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Special Issue Call for Papers

Understanding the Processes Underlying Interfirm Cooperation

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Background and Rationale for the Special Issue

A significant volume of scholarship exists on why, and under what conditions, interfirm cooperation fosters value creation and enhanced performance. Academicians, business executives, and policy makers realize that efficiently-executed interfirm cooperation may allow firms to gain access to new markets, skills, resources and capabilities, and increase scale economies and competitiveness. Firms that particularly engage in strategic alliances can exchange, share or co-develop products, technologies or services (Gulati, 1998). Prior research, however, cautions that the processes involved in interfirm cooperation are not straightforward (Bruyaka, Philippe, and Castañer, 2018; Ring and Van de Ven, 1994). To be successful in cooperation, business executives need to spend a significant amount of effort and time to fully understand their partners' motivations, value systems, and goals. But more importantly, executives need to initiate value-creating relationships, develop mutual trust and respect over time, embed their firms within the ongoing relationships, realize agreed-upon goals, and coevolve as synergistic partners (Koza and Lewin, 1998). Accomplishing these is far from simple as partners typically possess different ways of approaching the whole cooperation-development process, varying quests for monitoring and control, different performance measurement criteria, and dissimilar propensities of terminating the ongoing contracts (Pangarkar and Klein, 2001; Peng, Yen, and Bourne, 2018). Initiating, governing, and terminating cooperative relationships becomes particularly complicated when partner firms hail from different institutional, cultural or industrial backgrounds and/or possess little or no previous international alliance experience or learning.

While the existing scholarship on interfirm cooperation provides valuable insights, there appears to be a significant need to rethink the phenomenon in light of the changing business landscape. Today, cooperating firms may have origins in different institutional environments (developed, least developed, emerging) that may impact how they differently plan for and enact cooperation.

This is especially true when firms from varying environments desire to exploit their country-of-origin effects in order to contribute to and gain from cooperation. In addition, increased trade openness and liberalization in some parts of the world (e.g., developing economies), and geopolitical unrest, nationalist sentiments, changing immigration policies, trade war, and Brexit-like situations in other parts of the globe are creating uncertainties about how to initiate and sustain cooperation. Challenges of conducting interfirm cooperation are also escalating owing to other notable external developments such as recurring natural disasters, terrorism-inspired activities, global warming, and modern slavery (Stringer and Michailova, 2018). At the industry level, there have been unprecedented growth in services and information technology (IT)-enabled transactions, and rapidly increasing importance of artificial intelligence, big data, blockchain, internet of things, automation, 3D-printing, and disruptive innovation. These developments—often referred to as the new industrial revolution (Mims, 2019)—have changed the industry-level knowledge requirements, and are forcing firms to redraw the boundaries between industries and consider anew how to effectively reposition themselves.

Further, several new developments at the firm level are also adding to the complexities of planning for and continuing interfirm cooperation. These include launch of highly innovative products (e.g., driverless cars, drones, robots) and differentiated services (e.g. ride-hailing, ride-sharing, Airbnb) in quick succession, and the consequent need for radical, and not just incremental, innovation. In addition, firms today need to maintain constant focus on identifying and filling skill gaps by acquiring, developing, and retaining global talents, managing increased global investor scrutiny, and guarding against cybersecurity. To remain competitive firms are also pushed to consider introducing new products in existing markets and expanding existing products in new markets. Furthermore, many firms are considering how to develop and sustain new business models that would allow them to remain competitive through agility and innovation (Foss and Saebi, 2018). In addition, to remain competitive, many firms are engaging in alliance portfolios i.e., executing multiple simultaneously-progressing alliances with different partners (Martinez, Zouaghi, and Garcia, 2018), and engaging in coopetition i.e., simultaneous cooperation and competition between firms (Ritala, 2012). Finally, many firms are embracing global value chain i.e., disintegrating value chain functions and dispersing them across different locations. The above developments are often forcing firms to transform and reinvent themselves. They are also pushing many firms to enter completely new lines of business.

Interestingly, how the aforementioned critical and hard-to-ignore developments affect interfirm cooperation is not clear to us. We know from extant research that a lot of issues characterize interfirm cooperation such as trust, forbearance, resource commitment, reciprocity, shared value, goal compatibility, conflict resolution techniques and relational embeddedness (Meuleman, Lockett, Manigart, and Wright, 2010; Squire, Cousins, and Brown, 2009). However, we need to generate new insights on how these issues (and related others) matter in the current business landscape. Such insights will enable development of new theories pertaining to interfirm cooperation and render managers to better comprehend how to best manage interfirm cooperation. Consequently, the aim of this special issue is to foster newer and relevant understanding of the processes that underlie interfirm cooperation (contractual, strategic alliance, joint venture etc.) in the current business environment. We solicit theoretical and empirical (quantitative and qualitative) papers that further our knowledge of why and, more importantly, *how* firms initiate, sustain, and terminate (when necessary) cooperative relationships with partners in domestic or international contexts. The following is an illustrative (not exhaustive) list of questions that the contributing authors will find helpful.

(1) What processes underlie initiation, sustenance/stability, termination, and consequences of interfirm cooperation in the current competitive landscape?

(2) How firms make sense of and manage interfirm cooperation processes, and coevolve as synergistic partners?

(3) How the current competitive landscape impact goal incongruencies between partners, and how goal incongruencies subsequently affect interfirm cooperation?

(4) How firms manage organizational routines-related processes in interfirm cooperation?

(5) How firms learn from interfirm cooperation processes and how such learning effects subsequent cooperation?

(6) Are there differences in interfirm cooperation processes between firms from developed nations vis-à-vis from developing/emerging nations?

(7) How are IT-enabled interfirm cooperation processes different from traditional (non-IT based) cooperation processes?

(8) How small and medium enterprises (SMEs) manage interfirm cooperation processes? How SMEs differ from large firms/MNEs in cooperation process management?

(9) How using a *microfoundations* lens (Contractor *et al.*, 2019) enable better understanding of interfirm cooperation in the current competitive landscape?

(10) Do we need new and more sophisticated research methodology to understand/measure critical issues (e.g., trust, forbearance, resource commitment, goal incongruencies) and processes underlying interfirm cooperation in the current competitive landscape?

Paper Submission

The paper submission deadline is 30 September 2019 (midnight UK time).

Manuscripts should be prepared in accordance with the Author Guidelines available at https://onlinelibrary.wiley.com/page/journal/14678551/homepage/forauthors.html.

Submissions should be uploaded to the *British Journal of Management* ScholarOne Manuscripts site at https://mc.manuscriptcentral.com/bjm.

Authors should select 'special issue paper' as the paper type, ensure they answer 'yes' to the question 'Is this submission for a special issue' and enter the title of the special issue in the box provided.

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