

A Study of the Challenges of Coopetition in the Woodworking Industry Environment in Malaysia

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ABSTRACT

Coopetition can be characterized as a combination of cooperation and competition. The desire to increase their share of the alliance's revenue is shared by both the antagonistic parties. The purpose of this study was to examine the challenges of coopetition in the woodworking industry environment in Malaysia. The problem addressed in the study includes issues such as the availability of raw materials, labour shortages, shipping prices, and low productivity in the woodworking industry environment. To address these problems, the researcher conducted in-depth qualitative interviews with a purposive sample of nine owners or managers in the woodworking industry environment in Negeri Sembilan and Johor, Malaysia. The interview questions focused on the challenges. Microsoft Word was used for thematic analysis. Significant updates were implemented in data collection and analysis methods, the collection period, and data preparation steps. Findings, derived from multiple sources, presented participant profiles, characteristics, and a comprehensive analysis of statements. Out of nine participants, seven supported themes aligning with coopetition theory in the woodworking industry environment of Negeri Sembilan and Johor, while two participants held contrasting views. This highlights that these two participants did not endorse coopetition, believing competitors wouldn't collaborate and would always remain competitors. In conclusion, this study investigates coopetition dynamics in the woodworking industry environment in Gemas, Negeri Sembilan, and Segamat, Johor, Malaysia. Challenges include knowledge and communication gaps, diverse product qualities, and market competition. With insights gathered from interviews with nine participants, this research effectively fulfils its objectives, providing robust evidence of coopetition dynamics in the woodworking industry environment.

Keywords: Coopetition, Advantages, Woodworking Industry Environment, Malaysia

INTRODUCTION

The woodworking industry environment is a broad and innovative field that includes many different types of crafts and professions. Carpenters, artisans, furniture builders, and woodworkers use wood to produce beautiful and useful items. The age-old craft of woodworking blends talent, imagination, and a respect for the natural beauty of timber (P-themes, 2023). Coopetition can be characterized as a combination of cooperation and competition. The desire to increase their share of the alliance's revenue is shared by both the antagonistic parties (Hamel, 1991; Zhang et al., 2020; Seepana et al., 2021). The main objective is to establish profitable relationships and increase value for both parties (Park and Kim, 2020; Nalebuff and Brandenburger, 1997). However, the idea of coopetition is not new. This method has been used for several years by businesses from a variety of sectors to accomplish various strategic goals (Chai et al., 2020). For instance, International Business Machines Corporation (IBM) collaborated with Microsoft (Dowling et al., 1996; Kessler, 1998), Dell computers and IBM (Albert, 1999) in the information technology (IT) sector. Similar to this, Tesco and the Royal Bank of Scotland have a competitive relationship in the UK (Martinelli and Sparks, 2003). Apple and Google (Raza-Ullah et al., 2014) and Ritala and Huizingh (2014) both claim that Amazon and Apple have a cooperative-competitive partnership

in the US.

The research is to study the challenges of collaborating with competitors in Malaysia's woodworking industry environment. This research also offers uniqueness in researching Malaysian woodworking industry environment because less research from previous paper on coopetition efforts among manufacturing companies. In the study, specifically selected Malaysia's woodworking industry environment because it has the potential to be transformed by coopetition forces due to the significantly increased demand for board products as materials to build homes, facilities, gardens, or animal boarding facilities.

The reason for choosing this article is that previous research in another country stated a few of challenges of working together with competitors in others industry, so that researcher have interested study it. There challenges of working together with competitors such as tension management, risk in coopetition, conflict management in coopetition, swift trust and swift distrust in humanitarian operations in the woodworking industry environment.

