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Impact Maximisation of Collaborative Projects through Informal Leadership*

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Abstract. The practice of collaborative innovation promises added benefits for the concerned stakeholders based on the capacity that the product of the knowledge, experience, and skills shared by the collaborating parties outweighs the sum of all the inputs. However, collaborations also carry the challenge associated with leadership, which is often established through informal influence. The paper presents the best practices for impactful informal leadership in collaborative innovation networks in project execution. The research is based on expert interviews with European start-ups, SMEs, large enterprises, and universities. The findings and recommendations focus on enhancing the impact of the innovative solutions once they are institutionalised in the organisations. The impact generally leverages the consequence of informal leadership, a naturally occurring phenomenon, emphasising the variability and reciprocity of leading, the meaning of strategic goals, and investing in human relations, and deeply contributing to the transition towards Industry 5.0 and Society 5.0.

Keywords: Collaborative · Informal · Leadership · Network

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1 Collaborative Networks and Informal Leadership

Collaborative working and leading are essential in the complex, contemporary organisational setting, and are also essential components of the transition towards Industry 5.0 and Society 5.0 where the economic advancement is balanced with the resolution of social problems [1]. Through collaboration, simultaneous projects are managed through people networks. The emphasis of this work is on the process, change, and emergence, which implies that these ongoing activities can be prioritised over stable entities [2]. Thus, engagement in collaborative project networks can enhance value creation for the organisation through the generation of innovative ideas.

In these networks, leadership is no longer associated only with individuals. Leadership is a collective behaviour, which results from several interdependent entities interacting with one another [3]. Leadership can also be understood as a network of influence relationships [4]. In collective leadership, the leadership roles and responsibilities change depending on the expertise required [5]. In these transitions of leadership, no formal leadership relations exist and informal leadership is utilised. Informal leadership is manifested in exerted influence over other people and the collective work without a formal leadership position [6] and is continuously re-negotiated based on the group's complex socially constructed interaction process [7]. Informal leadership influence in groups is characterised by competence, warmth [8], motivation to lead, and emotional intelligence [9]. These qualities contribute to creating a collaborating force that is willing to collectively contribute to a common purpose. As relationships and collaborative groups mature over time, leadership evolves and becomes more distributed, which contributes to group efficacy [8–10]. Eventually, the flow of informal leadership is affected by the ties in the network and the purpose of the group [11]. The changes in efficacy and the influence on a group's performance are bound to influence the acceptance of informal and collective leadership in collaborative networks. On one hand, this highlights the importance of informal leadership on a path to a common purpose from the organisational perspective, while, on the other hand, it raises the significance of informal leadership for individual performance and the development of people networks.

Informal leadership is intertwined with advanced knowledge [12]. This can be seen as expertise, which means having a good practical and theoretical knowledge of a subject, understanding own expertise, and being able to put the expert interpretations into practice towards an intended goal [13]. When collaborative problem-solving in complex scenarios is done, it is enhanced by the expertise [14], simultaneously creating space for the knowledge of all. In fact, collective decision-making is a form of collective leadership, and the quality of these collective decisions is enhanced through collective intelligence [15].

Also, considering multinational teams targeting cooperative innovation, they are more effective, if they oscillate between assertive and cooperative knowledge exchange processes [16] and their leadership is emphasised by the leader's competencies in knowledge management and transfer [17]. So, being open to the knowledge of others and collaborative working, enhances the leadership and quality of decisions in the group. The value is seen in the people who understand entities and their relations, and are willing to take part in collective and informal leading. That topic is especially relevant in the context of innovation for SMEs [18].

This research seeks answers to the question, of how informal and collective leadership function in collaborative networks. We also aim to suggest the best practices. The findings are based on conclusions drawn from interviews with multinational project experts in nine European countries. The experts operate in organisations of varying sizes and types i.e., start-ups, SMEs, large enterprises, and universities. Some of those are part of European cascade-funded projects that heavily rely on cooperation and informal leadership [19]. These projects are heavily reliant on cooperation, which speeds up access to the markets and improves project assets to generate sustainable impact [20].

2 Method

Eighteen semi-structured expert interviews were completed in March and April 2022. The interviewees were handpicked by the researchers based on the understanding that they have the essential knowledge of the question at hand [21] due to the perception of their experience.

Ten respondents are female and eight are male, representing nine nations: Austria (5), Spain (3), Ireland (2), Italy (2), Slovenia (2), Czech Republic (1), France (1), Portugal (1), and the UK (1). Two-thirds of the respondents are focused on operations in the technology sector. Thirteen of the respondents represented SMEs, three are from large enterprises, and two respondents are university employees. Seven interviewees hold top management positions, eight are operating in middle management, and three are employees with no formal management powers. The common theme for the interviewees is their active involvement in diverse multinational collaborative project environments and networks.

The interviewees are asked to review their actions regarding informal leadership and to unambiguously differentiate it from any formal leadership power which they might be granted in their organisation i.e., the focus is placed on collective work with those over whom no formal leadership position is existing. When evaluating the degree of understanding and utilisation of informal leadership, the characteristics defining the phenomenon, as described earlier, were taken into account. For example, it is evaluated if the interviewees are responding from the perspective of someone who is using their ties in the network to achieve their purpose, or if they try to exercise their hierarchical position. Also, the depth of engagement in the discussion regarding informal leadership, recognising

it being separate from formal leadership, was evaluated. That includes evaluating if interviewees differentiate in terms of which approaches they apply when dealing with situations of different formality levels. In this process, fourteen respondents are categorised as having a clear understanding of informal leadership, while two have a clear recognition of the phenomenon, and two are not fully aware of it. The data is analysed using content analysis [22], and NVivo is used to manage and code the data [23]. In order to provide a solid foundation for comprehensive analysis and interpretation, the data acquired is approached from several angles.

3 Findings

Three approaches to informal leadership emerged: 1. Leading and being led, 2. Clear targets, and 3. Human relations, complemented by experienced positive and negative aspects regarding it. Approach Leading and being led emphasises collective leading, understanding leadership, leading, and being led. Clear targets emphasise strategic vision and values connecting. Human relations emphasise knowing people and trustworthiness. The themes are depicted in Figure 1. They are further detailed in the following paragraphs.

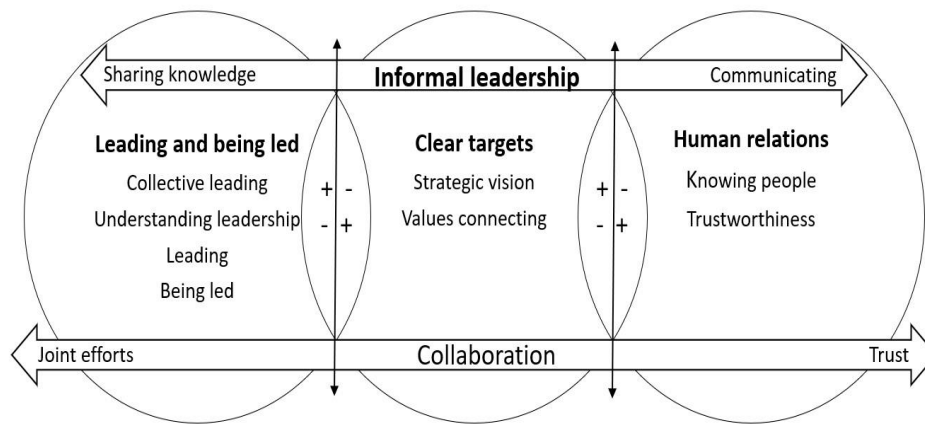


Fig.1. Informal Leadership in Collaborative Multinational Networks

In general, the phenomenon of informal leadership was recognised in practice. Its formation, utilisation, and effects were also understood to a certain extent. However, a framework for discussing and handling the matter was limited. This could be due to the unfamiliarity with the concept of informal leadership, despite its natural occurrence along with formal leadership [24]. Informal leadership is approached as something built on trust,

in a collaborative manner through joint efforts. It is utilised in everyday work to build networks, communicate, and build own knowledge, as well as the knowledge of the group. Taking informal leadership actions and roles had advanced some careers, but not necessarily. Informal leadership is seen to have a link to innovativeness. This connection is combined with openness and acknowledging others' strengths and skills to get the most out of people.

We find no links between the gender, organisation type, or nationality to the views on informal leadership. However, our analysis suggests that an increasing level of understanding of informal leadership results in an increasing openness towards others, the innovative aspect of work, interest in collective leadership, and interest in self-development. Simultaneously, decreasing level of understanding of informal leadership results in a higher reliance on hierarchies, and a reduction in openness toward collective leadership.

