Understanding the impact of relational capital and organizational learning on alliance outcomes

Chia-Ling (Eunice) Liu a,*, Pervez N. Ghauri b, Rudolf R. Sinkovics c

a National Cheng Kung University, Taiwan
b King’s College London, Franklin-Wilkins Building, 150 Stamford Street, London SE1 9NH, UK
c Manchester Business School, UK

1. Introduction

The increasing interests in interfirm collaborations have inspired a rich literature during the past two decades. The literature on strategic management and alliances assert that learning and acquiring know-how are important rationales for the formation of international strategic alliances (ISAs), contributing significantly to alliance outcomes (Dong & Glaister, 2006; Hamel, 1991; Inkpen & Beamish, 1997; Lyles & Salk, 1996). Knowledge has emerged as a central theme in the resource-based and alliance literature and is seen as the strategically most important source of competitive advantage (Conner & Prahalad, 1996; Grant & Baden-Fuller, 2004).

The accumulation of knowledge acquired from alliance partners opens new opportunities and constitutes a driving force in the development and growth of the firms (Inkpen & Pien, 2006; Yli-Renko, Autio, & Sapienza, 2001). In our research, knowledge acquisition refers to ‘the extent to which the firm has learned from the alliance partner’. The type of knowledge involved affects knowledge acquisition in interorganizational learning (Lane & Lubatkin, 1998). We focus on external knowledge of local firms acquired from foreign partners. The purpose of our research is to add to the existing knowledge base on alliance learning (Hamel, 1991; Mesquita, Anand, & Brush, 2008; Mowery, Oxley, & Silverman, 1996; Wu & Cavusgil, 2006) by examining the following issues that have not received sufficient attention in the existing literature.

Numerous past studies demonstrate that multinational corporations (MNCs) benefit from alliance learning, yet the conditions under which this improves the competitive advantages of local firms are not well known (Ernst, 2000; Kotabe, Martin, & Domoto, 2003; Tsang, Nguyen, & Erramilli, 2004). Building alliances with local firms in resource-limited countries gains them access to critical skills and competences from their foreign partners. In an attempt to fill this research gap in the alliance literature, our study focuses specifically on the local firm. Though knowledge can be transferred across various entities in alliances, we address knowledge acquisition from the foreign partners because such knowledge is typically valuable for the success of local firms (Tsang, 2002).

Though prior research has contributed to our understanding of certain important outcomes of knowledge acquisition from alliance partners (Inkpen & Tsang, 2005; Kotabe, Dunlap-Hinkler, Parente, & Mishra, 2007; Lyles & Salk, 1996), there has been scant attention to the study of the diffusion of such knowledge within the organization. Interorganizational learning, i.e. knowledge acquisition from partner firms has been the key concept examined in previous literature (Inkpen, 1998; Norman, 2004). Yet, integrated perspectives, which consider both inter- and intrafirm learning at the same time, are rare. We argue that knowledge acquisition from the partnership, in isolation, is unlikely to enhance alliance outcomes; it needs to be disseminated across departments to lift its competitive value. This paper contributes to the discussion by bringing the organizational learning perspective on both an interorganizational level and intraorganizational level.

Prior studies on alliance learning have commonly focused on cognitive aspects. For example, the level of absorptive capacity and...
the complexity of knowledge affect knowledge transfer between partners (Lane, Salk, & Lyles, 2001; Simonin, 2004). Relation-
capital investments are critical in knowledge acquisition, es-
pecially in turbulent environments (Dhanaraj, Lyles, Steensma, &
Tihanyi, 2004). Relational capital in alliances refers to a relational
rent generated in an exchange relationship that cannot be
generated by either firm in isolation (Dyer & Singh, 1998).
Relational capital has been identified as a resource that is created
through social network processes (Dyer & Singh, 1998; Watthe &
Heide, 2004). We identify three key dimensions of relational
capital essential to alliance learning: trust, transparency, and
interaction. We examine the link between these three factors and
the role of relational capital in acquiring knowledge from foreign
partners.

We also believe that the literature dealing with relational
capital, learning and alliance outcomes has not been integrated in a
systematic fashion, leaving gaps in the understanding of the links
among the concepts. Some stress the linkage between relationship
development and knowledge transfer in alliances (Dyer & Hatch,
2006; Sarkar, Echambadi, Cavusgil, & Aulakh, 2001; Uzzi &
Lancaster, 2003), and others highlight the connection between
knowledge process systems (i.e., knowledge acquisition and
sharing) and alliance satisfaction (Inkpen & Pien, 2006; Lyles &
Salk, 1996; Norman, 2004). The former links the relational view
and organizational learning theory; the latter links organization
learning theory and the resource-based view. Very few attempts,
however, have yet been made to relate key concepts from the
relational view, organizational learning theory and the resource-
based view. By emphasizing the important link between relational
capital, inter- and intrafirm learning and alliance outcomes, we
seek to contribute to a further convergence between different
domains of research.