Problem Statement

In this study, researcher recognize the problems discovered in the latest news about Malaysia's woodworking sector came from various sources. According to the "Malaysian Timber Industry Board aims to hit RM28 billion worth of timber exports by 2025," its chairman Datuk Hishamuddin Abdul Karim said. The news was found on Malay Mail Latest News and Headlines. (Malay Mail, 2022, September 22)

The Malaysian Timber Industry Board (MTIB), and the article was published on 2022. MTIB will always place a high priority on empowering the growth of the nation's wood sector when dealing with current problems and challenges, such as those involving the availability of raw materials, labour shortages, shipping prices, and low productivity. Following the previous announcement of the 2022 Eastern Region Wood & Lifestyle Fair, MTIB spoke to the media to explain that it is now actively promoting the use of wood in the local market through advertising campaigns in the media, participation in exhibitions, and the organization of exhibitions like the Wood & Lifestyle Fair, which it began branding in 2016.

According to Virtanen, H. and Kock, S. (2022), inherent tension is the topic of discussion in that article. For instance, relationship-specific coopetition reasons and how these impacts perceived tension are not clearly discussed. The structure, sources, and management of tension will certainly vary depending on the motive behind coopetition, such as the desire to share costs and risks as opposed to the desire to innovate and develop new goods (Ritala, 2009). However, coopetition objectives may be indirectly expressed in, for example, the strategic importance of and the potential to profit from the collaboration. The results of the study suggest that small- to medium-sized businesses' desire to engage in coopetition is influenced by how the relationship's competing logic is handled. Unmanaged business relationships can worsen to the point that they are unacceptable, causing conflict, a loss of commitment, trust, and cooperation, and ultimately the dissolution of the collaborations (Abosag et al., 2016). More empirical research on tension dynamics and management is therefore needed. It is necessary to explore deeper into the details of how the fundamental tension in coopetition develops as well as how, when, and why practitioners in small-to-medium companies employ a variety of tension-management techniques in different types of coopetition.

Theoretical Background and Conceptual Framework

Concept of Coopetition

Coopetition, as defined by Bengtsson and Kock (2014), is a complex relationship where actors engage in simultaneous cooperation and competition, whether horizontally or vertically. This concept is strategically motivated, allowing both cooperation and competition to coexist without diminishing each other (Bengtsson et al., 2016). Coopetition spans multiple levels, including municipal, governmental, and organizational, and is a dynamic process influenced by evolving market conditions and objectives (Crick & Crick, 2019; Bouncken et al., 2015). It contributes to value creation and innovation (Bicen et al., 2021; Ritala, 2009) and often arises from the need to reduce costs and access complementary resources (Luo et al., 2007; Garaffo & Rocco, 2009). Coopetitive alliances also carry high failure rates or may yield unsatisfactory outcomes (Dussauge et al., 2000;

Bengtsson et al., 2020).

Historical of Woodworking Industry Environment in Malaysia

The Malaysian Investment Development Authority (2023) highlights that Malaysia is the world's leading exporter of wooden furniture and a major player in the global market for tropical wood and other wood products. Over the past two decades, Malaysia's economy has significantly benefited from the production of sawn timber, veneer, panel products (such as plywood, particleboard, chipboard, and fibreboard), mouldings, builder joinery and carpentry (BJC), as well as furniture and furniture components.

Overview of Woodworking Industry Environment in Malaysia

The export value of the country's timber products climbed by 3% in 2021 to RM22.74 billion from RM22.07 billion in 2020, according to Mail, M. (2022). The country's timber industry saw a 14% increase in exports between January and June of this year, reaching RM13.2 billion from RM11.6 billion during the same time in 2021.

The reason Malaysia was chosen as a research country is because, after the pandemic COVID-19, the demand for woodworking industry products was increasingly frequent, whether in Malaysia's domestic market or the international market, and the woodworking sector had the potential to gain a wider profit. Malaysia is in the top ten countries that produce and export furniture and furnishing, and its successes achieved a higher profit of RM10.41 billion. Malaysia exported the most to the following countries: The United States, Japan, Singapore, the United Kingdom, and Australia.

