

Organization–stakeholder fit: A dynamic theory of cooperation, compromise, and conflict between an organization and its stakeholders

Jonathan Bundy¹ | Ryan M. Vogel² | Miles A. Zachary³

¹Department of Management and Entrepreneurship, W. P. Carey School of Business, Arizona State University, Tempe, Arizona

²Department of Human Resource Management, Fox School of Business, Temple University, Philadelphia, Pennsylvania

³Department of Management, Raymond J. Harbert College of Business, Auburn University, Auburn, Alabama

Correspondence

Jonathan Bundy, Department of Management and Entrepreneurship, W. P. Carey School of Business, Arizona State University, P. O. Box 874006, Tempe, AZ 85287-4006.
Email: jonathan.bundy@asu.edu

Research Summary: We advance the concept of *organization–stakeholder fit* (O–S fit) to explain cooperative behavior between an organization and its stakeholders. O–S fit describes the compatibility that exists between an organization and a stakeholder when their characteristics are well matched. We highlight two dimensions of O–S fit: *value congruence*, or the supplementary fit of organizational and stakeholder values, and *strategic complementarity*, or the complementary fit of strategic needs and resources. For each dimension, we detail the unique relational factors—including core elements of trust, predictability, attraction/exchange, and communication—that motivate cooperation. We then explicate the ways in which value congruence and strategic complementarity dynamically interrelate over time. Finally, we consider how organization-stakeholder misfit may result in alternative relational behaviors, such as conflict or compromise.

Managerial Summary: We develop a new way of thinking about the relationship between organizations and stakeholders. Recognizing that positive relationships require a degree of fit or compatibility, we argue that cooperative behavior between an organization and its stakeholders is maximized when relational partners share both core values and strategic priorities. We explain that high fit along these two dimensions increases trust, relational predictability, attraction/exchange, and communication. We also describe how positive relationships might be formed with fit along only one dimension, and how negative relationships might result in the presence of misfit. Ultimately, we suggest that managers who want to foster positive relationships with stakeholders should concentrate on aligning their values and priorities, rather than simply concentrating on one or the other.

KEY WORDS

cooperative strategy, fit, interorganizational relationships, reciprocity, stakeholder management

1 | INTRODUCTION

The stakeholder perspective in organizational research has traditionally recognized the importance of managing relationships between an organization and its many stakeholders (Freeman, Harrison, & Wicks, 2007). Stakeholders represent individuals or groups who can affect or can be affected by the organization in the pursuit of its objectives (Freeman, 1984), including (but not limited to) customers, suppliers, owners, creditors, alliance partners, and local communities. Given the interdependence between an organization and its stakeholders, survival and success for both are, in many ways, jointly determined. Hence, successful organizations are often those that are able to effectively foster cooperation with stakeholders—understood as interdependent actions that benefit both parties or the relationship between them (Barringer & Harrison, 2000; Bosse & Coughlan, 2016; Penner, Dovidio, Piliavin, & Schroeder, 2005).

Although early scholars generally recognized the codependent nature of organizations and stakeholders, more recent research has focused on detailing the specific relational factors that encourage cooperative behavior. For example, a number of scholars have detailed the roles of more normative factors—including trust, fairness, and reciprocity norms—in facilitating cooperation (cf. Bosse, Phillips, & Harrison, 2009; Bridoux & Stoelhorst, 2014, 2016; Hahn, 2015; Harrison, Bosse, & Phillips, 2010; Harrison & Wicks, 2013; Tantalo & Priem, 2016). Meanwhile, others have focused on more instrumental factors that work to enhance cooperation, including perceptions of competence and strategic resource interdependencies (e.g., Bosse & Coughlan, 2016; Bridoux & Stoelhorst, 2014; Dyer & Singh, 1998; Gulati, 1999).

While this research has begun to reveal important factors that may facilitate cooperation, researchers still lack a clear understanding of how and from where these factors originate, how they evolve and interrelate over time, and, ultimately, why some organization-stakeholder pairs build durable relationships while others do not (Bosse & Coughlan, 2016). For example, while it is clear that trust can foster cooperation, we are only just beginning to understand why an organization and a stakeholder may be prone to trust one another, how different forms of trust (e.g., character vs. -competence-based; Gabarro, 1978) foster cooperation, how trust develops dynamically over time (Harrison et al., 2010), and how cooperative relationships may yet emerge in the absence of trust (Bridoux & Stoelhorst, 2014). Moreover, prior research has often been piecemeal and disjointed, focusing on one or a few factors that may facilitate cooperation (e.g., trust or resource dependencies), without considering broader frameworks that tie such factors together. In other words, stakeholder research has trouble answering the fundamental question, “Why these factors and not others?” Thus, scholars continue to seek a more complete and integrated view of stakeholder management that explains *how* mutually beneficial partnerships emerge, change, and grow. As noted by Tantalo and Priem (2016, p. 314), “this elemental ‘how’ gap...has been limiting stakeholder theory as a tool for strategic management.” Accordingly, there remains a significant divide between what we know about how organizations and stakeholders seek individual goals and outcomes in their

relationships and what we need to know about how organizations and stakeholders are motivated to achieve their goals together.

In this article, we address these issues by reframing cooperation between an organization and its stakeholders as a dynamic function of the relational fit that exists between them. In particular, and building from recent advancements in stakeholder theory (Bosse & Coughlan, 2016; Bridoux & Stoelhorst, 2014; Harrison et al., 2010; Tantalo & Priem, 2016), we formalize the concept of *organization-stakeholder (O-S) fit*—which describes the compatibility that exists between an organization and a stakeholder. We outline that O-S fit exists both in terms of *value congruence* (i.e., the similarity of values, principles, and beliefs) and *strategic complementarity* (i.e., the mutual provision of resources to satisfy strategic needs), and we detail the unique relational factors associated with each dimension of O-S fit that motivate cooperative behavior in a relationship. Part of our contribution is to organize and specify the varying factors found throughout the literature into a coherent framework to better understand the equifinality of cooperative behavior. That is, we recognize there are multiple paths to cooperation, and we seek to develop a useful tool for understanding how these paths come together and interrelate.

After outlining the dimensions of O-S fit and the factors that motivate cooperation, we also consider how the two dimensions—value congruence and strategic complementarity—are dynamically interrelated over time. In doing so, our theory recognizes the evolving nature of stakeholder relationships and the ongoing influence that stakeholders and organizations have on each other's core values and strategic priorities (e.g., Barnett, 2007). In particular, we argue that initial value congruence between an organization and stakeholder can foster future strategic complementarity, and vice versa, primarily through an exposure effect (Zajonc, 1968) that encourages deeper forms of exchange and cooperation via increased interaction. Thus, we recognize and detail how the two dimensions of O-S fit are integrally interrelated over time.

Lastly, we argue that an understanding of O-S *misfit*—which is inherently different than low levels or the absence of fit—is important for explaining instances of relational conflict and compromise. In particular, we argue that high misfit in terms of both values and strategic needs can lead to combative (as opposed to cooperative) relationships—characterized by behaviors that actively disrupt or seek to interfere with the goals and priorities of the other. We also consider situations in which a relationship is characterized by high fit along one dimension but high misfit along the other. We argue that such situations can foster compromise rather than conflict, which can serve to maintain and even strengthen the relationship over time.

Overall, this manuscript advances research and practice by specifying an overarching theoretical framework for understanding how and why organizations and stakeholders cooperate. We make several contributions with our theory of O-S fit. First, our fit-based theory expands on recent research on stakeholder management (cf. Bosse & Coughlan, 2016; Bridoux & Stoelhorst, 2014; Hahn, 2015; Harrison et al., 2010) and interorganizational partnerships (cf. Albers, Wohlgezogen, & Zajac, 2016; Lioukas & Reuer, 2015) to suggest that configurations of normative values and strategic complements form the foundation upon which positive relationships can originate and develop. Second, by considering the simultaneous influence of both strategic needs and core values, we present an integrated theory, mindful of the instrumental and normative aspects of organization-stakeholder relationships, which are often considered separately in extant research (cf. Donaldson & Preston, 1995; Freeman, 1994; Freeman, Wicks, & Parmar, 2004; Jones & Wicks, 1999). Lastly, in providing a sociocognitive explanation for cooperation, our theory also contributes to recent research that focuses on the behavioral foundations of strategic management concepts (cf. Powell, Lovallo, &

Fox, 2011). In doing so, we attempt to shine more light into the black box of strategic processes to better explain macro-organizational phenomena.

2 | A GENERAL THEORY OF ORGANIZATION-STAKEHOLDER FIT

The concept of fit is pervasive in the organizations literature, and has been considered at multiple levels of analysis. For example, at the individual level, there is a long history of research in social psychology and organizational behavior that focuses on the concept of person–environment (P–E) fit (Kristof-Brown & Guay, 2011). P-E fit is defined as “the compatibility between an individual and [an] environment that occurs when their characteristics are well matched” (Kristof-Brown, Zimmerman, & Johnson, 2005, p. 281), and is characterized by two interrelated yet distinct types of fit—supplementary fit and complementary fit. Supplementary fit exists when the environment “supplements, embellishes, or possesses characteristics which are similar to” the individual (Muchinsky & Monahan, 1987, p. 269), and is often conceptualized as congruence in terms of *values, principles, or beliefs* (Kristof, 1996). In contrast, complementary fit exists when each party provides what the other is missing or when the characteristics of one “make whole” the other (Muchinsky & Monahan, 1987, p. 271), and is often considered in terms of each party providing for the *needs* of the other (Kristof-Brown & Guay, 2011).

In general, research on P–E fit has shown that a state of fit is associated with stronger commitment between two parties and cooperative behaviors that are mutually beneficial (Kristof-Brown et al., 2005). Importantly for our purposes here, although supplementary fit and complementary fit predict a common set of outcomes, the relational factors explaining these relationships are inherently different—each type of fit prompts different motivational states to influence behavior (Edwards & Shipp, 2007). For example, while supplementary fit promotes cooperation by increasing trust and coordination among employees, complementary fit operates by fulfilling employees’ psychological and physiological needs (Edwards & Cable, 2009).

Scholars have also considered the concept of fit at the organizational level. For example, research in contingency theory generally argues that strategic fit is critical to understanding and explaining firm performance (Drazin & Van de Ven, 1985; Hofer & Schendel, 1978; Schoonhoven, 1981; Venkatraman, 1989), including how an organization’s strategy matches its environmental conditions (e.g., Zajac, Kraatz, & Bresser, 2000), and how top executives and their individual talents match the strategic needs of the organization (e.g., Carpenter, 2002; Carpenter, Pollock, & Leary, 2003; Lovelace, Bundy, Hambrick, & Pollock, 2017). Likewise, configurations research suggests that fit can be conceptualized as archetypes that “represent sets of relationships which are in a temporary state of balance” (Miller & Friesen, 1977, p. 264), and vary in performance depending on functional demand conflict and available structural options (Gresov & Drazin, 1997).

While organization-level research is often focused on performance as the central outcome, research on interorganizational relationships incorporates the concept of fit to focus more specifically on cooperative behavior as a precursor to performance (Aldrich, 1979; Venkatraman & Camillus, 1984). Similar to the distinction between supplementary fit and complementary fit at the individual level, this research has considered fit both in terms of similarity in core values and fulfillment of strategic needs to explain successful joint ventures and alliances (Connelly, Crook, Combs, Ketchen, & Aguinis, 2015). For instance, Ring and Van de Ven (1994) suggest that cooperative interorganizational relationships are likely to form when parties have similar approaches to sense-making, which facilitates the integration of potentially disparate views about the goals and expectations of the relationship. Others tend to focus on more utilitarian needs such as relationship-specific

resources and routines (e.g., Dyer & Singh, 1998), collaborative R&D and/or production (e.g., Gulati & Sych, 2007), and knowledge sharing (e.g., Gulati, 1999; Powell, Koput, & Smith-Doerr, 1996).

Finally, more and more research on stakeholder theory has begun to consider the concept of fit to explain cooperative behaviors in organization–stakeholder relationships (e.g., Bridoux & Stoelhorst, 2014; Tantalo & Priem, 2016). Indeed, Freeman's (1984, p. 107) seminal work on stakeholder theory referenced the importance of fit, noting, “corporate survival depends in part on there being some ‘fit’ between the values of the corporation and its managers, the expectations of stakeholders in the firm, and the societal issues which will determine the ability of the firm to sell its products.” Yet, as we will detail below, much of the ensuing research has only implicitly considered the role of fit, and thus one of our core contributions is to explicitly describe the role of fit in fostering cooperative organization–stakeholder relationships, narrowing in on this important relational condition.

2.1 | Organization–stakeholder fit

Drawing from these diverse literatures, we define O–S fit as the compatibility that exists between an organization and a stakeholder when their characteristics are well matched. Consistent with the distinction between supplementary and complementary fit, we distinguish between two major dimensions of O–S fit: (a) value congruence, or the similarity between an organization and stakeholder in terms of values, principles, or core beliefs, and (b) strategic complementarity, or the ability of an organization and stakeholder to provide for each other’s strategic needs (i.e., provide resources). Ultimately, we argue that organization–stakeholder relationships are jointly determined by the fit of characteristics (e.g., values and needs) held by the organization and the stakeholder, and that both value congruence and strategic complementarity are important in understanding the nature of cooperative behavior between the pair.

Our primary thesis is that each dimension of O–S fit separately fosters cooperation in the relationship. We define cooperation as interdependent actions that benefit both parties or the relationship between them (Bosse & Coughlan, 2016; Penner et al., 2005). In reference to cooperation, Bosse and Coughlan (2016, p. 1199) noted, “Individuals can choose to expend effort on activities that affect relationship outcomes and on activities that affect the dimensions of the relationship itself.” For example, an employee can act cooperatively by: (a) working to enhance the sales of the organization, thus jointly and immediately benefiting each by achieving shared outcomes, or (b) by engaging in extra-role or voluntary behaviors (e.g., new employee orientation and socialization) that may not immediately and directly benefit the employee, but that work to strengthen the relational bond between the employee and organization. The negotiations literature has made a similar distinction in the recognition of there being “mixed motives” associated with resolving conflicts. That is, parties involved in negotiation are motivated partly by the tangible benefits they can derive from the deal and partly out of concern for the longevity of the relationship (Fisher, Ury, & Patton, 2011).

This distinction is important to our theorizing because it suggests that cooperative behavior may be motivated in unique ways by different relational conditions. In their theory of human motivation, Deci and Ryan (Deci & Ryan, 1985; Ryan & Deci, 2000) specified that motivated behavior falls along a continuum from intrinsically motivated behavior to extrinsically motivated behavior. Intrinsically motivated behavior occurs the more that the reason for a behavior has been internalized, such as when an organization complies with environmental regulations because compliance is consistent with its value system. In contrast, behavior is more extrinsically motivated when it aims to “satisfy an external demand or reward contingency” (Deci & Ryan, 2000, p. 72), such as when environmental regulations are followed simply to avoid the associated penalties for noncompliance.

Accordingly, behaviors that promote relational outcomes (e.g., productivity) or the relationship itself (e.g., relationship quality) are driven by extrinsic or intrinsic motivation, or some combination of the two.

We integrate these ideas to specify two primary motivations for cooperative behavior in organization–stakeholder relationships: (a) *intrinsically motivated cooperation* is principally driven by the inherent meaning found within the relationship, and (b) *extrinsically motivated cooperation* is principally driven by the pursuit of material outcomes derived from the relationship (Deci & Ryan, 2000; Penner et al., 2005). We argue below that the dimensions of O–S fit differentially motivate cooperation, with value congruence fostering more intrinsically motivated cooperation and strategic complementarity fostering more extrinsically motivated cooperation. While outside of our scope, we do expect that to the extent that these cooperative behaviors (regardless of motivation) are strategically appropriate, they will generally foster enhanced long-term organizational and stakeholder value and performance (however defined), consistent with core tenets of stakeholder theory (Freeman, 1984) and other related theories of cooperation (Barringer & Harrison, 2000).

Before specifying the concept of O–S fit in more detail, it is important for us to recognize some core assumptions and boundary conditions. First, our theory is focused on the dynamic interrelationship between an organization and any one given stakeholder, with a focus on primary stakeholders that contribute directly to the value-generating process (Clarkson, 1995; Phillips, 2003). We recognize that every organization has a complex web of stakeholder relationships, and that the organization itself can be conceptualized as the confluence of these relationships (e.g., Freeman et al., 2007). However, our theory is built on the assumption that the organization is a distinct entity and that its relationships with various stakeholders—ranging from employees, to customers, to shareholders—are critical to its longevity and success. For ease of storytelling, we also generally assume symmetric relationships, such that partners receive more or less equal benefit from cooperation; in the discussion section, we elaborate on the potential consequences of asymmetry. Additionally, given that our goal is to specify the dynamic explanations for cooperation *within* a single organizational–stakeholder relationship, the complex dynamics *between* different organizational–stakeholder relationships are necessarily omitted (cf. Tantalo & Priem, 2016). We do, however, believe that our theory may provide a framework for considering these complexities in future research, and we highlight several possibilities in our discussion section.

Second, in specifying our theory, we necessarily focus on organizations and stakeholders as our central actors. In doing so, we follow a rich history of organizational research guided by the assumption that “people selectively ascribe humanlike characteristics, motivations, intentions and emotion to organizations” (Bridoux & Stoelhorst, 2016, p. 232). Indeed, Shepherd and Sutcliffe (2015, p. 127) recently argued that such anthropomorphizing “inspires and informs theorizing” that allows for plausible storytelling related to an “organization’s task of organizing” (also see Heath & Sitkin, 2001). As such, we draw from research at both the individual and organizational levels of analysis to specify the characteristics and consequences of O–S fit.

Given these assumptions and boundary conditions, we first draw from and build on the distinctions between value congruence and strategic complementarity to consider the unique relational factors associated with each dimension of fit, and how these factors work to differentially motivate cooperation. Our overarching theoretical framework is summarized in Table 1. For the purposes of developing our general theory, in this section we treat each dimension of O–S fit as orthogonal and we focus on the consequences when fit on the dimension is high (versus low). We relax these assumptions in our final two sections to consider the dynamic nature of O–S fit and misfit.

TABLE 1 Theoretical framework of organization–stakeholder fit

Dimension of fit	Basis of fit	Primary motivation for cooperation	Relational factors that facilitate cooperation
Value congruence	Values and principles	Intrinsically motivated cooperation	<ul style="list-style-type: none"> • Character-based trust • Relational predictability • Mutual liking and affinity • Socioemotional communication
Strategic complementarity	Strategic resources and needs	Extrinsically motivated cooperation	<ul style="list-style-type: none"> • Competence-based trust • Environmental predictability • Material exchange and reciprocity • Instrumental communication

2.2 | Supplementary organization–stakeholder fit: value congruence

Following the conceptualization of supplementary fit at the individual level (Muchinsky & Monahan, 1987), we argue that value congruence exists when the primary values, principles, or beliefs of an organization match the values, principles, or beliefs of a stakeholder. As detailed above, cooperative behaviors can be motivated by more intrinsic desires to enhance a relationship or more extrinsic desires to improve outcomes of that relationship (Bosse & Coughlan, 2016). We argue that value congruence is primarily associated with intrinsically motivated cooperation. Intrinsically motivated cooperative behaviors focus on enhancing or reinforcing the shared beliefs, attitudes, motivations, and definitions of the relationship (Bundy, Shropshire, & Buchholtz, 2013; Harrison & Wicks, 2013; Lincoln & Miller, 1979; Thompson & Bunderson, 2003). As such, cooperation resulting from value congruence manifests in the actions taken by both parties as they engage in coordinated efforts toward emphasizing shared values and principles (Harrison & Wicks, 2013). In the extreme, this may include sacrificing strategic needs or valued outcomes in an attempt to reinforce the relationship.

For example, consider an employer experiencing a financial downturn or crisis and making the difficult decision to maintain full employment rather than engaging in layoffs. This action may require material sacrifices by both the organization and employees, but it serves the primary purpose of strengthening the relationship and reinforcing their shared beliefs and values. Of course, positive tangible outcomes may emerge; employees may be motivated to work harder, or customers may be encouraged by the act. However, it is likely that such decisions are primarily motivated by the intrinsic desire to reinforce and strengthen the relationship, and less so by the long-term potential for more extrinsic outcomes.

A review of the various literatures on fit reveals four critical relational factors fostered by value congruence that function to intrinsically motivate cooperation: the development of character-based trust, enhanced relational predictability, mutual liking and affinity, and enhanced socioemotional communication (Edwards & Cable, 2009). These four factors reflect the more intrinsic and normative side of cooperation, and are mirrored by more extrinsic factors fostered by strategic complementarity (detailed in the following section). We briefly detail each factor below, but note that each is inherently related to the others, and allude to several of these interrelationships throughout. As such, the order of presentation does not denote a causal path. We also note that each factor—alone and in various combinations with the others—acts as one potential path toward intrinsically motivated cooperative behavior. As such, no one factor is strictly necessary and each may be sufficient to achieve cooperation.

2.2.1 | Character-based trust

Value congruence promotes greater trust between partners (Barber, 1983; Edwards & Cable, 2009; Sitkin & Roth, 1993). Trust can be defined as a willingness to be vulnerable to the actions of

another (Mayer, Davis, & Schoorman, 1995), and trustworthiness is dependent on both competence- and character-based factors (Gabarro, 1978). The balance of the trust literature suggests value congruence is more specifically associated with character-based trust (and strategic complementarity is more specifically associated with competence-based trust, which we consider below). For example, Jones and George (1998) outlined that those with similar values are more likely to be trusted because they are perceived to act with a set of principles deemed acceptable by the trustor (Rokeach, 1973). As such, stakeholders are more willing to engage with an organization when they believe that it is acting in ways consistent with their own values (Bosse et al., 2009; Harris & Wicks, 2010; Harrison et al., 2010; Harrison & Wicks, 2013; Luo, 2005; Young-Ybarra & Wiersma, 1999). Hence, similarity between the values of an organization and a stakeholder likely fosters character-based trust because both parties understand what each has vested in and hopes to accomplish through the relationship. In turn, character-based trust will foster intrinsically motivated cooperative behavior as each party is more dedicated to the shared ideological and expressive objectives of the relationship (Ring & Van de Ven, 1994).

2.2.2 | Relational predictability

Along a similar vein, value congruence should be associated with greater predictability and reduced relational uncertainty between partners. Predictability has been studied in terms of reliability or confidence in the actions of others (Edwards & Cable, 2009; Miller, 1981). Shared values suggest a shared frame for interpreting events (e.g., Circourel, 1973) as well as shared motives and goals (Pearce, 1981). Consequently, when values are shared, it is easier to predict how another is likely to interpret, react, and behave in response to a set of circumstances because one's own values can be used as a basis for prediction (Kalliath, Bluedorn, & Strube, 1999; Schein, 1990). Predictability also is likely to foster collaboration between an organization and stakeholder because their attitudes and behaviors toward the relationship become less uncertain and concerns of opportunism are reduced (Bosse et al., 2009; Gulati & Nickerson, 2008; Gulati & Sych, 2007). Hence, value congruence leading to increased predictability enables an organization and its stakeholders to work cooperatively as the attitudes and actions of the corresponding party become more dependable over time.