Specifically, our study pursues the following research ques-
tions: (a) how relational capital impacts on the acquisition of
knowledge from foreign partners to the local firms, (b) how
dimensions of relational capital, specifically trust, transparency,
and interaction, between alliance partners interrelate, and (c) how
inter- and intrafirm learning influence alliance outcomes.

2. Theoretical background and hypotheses

This paper builds on the relational view, which depicts that
competitive advantages derive not only from firm-level resources
but also from difficult-to-imitate capabilities embedded in dyadic
relationships (Dyer & Singh, 1998; Mesquita et al., 2008).
According to the resource-based view, the competitive advantage
of firms arises from their superior capability in transferring and
creating knowledge (Foss & Foss, 2005; Spender, 1996). Given
resource limitations of local firms, they can leverage their
relational resources for knowledge acquisition by building
relation-specific assets and knowledge-sharing routines (Yli-
Renko et al., 2001). As knowledge acquisition is mainly a social
process (Kogut & Zander, 1992), relational capital will be important
for the success of local firms. The degree of the knowledge transfer
a firm achieves from its collaborative relationship is determined
not only by knowledge acquired externally, i.e. outside the
alliances framework, but also by knowledge disseminated
internally among its business units (Walter, Lechner, & Kellermans,
2007). We draw on organizational learning theory to
combine these two perspectives. In a first step the theoretical
development of the paper follows the literature of relational
capital and knowledge acquisition in alliances. A number of key
dimensions have been identified, out of which we discuss those
pertinent to our study context, trust, transparency and interaction.
Consequently, we link inter- and intrafirm learning to alliance
outcomes.

2.1. Relational capital and knowledge acquisition in alliances

Relationships between alliance partners can be characterized in
terms of their mutual trust, their social ties, and the extent to
which they share their values (Kale, Singh, & Perlmutter, 2000;
Uzzi & Lancaster, 2003). A relationship built solely on legal
contracts may make it difficult to facilitate effective knowledge
transfer. Recent studies have indicated that interorganizational
relationships create opportunities for the firms to gain access to
external knowledge and combine it with existing intellectual
resources (Dyer & Hatch, 2006; Nahapet & Ghoshal, 1998).
Relational capital involves the pattern of interaction between
partners that facilitates the positive feelings and functioning of an
alliance (Cullen, Johnson, & Sakano, 2000). We assume that the
more relational capital a local firm develops from alliances, the
more likely it is to acquire external knowledge from its foreign
partners. Without the social fabric of any relationship, alliances
will not deliver their potential strategic or economic payoff
(Madhok, 1995) and processes of learning will be stifled.

The extent to which a firm acquires knowledge from its alliance
relationship depends on the ability of the firm to understand where
the relevant knowledge or expertise resides in its partner, and on
the willingness of the firms to share knowledge (Dyer & Singh,
1998; Yli-Renko et al., 2001). We follow Kale et al. (2000) and argue
that strong relational capital between alliance partners facilitates
greater learning across the alliance interface. Central to the
argument is that relational capital influences knowledge acquisi-
tion through the confidence that alliance partners have in the
reliability and integrity of each other to exchange knowledge more
freely (Madhok, 1995) (operationalized in the paper as trust); the
openness between alliance partners (operationalized in the paper
as transparency) (Hamel, 1991); and the interactive process of
exchange between member firms (operationalized in the paper as
partner interaction) (Yli-Renko et al., 2001).

We assert that the amount of knowledge acquired by a firm
depends on three key dimensions of relational capital: the quality
of relationship in terms of trust, the level of transparency between
firm, and the level of partner interaction. Trust has often been
identified as an alternative or complement to formal, arm’s-length
or third-party governance mechanisms (Doney & Cannon, 1997;
Dyer & Singh, 1998). Establishing high levels of mutual trust should
promote knowledge exchange and discourage free-riding because
the possibility of violation is reduced when high-quality, hard-to-
replace relationships exist (Yli-Renko et al., 2001). Hamel (1991)
identifies that transparency in the partner relationship determines
the potential for learning. Some partners are more open and
accessible to sharing knowledge and communicating ideas with
others, while others are not. In many cases, a firm’s alliance
partners are important sources of new ideas and knowledge that
ehance the value of the firm (Dyer & Singh, 1998). High levels of
interaction, whether face-to-face or mediated through information
systems, strengthen social ties between partners. Strong relation-
ships usually trigger a close interaction between alliance partners
and hence facilitate the exchange and transfer of knowledge across
the alliance interfaces (Dhanaraj et al., 2004; Kale et al., 2000).
Hyder and Ghauri (2000), in two longitudinal case studies on joint
ventures between Swedish and Indian partners, indicate that many
uncertainties prevail on both sides when partners start to learn
about each other and about each other’s capabilities and know-
how. The more they learn about each other, the more the
uncertainties decrease and the more a positive relationship
develops.

Trust has been described as a central issue in the literature on
strategic alliances and interfirm relationships (Boersma, Buckley,
& Ghauri, 2003; Mayer, Davis, & Schoorman, 1995; Schoorman,
Mayer, & Davis, 2007). Recent studies indicate that trust in
دریافت فوری
متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات