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Coexistence of Trust and Opportunism in Cooperative Projects between Startups

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Abstract

The present study starts from the paradox of the coexistence of opportunism and trust in inter-organizational relationships to analyze how opportunism and trust develop in cooperative projects between startups. To this end, six projects were analyzed through ten semi-structured interviews in the context of a multiple case study. The data were analyzed using the content analysis technique. As the main results, the coexistence of trust and opportunism was observed, and it did not threaten the continuity of cooperative projects. An interactional dynamic of opportunistic bases emerged when it was not possible to identify the integrity-based dimension of trust. Also, opportunism was not identified in projects where the integrity-based dimension existed. The study contributes to the literature on the coexistence of trust in the context of cooperation. There are no records of empirical research on the phenomenon in cooperative projects. The results also offer practical implications about the relevance of competencies that allow the management of relationships with different levels of trust and opportunism.

Keywords: interorganizational relationships; cooperation; contracts; trust; opportunism.

Introduction

The coexistence of trust and opportunism in inter-organizational relationships has received empirical support in the literature (Lado, Dant, & Tekleab, 2008; Villena, Choi, & Revilla, 2019). However, they have traditionally been understood as opposite ends of a continuum (Blome, Preuss, & Paulraj, 2020). Despite empirical support, such studies have been conducted primarily in the value chain context, focusing on vertical relationships and large corporations. The present research proposes investigating this phenomenon in cooperative projects between startups to contribute to the literature on the coexistence of trust and opportunism in cooperative inter-organizational relationships.

The cooperation strategy refers to coordinated actions performed by organizations in interdependent relationships. The aim is to achieve mutual objectives with due reciprocity over time (Anderson & Narus, 1990). It can facilitate access to resources (Kumar & van Dissel, 1996) and restrict rivalry between organizations (Gulati, 1998). Trust is a crucial relational aspect in this type of arrangement (Malhotra & Lumineau, 2011; Zaheer, McEvily, & Perrone, 1998). However, the present research starts from the understanding that even cooperative relationships based on trust are susceptible to opportunism, mainly if they are governed by contracts, as the partners may attempt to manipulate their contributions and commitments (Luo, 2006a).

Power asymmetries related to the possession of information or knowledge can lead to dependence and favor tolerance in the face of opportunism, characterizing a trap in cooperation (Grandinetti, 2017; Jap & Anderson, 2003). However, there is the suggestion that opportunism and trust can coexist in the relationship (Blome, Preuss, & Paulraj, 2020). The so-called dark side of entrepreneurial motivation is also worth noting. Opportunism can quickly become an option for entrepreneurs to ensure better value for money for the relationship by exploiting better opportunities (Evanschitzky, Caemmerer, & Backhaus, 2016) external to the cooperation. Could this dark side also be characterized by cooperative projects between startups?

Applying research to startups stems from the fact that these are not smaller versions of large companies. The way their processes develop and the consequences of management are potentially different (Blank, 2013). Startup managers are willing to accept high levels of risk and the aspiration for rapid growth. (Weiblen & Chesbrough, 2015). Moreover, a startup's set of initial conditions, such as its relationships and resources, usually have a lasting impact on the future of the venture (Brattström, 2019).

Thus, this research aimed to analyze how trust and opportunism develop in cooperative projects between startups. In particular, it sought to investigate whether opportunism and trust can coexist in this context and describe how these relate to project continuity. This study extends the literature on the coexistence of trust and opportunism in inter-organizational relationships by presenting empirical evidence from the context of cooperative projects between startups. Furthermore, it contributes to the literature on trust relationships by reinforcing the importance of empirical studies adopting a multidimensional construct perspective. Finally, it contributes to the practice as well, as it discusses the need for cooperative project managers to be prepared to manage relationships with different levels of trust and opportunism, or even with the existence of both.

Theoretical Framework

Gulati, Wohlgezogen, and Zhelyazkov (2012) state that three theoretical perspectives study cooperative relationships and suggest different ways to remedy their failures: economic, socio-structural, and trust-based. At first, the economic perspective emphasizes relationship assessment and establishing proper controls and sanctions based on legally enforceable contractual agreements to mitigate or limit opportunistic behavior (Luo, 2006b; Williamson, 1991).

