community organizations when
interacting with the local government since local government are the “owner” of needed facilities. The competition for human resources among the community organizations providing leisure services is increased as potential volunteers have less time to commit [Vail S., 1992, pp.217-233].

According to other studies inter-organizational relations can be divided into two groups: transactional relationships and collaborative ones. Transactional relationships as agreements meant to fulfill specific, immediate needs. Collaborative relationships, meanwhile, are defined as partnerships created to meet mutually beneficial goals, and share the risks and rewards of future business opportunities. Both types of relationships serve valuable purposes for companies: the goal of transactional relationships tends to be the continued (and sometimes automated) execution of specific functions, such as order replenishment or ongoing maintenance of, say, the help desk. Collaborative relationships, meanwhile, aim to connect companies to bring about faster innovation and create future growth opportunities. They can evolve from transactional relationships, particularly when companies seek ways to gain a competitive advantage in reaching the end customer. In order to contrast the characteristics of the two types of business relationships, the survey asked senior executives to classify the nature of their most important business relationship as transactional or collaborative. In the survey\(^1\) conducted by the Economist Intelligence Unit in March 2008 fifty-nine percent (302 in all) of the respondents (senior executives) described their most important business relationship as collaborative (called the “collaboration” group) and 41% of the surveyed executives defined their most important business relationships as transactional (the “transaction” group) [Report “The collaboration advantage. Customer-focused partnerships in a global market”, 2008, p. 7].

**Inter-organizational relations in local and regional partnership**

There have always been inter-organizational (and inter-sectoral) relationships and joint working in local and regional development. In particular, the public sector (in its many roles as planner, regulator, provider of resources and factors of production such as land) has always worked closely with private sector interests: developers, financial institutions, and employers. At the same time, the interests of communities and social groups have been taken into account, primarily but not only through the institutions of representative democracy. However, in many countries, these inter-organizational relationships have been increasingly overlain by the development of more institutionalized forms of partnership. One key distinction between traditional collaboration and partnership is that,

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\(^1\) Research was based on a survey conducted by the Economist Intelligence Unit in March 2008 of more than 500 business executives worldwide, as well as desk research and in-depth interviews with executives from around the world about the changing nature of business relationships, and the associated challenges and opportunities.
while in the former the normal pattern was a core-periphery model, in the latter, at least in principle, the model is of a number of partners collaborating with each other, without (in principle at least) any assumption of primacy by one partner [Geddes M., 2010, pp. 204-205].

Although the broad principle of local partnership is now becoming increasingly generalized across the globe, partnership takes many forms. Partnership vary in relation to:
- their remits, responsibilities, and resources;
- the spatial scale at which they operate;
- the organizations and interests which are partners;
- and in the broad form which collaboration takes [Geddes M., 2010, p. 209].

LRD (local and regional development) partnerships exhibit considerable variety in the organizations and interests within the partnership. The ‘partnership space’ in this context can initially be defined as that of the intersection between the three spheres of the state (and the public sector), the market (including both business and trade union interests), and civil society (including NGOs – non-governmental organizations and community groups). This can help to identify a number of ideal-types (Figure 1):
- Partnerships at the centre of this space, involving partners from all three spheres. There are many partnerships of this kind, often with multidimensional remits. Such multipartner partnerships are promoted by a wide range of state programmes of the EU, many EU member states including the UK, and by federal or state governments in Australia for example.
- Partnership primarily between state and market partners. Not surprisingly, such partnerships are often concerned with economic development or labour market issues.
- Partnerships primarily between state and civil society partners. There are distinctions in this type between those where the civil society partners are community organizations and interests, and those where the partnership is between state agencies and NGOs. In parts of the developing world, large transnational NGOs often play a lead role in development partnerships.
- A fourth ideal-type, partnerships primarily between market and civil society actors, is much less common, and although examples do exist, this is an indication of the dominant role of the state in urban and regional development partnerships.

This triangular partnership space between state, market, and civil society is one of the main characteristics which distinguishes the ‘new’ urban and regional partnerships from either collaborative relationships within the state/public sector (either between different tiers of the state, or between various sectoral state agencies), or from the corporatist model of partnership in which the three poles were the state, business, and trade unions. It is interesting to note,
however, that new versions of essentially corporatist partnership, widened to include participation from employment-related NGOs such as those delivering training and employment placement services, are emerging around local and regional labour market issues [Andersen S.K., and Mailand M., 2002].

Figure 1. Partnership ideal types

![Partnership ideal types diagram]


J. L. Crompton described inter-organizational relations between the public sector and the commercial sector for the purpose of building recreational facilities. He developed three categories of relationships: a) using existing commercial facilities; where the local government leases commercial building instead of developing/building their own; b) facilitating new commercial projects; where the local government motivates capital commercial investment by producing minimal public resources; and c) joint development with the commercial sector, where the local government matches resources with the commercial sector towards the development of facilities [Crompton J.L., 1989, pp.107-121]. In another study, Crompton investigated forces affecting the public sector when privatizing recreation services and programs. Four reasons for privatizing were outlined:

1. frustration with the inflexibility and relatively high cost inherent in the traditional approach of direct service delivery, 2. the convergence of political agendas from both the conservative and liberal wings of political spectrum, 3. recognition of the inherent inefficiencies associated with the monopolistic supply of services, and 4. awareness of the distinction between service provision and production [Crompton J.L., 1989, p.89].
Reasons for involvement in inter-organizational relations

There is also considerable variation in the nature of the partnership relationships in which partners are involved. Various aspects of this issue were discussed, but it is useful at this point to establish the parameters within which partnership is located in terms of another set of ideal-types. Partnership is, on the one hand, located between networked (loose) and contractual (tight) forms of collaboration, involving elements of each, depending on the precise form of the partnership in question. At the same time, partnership is also located on the spectrum between hierarchical and associational organizational forms—and again different partnerships display elements of both (Figure 2) – [Geddes M., 2010, p. 214].

Figure 2. Partnership and other ideal types


There are many reasons for entering partnerships with other organizations. Determining these reasons becomes the first step towards establishing effective partnerships. The reasons for involvement in inter-organizational relationships differ from one organization to the next, according to the organization’s needs. However, commonalities have been found in the motives behind partnerships. Oliver has uncovered six determinants or motives for establishing alliances with other organizations. These determinants are: reciprocity, efficiency, stability, legitimacy, necessity, and asymmetry [Oliver C., 1990, pp. 241-256]. Even though these determinants are described separately, their influence and interaction on one another is essential to note. Organizations have many reasons for being involved in partnerships. When explaining the following reasons for involvement, it is important to acknowledge that some of these reasons overlap.
a) Reciprocity

Reciprocity describes an organization’s motives to cooperate, collaborate and coordinate with potential partners [Oliver C., 1990, pp. 241-256], creating a certain interdependence with potential partners. The concept of reciprocity occurs when both partners are pursuing the same goals and interest. To improve community welfare and leisure opportunities for all community members is one reason why the local government and community organizations join their efforts.

b) Efficiency

Efficiency, is linked to an organization’s needs to increase and improve its “input/output” by controlling environmental and organizational resources [Oliver C., 1990, pp. 241-256]. In time when resources are scarce and competition is high, it becomes essential for an organization to be more efficient in its operation. The search for external resources is viewed by many authors as the primary reasons for establishing partnerships and is used to analyze inter-organizational relations, defining it as the resource dependency framework.

c) Stability

Stability is related to the need by an organization to control environmental uncertainty [Oliver C., 1990]. In order to obtain a better control over the environment, partnerships are created. Organizational environment is defined as “everything outside an organization’s boundaries” [Robbins S. P., 1990, p. 206], while environmental uncertainty is defined as “the degree of heterogeneity and concentration among environmental elements” [Robbins S. P., 1990, p. 219].

d) Legitimacy

Another reasons for involvement is the need for legitimacy. It represents the need for an organization to conform to societal norms, values, rules, and expectations [Oliver C., 1990, pp. 241-256]. In some instances, one partner may need or wish to establish a partnership with another organization for the credibility and reputation of the partner-organization. It has been process [Rourke F.E., 1984] have been identified as key resources. Political advocacy, legitimization and legislative policy process are all related to an organization’s ability to establish strong relationships with politicians and legislators, consequently leading to its acceptance and success in the community. Gaining community legitimacy is perceived as essential in the development of community programs.

