

ISSN 1648-2603 (print) ISSN 2029-2872 (online) VIEŠOJI POLITIKA IR ADMINISTRAVIMAS PUBLIC POLICY AND ADMINISTRATION 2024, T 23, Nr. 2 / 2024, Vol. 23, Nr. 2

# ENHANCING TRUST-BASED GOVERNANCE AND COLLABORATIVE INNOVATION BASED ON ROUTINE DYNAMICS IN CENTRAL SULAWESI PROVINCE

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DOI: 10.13165/VPA-24-23-2-11

**Abstract.** Routine Dynamics has emerged as a potential action pattern within public organizations. In truth, there is a relationship between trust-based governance and collaborative innovation in developing Routine Dynamics in public organizations. This study aims to analyze the relationship between trust-based governance and collaborative innovation regarding the Routine Dynamics of public organizations in Central Sulawesi Province, Indonesia. The research uses quantitative analysis in the form of structural equation modelling on a research sample of 120 people. The study shows that trust-based governance and collaborative innovation have a significant relationship with Routine Dynamics in public organizations. The research also shows that there is a relationship between trust-based

governance and collaborative innovation. Meanwhile, Routine Dynamics will better serve as a new perspective in public organizations to improve trust-based governance and collaborative innovation. Finally, the authors argue that the greater the level of achievement of trust-based governance and collaborative innovation, the easier it will be to develop the implementation of Routine Dynamics in public organizations.

Keywords: trust-based governance; collaborative innovation; routine dynamics. Reikšminiai žodžiai: pasitikėjimu grįstas valdymas; bendradarbiavimo inovacijos; įprastinė dinamika.

# Introduction

Scholars have identified the concept of Routine Dynamics, otherwise known as the activities of organizational and administrative capabilities. This concept explains that routines play a role in the creation of social and organizational dynamics that underpin a number of major contemporary concerns. According to the definition of Routine Dynamics, it can be considered a social, material, and cultural environmental phenomenon that includes all activities in the antecedents and outcomes of routines. The intimate relationship between routines, practices, and process is a fundamental finding from research on Routine Dynamics (Aguinis et al. 2011).

One area of Routine Dynamics focuses on the notion that routines are internal practices that support organizational change and stability (M. S. Feldman and Pentland 2022). Routine Dynamics has emerged as a practice perspective that sensitizes the researcher towards viewing stability and change in organizations as particular action patterns (M. S. Feldman et al. 2016). According to Farjoun, Routine Dynamics adopts a processual view in which stability and change are both ever present and integrated (Farjoun 2010). This practice-based approach has changed what can be said to constitute the study of routines (M. S. Feldman and Khademian 2002)

Although routines are the foundation of an organization's economic capabilities, the practice perspective emphasizes that they are much more than this. By asking how and why routines are carried out as they are, for example, larger questions about how routines produce and reproduce organizational and social consequences are quickly raised (Wenzel et al. 2021).

The routine itself, as well as its social, material, and cultural surroundings, are all included in the practice perspective of routines' antecedents and outcomes. Then, there is the intimate relationship between routines, practices, and process, which is a fundamental finding from research on Routine Dynamics (Howard-Grenville et al. 2016). Routine Dynamics examines how actions recreate structures that constrain and enable ongoing actions, treating a routine as a lived experience rather than an abstraction. In practice, routines are situated; they are performed and experienced by specific people at specific times and places (Dittrich et al. 2016; Feldman et al. 2016).

Typically, Routine Dynamics are part of the social and environmental dynamics that underpin some of the major issues facing our time, as scholars have recognized. Additionally, researchers use this concept of patterning work to comprehend the processes that routine participants use to establish and maintain patterns that they perceive as constant or evolving (Danner-Schröder and Geiger 2016). Dynamics allow researchers to examine how routine activities can be carried out as part of organizational routines that will strengthen, adapt, and change the social frameworks, so that organizational performance and management will be unavoidably enhanced (Omidvar et al. 2023). Further, explaining how the patterning of the effects of performing actions can be analyzed enables people to identify pernicious effects, and can also help them to choose new directions more wisely. Even for social inequality, Routine Dynamics can alter patterns by developing our behavior and performance (Janssens and Steyaert 2009).

Routine Dynamics also offers instruments for understanding the dynamics that have produced these grand challenges and the possibilities for addressing them. Routine Dynamics can thus be viewed as a strategy for practice which links trust and social phenomena that must be analyzed by reference to practices, actions, and the organization of and relations among practices (Schatzki, 2016).

