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Problematizing Strategic Alliance Research: Challenges, Issues and Paradoxes in the New Era

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Abstract

Strategic alliances have attracted substantial attention from industry and academia over the past three decades. However, due to rapid technological evolution, saturated marketplaces, globalisation of businesses on the one hand and de-globalisation of the market on the other (as marked by Brexit and the trade war between US and China, COVID-19 pandemic and the Ukraine war), the strategic environment of businesses is changing quickly. Fundamental and rapid changes in the wider environment necessitate the review of theoretical and practical insights of earlier and emerging studies - to examine the new challenges, issues and paradoxes of strategic alliances. This special issue attempts to provide a forum to allow researchers to question the assumptions underlying existing theory a little further beyond just "gap-spotting" or "gap-filling". This special issue includes four very interesting literature review pieces, which venture deeper into the phenomenon, and explore the opportunities, issues and paradoxes of strategic alliances while adopting alternative theoretical perspectives, methodological approaches and interpretations to address issues of managing strategic alliances and maximising returns from them in the new strategic context.

Strategic alliances have attracted substantial attention from industry and academia over the past three decades (e.g. Child *et al.* 2019; Christoffersen 2013; Das 2006; Devlin & Bleackley 1988; Gomes *et al.* 2016; He *et al.* 2020; Mesquita *et al.* 2017; Ryan-Charleton *et al.* 2022). Theoretical, conceptual and empirical papers have attempted to examine the formation, maintenance and utilization of strategic alliances. While offering incremental understanding of the phenomenon, most of the previous work has been based on traditional theoretical assumptions including (but not limited to) transaction cost economics (Judge and Dooley 2006; Williamson 1981), the resource-based view of the firm (Barney 1991), resource-dependence theory (Pfeffer & Salancik 1978), the knowledge-based view of the firm (Grant 1996), social capital theory (Koka & Prescott 2002), agency theory (Ross 1973) and dynamic capabilities theory (Teece *et al.* 1997). However, these theoretical underpinnings are largely based on assumptions developed in the previous era, when free trade, market expansion and globalization were the mainstream thinking, and the information technology boom has not taken place yet. Fundamental and rapid changes in the

wider environment necessitate the review of theoretical and practical insights of earlier and emerging studies—to examine the new challenges, issues and paradoxes of strategic alliances.

The concept of a strategic alliance is a multi-dimensional one, and it represents a broad array of strategic partnerships across inter-firm/inter-organizational boundaries with many different alliance types or arrangements (Koka & Prescott 2002) ranging from joint ventures (Kogut 1988), franchising and licensing (Combs *et al.* 2011), business networks (Gulati *et al.* 2000; Min & Mitsuhashi 2012), public–private partnerships (Hart 2003), vertical supplier-buyer alliances (Carmeli *et al.* 2017; Wilson 1995), consortia (Ring *et al.* 2005) and concentric partnerships (Bustinza *et al.* 2019), among other types. New alliance models are fast emerging thanks to the advancement and the wider adoption of technologies, such as data analytics, internet of things and cloud computing. For example, more flexible, ad hoc and even virtual partnerships are enabled by blockchain, smart contract technologies (Cong 2018; He *et al.* 2020) and even AI (Dubey *et al.* 2021). This is the case of newly emerging concentric strategic alliances between manufacturing firms and Knowledge Intensive Business Service (KIBS) firms being used as a means for integrated product-service innovation, where service feedback and analytics facilitate technology, knowledge and resource transfer across collaborating firms (Bustinza *et al.* 2019), especially for those firms competing in global markets (Vendrell-Herrero *et al.* 2018). Co-operative alliance business models are also increasingly adopted thanks to the fast-emerging shared economy concepts. An example is the web of alliances between government agencies, research institutes, manufacturing firms and venture capitalists in business ecosystems that are developing applications of hydrogen as a fuel source. Complex inter-firm relationships have the potential to generate significant benefits for firms but they can also induce various relational risks (e.g. Gallear *et al.* 2015; Nooteboom *et al.* 1997). As a result, alternative alliance formations, structures and governance mechanisms have brought new issues and paradoxes for companies, which are facing dilemmas, such as whether to form strategic alliances, which strategic partners to select, how to manage alliance coevolution in fast changing environments and to unravel alliances if things go wrong.

