

11.2.04: Perspectives on International Alliances

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Session Chair: Guus Hendriks, University of Amsterdam, Netherlands, The

Asymmetric Alliance: A literature Review and Research Agenda

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Alliances can be seen as one of the most popular ways to utilize and access a new set of skills, diffuse innovation, and, subsequently, keep pace with the rapidly changing business world. Among different alliances, the asymmetric alliance between large and small firms has received special attention from scholars with its increasing popularity. Large firms with material advantages ally with innovative and flexible SMEs with certain expectations. However, with existing power dynamics and dependency imbalances, such alliances are characterized by volatility and risk. To make such an alliance work, extensive energy and effort need to be put. To investigate many dimensions, this review article will give a general overview of the existing literature. It sought answers in three stages- Pre alliance stage (motivation, partner selection and choice of structure or governance), Alliance management stage (different management techniques as opposed to several emerging tensions), and evaluation stage (performance measurements). The paper is still in its preliminary stage and incomplete. Plans are discussed in the methodology section.

Trust and relational capital in international alliances: An empirical evidence from Portuguese industry

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International alliances (IAs) are popular yet complicated collaboration strategy as it involves cross-border partnership. Successfully managing such alliances has been remained debatable for long. Therefore, the purpose of this paper is to investigate the antecedents and determinants of trust and relational capital in the success of IAs. The analysis of survey data drawn from 232 Portuguese firms engaged in international business activities suggests that the performance of IAs is dependent on socially embedded mechanisms of mutual trust and relational capital that facilitate the cross-border collaboration. This means that trust and relational capital are accumulated after years of experience with partners and can be considered as assets. Moreover, we found that when shared values are aligned and embedded in social exchange approach and an increased reciprocity of information between partners exists, it leads to bridge distance and foster trust. While perception of the risk encapsulated in a particular relationship has a negative effect over trust, explaining that perceived relational risk is an important ingredient in the evaluation of the quality of a relationship. These findings have important theoretical and managerial implications in the context of cross-border alliances.

ALLIANCE MANAGEMENT ISSUES: A REVIEW OF THE LAST THREE DECADES

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For businesses across industries and locations, strategic alliances are a critical means of conducting business. Nonetheless, a considerable proportion of alliances fail to achieve their declared goals for one or more partner firms. In this context, there is broad consensus in the academic literature that the post-formation management phase of an alliance is the most important period for increasing the success rate of strategic alliances. Therefore, it is crucial that academics and practitioners are aware of the major issues that have the potential to derail an otherwise successful alliance during the alliance management phase. We address this large vacuum in the literature by evaluating, examining, and structuring the difficulties partner firms confront throughout the post-formation alliance management phase, which have been emphasised in the leading management journals over the past three decades. We classify these difficulties as relational risk and performance risk and, in doing so, demonstrate that it may be prudent to devote more time and attention to relational risk issues, given that they vastly exceed performance risk issues. Therefore, we contribute to the rich and expanding literature on strategic alliances.

THE EMERGENCE OF INNOVATION ECOSYSTEMS - A Sensemaking Perspective on the Formative Beginnings

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This paper focuses on the genesis of an innovation ecosystem. We are interested to find out what are the unfolding processes in the early stages of innovation ecosystems' emergence that enacts a potential international market opportunity. An adoption of sensemaking perspective in the study of the emergence of a co-innovation ecosystem will support the understanding and analysis of ecosystems and alliances as internationalization strategies. A development of contribution to international business research is supported with an empirical case, a 2-year project aiming for internationalization and growth through the innovation ecosystem. At this phase, the focus in the emerge phase is to understand What determines the choices of involved actors to engage in the innovation ecosystem as an international growth and an expansion strategy.

Thinking strategically about how to shift entry mode

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