Meanwhile, public trust leads to greater compliance with a wide range of public policies, such as public health responses, regulations and the tax system. It also nurtures political participation, strengthens social cohesion, and builds institutional legitimacy. In the longer term, trust is needed to help governments tackle long-term societal challenges such as climate change, ageing populations, and changing labor markets (OECD 2022).

Trust-based governance performs better in situations where it results in a willingness to be vulnerable with trustworthy others and an unwillingness to be vulnerable with untrustworthy others. Trust-based governance performs better in situations in which (a) trustworthy and untrustworthy partners exhibit markedly different behavior or high behavioral risk, and (b) the organization is willing to be vulnerable despite doubts concerning the partner's trustworthiness (Vanneste and Yoo 2020).

In other words, trust can have many definitions and meanings. For this report, trust in government is defined as the public's perception of government based on expectations of how it should operate. This form of trust is the public's trust that a system and the politicians who lead or oversee it are responsive and will do what is right even in the absence of scrutiny (Hitlin and Shutava 2022). In truth, the relationship between innovation and trust is stated as the expectancy of reasonable and positive reactions by others in response to individual innovation attempts (Clegg et al. 2002). Trust among organizations is critical for effective innovation implementation. However, in terms of innovation speed, trust between managers and employees is under-communicated. Thus, new methods must be adopted when performing testing related to the speed of innovation (Mitcheltree 2021). Trust-based governance is based on the dual expectation grasped by exchange partners that each will act in a way that serves, or is not detrimental to, one's own interests (Barney and Hansen 1994)

There are two types of trust: integrity-based trust and benevolence-based trust. In the case of integrity-based trust, exchange partners are confident that neither side will engage in behavior that is self-interested in nature because such behavior would violate a set of principles that the partners find acceptable (Mayer et al. 1995). Trust-based governance is not founded on naive faith, in which partners unreservedly accept their counterpart's integrity and charitable behavior (McEvily and Tortoriello 2011). Trust is viewed as a latent variable resulting from distinct but related (formative) indicators, such as propensity to trust and perceived integrity, which lead to (reflective) indicators, such as team member cooperation and monitoring (Costa and Anderson 2011).

Meanwhile, there is little doubt that the government can reform public bureaucracies in order to re-establish connections with innovation and organizations, thus building trust (Cheng and Sandfort 2023). Trust may focus on organizations, groups, or individuals at the organizational, group, and individual levels of analysis (Korsgaard et al. 2008). There is a substantial body of literature on Routine Dynamics that enables specific types of performance; however, little research has been conducted to determine whether such Routine Dynamics extend to organizational trust. The outlines how an organization's routines and trust change in response to feedback and pressure; i.e., whether stakeholders' trust increases or decreases (Hurley 2023).

Furthermore, individuals or organizations can acquire and exchange intellectual capital through trust-based governance, especially in ambiguous and uncertain situations, and knowledge exchange is dependent on the presence of trust (Jiang and Chen 2017). Thus, three distinct types of recall are investigated: procedural, declarative, and transactive memory, and their roles in the formation, efficiency, and adaptability of organizational routines. An agent-based model simulates organizational routines as recurrent sequences of sequential tasks performed by networks of individuals (Miller et al. 2012). Based on this context, Routine Dynamics has a close relationship with trust-based governance and collaborative innovation during organizational change. This research confirms that Routine Dynamics has an effect on trust and collaboration in innovation, and that there is a relationship between collaboration, trust, and innovation (Hattori and Lapidus 2004).

On the other hand, innovation can change unavoidable aspects of our daily lives. It must be stated unequivocally that an innovative organization must foster a trusting environment within the organization in order to foster collaboration, the creation of new ideas, creativity, and, ultimately, innovation (Lazányi 2017).

Innovation is a broad term that is related to terms such as creativity, technology, and change. Numerous academic disciplines have conducted research on innovation, including business, economics, engineering, and public administration. Researchers have examined innovation from a variety of perspectives, including the individual, group, organization,

industry, and economy. Organizational innovation is the study of innovation in commercial and public organizations (Lam 2006).

