

THE IMPORTANCE OF IMPLEMENTING THE CONCEPT OF REPUTATION IN SMEs

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ABSTRACT

The objective of this study is to nominate what are the main reasons underlying the formation of working consensus within small and medium-sized enterprises (SMEs) and also to understand the necessity and importance of the presence of reputation in the business process. In order to fulfill the proposed objectives, qualitative research was used, especially the case study method. The research was carried out on a sample consisting of five SMEs (cases) present in the southern region of Romania. The tools used to collect data are represented by documentary analysis and individual interviews, while the content analysis method was used to study the collected data. According to the obtained results, SMEs claim various and different reasons to substantiate the conclusion of a collaboration agreement. In the process responsible for the selection of partners, the criterion of reputation was very frequently mentioned. Moreover, according to this study, for the selection of a certain business partner, another crucial criterion is trust. The research aims to support SME managers in understanding and characterizing the wider phenomenon of collaboration and presents the main criteria to be followed in choosing the right business partner.

KEYWORDS: *business collaboration, business reputation, credibility, SMEs, trust.*

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1. INTRODUCTION

In the last decades, a series of major structural changes took place in the developed economies. Always, in the economy, SMEs have had a fundamental role because they are defined as being a real engine and catalyst for the growth of economic activity (Mateescu, 2015). In order to be effective, organizations have to adapt to the challenges represented by constant external turbulence (Dabija et al., 2016) but also to develop new organizational capabilities (Ceptureanu et al., 2016). The COVID-19 pandemic has "shaken" the world from its foundations (society and the economy as a whole), challenging the resilience of health systems, social and economic models and structures. The areas of manifestation are particularly diverse, the effects of the crisis manifested through extremely different and diverse intensities and forms, and the dimension of the global impact remains little known.

However, due to the competition with large companies as well as globalization, the performance achieved by SMEs is restricted by the limitation and qualitative and quantitative shortcomings of resources, inherent, essential and intrinsic aspects of this type of company (Hewitt-Dundas, 2006; Laforet & Tann, 2006). Consequently, according to Alonso & Andrews, (2018), in order to compete, SMEs are forced to assimilate new business strategies and constantly innovate. Exactly this is one of the main reasons that determine the emergence of collaboration and cooperation

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between companies. It is fundamental for companies to recognize the priority partners/suppliers as well as the means of communication and alternative data and voice systems they depend on, absolutely necessary elements in order to carry out critical activities (Păunescu et al., 2018). The development of any company is guided by the following priority objectives: an economic objective (based on sustainable models of consumption and production, for the generation of wealth) as well as a social objective (through the participation of social groups) (Ștefănescu, 2018).

According to Mariti & Smiley, (1983), through a cooperation agreement we can accept and understand any explicit type of long-term relationship initiated and developed between two or more companies that may or may not involve a type of financial remuneration. Obviously, for a series of services or goods there must be a certain payment or firms can adopt the alternative of exchanging services, goods or information (Alonso & Andrews, 2018; Golden & Dollinger, 1993). According to Castaner & Oliveira, (2020), the name "cooperation" makes an explicit reference to the results, behaviors and attitudes regarding the implementation of a certain common objective assumed and monitored by the two allies. According to Franco & Haase, (2015), through the prism of defining features, such as flexibility, independence, personality and diversity, cooperation agreements could be a decisive factor for the success of SMEs.

Regarding the cooperation between SMEs, many studies are carried out (including those by Schilke & Cook, 2015; Sanmbasivan et al., 2013; Ozmel et al., 2013; Lavie et al., 2007; Lui et al., 2006; Dong & Glaister, 2006; Park & Ungson, 2001; Dyer et al., 2001; Chung et al., 2000; Glaister & Buckley, 1996; Golden & Dollinger, 1993; Mariti & Smiley, 1983), but the connection between the reputation of the partners, existing at the time of their identification, the reputation of the process and cooperation within the business is still insufficiently explored. This study can bring an edifying contribution to filling these discontinuities present in the specialized literature in the sensitive field of cooperation, in other words its main objective is to understand the role given to reputation in the SME cooperation process and also to identify of the reasons underlying the decision to form cooperation agreements.

In a business environment that is increasingly competitive, the more thoroughly we define and know the business cooperation between SMEs as well as the need to identify and establish the most suitable partner, the more SMEs can achieve more significantly the optimization of relations with their partners, the consistent expansion of the market and implicitly the acquisition of better performances. Moreover, the study could help SMEs to optimize the selection of partners, considering the fact that an ally can be chosen more easily if there is more rigorous research of the main activities, as well as the past of potential partners. For the amplification of competitive advantages and the expansion of the response in the market, the obtained results could be used in order to guide the companies in the future towards the selection of the most suitable partner for initialing a cooperation agreement.

