

## A Framework for Effective Cross-cultural Co-opetition between Organisations

Rasoava Rijamampianina, Teresa Carmichael

### Abstract

The dynamics of the business world are changing with great rapidity. Increasingly, organisations are electing to form alliances and forge synergistic working relationships with their competitors to achieve competitive advantage in the global economy. Although strategically founded, these trans-national and global alliances need to factor cross-cultural issues into their agreements in order for them to be successful. This paper proposes an enabling framework for competing organisations to establish cooperative alliances to mutual business advantage. Since these arrangements are characterised by both competition and co-operation the phenomenon has been termed “co-opetition”. Historically, such arrangements have been approached with protective caution, and are thus neither easily formed nor managed. Many co-opetitive alliances have been aborted; less often around issues of strategic conflict, but more because cross-cultural issues have been insufficiently considered, explored, understood and accommodated. The framework classifies cross-cultural co-opetitive alliances based on strategic similarity or complementarity and cultural compatibility, offering specific recommendations for the successful implementation of each. Propositions for further research are offered.

**Key words:** cross-cultural, diversity, competition, cooperation, alliances, co-opetition, culture.

### Introduction

The aim of this article is to explore how strategic alliances between hitherto competitors can succeed in cross-cultural contexts, and to propose an enabling framework to drive business success for stakeholders in such alliances. The concept of co-operation and competition with a competitor is known as co-opetition (Tse, Tiong & Kangaslahti, 2004).

Companies have formed alliances with market collaborators to mutual benefit for many years (Dowling, Carlin, Roering & Winieski, 1993; Kidd, Richter & Li, 2003). The sharing of knowledge, resources, and strategies can lead to cooperation with suppliers, customers and other stakeholders, producing complementary or related products that can lead to market expansion, new business relationships, or perhaps the creation of new forms of enterprise. However, such alliances are not the focus of this paper, but rather on the more challenging concept of co-opetitive alliances and the cross-cultural issues embedded within them.

Since the late 1980s, competitive strategic views have shifted from being primarily protective towards pursuing competitive advantage through alliances and other collaborative arrangements between competitive businesses (Koka & Prescott, 2002; Clarke-Hill, Li, & Davies, 2003). This has been evident both within national borders as well as multinationally, and the diversity of alliance partners gives collaborating firms access to a broader range of skills, perspectives and ideas (Koka & Prescott, 2002). Mergers, acquisitions, joint ventures and non-equity cooperative strategies such as technological licensing and marketing agreements have become increasingly popular in this era of global evolution (Chan & Wong, 1994).

It was estimated in 2001 that the top 500 global businesses have an average 60 major strategic alliances each. The consulting firm Accenture estimates that U.S. companies formed an average of 138 alliances from 1996 to 1999, involving at least \$2 billion in sales (Cravens & Piercy, 2003).

## Why Alliances and why should they be Co-opetitive?

The basis for the growing number of competitive business alliances lies in the rapid advancement of technology, the management of knowledge, more aggressive competition and the uncertainties and complexities of today's business environment (Escriba-Esteve & Urra-Urbieto, 2002; Zineldin, 2002; Tse et al, 2004). These partnering approaches allow organisations to simultaneously compete and collaborate with each other. Cooperating to compete in any form gives participants greater opportunity for growth and a stronger competitive edge (Amin, Hagen & Sterrett, 1995; Brandenburger & Nalebuff, 1996; Clarke-Hill et al., 2003). The early observation by Baranson (1989) and Chan & Wong (1994), in noting that companies that fail to form alliances may, in fact, be jeopardizing their prospects is supported by more recent authors (Koka & Prescott, 2002; Clarke-Hill et al, 2003). By forming alliances with strategically chosen competitors, companies find that they can shorten development cycles, share financial risks, improve their organisational learning and increase their access to markets (Amin, Hagen & Sterret, 1995; Escriba-Esteve & Urra-Urbieto, 2002; Dale, 2003; Odorici & Corrado, 2004).

