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Integration of coopetition paradox by individuals

A case study within the French banking industry

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Abstract
This study seeks to provide insights into the principle of “integration of coopetition paradox” considered as a managerial necessity to manage coopetition situations. Coopetition is a relationships filled with tensions related to the coexistence of two contradictory dimensions of cooperation and competition. And to manage this situation, individuals need to integrate the coopetive paradox, that means to accept cognitively the paradox and to integrate both contradictory dimensions into their daily activities. The cognitive dimension of the integration principle and its consequences on managerial practices remain under investigated in previous literature. How do individuals perceive the coopetition paradox? What are the consequences of the integration principle on managerial practices? We aim to fill this gap by identifying how individuals are capable of integrating coopetition paradox and how do they deal with it in their daily management. Based on an in-depth study of an exemplar case of intra-firm coopetition we succeed for the first time in the coopetitive literature to show and discuss different capacities of integration of the coopetition paradox between managers. According to the integration principle at the individual level, individuals should cognitively accept the coopetition paradox and behave correspondingly to their cognitive perception, emphasizing on both dimensions of cooperation and competition. However, in this study, we show that managerial practices can be disconnected from a cognitive acceptance of the paradox. Moreover, depending on the level of the cognitive integration, we point out that managerial tools are insufficient to efficiently manage coopetition. We suggest that a specific manager profil is required to integrate the paradox and handle coopetition situations.

Key words: coopetition management, integration, perceptions, managerial practices

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INTRODUCTION

This study aims to go deeper in the understanding of the integration of the coopetition paradox by individuals. Coopetition relationships are filled with tensions related to the coexistence of two contradictory dimensions of cooperation and competition (Bengtsson and Kock, 2003; Fernandez et al., 2014; Gnyawali and Park, 2011; Raza-Ullah et al., 2014; Tidström, 2014). Because tensions can entail the initial performance objectives, firms need to manage them (Fernandez et al., 2014; Raza-Ullah et al., 2014; Tidström, 2014). To manage coopetitive tensions two main principles have been highlighted at the organizational level: the separation principle (Bengtsson and Kock, 2000; Dowling et al., 1996; Herzog, 2010) and the integration principle (Chen, 2008; Das and Teng, 2000; Oshri and Weber, 2006). More recent studies show that both principles should be combined to efficiently manage coopetition. In these cases, individuals need to integrate the paradox (Fernandez et al., 2014; Pellegrin-Boucher et al., 2013). Therefore, the integration of the paradox by individuals seems mandatory for coopetition success.

Previous research refer to the integration principle as a cognitive acceptance of paradoxes and define it as the individual’s capacity to integrate coopetition duality into their daily activities (Fernandez et al., 2014; Pellegrin-Boucher et al., 2013). However, the literature still debates whether all individuals hold the capacity to integrate the paradox or not. While some scholars advocate that individuals are incapable of integrating the coopetition duality and behaving correspondingly (Bengtsson and Kock, 2000) others scholars show that individuals are actually capable of such integration and corresponding behavior (Das and Teng, 2000; Oshri and Weber, 2006; Chen, 2008; Herzog, 2010; Pellegrin et al., 2013; Fernandez et al., 2014). Moreover, previous scholars of coopetition management paid less attention to the stakes of the integration for individuals: how do individuals perceive the coopetition paradox? How does the integration principle reflect on managerial practices? How do managerial practices impact on the coopetition success? As Walley (2007) argued, firms have to hire particular manager profiles capable of integrating the coopetitive paradox. The question remains what is the appropriate manager profile for paradox integration.
Thus, our research questions are as follows (a) How do individuals perceive the coopetition paradox? (b) What are the consequences of the integration principle on managerial practices? Our research aims to fill these gaps.

To provide relevant insights, we conducted an in-depth study of an exemplar case of intra-firm coopetition: coopetition between the Sector Directors of the regional French Bank CIC ("Crédit, Industriel et Commercial") within the Languedoc-Roussillon area. This approach allows us, for the first time in the coopetitive literature, to compare the capacity of managers to integrate coopetition paradox.

First, our findings reveal that all individuals are not capable of integrating coopetition paradox. Second, we show major differences between the cognitive integration and the real integration in practice. Individuals who integrate coopetition paradox in practice do not necessarily integrate it cognitively. Third, we identify different levels of integration by individuals. Finally, we find that, in the same coopetition context, a managerial tool can be used to stimulate cooperation, to stimulate competition, or both at the same time. The use will depend on the level of the manager’s cognitive integration. Thus, the organizational design is not sufficient to manage coopetition and the managers seem to play a critical role.

Our findings contribute to coopetition literature in several ways. First, according to Bengtsson et al. (2010) we develop case-based insights into the individuals’ capacity to integrate the coopetition paradox, allowing comparisons between individuals in a same context. Such empirical comparison seems to be new in coopetition literature. Second, we develop insights into the integration principle. In previous literature, the dominant question was whether individuals can integrate the paradox (Chen, 2008; Das and Teng, 2000; Fernandez et al., 2014; Herzog, 2010; Oshri and Weber, 2006; Pellegrin-Boucher et al., 2013) or not (Bengtsson and Kock, 2000). Insights from our case study show that the reality is more complex. We identify two levels of integration and three different types of integration (conscious, inconscious and hidden). We define the conscious integration of coopetition as the managerial capacity to perceive the necessity of both dimensions (cooperation and competition) at the same level. This definition goes further than the previous ones (Fernandez et al., 2014; Pellegrin-Boucher et al., 2013). The existence of an unconscious integration encourages scholars to pay more attention to the cognitive dimensions of coopetition. Finally, our study highlights the importance of the manager profile. Firms need to hire managers able to integration the paradox and able to behave correspondingly. This result seems in line with previous intuitions (Walley, 2007).
1. THEORETICAL BACKGROUND

Brandenburger and Nalebuff proposed a broad approach of coopetition as the interplays in a “value-net” between a focal firm, its customer, its suppliers and its complementors (Brandenburger and Nalebuff, 1996). Bengtsson and Kock defined more narrowly coopetition as a “dyadic and paradoxical relationship that emerges when two firms cooperate in some activities, and at the same time compete with each other in other activities” (Bengtsson and Kock, 2000, p. 412). Narrow definitions allow a better understanding of the concept and its implications (Gnyawali and Park, 2011). Based on a similar approach, and in order to focus on both the synchronic and the paradoxical dimension of coopetition, we define coopetition as a paradoxical relationship between two or more actors simultaneously involved in cooperative and competitive interactions (Bengtsson and Kock, 2014).