Williamson (1985) defines opportunism as "the pursuit of self-interest seeking with guile . . . , the incomplete or distorted disclosure of information, especially calculated efforts to mislead, distort, disguise, obfuscate, or otherwise confuse" (p. 47) the partner. The basic idea of opportunism involves a partner engaging in ethically questionable actions in the context of relationships between partners and organizations based on individual motivations that are malicious and potentially dysfunctional. However, this definition is too general, as it refers to different forms of governance, such as market, hybrid form, and hierarchies, without a specific focus.

Luo (2006a) presents a specific definition of opportunism in cooperative relationships. It refers to acts or behaviors performed by one party aiming at unilateral gains to the detriment of the other. In other words, the malicious content of opportunism lies in the interest for unilateral gains to the detriment of the partner's gains in a cooperative relationship that, by definition, aims at a joint gain. This context encompasses the violation of explicit or implicit agreements, withholding or distorting information, withdrawing promises or avoiding obligations, and acting in bad faith concerning joint gains.

The author, as mentioned above, also categorizes opportunism into a strong type involving the violation of explicit norms in terms, clauses, or conditions of formal contracts and respective additive terms. Furthermore, a weak type refers to actions that violate relational norms not specified in a contract but incorporated in the members' shared understanding in a relationship. Such categorization does not concern the intensity of the effects of the opportunistic action but rather how easily observable the action is.

Researchers observed that information asymmetry, internal uncertainty, and one-sided dependence increase the potential for opportunism due to the establishment of power asymmetries between partners (Kloyer, Helm, & Aust, 2019). In such a context, they may withdraw from cooperation and act only according to their interests (Williamson, 1985). However, the partner may perceive such behavior as a betrayal, resulting in an aggrieved reaction (Kumar & van Dissel, 1996). Economic theories, such as Transaction Cost Theory and Agency Theory, present several contractual mechanisms by which partners can protect themselves from the potential for opportunism to mitigate its occurrence (Eisenhardt, 1989; Jensen & Meckling, 1976; Williamson, 1991).

Nevertheless, recent studies point out the lack of attention of these theories towards the behavioral issues of individuals, as relational aspects of the interaction could not be ignored (Evans & Tourish, 2017; Pepper & Gore, 2015). Thus, the present study also considers the other perspectives posited by Gulati et al. (2012), searching for integration between the economic view and the relational view for studying cooperation between startups.

The socio-structural perspective broadens the economic focus, considering direct and indirect social ties and reputation in partner selection to deter opportunistic behavior (Gulati et al., 2012). It is noteworthy that reputation is a social tool to reduce uncertainty when interacting with unknown

partners (Bromley, 1993). Possible threats to one's reputation could discourage uncooperative behavior (Gulati & Gargiulo, 1999), such as those related to opportunism. Coleman's (1988) studies foster this understanding, which proposes that economic activity is shaped and restricted according to the social context in which it takes place.

The third perspective explained by Gulati et al. (2012) for the study of cooperation is the trust-based perspective, which uses psychosocial mechanisms to avoid failures in cooperation and promote relationship stability. Even if it has an incentive to behave opportunistically, the partner may choose not to do so because such action would violate its principles and values. Thus, trust is a psychological state that comprises the intention to accept the condition of vulnerability based on positive expectations of the other's intentions or behavior (Rousseau, Sitkin, Burt, & Camerer, 1998) - a definition used in this study. It is worth noting that trust is a multidimensional construct (Villena et al., 2019) and presents different consequences depending on the dimension.

This research considers three different dimensions of trust: competence, integrity, and affective. On the one hand, the competence dimension refers to the perceived ability of the partner to behave or perform activities as expected (Malhotra & Lumineau, 2011). On the other hand, the integrity dimension concerns perceptions about the partner's motivations, honesty, and character that are the basis of trust, emphasizing the social and attitudinal aspects of sustaining the relationship (Connelly, Crook, Combs, Ketchen, & Aguinis, 2015).