The relationship between Intel and Microsoft is still a leading example of co-opetition. Microsoft wanted computer hardware to be inexpensive whereas Intel wanted software to be the cheaper component. By building on their common base of technological innovation, they were able to cooperate constructively in the design of both microprocessors and software, so that Microsoft's increasingly complex software can be easily handled by Intel's advancing processors, allowing customers the benefits of both hardware and software advancement. Today, many IBM compatible brands of computer boast a small sticker labelled "Intel inside". The two companies expanded each other's opportunities (Henricks, 1996) rather than limiting them.

Competition and competitiveness have long been seen as the key forces that keep firms lean and drive innovation (Porter, 1985). Subsequently, Chan & Wong (1994) have commented that global competition requires a simultaneous need for global scale efficiencies, worldwide learning and local responsiveness. One must ask how these views can be reconciled to mutual advantage. It is possible that a single firm would be unlikely to have sufficient resources, strategic capability and cross-cultural competence to achieve global competitiveness, remembering that global competitiveness is sometimes thrust upon an organisation; a company does not have to expand globally itself to become exposed, global competitors may establish their own operation in the country of the firm.

A possible answer to the paradox may be extrapolated from the work of Colloredo-Mansfield, Carrier, Field, Giordano et al. (2002). This paper presents work carried out by Colloredo-Mansfield and published along with peer-critique, followed by the original author's final word. Colloredo-Mansfield maintains what anthropologists have been pointing out for many years – that economics and culture are inseparable and intertwined. He also argues that, whether the competitive environment is based on global capitalist structures or developing third-world communities, culturally-based human interactions, behaviours and worldviews can lead either to destructive destabilisation or economic benefits, along with "cumulative, collective and potentially beneficial cultural consequences" (p. 20). To ignore the human factor with all its associated elements is, in the longer term, sure to invite failure.

The Chinese "middle way" approach (Chen, 2002) suggests that opposites, acting interdependently, may function effectively as a whole. For example, it could be suggested that the western tendency to analyse could be complemented by the eastern preference to synthesize, if carried out in the correct sequence. Another example might be the notion of individual responsibility (a western characteristic) for building effective teams (an eastern collectivist preference). Inherent in this suggestion is the notion that neither of the opposites needs to give up their unique identity, which would be a deep-seated cause of conflict, steering organisations in co-opetitive alliances towards the competition side of the equation.

Common sources of conflict in cross-cultural environments include ethical issues embedded in different business practices, such as financial reporting, workplace safety, environmental responsibility, employee treatment and the ever-present issue of corruption (Buller, Kohls & Anderson, 1997). A good example of the latter is the ongoing debate about when is it a

gift or a bribe, or *vice versa*? The boundaries between “right” and “wrong” vary widely across cultures, and because they are value-based, deeply embedded and therefore very resistant to change.

The work of these authors was continued (Kohls, Buller & Anderson, 1999) with the development of a model for resolving cross-cultural conflict using a decision tree model, which may be useful to corporations finding themselves in such situations.

The principles of economics are based on the scarcity of resources, and greater financial rewards have often gone to those who dispense with the niceties of social and cultural norms in the name of business efficiency. On a large scale, this may be seen in the case of the World Trade Organisation (WTO), who, for at least 40 years, been under pressure from civil society organisations to incorporate what they (the WTO) refer to as “non-trade issues” into their agenda. These include labour rights and mobility, preservation of local culture and social and environmental factors (Chranovitz, 2002). Such incorporation would force economic factors to work alongside, and with, cultural and social factors. One is tempted to suggest that they might be more successful in achieving their aims doing so.

Using the principles of game theory, resource-utilisation and strategic positioning, Clarke-Hill et al. (2003) have noted that businesses do benefit from taking a multi-paradigm view of the paradoxes inherent in the idea of co-opetition. The number of examples of globally successful applications of associations, networks and alliances given by Stimpson (2005) suggests that effective corporations are engaging creatively in developing synergies of many types, which, it is assumed, will create more efficient use of available resources to both local and global economic benefit.