2. THE LEVEL OF KNOWLEDGE OF SPECIALIZED LITERATURE

2.1 The arguments that substantiate the cooperation agreements

An essential role for boosting economic growth is played by small and medium-sized enterprises (SMEs), but they have significantly more limited resources compared to large companies. The performance and economic efficiency of the companies are directly influenced by the number of employees as well as by the fixed and circulating assets (Busu et al., 2020). In order to compete, SMEs must neutralize this impediment by adopting business strategies necessary to optimize resources, but also through continuous innovation. In this sense, a business strategy is represented by the creation of collaboration agreements with other SMEs (Socoliuc et al., 2020). The establishment of a collaboration, which is described as a relationship established between two or more companies over a longer period of time, can represent a decisive parameter for the success of an SME. Following the establishment of these collaborations, SMEs can develop their markets,

boost their capabilities necessary for business growth, but also receive greater experience and resources (Hategan et al., 2019). Contrary to these arguments, relatively few SMEs manage to invest the effort and time necessary to choose the right partner and the criteria established and used to evaluate a potential partner remain an uncertainty. The choice of partners is based on strategic elements, which include, among others, reputation, strategic orientation, experience, building relationships, market position and obviously, competence (Saveanu et al., 2021). A certain satisfactory collaboration partner selected leads to an alliance advantageous to both companies and which generates shared costs and risks, resource-based innovation and competitive advantage based on economies of scale. On the other hand, the uninspired and inopportune selection of the collaboration partner is identified as the main reason for a failed collaboration, which can cause the loss of reputation and, of course, poor performance of the company.

Business choices and decisions involve assessing risks relative to potential benefits, and choosing the right collaboration partner is no different. The evaluation of potential partners is carried out using several indicators such as learning ability, organizational culture and leadership, profitability and stability. In the selection of partners, the most important criterion is represented by reputation, defined as the company's ability to produce value or the company's quality brand.

Trust is able to reduce the need for formal control, the potential for conflict, but at the same time increases the credibility of information flow and speed (Krishnan et al., 2006). It supports the firm's ability to adapt to change (Korsgaard et al., 1995), manage complexity and reduce transaction and agency costs (Frank, 1988).

Usually, trust is constituted as a component of social relations and is intrinsically correlated with the following elements: risk or uncertainty regarding the behavior of the other party to a transaction, the interdependence between the two people and the vulnerability of the trusted person (Lane, 1988). When there is trust, the cost of transactions decreases because trust authorizes more formal regulations of financial agreements and favors innovations and investments.

In all the stages characteristic of the development of entrepreneurship, as well as in the types of transactions present in economies, trust is particularly important. One of the main determinants of the results obtained by the viable network is the existence of trust (Bromiley & Cummings, 1995), while the failure of the results obtained by the viable network is determined by the lack of trust shown between the parties involved in the activities of the network (Ring PS & Van by Ven A, 1994). In the creation and development of networks, a determining role is played by trust (Caby-Guillet et al., 2006).

SME networks (such as specific trade promotion organisations, industry associations but also chambers of commerce) have the intrinsic ability to help their members provide confidence. It can be said that trust increases the performance and economic efficiency of societies (Fukuyama, 1995), industrial regions (Pyke et al., 1992), organizations (Gulati R, 1995) and individual transactions (Arrow, 1974).

Many theoretical approaches are detailed in order to explain and define the reasons but also the options necessary for cooperation. A distinct approach resides precisely in the transaction cost theory initiated and optimized by Williamson (1975). Strategic motivations represent another theoretical approach, consisting of a certain model of qualitative and formal records and characterizing competitive behavior (Vickers, 1985).

There are sufficiently solid reasons for cooperation between companies, from the perspective of risks, costs, resources as well as their weight (Li et al., 2013; Todeva & Knoke, 2005; Glaister & Buckley, 1996). In this way, access to new technologies, innovation and organizational learning is certainly facilitated through cooperation (Todeva & Knoke, 2005; Stuart, 1998; Glaister & Buckley, 1996). Building on the research of Alonso & Andrews (2018), Sambasivan et al. (2012) but also Glaister & Buckley (1996), the various theoretical approaches used to explain the formation of cooperation as well as the respective underlying arguments are presented in table 1.

Table 1. Theories and arguments that determined the realization of cooperation agreements

Theory	The specific reasons
Transaction cost theory	The possibility of direct access to the knowledge that the partner has about the conditions and specifics of the local market; Differentiation of services and products; Technological exchange and transfer between partners; Sharing the risk between partners; The possibility of significant reduction of environmental uncertainties;
Contingency theory	Significant reduction of uncertainty and risk
Theory based on resource dependence	Much faster return on investment; Joint support of the costs generated by research and development; More accurate definition of a position in the market; The fastest start in the market; Earning various additional resources; Sharing risks between partners
Knowledge theory	Gaining competitive advantage; Organizational learning; Acquiring new knowledge
Resource-based theory	Building competitive advantage; Acquisition of resources

Source: Adapted from Alonso and Andrews (2018) Sambasivan et al. (2012) and Glaister and Buckley (1996)

2.2 Defining the selection criteria of cooperation partners

According to Cummings & Holmberg, (2012), because the management of the partnership might not be comprehensive and adequate in order to change the initial efforts to choose partners, for the initiation and growth of the cooperation agreement with real success, a crucial factor is represented by partner selection process. Considering the fact that it has been specified as a general cause of failure (Franco & Haase, 2015), the identification and selection of the right partner is actually one of the most important factors in initialing a real success cooperation agreement (Hwang, 2017; Gale & Luo, 2004). In most cases, firms often allocate very limited time to identify the most suitable partner (Brouthers et al., 1995). According to Luo (1998), depending on the financial, organizational and strategic objectives of the companies expressed in a cooperation agreement, the criteria on the basis of which the process of identification and selection of partners is carried out varies quite a lot.

According to Luo, (1998), the selection of collaboration partners is based on strategic attributes that include reputation, strategic orientation, commercial and industrial experience, market position, relationship building and market skills. A good reputation is primarily used to motivate other companies to initiate cooperation processes with it (Jiang et al., 2008). According to the study carried out by Franco (2010), reputation makes the relationships that are established between companies more durable and long-lasting and also significantly reduces the cost related to the identification of possible partners. For a company, reputation is recognized as an intangible resource. A positive organizational reputation is particularly important considering its potential for value creation and its intangible character makes it much more difficult to replicate by competing firms (Roberts & Dowling, 2002). Reputation is a real competitive tool and its importance should not be minimized by organizations.

In addition, the financial and commercial performances of the companies such as asset management, liquidity and profitability are mentioned as essential in order to select possible partners considering the fact that for the continuity of a relationship throughout the life of the companies they are forced to identify a specific partner characterized first of all through a special degree of stability (Franco, 2010; Luo, 1998).

The formation of a good reputation generates fruits and effects in the long term considering the fact that the business creates new customers and is positively approved by the interested parties. Easily attracting potential employees who show the desire to work for the organization significantly reduces the costs generated by recruitment, thus helping the company in obtaining the necessary

and suitable skills (Stancu et al., 2020). Among SME owners, the absence of general ethics obviously influences the real opportunities for business growth through the negative impact shown in terms of discouraging investment partners, brand growth and development as well as customer loyalty (Kalyar et al., 2013). The company's reputation emerges explicitly from the activities carried out, with priority from ecological activities as well as from philanthropic activities (Kumar, 2018).

2.3 Selection of cooperation partners and reputation

With a view to partner selection, reputation particularly optimizes the possibility and probability of achieving the cooperation agreement and essentially represents an important criterion necessary for partner selection (Stern et al., 2014; Jiang et al., 2008; Stuart et al., 1999). In the opinion of Saxton, (1997), being a decisive factor, reputation represents an important source of mutual trust that makes special contributions to the control of relationship risks, the reduction of possible conflicts between partners, the minimization of inappropriate behavior of partners and thereby implicitly contributes to the reduction of risks. For a firm, past performance represents the most correct, determining and direct source of reputation (Gu & Lu, 2014), instead the loss of reputation is intrinsically determined by a failed cooperation (Park & Ungson, 2001). Reputation as a concept is based on various theoretical models, such as network theory, signaling theory, transaction cost theory and resource-based theory (Morales-Raya et al., 2019). According to Dollinger et al., (1997), reputation represents the dimension of organizational effectiveness. In many industries the success of a new enterprise is determined by the creation and maintenance of a positive reputation in the market (Fischer & Reuber, 2007). This is influenced by particularly important factors such as differentiation, quality, innovation and knowledge in order to define the most positive image necessary for the company.