The Pioneer of Coopetition Research

The pioneer of written the coopetition research are Gary Hamel, Yves Doz, and C.K. Prahalad (1989), and this research created from Brighton, Massachusetts. Competition-related cooperation is appealing. The authors of this article provided a number of situations, including the manufacturing of automobiles by Toyota and General Motors, semiconductors by Siemens and Philips, photocopiers supplied to Kodak by Canon, and videocassette recorders made by Thomson in France and JVC in Japan. However, some people have expressed concern over the long-term repercussions of the expansion of what researchers refer to as "competitive collaboration"—joint ventures, outsourcing contracts, product licencing, and cooperative research. Strategic collaboration may reduce competition between the partners' businesses while strengthening both companies' barriers against external threats. It seems in particular that collaborations between Western rivals and Asian companies work against the Western partner. Collaboration offers new rivals a low-cost way to acquire access to technologies and markets.

The Challenges Working together with Competitors

Tension Management in Coopetition

According to Virtanen, H. and Kock, S. (2022), the first challenge is tension management in coopetition, in the interest of collaborative performance and the avoidance of unexpected consequences, tension management is an important responsibility. Two organizational principles—a separation and an integration principle—have been presented in earlier research for managing stress in coopetition (Fernandez et al., 2014b). According to the separation principle, cooperative and competing activities should be kept apart, for instance, in terms of time or space (Bengtsson and Kock, 2000; Fernandez et al., 2014b). In contrast, the integration principle suggests that one accept both cooperative and competitive commands at the same time (Chen, 2008; Wu, 2014).

According to research, tension can have positive as well as negative effects on certain behaviours, such as innovation (Chiambaretto et al., 2020; Bengtsson et al., 2010; Wu, 2014). Recent studies, however, have concentrated on the "dark side" of relationships, which happens when the unresolved conflict results from unsecured tension and increases the fallout of the relationship (Abosag et al., 2016; Fang et al., 2011; Gnyawali et al., 2016).

Tension is defined by Raza-Ullah (2020) as “the cognitive difficulty experienced by managers when they pursue multiple and ongoing contradictory demands that are inherent in coopetition” (pp. 3–4). One of the examples, in SMEs, one or a small number of key individuals who act as both partners and competitors simultaneously in coopetition have a significant role in decision-making. Conflicting positions and demands are naturally challenging to manage in practice. In an action-response fashion, they are reflected in people's behaviour and decision-making (Chen, 2008; Näsholm and Bengtsson, 2014). Individuals' perceptions and conceptualizations of coopetition are the sources of tension, and their behavioural responses to managing it are what create tension (Fernandez et al., 2014b; Gnyawali et al., 2016). Through both the temporal and spatial separation of cooperation and competition, respectively (Bengtsson and Kock, 2000), conflicting logic can be got along. For instance, spatial separation may be caused by a functional or product market issue. The reason is SMEs place contradictory demands on employees, it is important to apply the division of labour principle to reduce conflict. On the other hand, a coopetitive attitude or coopetition capability (Bengtsson et al., 2016) enhances the integration of cooperation and competition (Granata et al., 2018; Fernandez et al., 2014b). According to Tidström et al. (2018), when tension is significant, a separation logic should be used, whereas an integration logic can be beneficial when the cooperative and competitive aspects of the connection reinforce one another, creating “positive tension.” In cases where distance is either impossible or not enough, integration may be acceptable.

Research and execution skills are suggested by Gnyawali et al. (2016) to control competition and tension. Although the latter refers to the creation, implementation, and use of management practices, the former refers to having the ability to recognize conflicting logic in coopetition. Tidström et al. (2018) highlight direct interactions that support the partners' interpretations of the collaborative efforts as a means of reducing tension in addition to organizational procedures. Raza-Ullah (2020) suggests emotional and balance qualities in a same manner. The former is represented in how the enterprises' norms, practices, and cultures influence how they act to achieve coopetitive goals. The latter assists in mobilizing, integrating, and balancing continuously conflicting coopetition demands in order to achieve the highest level of achievement. When it comes to roles, the abilities of being nimble and flexible are further added by Bengtsson and Johansson (2014). SMEs must be able to create and restructure their coopetitive connections quickly in order to adapt to changes. Additionally, they must be able to balance various responsibilities in contradictory partnerships while managing multiple relationships at once.