In quoting the ancient Chinese proverb, “a journey of a thousand miles begins with a single step”, it is suggested here that managers who leverage cross-cultural values and practices to business benefit through sensitive awareness of the stakeholders in alliances, may be taking one of those important steps.

### **The Place of Cross-cultural Sensitivity in Co-opetitive Alliances**

Inter-organisational alliances can take numerous formats, the nature of which will depend on the needs of the players. Although the examples are not intended to be exhaustive, possible variables would include the following: their purpose, strategic synergy, joint venture, governance, cross-licensing, resource sharing, critical mass building or technology transfer. The length of time the alliance exists could be a factor, e.g. a permanent cross-licensing agreement or partnership structure, or else a temporary project based structure. The extent of internationalisation of the alliance would affect the agreement, as would the level at which the alliance forms, e.g. high level governance, strategic, market, resource, policy, individual teams or even possibly individual network-based alliances. In some cases separate legal entities may be formed, mergers may take place or new teams may be formed, with or without consultation with the individuals involved.

The success or otherwise of the alliance, whatever its nature or purpose, depends largely on how the details are communicated to and implemented through people.

Business history is riddled with examples of failed alliances (Chakravathy & Lorange, 1991). Research has shown (Hart & Garone, 1994) that CEOs considered only half of their strategic alliances to be successful, and cultures that were too different were cited by 21.7% of the respondents as reasons for failure. Thus the blame for many failures is laid on inadequate understanding of, and incompatibility between the cultures of the partner companies. The question does need to be raised, however, as to whether failed alliances are because of cultural incompatibility or whether cultural differences were, in fact, poorly managed. The South African Breweries example below illustrates the point.

Co-opetitive agreements can stretch the ability of alliance partners to integrate their cultures (in which case cultural identity may be diluted) or adapt to each other’s culture. It was reported (Vermeulen, 2001, p. 1), that when South African Breweries (SAB) entered into a joint venture with Blue Sword Breweries in China (the China Resources Breweries or CRB agreement), the alliance “catapulted the joint venture into the position of the most profitable brewing operation

in China". The author goes on to ascribe this success to the careful consideration given to cultural issues by SAB, based on her statement that doing business in China is the most difficult in the world. Because very specific etiquette, manners and protocol factors are entrenched in the Chinese national culture, and business success depends heavily on the development of *guanxi* (relationships) with business partners, a number of other brewing agreements had failed through minimising the importance of these issues.

Vermeulen (2001) describes how the South African executives learned to manage quality improvements, management techniques and the introduction of new technology through a long discussion based process of suggestion, time for consideration, and more discussion. They had to adapt to the legacy of a centrally planned economy still evident in the major cities, and to overcome the challenges of a tax system that was based on production, not revenue. SAB did not have management control in the China operation, which forced them to learn how to achieve business success through the politics, the culture and the customs of their very culturally different host partners. The anthropological view of the intertwining of economics and culture (Colloredo-Mansfield et al., 2002) is well illustrated by this example.

Despite examples such as the SAB case above, cultural issues are often neglected at one or more of the different stages of the alliance formation process (Rao & Swaminathan, 1995).

### **The Elements of Culture and Concepts of Cultural Compatibility**

There are many definitions of culture in the literature, and only a few will be stated here; it can be noted that there are common factors within these definitions, even though they are worded differently.

Hofstede (1999, p. 34) defines culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another." He further describes that the elements of culture are symbols (the most superficial and visible element), followed by heroes, then rituals and the core element of culture is values, being the most deeply embedded, often at the subconscious level and least visible element.