Empirical studies reinforce that the belief in a partner's integrity and competence promotes cooperation and can improve performance (Villena et al., 2019; Zaheer et al., 1998). While competence-based trust starts from a rational decision-making process, the affective dimension relies on emotions concerning feelings generated by care. It is restricted to personal experiences and ties with the partner (Johnson & Grayson, 2005).

It is possible to connect the perspectives explained to study cooperation between startups. The levels of analysis (individual, interpersonal and organizational) are mixed in these companies, as the founders can also be employees, managers, and representatives - sometimes, the same person can exercise all these attributions. For example, it is well known that the set of norms and values of its founders and early relationships and resources influence the path a startup will follow in the future (Baron et al., 1999; Brattström, 2019).

Thus, issues related to contracts, reputation, social norms, accepted behaviors, and the basis for trust in startups may depend on the deeds and perceptions of the individual founder of the company. Using the economic, socio-structural, and trust-based perspectives to analyze the development of opportunism and trust relationships in the cooperation between startups offers the complementarity needed to understand this matter.

It is worth noting the possibility of coexistence of opportunism and trust in inter-organizational relationships (Lado et al., 2008; Villena et al., 2019). The perspectives explained by Gulati et al. (2012) present opportunism as a flaw in cooperation, suggesting its mitigation. Traditionally, opportunism and trust have been understood as opposite extremes (Blome et al., 2020). The possibility of such coexistence is paradoxical, a fact that can hinder the investigation and understanding of this phenomenon due to the binary logic imposed by science focusing on "either/or" type thoughts and not on "both/or" as already put by Lado et al. (2006) and Lado et al. (2008). These latter authors reinforce the need for researchers to adopt a more complex, realistic,

and less naive view of human motivations. The present study follows this position to analyze this phenomenon.

Along these lines, Lado et al. (2008) conducted an empirical study to investigate the paradox of the coexistence of opportunism and trust in the context of relational contracts. The results presented various combinations of different levels of opportunism and trust, including the context in which both coexisted at high levels producing positive effects on the relational contract. The main empirical implication was the possibility for managers to choose which relational setting they prefer to work in, adjusting the management mode. More recently, Villena et al. (2019) investigated the positive and negative effects of trust using secondary data on 133 business relationships and found results consistent with the suggestion of such coexistence.

Despite these empirical supports, studies that have supported the coexistence of opportunism and trust usually focus on vertical relationships or large corporations. Differently, the present study seeks to analyze the phenomenon in cooperative projects. In this vein, Grandinetti (2017) analyzes two types of dark side in cooperative relationships involving the presence of opportunism. In the first case, the disadvantaged partner knows what is happening but remains trapped in the relationship because of a power imbalance and strong dependence, characterizing a kind of trap. In the second case, the relationship is affected because one of the partners exploits an information asymmetry, keeping secrets.

It is worth noting that the harmed partner may act passively in the face of opportunistic behavior due to idiosyncratic investments that characterize the condition of dependence (Jap & Anderson, 2003). Organizations may also decide to continue the interaction if the expected return through the relationship is higher than the costs associated with the risk of opportunism and its consequences (Lado et al., 2008). Opportunism can also be the dark side of entrepreneurial motivation, which cannot be neglected in startups. Studying franchises, Evanschitzky et al. (2016) observed that opportunism could become an option for entrepreneurs to ensure better value for money for the relationship in case of better external opportunities.

The existence of trust promotes cooperation (Zaheer et al., 1998), offers different dimensions for maintaining decision making in the cooperative relationship (Connelly et al., 2015; Malhotra & Lumineau, 2011; McAllister, 1995), as well as reputation favors the choice of good partners (Gulati & Gargiulo, 1999; Gulati et al., 2012). However, opportunism could be understood as inherent in relationships between organizations, as the partners may attempt to manipulate contribution and commitment levels (Luo, 2006b). Therefore, the development of trust and the excellent reputation of the partner may not necessarily decrease the occurrence of opportunism in cooperation. On the other hand, if it does, one should investigate whether the different dimensions of trust developed in the relationship may be related to this context.

