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Key Determinants in Decision-Making

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Abstract
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Search Keywords: internationalisation; international networks; international strategic alliancing; determinant categories; and strategic decision-making.

Introduction
Within the plethora of literature discussing the various interpretations and implications of firm internationalisation, considerable evidence exists which leads towards both broadening and deepening understanding of business activities, which transcend national boundaries (e.g. Hood and Young, 1979; Porter, 1986; Parkhe, 1991; and Hanvanich and Cavusgil, 2001). In a similar vein, with the drive towards worldwide standardisation of consumer tastes, the evolving concept of firm globalisation is now accepted as a reality (e.g. Hymer, 1979; Bartlett and Ghoshal, 1989; Buckley and Casson, 1992; Rodrik, 1997; Rao, 2001, and Kumar and Das, 2010). Likewise, internationalisation processes have led towards a vast array of models and approaches intimating that international activities growth tend to evolve in stages (e.g. Johanson and Wiedersheim-Paul, 1975; White and Poynter, 1984; Hood et al, 1994, Hohenthal et al, 2003). Such observations have not gone unnoticed and have therefore led towards a greater concentration - of a theoretical nature - on a number of fundamental but important issues associated with organisations balancing: investment; risk; experience; commitment; and control of foreign involvement, in terms of a variety of perceived benefits in both the establishment and expansion of foreign operations. Critically therefore, as firms from a variety of industry sectors continue to position and reposition themselves for the environmental uncertainty and indeed, the rapidly evolving global markets that face them, strategic alliancing appears to have become increasingly attractive - as a strategic option - and therefore cannot be ignored (e.g. Sherman, 1992; Child and Faulkner, 1998; Demirbag and Mirza, 2000; Hung et al, 2002; Lai et al, 2004; and Leischnig et al, 2013).
Notably, recent literature on international and global strategic alliances has been the centre of attention of many practitioners, resulting in the identification of a number of well-developed issues that seek to explain the reasoning behind the strategic alliance decision (e.g. Francis, 1991; Casson and Cox, 1993; George et al. 1998; Merchant and Schendel, 2000; Ricciardelli et al, 2003; and Kumar and Das, 2010). Moreover, it has been noted that international strategic alliancing has tended to take a variety of forms that essentially encourage two or more firms to collaborate with one another - in an international context - in order to benefit from synergistic advantages from the combining of complementary resources through for example: franchising; joint venture; licensing; management contracts; equity alliances; turnkey projects; etc. Indeed, the areas of international strategic alliance management and indeed the success of international strategic alliances have also been given liberal coverage, however, with the increasing rate of growth of international strategic alliances over the past three decades, this area clearly warrants a greater focus of research activity (e.g. Harrigan, 1986; Scanlon, 1990; Lane et al, 2001; Contractor and Lorange, 2002; Das, 2004; and Li and Ferreira, 2008). Against this backdrop, in terms of identifying the nature of organisational decisions in the strategy evaluation process - for entering into an initial international strategic alliance - or indeed, when entering into further international strategic alliances, little evidence on the nature of the key determinants of decisional issues and any associated patterns of organisational behaviour appear to exist. Indeed, there is an underlying assumption here that the internationalisation processes associated with strategic alliance decisions will contain similar determinants as other modes of internationalisation, but the order in which these elements occur, will most likely differ according to how each firm conducts its business. With this in mind, the main aim of this paper is to review existing literary evidence on international strategic alliancing and to develop a theoretical framework of organisational behaviour, in terms of understanding the contextual nature of key determinants associated with international strategic alliance selection decisions. Insofar as the methodology of this paper is concerned, the approach adopted is purely based on exploratory research, which was supplemented by inductive reasoning during the analysis and evaluation of literary materials. The authors accept that although the interrelationships between each of the conceptual categories of determinants identified in this article are clearly complex in nature, they are out-with the direct scope of this current study, however, the importance of the processes and issues associated with international strategic alliance decision-making should not be underestimated and warrants further enquiry. Moreover, this paper forms part of a wider study concerning the evolving nature of international strategic alliance decisions of firms operating in the energy industry, telecommunications industry, airline industry, electronics industry and the tourism industry, for which the framework and associated conclusions of this current paper will be used as a testing vehicle.