Earlier researchers of culture have included the aspects of the sharing of common beliefs, customs, knowledge, habits, behaviours (Allaire & Firsirotu, 1984; Hofstede, 1991), as well as art forms, ways of life, ways of thinking and traditions (Kohls, 1981) which are embedded early in life and pass cumulatively from generation to generation (Harris & Moran, 1987). Hofstede (1994) refers to this as mental programming of national culture. Schein (1996) refers to culture as being a set of assumptions about how the world operates.

These ideas have been combined into the definition proposed by Rijamampianina (1996, p. 124): "Culture is created, acquired and/or learned, developed and passed on by a group of people, consciously or unconsciously, to subsequent generations. It includes everything that a group thinks, says, does and makes – its customs, ideas, mores, habits, traditions, language, and shared systems of attitudes and feelings – that help to create standards for people to coexist". A more recent definition broadly supports this definition (Ogbonna & Harris, 2002).

Hofstede (1999) has shown empirically that national and societal cultures differ from one another, but that they are remarkably consistent within themselves. A society within a nation would clearly have a culture based on the national culture, but with some idiosyncrasies of its own, as would a family or organisation operating within that society. Important to the arguments presented in this paper, Hofstede (1994, 1999) goes on to maintain that, because management involves people, management is subject to the culture of the society or organisation in which it operates.

Views about the interrelationship of culture and values differ between two of the most cited authors in this field; Schein and Hofstede. Schein's (1996) view is more limited than that of Hofstede (1994, 1999), focusing on the three aspects: core assumptions, espoused values and day to day behaviours at the peripheral level. Hofstede (1994, 1999), on the other hand, broadens his definition to include the elements listed earlier (symbols, heroes, rituals and values), of which values ("broad tendencies to prefer certain states of affairs over others") are at the core. Hofstede (1999, p. 35) explains that "values are about what is evil and what is good, dirty and clean, immoral and moral, irrational and rational". Schwartz' (1999, p. 24) concept of values is that they

are “trans-situational criteria or goals (e.g. security, hedonism), ordered by importance as guiding principles in life”, and are the principles by which social actors select their actions, decisions, problem solving approaches and so on. Values are about what is good, right and desirable.

Based on the findings and interpretations of these esteemed authors, it is clear that the values aspects of culture are deeply embedded and only become visible through behaviours and practices, whereas the other elements of culture, including rituals, heroes, symbols and behaviours become increasingly visible to others. Hofstede (1999) contends that nationally embedded values should be considered resilient to change attempts, but that the more visible aspects of culture, including the practices of management, are the elements that should be addressed in multi-cultural environments in order to achieve alignment and synergies.

It is on this basis that the following model is proposed (Figure 1).

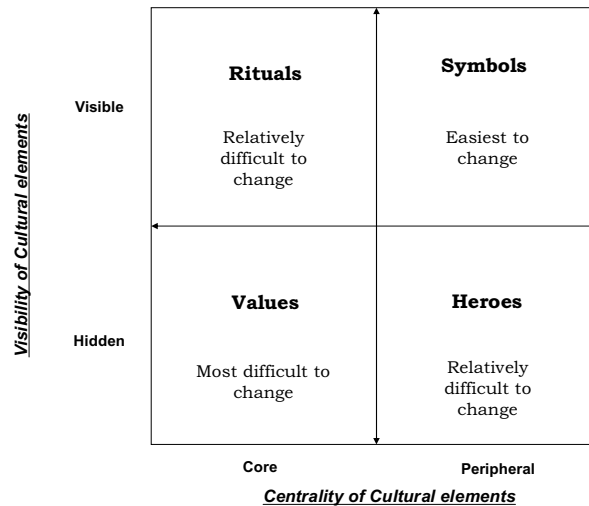


Fig. 1. An interpretation of the nature and malleability of the elements of culture in the context of cross-cultural alliances (adapted from Hofstede, 1994)

The elements of culture embrace national and organisational boundaries and are expressed differently at different levels within organisations, and have been well elaborated upon (Hofstede, 1994; Schwartz, 1999). Values are the most deeply embedded, enduring and resistant to change of the cultural elements, particularly as they may be subconscious. The very notion of attempting to alter the subconscious basis of a human being fills one with images of horror science-fiction stories.

Based on the proposed model in Figure 1, resistance to change softens when cultural elements become either more visible or more peripheral. Thus, the degree of compatibility of organisations in relationship with one another is high when cultural values (core) are similar and need not be challenged in alliances. On the other hand, cultures are incompatible when the core values are significantly different. This situation is likely to make culture change, integration and / or adaptation difficult. In the latter situation, one should implement change slowly, beginning with the less threatening (both visible and peripheral) elements, i.e. symbols first, then rituals (including practices) and heroes. Hofstede (1999) maintains that shared practices (and presumably other peripheral or visible elements of culture) should be the focus of organisational culture alignment, rather than values, since people can be managed to carry out tasks and produced desired outcomes, even if they do so for different reasons, and those reasons are based on their values. Changes in values are rare (Harris & Ogbonna), and overt attempts to make such changes trigger deep anxiety in individuals, which would not be conducive to business success or organisational harmony.

Thus companies, in their alliances with foreign organisations, must understand and work with different cultures at both national and organisational levels, and find ways to create synergies

between their cultures (Levinson & Asahi 1995), possibly along the lines of the “middle way” (Chen, 2002).

However, cultural compatibility is obviously not the sole determinant of alliance success, and much has been written on the subject, including the model of strategic exploitation / exploration (Koza & Lewin, 2000), which will not be discussed in depth here. Rather, the implications of overall strategic compatibility are explored in the following section.

### Cultural Compatibility & Strategic Complementarity

Based on the arguments presented in the previous section, when we refer to compatibility of cultures, we are in essence referring to similarity of values, since values are the least changeable cultural element. The more visible and the more peripheral elements of culture can be moulded more easily resulting in commonalities of business practice, giving the appearance of an aligned culture, even if the values at the core remain constant and different.

An early view on this matter was that alliances cannot succeed without both cultural similarities and strategic complementarities (Murray & Siehl, 1989). However, Rao & Swaminathan (1995, p. 5) contend that, “a mere difference in firm cultures need not necessarily indicate possibilities of failure... strong strategic complementarity can carry an alliance forward”. Thus they are saying that, with a strong enough strategic drive, even where the two cultures are very dissimilar, culture takes second place to strategy in order for business success to occur. This would allow a smaller firm to collaborate with a bigger firm while maintaining its independence and resisting the adoption of the bigger firms professional management practices.

Organisations’ strategies are either similar or different and should be based on the core competencies of the organisation. If they are different, they are either complementary or non-complementary, and the organisations have to be clear on their strategic intent and that their core competencies are clearly and correctly defined are before entering an alliance (Mason, 1994). To lead to a successful business outcome, alliances should support and leverage each participant’s strategic strengths, including competencies, knowledge and resources.

Together, cultural compatibility and strategic complementarity define the nature of the business relationship under consideration, as well as the manner in which the alliances are established and managed. If the strategic intent of the players is sufficiently similar or complementary, the organisations are likely to be able to establish co-opetitive working relationships, whether or not the values base of their cultures is compatible. The key to success of co-opetitive alliances with different mixes of values and strategic compatibilities lies in the appropriateness of the approach taken. Figure 2 illustrates a construct of the possible alliance relationships based on these variables.

		C U L T U R E S – based on core values		
		Compatible	Incompatible	
S T R A T E G I C I M P E R A T I V E	S I M I L A R	Culturally based CO-OPETITION <b>(A)</b>	Practice-based CO-OPETITION <b>(B)</b>	
	D I F F E R E N T	Complementary	COOPERATION <b>(C)</b>	Strategically based CO-OPETITION <b>(D)</b>
		Non-complementary	NO BUSINESS RELATIONSHIP <b>(E)</b>	

Fig. 2. Types of co-opetitive relationships as a function of cultural compatibility and strategic complementarity

The main point that emerges from Figure 2 is that if organisational strategies are both dissimilar *and* non-complementary, there is no basis for any business alliance to form, and no relationship will develop. The second primary observation is that co-opetitive alliances can form if the strategic imperatives are similar or else different but complementary, although the nature of the alliances will be different and operate off different bases.