Methodological Procedures

The researchers conducted qualitative research to enable the achievement of the proposed objectives, given the need for an in-depth understanding of the meanings and situational characteristics of the phenomenon of interest (Richardson, 1999). As conceptualized by Vergara (2010), two criteria were adopted to classify this research. First, for the purposes, it is classified as exploratory. The research starts from theoretical assumptions for deepening studies within the

limits of a specific reality providing a higher level of knowledge, besides the limited accumulated knowledge about the coexistence of trust and opportunism in cooperative projects. This research is also characterized as descriptive since it exposes and discusses the characteristics of the analyzed phenomenon.

The researchers conducted multiple case studies, concerning the means, due to the interest in understanding the phenomenon in depth. Such an approach allows holistic characteristics of real-world events to be retained. Also, there is an increase in the analytical benefit when working with more than one case (Yin, 2015). The option was for the theoretical replication perspective to analyze contrasting cases.

The data collection was of a primary nature (Richardson, 1999) through semi-structured interviews with representatives of startups in the Federal District of Brazil. The data collection region is due to accessibility and convenience. The selection of the startups participating in the study followed three criteria: completion of incubation stages of the business idea, that is, all the startups were already participating in the market; involvement in cooperative projects with other startups; and continuity of the startup's activities, that is, the researchers did not include startups that activities had already been terminated.

A list was drawn up through virtual research to find startups headquartered in the Federal District. The interviews were scheduled by e-mail, telephone, or face-to-face visits to startup accelerators and coworking centers, depending on the availability of information. The researchers interviewed ten representatives of startups in six different cooperative projects. It is worth noting that the relationships established between the startups involved providing services, joint development of activities, or commercial partnerships. Table 1 presents details of the profile of the interviewees in the context of each project.

Table 1
Interviewee Profile

Project	Sector	Startup	Interviewee			
			Role	Academic Degree	Age	Gender
1	Financial	A		Bachelor	52	
		B		Master	31	
2	Access Control	C	Founder	Bachelor	28	Male
		D		Bachelor	27	
3	Financial	E		Master	38	Female
		F		Chief Technology Officer	Bachelor	
4	Financial	G		Bachelor	40	
		H		Master	55	
5	Access Control	I	Founder	Bachelor	29	
6	Education	J		Bachelor	34	

Source: Prepared by the authors.

Most interviews occurred face-to-face, except for one conducted via video call. Data collection occurred between July and September 2019, with interviews lasting an average of 50 minutes each. All interviews were recorded and transcribed to support subsequent data analysis. The categories of analysis were formulated ex-ante from the theoretical basis presented in this study. Where applicable, the researchers added subcategories of analysis considering the different dimensions of the constructs. Table 2 shows such categories and subcategories.

Table 2
Categories and Subcategories of Analysis

Category	Dimension	Main Theoretical Bases
Cooperation	Economic, socio-structural, and trust-based.	(Anderson & Narus, 1990; Gulati & Gargiulo, 1999; Gulati et al., 2012; Luo, 2006b; Rousseau et al., 1998; Williamson, 1991)
	Integrity	(Connelly et al., 2018)
Trust	Competence	(Malhotra & Lumineau, 2011)
	Affective	(Johnson & Grayson, 2005)
	Determinants	(Kloyer et al., 2019)
Opportunism	Weak Type	(Luo, 2006a)
	Strong Type	

Source: Prepared by the authors.

The interview script was evaluated by two Ph.D. professors with experience in research on inter-organizational cooperation and adjusted according to their suggestions before the beginning of the field research. The study's unit of analysis is represented by the cooperative projects developed between dyads of startups. Due to the availability limitations of the potential interviewees, it was only possible to interview one of the partners in two of the six projects considered. Nevertheless, the level of detail of the information collected on such projects exceeded initial expectations. Thus, the researchers decided to keep these cases in the analyses. Table 3 presents the research protocol used.

