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Contents and main characteristics of partnerships among business entities

The problem statement. Sharpening of competition in the world market results in new charts of organization and course of business appearance. The business entities increasingly use the unconventional mechanisms of adaptation to changing environmental conditions in their aiming to confirm a stable leadership or at least to remain the constant participants of market relations. So the part of businessmen who prefer the way of business, which is based on partnerships, is consequently increased. The realization mechanism of such relations is built on each participant's present powers and resources consolidation principles with the purpose to obtain maximal effect (profit) of joint activities.

The last researches and publications analysis. The works devoted to forming and developing the partnerships in economical system belong to foreign researchers such as Cose R., Riseberg B., Thomson A. as well as to domestic – Ignatyuk A., Mykula N., Philyuk G., Yastremska O. and others who made a great contribution into realizing the importance and actuality of such way of economic activity realization and into researching the forms of its using. However, taking into account realities of nowadays, there is a far of different ideas concerning theoretical basis of partnerships forming.

Considering that, the purpose of this article is the analysis of existing approaches to the concept of “partnerships” among business entities and separation the main features of this economic phenomenon on its basis.

The material presentation in general. Such concepts as “partnerships” and “partnership” are often equated in scientific sources. It is worth to analyze each of them separately to understand the relevance of this comparison. Some specialists examine partnership through the prism of its realization instruments, determining it as a form of enterprise organiza-

tion, at which two or more persons unite their properties, become the joint owners of the created enterprise, jointly manage a production and property, distribute an income and correspond respectively to their liabilities [1, p. 65]. According to the following approach: “The partnership is a form of collaboration of mainly legal entities, which is not fixed by the constituent documents, but carried out and supported actually» [2, p. 286]. As we can see, the scientists reasonably emphasize the fact that the partnership can be as formal basis (executed legal agreements) and informal, that is act on verbal agreements. However, in our point of view, it is inappropriate to consider this category as a form of enterprise organization because this approach is actually used in the possible partnership manifestation ways (species) analysis, but not when determining its substantive nature. A similar view is held by the authors of the English-Russian dictionary of economic terms that address partnership (from the English «partnership») as an association of two or more persons formed for the purpose of business transactions [3, p. 475].

Experts in the field of law suggest to determine partnership as one of major legal forms of enterprise organization and, on their opinion, such concept can be examined from a few points of view, in particular: 1) as a legal form of relations between sides; 2) as a personal connection among participants; 3) as a fruitful co-operation, collaboration among a few business entities [4, p. 5].

Working of scientific sources grounds to mark that category «partnership» is mainly used in three cases: firstly, when mean social partnership; secondly, when describe business partnership (diplomatic copulas), and, finally, when it is said about partner relations between enterprises. Social partnership is an economic category, which reveals the contents of relations in social and labor issues. Business partnership is the term used to describe the relationships that are built on the international level that is used in diplomatic circles. The scientific publications also offer another similar approach to identifying types of partnerships: social, political and business. According to this variant, business partnership is establishing the appropriate relationships among entities [5, p. 33].

Not so long ago, experts in the field of economic knowledge introduced the concept of «cross-border partnership» into the scientific terminology, determining it as an organizational form of cross-border collaboration which is carried out on the basis of voluntarily collaboration of two or a few territorial societies, their representative organs, public organizations, legal and physical entities, from the different sides of border, which operate in accordance with the conditions of the formalized agreement (regulations, framework agreement, etc.) with the purpose of general projects and programs implementation, and solving the social, charitable, cultural, educational, scientific and administrative tasks [6, p. 22]. In this case it is a partnership combining entities from different regions (usually from regions of neighboring states). Therefore, in our opinion, there is every reason to consider cross-border partnership as a kind of partnerships that are sold at mega levels.

A category «strategic partnership» is sometimes used in the specialized literature, however it needs carefully using and applies in those cases, when it exposes the partner collaboration essence most richly in content. The fact is that the “strategic partnership” is a form of contractual relations among enterprises to reach the strategic goals through resource sharing and receiving synergistically effect” [7, p. 252]. In other words, strategic partnerships are such relationships that are designed for the long term and have their specific manifestations (usually this is a form of alliance).