Organisations with compatible cultures (i.e. similar values at the core of their cultures) and a similar strategic foundation (area A) have the potential to enter into culturally-based co-opetitive relationships. Here, the degree of competition would be higher than the degree of co-operation because the main point of difference in this quadrant is that of strategy.

Area B represents an interesting duality. Organisations with similar strategic intent but incompatible cultures could remain pure competitors. Alternatively, a practice-based co-opetitive alliance could be formed. This proposition is based on Rao & Swaminathan's (1995) contention that, if the strategies are sufficiently similar, the cultural mismatch can be managed. The manner in which it could be managed would be drawn from Figure 1, wherein alliance success would be based on managing Hofstede's (1994, 1999) more visible or more peripheral culture elements in order to create common business practices that would lead to a successful outcome.

Area C represents alliances with compatible cultures and complementary strategies. These relationships are likely to be purely cooperative.

In area D, the incompatibility of the cultures would require management interventions similar to those in area B, but because the strategic bases are complementary rather than similar, co-opetitive agreements would be more strategically driven than values driven, and would probably demonstrate a leaning towards the cooperative side of co-opetition.

### A Framework for Effective Cross-cultural Co-opetition between Organisations

Given that the strategic imperatives of alliance organisations are either similar or different but complementary as shown in Figure 2, co-opetitive alliances can develop. By considering the three areas (A, B and D) of Figure 2 which relate to co-opetition, we suggest that the real success of cross-cultural co-opetition depends on implementing Hofstede's (1994, 1999) cultural elements of symbols, heroes and rituals. It is further proposed that such implementation can be best achieved through an in-depth understanding and management of the motivation, interaction, vision and the learning drivers, extrapolated from the framework of processes proposed by Rijamampianina & Carmichael (2005), as well as the interactions between them (Figure 3).

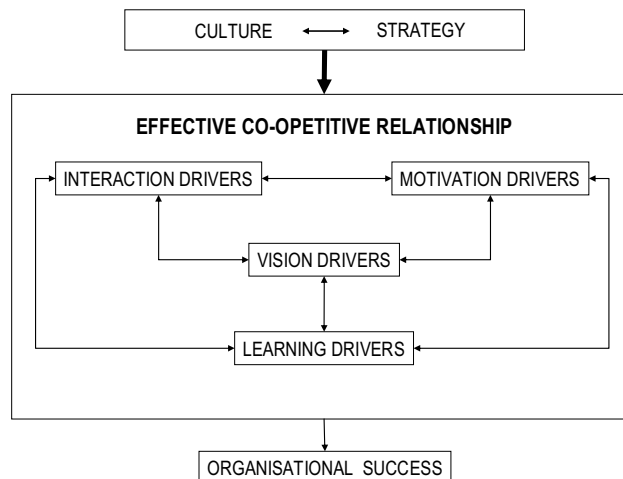


Fig. 3. A framework for effective cross-cultural co-opetition between organisations

## Motivation Drivers

The motivation drivers are strategic in nature and define the identity of the alliance, causing the organisations to come together in the first place, for any of the reasons cited earlier for alliance formation.

