

# Creating talent pools through coopetition: a case study on vocational training programs in Romania

**Ulrike Stefanie FOERSTER-PASTOR (Foerster-Metz)**

*The Bucharest University of Economic Studies, The Doctoral School for Business  
Administration, Bucharest, Romania  
Ulrike.s.foerster@web.de (Corresponding author)*

**Nina GOLOWKO**

*The Bucharest University of Economic Studies, The Doctoral School for Business  
Administration, Bucharest, Romania*

**Christian Richard HELL**

*The Bucharest University of Economic Studies, The Doctoral School for Business  
Administration, Bucharest, Romania*

**Katrin MARQUARDT**

*The Bucharest University of Economic Studies, The Doctoral School for Business  
Administration, Bucharest, Romania*

**Abstract:** *The Romanian economy has prospered in the last years, and as a result, economic players claim today the scarcity of skilled workforce in the country. Many reasons have been mentioned for this: a dysfunctional labour market, saturated economic regions, demographic decline, migration, not adequately skilled workers. Therefore, it is crucial activating participation at an early stage to grow future skilled workforce as insufficiency of skilled human resources can limit economic growth. Talent management and talent pool growth have been concentrated on star talent acquisition and the development of new in-house talent processes. Rather slow has been the advance in generating new talent pools from an inter-firm cooperative approach. This work will make an initial approach to close this gap in research by studying the creation of talent pools through coopetition in the private sector as mean to an end to growing workforce supply. The concept is studied based on a case study that focuses on two private Vocational Education Training programs of two industries in Romania namely retail and manufacturing. The study shows that new talent pools can be grown through a cooperative environment given harsh environments and limited resource capabilities of the firms.*

**Keywords:** Talent Management, Coopetition, Cooperation, Vocational Education Training

## Introduction

The Romanian Economy has prospered in the last years reaching a peak in 2017 with real GDP growth of 6.7%, despite an expected fall down to 4.5% in 2018 and 4.0% in 2019. Private Consumption has been the main contributor of growth, supported by indirect tax cuts as well as salary increases in the public and private sector (European Commission, 2018a). However, growth based on private consumption will not be sustainable if institutional reforms are not addressed. Sustained growth is much dependent on the ability to raise the quantity and quality of labour and capital (World Bank, 2018). In respect to the quantity and quality of labour Romania phases many challenges due to dysfunctional labour markets, saturated economic regions, demographic decline, migration as well as skill shortages and mismatches. Romania is amongst the countries in which employers phase the highest difficulties to find workforce. 81% of employers

report the most difficulty in finding employees after Japan with 89% and followed by Taiwan with 78% (Manpower Group, 2018).

According to the PWC Workforce Barometer (2018) made for Coalitia Pentru Dezvoltarea Romaniei, the country might phase a short-term deficit of 1.1 million employees in an optimistic and 0.64 million employees in a pessimistic forecast of the economic development if no labour activation measures are undertaken.

The labour market in Romania has become increasingly tight with the lowest unemployment rate in 2017 of 4.9% in over 20 years (European Commission, 2018a). The regional distribution of unemployment is unequal in Romania. End of 2017 the statistical regions with the lowest unemployment rates were Bucharest (1.1%) and the West (2.7%). Highest unemployment rates were in the South West (7.2%) and North East (5.8%). (EURES, 2018). This is due to the economic prosperity in the respective areas. In underdeveloped economic regions labour force continues to be highly unskilled. One third of rural working-age adults have only completed primary education if not less (World Bank, 2018). This is also a burden for potential investors who might bring investments to rural areas as they will not find skilled workforce.

Demographic decline, as well as migration, is imposing an additional burden in growing the Romanian economy sustainably in terms of the labour force as the population is aging and shrinking at the same time. The fertility rate in Romania has been floating around 1.3 for several years. It is estimated that three million Romanians have decided to move abroad after 1990 out of which 46% are aged 20-34 (Cristea et al., 2017). Besides, the share of highly educated emigrants out of total emigrants was of 23% as of 2010.

Furthermore, after Italy (29.5%) and Greece (28.8%), Romania next to Bulgaria, Slovakia and Croatia phases with 21.4% the third highest percentage of youth unemployment (aged 20-34) within the European Union (EU) despite decreasing since 2015 it remains at high levels. The youth unemployment average is 17.2% in the EU. Also, there is a gender disparity within youth unemployment in Romania as 14.3% are male and 28.9% are female (Eurostat, 2018). This is also reflected in the labour force participation rate in Romania resulting in weak participation of women and lower educated people in the labour market. In 2017 the ratio of participation in the labour market was 77.3% men and 60.2% women (World Bank, 2018).