Analyzed from the specific perspective of the resource-based theory, reputation is valued as an intangible resource that ensures a significant contribution to different levels of performance within companies, considering the fact that intangible resources are resources that are difficult to imitate and change, complex socially and rare (Wernerfelt, 1984; Penrose, 1959; Rao, 1994). To the extent that reputation cannot be changed, is difficult to replicate, rare and particularly valuable, it could be a real resource of profitability for the firm (Dollinger et al., 1997).

According to the signaling theory, reputation is the result of a highly competitive process according to which, in order to maximize their social status, firms present to stakeholders consistent signs of their main characteristics (Fombrun & Van Riel, 2004). In the same context, reputation could be structured based on media attention, certifications, awards or even signs (Ebbers & Wijnberg, 2010). Reputation is characterized by a collective assessment of the capabilities of a certain company to produce value supported by its qualities and characteristics, carried out by partners and stakeholders, according to the signaling theory presented in the studies carried out by Partanen and Goel (2017).

Network theory was used by Ebbers & Wijnberg (2010) in order to reveal and clarify reputation. Reputation turns into a powerful resource within a certain cooperation network, because it is located in the network responsible for information exchange, in a central position. This aspect can make a certain partner more valuable, compared to another. In this situation, companies have a rather limited access to the most important and valuable resources, because they are part of networks characterized by limiting the opportunities for involvement in partnerships. The establishment of cooperation agreements with other companies present in the network will consistently reduce opportunistic behavior, due to the fact that the respective partners may be faced with a decrease in reputation within the respective local networks (Ebbers & Wijnberg, 2010).

The global network economy influenced by the specific dynamics of the 21st century makes collaborative business relationships inevitable in the efforts of businesses to develop and survive. The specific measures of business performance, such as profitability and revenue growth (Anton 2019) are increasingly determined by the existing competition between networks of firms than by

the competition that exists between individual firms (Nätti et al. 2014; Achrol & Kotler 1999). A firm's bilateral business partnerships define alliance portfolios (Rowley et al. 2000; Hamel & Doz 1998). Networks are defined as business ecosystems and firms align themselves with other firms that have special and attractive resources in order to co-evolve as an ecosystem to gain competitive advantage in the market (Moore, 1993).

3. THE METHODS USED TO CARRY OUT THE STUDY

3.1 Study type and case selection

In this study, in order to fulfill the established objectives, qualitative research was used. According to Yin, (2014), qualitative research methods analyze, explain, clarify and study those phenomena that otherwise cannot be quantified due to specific skills related to "human facts". Within the qualitative methodology, an obvious closeness between the object and the subject of knowledge was found. Even if there are certain attempts made in order to observe the quantitative reputation (Perez-Cornejo et al., 2019; Ozmel et al., 2013), qualitative research is more suited to the objective of this study, because it admits and facilitates the explanation and understanding of a social phenomenon and a particularly sensitive and complex subject, about which little is known, but also the cultural and subjective elements that can be fundamental and decisive in order to explain and rationalize it. Within the qualitative research, the multiple case study method was selected. In order to investigate a given situation in as much detail as possible, this type of procedure is the most appropriate. Yin, (2014), presents the case study, as a specific research method, the method in which the understanding of particularly complex phenomena, such as reputation, is necessary and fundamental, to the extent that it is studied here. As a consequence, we have selected five SMEs that are located in the Southern region of Romania. The selection criteria of these five cases (SMEs) were based on the following: the need for the SMEs to have been part of cooperation agreements and also for the chosen SMEs to be in accordance with the definition of SMEs, according to the recommendation given by the European Commission (2003). Therefore, we approached a convenient case selection procedure, because this selection of the sample units is made arbitrarily and correlated with the comfort of the research. The characteristics of all five SMEs that were selected are presented in table 2.

3.2 Data Collection

According to the recommendations of Yin (2014), in these case studies we used different techniques for collecting information, such as documentary analysis, observation and interviews. In the case of interviews, they are differentiated by the use of the fundamental elements of human interaction and communication, an aspect that makes it easier for the researcher to extract from the interviews the primordial elements and information of reflection, particularly detailed and rich. The direct contact made between the researcher and his interlocutors defines the methods chosen for the interview. It is a priority for the researcher to recognize the main informants, who in this study are represented by those people who are most strongly linked to partnerships (cooperation agreements) made by companies and whose opinions and knowledge are able to provide data and information particularly important in relation to the questions used in the research.