3.1 Leading and Being Led

The most important aspect of using collective leadership in collaborative networks is the ability to engage in it. This means the skill of both leading and being led, consisting of a) collective leading, b) understanding leadership, c) leading, and d) being led.

Collective leadership requires the ability to take a role and give a role to others, being able to share issues and leadership in a socially constructed process. A starting point is the ability to rely on others in taking the lead, based on their knowledge and expertise in the subject matter. This giving and taking role includes different practises, for example being flexible in both roles, modifying own behaviour to meet hoped leadership results, waiting and expecting others to take lead in their respective areas, not overstepping or stepping back, realising the need for someone taking over, being invited to participate, and also, if appropriate, being quiet and not participating in order not to get informal leadership responsibilities. All this requires an understanding of leadership and recognising its patterns. Informal leaders aim to learn leadership from others, either by observing others, learning from effective informal leadership practises, improving social skills or by being aware of own strengths: "Leading by example is crucial for informal leadership."

Thus, leading is based on this collectiveness and taking the role when own expertise is invited to lead. It is also about making improvements and engaging with issues, even if they are difficult or require confrontation. Resolving issues and making decisions are essential in this collective endeavour. Role giving happens when someone else has knowledge that is acknowledged to be superior and thus receives the granted position to lead. This requires the stance of being led as well. People who engage in informal leading themselves are also able to be led informally by others. They are open to being influenced by others. They also find it acceptable and useful if someone steps up to lead, as such action is perceived as helpful when based on knowledge: "There are people who have more expertise in some issues, and I can acknowledge that."

3.2 Clear Targets

Clear targets define the joint actions in projects. There are two aspects to this: a) strategic vision, and b) values connecting.

Following the collective leadership approach, also the strategic vision needs to be shared. Getting everyone on the same page is essential in cooperative projects because the vision guides the joint work contributing to both profit and quality. A shared vision eases the workflow and simplifies the resolution of disputes. Also, good fallback methods are created in case of unexpected events. Strategy contributes to the big picture of the project and further to individual responsibilities creating meaning and motivation. Values like reciprocity, honesty, and openness connect the collaborative work by helping participants to create directions for the joint effort: "A very good long term vision helps solve the short term issues."

3.3 Human Relations

Human relations in collaborative project networks rely on a) knowing people, and b) trustworthiness.

An effort is put into building the informal leadership network and gaining influence in it. Also, it is realised that it takes time to build relationships and that it needs to be beneficial to both parties: "We see it as equal parts when it comes to responsibility. It is a collaboration."

It is important to recognise every individual and encounter the relationship building through their personality, knowledge, and strengths. Through this knowing of each persona, trustworthiness is built. In this case, trust implies being trustworthy and trusting, which is aligned with the collective leading approach. Valuing trust means also saying no to pushiness or selfishness: "It's not like I need to keep everything to myself, I can rely on others also."

3.4 Positive and Negative Aspects

Informal leadership is understood and used in collaborative project networks, and there are both positive and negative aspects when engaging in it.

Taking the role of an informal leader is mostly seen as a pleasant task. People enjoy leading through their expertise, improving issues, mentoring others, and also sometimes being promoted due to these activities. Getting recognition and being seen as a person to achieve things is pleasant: "I really enjoyed it and it was energising."

Possibly the most notable negative aspect is handling hierarchy, be it either in own organisation or in a collaborative project. This can be harmful to collaboration as it may unnecessarily delay issues in situations where no hierarchical decisions are required. Sometimes informal leaders get an impression of status threat or ineptitude to handle the

phenomenon by the formal leaders. Issues like silencing others, fearing change, and protecting own turf can emerge: "I have an issue with it, especially if it is not merit-based. This informal way of overtaking the projects is not acceptable to me. I felt in the past like someone was stepping on my shoes."

Informal leadership actions can also cause work overload and can result in stepping back. People can experience difficulties in getting their voice heard and valued when informal leadership is happening: "If I see no impact, I tend to withdraw and have not much energy to invest."