Next to labour market disparities, demographic decline and emigration employers face additional challenges in finding workforce due to skill shortages and mismatches. This is also due to institutional shortcomings in the Romanian educational system. Only 1% of Public expenditure in Romania has been allocated to education (World Bank, 2018). Quality and labour market relevance of higher education as well as vocational education and training continues to be a challenge. Employers state that students and graduates entering the workforce market lack socio-emotional skills and have sufficient though especially theoretical skills (World Bank, 2018). Relevancy of Vocational Education and Training (VET) remains a challenge despite new initiatives to modernize the system. Major burdens of the VET system are lack of significant investments to the system to adapt to the demand side. Major challenges are seen in outdated curricula, professional qualifications as well as professional training standards, the administrative burden on employers to start a VET program. In addition, shortages in skilled manual professions are reported to be because of outdated equipment and teaching methods (European Commission, 2018b).

The sectors in Romania with the highest short term demand on workforce are in descending order manufacturing, human health and social work activities followed by wholesale and retail trade; repair of motors and motorcycles (PWC, 2018). This result

goes in line with a study made for the European Parliament which describes a shortage in the following occupational groups in Romania; craft and related trade workers, plant and machine operators / assemblers, service and sales workers, also high and low skilled occupations in the health care sector (Reymen et al., 2015).

The above Romanian developments in regards to human capital imply an increase in complexity, high level of competition to recruit workforce, more public involvement as well as a governmental and private engagement to develop additional workforce. As a result, the authors notice the interaction of forces of competition (scarce resources, educational system rigidity, the need to increase bargaining power and economies of scale) and cooperation to foster new human capital pools.

Companies in the private sector have concentrated in growing and reskilling talent by having aggressive and cyclical hiring also from the direct competition, concentrating on “star talent” acquisition as well as the development of new in-house talent process development tools. Rather slow has been the innovative development of generating talent pools from a more inter-firm cooperative and generative approach (Beechler & Woodward, 2009).

As a result, in the last years, companies and even competitors of the same industry have started to cooperate in order to generate a bigger value. In the research literature, this concept is known as cooptation which refers to “a relationship between two firms that simultaneously involves both competition and cooperation” (Walley, 2007, p. 11), whereby one outcome of cooptation can be value creation through innovation (Bengtsson & Raza-Ullah, 2016). The concept of cooptation has been vastly studied regarding research and development, promotion of standards, design implementation and development. Little research has been done on how cooptation may enable innovative solutions to foster human capital. Broek, Boselie, & Paauwe (2018) have made an initial approach in describing such cooptative processes within the public health sector in the Netherlands. However, within the private sector, there is still a lack of research.

Therefore, this work will make an initial approach to close this gap in research by studying the creation of talent pools through cooptation in the private sector. This work focuses on cooperation and cooptation amongst private firms of the retail and manufacturing sector in Romania as these two sectors, as mentioned before, are growing and have the urgency of skilled workforce.

*Proposition 1: Cooptation can be used to grow talent when competing companies face a complex sector environment to acquire talent.*

*Proposition 2. When human capital challenges for companies are too expensive and big to solve as an individual organization, cooptation can be an option to resolve these.*

For this purpose, this explorative case study will analyse the above propositions by looking into the process of cooptation to foster talent. Particular emphasis will be put into the motivation, tensions, and outcomes of such a cooptative approach in order to drive conclusions and recommendations for practitioners. The relevance of this paper is that so far, the concept of cooptation in fostering talent in Romania has not been studied. Also very little has been documented about initiatives of the private sector to foster the Vocational Education Training in Romania (Ivan & Albu, 2014; Popescu & Tanislav, 2015).

### **Definition and state of the art of cooptation**

The concept of cooptation which was first mentioned and defined in 1997 by Nalebuff and Brandenburger refers to the simultaneous pursuit of cooperation and competition between companies to create a more significant value which one company alone cannot

achieve. After that, the bigger pie will be divided amongst participating firms in a competitive environment (Nalebuff & Brandenburger, 1997).