Risk in Coopetition

The second challenge is risk in coopetition, the authors Brunner-Kirchmair, T.M. and Wiener, M. (2019) distinguish four basic causes of risk. In this article, according to Slywotzky and Drzik (2005), McConnell (2012), Verbano (2013), and Venturini (2013), strategic risks are the possibility that a company's business plan won't produce its anticipated shareholder value. This might be the outcome of poor management choices or strategic goals that might be harmful to the organization (Lam, 2017). Operational risks can be brought on by various factors, as compared to strategic risks, which are the outcome of poor decisions made by senior management (Mohammed and Sykes, 2012). Operational risk is defined as “the risk of direct or failed internal processes, people, and systems or from external events” by the Basel Committee on Banking Supervision (2001, p. 2). Operational risks are consequently not created voluntarily in the course of business; rather, they come about automatically.

The article focuses on financial risks that come about “through countless transactions of a financial nature” (Horcher, 2011, p. 2). In terms of investment opportunities, spending money, and raising money, corporations must make financial decisions (Brealey et al., 2014). Financial risk management requires considering the possibility that every choice and action could have an unanticipated (and undesirable) outcome. There are two types of financial risks: those that are directly influenced by changes in the market and those that are not. Changes in interest rates, currency exchange rates, commodity prices, and investment values are particularly responsible for both of these factors. Practitioners and academics prefer to talk about these risks the most, which are also known as financial risks in a more limited sense. The risks associated with liquidity and credit are those that do not immediately result from the market. It can also be referred to as financial risks in a more general sense. The risk listed here has the potential to affect reputational risk. This risk category is used to explain the possibility that an incident might damage or harm a company's reputation (also known as trust or reputational equity; Atkins et al., 2006).

Conflict Management in Coopetition

Regarding competitive organizations looking to advance, such as in performance, conflict management is an essential duty (RazaUllah et al., 2014; Seran et al., 2014). The majority of coopetitive research focuses on two conflicting principles—separation and integration—that are used to manage coopetitive tensions (Fernandez & Chiambaretto, 2016). The concept of separation is to keep competition and collaboration separate inside an organization (Bengtsson and Kock, 2000; Seran et al., 2014). People must develop a coopetitive attitude and connect collaboration and competitiveness in order to successfully implement a coopetitive strategy (Fernandez et al., 2014). Because the majority of the research on these themes is based on horizontal coopetition between competitors in R&D projects linked to new product breakthroughs, separation and integration approaches may not be appropriate for other types of coopetition.

When focusing on conflict situations in cooperative competition, there are more efficient management techniques available than separation or integration, particularly specific dispute resolution strategies including cooperation, competition, compromise, avoidance, and accommodation (Thomas and Kilmann, 1974). Searching for a solution that totally satisfies all parties involved is what collaboration refers to. By concentrating on the demands of both the participants and the network, the participating parties try to come up with fresh and innovative solutions (Gross and Guerrero, 2000). Through doing so, one demonstrates a high level of regard for both oneself and the other participants in the cooperation. Shahzad et al. (2020), for instance, found that the conclusion of contracts between businesses in a supply chain enables a more cooperative attitude to disagreements. Success or failure is typically associated with competition. Additionally, it frequently suggests behaviour that could be understood as forceful. Once more, situations when both sides give something up and come to an equitable agreement are considered instances of compromise (Rahim, 1983). Avoidance indicates a lack of self-awareness and a refusal to work together, as well as the suppression and denial of the dispute. Accommodation requires putting the interests of the other party ahead of one's own.

Swift Trust and Swift Distrust in Humanitarian Operations

Researchers claim that in order to overcome the challenges presented by the coopetition paradox, companies must develop a new common worldview (Gnyawali et al., 2016). Therefore, while admitting the frequently simple, random, and informal character of helps attempts, researchers examine the concept of rapid trust as a means of developing this new shared perspective in the context of coopetition (Tatham and Kovacs, 2010). Many people think that trust develops through time (Kramer, 1999). In swiftly formed networks, trust may not always be able to be established and preserved through the conventional means of familiarity, shared experience, and recognized promises (Meyerson et al., 1996). Swift trust is a notion that outlines how quickly connections based on trust must be established in quickly constructed networks, such as missions providing humanitarian aid. For a group of performers to quickly build trust, the behavioural expectations must be described in terms of tasks and specializations rather than personalities (Meyerson et al., 1996).