Therefore, in the period between April and September 2021, we conducted individual interviews with the managers of these selected SMEs in each of the five SMEs. The data collection was carried out using a semi-structured interview guide, which would facilitate as much as possible a certain freedom necessary for the questions asked, because this was, in the context of this study, the most appropriate. The elaboration of the questions was carried out taking into account the established objectives. The research problem was the basis of the scenario used in the interviews. The main characteristics of the managers (interviewees) within the five selected SMEs are presented in table 3.

In order to analyze the data and information collected in this study, content analysis was used, channeled with priority on the transcripts specific to the interview. During the interviews, two topics were identified and characterized mainly from the statements obtained: the role of reputation in the selection of the partner as well as the fundamentals of the realization of cooperation agreements, for all five case studies. Based on these themes, the characterization of these five cases is organized and structured.

4. THE RESULTS OBTAINED AND DISCUSSIONS ON THEM

4.1 The reasons cited for the realization of cooperation agreements

Even if they show, from one company to another, a certain inconsistency, the companies mentioned as a subject in the analysis specified various reasons for the realization of the cooperation agreement. This section recognizes the reasons specific to each SME case studied.

Regarding the reasons underlying the conclusion of the cooperation agreement, the interlocutor of case 1 mentioned the following aspects: "I do not believe in the existence of minimum requirements in order to conclude a cooperation agreement, but on both sides the existence of objectives and needs that between they should be resolved". He also added that: "On the one hand, I promote trust, financial packages, and on the other hand, there are institutions and people who claim the need for these services." More than that, new business can appear for us, such as the transfer of insurance portfolios, the opening of new accounts and others. In this sense, each of the parties concedes, but without the existence of partnerships, these operations could be carried out in much less profitable conditions. This type of condition is supported by Mariti & Smiley (1983), according to which, within cooperation agreements, it is possible to have a certain financial remuneration or a specific type of payment for services or goods, during which SMEs can achieve exchanges of services, goods or information.

Table 2. Characterization of the companies participating in the case study

	Company case 1	Company case 2	Company case 3	Company case 4	Company case 5
Company Name	INTER MECA SERV SRL	SARMUS SRL	SITCO SERVICE SRL	DYNAMIC SELLING GROUP S.A.	E-LABORATOR FEERIA SRL
The year of establishment of the company	2005	1991	1995	2016	2009
The market in which it operates	industrial maintenance	Car repair	Installation of machines and industrial equipment	Non-specialized wholesale trade	Manufacture of furniture n.e.c.
The legal status of the company	limited liability company	limited liability company	limited liability company	Corporation	limited liability company
The number of employees of the company	23	15	18	53	46

Source: data processed by the author

With regard to case 2, the reasons that substantiate the realization of the cooperation agreement, among others, are: "According to the previously mentioned, mutual support becomes necessary. The need to be included in a partnership resides in the urgent need for my partner's specific resources or maybe vice versa. In this way, we also support other partners or clients who request support and assistance because we have the resources that they otherwise do not have". An essential aspect emphasized including by Danik & Lewandowska (2013) is that according to which the beginning of a certain standard cooperation agreement implies the awareness and understanding of the following levels of interests: the common interests responsible for the objectives and the unity

of the cooperation, the strategic interests of each of the parties as well as their own interests, according to which the two parties realize the beginning of cooperation. Risks, costs, the growing dynamics of the company as well as the share of resources represent fundamental reasons for cooperation (Li et al., 2013).

Table 3. Presentation of the people who participated in the interview

	Company case 1	Company case 2	Company case 3	Company case 4	Company case 5
Age	41	53	56	49	51
Sex	Male	Male	Male	Male	Female
The position in the company	Technical Director	General manager	General manager	Purchasing manager	Purchasing manager
Seniority within the company	10	15	27	5	8
Academic qualifications held	Bachelor's degree in engineering and master's degree in economics	Degree in engineering	Degree in engineering	Bachelor's degree in economics	Bachelor's degree in engineering and master's degree in economics

Source: data processed by the author

Regarding case number 3, when he is asked about the reasons that were the foundation of the cooperation agreement, the interviewee emphasized the following aspects: "When we develop cooperation on certain more specialized levels, this is initiated and it develops from the intrinsic desire to satisfy some niche commercial requests; this situation is able to generate a certain "brand awareness" and / or comfortable circumstances, personalizing and empowering the company with a certain norm less usual in its sector of activity, but which at the same time can generate a positive impact regarding recognition and implicitly of the brand. These could be designed and developed in order to increase social and regional well-being, but at the same time they also act as a motivation and incentive for employees". Contrary to the various reasons that can substantiate the completion of the cooperation agreement, the main reason is that of optimizing the strategic position occupied by the company (Danik & Lewandowska, 2013). Also, another reason is represented by strategic behavior, responsible for influencing companies in order to optimize market power or improve the strategic position (Gulati, 1998).