According to an extensive literature review made by Bengtsson and Raza-Ullah (2016) which included literature from 1996 to 2014 two leading schools of thought emerged out of the disparate definitions and conceptualizations about coopetition. The first one described as the Actor School of Thought and the second being the Activity School of Thought. In the first one coopetition happens in the context of a network level in which multiple companies are interlinked with each other. These actors cooperate in baking a bigger cake and then competing to have a maximum share of that cake (Vapola, Tossavainen, & Gabrielsson, 2008). In contrast, the second school describes coopetition as a relationship in which a pair (dyad) of companies participate at the same time in one-to-one, direct as well as contradictory interactions. They are marked by a paradoxical relationship that can create tensions in time (Bengtsson & Raza-Ullah, 2016). The paradox comes to terms when two contradictory activities yet interrelated are put side by side (Lewis, 2000). This contradiction may raise tensions as it is difficult to maintain an equilibrium of two opposing activities as the external motives to compete are rarely balanced.

Bengtsson and Kock (2014, p. 182) define coopetition as “a paradoxical relationship between two or more actors simultaneously involved in cooperative and competitive interactions, regardless of whether their relationship is horizontal or vertical”. As the concept of coopetition of Nalebuff and Brandenburger is specific to one school, we make use of latter definition for the purpose of this article as it takes into consideration the main ideas of both schools of thought.

### ***A simplified model of the process of coopetition***

It is important to understand how coopetition works and how it arises. For this purpose, we make use of a simplified version of the overarching and dynamic multilevel model of coopetition developed by Bengtsson and Raza-Ullah (2016) which describes the process of coopetition starting from the motivation the so-called drivers over the process and outcomes.

The process is marked by a blend of the above mentioned two schools of thought in which the coopetitive interaction between firms can take place on a dyadic or network level encouraged by the different type of drivers. However, these interactions are subject to potential rising tension amongst firms which make the process iterative at a multilevel which may be subject to changes in time regarding the structure of the relationship amongst participating firms. At the same time, the interaction between firms is influenced by the outcomes of the coopetitive environment and allows the process to be reiterative. Therefore, it is essential to consider the coopetitive environments not only at one point in time rather than a long-term period (c.f. Figure 1) (Bengtsson & Raza-Ullah, 2016).

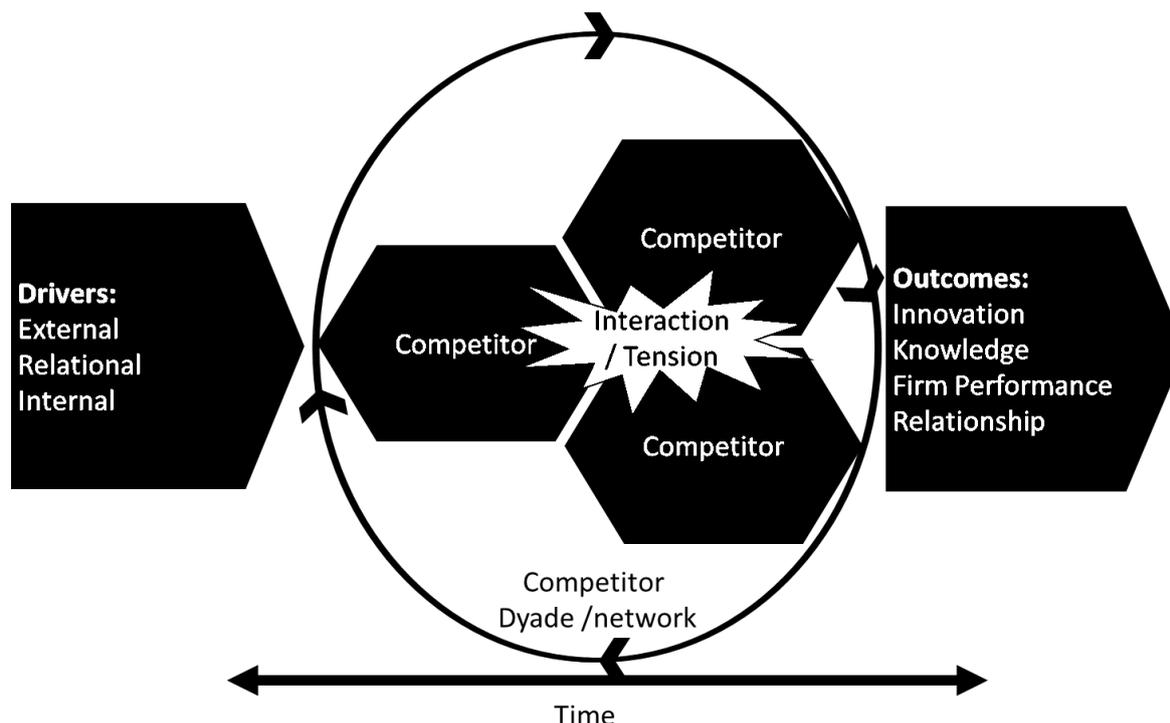


Figure 1. A simplified model of the process of co-competition

Source: Authors own contribution based on (Bengtsson & Raza-Ullah, 2016)

The subsequent section will look into the three main components of the model of the process of co-competition: drivers, outcomes, and tension.

#### *Drivers of co-competition*

The model divides the drivers of co-competition into three categories namely external, relational and internal.

*External drivers* relate to environmental conditions that either induce or force firms to participate in a competitive environment (Bengtsson & Raza-Ullah, 2016). These can be industrial characteristics which relate to the specifics of the industry such as structure, growth, saturation, erosion of competitive advantage (Chen, 2014; Dai, 2008)). Further technological demands related to enhancing technological research and development capacity, technological change, technological innovation (Bengtsson & Raza-Ullah, 2016; Gnyawali & Park, 2009). In addition, the influence or lack of influence of external stakeholders stimulates the process of co-competition for example through governmental and policy reforms or regulatory deterrence (Luo, 2004; Mascia, Di Vincenzo, & Cicchetti, 2012).

*Relational drivers* describe characteristics that are facilitated through a partner or network relationship (Bengtsson & Raza-Ullah, 2016). Thereby the access to a competitor partner is seen as useful due to complementary resources and capabilities, goal congruity, technological asymmetry and access to bargaining power (Gnyawali & Park, 2011; Khanna, Gulati, & Nohria, 1998; Luo, Shenkar, & Gurnani, 2008).

*Internal drivers* are linked to the firm's internal environment such as its intrinsic motives, resources, and capabilities (Bengtsson & Raza-Ullah, 2016). Such can be the desire to increase market penetration, enhance firms performance amongst others (Luo, 2007; Osarenkhoe, 2010). Factors relating to capability refer to those with a combination of resources and knowledge to increase bargaining power. (Gnyawali & Park, 2009).

Drivers related to perceived vulnerability are encountered as a response to for example to reduced competitive advantage, lack of resources to create more value with the firm's own resources (Bengtsson & Raza-Ullah, 2016).

#### *Outcomes of coopetition*

The model further describes four categories of outcomes which are innovation, knowledge, firm performance and relationship.

*Innovation* related outcomes relate to the improvement of innovation performance within firms. Thereby the type of relationship either more competitive or cooperative will affect the level of performance innovation (Park, Srivastava, & Gnyawali, 2014). The coopetition factor enables the break of lock in situations as well as groupthink enables creativity within an organization (Bengtsson & Raza-Ullah, 2016).

*Knowledge* sharing, creation and or acquisition enabling value creation has been studied in many occasions as an outcome of coopetition (Song & Lee, 2012; Ghobadi & Ambra, 2012).

*Firm performance*-related outcomes have been vastly studied under the umbrella of different categories economic such as sales, market position, competitive behaviour (Liu, Luo, Yang, & Maksimov, 2014; Wu, Choi, & Rungtusanatham, 2010).

*Relationship* outcomes are related to the development of trust amongst partners, duration of collaboration, coopetitive goal achievement, level of resource commitment, and maintenance of the relationship (Amaldoss *et al.*, 2000; Fernandez, Le & Gnyawali, 2014; Ketchen, Snow, & Hoover, 2004; Zerbini, 2007).

#### *Tensions in coopetition*

Tension within a coopetitive environment is described by Fang, Chang, and Peng (2011, p.774) as "two co-existing contradictory forces with conflicting goals. These forces have the potential to break up partnerships, and are often the primary causes of aggravation within partnerships." Thereby a conflict can be denoted as a situation of incompatible behaviour, goals, or activities between at least two parties. The outcome of the conflict can be either positive or negative (Tidström, 2014). Due to the similar meaning of conflict and tension in these studies, we will treat these two concepts as interchangeable in this study.

In literature, many studies have described the different sources of tensions that may arise from a coopetitive environment. (Fernandez, Le & Gnyawali, 2014; Raza-Ullah, Bengtsson & Kock, 2014; Tidström, 2014). For the purpose of this study, we will make use of the categorization provided by Tidström (2014) as it is based only on studies related to conflicts in coopetitive business relationships. Four levels of sources of tension are identified: roles, knowledge, power & dependence and opportunism. Table 1 gives insight into each category and provides examples.