e) Necessity

Another determinant for establishing partnerships is by necessity. Necessity is defined as the need for establishing linkages “in order to meet necessary legal
or regulatory requirements [Oliver C., 1991, p.243]. This reason for involvement is not relevant to the purpose of this study, given local governments and community organizations are not forced in entering partnerships with one another. Even though the establishment of partnerships is sometimes perceived a need for these partners in order to deliver some public services, both partners are voluntarily involved in the partnership process.

f) Asymmetry

Finally the last reason for involvement in the establishment of partnerships is asymmetry. Asymmetry is described as the exercise of power and control of one organization over another for its resources [Oliver C., 1990, pp. 241-256]. For the purpose of this study, the asymmetry element is not applicable due to the mandate of the public sector. This reason may not be relevant given the fact that local governments tend to assume a facilitator role when entering partnerships as opposed to a directive role [Vail S., 1992]. In most cases, local governments enter partnerships in order to maintain the same level of public services accessible to their community without any tax increase [Thibault L. et al., 1999, pp.124-141]. Local governments have not intention in taking over a service or an organization.

From the research reviewed in the previous part of the paper, it is clear that the establishment of linkages with other community organizations, non-profit or the commercial sector, is now perceived favourably and widely used by local governments as a strategy to fulfill the needs of the community with regard to the provision of public services.

Inter-organizational relations in communes and their role in the development of the units

Regional and local development is a process of changes in the system, taking into account its needs and appropriate goals, preferences and the hierarchy of values that make up its economy. The objectives of this development are universal, but in certain circumstances makes their realization (e.g. through the development of tourist activities). Each regional and local system has its own objectives tree, corresponding to the existing capabilities and expectations [Wojtasiewicz L., 1997, pp. 8-9]. The basic objectives of development can be viewed in four dimensions:

- Meeting the basic needs of the population;
- Using of owned resources and existing opportunities to create economic development and entrepreneurship such as rural tourism development;
- Improvement of operations and ensuring the integral development of a sustainable type and an efficient functioning of all entities and institutions at the local unit;
- Reliability of systems’ functioning and their proper “powering” in resources.
These objectives are related to the achievement of tasks, included in programs or development strategies such as creating a climate for the location and good for business, setting up new ventures, employment, etc., including the definition of growth factors. Growth factors are generally followed the use of the following issues [Trojanek M., 1994, p. 45]:

- Utility values produced by nature (e.g. natural resources, soil);
- Utility values generated by humans (e.g. production facilities, infrastructure);
- Workforce (size and structure, skills, motivation, etc.);
- Cultural and economic traditions of the area (e.g. economic performance);
- Institutions for the development and promotion of the area (e.g. banks, business incubators, development agencies);
- Attractiveness of residence (e.g. land use, landscape, environment).

All these factors may be essential for the development of the area (region, local scale) if there will be created the conditions for their use and the interface with existing circumstances. The fact that factors have (or will have) a decisive role shows the strategic decision analysis, including strengths and weaknesses of the area and the opportunities and risks for its development. This indicates the validity of the identification and preparation of the strategy which is usually the basic element of development and the policy of regional and local authorities [Wiatrak A., 2006, p. 13].

Regional and local development involves a process of positive change, the quantitative increase and qualitative progress whereas the management of this development is its evolution through its impact on economic entities using different types of legal, economic, institutional, promotional and information instruments. However it should be taken into account that this effect is primarily an incentive from which economic entities can benefit (internal and external ones), but not necessarily. Consequently, many people emphasize that we are not dealing with the management of the region (and relevant local scale) but the management in the region [Olesiński Z., 2005, p. 14]. Such a definition can be accepted as regional or local authorities cannot force entrepreneurs to take a specific project. It is always a choice of entrepreneurs but by way of business (or continuing to take a new one) they must take into account the existing system of regulation and interaction of state and local governments. Therefore, the important role has a developed system of regulations and interactions and its flexibility to existing conditions because it largely determines its effectiveness. Adaptation to the existing system of regulations can be regarded as management of regional development or local one. It should also be taken into account that part of the task is carried out directly by the public organizations (e.g. infrastructure) or in a safety way by public-private partnerships, and so in this case we are dealing with development management in a regional and local scale.