Collaborative innovation permits large firms to exploit their advantage-creating skills while concurrently exploring for opportunities outside their current domain. Studies of innovations in organizations are multidimensional, multilevel, and context-dependent (Ketchen Jr. et al. 2007). Innovation involves risk and effort, and innovation engagement may result either from an expectation of a positive response, from believing that suggestions will be heard, or from acquiring innovation benefits (Clegg et al. 2002). Collaborative innovation is the pursuit of innovations across firm boundaries through the sharing of ideas, knowledge, expertise, and opportunities (Ketchen Jr. et al. 2007).

# 1. Theoretical background: Routine Dynamics, trust-based governance, and collaborative innovation

Scholars have considered the process-oriented nature of routines over time, tracing behavioral theory and Routine Dynamics perspectives. Routine Dynamics as a process orientation is possible through a deeper understanding of action as doing, and exhibits a spectrum of intentionality, control over the personality, and social autonomy, which expands and builds on the Routine Dynamics perspective. There are three characteristics that are particularly useful for orienting a process towards Routines Dynamics: a related transcending dualisms, and building relations in an organization (M. S. Feldman et al. 2016).

Routine Dynamics may be explained as a field of routine research based on the idea that routines are adhered to with internal dynamics which lead to both organizational stability and change (Feldman and Pentland 2022; Feldman and Khademian 2002; Miller et al. 2012). Organizational routines, or recurring patterns of interdependent organizational actions, have been studied through the lens of capabilities, which originated in organizations, economics, and the lens of practice, which is grounded in organizational theory (Parmigiani and Howard-Grenville 2011).

Routine Dynamics during organizational change has involved the study of dynamics and their effects from an organizational perspective (Peigne 2013). Meanwhile, the variation and selective retention of patterns of action are necessary and sufficient to explain the features of organizational routines that are most relevant in relation to dynamic capabilities, such as formation, inertia, endogenous change, and learning (Pentland et al. 2012).

Routine Dynamics is the study of the internal dynamics of routines. The key ideas of Routine Dynamics have developed over several years, based on contributions by many scholars (Feldman 2016). Further, Yi et al. (2016) created simulations to demonstrate how interactions between routines can result in unexpected effects, hypothesizing that these changes may boost organizational fitness in the long run (Yi et al. 2016).

Based on the above analysis, it can be concluded that internal or endogenous forces

are also at work, according to Routine Dynamics studies. Through this lens, it is clear that simply carrying out routines creates chances to experience newness or new novelty of Routine Dynamics (Zbaracki and Bergen 2010). In this sense, Routine Dynamics research seeks to explain how organizational routines change. Organizational actors frequently try to influence, design, and manage routines in order to achieve organizational goals. The term *routine design* refers to intentional efforts to change one or more aspects of a routine in order to create a desired situation.

The application of trust as a governance mechanism leads to superior results; then, the success of trust-based governance is dependent on trade partners' capacity to use and learn from each other (Carson et al. 2003). Meanwhile, there are two key characteristics of trust-based governance. The first step in developing an interorganizational relationship necessitates accepting vulnerability. Refusing to initiate a relationship also implies an admission of being vulnerable. Vulnerability arises as a result of the fact that a relationship with a trustworthy partner is preferable to no relationship, which is preferable to a relationship with an untrustworthy partner. The second distinguishing feature is that partners have no recourse in the event of termination. Termination occurs when trust in the partner is lost, usually as a result of a poor outcome (Mayer et al. 1995).

Trust-based governance can address such issues by relying on each partner's trust that the other will not exploit its vulnerability, even in circumstances in which opportunistic gains are inherent (Barney and Hansen 1994). Trust-based governance and management must be linked, and this needs to start with an examination of the division related to public governance, conventional wisdom, as well as the attempt to combine central oversight with professional autonomy (Torfing 2023). In this context, trust-based governance may ensure the reputations of the partners, as well as guarantee that their knowledge of how one another behaved in previous instances of vulnerability are included in trust-based governance (Dirks and Ferrin 2001). Trust is an important concept in social science research as a key factor in organizational success and human resource practice. Few models of organizational change encompass the role of trust in the process of change (Morgan and Zeffane 2003).

In this sense, trust reflects an essential human desire that all of us share in governance; the need to trust other people, to be trusted in exchange, and to experience trust in ourselves. When there is trust, governance is aligned around achieving the purpose of the organization, embracing goals and objectives, and collaborating willingly, and the organization is empowered to conduct its best work.