Regarding case number 4, the main reasons mentioned by the interviewee refer with priority to "strategies necessary for the development of the business, based on which the two parties implement the activity, with the strategic objective of obtaining a larger market". The cooperation agreement is perceived as a strategy by which some of the capabilities and resources of the companies are combined in order to create and obtain a competitive advantage (Nielsen, 2003). A greater variety of the reasons responsible for the establishment of cooperation agreements, such as facilitating international expansion, obtaining and perpetuating a certain position in the market, a faster and easier entry into a certain market, diversification of the product range, expansion and risk weighting, is identified by Glaister and Buckley (1996).

The reasons presented by the interviewee of case 5 are the following: consolidation of current markets, entry into new markets; the development of new products and finally the development of businesses". This SME mentioned most of the reasons necessary for the creation of the cooperation agreement. Therefore, various reasons drive SMEs to identify and achieve partnerships, and this is due to the various strategic objectives of each company.

4.2 The process of selecting the partners of the cooperation agreement

According to the statements of the interviewee in case 1, "in the first stage, when he chooses a partner, his reputation and credibility are all he looks for". Obviously, for that manager, the choice

of a partner also requires taking into account other questions: "It is particularly important if there are partnerships with suppliers or customers, but responsibility, seriousness, rigour, demandingness and credibility represent particularly important objective criteria in taking the decision to choose the cooperation partner. Without a doubt, the partnership will reveal over time if the partner proves credibility and responsibility in cooperation. When one or more of the respective values are undermined, the question arises whether the respective partner is one that deserves to be kept or not because a fundamental criterion in business is represented by ethics". According to Cummings & Holmberg, (2012), regarding case 1, the selection of partners is a crucial factor in order to develop the cooperation agreement with real success, because the management of the partnership may not be enough to replace the specific initial selection efforts. Moreover, one of the most influential factors in achieving a successful agreement is represented by the selection of the most suitable partner, because this aspect is specified as a general cause of failure (Hwang, 2017; Franco & Haase, 2015). Referring to the most important criteria regarding the decision to choose a partner, the interviewee of case 2 mentioned the following: "It is definitely necessary to choose someone fair and reliable, who has and manifests an ideology identical to mine". In choosing a partner, the most important aspect is that of researching SMEs in terms of the characteristics and qualities of the companies in order to identify the most appropriate and suitable one to work together and share the same values and ideas (Brouthers et al., 1995).

The interviewee of case 3 has a slightly different view on this subject: "Always the selection of a partner will involve a benefit/cost filter from the market. Compared to the investment, to the extent that the benefits (together with the reputation) have a greater weight (reputation that can come from both the investment and the benefit) the partner is attractive and, naturally, is chosen." This SME is attentive to financial criteria. Even under these conditions, the choice of affiliations exclusively based on considerations of financial contribution could be dangerous (Brothers et al., 1995). In this sense, it is necessary to include studies related to the market, technology and the capabilities of the companies that are partners. In the cooperation process, it is necessary for companies to establish appropriate explicit criteria used in the selection process of the ideal partner and also to be fully aware of the importance and necessity of each individual criterion (Luo, 1998).

Under these conditions, for the choice of the partner, the interviewee of case 4 refers only to the explicit criterion of trust. The diminished level of trust inherently leads to a mutual suspicion of the partners in a partnership and implicitly discourages the natural formation of cooperation agreements (Das & Teng, 1998). In the situation where an SME has the ability to build a collaborative and partnership relationship and implicitly succeeds in signing a contract with a reputable client, future clients will be able to be trusted and convinced much more easily because they will show confidence in the performance criteria and qualifications expressed by the respective pioneering SME (Partanen & Goel, 2017).

In the same vein, the respondent in case 5 mentioned professional experience, professionalism and suitability as fundamental criteria for the selection of partners. Likewise, within cooperative relationships, built trust represents a fundamental criterion necessary in order to reduce the costs related to the identification of possible partners (Franco, 2010). This becomes possible because if at the beginning of a relationship the respective companies had accumulated a certain previous experience in the relationship with the partner, if a series of norms are already institutionalized, a crucial role can be played by trust, which transforms the relationships between companies in particularly stable and durable relationships.