2.2.3 | Mutual liking and affinity

Further, value congruence is likely to promote attraction and foster mutual liking and affinity between partners (Bosse & Coughlan, 2016; Edwards & Cable, 2009). Value congruence promotes harmony and cooperation (Nemeth & Staw, 1989) and decreases conflict through shared goals and task/process agreement (Jehn, 1994; Jehn, Northcraft, & Neale, 1999). Those with similar values share perceptions about what is right and wrong as well as what is important (Byrne, 1971). Consequently, interactions with alike partners are more satisfying due to affirming and reinforcing one's own beliefs (Locke, 1976). As such, shared values increase the desirability of the partnership (Beckman, Haunschild, & Phillips, 2004; Hitt, Dacin, Levitas, Arregle, & Borza, 2000; Shah & Swaminathan, 2008). Others have captured mutual liking and affinity using the concept of identification, arguing that identification can promote pro-relationship behavior as a function of shared values (Bosse & Coughlan, 2016; Bundy et al., 2013; Harrison & Wicks, 2013). As affinity grows, the organization and stakeholder cooperate in attempt to maintain and reinforce the desired relationship.

2.2.4 | Socioemotional communication

Finally, value congruence will be associated with increased socioemotional communication, which focuses on the relationship itself, promotes mutual understanding, and supports shared

values (Bales, 1950; Kahai & Cooper, 1999; McGrath, 1984; Peña & Hancock, 2006). Specific examples of this type of communication within the interpersonal realm include statements of friendship and solidarity ("thank you for your help"), statements of tension relief, humor, and positive drama ("that was funny"), and statements of agreement ("I agree with you") (Peña & Hancock, 2006). Additionally, because values and culture define standards for communication (Goodenough, 1970), shared values are likely to result in shared meaning and a common interpretation of events (Circourel, 1973; Schall, 1983). Further, values shape how information is cognitively processed (Fiske & Taylor, 1991) and, thus, sharing values influences the extent to which decisions are mutually arrived at and agreed upon as information is processed in similar ways. Shared values also help an organization and its stakeholders to avoid costly miscommunications and improve opportunities for open information sharing (e.g., Harrison et al., 2010; Tsai & Ghoshal, 1998). Thus, increased socioemotional communication encourages shared understanding among partners such that information becomes more interpretable and is more likely to enhance the intrinsic value of the relationship by facilitating collaboration and engagement (cf. Cummings, 1984).

Summarizing our arguments regarding value congruence, we formally propose:

Proposition 1 *Value congruence will be positively associated with intrinsically motivated cooperative behavior due to increased character-based trust, relational predictability, mutual liking and affinity, and socioemotional communication between an organization and a stakeholder.*

2.3 | Complementary organization–stakeholder fit: strategic complementarity

Strategic complementarity exists when a stakeholder is able to provide needed resources and/or capabilities to achieve the organization's strategic goals and vice versa. In the case of strategic complementarity, cooperative behavior is primarily motivated by extrinsic concerns, or the tangible outcomes that may be achieved from the relationship (Bundy et al., 2013; Lincoln & Miller, 1979). Accordingly, strategic complementarity enables organizations and stakeholders to engage each other for resources that provide for needs or fill "gaps" (i.e., missing resources) to enhance their existing bundle of resources (Bridoux & Stoelhorst, 2014). For example, strategic complementarity was high when Starbucks partnered with Barnes & Noble to begin offering an in-store coffee house. Barnes & Noble offered Starbucks a popular venue to expand, and Starbucks provided Barnes & Noble additional branded offerings to help it further differentiate itself from competitors at the time. While the cooperation between Starbucks and Barnes & Noble may have been secondarily motivated by a similar set of values, the primary motivation for the relationship focused on the potential for shared material benefit.

Again, we draw broadly from research on fit to identify four relational factors associated with strategic complementarity that work to foster extrinsically motivated cooperation: the creation of competence-based trust, enhanced environmental predictability, the promotion of material exchange and reciprocity, and enhanced instrumental communication. These factors generally mirror those fostered by value congruence (Edwards & Cable, 2009), but reflect the more extrinsic and instrumental side of cooperation. Like above, we highlight each factor in turn, detailing how each leads to cooperative behavior primarily as a function of the potential for shared outcomes. We again note that the relational factors are interrelated, and that the order of presentation does not denote a causal path.

We also note that the path to extrinsically motivated cooperation is equifinal and can be based on each factor alone or various combinations.

Finally, we also note that the extrinsically motivated cooperative behaviors we are concerned with are above and beyond the types of behaviors that may be minimally required for “willful participation” in an exchange relationship (Harrison et al., 2010, p. 58). That is, we detail the conditions that facilitate cooperative relationships beyond simple arms-length exchanges, yet that are still principally motivated by the extrinsic outcomes that may be achieved from cooperation. Arms-length transactions do not necessarily require the relational factors that we detail below, and do not necessarily foster long-term cooperation (Bridoux & Stoelhorst, 2014). That being said, arms-length transactions could be the impetus from which such relational factors and deeper cooperation emerge. Moreover, considerable research suggests that most organizations rely on more complex, longer-term partnerships with stakeholders and other organizations in order to truly gain and sustain competitive advantages (Dyer & Singh, 1998; Gulati, 1999; Ring & Van de Ven, 1994). Consequently, we argue that strategic complementarity can foster the relational factors described below, and that even those rare relationships willfully kept at an arm’s length can benefit from the enhanced potential for cooperation.

2.3.1 | Competence-based trust

In addition to character-based trust, trustworthiness is also dependent on the extent to which the other is believed to have sufficient ability or competence to complete tasks and/or fulfill commitments (Mayer et al., 1995). As such, from the perspective of O-S fit, strategic complementarity is likely to enhance competence-based perceptions of trust to the extent that mutual needs are satisfied. Many researchers have also considered the role of competence-based trust in facilitating cooperation (e.g., Harris & Wicks, 2010; Jeffries & Reed, 2000). For example, Das and Teng (1998) emphasized competence-based trust as a measure of reliability, suggesting that “firms have to rely on their partners’ performance” (494) to foster a productive relationship. Similarly, reputation research suggests that when firms become “known for something” (e.g., quality products, knowledge resources, etc.), their reputation influences the categorization process that engenders further stakeholder trust and cooperation (McKnight, Cummings, & Chervany, 1998). Likewise, others have emphasized how belief in partner efficacy, which is a function of competence-based trust, motivates exchange and facilitates positive relational outcomes (e.g., Axelrod, 1984; Bridoux & Stoelhorst, 2014; Parkhe, 1993; Ring & Van de Ven, 1992, 1994). Thus, as competence-based trust is built from strategic complementarity, the potential for extrinsically motivated cooperative behavior is enhanced as partners become more confident in each other’s abilities to perform and can focus on expropriating additional value from the relationship.

2.3.2 | Environmental predictability

Strategic complementarity may also reduce environmental dependencies and uncertainty, thus enhancing the willingness of organizations and stakeholders to work together. Organizations and stakeholders are dependent on the environment for resources that enable survival (Pfeffer & Fong, 1978). As such, they often attempt to manage these dependencies by entering relationships that allow for shared power over important resources and reduction of environmental uncertainty (Bosse & Coughlan, 2016; Dyer & Singh, 1998). Moreover, strategic resources are often difficult to obtain in a market context (Barney, 1988; Chung, Singh, & Lee, 2000), but instead must be obtained through more close-knit relationships (e.g., Murray, Kotabe, & Zhou, 2005). Therefore, relationships based on strategic complementarity are more likely to motivate cooperation when the

combination of resources represents unique bundles that could not be obtained by other means (Barney, 1988; Dyer & Singh, 1998; Harrison, Hitt, Hoskisson, & Ireland, 1991, 2001).

2.3.3 | Material exchange and reciprocity

Strategic complementarity should encourage greater exchange and reciprocity of resources between partners. Individuals have greater motivation to directly reciprocate benefits when their instrumental needs are satisfied (e.g., Ryan & Deci, 2000). Indeed, at the individual level, research shows that employees whose needs are provided for by an organization are more likely to exhibit strong performance and are motivated to go beyond formal task requirements (Cable & Edwards, 2004; Kristof-Brown et al., 2005). For organizations, strategic complementarity engenders mutual interdependencies and enables the “formation, development and collaborative effectiveness” of stakeholder relationships (Parkhe, 1991, p. 580). Strategic complementarity is also likely to stimulate reciprocity norms between partners such that as one party provides for the needs of the other, the other party is more likely to respond in kind (Bosse et al., 2009; Hahn, 2015; Harrison & Wicks, 2013). As direct exchange and reciprocity norms increase, parties become willing to exert effort toward the shared goals of the relationship, and thus the extrinsic motivation for continued exchange enhances cooperation (Blau, 1964; Bosse et al., 2009; Fehr & Gächter, 2000).

2.3.4 | Instrumental communication

Extrinsically motivated cooperation may also come from enhanced instrumental communication, which refers to the sharing of task-related information, knowledge, and feedback (Cummings, 2004; Hansen, 1999), including sensitive technical know-how (Dyer & Nobeoka, 2000), coordination of expertise (Faraj & Sproull, 2000), and sources of information and knowledge (Rulke & Galaskiewicz, 2000). Specific examples of this type of communication within the interpersonal realm include requests for help or specific task information (“how can I improve”), and statements providing help or specific task information (“you should do it this way”) (Peña & Hancock, 2006). As noted by Harrison et al. (2010), cooperative relationships are fostered as parties to such relationships are motivated to reveal private information related to their utility functions, including the factors that enhance perceived value and the weighting of such factors. Any number of factors may motivate the sharing of this private information, including a belief that sharing strategic information will lead to material benefits (Bridoux & Stoelhorst, 2014; Harrison et al.). We suggest that strategic complementarity should enhance each party’s willingness to engage in important instrumental communication and share private information as each party recognizes the material benefits that may accrue from the relationship. Indeed, Gulati and Sutch (2007) argue that joint action and the scope and quality of information exchange between partner firms facilitates mutual cooperation. As strategic complementarities increase the attention managers devote to a relationship, the more important the exchange of strategic information becomes. Moreover, these concerns elicit behavioral norms that not only induce increased joint information exchange and open communication (Heide & John, 1992), but encourage the sharing of more substantive, finer-grained strategic information (Uzzi, 1997).