As the twentieth century came to a close, technological advances raised the standard for global economics, ushering in an era in which change and innovation are inseparable. Examining the perspectives and behaviors needed to bring about innovative change, trust, and collaboration are all part of changing an organization (Hattori and Lapidus 2004). Little empirical research has focused on the potential effects of change between trust-based governance and collaborative innovation as a means to foster synergy through interaction with organizations from different professions. This demonstrates that collaborative innovation is the key to long-term growth and development within an organization (Gallaud 2013).

Trust, power, and organizational routines relate to exploring a government's intentional tactics to renew relationships with non-profits serving historically marginalized communities (Cheng and Sandfort 2023), inspired by the increase in the number of governance networks and the increasing demand for public innovation to be in advance of collaborative innovation as a cross-disciplinary approach to studying and improving public innovation (Sørensen and Torfing 2011).

It is important to overcome the barriers to collaborative innovation through a combination of institutional design, leadership, and management (Torfing 2019). Integrating both dimensions into a single concept known as collaborative innovation may be more beneficial than other innovation strategies. This is because collaboration has at least two capabilities, including benefiting all stages of the innovation process and preparing the stage for sharing benefits, risks, and costs (Torfing 2019).

# 2. Materials and methods

This research uses a quantitative design, in which both primary and secondary data are used to analyze trust-based governance and collective innovation regarding Routine Dynamics in Central Sulawesi Province, Indonesia. Data were collected from 150 respondents using a questionnaire survey employing a non-purposive sampling technique. Research samples were selected through random sampling, according to which the data are considered representative in terms of respondent analysis. In total, 150 questionnaires were distributed, while only 120 were returned – approximately 90 of the original sample. A Likert scale was used, involving a scale with responses ranging from *disagree* to *strongly agree*.

The questionnaire shows that each variable, dimension, and indicator consists of exogenous and endogenous variables. A 6-month period from June to December 2023 was used for collecting data, which was then analyzed using structural equation modelling via AMOS.

Based on the analysis of each variable, Routine Dynamics means the idea of routines, drawing the researcher's attention to specific aspects of specific action patterns, such as task orientation, sequential acts, repetition and familiarity, and efforts towards reflexive control. There are four dimensions of Routine Dynamics: practices, processes, activities, and institutions (Feldman and Khademian 2002; Kremser and Schreyögg 2016; Lowndes and Skelcher 1998; Parmigiani and Howard-Grenville 2011; Peigne 2013).

Trust-based governance implies that trust is used to initiate an interorganizational relationship and that a lack of trust is used to dissolve the relationship among actors in public organizations. In this article, we used the theory of trust-based governance, as many authors (Vanneste and Yoo 2020; Stevens et al. 2015; Barney and Hansen 1994; Dirks and Ferrin 2001) have stated that trust-based governance consists of outcome risk, behavioral risk, self-serving norm, value capture, and value creation.

Collaborative innovation in public administration refers to a problem-solving process in which pertinent and impacted people collaborate beyond established institutional barriers to identify and execute innovative solutions to pressing problems (Sørensen and Torfing 2018; Vivona et al. 2023; Li et al. 2023). Some dimensions of collaborative innovation are considered in this article, such as: the emergence of innovation, collaboration, the creation of new manufacturing relationships, and institutionalization.

#### 2.1. The measurement of hypotheses

The analysis in this paper focuses on each variable by using a quantitative approach. Inferential statistical methods were used to test the hypotheses using structural equation modelling (Hair et al. 2016). The reliability scale of the 14 items under study was assessed using SPSS Windows version 24 and SEM Analysis. The reliability statistic value was assessed individually using Cronbach's alpha, and the result was 0.910 (with  $F_{test} = 0.910 > = 0.05$ ).

Through confirmatory factor analysis, we removed 10 items based on the Mahalanobis distance. For this study, we used three variables: Routine Dynamics, consisting of five items; trust-based governance, measured using four items; and collaborative innovation, involving five items. The results of the data analysis of variables, dimensions, and indicators of Routine Dynamics, trust-based governance, and collaborative innovation are presented in Table 1.

No.	Variables	Dimensions	Indicators	Scholars		
	Routine Dynamics	Routine practices (RD2)	Routine Dynamics is based on practice, theory and empirical evidence, and continues to engage with practice and theory as the discipline has evolved.	(Feldman and Khademian 2002; Kremser and Schreyögg		
		Routine processes (RD3)	The idea of routines draws the researcher's attention towards specific aspects of particular behavior patterns.	2016; Lowndes and Skelcher 1998; Parmigiani and Howard- Grenville 2011; Peigne 2013).		
		Routine activities (RD4)	Routine Dynamics focuses on the activities of organizational phenomena, starting with the work of the management.			
		Institutions' routines (RD6)	Institutional change is related to the level of value co-creation practices and what processes underlie changes in organi- zation and management.			
		Organizational activities (RD9)	Organizational activity is considered to be related to an organization and the organi- zation is held responsible for the violation of its structure, hierarchy, rules, regulations, and management.			