Table 3
Research Protocol

Category	Guiding Questions	Followed procedures
Characteristics of Cooperation	1. What motivated the choice for the partnership? Was the company already known? Was there a friendship relation?	(a) All guiding questions were asked in all interviews.
	2. Was it possible to achieve the expected goal through the partnership? How do you evaluate/measure it?	
	3. How important has this partner become to the business? Why or why not?	
	4. How did the negotiations and execution of this project flow? Is there any difference in relation to other partnerships?	
	5. How were the obligations and responsibilities of each party agreed upon? Were there only verbal promises?	
	6. Were formalization contracts drawn up? What was the document like?	
Trust	7. Was there trust between the companies during the project? Give examples to justify your answer.	(c) Depending on the perceived need, the respondents answered questions asking for examples and in-depth descriptions.
	8. How did the trust relationship between the companies develop throughout the project?	
	9. Do you intend to develop new projects with this partner?	
	10. In which aspect did the partner provide more security?	
Opportunism	11. Did the partner present all the necessary technical competencies?	(d) Interviewees were always informed of new thematic categories to be addressed as the interview progressed.
	12. Which company had the most technical knowledge needed for the project?	
	13. Was there any kind of dependency (technology, knowledge, information)?	
	14. Which company held the critical information about the progress of the project? How was the communication and sharing of this information? Were there any problems?	
	15. Was the outcome of the project as expected? Did the contract need to be modified? Why or why not?	
	16. Were verbal promises honored? Did the partner strive to fulfill its responsibilities?	
	17. Did the partner exhibit any unexpected behavior?	
	18. Did the partner conceal or manipulate information? Did the partner act for his or her own benefit?	

Source: Prepared by the authors.

Finally, the data analysis consisted of a content analysis based on the categories and dimensions presented in Table 2. The phrase was the unit of record, and the theme was the unit of context, besides the schematization proposed by Bardin (1977). The researchers used the software IRAMUTEQ version 0.7 to treat and retrieve text segments adherent to the research scope. The most representative speech excerpts about the phenomenon were classified according to *ex-ante* categories. The successive reading of the transcribed interviews after due classification allowed the understanding of similar and differentiating characteristics, guiding the interpretations presented in the article's next section.

Findings and Discussion

Table 4 summarizes the main results discussed in this section. It shows each projects' scope and functioning of the cooperation, the types of opportunism identified, dimensions of trust, and whether the cooperative project presented continuity. At first, the researchers identified the coexistence of trust and opportunism in cooperative projects. Consistent with previous findings (Lado et al., 2008; Villena et al., 2019), the presence of opportunism did not always generate negative consequences or project discontinuity. The development of different dimensions of trust, on the other hand, seems to be fundamental to understanding this coexistence and the influence on the continuity of the relationships.

Table 4
Analytical Summary

Case	Partnership Duration	Scope	Operation of the Cooperation	Type of Opportunism	Trust Dimensions	Did the Project Continue?
1	1 year and 6 months	Startup B provides quality and user experience consulting for applications developed by startup A.	Startup A negotiated a consulting service contract with B. After the initial service provision, the startups became partners with B having a 6% stake in A.	Weak Type	Competence	Yes
2	1 year and 6 months	Startup C provides the technology it has developed to startup D to explore a different market niche.	Upon learning about the technology developed by C, D proposed the opening of a new startup that would commercialize products with such a technological base. C has no formalized ownership interest in D, and the startups remain independent, with no hierarchical or monitoring relationship.	No opportunism was identified	Competence Integrity	Yes
3	2 years	Startup E develops the application used by F in his business.	Startup E hired F to develop an application after receiving a referral. Even before the end of the initial project, F's then-partner had a 30% equity stake in startup E, where he took on the role of director of information technology.	No opportunism was identified	Competence Integrity	Yes
4	3 months	Startup G develops the application used by H in his business.	Startup H had no experience with development and hired G to develop its application. Since the beginning of the relationship 3 contracts have been negotiated, but startup H has no interest in partnering with the partner.	Strong Type Weak Type	Competence	Yes
5	2 years	Startup I provides the technology it has developed for use in the system marketed by the partner startup.	The founders of the startups met at an event and I saw the cooperative project as an opportunity to boost his own business. I's technology is offered in the partner startup's app as an additional service, but I's brand is not displayed in the app.	Strong Type Weak Type	Competence	Yes
6	1 year	Startup J provided project management consulting to the partner startup.	The founders of the startups already knew each other from a past friendship. The partner startup made the proposal to supply J's needs in exchange for project management consulting. Such needs involved physical space, support in finding investors, and support in marketing the products.	Strong Type Weak Type	Affective	No

Source: Prepared by the authors.