Summarizing our arguments regarding strategic complementarity, we formally propose:

Proposition 2 *Strategic complementarity will be positively associated with extrinsically motivated cooperative behavior due to increased competence-based trust, environmental predictability, material exchange and reciprocity, and instrumental communication.*

3 | THE INTERRELATIONSHIP OF VALUE CONGRUENCE AND STRATEGIC COMPLEMENTARITY

In the section above, we considered the relational factors related to the two dimensions of O-S fit, and treated them as independent for the sake of theoretical specification. Our separate treatment of the dimensions of fit is consistent with the idea that there is a particular starting point to every relationship. Sometimes the impetus for interaction will be more firmly based on shared values, and at other times on the mutual ability to provide for each other's needs. We argue that it is important to understand from where a relationship originates so that we can better understand the nature of interactions between organizations and stakeholders, as well as the motivational orientation of each party toward the relationship. However, we concede that this assumption is overly restrictive, and while we consider it important to specify the unique factors and motivations associated with each dimension of fit, we acknowledge that any one relationship is likely to exist and thrive based on some combination of value congruence and strategic complementarity. In this section, we consider how each dimension of fit and its associated factors can serve as the impetus for the enhancement of fit on the other dimension, or how the two dimensions of O-S fit are interrelated over time.¹

3.1 | Value congruence leading to strategic complementarity

In considering the interdependence of the two types of O-S fit, we first consider the interplay between the relational factors and unique motivations related to each type of fit. For example, and specific to the relationship between value congruence and strategic complementarity, a number of scholars have argued that perceptions of character-based trust can lead to a greater exchange of strategic information in addition to greater help-seeking and reciprocation between organizations and stakeholders (Bosse et al., 2009; Harrison et al., 2010; Harrison & Wicks, 2013; Jones & George, 1998). And because value congruence enhances the quality of socioemotional communication, the ability of each party to understand and interpret strategic information would also be enhanced. Others have noted that character-based trust and competence-based trust are interrelated (Mayer et al., 1995), and that character-based trust may encourage fairness in partner transactions (Colquitt & Rodell, 2011). Acting with fairness, in turn, is likely to increase reciprocity norms and strategic information exchange (Harrison et al., 2010). Thus, it is likely that value congruence, through its associated relational factors, increases the likelihood that the organization and stakeholder become more open to an exchange of resources that facilitate strategic objectives.

Value congruence, and the associated relational factors, should also enhance the likelihood of strategic complementarity via what psychologists have termed the "mere exposure effect" (Zajonc, 1968). Simply being familiar with another party can enhance one's feelings and positive motivations toward it, which increases the frequency and quality of interaction. Thus, through enhanced exposure to the partner, value congruence can encourage the discovery of strategic opportunities that may have not otherwise been apparent (Gulati, 1995).

Consider the relationship between The Home Depot (THD) and KaBOOM!, a nonprofit organization that helps impoverished communities build playgrounds for children. The relationship started in 1995 when THD agreed to provide a modest investment of tools, building materials, and volunteer labor for a single playground. THD, somewhat wary of the new nonprofit organization,

¹We consider the general tendency for a positive interrelationship between the two dimensions of fit. Of course, we also recognize that any number of contingency factors may prevent the positive interrelationship from becoming manifest. Such factors give rise to the fact that many relationships remain largely a function of one dimension or the other. While a full consideration of such contingencies is outside our scope, we do return to the idea in our discussion section.

“decided to start slowly” (Sagawa & Segal, 2000, p. 31), but perceived a good fit with KaBOOM!’s “culture of community involvement” (p. 41), even though there was not a strong perceived fit based on strategic needs. As character-based trust was built and the frequency and quality of communication between the two parties increased, THD learned that KaBOOM! needed assistance with incorporation and agreed to provide legal assistance and mentorship. In turn, even though THD never “asked for recognition” (Sagawa & Segal, 2000, p. 33), high-profile national attention soon followed. THD also benefited when it realized that community members working with the company became “very loyal customers,” and the company is known to recruit employees from volunteering events (Sagawa & Segal, 2000, p. 36). As such, through enhanced interaction facilitated by increased exposure, a relationship that was initially based on value congruence and characterized by “trust,” “respect,” and “charm,” grew into a more complete and even stronger collaborative relationship based also on strategic complementarity (Hammond, 2011, pp. 78–79).

Taking the above arguments together, we propose:

Proposition 3 *Initial value congruence will lead to the development of strategic complementarity over time.*

3.2 | Strategic complementarity leading to value congruence

We also suggest that relationships initially formed based on strategic complementarity can subsequently encourage and foster value congruence. De Clercq and Sapienza (2006, p. 331) recognized this possibility in their study of corporate alliances in which, over time, the parties involved in needs-based alliances developed a stronger affinity and built greater “relational capital,” understood as “the extent to which the exchange involves trust, social interaction, and shared norms or goals.” Recent research in social movements has suggested something similar. For example, McDonnell, King, and Soule (2015) showed that an organization’s responsiveness to resource-based requests from stakeholders can subsequently facilitate the formation of shared values through the structure and interaction of the resource exchange. Similarly, Gioia, Hamilton, and Patvardhan (2014) suggested that as organizations partner with stakeholders to improve their public image (a needs-based function commensurate with environmental predictability), they can also foster conditions for the formation of shared values as the organization shifts to match the new image. To illustrate this idea, Gioia et al. (2014) pointed to BP’s actions following the Deepwater Horizon oil spill in the Gulf of Mexico. In the wake of the spill, BP worked with numerous government agencies, non-profits, and environmental groups with the strategic goal of improving its image as “safety-oriented, socially responsible, [and] environmentally sensitive” (Gioia et al., p. 21). They argued that while BP may have not truly valued these ideals prior to the spill (and thus pursued the relationships primarily for extrinsic and material reasons), major changes inside the company suggested these partnerships altered its identity and shifted its values to be more aligned with the values of its stakeholders.

All of these examples can also be understood in terms of the mere exposure effect (Zajonc, 1968). Repeated exposure to an exchange partner can enhance positive attitudes toward that partner, and thus facilitates enhanced value congruence. For example, Harrison et al. (2010) detailed how repeated reciprocal exchange may encourage positive perceptions of the trading partner. As they noted, “a firm that is perceived of as fair and respectful of reciprocal obligations is one that is less likely to act opportunistically” (64). In other words, a partner that meets its reciprocal strategic obligations is perceived to be acting fairly and in good faith, which works to increase character-based

trust, mutual liking, affinity, and relational predictability (Lewicki & Bunker, 1995). In the extreme, mere exposure via strategic exchange may also encourage the adoption of an exchange partner's values and beliefs. For example, research on social information processing suggests that individual perceptions are influenced by the perceptions of others in their social network (Salancik & Pfeffer, 1978), and that this process is facilitated by strategic and material exchange (Rice & Aydin, 1991). Thus, adoption of a partner's values and beliefs may be driven by more structural changes in the relationship (as detailed by McDonnell et al., 2015), or by the deeper and more deliberate consideration of an exchange partner's point-of-view. In this way, the development of value congruence from strategic complementarity can encourage exchange that moves beyond direct reciprocity and into general reciprocity, which is characterized by the desire to enhance the other's material well-being even without direct and immediate benefit (Harrison et al., 2010).

Several additional examples help to illustrate this effect. Consider the long relationship between Nike and workers' rights advocates. In the 1990s, Nike faced a global boycott of its products after allegations of sweatshop labor at its subcontracted factories (Birch, 2012). While Nike's initial partnerships with advocate groups were likely attempts to address environmental uncertainty (and thus a function of strategic complementarity), the company's corporate culture slowly evolved and it came to value workers' rights issues more centrally. Today, the same activists that fought with Nike in the 1990s praise the company, saying, "For a company which 20 years ago was denying that worker's rights at supplier factories were any of its concern, Nike has come a long way" (Birch, 2012, p. 1).

Also, consider the NUMMI partnership between GM and Toyota. The partnership was initially formed to satisfy the resource needs of each partner, with GM gaining access to Toyota's high-quality manufacturing techniques, and Toyota receiving better access to U.S. markets. Initially described as a partnership that would require "Hell [freezing] over" to succeed, many pundits felt that the cultures and values of each company were too dramatically different to allow for a compatible relationship (Langfitt, 2010). However, over time and facilitated by increased interaction and exposure, GM came to internalize many of the values associated with the "Toyota Way," and Toyota began to adopt many of the values that made GM successful in the United States, including the values needed to form solid relationships with U.S. suppliers, regulators, and unionized employees (Gomes-Casseres, 2009; Shook, 2010). Much of the credit for this convergence in values was given to the fact that close proximity of the instrumental relationship gave rise to increased opportunities for interaction and socioemotional communication, which helped to foster attraction and trust (Shook, 2010).

In summary, it is likely that initial strategic complementarity can foster subsequent value congruence between organizations and their stakeholders. More formally stated, we propose:

Proposition 4 *Initial strategic complementarity will lead to the development of value congruence over time.*

4 | ORGANIZATION-STAKEHOLDER MISFIT

In our discussion so far, we have primarily focused on cases where value congruence and/or strategic complementarity is high. Central to this discussion is the idea that as fit goes from low to high, organizations and stakeholders are more motivated—either implicitly or explicitly—to engage and cooperate with one another. It can be understood, then, that low levels of fit result in low levels of cooperation and engagement, as the organization and stakeholder are not driven by shared values or

strategic needs to interact. Importantly, the disengagement that results from low levels of fit is likely passive in nature, such that the parties are not necessarily motivated to actively avoid one another, but they are also not motivated to actively engage with one another. Instead, the parties are generally apathetic toward one another—in a way, then, it could be said that there is no relationship.

However, it is natural and likely that incongruence along one or both dimensions of fit can also occur, suggesting the potential for O–S misfit. This is a different situation than low fit—when values are similar but not important to either party (i.e., low value congruence) or when an organization and stakeholder cannot mutually satisfy strategic needs (i.e., low strategic complementarity). In contrast, O–S misfit exists when the values of the organization and stakeholder are opposed or in conflict with one another (i.e., value incongruence), or when actions of one party disrupt or exacerbate the needs of the other party (i.e., strategic incompatibility). As such, fit and misfit exist on different continua and are differentially related to relationship behaviors, consistent with theorizing about other similar sociocognitive concepts such as satisfaction and dissatisfaction, trust and distrust, and justice and injustice (e.g., Colquitt, Long, Rodell, & Halvorsen-Ganepola, 2015; Herzberg, 1966; Lewicki, McAllister, & Bies, 1998).

Similar to low levels of fit, low levels of misfit result in passive disengagement between the parties. In this case, though, the disengagement is driven by a sense of incompatibility rather than a lack of compatibility. As misfit increases, however, disengagement becomes less passive and more motivated such that relationship partners begin to actively avoid one another. For example, an employee with low levels of fit or misfit with an organization may become passively disengaged, lacking motivation to exert high effort and exhibiting withdrawal behaviors, but not necessarily actively seeking to quit (Lee & Mitchell, 1994). In contrast, misfit provides a shock and “activates” disengagement, such that intentions to terminate the relationship are increased and an active search process for alternative employment commences. In this way, just as increasing levels of fit motivate engagement, increasing levels of misfit generally motivate disengagement and the active avoidance of relationships.

There are, however, several exceptions to this general pattern of avoidance. In particular, we take a configurations approach to the concept of O–S misfit to consider three scenarios where we expect relational outcomes other than avoidance. In the first, we consider situations in which there is *high* value incongruence and *high* strategic incompatibility (e.g., high misfit on both dimensions). We argue that such situations are likely to lead to combative relational behaviors. In the second and third scenarios, we consider situations in which there is high misfit along one dimension and high fit along the other. We argue that such situations are likely to lead to compromising behaviors, which may serve to improve the relationship over time. Our overarching framework for O–S fit and misfit appears in Figure 1.²

4.1 | High values incongruence and high strategic incompatibility

Prior fit research indicates that high levels of misfit can be problematic for organizations and stakeholders. For employees, situations of high misfit often lead to the termination of the relationship, but can also promote the active destruction of value between parties (e.g., Harold, Oh, Holtz, Han, & Giacalone, 2016). For example, employees whose values are incongruent with those of the organization and who do not fit with the requirements of their jobs are likely to exhibit lower job

²For the sake of parsimony, we do not explicitly consider the scenario characterized by high fit along both dimensions (the upper-right section of Figure 1). Such relationships will be characterized by high levels of both intrinsically and extrinsically motivated cooperation, as detailed in our sections above.