Companies must identify and understand why joining forces with competitors would be beneficial for them. It is essential to conduct a thorough cost benefit analysis as well as culture, competencies and resources audit before making any decision about co-opetition. Cross-cultural co-opetition however will not take place outside areas A, B and D (see Figure 2) and will only be effective if, in the first place, the motivation drivers include:

- *Mutual dependency*. This is a recognition that allying partners need each other. It is a recognition that organisations achieve goals through and with others and that co-opetition is therefore vitally important.
- *Mutual interests*. This is the acknowledgement that allying partners have interests in the business (though their interests might not necessarily be the same) and that each organisation has interests in what their partners are doing or contributing.
- *Mutual benefits*. This is an important tool in aligning the partners' interests with those of the alliance. When benefits are mutual, both parties get what they need from the relationship. Each helps the other. It generates a win-win situation. Moreover, it is the underlying force that gives rise to critical success components, such as identity with, involvement in, and commitment to the business.

These motivation drivers are:

- The foundation of any cooperative relationships;
- The conditions that transcend all cultural differences and;
- The only conditions that may shift a competitive intention into a cooperative one.

To support these drivers, the alliance, of course, must provide all partners with an open and equal opportunity environment and with just and fair systems.

## Interaction Drivers

These drivers have their foundation in the culturally based practice aspects (i.e. symbols, rituals and heroes) of Hofstede's (1994, 1999) model. In quadrant A of Figure 2, interaction drivers would be on the common basis of shared values, and are thus likely to be strongly compatible.

However, in quadrants B and D, where the cultures are incompatible at the level of core values, the interaction drivers would be based on the symbolic, ritualistic and heroic elements of Hofstede's (1994, 1999) model. If, and only if, these elements are carefully planned and integrated, they will serve as interaction drivers despite the differences in the value systems of the organisations involved. Co-opetitive alliances will be productive because their strategies are either similar or complementary *and* they have found ways to work with the cultural (values) incompatibilities.

However it must be cautioned that the interaction drivers are successful only when based on a solid foundation of strong, clear motivation drivers, which underpin and support them in instances where the interactions falter.

The formula for managing any relationship involves the similar basic elements to those which motivate the relationship in the first place:

- *Mutual understanding*. This requires frequent interactions between the parties in a variety of contexts. It may take longer to develop in quadrants B and D of Figure 2, where the partners' value systems are different, than in quadrants A and C, where they are similar. When there is mutual understanding, each partner understands the reasons why the other acts in a particular way and accepts the other's behaviour as legitimate and authentic, despite the tension or inconvenience it might cause. Each partner understands the other's motives and accepts the role of the other with greater empathy (Rijamampianina, 1996).

- *Mutual trust and respect.* The mutual confidence that no party will exploit the other's vulnerability is widely regarded as a precondition for success. In quadrants B and D of Figure 2, where the value systems are different, it is more difficult for complete trust to develop, particularly where competitive forces are high (Koka & Prescott, 2002), but high levels of understanding and appreciation help to support a greater level of trust and hence a sense of safety within the alliance. The greater the level of trust and respect within an alliances, the greater the likelihood of cooperation will be (Rijamampianina, 1996).
- *Mutual commitment.* Mutual commitment emerges when the motivation drivers are clear, understanding is clear and the level of mutual trust and respect is high. The foundation of mutual commitment depends on the expectations, the durability and the quality of the relationship. Nevertheless, it is worth noting that establishing cross-cultural relationships requires change to take place (Rijamampianina, 1999), and the resistance often associated with change can be managed through the interaction drivers. As everything is inter-connected, a relationship that is characterised by strongly implemented interaction drivers will strengthen the motivation drivers of the allying partners. Thus, the partnership will have a greater chance of success.

### **Vision Drivers**

Because the vision driving and maintaining the alliance can only be achieved if the motivation and interaction drivers are in place, vision drivers are both strategic and culturally based. The allying partners have to be able to co-create a common vision for the alliance, which may or may not derive from the participant's separate visions. The motivation drivers (strategic) and the interaction drivers (cultural) drive the development of the co-opetitive vision and must be co-created so that the needs of both parties may be met. This aspect needs to be particularly carefully co-ordinated and implemented in area B of Figure 2, where the basis for co-opetition is most tenuous. If no common vision can be created, it would imply that the motivation and interaction drivers are insufficient for a relationship between the two companies and they may simply revert to being competitors.