In projects where cooperation had continuity, it was possible to characterize trust based on competence. The technical security that involves the competence dimension was the main factor that motivated the selection of partners and the beginning of cooperative relationships. Empirical evidence reinforces this interpretation: *"He sees us as his technical arm; we built this trust relationship because of that"* (Project 1, Startup B, 2019). Also: *"She felt much technical security, so she created this bond of trust"* (Project 3, Startup E, 2019). After the beginning of the relationship, integrity-based trust was also developed in some projects depending on the partners' behavior.

Integrity-based trust was present with the competence dimension in projects 2 and 3, where opportunism was not identified. Projects 1, 4, 5, and 6 differed from those described concerning the characterization of only one dimension of trust in the relationship (competence or affective) and the identification of opportunism. It may be possible that trust in the partner's integrity has contributed to the absence of opportunism in projects 2 and 3. Such interpretation concludes that trust based on integrity is more effective in reducing transaction costs concerning trust based on competence (Connelly et al., 2018).

In project 1, a strong dependency relationship was not characterized: *"It would not be an irreplaceable loss"* (Project 1, Startup A, 2019). Also: *"I do not imagine there is any kind of dependency that strong"* (Project 1, Startup B, 2019). The relationship had its bases in a detailed formal contract with several safety mechanisms to mitigate the partner's bad behavior, in sync with the economic perspective of studying cooperation (Gulati et al., 2012; Luo, 2006b). Nevertheless, the good relationship of the partners seems to mitigate the chance of possible problems:

I understand that he is a very reasonable person. I do not think it will ever get to that level. I think it is improbable that we will reach the level of executing the contract. So, I think that we can get it right in the conversation itself. (Project 1, Startup B, 2019)

The researchers identified an episode of weak opportunism in project 1 during the negotiation phase of purchasing equity participation quotas. As reported by startup B, the trust relationship that already existed due to previous services favored the informal agreement of values later modified by startup A when added to the contract. However, this episode did not prevent the contract reformulation and the project from continuing. No other episodes of opportunism were subsequently identified. Verbally, the partners valued flexibility and honesty in their business relationships. However, the findings point to a relationship governed in detail by a punitive contract concerning opportunism, very similar to that posited by theories such as Transaction Costs and Agency (Eisenhardt, 1989; Williamson, 1991).

In project 2, although there is a high level of dependence among the startups, this dependence did not increase the potential for opportunism. As reported: *"They are everything to my company because if they go off tomorrow, I go off together"* (Project 2, Startup D, 2019). The relationship does not even have a formal contract:

In this part of the contract, we give importance to these models that we already have for confidentiality and intellectual property. Many things end up being just by email, the terms defined by email registered in writing. So, we end up not signing a formal document. (Project 2, Startup C, 2019)

Trust-based cooperation can better describe the interaction in project 2 (Gulati & Gargiulo, 1999; Rousseau et al., 1998). Trust in the partner's integrity superseded the need for a formal contract in project 2, a possibility already suggested by Ring and Van De Ven (1994). According to Table 4, no opportunism was identified in this project even though no contract establishes sanctions for the partners' unethical behavior. The combination of trust in the competence and integrity dimensions may have assisted in promoting cooperation and mitigating opportunism, in line with previous suggestions (Malhotra & Lumineau, 2011; Zaheer et al., 1998).

Similarly, there was no opportunism in project 3, which also relied on the dimensions of trust based on competence and integrity. This pattern was distinct in the other projects, i.e., the characterization of the coexistence of trust and opportunism may depend on the dimension of trust developed in the relationship. Thus, there is a need to consider different dimensions of trust in empirical studies on this theme, as Villena et al. (2019) already stated. It is noteworthy that the belief in the partner's reputation due to third-party referrals may have facilitated the development of integrity-based trust in project 3. This referral occurred from a person in the business relationship cycle of the startup that hired the service. These findings reveal the importance of reputation and social ties in the context of projects, in line with the socio-structural and trust-based perspectives of cooperation (Gulati & Gargiulo, 1999; Gulati et al., 2012).