4.3 Mission of reputation

Regarding case 1, credibility, trust and reputation represent extremely similar concepts. According to what was stated by the person who was interviewed, "In such a banking institution, as is also our case, regardless of commissions or interest rates, reputation is fundamental for business. The trust invested in us is due to our reputation". For a successful cooperation and stability in the future,

reputation is undoubtedly one of the crucial factors, because it manifests itself as a true source of mutual trust, which is absolutely necessary between partners (Jiang et al., 2008). According to Saxton, (1997), trust contributes to reducing existing conflicts between partners, reducing unwanted behavior on their part as well as mitigating risks inherent in transactions. Reputation represents the collective evaluation of the capabilities of a certain company, carried out by partners and interested parties, in order to create value based intrinsically on their qualities and characteristics.

In agreement with Jiang et al. (2008), a good reputation undoubtedly represents the quality brand of a certain company, so necessary for the stimulation of other companies in making cooperation agreements with it, an aspect that consistently supports the statement of the interviewee. According to him, "it is imperative to pay special attention to the chosen partnerships, because the partners are obliged to possess and demonstrate an indisputable reputation". The more the reputation of a company turns out to be good, the more likely it is to determine the realization of a cooperation agreement (Dollinger et al., 1997). Reputation represents the indispensable intangible resource of a business strategy, able to absorb various other resources through the creation of partnerships (Arend, 2009).

The interviewee of case 2, when he was asked about the importance of reputation for choosing a partner, declared: "The importance of reputation is very great. It is necessary that the partner does not want our help in order to gain a good reputation and, moreover, not to have entanglements with other companies." The partners' own interest and at the same time the absence of cooperation represent the main causes of a failed cooperation, according to the opinion of Das & Teng, (1998). Understanding the way in which the partners are able to state and prove trust in each other is particularly important in the natural approach to identifying SMEs that exhibit a certain opportunistic behavior. Companies that have a bad reputation will exhibit a certain type of selfish and totally inappropriate behavior and for this reason it becomes particularly difficult to work with them (Jiang et al., 2008).

The positive reputation held by a company can allow direct access to some resources that are sometimes extremely rare, can be an obstacle to imitation and can also become an important source of income and profit (Zhang et al., 2012; Dollinger et al., 1997). In this direction, related to reputation and its importance, the following aspects are mentioned by the interviewee of case 3: "This will always depend on the importance assumed by our company as well as on the mission of the respective partner; for example, referring to customers, their reputation is crucial to the process. This happens because we have in our portfolio a special range of clients focused predominantly and with priority on our specific production model, on prices, products as well as on the appreciation and confirmation of the brand we own."

Reputation, within this SME, is perceived as particularly important only in the event of a certain partnership of the company with new clients. The interviewee of case 4 stated the following: "In order to make an inspired choice, the proven reputation of the partner is particularly important because, in the ideal situation, the cooperation agreement is also made to arouse the interest of third parties, who will later prove to be "targets" easier to achieve, the greater the trust of the parties involved in the process". Making the cooperation agreement involves possible partners, but to know if they are reliable or not, reputation is able to play a particularly important role here. In order to be able to absorb other resources and thus build value, a positive perception of a certain firm's capability is created by a good reputation. Therefore, as a cooperation partner, an SME's potential naturally increases through reputation (Gu & Lu, 2014).

Also, according to the interviewee of case 5, in the situation of a possible partner, reputation is a fundamental criterion in assuming the choice. According to the opinion of Fombrun & Van Riel, (2004), the consequences of reputation can be extremely advantageous, by determining to consumers the intrinsic quality of the product, because reputation makes it easier for companies to improve access to the capital markets, attract better performing customers and investors, as well as the possibility of offering higher prices.

4.4 Conclusions of the achieved results

Following the analysis and discussion of the data, this section presents a comparative analysis for the orientation of each of the studied SMEs, with reference to the main themes recognized (the criteria that underlie the decision to choose the partner; the reasons that substantiate the formation of the cooperation agreement). Table 4 presents the main insights gained from the case studies

Table 4. Comparative data analysis

	Company case 1	Company case 2	Company case 3	Company case 4	Company case 5
The reasons that substantiated the conclusion of the cooperation agreement	Similar goals and identical needs of both partners; Development of completely new businesses	Sharing resources between partners; Someone who has a similar mindset	Gaining recognition from the market; Performance in the benefit-cost relationship	Increase in turnover; Professional expertise	Increase in turnover; Gaining new markets; Development and improvement of new products; Stabilization of the occupied position within the existing market
The criteria that were the basis for the selection of partners	Trust; Cost/benefit relationship	Reputation; Credibility; The experience	Reputation; Trust; Cost/benefit relationship	Credibility; Trust	Reputation; Cost/benefit relationship