Management is the process of making the many different bodies in charge of - interrelated - decisions and actions that aim to ensure the functioning of such
organizations in order to efficiently, effectively and efficiently its objectives have been achieved.

The process consists of the following management functions: planning and decision making, organization, interaction with people (motivation, leadership, communication, etc.) and monitoring. All management functions are also relevant to the management of regional and local development, but in this case the basis for action is planning, especially strategic planning - to prepare the strategy and identification of further courses of action, which is cyclical. The particular role of regional planning in systems is due to the unequal development between regions, the emergence of problem regions, disruption of economic and social equilibrium, and with it the need for interaction, allowing use of existing factors of development.

Another important function of management in local or regional systems is the interaction with people which includes cooperation both in the preparation of plans and their implementation. Here is important an approach to people, their ability to act but also by his own example to encourage (action) or explaining the need for specific action, including training and consultancy. The involvement of people of authority (administrative or local government) can be a motivator to work, shaping the patterns of behavior and a partner leadership [Wiatrak A., 2005, p. 42 and next]. This should be a participatory approach, taking account of local leaders in the field of an economic and non-economic life. Concerning this management function, you need to take into account that its scope changes on the regional and local levels. In the first case, this function relates to the wider setting of development directions and coordinate their implementation, while in the second - mainly to ensure cooperation and ties between people, including motivating. It should also be taken into account that the managers of the municipality, county or province requires a competence in the work, forward-looking attitude, ability to inspire, but also challenge the action which ca be inappropriate in some circumstances. Important are also the skills of negotiation and conflict resolution.

Organizing in the regional and local systems concerns primarily the functioning of various institutions, the coordination of their activities and the emergence of new ones which should foster the implementation of planned objectives (e.g. creation of development agencies, foundations, incubators and business support centers, associations and business and non-economic associations etc.). In the process of territorial management units there may be distinguished managing people and objects of managing. For example, in the municipality of the first group include: the municipal council and its committees, community board, mayor, mayor or city president, secretory and treasurer of the municipality while the second group consists of: municipal companies (e.g. in water), institutions (health and social care, education, etc.), business entities...
in the municipality, farms, village councils, individuals (local communities), organizations (social, cultural, political), etc.

Organizational actions taken by these measures, as well as the use of institutions, marketing activities in the region (county, municipality) should focus mainly on ensuring the realization of the action plans and development strategies, because the organizational structure should reflect the needs of management. Consequently, the resulting institutions or teams can be either permanent or interim (until completion of tasks). It should be emphasized that the community of the area has greater skills and the organizational culture, the more the organization is moving towards cooperation, joint decision-making.

Controlling is focused on the acquisition and use of human resources, material, financial and information services, so as to ensure the achievement of the objectives of the organization in accordance with the principle of economy, ranging from the planning stage and ending with the implementation of the adopted plans. Controlling should give the answer if:

- The objectives have been properly defined and they lead to their current evaluation of the implementation and make the appropriate corrections;
- The taken activities are effective and are properly adjusted and they take into account the assistance programs (e.g. within the European Union structural funds);
- Actions are monitored and information on the financial side of the strategy is available;
- The achieved results have been disseminated,
- There was a learning process and the inclusion of the population in the implementation of the strategy.

Cyclical of management of regional development or local one due to the nature of the activities and their implementation. One of them ends and another begins. This results both from the area strategy to be pursued, and its continuation or modification, depending on existing circumstances. The important part here is the acceptance by the inhabitants of the area and their activity in achieving the development goals, working plans and directions for further action. It should be also taken into account to compare the possible courses of action depending on the capabilities of their finance and monitoring and evaluation of actions implemented. Such a procedure is possible thanks to goals that - if they are well defined - the following functions: planning, organizing, coordinating and integrating, motivating and control. These functions are universal in nature, resulting from various stages of the management structure and contributing to the achievement of the objectives [Wiatrak A., 2006, pp. 14-16].