Conceptual Issues
The increasing rate of international activity and evolving global competitive behaviour of firms - since the early 1980’s has furthered our understanding of organisational behaviour. In this sense, as firms have sought to enter new markets in order, for example: to capitalise on core competencies; to extend product life cycles; to follow competitors; to reduce costs; to capitalise on firm-specific advantages or location advantages, etc., then the investment decision for expansion through international strategic alliancing has become both - more prominent - and indeed more important in terms of corporate level strategic decision making. Likewise, with an ever-increasing desire for firms to develop existing resource bases and cultivate returns on
investments from overseas, cognisance of the growth-trend of global strategic alliances has never been more important for firms. Indeed, the significance of this statement is underpinned by the plethora of studies into the recent growth of international strategic alliancing activities of global firms such as: - Fujitsu, Motorola, British Telecommunications, France Telecom, McDonald’s, American Airlines, Pierre Cardin, General Motors, Fiat, Cisco Systems, Philips, Adidas, Wal-Mart, Seiyu, Nike, Coca Cola, Danone, Sony and Samsung - to name but a few.

In view of the many key issues identified by these and other similar works, there is an emergence of four key categories of determinants which are seen as being of significant importance to firms when establishing and expanding international strategic alliances (e.g. Gerlach, 1987; Geringer, 1988; Anderson, 1990; Bleeke and Ernst, 1991; Ohmae, 1992; Frankel et al, 1996; George et al, 1998; UNCTD, 2000; Brock and Barry, 2003; Lal et al, 2004; Nielsen, 2010; and Li et al, 2013). Although insightful research on international strategic alliancing has evolved, a number of imprecise and relatively fluid issues have come to the fore and consequently, little has emerged in a systematic manner. Hence, this lack of organising of these important factors, points towards a lack of clarity in bridging the gap - in terms of our understanding - of the key determinants in international strategic alliance decision-making. This study therefore attempts to address this gap by identifying the nature of these key determinants and grouping these into key determinant categories. In establishing these categories, there is an attempt by the authors to unravel some of the complexities of international strategic alliance decision-making, which have primarily been overlooked by previous works and to consolidate much of the espoused subject-specific rhetoric. Contextually therefore, the four categories of key determinants have been identified as: - the motivation; the preparation; the planning; and the development of international strategic alliances, and consequently, the following descriptions outline respective category boundaries (see Table 1). Within the boundaries of this study, there is an understanding that organisations tend to seek a balance between the dimensions of investment, risk, control and levels of return, within their decision making process, however, the holistic nature of the four key determinant categories described in Table 1, is seen to encompass the critical dimensional characteristics associated with international strategic alliance decision-making.
Table 1: Key Determinant Categories and Associated Category Descriptions

<table>
<thead>
<tr>
<th>Key Determinant Category</th>
<th>Category Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation</strong></td>
<td>Those firm-specific determinants, which <em>stimulate and underline why organisations should enter into an international strategic alliance(s).</em></td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td>Those firm-specific determinants, which <em>require organisations to forecast, coordinate, and decide upon the level of involvement for alliance success.</em></td>
</tr>
<tr>
<td><strong>Preparation</strong></td>
<td>Those firm-specific determinants, which <em>require organisations to consider during partner(s) selection.</em></td>
</tr>
<tr>
<td><strong>Development</strong></td>
<td>Those firm-specific determinants, which <em>require organisations to consider when increasing, growing or enhancing the relationship of any international strategic alliances over time.</em></td>
</tr>
</tbody>
</table>

Source: Author Generated

Consequently, the exact nature of the interrelationships between these four categories is - as yet - unknown and is out-with the scope of this paper. In this sense, in order to contextualise and better understand the nature of characteristics associated with these categorises of key determinants, the synthesised details are now considered (see Table 2).

**Determinant Characteristics of the Motivation Category**

When assessing international market development modes, the question of why a firm should give consideration to alliancing as a strategic option - “in terms of the motivation of the firm” - has been the focus of attention of a growing number of practitioners (e.g. Camagni 1991; Stiles and Turner, 1994; Lahnstein, 1996; Rao, 2001; and Kumar and Das, 2010). Indeed, as markets continue to globalise and firms strive to align strategies to satisfy clearly defined corporate objectives, the consideration of international strategic alliances is frequently seen as being of fundamental organisational importance (e.g. Ohmae, 1989; Gordon, 1992; Buchan, 1993; Ritchie, 1995; Reuer, 1999; Calori et al, 2000; and Nielsen, 2010). Consequently, there would appear to be general agreement in that corporate responses to the motivation category tend to encapsulate a number of substantive - but common - characteristics. From Table 2, the following characteristics therefore appear at the forefront of the motivation category and are summarised.
Table 2: Categorisation of Key Determinants in International Strategic Alliance Decision-Making