Table 1. Variables, dimensions, and indicators

	Trust-based governance	Outcome trust (TBG1)	Adjustments in prospective outcomes have a greater impact on trust than alterations to the expectations of what will be achieved in organization.	(Vanneste and Yoo 2020; Stevens et al. 2015; Barney and	
		Self-serving (TBG2)	If the government's actions do not obstruct unity, progress, and growth, and do not damage people's well-being, the government will be completely trusted.	Hansen 1994; Dirks and Ferrin 2001)	
		Norm (TBG3)	The government's common ideas about what members must do to be deemed trustworthy.		
		Value capture of trust (TBG7)	Value may sometimes contribute to stronger value creation, such as informal trust, recurring relationships, and customized assets, but it can also lead to worse alliance performance.		

3.	Collaborative innovation	Emergence activity (CI1)	Collaborative innovation is an activity that evolves over time from innovation, and organizations and stakeholders can actively become part of this emergence process.	(Sørensen and Torfing 2018; Vivona et al. 2023; Li et al. 2023; Klooker and	
		Collaboration (CI3)	Collaboration refers to innovative contributions to the development of new produc- tion processes, and influences significant achievements in the development of new products.	Hölzle 2023)	
		Relationships of innovation (CI4)	The quality of the relationships on innovation and the co-creation of collaboration will create a high level of innovation.		
		Creation of new manufacturing (CI6)	Collaborative innovation is viewed as a formality associated with the creation of new manufacturing methods, and has an impact on the realization of new goods.		
		Institutionalization (CI8)	The extent to which relationships have been pre-established by the practice of innovation in the institution.		

Source: compiled by the authors

This research posited the following three hypotheses:

- Trust-based governance has a positive and significant influence on Routine Dynamics.
- Collaborative innovation has a positive and significant influence on Routine Dynamics.
- Trust-based governance and collaborative innovation have positive and significant influences on Routine Dynamics.

The statistical results of AVE and CR are presented in Table 2.

Criteria	RD	TBG	CI
AVE	0.734	0.796	0.756
CR	0.838	0.794	0.727

Table 2. The statistical results of each variable

**Note:** *AVE – Average Variance Extracted; CR – Composite Reliability; RD – Routine Dynamic; TBG – Trust-Based Governance; CI – Collaborative Innovation* 

Data from Table 2 tell us that there were no individual constructs and no other violations of nomological validity. The Average Variance Extracted value for the Routine Dynamics variable was 0.734; for trust-based governance 0.776; and for collaborative innovation 0.756. All data were significant at  $\alpha$ =0.05, or at the 95% level of significance. Furthermore, the Composite Reliability of Routine Dynamics was 0.838; of trust-based governance was 0.794; and of collaborative innovation was 0.727. The goodness-of-fit values of the results are presented in Table 3.

Table 3. Goodness of fit

Measurements	Absolute fit measure				Incremental fit measure		Parsimonious fit measure
	<b>X</b> <sup>2</sup>	CMIN/ DF	GFI	RMSEA	NFI	CFI	AGFI
Criteria	>0.05	<5	≥0.90	<0.05	≥0.90	≥0.95	≥0.90
Obtained	106.277	74	0.908	0.054	0.950	0.984	0.900

Based on the results of the analysis presented in Table 3, it can be concluded that the hypotheses of the research are accepted. This was confirmed by the chi-square test, which found  $\chi 2 = 106.277$ , *DF* = 74, *p* = 0.000.