Nevertheless, the economic perspective (Luo, 2006b; Williamson, 1991) was also characterized in the analyzed cooperative projects. Almost all interviewees detailed the formal contracts that guide the project's scope, explaining that these establish sanctions in case of opportunistic behavior or withdrawal of one of the partners. However, the contract seems to be left in the background, like a mere context formality in some cases. What supports such an interpretation is a strong type of opportunism in projects where the cooperation keeps working. For example, the researchers understood the delay on formally agreed-upon payments as opportunism, following Luo's (2006a) definition. The delay was interpreted as an attempt to avoid obligations. This condition was frequent and almost constant in projects 4 and 5. A possible explanation for the tolerance to frequent payment delays is the cost-benefit ratio understood by the startups concerning this type of opportunism in the face of the possible results resulting from cooperation (Lado et al., 2008).

The frequent delay in payments could be related to the dark side of entrepreneurial motivation. In this case, startups could favor opportunities external to the cooperation, such as payments to suppliers, to ensure a better cost-benefit ratio with the project (Evanschitzky et al., 2016). Furthermore, integrity-based trust was not identified in projects 4 and 5. The definition of trust used in this study considers accepting the condition of vulnerability based on positive expectations of the other's behavior (Rousseau et al., 1998). Therefore, there is no trust in the partner's integrity since expectations on agreed-upon payments often fail to be confirmed.

The dynamics of opportunism in the relationship is the main point in projects 4 and 5. It is worth highlighting the strategy adopted by startup G to deal with the constant delays in payments agreed with startup H: "*We do not deliver the source code; it stays with us until we receive everything*" (Project 4; Startup G, 2019). Luo (2006a) classifies this reaction as strong opportunism. The deadline for delivering the source code is fixed in a formal contract and characterizes the avoidance of an obligation. Similarly, while the partner frequently delays the agreed payments, startup I deliberately do not puts effort into the execution of the project: "*There are some demands*

from them that we need to meet in the short term . . . [but do not]" (Project 5, Startup I, 2019). These projects are embedded in an economic dynamic of action and reaction of the injured party (Kumar & van Dissel, 1996) to make up for the absence of trust based on integrity. The thinking is that if one cannot trust, the solution is to act similarly.

It is noteworthy that there is no dependency relationship between the startups in project 4: *"Any other company can continue development"* (Project 4, Startup G, 2019). Therefore, following an economic view of cooperation, as the partners increasingly focus on their own interests to the detriment of the joint interest, cooperation may cease (Williamson, 1985). For example, in project 5, the partner has a certain level of dependence on the technology provided *"They understand that the technology we are offering is not so available. It is not just any competitor of ours that is going to come in and be able to have the same type of contract"* (Project 5, Startup I, 2019). In this case, Startup I exploits this dependence and takes advantage of information asymmetries to avoid obligations and not make an effort it could in the execution of the project, characterizing weak opportunism and a type of dark side of cooperation (Grandinetti, 2017).

The integrity dimension was absent in project 6, where the researchers identified only affective trust. The founder of startup J already knew and had a friendly relationship with the founder of the partner startup. It is noteworthy that this was the only project where the startups terminated the relationship. The partners decided to end the cooperation because the partner startup had taken advantage of potential investors of startup J. They agreed startup I would prospect investors for the project. However, when facing a possible investor, the startup prioritized its own business and not the cooperative project developed with J. Thus, strong opportunism. Weak opportunism involved repeated attempts to hide information about activities.

The essence of the affective dimension refers to trusting a partner based on emotions. As emotional connections deepen, trust can venture beyond what is justified by available knowledge (Johnson & Grayson, 2005). This element of the affective dimension can make the relationship less transparent, as reported: *"Transparency was lacking, and I did not demand transparency"* (Project 6, Startup J, 2019). Project 6 also struggles with two types of dark sides described by Grandinetti (2017). Thus, the dark side of cooperation can also happen in cooperative projects between startups. The partner took advantage of the no transparency requirement to exploit information asymmetries and keep secrets – the trapping condition. Startup J became aware of the opportunism but still maintained the relationship for a certain period due to the dependency condition:

I had already seen this [opportunism], but I thought: So, what am I going to do? He was not doing what I expected him to do, but what could I do? What else do I have? This limitation of another perspective made me take the situation longer than I should have. I realized it, but it took me a long time to wake up. (Project 6, Startup J, 2019)