*Table 1. Sources of tension in coopetitive environment*

<b>Level</b>	<b>Level Description</b>	<b>Example</b>
Role	Arise from coopetitive paradox at firm or individual level	Firm may perceive tension between own company's goals, and cooperation goals Individual may perceive tension from collective identity with the parent firm vs. coopeting firm in the way ,e.g. activities are or should be handled
Knowledge	Arise from the competitive advantage of	Knowledge should be shared for the benefit/value creation of the goals of the coopetitive collaboration; conflict arises when the shared knowledge is used for the private benefit of a

	knowledge ownership	participating firm to outperform collaborators (Khanna et al., 1998; Tsai, 2002)
Power and Dependence	Arise from the unbalance of power and dependence.	When the power of one firm (financial, technical/ informational or emotional) forces another firm to act in a way that is not in the latter's interest, or when a bigger firm with more resources makes a smaller firm dependent.
Opportunistic	Arise from sharing resources and activities that may create opportunistic behaviour	Exploiting the resources of one partner for self-interest with astuteness. This could be for example the free-rider effect.

Source: Authors own contribution based on (Tidström, 2014)

## Methodology

In order to understand why and how competing companies have started to unite forces to build up vocational study programs in Romania in lack of human resources, the explorative case study methodology is applied. This paper is built upon two exploratory case studies of two VET-programs created by the private sector one in the retail and one in the manufacturing industry with the goal to generate a new generation of workforce for their respective industries.

The case study methodology covers contextual conditions since it is an empirical inquiry that “investigates a contemporary phenomenon within its real-life context, especially When the boundaries between phenomenon and context are not clearly evident.” (Yin, 1994, p. 8).

The case study is analysed under the simplified model of coopetition by Bengston and Raza-Ullah (2016). The authors have decided to use this model as it allows to analyse the case study from a causality, process and outcome point of view.

The two VET-Programs have been selected as their founding members are conceptualized as coopetitive. These firms operate in the same geographical region, are horizontal competitors (financial and customer), and they compete for the same human resources in their respective business sector and region. However, the firms cooperate by commonly creating VET-programs that will generate talent which they will split afterward.

## Data collection

Data were collected from primary and secondary data. The primary data was collected from online questionnaires that were sent to the participating four firms prior to semi-structured interviews. Three interviews were conducted with companies of the Retail-VET and one with a firm from the Manufacturing-VET. Unfortunately, not more companies of the Manufacturing-VET program responded to our inquiry to participate in our survey despite iterative approaches to participate in the survey. The interviews were held with the HR-Managers responsible for the VET-Programs in the respective companies. The interviews took place in October of 2018 and were recorded and transcribed verbatim close after the interview. The questionnaire was designed to get an overview of the company's workforce structure and demand, history regarding the initiation and development of dual vocational programs as well as the cooperative setting with competitors. The questions of the semi-structured interviews were yielded to have an explanatory approach to the reasons for joining a coopetitive collaboration and its development as well as outcomes. The duration of the semi-structured interviews was on average 60 minutes. It was explained to the interviewees that these interviews would

remain confidential and anonymous. Under the previous condition, the firms gave us their consent to record the interviews and make information public.

Secondary data was collected from internet articles as well as of the VET-Programs websites. This data was used as an additional source of information especially in the case of the Manufacturing-VET to understand the cooperative structure of the programs. The analysis of the interviews was done upon the qualitative content analysis of Mayring (2014).

### Data analysis

All participating firms have the majority of their workforce allocated within blue collars and state that they have major difficulties to find this type of collaborators compared to white collar. It is important to mention that some of the participating firms had prior experience in creating VET-Programs. Nonetheless they decided to participate in a cooperative environment to foster human capital. Compare table 2 for further descriptive information on participating firms

Table 2. Descriptive information of the participating firms.

Industry sector of firm	Corresponding VET-Program	Number of employees in Romania	Workforce Split in %		Start year of dual vocational activity in firm
			Blue Collar	White Collar	
Manufacturing	Manufacturing	850	75	25	2011
Retail Discounter A	Retail	6271	85	15	2016
Retail Discounter B	Retail	4500	85	15	2015
Retail DIY	Retail	768	95	5	2009

Source: Authors own contribution

The two vocational programs have been set based on the initiative of the private sector. It is worth mentioning that the liaison of the companies took place through economic business networks. The companies had in this way already information on the potential partners for the cooperative collaboration. Table 3 gives insight into the cooperative structure of the VET programs at the start of these. Meanwhile, the Retail-VET has four and the Manufacturing-VET a total of 18 participating firms. The analysis of the case studies focuses on the initiation phase of the cooperative collaboration.

Table 3. Structure of VET and cooperative environment.