Having reviewed some approaches to partnership, we offered our own understanding of this economic phenomenon. We examine it as voluntarily co-operation of legal and physical entities at different levels of management, fixed by formal or verbal agreement, the hallmark of which is the presence of a common ultimate goal.

Given the global nature of the partnership phenomenon and ambiguous approaches to determine its effect, we developed a classification characteristic of this concept:

1. According to the manifestation levels partnership arises up:
 - at a micro level (partnership is between economic units within the limits of general territorial belonging – separate district or area);

- at a meso level (a collaboration within the limits of contiguous regions of one state);
 - at a macro level (partnership at the national level);
 - at a mega level (partnership at the international level).
2. According to the term of realization:
 - operative;
 - tactical;
 - strategic.
 3. According to the way of agreement registration:
 - on the basis of legal agreement;
 - on the basis of verbal arrangement.
 4. According to the subjective characteristics of participants:
 - social;
 - business;
 - political.
 5. According to the number of participants:
 - bilateral;
 - multilateral.
 6. According to the frequency of establishment:
 - non-permanent agreement;
 - periodic;
 - permanent;
 - seasonal.
 7. According to the sphere of realization:
 - innovative;
 - production;
 - financial;
 - marketing (sale);
 - cultural;
 - scientific;
 - technical etc.

The next step in comparison of such two economic categories as «partnership» and «partnerships» is the last concept theoretical content determination. First of all, we emphasize that there are some difficulties with

the partnerships among business entities characteristics as the specialized literature offers a limited number of research approaches, and sometimes they even contradict each other.

At the first sight, you can identify partnerships in business with the cooperative ties among economic units. However, it should be noted that co-operation is a form of direct production links among enterprises, which produce a certain type of product. The most frequent use of such enterprise form as co-operation is in the machine-building industry: the first enterprise makes engines, the other one makes fastening details, the third one makes the conditioning system et cetera, and, finally, there is such enterprise on which all these details are collected and a valuable car is completed. So it is that the cooperative relations can be called partnerships, but partnerships do not always look like such a serial technological process.

Also the scientific sources sometimes characterize partnerships only at the level of integrated corporate structures interactions [8, p. 111]. However, it should be noted that the structure with a common resource base and a separate governing body is automatically created under enterprises integration, the functional duty of which is to coordinate activities of all association participants. The partnerships organization is not accompanied by a similar procedure in the most cases, indicating a high degree of trust among the partners.

Some economists, describing partnerships, reduce them to only horizontal or vertical relationships among entities. However, in our opinion, such identification automatically narrows the establishment and development scope of such relations, giving them especially specific tint.

There is also a point of view according to which the partnerships are offered to be determined as the economic process, during which all participants: firms, consumers, investors and the states make their choices [9, p. 126]. Such interpretation accents attention only on the unique feature of partners co-operation, however, from our point of view, such characteristics (presence and realization of free choice) under the modern management conditions is not basic. The features of partnerships on this stage of economic development are the voluntarily association of efforts (resource

potential), mutual trust and general desire of participants to fix their competition positions in the market.