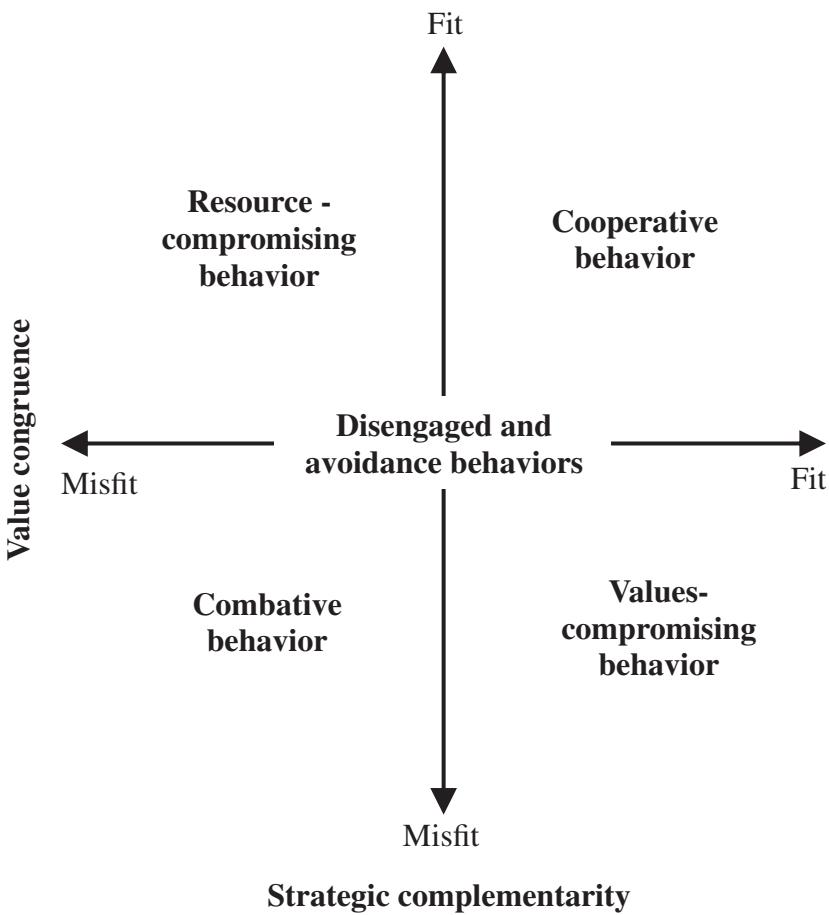


FIGURE 1 An organization–stakeholder fit framework for relational behaviors

attitudes and performance (e.g., Kristof-Brown, Jansen, & Colbert, 2002). In addition to withholding positive benefits toward the organization, these high-misfit employees are more likely to engage in antisocial and deviant behaviors that may harm the organization or its members (Harold et al., 2016; Kim & Yoo, 2008).

We expect similar behavior in situations of misfit between organizations and other stakeholders. As noted above, in many cases, misfit will promote termination of the relationship and an active avoidance of future interaction. Further to this, we argue that high levels of misfit along both dimensions of O–S fit will lead to relationships defined by combative—as opposed to cooperative—behavior (as shown in the bottom-left section of Figure 1). In other words, rather than motivating cooperation and positive engagement, as is the case with high fit, we predict that high misfit will motivate conflict and negative engagement. This argument is supported by research at the individual level that has recognized a “range of tolerance” for misfit (Edwards, 2008; Kulka, 1979). This idea suggests that moderate levels of misfit can be endured without harming the person–environment relationship. However, when a tipping point is reached—in other words, when the range of tolerance is exceeded—strain increases and the quality of the relationship sharply disintegrates. In this way, we expect that beyond a particular range of tolerance unique to each organization–stakeholder pair, misfit begins to motivate an active form of negative engagement. In a sense, (potential) relationship

partners can only tolerate so much incompatibility, beyond which high levels of value incongruence and strategic incompatibility are perceived as threats that need to be proactively addressed or neutralized rather than avoided or ignored.

Research on negative reciprocity suggests a similar phenomenon. For example, Bosse et al. (2009) argued that when stakeholders perceive that their values are being violated in relationships with an organization, they will actively engage in punishing the offending organization, even to the detriment of their own utility. Research on interpersonal incivility and identity threats also suggests something similar. For example, Andersson and Pearson (1999, p. 462) argued that “when at least one of the parties involved in an exchange of incivilities perceives an identity threat, the tipping point is reached, prompting a more intense behavioral response,” focused on purposively inflicting harm. Finally, research on stakeholder theory and social movements also provides support for the idea that high misfit along both dimensions of O–S fit is likely to lead to contentious relationships. For example, Rowley and Moldoveanu (2003) argued that stakeholder activists will proactively target—rather than avoid—companies with opposing values and who significantly threaten the resource position of the stakeholder. Similarly, Bundy et al. (2013) argued that firms will proactively defend themselves when they perceive their values and strategic needs as seriously threatened by stakeholder actions.

To illustrate our argument, consider community activists against the natural gas extraction process of fracking. These activists emphasize core values related to the perseveration of the natural environment and safety of energy consumers (Mooney, 2014). They also believe that the practice of fracking is fundamentally against their values and threatens their well-being (a core strategic need). Given the high levels of value incongruence and strategic incompatibility, these stakeholders are motivated to engage in activism with the goal of banning all fracking activity in their communities. In other words, given the high stakes involved, community stakeholders feel that they cannot avoid or ignore the fracking organizations, and instead decide to proactively defend their values and strategic priorities. In contrast, oil and gas companies not only profit from the extraction technique, but also tout the social benefits, including increasing independence from foreign sources of energy and the creation of jobs, while also arguing that the environmental claims are overstated. Fracking as a business opportunity for oil and gas companies is thus fundamentally opposed to the values and strategic goals of community activists, and vice versa. Because of high O–S misfit along both dimensions, many argue that the fracking debate is inherently intractable (Raimi & Leary, 2014), and recent commentary suggests that the issue of fracking may be “destined to... become almost pathologically polarized” (Mooney, 2014, p. 1).

Taking our above arguments together, we propose the following:

Proposition 5 *Organizational-stakeholder relationships characterized by high value incongruence and high strategic incompatibility will be positively associated with competitive behavior.*

4.2 | High misfit on one dimension and high fit on the other

In contrast, we argue that high fit along one dimension can help mitigate the likelihood that high misfit leads to relational conflict and, instead, may promote situations of compromise and negotiation. This argument is supported by research from the micro literature, which finds that high fit along one dimension can help to compensate for high misfit along the other (Kristof-Brown et al., 2002). For example, employees often downplay misfit on one dimension and emphasize the

importance of fit on the other dimension to reduce the dissonance associated with contradictory information (Resick, Baltes, & Shantz, 2007). Thus, fit in terms of values or strategic needs can buffer the negative effects that misfit on the other dimension might have on the relationship. Similarly, Bundy et al. (2013) argued that when organizations perceive a stakeholder issue as conforming to its values but threatening to its strategy, or vice versa, the organization will respond with "substantive negotiation," defined as "efforts by a focal firm to bring consonance to the interpretive logics used to understand an issue" (p. 366). Here, we argue that a stakeholder and organization are likely to engage in compromising behaviors as they work to mitigate the dual effects of fit and misfit. That is, the cooperation encouraged by high fit on one dimension may partially offset the conflict associated with high misfit on the other dimension.

Consider the history of Intel's relationship with activists concerning the strategic use of water in local communities (Clancy, 2013; Groves, 1994 ; Hackley, 2013). The fabrication of microchips is a water-intensive process, and many local activists in Arizona and New Mexico, where Intel has fabrication plants and where water is scarce, have raised concerns about Intel's use of the limited natural resource (Groves, 1994; Hackley, 2013). In this situation, there is high strategic incompatibility between Intel and its local communities regarding the use of water as a strategic resource. However, community activists and Intel also recognize that there is high value congruence. For example, Intel strives to be an "asset to our communities worldwide," and recognizes the value of a vibrant and trusting workforce (Intel, 2015). Similarly, Intel is lauded by many economic development agencies as being a vital partner in local communities, not only because it provides jobs, but also because Intel is committed to cultural stewardship (Clancy, 2013). As such, rather than letting incompatibility surrounding water as a strategic resource cause relational conflict, the two parties have engaged in what we term *resource-compromising behavior*, in which each party attempts to alter or change their strategic priorities as facilitated by high value congruence (as shown in the upper-left section of Figure 1). For example, local communities continue to allow Intel access to water, making conservation sacrifices elsewhere, while Intel has invested in water reclamation technology to reduce its impact (Clancy, 2013).

We expect something similar in the case of high misfit along the value congruence dimension combined with high fit along the strategic complementarity dimension (the lower-right section of Figure 1). In such situations, the organization and stakeholder hold inconsistent values, but also recognize the potential benefits of mutual exchange. As a result, one or both parties are likely to engage in *values-compromising behavior*, in which they seek to alter, change, or suppress the importance of their values to facilitate the strategic exchange. Research on psychological contracts supports this process. Thompson and Bunderson (2003) suggested that perceived ideological differences may not elicit a combative response when relationship partners perceive the differences as a necessary constraint that can be addressed in time. In such situations, relational partners "may decide to emphasize activities calculated purely to augment bottom-line performance and thus redirect energy away from ideological pursuits," at least temporarily (Thompson & Bunderson, 2003, p. 581). Thus, the short-term response may be to accommodate a mutually beneficial solution as a means toward long-run survival.

Consider the relationship between Netflix and Comcast. Netflix has long supported principles of net neutrality and a free and open Internet. However, many Internet service providers, including Comcast, oppose neutrality, believing that certain websites, including Netflix, need to compensate for their excessive usage of the network. Thus, the two organizations have highly inconsistent fundamental values in this regard. However, both companies also recognize the strategic benefits of a relationship. Netflix needs access to Comcast's vast network, and Comcast needs to provide its

customers with access to Netflix's services. As such, spurred by high strategic complementarity, the two organizations have agreed to work together and, at least temporarily, have altered or suppressed their values in doing so. In referencing the arrangement with Comcast, Netflix's CEO Reed Hastings said, "Netflix believes strong net neutrality is critical, but in the near term we will in cases pay the toll to the powerful ISPs to protect our consumer experience" (Popper, 2014).

Taking our arguments together, we argue that fit along one dimension can facilitate compromise in a relationship, and that the act of compromise can help to offset the harmful effects of misfit along the offending dimension. Thus, we propose:

Proposition 6 *Organizational-stakeholder relationships characterized by high strategic incompatibility (strategic complementarity) and high value congruence (value incongruence) will be associated with relational compromise.*

5 | DISCUSSION AND CONCLUSION

In this article, we have specified a theory of O–S fit to advance the theoretical understanding of behavioral dynamics in organization–stakeholder relationships. In doing so, we have framed cooperation as a function of the value congruence and strategic complementarity between organizations and stakeholders. We argue that these two dimensions of fit form the basis of cooperation, and help us understand how relationships evolve and change over time. Moreover, in considering both the values and strategic needs of organizations and stakeholders, we advance research on stakeholder management from both an instrumental and a normative perspective. As such, our theory provides an understanding of how instrumental concerns and normative congruence between an organization and its stakeholders can lead to cooperation, and also explains why some relationships are characterized by compromise or even combativeness.

We also contribute to research by detailing sociocognitive explanations for cooperation, which advances recent scholarly focus on the behavioral foundations of stakeholder research (Bosse & Coughlan, 2016; Bridoux & Stoelhorst, 2014). In a static context, our framework suggests that the congruence of core values, in addition to the satisfaction of mutual strategic needs, predicts when and how organizations and stakeholders work together. We identified several factors prompted by each dimension of fit, including forms of trust, predictability, attraction, and communication. As such, our theory identifies and categorizes the multiple factors that motivate cooperation, recognizing that cooperation may have many and varied sources.

In a more dynamic sense, we explain how value congruence between an organization and a stakeholder can also foster subsequent strategic complementarity, and vice versa. Thus, in explicating the importance of both value congruence and strategic complementarity in organization–stakeholder relationships, we provide a formal explanation for how important relational factors originate and grow, and we introduce a unique perspective to the burgeoning literature on stakeholder theory (cf. Freeman, 2010; Priem, 2007; Tantalo & Priem, 2016).

Our theory also offers an alternative explanation for how organizations might prioritize multiple stakeholders. To date, stakeholder salience has largely been explained in terms of stakeholder power, legitimacy, and urgency (e.g., Agle, Mitchell, & Sonnenfeld, 1999; Eesley & Lenox, 2006; Mitchell, Agle, & Wood, 1997), organizational lifecycle stages (e.g., Jawahar & McLaughlin, 2001), and stakeholder-related culture and commitments (e.g., Buysse & Verbeke, 2003; Henriques & Sadorsky, 1999; Jones, Felps, & Bigley, 2007). These explanations have focused on either

the organization *or* the stakeholder in question, but not necessary on *both*. Our theory of O–S fit suggests that organizations are likely to prioritize stakeholders based on sharing important values and the joint ability to satisfy strategic needs, and vice versa. Indeed, our approach frames stakeholder salience in terms of characteristics of the relationship, not exclusively on independent characteristics of either party, and thus addresses calls for relational explanations of stakeholder phenomena (Harrison et al., 2010).

The O–S fit perspective is also useful in helping to understand the origin of conflict between organizations and stakeholders. Considering the dynamic elements of our theory, it may be that organizations and their stakeholders can move toward a more constructive relationship in which compromise (rather than conflict) is the norm by finding some commonality, based either on shared values or on the potential to mutually satisfy strategic needs. Finding this common ground can act as the catalyst from which the factors of value congruence or strategic complementarity can begin to engender compromise, and upon which greater fit might subsequently be achieved. Similarly, our theory also suggests why organization–stakeholder relationships may deteriorate as misfit increases. Over time, relationships become more difficult to manage as the values of stakeholders and organizations change and come to conflict or as important strategic needs are disrupted by the actions of the other party. Furthermore, conflict and contestation may arise more quickly in involuntary stakeholder relationships since avoidance is not a viable option. This may further explain the escalating conflict between fracking companies and the communities in which they operate as the cost of exiting the relationship (i.e., relocating) is too high for many to bear.

Our theory has a number of important implications for both stakeholders and managers. For stakeholders wishing to enhance their relationships with organizations, our theory suggests the importance of finding ways to enhance both value congruence and strategic complementarity. By highlighting where values are aligned or instances in which the satisfaction of mutual needs is possible, a stakeholder will likely garner more attention and cooperation from the organization. Similarly, for organizations, we suggest that those wishing to satisfy stakeholders might find ways to enhance perceptions of shared values or strategic needs satisfaction in order to move beyond a position of conflict associated with misfit on both dimensions. Ultimately, stakeholders who perceive some level of fit with an organization may feel less threatened, and thus reduce or desist any actions against the organization.

In developing our O–S fit framework, we made several simplifying assumptions, which, when relaxed, open many possibilities for future research. For example, we recognize that organizations and stakeholders often possess a large array of values and strategic needs, some of which might be congruent, and some of which might conflict. It is likely that the effects of fit or misfit on any one value or need might depend on the extent to which that value or strategic need is considered to be important to the organization or stakeholder (e.g., Edwards, 1996; Vogel, Rodell, & Lynch, 2016). Alternatively, the effects of fit on an important value or need may be dependent on the extent to which fit is achieved on other values or needs. Further, organizational and stakeholder needs are likely to shift in their priority or importance over time.

As such, the degree to which we can assess fit along a single dimension (i.e., needs or values) may be limited. Indeed, organizations and stakeholders are likely required to prioritize, reconcile, and negotiate their basket of needs and values on a continuous basis. Extant research argues that ambidextrous organizations are capable of managing both the need to explore new opportunities and exploit existing opportunities by reconciling “internal tension and conflicting demands in their task environment” (Raisch & Birkinshaw, 2008, p. 375). Hence, managing multiple needs may be a function of harnessing adaptive tension while mitigating conflict (cf. Uhl-Bien, Marion, &

McKelvey, 2007). At the same time, organizations use various response techniques to reconcile multiple identities based on identity plurality and synergy (Pratt & Foreman, 2000); organizations may take a similar approach when attempting to reconcile multiple values and needs. Thus, future research might consider how managers of organizations coordinate and prioritize internal and external demands and reconcile multiple (possibly competing) values and needs to better understand value (in)congruence and strategic complementarity/incompatibility in organization–stakeholder relationships.

The complexity of our theory increases when considering multiple stakeholders and the heterogeneous nature of their many demands (Neville & Menguc, 2006). In other words, not only does a single organization–stakeholder relationship consist of many values and needs, but considering an organization's multiple stakeholders involves a complex web of potentially congruent and incompatible values and needs. We believe that our fundamental thesis applies to the broader network of stakeholder relationships: that value congruence and strategic complementarity can facilitate cooperation. However, we encourage future research to consider the complexity of multiple stakeholder relationships in terms of congruence or incongruence (cf. Harris & Wicks, 2010; Tantalo & Priem, 2016). In the same vein, we also generally assumed symmetric relationships, and that both parties receive more or less equal benefit from cooperation. A very practical extension would be to consider asymmetric relationships, such that one party receives more benefit from cooperation than the other. Any number of factors may influence such asymmetry, including power and resource positions, or even legitimacy or normative standing (Mitchell et al., 1997). We encourage additional work down this path to consider how asymmetry in the relationship may change the nature of cooperation.

In conclusion, stakeholder theory has long maintained the instrumental and normative importance of stakeholders to organizations (Freeman, 1984, 2010). Indeed, a stakeholder can be an organization's best friend or worst nightmare. To date, research in stakeholder theory has lacked the theoretical language to describe and predict when and how organizations and stakeholders cooperate in the pursuit of shared goals. In response, we have developed a theory of O–S fit, which attempts to refocus stakeholder theory on the importance of achieving value congruence and strategic complementarity within these critical relationships.

ACKNOWLEDGEMENTS

All authors contributed equally and are listed in alphabetical order. We would like to thank Olga Bruyaka, Jason Colquitt, Cindy Devers, Alan Muller, and Mike Pfarrer for their comments on earlier drafts of this manuscript. We are also grateful to Associate Editor Pam Barr and two anonymous reviewers for their helpful guidance and feedback throughout the review process. Finally, we acknowledge the many valuable comments received at the 2015 Strategic Management Society annual meeting in Denver, CO, as well as the inspiration provided by the Boston Red Sox at the 2012 Academy of Management annual meeting.

REFERENCES

- Agle, B. R., Mitchell, R. K., & Sonnenfeld, A. J. (1999). Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values. *Academy of Management Journal*, 42(5), 507–525.
- Albers, S., Wohlgemuth, F., & Zajac, E. J. (2016). Strategic alliance structures: An organization design perspective. *Journal of Management*, 42(3), 582–614.
- Aldrich, H. (1979). *Organizations and environments*. Englewood Cliffs, NJ: Prentice-Hall.
- Andersson, L. M., & Pearson, C. M. (1999). Tit for tat? The spiraling effect of incivility in the workplace. *Academy of Management Review*, 24(3), 452–471.
- Axelrod, R. (1984). *The evolution of cooperation*. New York, NY: Basic Books.

- Bales, R. F. (1950). *Interaction process analysis: A method for the study of small groups*. Cambridge, MA: Addison-Wesley.
- Barber, B. (1983). *The logic and limits of trust*. New Brunswick, NJ: Rutgers University Press.
- Barnett, M. L. (2007). Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *Academy of Management Review*, 32(3), 794–816.
- Barney, J. B. (1988). Returns to bidding firms in mergers and acquisitions: Reconsidering the relatedness hypothesis. *Strategic Management Journal*, Summer Special Issue, 9, 71–78.
- Barringer, B. R., & Harrison, J. S. (2000). Walking a tightrope: Creating value through interorganizational relationships. *Journal of Management*, 26(3), 367–403.
- Beckman, C. M., Haunschild, P. R., & Phillips, D. J. (2004). Friends or strangers? Firm-specific uncertainty, market uncertainty, and network partner selection. *Organization Science*, 15(3), 259–275.
- Birch, S. (2012). *How activism forced Nike to change its ethical game*. *The Guardian.com*. Retrieved from <http://www.theguardian.com/environment/green-living-blog/2012/jul/06/activism-nike>
- Blau, P. M. (1964). *Exchange and power in social life*. New York, NY: Wiley.
- Bosse, D. A., & Coughlan, R. (2016). Stakeholder relationship bonds. *Journal of Management Studies*, 53(7), 1197–1222.
- Bosse, D. A., Phillips, R. A., & Harrison, J. S. (2009). Stakeholders, reciprocity, and firm performance. *Strategic Management Journal*, 30(4), 447–456.
- Bridoux, F., & Stoelhorst, J. W. (2014). Microfoundations for stakeholder theory: Managing stakeholders with heterogeneous motives. *Strategic Management Journal*, 35(1), 107–125.
- Bridoux, F., & Stoelhorst, J. W. (2016). Stakeholder relationships and social welfare: A behavioral theory of contributions to joint value creation. *Academy of Management Review*, 41(2), 229–251.
- Bundy, J., Shropshire, C., & Buchholtz, A. K. (2013). Strategic cognition and issue salience: Toward an explanation of firm responsiveness to stakeholder concerns. *Academy of Management Review*, 38(3), 352–376.
- Buysse, K., & Verbeke, A. (2003). Proactive environmental strategies: A stakeholder management perspective. *Strategic Management Journal*, 24(5), 453–470.
- Byrne, D. (1971). *The attraction paradigm*. New York, NY: Academic Press.
- Cable, D. A., & Edwards, J. R. (2004). Complementary and supplementary fit: A theoretical and empirical integration. *Journal of Applied Psychology*, 89(5), 822–834.
- Carpenter, M. A. (2002). The implications of strategy and social context for the relationship between top management team heterogeneity and firm performance. *Strategic Management Journal*, 23(3), 275–284.
- Carpenter, M. A., Pollock, T. G., & Leary, M. M. (2003). Testing a model of reasoned risk-taking: Governance, the experience of principals and agents, and global strategy in high-technology IPO firms. *Strategic Management Journal*, 24(9), 803–820.
- Chung, S. A., Singh, H., & Lee, K. (2000). Complementarity, status similarity and social capital as drivers of alliance formation. *Strategic Management Journal*, 21(1), 1–22.
- Circourel, A. V. (1973). *Cognitive sociology*. Harmondsworth, England: Penguin.
- Clancy, H. (2013, September). Why Intel prioritizes water conservation. *Forbes.com*. Retrieved from <http://www.forbes.com/sites/heatherclancy/2013/09/24/why-intel-prioritizes-water-conservation/>
- Clarkson, M. B. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20(1), 92–117.
- Colquitt, J. A., Long, D. M., Rodell, J. B., & Halvorsen-Ganepola, M. D. K. (2015). Adding the ‘in’ to justice: A qualitative and quantitative investigation of the differential effects of justice and injustice. *Journal of Applied Psychology*, 100(2), 278–297.
- Colquitt, J. A., & Rodell, J. B. (2011). Justice, trust, and trustworthiness: A longitudinal analysis integrating three theoretical perspectives. *Academy of Management Journal*, 54(6), 1183–1206.
- Connelly, B. L., Crook, T. R., Combs, J. G., Ketchen Jr., D. J., & Aguinis, H. (2015). Competence- and integrity-based trust in inter-organizational relationships: Which matters more? *Journal of Management* (forthcoming).
- Cummings, J. N. (2004). Work groups, structural diversity, and knowledge sharing in a global organization. *Organization Science*, 15(3), 352–364.
- Cummings, T. G. (1984). Transorganizational development. *Research in Organizational Behavior*, 6, 367–422.
- Das, T. K., & Teng, B. (1998). Between trust and control: Developing confidence in partner cooperation in alliances. *Academy of Management Review*, 23(3), 491–512.
- Deci, E. L., & Ryan, R. M. (1985). *Intrinsic motivation and self-determination in human behavior*. New York, NY: Plenum.
- Deci, E. L., & Ryan, R. M. (2000). The “what” and “why” of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry*, 11(4), 227–268.
- De Clercq, D., & Sapienza, H. J. (2006). Effects of relational capital and commitment on venture capitalists’ perception of portfolio company performance. *Journal of Business Venturing*, 21(3), 326–347.
- Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *Academy of Management Review*, 20(1), 65–91.
- Drazin, R., & Van de Ven, A. H. (1985). Alternative forms of fit in contingency theory. *Administrative Science Quarterly*, 30(4), 514–539.
- Dyer, J., & Nobeoka, K. (2000). Creating and managing a high-performance knowledge-sharing network: The Toyota case. *Strategic Management Journal*, 21(3), 345–367.