Characteristics	Retail -VET	Manufacturing-VET
Participating firms	3	11
Year the preparation for the program started	2016	2011
Year the vet program started	2017	2012
Composition of participating firms at beginning of program	2: Retail Food Discounter 1: Retail DIY	11: Manufacturing (automotive and aerospace)
Structure of inter-firm cooperative environment to build the vet	Inter-firm horizontal triad Supported by a mediating Chamber of Commerce	Interfirm network institutionalized through a statute with a committee Supported by: <ul style="list-style-type: none"> <li>• Town City Hall</li> <li>• Town County Inspectorate</li> <li>• School</li> </ul>
Structure of VET- program	Collaboration with local vocational schools	Operation of vocational school following German Standard

Source: Authors own contribution

## Findings

### *Drivers to foster Human Capital*

All participating firms state that they encounter themselves in a very rough competing environment for the workforce. Firms of both industries emphasize that they are exposed to major competition with their competitors not only in business but also in terms of recruiting workforce. Retail Food Discounter B describes the situation as follows:

“...in this moment we phase a hunting activity even at the level of the store where the local managers of the direct competition are really coming to the store leave their visit card to our employees and of course try to convince them to go to work with them by having better salary packages other advantage and it is real it is existing in real life so in the last six months we experience this many times.”

The manufacturing firm describes the situation as follows: “...it is certainly competition, it is the only possibility. The competition is amongst firms, and we more or less poach the collaborators from each other.”

Given the harsh competition to recruit talent, the companies stated different factors that contributed to their decision to initiate cooperation with competitors to foster workforce through Vocational Education Training, despite some of them already having started in Romania with vocational education programs in their companies. (c.f. table 2)

The predominant category of external drivers are the industrial characteristics that have driven these companies to cooperate with their competitors. Difficulties in finding skilled workforce, lack of workforce due to emigration, lack of provision of sufficient workforce through the educational system for blue-collar positions, increased settlement of new companies in their regions, vigorous direct recruitment activities and a very dynamic workforce market are mentioned. From an external driver stakeholder point of view the lack of regulatory governmental adjustments to the VET educational system to comply with the requirements of today's economy is perceived as a major driver following examples are mentioned lack of qualified teaching resources and material investments in the VET-system, need of changes in law to be able to modernize the system from a qualification and curricula as well as from an organizational point of view. These arguments are inter-linked with the relational drivers to cooperate amongst partners to have a higher bargaining power towards governmental institutions as well as the educational system and to make a positive impact in society. Retail Discounter A states: “I think with partners we have a stronger voice in contrast to acting alone”, and Retail DIY states about having built a VET-program with strong partners “to achieve a higher attraction power towards our target group”.

Next to external drivers, we could identify internal drivers related to limited capability and internal goal congruity. The most important was related to internal goal congruity to increase the pool of workforce by opening a new pool of talent. Secondly, the capability limitation that predominated amongst all firms was the fact that they were not able to fill out a VET-class with the number of vocational students they required per company in their respective regions. Given that a VET-class is open in Romanian schools when at least 20 students are enrolled according to Article 24 of the Ministerial Decree of Education no 3554/2017 (Ministerul Educatiei si Cercetarii Domeniului Invatamint, 2017). Therefore, they were forced to find partners to be able to open classes in distinct locations where their markets are growing.

Further, building VET programs by themselves required a high amount of financial resources as well as all sort of administrative work from defining training material, marketing material, internal rules and regulations for the VET, etc. had to be newly created. Having found partners that had at some extent experience with VET and with the

same goal to build a new workforce pool was beneficial as resources (financial, administrative, educational) could be split and shared. Further, in the case of the Retail-VET, all partners stated that having the chamber of commerce as an expert moderator to communicate with local authorities and VET schools as well as their Know-How on German VET was a major argument to join the program.

The analysis brought up the will to make a positive change in Romania's society perspective towards VET as an internal driver of goal congruity amongst partners. This was not an expected driver. However, the interviews reveal that one of the major challenges these companies are phasing while building up a new talent pool is the negative perception of VET in Romania's society. Positively increasing the perception of VET has been encountered to be easier in a larger group than acting alone. Therefore, the authors consider that a new category of driver related to the intrinsic values of a company such as social responsibility should be contemplated as a factor that can bring together competitors.

In regards to the societies perception and challenges they phase towards VET Retail Discounter A states "VET Schools have not yet a positive image in the market, especially here in Bucharest because here we have every year difficulties finding children....The majority have an old image of VET; maybe they have the impression it is not worth it after regular school degree, this is why we now try together with our partners to change this image..."Retail DIY states "... very bad, very bad, why because the generation of my parents they did VET and all parents wish for their children something better, something different but we see this trend all over Europe, you find this as well in Germany. That more and more decide to make A-levels. Therefore this is, first of all, more a perception topic than financial." The manufacturing firm relates as well to a cultural problem in society stating that: "The problem of the system is that years ago we had state-funded VET schools, but they were abandoned due to lack of students. Definitely it is also a cultural topic, as everyone wants to send their children to university..."