4 Discussion

Our analysis of the expressed views of experts who actively participate in collaborative projects and multinational innovation networks helps us propose key aspects in maximising informal leadership in these situations. Our findings show three main approaches that contribute to the maximisation of benefits through the utilisation of informal leadership. As described in the previous chapter and Figure 1, the most relevant approaches are based on leading and being led, clearly defined and articulated targets, and appropriate human relations. These aspects are in this discussion, and we review the findings regarding their impact, advantages, disadvantages, and suggestions for improvement.

'Leading and being led' aspect requires participants to be willing to engage in collective leading, and be able to both take and give the leading role. This demands an understanding of the social aspect of leadership as well as a willingness to learn about leadership processes. As a consequence, through informal and collective leadership, it is possible to utilise all knowledge available in the group. It is important to understand individuals' roles in advancing issues, as well as acknowledge others' knowledge and learn from them. However, some people can be unable to handle informal leadership, which can harm both personal relationships and the collective work. In these situations, the group's issues may unnecessarily be subjected to formal management decisions. Also, in some cases, informal leadership actions are rejected as they imply an increasing personal workload. To be successful in this and to commit everyone to the task, a clear indication of utilising informal and collective leadership in the collaborative project should be given. Also, from the organisation's side, it is needed to ensure the power, time, and support in this collective work. Eventually, people need to be allowed to be engaged in collaborative network leading and decision-making, as well as trusted in the endeavour. There is a need for people to be aware of informal and collective leadership and its requirements.

'Clear targets' create a shared vision or purpose to guide joint work and help people commit. Defining joint values and the way of working creates unity within the project team. Having clear targets makes collaborative working more efficient and focused. Hence, the joint work becomes rather self-organised based on the expertise and responsibilities, while

the joint values work as the glue for the project team. However, if there are no clear targets, everyone may start working based on their personal agendas. In this case, the collaborativeness of the project is rather distant, and simultaneously the link between pre-defined and actual project outcomes may drift farther apart. To avoid this, clear targets with strategies for achieving them and agreeing on joint values should be essential in a collaborative project. If clear targets are not set, efforts can be in vain. Eventually, the meaning of collaboration should be remembered as a value joint working towards a goal and contribution of all participants.

'Human relations' highlights the effort invested in knowing and understanding participants in collaborative projects. Knowing others' skills is key in utilising them to the benefit of the joint work. To be successful in this, one needs to be trustworthy and able to trust others. As a consequence, through honest and sincere cooperation, it is possible to achieve results even above the set targets, when everyone feels free and safe to express their opinions, even if critical. Also, personally knowing each other creates clarity and openness to working. However, if some withdraw from this collective of people, there can be an imbalance in the group, when the commitment of all participants is not seen. Knowing on personal level also can create situations of being excessively involved, and the work issues may be affected by personal matters. Thus, there should be a social balance between of work and people in collaborative projects, so that all issues, both positive and negative, can be addressed constructively. After all, it is everyone's responsibility to understand their input in creating this social balance of a collaborative project network.

5 Conclusions

Informal and collective leadership create knowledge sharing, efficacy, and coherence in collaborative projects and networks. This research contributes to the literature by synthesising the views of those involved in collaborative projects in terms of how they see and use informal leadership, how multinational collaborative projects benefit from it, and what are the best practices.

Our key findings indicate that informal leadership is mostly understood and knowingly used at the managerial level of collaborative projects. However, the absence of a shared framework for understanding it hampers discussing and realising the phenomenon. Collaborative networks benefit from informal and collective leadership. Understanding the variability and reciprocity of leading, the meaning of strategic goals, and investing in human relations are key points. Understanding informal leadership is related to openness towards others, interest in collective leadership, innovativeness, and self-development. Whereas not recognising the informal leadership phenomenon is related to relying on hierarchies and dislike of collective leadership.

The research was conducted with 18 interviewees acting in several international networks. While the amount of data may be limited to yield common generalisations, the

focus is placed on people who already operate in collaborative projects and should be used to resourcing informal leadership approaches if they wish to achieve the common purpose. However, the results and recommendations are open to testing in other collaborative projects and networks. As such, they perhaps could contribute to a generalised model as they add value to the previous research. Informal leadership can drive the maximisation of the impact of collaborative projects and networks. It also contributes to the transformation of work in the transition towards Industry 5.0 and Society 5.0, which is a key to the resolution of social problems and a crucial contributor to sustainable development goals.

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