<table>
<thead>
<tr>
<th>Determinant Characteristics</th>
<th>Motivation</th>
<th>Planning</th>
<th>Preparation</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfying company goals/growth/sales expansion/etc.</td>
<td>Historical record of any potential partner alliance(s).</td>
<td>Needs Analysis: Integrating customer/supplier requirements into project</td>
<td>Development of trust in an international alliance partnership.</td>
<td></td>
</tr>
<tr>
<td>Delivering innovation/technological development.</td>
<td>Clarification of alliance objectives (all parties)</td>
<td>Researching of potential alliance partner(s) and evaluation of suitability.</td>
<td>Identification and development of any partnership boundaries.</td>
<td></td>
</tr>
<tr>
<td>Minimise exposure in potentially risky environments.</td>
<td>Duration of international strategic alliance agreements.</td>
<td>Evaluation of specific locational issues.</td>
<td>Developing communication within international strategic alliance(s).</td>
<td></td>
</tr>
<tr>
<td>Gain location-specific assets/resource acquisition(s).</td>
<td>Content of international strategic alliance contracts.</td>
<td>Psychic distance between partners and prospective host nations.</td>
<td>Growth of international alliancing networks.</td>
<td></td>
</tr>
<tr>
<td>Capitalise on firm core competencies/competitive advantages and to cross-fertilise knowledge, skills, resource, etc. Degree of focus on home market and Capitalise on geographical opportunities.</td>
<td>Degree of firm and inter-firm integration required including cultural integration requirements.</td>
<td>Integration of organisational product/service competencies.</td>
<td>Re-development and alignment of partner objectives</td>
<td></td>
</tr>
<tr>
<td>Competitor behaviour or to avoid/counter competition.</td>
<td>Procedures for termination of international alliances.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>To satisfy political objectives and favourability to the firm's stakeholders.</td>
<td></td>
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</tr>
</tbody>
</table>

Source: Author Generated from Literature
Satisfying company goals/growth;
Delivering innovation/technological development;
Degree of firm and inter-firm integration required;
Gain location-specific assets;
Overcome legal constraints;
Minimise exposure in potentially risky environments;
Capitalise on firm core competencies/competitive advantages;
Capitalise on market development/geographical opportunities;
Competitor behaviour;
Degree of focus on home market;
Avoid or counter competition;
Cross-fertilise knowledge, skills, resource, etc.;
Favourability to the firm's stakeholders.

In the light of this category of determinants, a number of practitioners report that it is essential for firms to appropriately address such factors, otherwise the potential viability of any alliance could be jeopardised at an early stage of the international strategic alliancing route (e.g. Francis, 1991; Casson et al, 1996; Rao and Hashimoto, 1996; Dawar et al, 1996; Child and Faulkner, 1998; Rao and Schmidt, 1998; Money, 1998; George et al, 1998; Rao and Teng, 2000; Inkpen and Scott, 2001; McKay and Frank, 2002; Nakamoto, 2002; Kumar and Das, 2010). Consequently, this escalation of international collaboration cannot be underestimated and it is essential for our understanding of organisation behaviour, to pull together much of the value from these works in relation to international strategic alliancing. Understandably therefore, with such a growing plethora of studies espousing commonality in the strategic intent of firms - in terms of their various motivations towards alliancing as the appropriate strategic route forward - collaboration is seen as being of paramount importance in international strategic alliance decision-making and therefore motivation has been prudently identified as a key determinant category.

