

Abstract 52

CAN AN ENTREPRENEUR PROFIT FROM COOPETITION? AN INDIVIDUAL-LEVEL PERSPECTIVE

Academic paper

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Abstract text:

Purpose

Collaborating with other startups or corporates is crucial for entrepreneurs as this gives the entrepreneur access to new resources, insights and a business network. However, as e.g., there is joint development of innovation, these partnerships often become competitive, with every second venture stating that they collaborate with a competitor (Gnyawali & Park, 2011).

These situations are known as coopetition, the simultaneous occurrence of competition and cooperation, and can exist between organizations (inter-firm), within organizations (intra-firm) or within a team. Furthermore, coopetition can be researched at the organizational level of analysis and the individual level of analysis. In contrast to the organizational level, the individual level has rarely been researched with only 5 % of coopetition literature dealing with this level. (Chiambaretto et al., 2019; Bouncken et al., 2015)

For the individual level of analysis, scholars have shown that coopetition leads to felt tensions and higher perceived stress for the entrepreneur involved in one of the coopetition forms of inter-firm, intra-firm or individual coopetition (LeRoy & Fernandez, 2015). Positive effects of coopetition on an individual such as resilience have not yet been analyzed in detail. This is surprising because it was shown that especially resilience is often regarded as important difference between successful and less successful entrepreneurs (Korber & McKnaughton, 2018). Therefore, the purpose of this study is to analyze whether a coopetitive situation can increase the resilience of an individual due to a coopetitive situation.

Originality & Value

The construct of resilience remains fuzzy (Callo-Concha & Ewert, 2014) as some scholars state that it is hard to separate from other constructs such as hardiness, adaptability and vulnerability. Nevertheless, resilience is well established in innovation research and can be described as construct that measures the effects of a difficult situation such as coopetition on an individual. (Ayala & Manzano, 2014, Korber & McKnaughton, 2018) Until today, the construct of resilience has not yet been analyzed in the context of coopetition.

By drawing on paradox theory, that denotes “contradictory yet interrelated elements that seem logical in isolation but absurd and irrational when appearing simultaneously” (Cameron & Quinn, 1988; Lewis, 2000), we want to analyze if coopetition will only increase perceived stress or if a positive outcome such as resilience can occur simultaneously or even outweigh negative effects.

To increase chances to observe innovative startups that are likely involved in a coopetitive situation, we focus on academic entrepreneurs who we define as individuals who work in an academic environment and are either already involved in an academic spin-off or show a strong willingness towards doing so.

Design & Methodology

We collected data from 200 researchers with entrepreneurial intentions in Germany in order to analyze the effects of coopetition on the entrepreneur and his/her performance. We distributed questionnaires at TU9 universities, a legitimate subgroup of the biggest technical universities in Germany, in the time between July and September 2020. For defining our sample data set, we followed studies by Grimpe and Fier (2010) and Siegel and Bozeman (2007).

We built our questionnaire based on established constructs to ensure validity. Following previous studies, we use perceived stress by Cohen et al. (1983) with 10 items and ego-resiliency by Block et al. (1996) with 14 items as dependent variables. Both scales have been widely used in peer-reviewed publications in the context of stressful situations and its effects on an individual, also in the context of entrepreneurship. As independent variable we use the construct of team coopetition by Lin et al. (2010) that measures both competition and cooperation inside a team on the individual level. We test our hypotheses by using a multiple-regression modelling with Stata.

Results & Findings

Based on our preliminary results, we show that coopetition has an inverted U-shape relationship with resilience. A low level of coopetition will primarily increase the perceived stress level; if coopetition exists on a well-balanced level (neither competition nor cooperation are overrepresented), a higher level of resilience will be achieved; if coopetition is completely prevalent, we show that the perceived stress level will again outweigh the level of resilience gained.

Limitations & Implications

There are several limitations to our research: First, we only collected data from academic entrepreneurs so that our results provide good insights in this field while our results cannot be fully transferred to other research contexts. Second, we only conducted research on the individual-level so our results do not imply any relationships for the organizational level. Nevertheless, our research can serve as necessary basis for conducting a similar study on the organizational level.

With our research we want to contribute to both theory and practice of coopetition on the individual level:

First, we extend research conducted on the individual level of coopetition. Even though there is an increasing number of cooperative and paradoxical situations due to a higher demand for improving the speed of innovation, only 5 % of coopetition literature addresses the topic of microfoundations (Chiambaretto et al., 2019; Bouncken et al., 2015).

Second, we shift coopetition to the entrepreneurial context by using a data set collected from entrepreneurs in the academic environment. This will provide new insights regarding positive outcomes and effects especially for the entrepreneur due to coopetition.

Further, we introduce the paradox theory in the research context of coopetition. So far, coopetition has been mainly analyzed based on three main theories such as network theory, resource-based view and game theory (Gnyawali and Park, 2011). By drawing upon the topic of coopetition using the paradox theory, we can provide new insights by emphasizing perceived stress in contrast to resilience in a paradoxical situation. We expect that a difficult situation such as coopetition can enhance the capabilities of an individual.

From a practitioner's perspective, this study provides insights regarding the individual effects of coopetition, taking both individual as well as intra-firm coopetition into consideration.

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