If coopetition is a source of value, it also creates instability and tensions within the firm (Bengtsson and Kock, 2003; Fernandez et al., 2014; Gnyawali and Park, 2011; Lacoste, 2014; Raza-Ullah et al., 2014). Tensions arise from the combination of two opposite dimensions of cooperation and competition. Tension is often multidimensional and multi-level, and dealing with tension requires an implicit recognition and management of the inherent contradictions (Murnighan and Conlon, 1991; Raza-Ullah et al., 2014). Fernandez and colleagues (2014) have distinguished sources of coopetitive tensions at three levels: inter-organizational, intra-organizational and inter-individual.

The question is thus how to manage coopetitive tensions to ensure the success of the relationship. The management of coopetition becomes a critical link between the adoption of coopetition and firm performance.

1.1. THE MANAGEMENT OF COOPETITION

The pioneers of coopetition management literature, consistent with the paradox solving approach through splitting, explained that “individuals can not cooperate and compete with each other simultaneous, and therefore the two dimensions of interactions need to be separated” (Bengtsson and Kock, 2000, p. 423). Thus, the management of cooperation and the management of competition should be split to manage coopetitive tensions (Bengtsson and Kock, 2000; Dowling et al., 1996; Herzog, 2010). The separation can be functional, temporal or spatial. Partners can cooperate on one dimension of the value chain (i.e., R&D) while competing on another dimension (i.e., marketing activities).
However, other scholars note the limitations of this principle (Chen, 2008; Das and Teng, 2000; Oshri and Weber, 2006). The separation principle appears to be inefficient because it creates new internal tensions within the organization and integration issues for individuals. In the example cited above, a conflict can arise between both departments. One of the heads can be perceived as a “traitor” because he collaborates with “the enemy”. The separation principle stimulated the internal inter-individual competition. Thus, it becomes very important to look for other solutions to manage coopetition.

As noted by Wong and Tjosvold (2010), managers of competitive organizations that have many personal connections avoid discussing their various conflicts in competitive win-lose ways. Thus, inter-individual relationships and personal interactions strongly contribute to coopetition management in a win-win way. To encourage these inter-individual relationships and personal interactions, an integration principle is highly recommended (Chen, 2008; Das and Teng, 2000; Oshri and Weber, 2006).

The integration principle is consistent with the acceptance of paradoxes (Lewis, 2000; Lüscher and Lewis, 2008; Murnighan and Conlon, 1991; Smith and Lewis, 2011), which allows individuals to understand their roles in a paradoxical context and to behave accordingly, following both dimensions simultaneously. Thus, the challenge for managers is to simultaneously manage cooperation and competition to optimize the benefits of coopetition (Luo, 2007). Instead of reducing competition or cooperation, firms would rather maintain them in a balance (Clarke-Hill et al., 2003). Relevant managerial tools are then required to reach this balance and to preserve it (Chen et al., 2007; Chen, 2008).

The literature review highlights two main but opposed principles to manage coopetitive tensions. In the separation approach, individuals are unable to integrate the coopetition duality. Consequently, to address coopetitive tensions, an appropriate organisation design separates cooperation from competition. Conversely, in the integration approach, individuals can integrate coopetition duality into their daily activities. Thus, managing coopetition relies on the development of individuals’ capacity for paradox integration.

Recent studies highlight the possible combination of both principles to efficiently manage coopetitive tensions (Fernandez et al., 2014; Pellegrin-Boucher et al., 2013). When the separation principle is used, it creates internal tensions within firms, specifically between employees who are in charge of cooperation and those in charge of competition. Such internal tensions threaten the organization stability. Thus, the integration principle at the individual level is required in addition to the separation principle. This integration principle relies on
individuals’ capabilities to understand each other roles. The understanding of the paradoxical dimension of coopetition limits the internal tensions within the firm and allows individuals to behave not too cooperatively or not too competitively with their coopetitors. Thus, separation and integration principles are not two options but rather complementary and simultaneous solutions.

Most of scholars agreed on the importance of the integration of the coopetition paradox at the individual level. However, some authors advocate that individuals are incapable of integrating the coopetition duality and behaving correspondingly (Bengtsson and Kock, 2000). Though, the question remains how individuals can be able of integrating such a paradox and how do they deal with it in their daily managerial activities.

1.2. THE INTEGRATION PRINCIPLE

Previous researches refers to the integration principle as a cognitive acceptance of paradoxes and define it as the individual’s capacity to integrate coopetition duality into their daily activities (Fernandez et al., 2014; Pellegrin-Boucher et al., 2013). However, the literature still debates whether all individuals hold the capacity to integrate the paradox or not. While some scholars advocate that individuals are incapable of integrating the coopetition duality and behaving correspondingly (Bengtsson and Kock, 2000) and other scholars show that individuals are actually capable of such integration and corresponding behavior (Das and Teng, 2000; Oshri and Weber, 2006; Chen, 2008; Herzog, 2010; Pellegrin et al., 2013; Fernandez et al., 2014).