Technological demands for innovation are not reflected as factors enforcing the cooperative collaboration to foster human capital. Technological innovation is not being seen as a driving force to solve their workforce inaccessibility rather than support in processes and not a replacement of the workforce.

### ***Outcomes of coopetition***

All four companies have rated their participation in the coopetition environment as successful. The analysis shows that the major outcome has been firm performance related as the firms have been able to increase their labour force through the VET program and therefore market growth plans are being supported, as can be seen in the following table no. 4.

*Table 4. Overlook of acquired VET-pupils in the course of VET-Programs*

Industry sector of firm	Number of Head Counts dedicated to the coordination of VET Program in company*	Number of VET students in company			
		Total	enrolled in school year 2017/2018	required for the year 2018/2019	enrolled for school year 2018/2019
Manufacturing	3	30	10	15	15
Retail	2	51	39	20	13
Retail	0.5	74	36	43	38
Retail	1	45	25	34	20

Source: Authors own contribution/research

However, in the case of the Retail-VET, it needs to be acknowledged that the first ready generation will be in Summer 2020 and only then the companies will be able to rate the real outcome of their investment. Therefore, the current outcome should be rated as a preliminary result. Although the pupils already work for the firms and support their firm performance and market growth. Further, in the case of the Retail-VET, it is argued that major difficulties were encountered to achieve the goal of estimated enrolled children in Bucharest for 2018 was not accomplished. Reasons for this was the problematic collaboration with the envisaged school for the VET program. In the case of the Manufacturing-VET, it can be already rated as a success since six generations of pupils have finished the program and as the manufacturing participant stated: "Regardless if the pupils which we have trained are still here or not, certainly we have trained many children. ... We were capable of recruiting new employees, and that was the goal."

In terms of relational outcomes identified coepetitive collaboration is majorly perceived as positive as very good inter-personal relationships could be build up, and there is no intention so far to break-up the commitment. Thus, again here the timely short duration of the Retail- VET alliance will have to be studied in the future if it continues to be positively affirmed. As for the manufacturing-VET, it continues to show a strong resource commitment as it lasts since 2011. The strong commitment in terms of trust and resources, on the other hand, permitted knowledge exchange amongst partners and an increased learning experience from each other that could be extended to other areas of business interest. Retail discounter B summarizes as follows:

"After our experience of course together we are more open even we are direct competition on this program different types of situations as I told you we discuss even let's say outside of the partnership and we have a problem, and I don't know we want to share an experience and to exchange we are more open so here are for sure the relationship between us is better than it was before this partnership..."

### ***Tensions of coepetition***

Overall the participants stated that collaboration has been majorly positive and real tensions have not taken place. Conflicts have instead been described as differences of opinion, but the collaborative discussion has brought up solutions with which all parties could work.

Nonetheless, the conflicts that arise are related to the role category. All participants stated the fact that each firm had their own opinion on how the VET training had to be structured from an organizational and learning material point of view. The intrinsic values and procedures of the own company are being perceived as the right way of doing it. These conflicts took also place as much of the material related to the VET had to be drafted from scratch or adapted from the German -VET training which had been used as a role model in the case of the Retail-VET. However here the moderating role in the case of the chamber of commerce has been highlighted positively by the participants. Participants also perceived that the source of the conflict of origin could be seen in the distinct level of knowledge of the participating parties regarding a VET-program. Therefore, conflicts related to knowledge were not perceived as described in theory as advantageous resulting in a competitive advantage to outperform competitor rather than hindering.

Opportunistic behaviour has been mentioned as well in the case of the manufacturing-VET which has a large number of participating firms. It is mentioned that a constant core group of seven to eight companies is engaged in the development of the program; however the other firms do not involve themselves so much and take a free rider

role. In the case of the retail-VET, it is mentioned that sometimes the impression comes up that some partners work more on specific topics than others. Therefore, in the latter one, it was more exact topic related.

Despite not being mentioned in the theoretical construct of sources of tension we could identify two additional categories that lead to conflicts. First, the administration and organizational burden specially described in the case of the retail-VET which can be explained due to the newness of the project and the structure as it is very dependent on the regulatory affairs of the educational system in contrast to the manufacturing-VET. The second source of conflict relates to equal work and resource allocation amongst partners especially human and financial resources in order to overcome the workload of the project. Defining how financial resources should be best allocated within the project as well as the number of human resources participating in the development of the programs has been a point of discussion.