Table 4. Hypotheses testing results

			Estimate	S.E.	C.R.	р	Label
CI	<	TBG	0.529	0.083	6.366	***	Accepted
RD	<	TBG	0.302	0.070	4.341	***	Accepted
RD	<	CI	0.353	0.072	4.878	***	Accepted

**Note:**  $\beta$  – *standardized regression weight*, \**p* – *significance level* (one-tailed)

The results were significant and the GFI and RMSEA values were 0.908 and 0.054, respectively, thus indicating appropriate goodness of fit. Furthermore, the results showed NFI and CFI values of 0.950 and 0.984, respectively. This means that the results correspond

to the minimum requirements. The parsimonious fit measure revealed an AGFI of 0.900, meaning that the data were relevant to the cut-off point of >0.90. According to theory, the smallest degree of freedom in the sample discrepancy function must be  $\leq 2$  (Hair et al. 2016). Based on the analysis presented above, we contend that the model utilized in this study obtained goodness of fit, allowing the SEM model to be used to evaluate the research hypotheses.

# Results and discussion

According to the results, this analysis confirmed that the first hypothesis was accepted. Thus, trust-based governance has a positive and significant influence on Routine Dynamics. There has been much scholarly disagreement about whether Routine Dynamics and trust-based governance in strategic partnerships substitute or complement each other (Puranam and Vanneste 2009).

Other researchers have debated whether contractual and trust-based governance substitute or complement each other; nevertheless, the notion that contractual and trust-based governance may have distinct impacts in the face of behavioral and environmental uncertainty has received little attention (Krishnan et al. 2016). The literature is advanced by integrating the psychological and sociological micro-foundations of trust with the macro-foundations of an organization. Trust-based governance works best when there is a willingness to be vulnerable with trustworthy individuals and a reluctance to be vulnerable with untrustworthy others. Vanneste and Yoo (2020) confirmed that trust-based governance performs better when (a) trustworthy and untrustworthy partners behave significantly differently in high-behavior risk, and (b) the organization is willing to be susceptible despite doubts about the partner's trustworthiness in a low-trust threshold.

Furthermore, in cases where trust-based interorganizational connection governance is more likely to succeed or fail, trust represents the readiness to be vulnerable in the absence of the ability to monitor or control the other person, which is only justified if the other is trustworthy (Mayer et al. 1995). According to the theory of trust, trust-based governance performs well if it leads to "optimal" trust. In this context, there will be a willingness to be vulnerable with trustworthy others and an unwillingness to be vulnerable with untrustworthy others. Thus, trust goes beyond the statement that trust-based governance succeeds when the other party is trustworthy (Stevens et al. 2015). The major result of this is that trust-based governance performs better in scenarios with high behavioral risk and worse in conditions with little trust. The degree to which conduct differs between a trustworthy or untrustworthy partner is represented by behavioral jeopardy (Krishnan et al. 2006). There is a good grasp of when formal governance will succeed or fail, but not regarding trust-based governance, which we want to address here. The second strand is concerned with the factors that influence interorganizational trust (Zhong et al. 2017). While trust describes the trusting party, trustworthiness is a characteristic that defines the trusted party. Considered reliability involves both parties: the trusting party's perception of the trusted party, and vice-versa. When the parties are organizations, this is referred to as interorganizational trust (Vanneste 2016).

Other researches confirm that trust is vital for effective continuity of care and therapy organizations, as well as to promote new and novel lines of organizational study that take into account both the benefits and drawbacks of trust (Chen et al. 2015; McEvily et al. 2003; McEvily and Tortoriello 2011). Trust-based governance is not predicated on naive trust, in which partners completely accept their counterpart's honesty and generosity (Dirks and Ferrin 2001; McEvily et al. 2003; Perrone et al. 2003). The performance of trust-based governance is contingent on the ability of trading partners to "read" each other and learn about counterpart behavior (McEvily et al. 2003). The use of trust to facilitate ex-post amendments to an unfinished contract between independent parties is known as trust-based governance. When one has faith in one's trade partner, less monitoring and auditing is required (Zaheer et al. 1998).

There are four overarching factors that are posited to impact the effectiveness of collaborative innovation in public administration, of which governance – which is concentrated on the number of collaborators and the hierarchical relationships among them – is one. Next is compactness, which represents is the degree of relationship formality that binds collaborators together. Then comes reliability, which is focused on the quality of the relationships. Finally, institutionalization is the extent to which relationships have been pre-established by practice (Vivona et al. 2023). To effectively build or evolve a system, the relationships between the system's elements must be clearly understood (Li et al. 2023).

Collaborative innovation can help all types of organizations or firms overcome their respective challenges based on a variety of theories such as network, learning, resource-based, and real options. The seeking of innovations across organizations and beyond firm boundaries through the sharing of ideas, knowledge, expertise, and opportunities is known as collaborative innovation (Ketchen et al. 2007).