- Dyer, J., & Singh, H. (1998). The relational view: Cooperative strategy and sources of interorganizational competitive advantage. *Academy of Management Review*, 23(4), 660–679.
- Edwards, J. R. (1996). An examination of competing versions of the person-environment fit approach to stress. *Academy of Management Journal*, 39(2), 292–339.
- Edwards, J. R. (2008). Person-environment fit in organizations: An assessment of theoretical progress. *The Academy of Management Annals*, 2(1), 167–230.
- Edwards, J. R., & Cable, D. A. (2009). The value of value congruence. *Journal of Applied Psychology*, 94(3), 654–677.
- Edwards, J. R., & Shipp, A. J. (2007). The relationship between person-environment fit and outcomes: An integrative theoretical framework. In C. Ostroff & T. A. Judge (Eds.), *Perspectives on organizational fit* (pp. 209–259). New York, NY: Taylor & Francis.
- Eesley, C., & Lenox, M. (2006). Firm responses to secondary stakeholder action. *Strategic Management Journal*, 27(8), 765–781.
- Faraj, S., & Sprout, L. (2000). Coordinating expertise in software development teams. *Management Science*, 46(12), 1554–1568.
- Fehr, E., & Gächter, S. (2000). Cooperation and punishment in public goods experiments. *The American Economic Review*, 90(4), 980–994.
- Fisher, R., Ury, W. L., & Patton, B. (2011). *Getting to yes: Negotiating agreement without giving in*. New York, NY: Penguin.
- Fiske, S., & Taylor, S. (1991). *Social cognition*. New York, NY: McGraw-Hill.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Cambridge, MA: Cambridge University Press.
- Freeman, R. E. (1994). The politics of stakeholder theory: Some future directions. *Business Ethics Quarterly*, 4(4), 409–421.
- Freeman, R. E. (2010). Managing for stakeholders: Trade-offs or value creation. *Journal of Business Ethics*, 96(S1), 7–9.
- Freeman, R. E., Harrison, J. S., & Wicks, A. C. (2007). *Managing for stakeholders: Survival, reputation, and success*. New Haven, CT: Yale University Press.
- Freeman, R. E., Wicks, A. C., & Parmar, B. (2004). Stakeholder theory and “the corporate objective revisited”. *Organization Science*, 15(3), 364–369.
- Gabarro, J. J. (1978). The development of trust, influence, and expectations. In A. G. Athos & J. J. Gabarro (Eds.), *Interpersonal behavior: Communication and understanding in relationships* (pp. 290–303). Englewood Cliffs, NJ: Prentice Hall.
- Gioia, D. A., Hamilton, A. L., & Patvardhan, S. D. (2014). Image is everything: Reflections on the dominance of image in modern organizational life. *Research in Organizational Behavior*, 34, 129–154.
- Gomes-Casseres, B. (2009, September). Nummi: What Toyota learned and GM didn’t. HBR.org. Retrieved from <https://hbr.org/2009/09/nummi-what-toyota-learned>
- Goodenough, W. H. (1970). *Description and comparison in cultural anthropology*. Chicago, IL: Aldine.
- Gresov, C., & Drazin, R. (1997). Equifinality: Functional equivalence in organization design. *Academy of Management Review*, 22(2), 403–428.
- Groves, M. (1994, May). Land of disenchantment: In New Mexico, some residents are having second thoughts about Intel’s latest chip plant. *Los Angeles Times*. Retrieved from http://articles.latimes.com/1994-05-04/business/fi-53730_1_intel-plant/2
- Gulati, R. (1995). Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. *Academy of Management Journal*, 38(1), 85–112.
- Gulati, R. (1999). Network location and learning: The influence of network resources and firm capabilities on alliance formation. *Strategic Management Journal*, 20(5), 397–420.
- Gulati, R., & Nickerson, J. A. (2008). Interorganizational trust, governance choice, and exchange performance. *Organization Science*, 19(5), 688–708.
- Gulati, R., & Sytch, M. (2007). Dependence asymmetry and joint dependence in interorganizational relationships: Effects of embeddability on a manufacturer’s performance in procurement relationships. *Administrative Science Quarterly*, 52(1), 32–69.
- Hackley, R. (2013). Intel plant replenishes aquifer for thirsty Arizona city. Bloomberg.com. Retrieved from <http://www.bloomberg.com/news/articles/2013-09-15/intel-plant-replenishes-aquifer-for-thirsty-arizona-city>
- Hahn, T. (2015). Reciprocal stakeholder behavior: A motive-based approach to the implementation of normative stakeholder demands. *Business & Society*, 54(1), 9–51.
- Hammond, D. (2011). *KaBOOM! How one man built a movement to save play*. New York, NY: Rodale.
- Hansen, M. (1999). The search-transfer problem: The role of weak ties in sharing knowledge across organizational subunits. *Administrative Science Quarterly*, 44(1), 82–111.
- Harold, C. M., Oh, I. S., Holtz, B. C., Han, S., & Giacalone, R. A. (2016). Fit and frustration as drivers of targeted counterproductive work behaviors: A multifoci perspective. *Journal of Applied Psychology*, 101(11), 1513–1535.
- Harris, J. D., & Wicks, A. C. (2010). ‘Public trust’ and trust in particular firm-stakeholder interactions. *Corporate Reputation Review*, 13(2), 142–154.
- Harrison, J. S., Bosse, D. A., & Phillips, R. A. (2010). Managing for stakeholders, stakeholder utility functions, and competitive advantage. *Strategic Management Journal*, 31(1), 58–74.
- Harrison, J. S., Hitt, M. A., Hoskisson, R. E., & Ireland, R. D. (1991). Synergies and post-acquisition performance: Differences versus similarities in resource allocations. *Journal of Management*, 17(1), 173–190.
- Harrison, J. S., Hitt, M. A., Hoskisson, R. E., & Ireland, R. D. (2001). Resource complementarity in business combinations: Extending the logic to organizational alliances. *Journal of Management*, 27(6), 679–690.
- Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business Ethics Quarterly*, 23(1), 97–124.

- Heath, C., & Sitkin, S. B. (2001). Big-B versus Big-O: What is organizational about organizational behavior? *Journal of Organizational Behavior*, 22(1), 43–58.
- Heide, J. B., & John, G. (1992). Do norms matter in marketing relationships? *Journal of Marketing*, 56, 32–44.
- Henriques, I., & Sadorsky, P. (1999). The relationship between environmental commitment and managerial perceptions of stakeholder importance. *Academy of Management Journal*, 42(1), 87–99.
- Herzberg, F. (1966). *Work and the nature of man*. Cleveland, OH: World Publishing Company.
- Hitt, M. A., Dacin, M. T., Levitas, E., Arregle, J. L., & Borza, A. (2000). Partner selection in emerging and developed market contexts: Resource-based and organizational learning perspectives. *Academy of Management Journal*, 43(3), 449–467.
- Hofer, C., & Schendel, D. (1978). *Strategy formulation: Analysis and concepts*. St. Paul, MN: West Publishing.
- Intel. (2015). Our values: The heart of who we are. Intel.com. Retrieved from <http://www.intel.com/content/www/us/en/jobs/life-at-intel/usa/our-values.html>
- Jawahar, I. M., & McLaughlin, G. L. (2001). Toward a descriptive theory of stakeholder theory: An organizational life-cycle approach. *Academy of Management Journal*, 26(3), 397–414.
- Jeffries, F. L., & Reed, R. (2000). Trust and adaptation in relational contracting. *Academy of Management Review*, 25(4), 873–882.
- Jehn, K. A. (1994). Enhancing effectiveness: An investigation of advantages and disadvantages of value-based intragroup conflict. *International Journal of Conflict Management*, 5(3), 223–238.
- Jehn, K. A., Northcraft, G. B., & Neale, M. A. (1999). Why differences make a difference: A field study of diversity, conflict and performance in workgroups. *Administrative Science Quarterly*, 44(4), 741–763.
- Jones, G. R., & George, J. M. (1998). The experience and evolution of trust: Implications for cooperation and teamwork. *Academy of Management Review*, 23(3), 531–546.
- Jones, T. M., Felps, W., & Bigley, G. A. (2007). Ethical theory and stakeholder related decisions: The role of stakeholder culture. *Academy of Management Journal*, 32(1), 137–155.
- Jones, T. M., & Wicks, A. C. (1999). Convergent stakeholder theory. *Academy of Management Review*, 24(2), 206–221.
- Kahai, S. S., & Cooper, R. B. (1999). The effect of computer-mediated communication on agreement and acceptance. *Journal of Management Information Systems*, 16(1), 165–188.
- Kallith, T. J., Bluedorn, A. C., & Strube, M. J. (1999). A test of value congruence effects. *Journal of Organizational Behavior*, 20(7), 1175–1198.
- Kim, Y. I., & Yoo, T. Y. (2008). The effect of person-environment fit and honesty on workplace deviance. *Korean Journal of Industrial and Organizational Psychology*, 21(1), 27–58.
- Kristof, A. L. (1996). Person-organization fit: An integrative review of its conceptualizations, measurement, and implications. *Personnel Psychology*, 49(1), 1–49.
- Kristof-Brown, A. L., & Guay, R. P. (2011). Person-environment fit. In S. Zedeck (Ed.), *Handbook of industrial/organizational psychology* (pp. 3–50). Washington, DC: American Psychological Association.
- Kristof-Brown, A. L., Jansen, K. J., & Colbert, A. E. (2002). A policy-capturing study of the simultaneous effects of fit with jobs, groups, and organizations. *Journal of Applied Psychology*, 87(5), 985–993.
- Kristof-Brown, A. L., Zimmerman, R. D., & Johnson, E. C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, person-group, and person-supervisor fit. *Personnel Psychology*, 58(2), 281–342.
- Kulka, R. A. (1979). Interaction as person-environment fit. In L. R. Kahle (Ed.), *New directions for methodology of behavioral science* (pp. 55–71). San Francisco, CA: Jossey-Bass.
- Langfitt, F. (2010). The end of the line for GM-Toyota joint venture. NPR.org. Retrieved from <http://www.npr.org/templates/story/story.php?storyId=125229157>
- Lee, T. W., & Mitchell, T. R. (1994). An alternative approach: The unfolding model of voluntary employee turnover. *Academy of Management Review*, 19(1), 51–89.
- Lewicki, R. J., & Bunker, B. B. (1995). Trust in relationships: A model of trust development and decline. In B. B. Bunker & J. Z. Rubin (Eds.), *Conflict, cooperation, and justice* (pp. 133–173). San Francisco, CA: Jossey-Bass.
- Lewicki, R. J., McAllister, D. J., & Bies, R. J. (1998). Trust and distrust: New relationships and realities. *Academy of Management Review*, 23(3), 438–458.
- Lincoln, J. R., & Miller, J. (1979). Work and friendship ties in organizations: A comparative analysis of relation networks. *Administrative Science Quarterly*, 24(2), 181–199.
- Lioukas, C., & Reuer, J. (2015). Isolating trust outcomes from exchange relationships: Social exchange and learning benefits of priorities in alliances. *Academy of Management Journal*, 58(6), 1826–1847.
- Locke, E. A. (1976). The nature and causes of job satisfaction. In M. D. Dunnette (Ed.), *Handbook of Industrial and Organizational Psychology* (Vol. 1, pp. 1297–1343). Chicago, IL: Rand-McNally.
- Lovelace, J. B., Bundy, J., Hambrick, D. C., & Pollock, T. G. (2017). The shackles of CEO celebrity: Sociocognitive and behavioral role constraints on "star" leaders. *Academy of Management Review* (forthcoming).
- Luo, Y. (2005). How important are shared perceptions of procedural justice in cooperative alliances? *Academy of Management Journal*, 48(4), 695–709.
- Mayer, R. C., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20(3), 709–734.