Due to rapid technological evolution, saturated marketplaces, globalization of businesses on the one hand and de-globalization of the market on the other (as marked by Brexit and the trade war between the US and China, COVID-19 pandemic and the Ukraine war), the strategic environment of businesses is changing quickly. The new strength of emerging economies (such as the BRIC countries) and the consequent increase in the number and power of multinational firms from those markets, has challenged the strategic vision of many businesses with regard to their international cooperative strategies, especially when companies from the emerging economies may have very different conceptions compared with their western counterparts (Brouthers *et al.* 1995; Dong & Glaister 2007). The 2008 financial crisis, the COVID-19 pandemic and the Ukraine war have altered the shape of inter-firm collaboration structures globally; and this is compounded by the increasing importance of strategic agility, flexibility and resilience, and the sustainability agenda adopted by firms around the world (He *et al.* 2020). Moreover, the urgent need to mitigate institutional failings in dealing with the major crises of climate change, environmental degradation, pandemics, migration, as well as the food and energy crisis has encouraged collaboration between public agencies and corporations (e.g. Park & Chung 2021; Wan *et al.* 2022). Such alliances enable firms not only to contribute their competences and resources, but also to secure new opportunities through filling institutional voids (Wang *et al.* 2022). For these reasons, there is much greater need than ever for contemporary companies as well as academics to review traditional models of alliances and relationship coordination.

Overall, the underlying assumptions behind strategic alliances are changing rapidly (He *et al.* 2020). Although research is beginning to address this changing landscape and exploring the implications of the new pressures mentioned above (e.g. Arranz *et al.* 2017; Balboni *et al.* 2018; Christoffersen 2013; He *et al.* 2020; Inkpen & Tsang 2016; Mindruta *et al.* 2016; Pangarkar 2007), a forum for debate, extending and challenging existing perspectives is needed urgently to take into account the changing nature of strategic alliances in rapidly evolving strategic environments. This special issue attempts to provide such a forum to allow researchers to question the assumptions underlying existing theory a little further beyond just 'gap-spotting' or 'gap-filling' (see also Alvesson & Sandberg, 2011). It aims to offer the major opportunity for the construction of innovative research questions and, thus, for the development of interesting and influential theories to guide and enhance decision-making on strategic alliances due to the fast-changing strategic context.

This special issue includes four very interesting literature review pieces, which venture deeper into the phenomenon, and explore the opportunities, issues and paradoxes of strategic alliances while adopting alternative theoretical perspectives, methodological approaches and interpretations to address issues of managing strategic alliances and maximizing returns from them in the new strategic context.

Vurro *et al.* (2023) point to mounting evidence of the failure of siloed approaches, in the face of the systemic nature of grand challenges such as climate change and poverty. Suggesting that the initial enthusiasm for the promise of sustainability-oriented collaborations has been curbed by evidence of the complexity of successfully managing such collaborations, the paper asks whether an alliance management capability (AMC) perspective can fully explain variability in collaboration effectiveness. The authors adopt a problematization approach, seeking to unpack the root assumptions underlying the AMC construct. To investigate whether existing sustainability-oriented collaboration research integrates or challenges mainstream theory on AMC, the paper follows a systematic literature review protocol to collate and synthetize extant research on capabilities developed for, during and in response to sustainability-oriented collaborations. The authors integrate a capability-based lens with the study of sustainability-oriented collaboration, arguing that the AMC construct is still needed in the context of sustainability-oriented collaboration to explain variability in the effectiveness of collaborations. The study contributes to the growing literature on the changing nature of alliance-related capabilities when facing complex and unpredictable challenges. The paper also demonstrates how a systematic literature review approach can be combined with problematization to assess the assumptions of a field of study, in the light of their applicability in other contexts. Moreover, the paper offers a systematic overview of the specificities of sustainability-oriented collaborations and identifies the implications for the capabilities associated with such collaborations.