Paradoxical tensions elicit strong reactions as attending to inconsistencies increases individuals’ ambivalence, and ultimately threatens their ego (Lewis, 2000). In this context, managers would develop mechanisms such as repressing, denying, or splitting tensions, which emphasize one aspect of the duality over the other (Smith and Lewis, 2012). On the contrary, the integration principle would lead to managers emphasizing both dimensions of coopetition, and behaving as a schizophrenic individual (Fernandez et al., 2014). As pointed out by Gnyawali and Park (2009), in a coopetitive situations, managers are expected to have some specific behaviors and cognitive approaches of coopetition that lead to a more effectively management of the coopetitive dynamics.

The effective management of contradictions is rooted in paradoxical cognition—managerial frames and processes that recognize and embrace contradiction (Smith and Tushman, 2005). To integrate the coopetition paradox, we look at the cognitive frames that a manager needs to develop.
For previous scholars, individuals need to have a specific perception of coopetition paradox to integrate it (Fernandez et al., 2014). Such a perception would allow individuals to simultaneously manage competition and cooperation without avoiding the paradox and the tensions (Fernandez and Le Roy, 2014). As pointed out by the pioneers of coopetition, coopetitors need to have a complement mindset instead of a pure competitor mindset (Brandenburger and Nalebuff, 1996). This complement mindset would allow individuals to accept tensions between competition and cooperation and embraces related conflict, diversity and variety (Luo, 2007). The “coopetitive mindset” can refer to the paradoxical categorization (Keller et al., 2012) or to the ability to cognitively perceive and understand key issues and challenges in inter-firm relationships (analytical management capabilities) (Gnyawali et al., n.d.). Individuals can develop mindsets through past experiences of coopetition (Luo, 2007).

In this lowest form, the integration is conscious and aims at integrating and helps individuals to be conscious of the coopetitive situation and its advantages. Thanks to the coopetitive mindset, individuals understand the interdependence between competition and cooperation (Chen, 2002). In its extreme form, the integration is unconscious and aims at transcending the paradox. In this case, individuals do not perceive the tensions created by the paradoxical context. They do not see the combination of competition and cooperation as a paradoxical logic (Chen, 2008). In this extreme case of paradox transcending, the integration by individuals is fully unconscious.

Managers who have integrated the coopetition paradox would have to facilitate the integration at lowest level of the organization (Gnyawali and Park, 2009; Lado et al., 1997; Luo, 2007). Managers would contribute to implement a corporate culture that fosters a yin-yang philosophy (Lado et al., 1997; Luo, 2007). They would help other managers to also develop a coopetition mind-set (Gnyawali and Park, 2009).

Managers who have integrated the coopetition paradox would contribute to define clear boundaries for competition and for cooperation, which is critical since it determines the subsequent structure of coopetition (Luo, 2007). Moreover, individuals would be able to perceive coopetition opportunities (Gnyawali and Park, 2009), to keep tensions at a reasonable level and to create positive effects of felt tension on performance (Gnyawali et al., n.d.).

1.3. Literature gap and research questions
The literature on coopetition management insisted on the importance of the integration of the coopetition paradox by individuals. We explore such an integration principle. We noticed that the integration can be conscious and leading to a simple form of acceptance of coopetition or can be unconscious and leading to an extreme form of transcendence. In the simplest form of integration, tensions are identified, accepted and managed. In the more complex form of integration, the manager has no conscious of the tensions. Is this situation better? Some firms look after tensions to create divergent thinking and transcending solution as the rise alertness and question routines (Gnyawali et al., n.d.). The situation of no tensions perceived can be far from ideal. Thus, it raises the question of which level of integration is the best to manage coopetition. But before answering this question, it is essential to explore the different levels of integration. Consequently, our first research question is, how do individuals perceive the paradox of coopetition?

A few studies tried to detail the dimensions of the “right” coopetitive behavior (Lado et al., 1997; Luo, 2007). However, the consequences of the integration principle on managerial practices remain under investigated. Further researches are required to explain and define the “coopetitive behavior”. This leads to our second research question. What are the consequences of the integration principle on managerial practices?

These two research questions would contribute to link cognitive dimensions of coopetition with managerial practices.

2. METHOD AND EMPIRICAL SETTINGS

2.1. RESEARCH DESIGN

This research aims to understand how individuals perceive the paradox of coopetition and how these perceptions influence the management of coopetition relationships. Following Bengtsson and colleagues (2010) recommendations, we conducted a single case study to explore the perceptions of coopetition relationships. Case-based exploratory methods are appropriate for understanding poorly understood phenomenon (Eisenhardt, 1989) with multiple and complex elements (Dodgson et al., 2008) that evolve over time (Langley, 1999). In-depth studies are the best way to explore a multi-faceted and paradoxical phenomenon such as the perceptions of coopetition relationships (Dowling et al., 1996; Luo et al., 2006; Tsai, 2002). Accordingly, we conducted an in-depth study of an exemplar case of intra-firm coopetition to develop insights about the perceptions of coopetition relationships (Yin, 2003)

2.2. CASE SELECTION
We decided to focus our attention on the CIC (Crédit Industriel et Commercial – Industrial and Commercial Credit). It is the oldest French deposit bank created in 1859. Since then, the bank developed an internationalized strategy combined with a diversification strategy. The bank extended its activity portfolio to insurance business and to telecoms services. The CIC product portfolio currently includes: life insurance, leasing, factoring, third-party asset management business, salary savings and property.

In 1998, Crédit Mutuel took over CIC. In 2000, a new organization was implemented with a common Information System, a common social policy and the creation of new point-of-sales. The group CIC-Crédit Mutuel also modified the territorial organization of the activity. The new organization is structured around six centres of activity: CIC East (located in Strasbourg), CIC West (located in Nantes), CIC North (located in Lille), CIC South-East (located in Lyon), CIC Paris and CIC South-West (located in Bordeaux). Each regional headquarter is autonomous to decide how to achieve its goals and thus each regional bank has a proper commercial strategy. The national French CIC network is up to 2000 agencies, up to 20000 employees. In 2013, the revenue of the bank was about 232 millions euros.

Due to a facilitated access to the data, we deeper investigate the case of CIC South-West. Still due to a facilitated access to the data, we decided to focus our attention on the Languedoc-Roussillon province. The Languedoc-Roussillon province was composed of 11 sectors.

2.3. DATA COLLECTION

We intentionally conducted a qualitative case study to avoid the constraints of a preliminary choice of analytic tools or data (Yin, 2003), making it possible to access heterogeneous data collected from a variety of sources (Langley and Royer, 2006). According to Raza-Ullah and colleagues (2014), we investigated perceptions of coopetition at the intra-organisational level. Data for this study were gathered by non-participant observation, semi-structured interviews and documentary analysis. The collection of primary and secondary data enabled us to use triangulation techniques (Eisenhardt, 1989; Gibbert et al., 2008; Guba and Lincoln, 1994). We strived for the highest level of rigor in terms of internal and construct validity (Gibbert et al., 2008).

We focused our attention on coopetition strategies within CIC South-West. Observations of Management Committee meetings, Executive Committee meetings and weekly steering committee meetings were recorded over an seven-months period from March 2014 to September 2014. In total, field notes were recorded for over 9 hours of meetings in the field. These notes were devoted to understanding the managerial structure of the banking network,
the human resource policy, the set of objectives and the messages communicated to the different agencies. Dimensions observed during these meetings included: interactions between individuals, individuals’ behaviors, private jokes, personal ties, workspace, tone of messages, the use of collaborative or competitive lexical fields and leadership.

The data gathering also involved 11 semi-structured interviews (with the duration of interviews ranging from 53 to 134 minutes and averaging 87 minutes) conducted with all the Directors of Sectors of the Languedoc-Roussillon province. We have interviewed all the Directors of Sectors of the province. Thus, we obtained a 100% of representativeness.

All interviews were conducted face to face in their agency. The interviews were recorded (except one) and then transcribed as soon as possible to preserve the quality of the data (Gibbert et al., 2008). Following Gioia et al. (2012), the anonymity of interviewees would be preserved and their names would not be mentioned in verbatim.

Concerning secondary data, we used various sources, such as internal reports (e.g., management dashboards, indicators, performance scorecards, financial statements) and external documents (e.g., press reviews, banking reports, two hours film on the history of the bank).

The discussion below is based on the information collected from the primary and secondary data sources. Interviewees provided us information about different facets of their management. A Director of Sector DS manages his Sector but also his agency. In this article, we focused our attention on the perceptions and the managerial practices linked with the Sector. We provide quotes and related information in developing our insights.

The primary and secondary data were coded according to the recommendations of Miles and Huberman (1994). The reasoning for this method was abductive; thus, the phases of the empirical investigation were alternated with theoretical reviews. Two stages could be differentiated in the analysis process.

2.4. EMPIRICAL SETTINGS

We investigated perceptions of coopetition paradox at the intra-organizational level, within the CIC South-West. The banking sector is per se a competitive sector due to the commercial characteristics of the banking activities. Rapid changes in financial services are threatening retail banks, which find themselves in a stronger competition with each other (Boot and Thakor, 2000). In France, CIC is competing against Crédit Agricole, Société Générale, Crédit Lyonnais etc. to win new clients and to increase its market share. Within the CIC group, cooperation is required by top managers to develop synergies, projects and to create value in
order to better compete outside the boundaries of the group. Cooperation contributes to increase the size of the pie for all the CIC members. Thus, at the group level, competition was governing the relationship between CIC and the other banks of the sector and cooperation was supposed to drive the relationships inside the group. However, the parent firm also ranked the regional banks according to the achievement of the objectives. Financial indicators, numbers and rates were used to stimulate the commercial competition between the six regional banks. At the group level, relationships between regional banks were simultaneously competitive and cooperation i.e. coopetitive. Headquarters used cooperation to stimulate the resource creation while using simultaneously competition to stimulate the combativeness and the determination of sales forces.

At the intra-group level, the same coopetition context was created. Each regional bank reproduced the same managerial trend. To be leader of the national ranking, each regional bank managed is own network with competition in order to stimulate each region and with cooperation to benefit from synergies. More precisely, at the regional level (Languedoc-Roussillon) we also observed the same managerial strategy. The regional director was expecting to be leading the CIC South-West by obtaining the best financial results. But from his point of view, the only way to succeed was to create cooperation between the different sectors. The figure 1 represents the coopetitive context of the study. The message communicated to the Directors of Sectors was clearly based on the mutual support, the exchange of best practices, the exchange of strategic information, the exchange of commercial tips and the creation of a team spirit. But this collaborative impulse did not reduce the level of competition between sectors or between agencies. Competition in the banking sector is genetic. Bankers are trained and stimulated by competition. They want to win the race no matter what happens. The CIC tried to create a new managerial approach based on the simultaneity of competition and collaborative relationships. They created Sectors inside the regions, governed by Directors of Sectors. This new category of managers had the mission to drive a group of four to eight agencies in order to help them to improve their performances. Unlike other sectors in France and in order to make an emphasis on the missing collaborative relationship, Languedoc-Roussillon decided to limit the number of agencies in a sector to maximum eight agencies. So, the Director of Sector was stimulating cooperation to share the best practices. When an agency is facing difficulties to achieve an objective on a specific item (financial, legislative or risk items), these difficulties will be compensate by the over performance of another agency.
The objective of the Director of Sector is to communicate the best-aggregated indicators to his boss (i.e. the head of the Region Languedoc-Roussillon).