- McDonnell, M.-H., King, B. G., & Soule, S. A. (2015). A dynamic process model of private politics activist targeting and corporate receptivity to social challenges. *American Sociological Review*, 80(3), 654–678.
- McGrath, J. E. (1984). *Groups: Interaction and performance*. Englewood Cliffs, NJ: Prentice-Hall.
- McKnight, D. H., Cummings, L. L., & Chervany, N. L. (1998). Initial trust formation in new organizational relationships. *Academy of Management Review*, 23(3), 473–490.
- Miller, D., & Friesen, P. H. (1977). Strategy-making in context: Ten empirical archetypes. *Journal of Management Studies*, 14(3), 253–280.
- Miller, J. G. (1981). Fit production systems to the task. *Harvard Business Review*, 59(1), 145–154.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4), 853–886.
- Mooney, C. (2014). Why is it hard to get anywhere on fracking? Because people are too full of themselves. WashingtonPost.com. Retrieved from <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/11/17/everybody-thinks-theyre-on-the-right-side-of-the-fracking-debate/>
- Muchinsky, P. M., & Monahan, C. J. (1987). What is person-environment congruence? Supplementary versus complementary models of fit. *Journal of Vocational Behavior*, 31(3), 268–277.
- Murray, J. Y., Kotabe, M., & Zhou, J. N. (2005). Strategic alliance-based sourcing and market performance: Evidence from foreign firms operating in China. *Journal of International Business Studies*, 36(2), 187–208.
- Nemeth, C. J., & Staw, B. M. (1989). The tradeoffs of social control and innovation in groups and organizations. In L. Berkowitz (Ed.), *Advances in experimental social psychology* (pp. 175–210). San Diego, CA: Academic Press.
- Neville, B. A., & Menguc, B. (2006). Stakeholder multiplicity: Toward an understanding of the interactions between stakeholders. *Journal of Business Ethics*, 66(4), 377–391.
- Parkhe, A. (1991). Interfirm diversity, organizational learning, and longevity in global strategic alliances. *Journal of International Business Studies*, 22(4), 579–601.
- Parkhe, A. (1993). Strategic alliance structuring: A game theoretic and transaction cost examination of interfirm cooperation. *Academy of Management Journal*, 36(4), 794–829.
- Pearce, J. (1981). Bringing some clarity to role ambiguity research. *Academy of Management Review*, 6(4), 665–674.
- Peña, J., & Hancock, J. T. (2006). An analysis of socioemotional and task communication in online multiplayer video games. *Communication Research*, 33(1), 92–109.
- Penner, L. A., Dovidio, J. F., Piliavin, J. A., & Schroeder, D. A. (2005). Prosocial behavior: Multilevel perspectives. *Annual Review of Psychology*, 56, 365–392.
- Pfeffer, J., & Salancik, G. (1978). *The external control of organizations*. New York, NY: Harper & Row.
- Phillips, R. (2003). *Stakeholder theory and organizational ethics*. San Francisco, CA: Berrett-Koehler.
- Popper, B. (2014). *Deal with the devil: Why Netflix broke its own rules on net neutrality*. Retrieved from <https://www.theverge.com/2014/3/24/5541916/netflix-deal-with-the-devil-why-reed-hastings-violated-his-principles>
- Powell, T. C., Lovallo, D., & Fox, C. R. (2011). Behavioral strategy. *Strategic Management Journal*, 32(13), 1369–1386.
- Powell, W. W., Koput, K. W., & Smith-Doerr, L. (1996). Interorganizational collaboration and the locus of innovation: Networks of learning in biotechnology. *Administrative Science Quarterly*, 41(1), 116–145.
- Pratt, M. G., & Foreman, P. O. (2000). Classifying managerial responses to multiple organizational identities. *Academy of Management Review*, 25(1), 18–42.
- Priem, R. L. (2007). A consumer perspective on value creation. *Academy of Management Review*, 32(1), 219–235.
- Raimi, K. T., & Leary, M. R. (2014). Belief superiority in the environmental domain: Attitude extremity and reactions to fracking. *Journal of Environmental Psychology*, 40, 76–85.
- Raisch, S., & Birkinshaw, J. (2008). Organizational ambidexterity: Antecedents, outcomes, and moderators. *Journal of Management*, 34(3), 375–409.
- Resick, C. J., Baltes, B. B., & Shantz, C. W. (2007). Person-organization fit and work-related attitudes and decisions: Examining interactive effects with job fit and conscientiousness. *Journal of Applied Psychology*, 92(5), 1446–1455.
- Rice, R. E., & Aydin, C. (1991). Attitudes toward new organizational technology: Network proximity as a mechanism for social information processing. *Administrative Science Quarterly*, 36(2), 219–244.
- Ring, P. S., & Van de Ven, A. H. (1992). Structuring cooperative relationships between organizations. *Strategic Management Journal*, 13(7), 483–498.
- Ring, P. S., & Van de Ven, A. H. (1994). Developmental processes of cooperative interorganizational relationships. *Academy of Management Review*, 19(1), 90–118.
- Rokeach, M. (1973). *The nature of human values*. New York, NY: Free Press.
- Rowley, T., & Moldoveanu, M. (2003). When will stakeholder groups act? An interest-and identity-based model of stakeholder group mobilization. *Academy of Management Review*, 28(2), 204–219.
- Rulke, D., & Galaskiewicz, J. (2000). Distribution of knowledge, group network structure, and group performance. *Management Science*, 46(5), 612–625.
- Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American Psychologist*, 55(1), 68–78.

- Sagawa, S., & Segal, E. (2000). *Common interest, common good: Creating value through business and social sector partnerships*. Cambridge, MA: Harvard Business School Press.
- Salancik, G. R., & Pfeffer, J. (1978). A social information processing approach to job attitudes and task design. *Administrative Science Quarterly*, 23(2), 224–253.
- Schall, M. S. (1983). A communication-rules approach to organizational culture. *Administrative Science Quarterly*, 28(4), 557–581.
- Schein, E. H. (1990). Organizational culture. *American Psychologist*, 45(2), 109–119.
- Schoonhoven, C. B. (1981). Problems with contingency theory: Testing assumptions hidden within the language of contingency “theory”. *Administrative Science Quarterly*, 26(3), 349–377.
- Shah, R., & Swaminathan, V. (2008). Factors influencing partner selection in strategic alliances: The moderating role of alliance context. *Strategic Management Journal*, 29(5), 471–494.
- Shepherd, D. A., & Sutcliffe, K. M. (2015). The use of anthropomorphizing as a tool for generating organizational theories. *The Academy of Management Annals*, 9, 97–142.
- Shook, J. (2010). *How to change a culture: Lessons from NUMMI*. Retrieved from <http://sloanreview.mit.edu/article/how-to-change-a-culture-lessons-from-nummi/>
- Sitkin, S. B., & Roth, N. L. (1993). Explaining the limited effectiveness of legalistic “remedies” for trust/distrust. *Organization Science*, 4(3), 367–392.
- Tantalo, C., & Priem, R. L. (2016). Value creation through stakeholder synergy. *Strategic Management Journal*, 37(2), 314–329.
- Thompson, J. A., & Bunderson, J. S. (2003). Violations of principle: Ideological currency in the psychological contract. *Academy of Management Review*, 28(4), 571–586.
- Tsai, W., & Ghoshal, S. (1998). Social capital and value creation: The role of intrafirm networks. *Academy of Management Journal*, 41(4), 464–476.
- Uhl-Bien, M., Marion, R., & McKelvey, B. (2007). Complexity leadership theory: Shifting leadership from the industrial age to the knowledge era. *The Leadership Quarterly*, 18(4), 298–318.
- Uzzi, B. (1997). Social structure and competition in interfirm networks: The paradox of embeddedness. *Administrative Science Quarterly*, 42, 35–67.
- Venkataraman, N. (1989). The concept of fit in strategy research: Toward verbal and statistical correspondence. *Academy of Management Review*, 14(3), 423–444.
- Venkataraman, N., & Camillus, J. C. (1984). Exploring the concept of “fit” in strategic management. *Academy of Management Review*, 9(3), 513–525.
- Vogel, R. M., Rodell, J. B., & Lynch, J. W. (2016). Engaged and productive misfits: How job crafting and leisure activity mitigate the negative effects of value congruence. *Academy of Management Journal*, 59(5), 1561–1584.
- Young-Ybarra, C., & Wiersema, M. (1999). Strategic flexibility in information technology alliances: The influence of transaction cost economics and social exchange theory. *Organization Science*, 10(4), 439–459.
- Zajac, E. J., Kraatz, M. S., & Bresser, R. K. (2000). Modeling the dynamics of strategic fit: A normative approach to strategic change. *Strategic Management Journal*, 21(4), 429–453.
- Zajonc, R. B. (1968). Attitudinal effects of mere exposure. *Journal of Personality and Social Psychology*, 9(2), 1–28.

How to cite this article: Bundy J, Vogel RM, Zachary MA. Organization–stakeholder fit: A dynamic theory of cooperation, compromise, and conflict between an organization and its stakeholders. *Strat Mgmt J*. 2018;39:476–501. <https://doi.org/10.1002/smj.2736>