Humanitarian aid operations have been analyzed by researchers using the idea of quick trust (Lu et al., 2018). Research indicates that having reliable connections with others makes people more willing to share information, which lowers uncertainty (Lu et al., 2018; Dubey et al., 2019a), increases public awareness of the humanitarian supply chain, and enhances coordination (Dubey et al., 2018). Swift trust has also been taken into consideration in the context of sudden and dangerous incidents, such as terrorist attacks, landslides, dangerous burns, or widespread injury in traffic accidents (Olsen, 2018). This is because the first responders in these situations are frequently strangers who have never worked together before. Therefore, unlike traditional, history-based trust, which takes years to form, quick trust emerges in response to a novel set of antecedents (Altay and Pal, 2014; Olsen, 2018). These circumstances require swift trust to develop quickly. Tatham and Kovacs (2010) claim that a mix of third-party information, behavioural trust (a general predisposition to trust individuals), rules, classifications, and roles have all contributed to the history of swift trust in the humanitarian setting. This adds to the study on rapid trust conducted by Hung et al. (2004) and is compatible with Kramer's (1999) theories of enterprise trust.

In addition, Hung et al. (2004) provide routine, habitual central, and peripheral central routes for developing trust. The researchers propose that when individuals first meet and do not understand one another, they pick an

indirect way to trust, which is based on taking use of external factors including categories, roles, organizational norms, and third-party information. This road to trust requires category driven information processing (Hung et al., 2004). As they come to know one another, people employ the center pathway to develop trust. This is based on the active assessment of trustworthiness utilising the antecedents of perceived competence, integrity, and goodness, according to same researchers.

The third kind of trust is habitual, which is based on the relevant parties' shared knowledge over a longer period of time (Hung et al., 2004). Drawing on the framework proposed by Hung et al. (2004), Tatham and Kovacs (2010) contend that the peripheral path to quick trust is most suited for humanitarian endeavours. This is due to time constraints and the short history of relationships between humanitarian groups (Hung et al., 2004; Tatham and Kovacs, 2010). These results are supported by a recent qualitative study of humanitarians in Southeast Asia (Lu et al., 2018).

Studies highlight both the idea of distrust and the importance of trust. Interorganizational connections always include distrust (Kramer, 1999), which is regarded as one of the basic concepts of distrust (Deutsch, 1958). Two factors that come before mistrust include warnings of disinformation or unreliability (Fein, 1996) and category-based mistrust (Brewer, 1981). According to academics, trust and mistrust coexist because both are concerned with certainty; distrust is concerned with expectations of what is was afraid while trust is concerned with expectations of what is hoped for (Lewicki et al., 1998). Swift distrust has received less scientific research than distrust.

Conceptual Framework

The research framework outlines the steps to keep the study focused. Figure 1 presents the operational framework for this study.

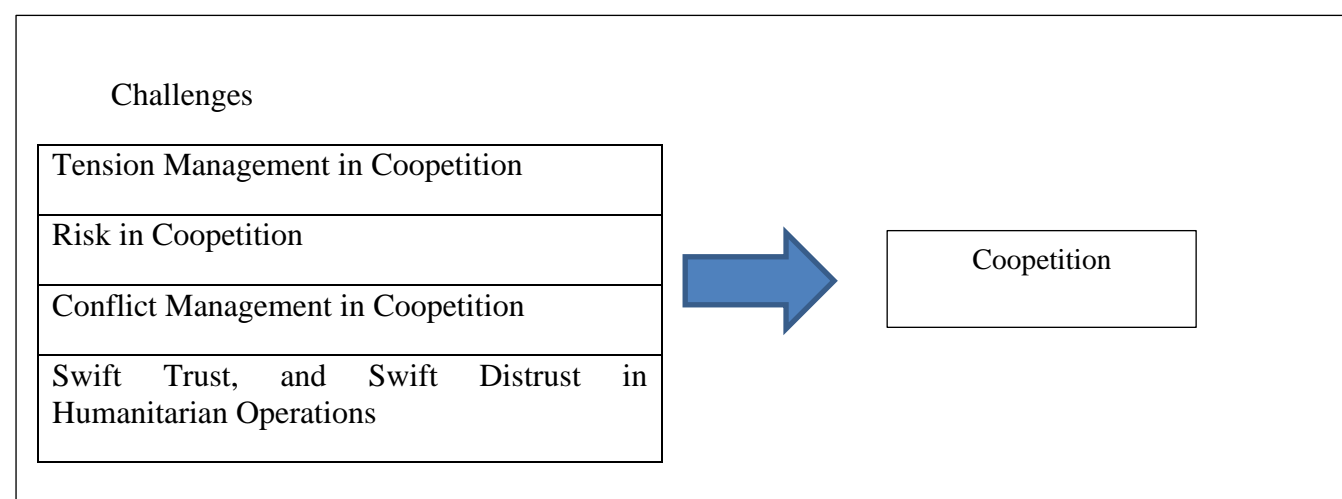


Figure 1: Conceptual Framework

RESEARCH METHODOLOGY

Numerous research methods can be used to gather rich data and in-depth knowledge of the area of study for case studies. The researcher employed both interviews and written materials for the purpose of this research. The respondents discussed the progress of the cooperative business partnership from a point of view of challenges during the interviews. There were a total number of nine owners or managers from the woodworking industries environment interviewed, with the locations being in Negeri Sembilan and Johor, Malaysia. Due to distance, 1 of the 9 personal interviews that were conducted was done over the phone. The interviews were conducted with those in positions of authority that are directly involved in the interactions between the woodworking businesses. In the study, the interviewer can be a general manager or director who served as an informant. Information from the intra-firm, inter-firm, and inter-individual levels could be gathered by interviewing persons in various positions within the organizations. The purposive sampling approach, a strategy used to choose the interviewer that have rich knowledge. According to Janesick (2000), the technique focuses

on informants directing the researcher to further informants who could improve the current research. The interviews ranged in length from 10 to 45 minutes. All interviews were taped and written down. The researchers also gathered data from papers, such as meeting minutes from companies, in addition to conducting interviews. The interview transcripts and the materials were both analyzed similarly when it came to empirical material analysis because they were both viewed as equally essential.

RESULTS AND DISCUSSION

Matrix coding query	Theme 1: Knowledge and communication	Theme 2: Different quality of product	Theme 3: Market and competition
Sources	2	4	5
Coding references	3	5	8

Table 1: Result of competitive challenges

The study identifies key coopetition challenges in the woodworking industry environment. The most prevalent coopetition challenge reported by the nine participants in the woodworking industry was market and competition, identified by five out of the nine participants after collaborating with competitors. The second most common coopetition challenge was a difference in the quality of the product, acknowledged by only four out of nine participants. The least common coopetition challenge, as mentioned by participants, was knowledge and communication, experienced by only two out of nine participants. Notably, another two participants expressed concerns and considerations regarding the sharing of information and proprietary knowledge among competitors.

Theme 1: Knowledge and communication

The study identified several coopetition challenges, the researcher conducted studies and gathered a considerable number of primary and secondary research articles related to the topic. The exploration begins with the concept of swift trust and swift distrust within the coopetition paradox, particularly in the context of humanitarian operations. Theme 1: The section on “swift trust and swift distrust within the coopetition paradox” directly corresponds to the concept of “knowledge and communication” in the text since shared knowledge and effective communication are essential for establishing a common worldview. The authors argue that companies facing coopetition challenges need to establish a new common worldview (Gnyawali et al., 2016). The concept of distrust in interorganizational connections is examined, acknowledging distrust as an integral part of relationships, and swift distrust, although less researched, is recognized as a significant aspect. In the woodworking business, for example, participants highlighted the challenge of establishing a balance between teamwork and safeguarding unique expertise. Participant 1 (KLS) emphasized that people are hesitant to share private information because they fear losing their competitive advantage. Transparency is essential for effective collaboration, according to participant 3 (YSTT), who also cautioned that dishonesty can undermine trust and sabotage teamwork. They pointed out that businesses frequently protect the majority of information while sharing only a subset, say 70%. This covers sensitive data like costs and the sources of raw materials. These observations highlight the delicate nature of information exchange and the need of openness in promoting fruitful teamwork. The article discusses the necessity for businesses to create a new shared worldview to overcome coopetition challenges, emphasizing the unstructured and basic nature of collaborative endeavours. The article concludes by highlighting that rapid trust in short-lived networks requires clear responsibilities and a focus on communication.