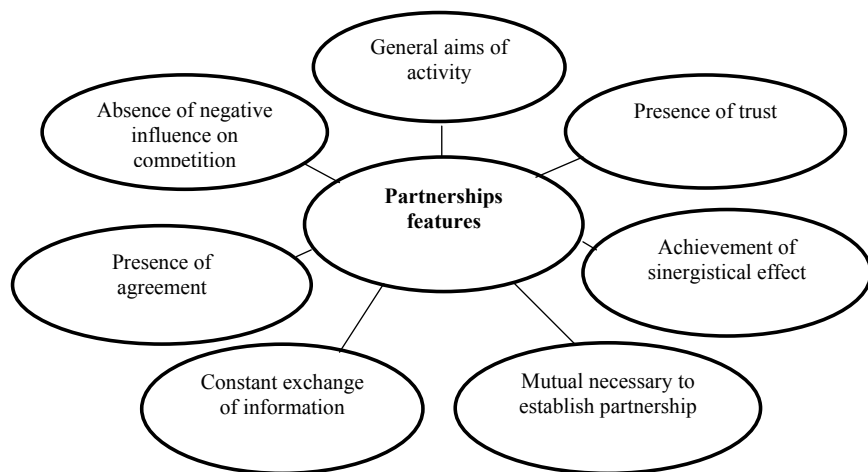
Russian scientist Busigyn A.V. interprets partnerships as the contractual relationships are established among a certain number of business entities and enable each of them to get optimal profit by sharing the results of activities (purchase, delivery of goods), which are reflected in the commodity or cash forms [10, p. 331]. We consider such interpretation meaningful, but also emphasize the peculiarity that the partners, together, create and subsequently shared resource base - is an important sign of partnerships under increasing globalization of the economy.

Other Russian specialist and researcher on selected industry Maslennikov V.V. determines partnerships in business as a type of economic relations, based on general actions and efforts of sides, incorporated by general interest (by a benefit), and also directed on achievement the general aims which are well realized by the participants of such relations [11, p. 66].

From our point of view, this approach should specify the goals and benefits for which entities are looking for partners, and, in particular, with the purpose of increasing their competitiveness.

Considering all authoritative points of view, to our opinion, it is possible to offer such interpretation of concept «partnerships»: it is the type of economic relations, which are formed among the business entities for mutual benefit through pooling of resources, responsibility and risks for reserved and strengthening competitive position in the market. Based on this definition quite logically are the main features of business partner relationships (look at the scheme).

Consequently, the analysis of scientific sources gives a possibility to draw conclusion about the similarity of the theoretical content and interconnectedness of such concepts as «partnership» and «partnerships». Referring to specialists, we draw attention to the presence of conventional boundary that defines the difference between similar categories. However, from our point of view, a difference exists and it can be grounded as follows: «partnership» is a category which is wider and summarizing. Instead, “partnerships” is a specifying term that is its logical continuation and has some other manifestation forms. Also, a more detailed and thorough part-

The Scheme. The main features of partnerships among business entities

Source: *Developed by the author based on [12, p. 15].*

nership phenomenon understanding promoted by separation of their basic characteristics. Having common goals, verbal or written agreement, mutual trust, constant exchange of information among participants and no negative effects on competition are the main factors that point to partnerships feature and allow to distinguish them from other types of business relationships.

Conclusions. Thus, we conducted the study confirms the presence of problematic situations at the ratio of concepts such as “partnership” and “partnerships” among business entities. Limits of rational views and approaches to the definition of such economic phenomena give grounds to assert their close interdependence and almost conventional distinction. However, to our opinion, a difference exists between them, so the term «partnership» has more scale and global character, and consequently, considerably more frequent used in scientific literature. “Partnerships” is more precise concept, points directly to the specific economic relations among entities. A similar comparison of the two economic categories made it possible to identify common features of partnerships that, in turn, greatly facilitates the partnership phenomenon study.

Prospects for further research related to the analysis of the historical development and research of partnerships forms at the micro level.

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Summary

Key words: *partnership, social partnership, business partnership, political partnership, partnerships, sinergistical effect, agreement*

The paper deals with theoretical approaches to the definition of «partnership» and «partnerships» among business entities. The basic features of the partnership phenomenon are suggested.

Treść i główne cechy partnerstwa między podmiotami gospodarczymi

Streszczenie

Słowa kluczowe: *partnerstwo, partnerstwo społeczne, partnerstwo biznesowe, partnerstwo polityczne, spółki, efekt synergii, porozumienie*

Artykuł opisuje teoretyczne podejście do definicji <partnerstwa> i <spółek> między podmiotami gospodarczymi i wskazuje główne cechy zjawiska partnerstwa.