Source: data processed by the author

5. CONSEQUENCES AND CONCLUSIONS OF THE STUDY

The objective of this research was primarily to understand what is the role of reputation in the process of choosing a partner and last but not least to distinguish what are the main reasons necessary to reach a cooperation agreement. Moreover, in order to understand these two subjects, it is fundamental to identify the criteria that are taken into account by the respective SMEs when choosing a particular partner. In conclusion, the SMEs that were the subject of this study mention different and distinct reasons that underlie the conclusion of cooperation agreements, such as entering new markets, developing new products, creating new businesses and sharing resources.

Regarding the criteria underlying the identification and selection of a certain partner, the SMEs have identified, recognized and established the following criteria: professionalism, experience, cost-benefit relationship, similar ideology, credibility, reputation and trust. Among the criteria listed by SMEs, reputation is an important indicator in the partner selection process. The SMEs that were studied here referred a lot to the criterion of trust, which is why the most important thing, in addition to the resources that the partner may have, is to trust those resources.

Among the contributions to theory brought by this study, the progress of knowledge manifested in the specific field of business cooperation presented in the specific context of SMEs is mentioned. It highlights the importance of the role of trust and reputation in the business cooperation process. To the extent that the business cooperation generated by a proper selection of partners is followed, this study consistently highlights the intrinsic importance of reputation manifested in the process, recognizing without a trace of doubt that reputation is the crucial factor for managers in the process of choosing partners. Other factors were also specified to justify the reputation of some partners/firms, such as the integrity of the cooperation or the quality of the business and the product, in such a way that future studies will be able to delineate in a consistent manner various aspects and specific aspects of the reputation and through this it could be open to the future exploration of the influence exercised regarding the specific behavior of the present cooperation between companies.

With regard to the consequences of the research in terms of business practice, the importance of the realization of cooperation agreements for SMEs is emphasized, because those agreements are the main way responsible for overcoming the lack of resources as well as for obtaining an increase in market share. Very often, SMEs compete in a climate characterized as being extremely competitive

with many other companies the size of an SME and even with much larger companies. For this reason, when the cooperation agreement between the companies is made, in order for the relations to reach a level of stability and to generate success, it is fundamental that the reputation of the partner represents a crucial criterion. It is a priority for SME managers to understand that in the short term, but also in the long term, the choice of partner will have a significant impact on the success of the cooperation relationship. Moreover, according to this research, when referring to a cooperative relationship in business, choosing the right partner becomes a difficult and complicated task, precisely because of the diverse and multiple criteria that form the basis of the selection.

Also, from this research it emerges that the choice of potential partners for the cooperation agreement is not based on a single criterion, in other words it cannot be about a single ideal and perfect solution. For this reason, the managers and entrepreneurs of the companies have to, based on the accounting of the attributes and qualities of the potential partners, as well as on the basis of their priorities and objectives, to thoroughly decide on one or the other of the potential collaboration partners. Due to the inherent degree of uncertainty generated by the intrinsic nature of the cooperation agreements made between companies, the reputation shown by the top management becomes imperative to guarantee the presence in society of the appropriate resources expected as well as the necessity of realizing the cooperation agreement.

Undoubtedly, this research has certain limitations. A very important limitation is that the SMEs analyzed in this research have a relatively limited geographical distribution and for this reason the results obtained cannot be generalized and extrapolated to other regions of economic development in the country. For this reason, future research needs to be directed to SMEs located in other regions in order to be able to carry out a comparative study between SMEs present in different regions of economic development.

Even if it is presented as a perfectly constructed method in order to know complex processes of this kind, the assimilation within this research of the case study implies effects, conclusions and results expressed punctually and only for these specific and eloquent cases, without being able to be in one way or another extrapolated. This limitation leads to the need to carry out this type of research based on a quantitative approach but also on a much larger sample of companies. The limitations of the study are given both by the geographical limitations of the areas where the companies participating in the research are present and carry out their activity, but also by the research method used in this study.

In order to generalize the results, for SMEs present in other development regions of the country and which have various and different characteristics, a quantitative study is proposed. Moreover, in order to carry out comparative studies, a different suggestion would be that future research be focused exclusively on SMEs present in quite different sectors of activity, but also on larger companies. Finally, the current research definitely has the potential to contribute to future projects and lines of research useful for studying the recognized and expressed gaps, in order to present some innovative studies needed regarding the cooperation connection regarding business reputation.

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