Tensions departing from power and dependence could not be identified as a dominating perception within the interviewees.

### **Conclusions, limitations and further research**

In today's economy where resources are scarce Satell (2015) argues: "...competitive advantage is no longer driven by the resources you control, but those you can access..." Further, he argues that it is increasingly important rather than owning resources and capabilities; it is important to have access to platforms that enable technology, talent, and information. In this sense in an increasingly complex society, companies cannot continue to do it all by themselves and will win a competitive advantage if the latter is able to cooperate with others. Therefore, the inter-firm cooperative approach has been studied to grow new talent pools.

The study focused on the creation of new talent pools through cooperative cooperations by making use of a simplified version of the overarching and dynamic multilevel model of cooperation developed by Bengtsson and Raza-Ullah (2016) looking into the drivers of cooperation, outcomes, and tensions that may arise in this type of environment.

Based on the results of this work and taking into consideration the first proposition of this study, companies phasing a harsh environment will be more willing to cooperate to create talent pools. It can be assumed that when external drivers are so high that relying solely on the government's ability to solve the talent pool difficulties is not seen as an option anymore and brings partners together. Increasing bargaining power as a group to make a change towards the desired skills development is seen as a major force to cooperate amongst partners. Nonetheless, the dialogue with governmental institutions is continuously required, and it seems that it requires the support of institutions knowledgeable in work with authorities. Therefore, the role of mediators within a cooperative environment to work with governmental institutions to grow talent should be further studied as the connective link amongst private sector and public institutions.

In relation to the second proposition, it can be concluded that limited internal capability of companies to bring up financial as well as administrative resources or the ability to make a bigger change in society towards a common goal are also factors that enforce a cooperative environment to grow talent. The two cases analysed showed that through cooperation not only new talent pools could be opened, but also the mutual exchange and trust gained permitted a learning experience as well as an exchange of ideas. This can have a trickle effect on activities and opinion exchange in other fields outside of the cooperation's major goal building talent.

Despite overall a positive outcome regarding talent acquisition, it can also be argued that the coopetitive environment needs a high level of commitment and trust amongst partners. The stability of the coopetitive environment needs to be constantly put at proof as tensions due to the role the firm and its representatives take in the coopetitive construct. The firm's intrinsic values and processes may conflict with the intrinsic values and processes of the partner's company. Also, the construct of a coopetitive environment bares tensions related to resource allocation as well as organizational activities. In order to avoid these type of conflicts, a collaborative conflict solving approach is recommended in coopetitive partnerships according to Tidström (2014). Latter understands collaboration as a situation in which both parties find themselves in a win-win situation as both are satisfied with the outcome. Thereby Gross & Guerrero (2000) argue that to reach this state the involved parties will try to look into innovative and creative solutions that will comply with the needs of the actors involved as well as the network. Additionally, to manage tensions related to information, the role of good project management which can be taken over by a third party mediator is key to the success of a coopetitive strategy (Chiambaretto & Fernandez, 2016).

Further, in the case of building a new VET-program, it is important to have all stakeholders on the same level of subject knowledge as departing from different levels may bring conflicts along the way. In order to avoid this type of tensions, the authors suggest having exploratory workshops to identify the level of knowledge to be able to bring up partners to the same level and goal expectations.

There are some limitations related to this study which are worth noting. First, the study is limited in perception as only one company of the manufacturing sector and only the perception of human resources managers were in scope. Although key respondent research is well respected (Marshall, 1996) this limitation has the potential of biasing the results. Therefore, it is recommended to extend the research to more manufacturing firms and additional management levels. Second, the survey gives a limited view of the development of the coopetition environment as it is focused on the initiation phase. A longitudinal approach to the development and long-term stability of such a coopetitive environment to build up talent pools as suggested by the model of Bengtsson and Raza-Ullah (2016) should be considered in the future.

In 2018 global talent shortage reached a 12-year peak according to a talent shortage survey done by Manpower Group stating that one-third of employers cannot fill positions is due to lack of applicants. Therefore the need to build and unite capabilities to create new talent pools is more current than ever before. This paper provided an initial analysis of how coopetitive cooperations amongst firms in search of the same skill set is a way to access new human capital pools to solve this challenge. Future research should focus on how coopetitive collaborations to foster human capital can best be structured. Also, the influence of coopetition on the development of new skills sets in cooperation with educational parties is worth studying. Lastly, coopetition is perceived as a means to an end to find a solution to human capital challenges and should, therefore, be enforced.

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