Analysis of the management process focuses on the dependencies that occur between entities and facilities management, and therefore in local development are very important Inter-Organizational relationships.
Thus, relationships can be interpreted as a kind of relationship and interdependence between the switched lowing individuals and entities of the economic system. As a result of good relations and dialogue creates a system of values showing the relationship of trust and satisfaction. Currently, more and more we see the essence of the relationship not only with respect to the company-client system, but also as regards the municipality one or the region one.

Create positive relations in the system of the municipality or region, bringing tangible benefits, because:
- Let create a positive relationship between the inhabitants of the municipality and the residents and the authorities, which in turn will help implement a development strategy based on local communities;
- Cooperation between the entities of local governments and higher order gives opportunities to share experiences and undertake joint actions to implement the relevant projects;
- Appropriate investor relations make it possible to develop the region by improving infrastructure, creating jobs and tourism development;
- Enable efficient management of municipal finances;
- Give more opportunities to raise aid funds of the European Union [Chlipała P., Rutkowski M., 2004, pp. 21-22].

Key areas between which we should develop appropriate community relations in the system (Figure 3) relate primarily to intra-regional co-operation between residents, authorities, institutions and businesses in order to create a development vision and a clear image of the municipality, which will achieve competitive advantage in the long term. Developing partnerships in the region is a process of interdependent, dynamic and holistic activities, which means that it is difficult to identify which areas of relationship are the most important because all are closely linked to some extent. Residents, enterprises, institutions, local authorities, as well as visitors to the region, natural and economic values and the external environment create a peculiar system of elements among which can and should occur the appropriate links and relationships [Mruk H., 2004, pp.273-275].
The problem of regional relations and related to this the improvement of entities’ relations in a regional arrangement must be resolved taking into account the importance of competition between different areas as the history and reality shows that wins the competition areas that make better use of regional resources and mutual relationship, creating a long-term co-partnership [Styś A., Styś S., 2004, pp. 347-352].

Among the development of mankind, in every aspect of its life, including the seemingly chaotic weave all sorts of active forces (including market forces) can be presented in two main elements of development: a factor that is selfish rivalry, competition, and altruistic, characterized by a concern not only about their own destiny but also about the fate of others, or cooperation. One of the main symptoms of a factor of solidarity, cooperation in social and economic life is the affiliation of the units to achieve specific common goals. The idea of cooperation, contrasted with the selfishness of the dominant world of private interest is the most constructive element in overcoming the difficulties associated with the fragmentation of Polish agriculture. The main premise of cooperation is a response to the rules set by the agriculture-food industry and dealers in terms of market forces. Solving problems is an appropriate strategy for the organization to formulate goals and objectives. The essence of the organization’s strategy is to create the social foundations of motivation for commitment and loyalty, they are conditioned by the ultimate success of the group for which the fundamental values of equality, respect, team spirit, commitment, shared problem-solving. A
group is a democratic control, authentic social processes, mutual understanding, trust, acceptance. Units are organized in order to achieve certain benefits in accordance with the principle that “no single person, even the strongest, is not able to achieve the goal without the support of others” [Woźniak M., Lechwar M., 2009, p.140].

Conclusions
Formally, the objective of many partnerships is to secure high levels of involvement and commitment from all partners. However, most partnerships are characterized by serious inequalities of power and capacity among partners. Given the lead role of local and regional governments in many partnerships, local and regional authorities frequently make primary contributions. Indeed, the problem with the role of the local authority may be that it is seen to be too dominant, excluding or marginalizing other partners’ interests. However, the major local government contribution to partnerships often tends to come from officials. Sometimes it is very hard to determine the level of partnership in the local area but it should be highlighted that a long-term cooperation among dependent entities can lead to the creation of relations between them and next deeper relationships and at the end even loyalty of partners towards each other.

References


Vail S., Better together: Partnership building between recreation and sport leaders [In] 1994


Abstract

The main purpose of the text is to identify and understand the issues of inter-organizational relations in local government units. Briefly, IOR (Inter-organizational Relations) is concerned with relations between organizations, but it can be interpreted at different levels. That is why, it is commonly known that local government units are able to create relations, but on the other hand, to function in the region they are obliged to fulfill the needs of the community. In the contemporary world each local government unit must take care of the position in the region and as well as of gaining funds for further development. In order to be a cooperative leader in the region, local government unit should use inter-organizational relations with their all partners.