We can conclude that collaboration is a process that brings together people with various passions, skills, and knowledge. Collaboration entails people interacting and working together toward a common goal, especially in public organizations. Further, collaboration may be viewed as something new – a new solution, a new way of doing things, or a new product, service, or method that is useful. The nexus of innovation ultimately concerns solving a problem for someone, somewhere. Meanwhile, collaborative innovation is defined as people coming together and sharing their diverse wisdom, skills, experience, and resources in order to innovate and solve a common problem or pursue a common opportunity.

For the creation of new goods and services, collaborative innovation with consumers or users is becoming increasingly vital (Greer and Lei 2012). Multiple actors are brought together in innovation spaces for collaborative activities to produce new goods and processes (Caccamo 2020). Collaborative innovation tries to integrate product innovation and supply chain process of innovation effort to manage innovation activities (Swink 2006).

The implication of this research confirms that trust-based governance and collaborative innovation provide a new perspective on Routine Dynamics. In this paper, we confirmed that there are many advantages of conceptualizing patterns of action as Routine Dynamics by comparing practices, processes, activities, and institutions. Additionally, trust-based governance will complement collaborative innovation, and will thus improve the Routine Dynamics of organizational theory and performance.

# Conclusions

- 1. Based on the analysis in this paper, it can be concluded that there is a positive and significant effect exerted by trust-based governance on Routine Dynamics. The analysis found that: estimate value = 0.302; S.E. = 0.070; C.R = 4.341; and p = 0.000. As a result, the first hypothesis is accepted. Subsequent analysis confirmed that collaborative innovation has a positive and significant effect on Routine Dynamics. According to the analysis: estimate value = 0.353; S.E. = 0.072; C.R. = 4.878; and p = 0.000. As a result, the second hypothesis is accepted.
- 2. There is a relationship between trust-based governance and the collaborative innovation. According to the analysis: estimate value = 0.529; S.E. = 0.083; C.R. = 6.366; and p = 0.000. The third hypothesis is therefore accepted. The implications of this article suggest that in future, the better Routine Dynamics in organizational management, the greater the level of trust-based governance and collaborative innovation that can be achieved.
- 3. Trust-based governance relates to collaborative innovation, making Routine Dynamics more effective. A trusting person, group or institution will be free of concern and the need to monitor the other party's actions, in part or totally. In this context, trust-based governance is an effective method for minimizing the transaction costs of collaborative innovation, as well as enhancing any social, economic, or political interaction. Trust-based governance and collaborative innovation, however, are much more than simply factors of Routine Dynamics. Both are the foundation of all human connection and institutional interaction. When a new policy is revealed, Routine Dynamics is tested for future.

# Acknowledgment:

We would like to express our appreciation to the government of Central Sulawesi Province who provided us the opportunity to conduct this research. This paper received no funding.

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# PASITIKĖJIMU GRĮSTO VALDYMO IR BENDRADARBIAVIMO INOVACIJŲ TOBULINIMO ĮPRASTINĖ DINAMIKA CENTRINĖJE SULAVESI PROVINCIJOJE INDONEZIJOJE

Anotacija. Įprastinė dinamika – galimas veiksmų modelis viešosiose organizacijose. Yra ryšys tarp pasitikėjimu grįsto valdymo ir bendradarbiavimo inovacijų kuriant įprastą viešųjų organizacijų dinamiką. Šiuo tyrimu siekiama išanalizuoti ryšį tarp pasitikėjimu pagrįsto valdymo ir bendradarbiavimo inovacijų dinamiškoje viešųjų organizacijų veikloje Centrinėje Sulavesio provincijoje (Indonezija). Tyrimo metu buvo atlikta kiekybinė analizė taikant struktūrinių lygčių modeliavimą. Tyrimo imtį sudarė 120 žmonių Centrinėje Sulavesio provincijoje. Tyrimas rodo, kad pasitikėjimu grįstas valdymas ir bendradarbiavimo inovacijos turi reikšmingą ryšį su įprasta viešųjų organizacijų dinamika. Tyrimas taip pat atskleidė, kad yra ryšys tarp pasitikėjimu pagrįsto valdymo ir bendradarbiavimo inovacijų. Teigtina, kad kuo didesnis pasitikėjimu grįsto valdymo ir bendradarbiavimo inovacijų pasiekimas, tuo geriau bus plėtojamas įprastas dinamiškas valdymas viešosiose organizacijose.

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