Based on the arguments presented here, organisations with incompatible value systems have very different worldviews. Since visions are shaped by the value orientations of the actors, it is tempting to deduce that organisations with incompatible values must have incompatible visions and no synergy is possible. For this reason, co-opetitive alliances in area B (Figure 2) must focus on the development of common practices through the cultural elements of symbols, heroes and rituals, rather than attempting to integrate their values.

The alternative, more difficult approach (for westernised cultures at least) is to consider Chen's (2002) description of how many progressive organisations have embraced tension-producing contradictory and even mutually exclusive ideas to stimulate the development of all-encompassing models that embrace both concepts. In order to take the step of the "middle way", individuals need to become comfortable with the notion of holding two or more different views ("both/and" thinking) about an issue without feeling obligated to either choose between them or make any decision about them ("either/or" thinking).

### **Learning Drivers**

Alliances are formed for many reasons, as discussed in the introductory sections of this paper. Whatever the reasons, which may include the exchange of new information, knowledge, skills and abilities, and the co-creation of new competencies, learning is likely to take place through the alliance. Crossan & Inkpen (1995) contend that being able to share knowledge and skills may be vital to the survival of alliances, and may, moreover (Morrison & Mezentseff, 1997), facilitate and embed the motivation drivers between the players, enhancing the odds of the relationship's success. The alliance must, under these assumptions, become a learning organisation as described by Senge (1995).

In terms of the learning drivers supporting the success of co-opetitive relationships, allying partners need to:

- Understand that intra- and inter-organisational learning must be directed toward the common vision;
- Co-create a conducive learning culture and encourage the development of learning relationships;
- Understand and adapt to the fact that organisations may have different approaches to learning, particularly where the values bases are different.
- Establish joint learning structures, strategies and processes, including reward systems that encourage individual, group, and organisational learning. The shared learning within the alliance will enable the partners to incorporate the learning elements into future generations of products and / or services.
- Determine the work responsibilities, business processes (as per Hofstede's cultural elements) and responsibility boundaries clear, and also (Levinson & Asahi, 1995) make inter-organisational arrangements for:
  - The types of information, knowledge, skills, and competencies that are to be mutually transferred;
  - How these learning elements are going to be mutually transferred (formal/informal face-to-face meetings, electronic interactions, digital communications, etc...);
  - In what form are they to be conveyed and received and;
  - How much these learning elements could be modified and adapted.

If the motivation, interaction and vision drivers are satisfied, an environment that fosters competence creation through inter-organisational learning can be generated effectively and easily. Managers within learning alliances must create an environment that stimulates the exchange of ideas across all sections of the partner organisations (Morrison & Mezentseff, 1997). Furthermore, firms that excel in inter-partner learning are better able to adapt to dynamic environmental changes and improve their ability to meet customer requirements (Osland & Yaprak, 1995).

### **Conclusion and propositions for further research**

Today's business environment compels organisations (including competitors) to join forces in various forms, because global competition requires a simultaneous need for global-scale efficiencies, worldwide learning and local responsiveness (Chan & Wong, 1994).

The conclusion drawn from the analysis of the factors discussed here is that, with careful consideration of both strategic and cultural aspects, it is possible for competing organisations to establish co-opetitive alliances.

The propositions put forward here are that:

1. Competing organisations cannot establish co-opetitive agreements if their strategic imperatives are neither similar nor complementary, irrespective of cultural compatibility.
2. When the values elements of culture between organisations are incompatible, co-opetitive alliances can be established through establishing common practices rather than common values.
3. Motivation, Interaction, Vision and Learning drivers should be leveraged to facilitate the success of co-opetitive alliances.
4. Organisations seeking long-term co-opetitive alliances that incorporate the key elements of the suggested framework will gain advantage over non-allied competitors.

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