Xia *et al.*'s (2023) paper represents a significant contribution to the field of strategic alliance research as it systematically examines the impact and challenges of big data analytics through a problematization lens. Strategic alliances are pivotal in today's complex business landscape, and the integration of big data analytics into this context warrants scholarly attention. Through a systematic literature review, the study navigates the intricate landscape of strategic alliances, focusing on three critical stages: formation, governance and performance. In doing so, it sheds light on the multifaceted hurdles that organizations face when implementing big data analytics within these stages. The study's reliance on foundational theories such as the resource-based view, knowledge-based view, social network theory, transaction cost economics, institutional theory, organizational learning theory and dynamic capabilities theory ensures a comprehensive analysis. Moreover, the identification of future research avenues underscores the study's forward-thinking approach. By pinpointing the need for further investigation in alliance formation, governance and performance, it not only highlights existing gaps but also encourages scholars and practitioners to delve deeper into these areas, fostering innovation and advancement in the field of strategic alliances. In essence, this research represents a vital resource for academics, strategists and decision-makers alike, offering a nuanced understanding of the challenges and opportunities presented by big data analytics in the context of strategic alliances and paving the way for future exploration and development in this dynamic domain.

Ngah *et al.* (2023) note that interorganizational studies have conceptualized relational dynamics as any change in the form of an interorganizational relationship (IOR) over time ex-post contract. An analysis of the literature on information technology outsourcing (ITO), a complex IOR type that can exist in different forms analogous to various IORs, suggests that relational dynamics are characterized by both instability and stability. The paper addresses two fundamental barriers to a paradigmatic development of relational dynamics: (1) limitations in its conceptualization for IORs by associating it only with instability and downplaying stability; and (2) a fragmented conceptualization of ITO across existing studies. The authors ask: *What are relational dynamics in ITO arrangements, and what are their constituents?* The paper adopts a stage-based relationship development framework to systematically classify and synthesize 127 empirical articles identified in the ITO literature, distinguishing four development stages. Each stage represents a specific client–vendor interface: transactional, strategic, transformational and termination. The study finds that relational dynamics constitute the manifestation of a dominant tension between opposing initial/emerging conditions, the firms' strategies to manage the tension and the outcomes. This paper offers a new tension-based conceptualization of relational dynamics. The authors develop an integrative framework, extending these insights by conceptualizing tensions as structural, transitional and the interplay between them. This framework hence provides a guideline for more comprehensive understanding of ITOs and IORs in the future.

Zahoor *et al.*'s (2023) paper focuses on the ambidextrous approach (i.e. exploration and exploitation) for value creation through strategic alliances. In the vibrant environment of today, ambidexterity becomes a more significant issue facing alliance partners and decision makers. This study highlights the rising number of various conceptualizations and theoretical challenges of studies on ambidexterity in strategic alliances. The study hence provides a very important systematic evaluation and synthesis of the theoretical and empirical insights from this growing body of research. The integrative systematic literature review (SLR) conducted allowed authors to identify the main typology and design approaches of ambidexterity in strategic alliances. This allowed the authors to identify

three major research directions: (1) micro-foundation and organizational antecedents of ambidexterity in alliances, (2) governance mechanisms of ambidexterity and (3) relational and performance outcomes of ambidexterity. The three research directions portray the fundamental research elements of ambidexterity in strategic alliance. The resulting unified framework can be used by future researchers and policy makers and practitioners as an important tool to better understand and manage ambidexterity in strategic alliances.

Generally, the four papers included in this special issue deconstruct the new challenges facing strategic alliance managers and offer important directions for new solutions in the future. We hope this special issue will lead to more lively discussions and debates surrounding strategic alliance related studies and possibly lead to important new developments in conceptual, methodological and theoretical works in this important area of research.

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