This dependence occurs due to idiosyncratic investments made during the project, particularly the provision of physical space to startup J and support in finding investors. Dependence on investments like these can lead to passivity in the face of opportunism (Jap & Anderson, 2003). In other words, the tolerance to opportunism in project 6 did not derive from a possible cost-benefit relationship as in projects 4 and 5 but from the fact that there was no other option. The affective trust dimension may have contributed to the closure of the relationship due to its focus on emotions

and feelings, as the latter may favor not demanding transparency, as was the case. In addition, they can accentuate information asymmetry between the parties and, consequently, increase the potential for opportunism (Kloyer et al., 2019).

The results presented made it possible to distinguish two configurations of the relationship between trust and opportunism in the cooperative projects analyzed. First, there were indications that the set of trust dimensions based on competence and integrity can limit the potential for the opportunism of the partners. Second, in the absence of integrity-based trust, an action-reaction dynamic was adopted in which opportunism becomes the focal point for relationship management. In both configurations, the cooperative projects presented continuity. Additionally, one of the projects analyzed ceased due to the exposure to the "hidden side" of the cooperation. However, the affective trust dimension may have favored the lack of transparency in negotiations after a specific moment, generating dysfunctional consequences to the relationship. According to Villena et al. (2019), as trust reaches high levels, the partner's objectivity may decrease, manifesting in reduced monitoring and loss of efficiency in the project.

Limitations, Implications, and Suggestions for Future Research

The present research's first limitation is that the researchers obtained access to only one terminated cooperative project. The analysis of more discontinued projects could reveal patterns or distinctions regarding the relationship's trust dimension, as in projects 2 and 3, where integrity-based trust was present and opportunism was absent. Therefore, observing more discontinued cooperative projects is a suggestion for future research that addresses similar themes.

Nevertheless, opportunism does not seem to be the main point for understanding the coexistence situation. Nor is it the only point to be considered when faced with the discontinuity of cooperative projects. What differentiated the projects was the dimension of trust developed in the relationship. Consistent with previous studies, opportunistic behavior occurred even though trusting relationships existed in the relationship. Moreover, the dark side of cooperation was characterized in cooperative projects between the startups. The importance of the trust dimensions based on competence and integrity in limiting the potential for partner opportunism is also worth noting.

Therefore, the first theoretical implication of the present study is related to the empirical observation of the paradoxical perspective between trust and opportunism in cooperative projects. These findings suggest that opportunism does not inevitably threaten relationships since the expected return through cooperation may be higher than the potential costs associated with opportunistic behavior. Such a finding also reinforces recent criticism that transaction and agency cost theory could not ignore relational aspects of interaction. Finally, the dynamics of partners' actions and reactions in the face of opportunism in projects 4 and 5 are empirical evidence of this context.

The second theoretical implication is due to the relevance that different dimensions of trust have in cooperative projects. Depending on the trust dimension developed, there was a limitation of the partner's opportunism or the coexistence of trust and opportunism. The competence dimension, in isolation, coexists with opportunism because of the economic dynamic of action and

reaction of the injured partner. The startups consider the cost-benefit of maintaining the relationship, even when there is no trust in the partner's integrity. Given these results, the researchers recommended that future studies consider the multidimensional perspective when addressing the issue of trust. Besides those addressed in this study, other dimensions of trust in the literature may reveal different conclusions about coexistence with opportunism. Future studies that consider these distinct dimensions are encouraged.

As a practical implication, this research highlights the importance of cooperative project managers identifying which dimensions of trust are involved in relationships. In addition, these managers must receive adequate training to acquire competencies to effectively manage relationships in which trust coexists with opportunistic behavior. Finally, from the managerial perspective, one could study inter-organizational relationship strategies involving tolerance for partner opportunism for their applications to be more technical.

In which situations can the risk be worth the benefit? As opportunism is inherent to inter-organizational relationships in cooperative projects between startups, would it always be necessary to tolerate opportunism without trust in the partner's integrity? These and other questions reveal several possibilities for future empirical research on the coexistence of trust and opportunism in cooperative projects.

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Conflict of Interest

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