Theme 2: Different Quality of Product

Moreover, participants identified the different quality of products as a challenge that can make managers or owners in the woodworking industry in Malaysia unsure to collaborate with competitors, echoing findings similar to the study by Virtanen, H., and Kock, S. (2022). Theme 2: The section on “tension management and conflict management” directly corresponds to the concept of “different quality of product” since, if not handled well, coopetition tensions can impact decision-making and product quality. Participants in the study highlighted significant challenges in balancing collaboration and competition within the woodworking industry, particularly

concerning product quality. For example, Participant 3 (YSTT) stated that inconsistent product quality among competitors could have negative impact on customer trust and cause issues with goods delivered. Participant 4 (GFP) emphasized that large woodworking industries with advanced machinery often produce better-quality products, making it challenging to collaborate with smaller industries, as customers might question discrepancies between high-grade and low-grade goods. Participant 7 (TLBWE) pointed out delays in fulfilling large orders and difficulties in negotiating material costs. Participant 8 (HS) mentioned the importance of timely delivery and consistent quality as key challenges in the Malaysian woodworking industry. Similarly, Participant 9 (GWR) highlighted issues like wormholes, excessive skin on wood, and damaged goods, which frequently lead to customer complaints. These insights underscore the complexities of maintaining quality standards in cooperative efforts within the woodworking sector.

Theme 3: Market and Competition

Furthermore, participants identified the market and competition as one of the challenges faced in the woodworking industry in Malaysia, which is similar to the risk in coopetition highlighted in the research article by Brunner-Kirchmair, T.M., and Wiener, M. (2019). Theme 3: The section on “risk in coopetition” directly corresponds to the concept of “market and competition” in the text. With a focus on the complication of pricing and cooperation, participants emphasized the difficulties posed by market dynamics and competitiveness in the woodworking sector. While cooperation with existing competitors helps maintain fair pricing and prevents market destabilization caused by new manufacturers undercutting prices, Participant 2 (JP) pointed out that market fluctuations might hurt dishonest merchants. Participant 4 (GFP) talked on how pricing and inventory are affected by market demand, especially from the construction sector. She cautioned that sluggish market growth can result in fierce competition as competitors cut prices to increase sales. The dangers of losing clients and employees to rivals because of cheaper prices and poor communication in competitive settings were underlined by participants 5 (LBKE) and 6 (JNP).

Reasons for Disagreeing with Coopetition

However, challenges in coopetition were also noted by two participants, Participant 5 (LBKE) and Participant 6 (JNP), who expressed skepticism about cooperation with competitors. They highlighted the difficulties in fostering cooperation due to the highly competitive nature of the industry, where businesses often prioritize self-interest over collaboration. Participant 5 (LBKE) explained, “Business is like this. Only businesses with no conflict can be friends.”

Overall, while the majority of participants saw significant benefits in coopetition, some faced challenges in establishing collaborative relationships due to the competitive environment in the woodworking industry. These findings underscore the strategic value of coopetition, but also the complexities involved in balancing collaboration with competition.