However, the Director of Sector is also the Director of an Agency. In this position, he also has to fight for its own Agency. Its Agency should lead by example the Sector for all the items. Even if the Director of Sector aims to promote the Sector, he also expects its Agency to be leading the Sector. A leading which is needed to be legitimate to give advices, to expected a future promotion, to be autonomous in his management.

Directors of Sector are dealing with a coopetitive context. They are simultaneously in cooperation and in competition relationships with the other Agencies directors of their sector. Thus, Director of Sector, appeared to be a key position to investigate how individuals perceive the paradox of coopetition and behave correspondingly. Moreover, Directors of Sector are free to choose their managerial practices as long as they perform. For us, it represents an opportunity to understand how the perceptions of the coopetition paradox influence managerial practices.

The interviews of all the Directors of Sector of the Languedoc-Roussillon region, combined with other data gathered from primary and secondary sources – provided interesting insights into the perceptions of the coopetition paradox and the influence of these perceptions on management practices.

3. MAIN FINDINGS

3.1 INDIVIDUALS PERCEPTIONS AND UNDERSTANDINGS OF A SIMILAR COOPETITIVE SITUATION

First of all, our findings confirm differences of perceptions of coopetition paradox in a similar context. Some Directors of Sector (DS) are capable of integrating the coopetition paradox while others cannot. Our findings reveal three profiles of managers, with different perceptions and understandings of the coopetitive relationship they manage.

3.1.1. Profile 1 “cooperation +++ and competition +”: emphasis on cooperation

Six DS perceive the interest of both competition and cooperation but consider they have to focus on a single dimension: the cooperation. The discourse of these managers was characterized by (1) an affirmation for the need for cooperation (experience and knowledge sharing; complementarities etc.) which is healthy for the sector performance and naturally inexistant, (2) a denial of the need for competition for managing a sector even if they think that competition is generally healthy.
These DS are conscious of the competitive dimension between the agencies due to the commercial characteristics of the banking activities. Most of them perceive the competition positively as long as it stays informal. For them, competition encourages DS to succeed and to feel satisfaction in the achievement of their objectives. However, for these DS competition is not necessary for their management. The primary reason is that competition suffers from limits and bias. The second reason is that they want to benefit from the advantages of cooperation, and competition can cancel out some of them.

We describe the perceptions of the opportunities created by cooperation and then the perceptions of the limits of competition.

Perceptions of opportunities from cooperation
Those Sector Directors, when explained why there is a need to behave according to the cooperative dimension, used three main arguments. First, cooperation is considered by DS as a more efficient tool to benefit from synergies. Synergies come from the sharing of best practices as soon as possible within the sector. DS are aware that such a sharing is not natural and they cannot force it. DS need to develop team spirit that stimulates the transfer of best practice not only between the DS and his Directors of Agencies but also directly between Directors of Agencies. Emphasizing the management on the cooperative dimension allows that kind of sharing atmosphere (verbatim 1, appendix). Second, DS use complementarities in terms of agencies’ competencies in their sector to achieve the sector’s objectives (the items). Agencies are encouraged to cooperation. When an agency faces difficulties to achieve its items, they will be compensated by the over-performance of other agencies. Such cooperation is only motivated by the cooperative team spirit (verbatim 2, appendix). Without this cooperation, the sector could not reach its objectives. The DS could not achieve the objectives of the sector alone. Thus, cooperation seems essential for the sector (verbatim 3, appendix). Third, cooperation consists in creating a team spirit that make the Agencies Directors more involved in the sector objectives. A DS told us “We are all in the same boat.” Cooperation creates a team spirit that encourages the challengers to follow the leader and to achieve their objectives (verbatim 4, appendix). DS consider that the success of the sector relies on the benefits from the cooperation. They focus their attention only on cooperation and forget about the per se competition within the sector. Some DS do not perceive any competition with the other sectors.

Limits of competition
The extreme choice of focusing on only cooperation is also justified by the perception of the limits of competition. First, competition creates a quality issue. Internal challenges with a reward are organized inside the bank. The objective is to stimulate the most competitive individuals thrive and to make up an item delay. It consists in creating a race between agencies for a number of action over a short period time (example: open 6 accounts for people who are less than 25 years in a month) knowing that a commercial offer helps to make the action (example: some money for the opening of those accounts). However, this challenge encourages the quantity and not the quality. Agencies that win can be the last in terms of stock because most of those accounts have been closed after the end of the challenge. Competition faces some limits in the long-term performance. DS refuse to focus their management on competition because they consider the long-term performance as important as the short-term performance (verbatim 5, appendix). Second, competition may be harmful to some individuals. Competition is not always appropriate and turns into being counterproductive. The agent is going to put so much pressure on the success that he will fail and loose all motivation to work (verbatim 6, appendix). Moreover, some DS consider that Directors of Agencies are already competitive and aware of their ranking, it is not necessary to empower this competition. DS do not encourage competition because it can go against the cooperation benefits (verbatim 7, appendix). Instead of encouraging the achievement of collective objectives, competition can interfere with the good functioning of other agencies. The results of an agency can improve at the expense of the others. This could be counter-productive at the sector level. Agencies focused on competition will choose the wrong "fight". To be the leader, they will try to take clients to another agency while the real competition is against other banks. The behavior generated by competition is thus negative for the sector. This is why DS refuse to encourage competition (verbatim 8, appendix). To conclude, DS do not encourage competition because they perceive the negative effects of it. They go against the benefits expected from cooperation.