CONCLUSION

The objective of this research is to study the challenges of collaborating with competitors in Malaysia’s woodworking industry environment. Through readings and data collection, the researcher identified one of the challenges as sharing knowledge and communication. The section on “swift trust and distrust within the coopetition paradox” directly corresponds to the concept of “knowledge and communication” in the text since shared knowledge and effective communication are essential for establishing a common worldview. The authors argue that companies facing coopetition challenges need to establish a new common worldview (Gnyawali et al., 2016). While trust is traditionally believed to develop over time, the concept of swift trust is proposed as a way to quickly establish connections, especially in rapidly formed networks like those in humanitarian aid missions (Tatham and Kovacs, 2010). Swift trust involves defining behavioral expectations in terms of tasks and specializations rather than personalities to quickly build trust within a group (Meyerson et al., 1996). The discussion further explores the application of swift trust in humanitarian aid operations, emphasizing its role in information sharing, reducing uncertainty, enhancing coordination, and responding to sudden incidents (Lu et al., 2018; Dubey et al., 2019a; Olsen, 2018). The authors also touch on different trust development routes proposed by Hung et al. (2004), including category-driven information processing, active assessment of

trustworthiness, and habitual trust based on shared knowledge over time. Additionally, the concept of distrust in interorganizational connections is examined, acknowledging distrust as an integral part of relationships, and swift distrust, although less researched, is recognized as a significant aspect.

The section on “tension management and conflict management” directly corresponds to the concept of “different quality of product” since, if not handled well, coopetition tensions can impact decision-making and product quality. According to Virtanen and Kock (2022), the theme of tension management underscores the need to strike a balance between cooperative and competitive activities. Interview subjects could offer insights into how they manage stress. The researcher emphasizes that tension arises from the conflicting demands inherent in coopetition, particularly in SMEs where key players often have multiple roles. Managing diverse perspectives and expectations can be challenging, and this is evident in people's actions and choices. Competing demands may lead to unclear product development, ultimately compromising the final product's quality. Participants in the study highlighted significant challenges in balancing collaboration and competition within the woodworking industry, particularly concerning product quality.

“Risk in coopetition” most directly corresponds to the concept of “market and competition” in the text. This research distinguishes four fundamental causes of risk, as referenced in Slywotzky and Drzik (2005), McConnell (2012), Verbano (2013), and Venturini (2013). Strategic risks, categorized as the potential failure of a company's business plan to achieve anticipated shareholder value, may result from poor management decisions or strategic goals detrimental to the organization (Lam, 2017). Operational risks, distinct from strategic risks, stem from various factors and are the result of senior management's poor decisions, defined as “the risk of direct or failed internal processes, people, and systems or from external events” by the Basel Committee on Banking Supervision (2001, p. 2). Operational risks are not intentionally created but occur automatically. The article emphasizes financial risks arising from countless financial transactions, where corporations must consider the possibility of unexpected and undesirable outcomes in their decisions regarding investments, expenditures, and raising funds (Brealey et al., 2014). A longitudinal study that tracks the development of coopetition dynamics in the woodworking sector over time might be beneficial for future research as it would offer greater insights into how tactics and problems evolve and adapt. Furthermore, by combining a variety of viewpoints and professional insights, working with academic institutions, government agencies, or industry stakeholders might improve the study's scope and depth. In addition to improving knowledge about coopetition in this field, these efforts would provide insightful suggestions for business professionals and regulators.

In conclusion, this study explores the difficulties involved in cooperating with competitors in Malaysia's woodworking industry. The study reveals key challenges identified by participants, including the importance of establishing a shared worldview, managing tension, addressing product quality differences, and navigating market competition. The results highlight how important knowledge, communication, and dealing with stress are to a successful coopetition. Furthermore, the study links these difficulties to more general hazards like financial, operational, and strategic issues, providing insightful information for business professionals who want to successfully manage coopetition dynamics.

Limitations and Future Scope

The limitation of the research is securing participants which owners or managers in Malaysia across various woodworking industries resulted from the busy schedules of founders and some being unwilling to share sensitive or private information.

The recommendation for future research is choosing to group target regions according to the size of the woodworking industries. By concentrating on larger woodworking establishments or distinguishing between different business scales, researchers can explore unique advantages, strategy, and challenges that may differ among different industry sizes. This focused strategy might produce more individualized and detailed results, offering regulators and industry stakeholders useful data.

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