3.1.2. Profile 2 “Perceptions of cooperation +++ and competition +++”: emphasis on both cooperation and competition

Four DS perceive the interest of both competition and cooperation. They consider the necessity to emphasize both dimensions in their management. They had a specific perception and understanding of the key issues of the coooperation context. They argue that both competition and cooperation represent opportunities to increase their performance, but both have limits. It is the reason they are using both simultaneously. They use the same arguments
as DS from profile 1 to explain the need for cooperation and the limits for competition. But they add arguments about the limits of cooperation and the benefits of competition. On the contrary to the other DS, they stated their determination to be the leader of the sector and the importance to compete with the other agencies to motivate themselves. DS who integrate both dimensions have additional arguments regarding the opportunities offered by cooperation. Cooperation in the context of competition creates extra satisfaction (to win together) and reinforces the team feeling. Without the comparison with other teams, they will not enjoy the cooperation emulation. DS are conscious that the creation of a team spirit takes time (verbatim 9, appendix). Cooperation is useful but not sufficient to stimulate individuals. A competition context is required to benefit from cooperation. DS perceive the competition with the Directors of Agencies within the sector and with other sectors. They accept the competition and encourage it in their management (verbatim 10, appendix). Competition creates an emulation that contributes to enhance the performance. In a high-competition context, agencies will try to be more successful to lead the sector (verbatim 11, appendix). However, these DS are aware of the limits of competition. Same arguments as in Profile 1 are presented. Profile 2 adds one limit: competition is possible only when the rules are well defined (verbatim 12, appendix). Profile 2 preaches the two contradictory dimensions without feeling the paradox. They have fully integrated the need for both (verbatim 13, appendix). To conclude, Profile 2 emphasizes both dimensions. These DS go further than Profile 1 highlighting more advantages and limits of both dimensions. Considering advantages and limits of both dimensions, these DS perceive the interdependencies between cooperation and competition.

3.1.3. Profile 3 “Perception of “cooperation + and competition +++” : emphasis on competition

One DS perceive the interest of both competition and cooperation but consider they have to focus on a single dimension: the competition. The Bank decided to cancel individual bonuses. The extinction of financial incentives encouraged this DS to use competition as a managerial tool to replace financial incentives. He developed a team spirit based on cooperation in each agency and developed competition at the sector level. At the sector level, the DS emphasized on competition (verbatim 14, appendix). This DS is an ultra-competitive individual, and competition motivates him (verbatim 15, appendix). To conclude, even if this profile 3 only concerns one DS, there is a third way to perceive and understand competitive relationship with an emphasizing on competition.
3.2 IMPACT OF INTEGRATION ON MANAGERIAL PRACTICES

Our findings show that the individual’s integration capacity depends on the perception and the understanding of each individual. What are the consequences of such integration? What are the impacts on the management of the coopetitive situation? We investigate the managerial practices of each profile of individuals. We found that a same managerial tool can be used to stimulate cooperation or to encourage competition depending on individual integration. Moreover, we discover differences between discourse and practices, opening the road to a conscious and unconscious integration. And finally, we found no impact of the integration on the degree of practice in cooperation, proving that there is no continuum of cooperation intensity between the different integrations.

3.2.1. Same tools for cooperation and competition depending on the integration

Managerial tools are using differently by DS. Depending on their integration a tool can be used to foster one dimension and reduce the other or to encourage both. The use of three managerial tools is impacted by the individual integration: the main ranking agencies system, the challenges, and agencies complementarities to achieve the objectives.

The main ranking agencies system of the bank

A common database (an excel table), completely open and accessible by every employee of CIC, indicates the results of each agency's southwestern CIC. For each agency, it is possible to know how many of the 18 existing items/objectives have been achieved and the percentage of progress on each item. Every Monday, the head of the CIC Languedoc-Roussillon sends an email to the 11 DS with the table detailing the results of each agency and the ranking of all the sectors. DS are free to use this table and to communicate the results in their sector, as they want. Each profile used it differently. Profile 1 (more cooperative) did not use the table to rank individuals but they highlighted the best performance (verbatim 16, appendix). Profile 2 (integration of both) and 3 (more competitive) used the table in a competitive way. They ranked the agencies of the sector to create emulation (verbatim 17, appendix).

Internal challenge between agencies

The bank organizes an annual challenge that ranks all the agencies of CIC Southwest. The best agency wins a several-day trip in France for all the agency employees. Besides, there are temporary challenges accompanied by a national advertising and a particular offer. In this particular case, earnings are much lower and less attractive but recognized as being inspiring for the most competitive employees. Eventually, there are personal challenges used by Director of Agencies to challenge his agency or his sector on some items. Based on the
integration, the use of challenges varies greatly. For Profile 1 (more cooperative), challenges are levers to ensure the success of the objectives of their agency and not the first place (verbatim 18, appendix). Profile 2 (integration of both) and 3 (more competitive) challenges are levers for success but especially to be the first agency (verbatim 19, appendix).

*Agencies complementarities to achieve the objectives*

To reach the objectives of the sector when an agency fails on an item, the DS can ask another agency to outperform. This practice only appeared in the profile 1 (more cooperative). They called this practice “play on the complementarity” (verbatim 20, appendix).

3.2.2. Differences between discourses and practices

All DS encourage some competition when they congratulate personally and in front of everybody else, the most efficient agencies of their sector. However, for the six DS of Profile 1 (more cooperation) a focus on cooperative practices was expected. It was the case for four of them. For two DS, behind a cooperative discourse, they used strong competitive practices. By pointing out the good and the bad performances of the agencies, they created an informal ranking based on the contribution of the agencies to the sector objectives. The agencies compete to be pointed out as an agency that contribute the most to “the team” (the sector) and not as an agency that make the team fail. This competition contributes to the team’s performance. But, these two DS used cooperation and competition in spite of a cooperative discourse (verbatim 21, appendix).

3.2.3. A non-hierarchical cooperation between different integrations

Regardless their profile, all the DS cooperate with their Directors of Agencies. cooperation consisted in supporting them (sharing technical advice, human resources, support during an appointment or a contribution of solutions) (verbatim 22, appendix).

However, we could expect Profile 1 to be the most cooperative Profile since the discourse of these managers was emphasized on cooperation. Similarly, we could expect Profile 2 to be more cooperative than profile 3. Does this continuum of cooperative practices exist between the profiles? To answer this question, we look at two dimensions representing two strong cooperation practices: "folder/prospect contribution" and the “organization of social events at the sector level”.

1st dimension: "folder/prospect contribution"

The folders and prospects are the real sources of value creation of an agency. When a DS gives a folder or a prospect to one of his agencies, he encourages the sector at the expense of his own agency. For example, the DS convinced a new prospect, instead of keeping it for his
agency, he will transfer it to another one. This practice was used by some of DS in profile 2 but not by all DS in profile 1.

2nd dimension: “the organization of social events”

Informal social events organized by a DS with his Directors of Agencies (beer after work, informal dinner) aim at developing a team spirit. We found that some of the DS with profile 2 emphasized more on informal social events than some DS with profile 1 (verbatim 23, appendix).

DS from profile 2 seem to be more cooperative in practice than some DS from profile 1. Thus, it seems to have no impact of the integration on the degree of practice in cooperation. This result evidences that there is no continuum of cooperation intensity between the different integrations.

3.3 Managerial practices depending on the integration profile

Our findings suggest different types of management depending on the integration of the coopetition paradox. In Profile 1 (more cooperative) we observed two types of management: the “locomotive management” and the “best team partner management”. In Profile 2, we distinguished two types of management: the “level separation management” and the “balance management”. In Profile 3, we identified the “aggressive management”.

The “locomotive management”

The locomotive management assimilates the sector to a train in which each wagon represents an agency. The train symbolizes the sector and shapes the team. It should advance and reach its destination on time. Only practices that foster cooperation are implemented (practices that are aim to hang up the wagons all together and especially to not let one wagon go off). The Director of Sector is supposed to be the locomotive. He is expected to make the train go as fast as possible. He needs to achieve his objectives faster than his agencies to create a positive dynamic. Thus, competition between the DS and his agencies is informal.

The “best team partner management”

The “best team partner management” mainly uses cooperation. In fact, competition is also used to encourage involvement in the team. Directors of sectors pointed out agencies with good and bad performance. The objective was to put team pressure on agencies to be the best contributors of the sector. While, in the discourse of these DS competition was low, in practice, competition is a key tool in their management. Even if competition seems more informal it is as present as cooperation. This difference confirms the gap between discourse
and practices previously identified in our findings. The manager seems to have integrated the paradox, but in his speech he refuses it.

The “level separation management”

The “level separation management” splits the activities between activities "inside the sector” level and activities "between sectors". Competition appears within the sector, but agencies of a same sector cooperate to compete with other sectors. This management gives an impression of separation. However, agencies compete and cooperate at the same time. The Director of Sector asked their Directors of Agencies to adopt "schizophrenic" behaviors depending on the level of the action: "inside" the sector they have to cooperation but "outside" the sector they have to compete with other agencies. DS using this type of management are conscious of using simultaneously cooperation and competition. The boundary between inside/outside the sector hides the tensions generated by the integration of the coopetition paradox.

The “balanced management”

The “balanced management” uses both dimensions of cooperation and competition at the same time and at the same level. DS want to benefit simultaneously from the opportunities created by both dimensions. From their perspective, cooperation does not impact negatively competition and reciprocally. cooperation limits the bias of competition and reciprocally. In these cases, DS do not use comparisons with other sectors. They manage their sector independently from the bank, using cooperation and competition when necessary.

The “aggressive management”

The DS understood his mission to foster cooperation within the sector, providing agencies the support and the solutions they need. However, his management is mainly competitive. He only encourages competition between the Agency Directors in his sector. This competition goes beyond the scope of the Bank and becomes a parochialism war for the city where the agency is located.

4. DISCUSSION

In this research, we have drawn on the principle of integration of the coopetition paradox in order to deeper our understanding on it.

First, our empirical study of 11 managers dealing with the same coopetition context offers, for the first time in coopetition literature, an interesting perspective to compare the individual’s capacity of integration of the coopetition paradox. Our findings show differences in terms of integration. In line with previous studies (Das and Teng, 2000; Oshri and Weber, 2006; Chen, 2008), we evidenced that only some individuals are capable of integration. Our results seem
contradictory with Bengtsson and Kock (2000) theory advocating that individuals are incapable of integrating the coopetition duality and behaving correspondingly. Our results go far beyond Fernandez and colleagues (2014) and Pellegrin and colleagues (2013). While these previous studies recommended an integration principle combined with a separation one, this research provide details and insights into the meaning of integration. Integration can be a cognition and behavior. Cognition and behavior are not always connected. Only four of the eleven Directors of Sectors interviews seemed to integrate cognitively the coopetitive situation. All managers are not capable of perceiving the coopetition situation. Managers who perfectly integrate the coopetition paradox perceive the interdependencies between cooperation and competition. They refuse to choose between cooperation and competition neither to reduce one dimension at the expense of the other. On the contrary, the manager who did not integrate the coopetition paradox considered that competition would reduced the benefits obtained from cooperation.

Second, we highlighted differences between managerial discourses and managerial practices. Figure 1 provides an illustrated perspective of the 5 different types of management detailed in our findings. This matrix presents the different types of coopetition management depending on the integration of the coopetition paradox. The matrix illustrates two major contributions. First, all managers do not integrate the paradox (for example the sector director that emphasize only partially the paradox and use a locomotive or aggressive management). Second, integration is a generic term that refers to, at least, three different types of integration: conscious, unconscious and hidden integration. Some managers deny the paradox cognitively but adopt a ambidexter management in practice. The integration is thus unconscious. The paradox is denied by managers to preserve their logic and their ego according to Lewis (2000). However, on the contrary to paradox literature (Smith and Lewis, 2012), even if these individuals deny cognitively the paradox they adopt an ambivalent management based on both logics simultaneously. They do not choose one dimension at the expense of the other. A discrepancy between the perception of the coopetitive situation and the managerial practices appears. Our findings are consistent with the “the right behavior and the right cognitive perception” pointed out by Gnyawali and Park (2009) to efficiently manage a coopetition situation. We go further by providing evidence that it exists an unconscious integration that lead to deny the coopetition paradox integration.
Managers who have integrated the paradox can hide it in practice, using collaboration and competition at different levels. This spatial separation is illusory. Agencies are simultaneously cooperating and competing with each other. Tensions due to this paradoxical context are not solved. To integrate the paradox in their practices, managers trap themselves cognitively. They convince themselves that there is not paradox. Thus, it exists a conscious integration that lead to deny or yo hide the paradox.

Finally, our results highlight five types of management of coopetition paradox based on different levels of integration. The management implemented does not only depend on tools and structures but more on how managers perceive the coopetition paradox. In the case studied, the ranking of agencies on the different items achieved communicated every Monday appaeares as the perfect tool to balance both logics, cooperation and competition. However, managers who did not cognitively integrate the coopetition paradox only used this tool to stimulate cooperation or competition. Even if relevant managerial tools are required to reach a balance between cooperation and competition and to preserve it (Chen et al., 2007; Chen, 2008), we show that the use of these tools will depend on the cognitive integration of the manager. Thus, in line with previous studies, the selection of managers with abilities to perceive and understand easier the paradox of coopetition seems essential to efficiently manage a coopetition relationship (Walley 2007; Gnyawali & Park, 2009).

Who is the manager able to cognitively integrate the coopetition paradox? Our findings suggested some perspectives. Directors of Sectors who are able to integrate the coopetition paradox seem very experienced. They seem to be competitive individuals with collective values coming from the practice of team sports (rugby or volley-ball).

Our findings have a strong managerial implication. In a coopetition context, our findings encourage firm to look for individuals aware of the interdependencies between cooperation and competition instead of perceiving them as extremes of one continuum. Firms should hire managers able to integrate the coopetition paradox. The cognitive integration could be become a basis for managerial training to integrate duality.
### CONCLUSION

While the integration principle seems essential to manage a coopetition relationship, we go deeper on the exploration of such principle. We investigated the perceptions of the coopetition paradox and the consequences of the integration on managerial practices. Our findings suggest three different levels of integration detailed in Profile 1, 2 and 3. We confirm that all individuals do not integrate the coopetition paradox in the same way. The integration of the coopetition paradox is a critical issue because it impacts the managerial practices and eventually the performance. Thus, we highlighted 5 different types of management: two corresponding to Profile 1, two corresponding to Profile 2 and one corresponding to Profile 3.

Previous literature used to define the integration principle as the cognitive capacity to understand the coopetitive situation and to emphasize on both dimensions of cooperation and competition in practice. Our results show that the integration can consist in emphasizing on both dimensions in practice without any cognitive integration of the paradox. Managers can integrate the coopetition paradox in practice while they deny it cognitively. This result allows distinguishing between three types of integration: conscious, unconscious and hidden integration.

From a methodological point of view, we encourage future researches to split their attention between cognition and practices. Our findings are based on a case of intra-coopetition context.

#### Figure 1. Integration and managerial practices in a coopetitive context

<table>
<thead>
<tr>
<th>Competition +</th>
<th>Competition +++</th>
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<tbody>
<tr>
<td><strong>Cooperation +</strong></td>
<td>PARTIALLY INTEGRATED</td>
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<tr>
<td><strong>Cooperation +++</strong></td>
<td><strong>PARTIALLY INTEGRATED</strong></td>
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<td></td>
<td><strong>UNCONSCIOUS INTEGRATION</strong></td>
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<td><strong>CONSCIOUS INTEGRATION</strong></td>
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#### Table:

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<tr>
<th>Level</th>
<th>Integration</th>
<th>Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coop+</td>
<td>PARTIALLY INTEGRATED</td>
<td>The &quot;aggressive&quot; management</td>
</tr>
<tr>
<td>Coop++</td>
<td><strong>UNCONSCIOUS INTEGRATION</strong></td>
<td>In the discourses</td>
</tr>
<tr>
<td>Coop+++</td>
<td><strong>HIDDEN INTEGRATION</strong></td>
<td>In the practices</td>
</tr>
<tr>
<td>Coop++++</td>
<td><strong>CONSCIOUS INTEGRATION</strong></td>
<td>Confrontation between sectors</td>
</tr>
<tr>
<td>Coop+++++</td>
<td></td>
<td>The &quot;balanced&quot; management</td>
</tr>
</tbody>
</table>

**Legend:**
- The sector
- An agency
- The agency in which the Agency Director is the Sector Director
(to allow comparisons in a same context). It would be interesting to extend this research with a case of inter-organizational coopetition where competition must be more important. Finally, from a managerial point of view, the highlight of different profiles of managers with different levels of integration, suggest firms to hire “masters of coopetition”, i.e. managers able to cognitively integrate the coopetition paradox and able to manage their team with both dimensions: cooperation and competition.

Our study suffers from limits that create interesting perspectives for future research. We distinguished between different types of integration. It could be interesting to explore what kind of integration is better to manage coopetitive tensions. Is a type of integration better for a specific tension? Is integration a source of new tensions? We can wonder what level of integration lead to the best performance? What is the profile of the “master of coopetition”? Only future research would shed light on these questions.
REFERENCES


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