**Determinant Characteristics of the Planning Category**

The reasoning behind the strategic decisions to internationalise through strategic alliancing is indeed complex, and in part situational dependant - to the extent that entwined around the motivation category are a number of planning considerations for the firm. For the purpose of this study, organisational planning for the international strategic alliance is defined as: “the forecasting, arranging and laying the foundations for the successful implementation of the strategic decision”. The planning determinants are therefore seen to consist of many characteristics, however, from a number of researcher studies, four key characteristics appear to emanate - history, duration, content and the termination of the international strategic alliance (e.g. Bleeke and Ernst, 1995; Manuel et al, 1996; Inkpen and Beamish, 1997; Parkhe, 1998; Hennart et al, 1999; Ryans et al, 1999; Burton et al, 2000; Chea, 2002; McKay and Frank, 2002; Nielsen, 2008; and Li et al, 2013). These key characteristics associated with the planning category are described as:

- The historical record of any potential partner alliance(s);
- The duration of international strategic alliance agreements;
- Objectives for success of the alliance;
- The content of international strategic alliance contracts;
The degree of firm and inter-firm integration – including cultural integration;
The procedures for termination of international alliances.

In considering the nature of these key planning characteristics, it is important to appreciate that in order for a company to gauge the best method of establishing a new alliance, there is a requirement for the firm to analyse and evaluate any previous or historical alliance(s), in which they or their proposed partner(s) has or may have been involved (Parkhe, 1993; Segil, 1996, Brock and Barry, 2003). Furthermore, it should be recognised that a firm’s track record could affect any future alliances it may have, in terms of, for example: the level of commitment; success/failure; experiential learning; issues relating to non-recoverable assets; and the level of contractual safeguards that may require to be put in place at a relatively early stage in the international expansion process.

In terms of the significance of the key issue associated with the duration of alliances, according to Frankel et al (1996) the intended duration of any strategic alliance can be critical to its success. In a similar vein, a number of studies suggest that when planning an international strategic alliance, it is important that the duration of the proposed alliance is agreed at the outset, particularly as this tends to encourage stability in the collaboration (e.g. Manuel et al, 1996; Park and Ungson, 1997; and Kumar and Seth, 1998; Yan and Zeng, 1999; Goddard and Standish-Wilkinson, 2002; and Peng and Shenkar, 2002). Furthermore, Parkhe (1991 and 1993); and Das and Teng (1998), advocate that the level of co-operation between partners tends to be proportional to the intended duration of the alliance and they give significant weight to the importance of the duration factor. Consequently, these studies would suggest that by deciding on a timeframe for any partnership - as early as possible in the planning stage of decision making - has a propensity to minimise the potential for any confusion and therefore focus project minds on some of the important boundaries of the alliance. Additionally, according to Segil (1996) and Rao and Schmidt (1998), clarification of the duration issue can also provide a focal point for future modification of the alliance and therefore any dilution of the importance of this planning component, can be problematic, in terms of the long-term success of the venture.

In continuing, a variety of studies point to several reasons why an international strategic alliance may require to be terminated at an earlier stage - than initially anticipated (e.g. Manuel et al, 1996; Fey and Beamish, 2000; Reuer and Koza, 2000; Kale et al, 2001; and Ulijn et al, 2010). In such situations, the partnership may have been essentially unsuccessful - due in part to - differences in management teams which can be rather difficult to overcome; firm-specific objectives which may prove to be more difficult to achieve than anticipated; a breach of confidence may have taken place; the goals, targets, strategies or general ‘fit’ of the partners may have changed; or indeed financial constraints could have placed too heavy a burden on the alliance. Termination therefore may be relatively friendly (although not necessarily as it can become a hostile event) hence, it may be planned or unplanned, mutually agreed or indeed, deliberately instigated by either, some or all of the partners. However, although agreeing to the boundaries of contractual arrangements in relation to termination details (at the beginning of an alliance) can be seen as negative, it is important not to overlook the possibility. Therefore preparedness may be required for an eventual break-up of the intended partnership (e.g. Tully, 1996; Yan and Zeng, 1999; Demirbag and Mirza, 2000; and Kale et al, 2000; and Lane et al, 2001). Due to the complex nature of international strategic alliances, a number of studies suggest that it is vital that both formal and informal contracts are in place (e.g. Macaulay, 1963; MacNeil, 1980; Klein et al, 1978; Marcus, 1987; Dobler et al, 1990; Bucklin and Sengupta, 1993; Barney
and Ouchi, 1996; Frankel et al, 1996; Larson, 1992; and Child and Faulkner, 1998). Here, the formal contract can be seen by parties - to be rather adversarial, or indeed, relatively inflexible, particularly as the contract must have rules and contingencies to deal with a variety of different scenarios. The informal contract tends to be rather less adversarial and is built by senior management and key personnel, who are generally prepared to develop strong social and professional ties with partners over a period of time. This behaviour can allow the alliance to be much more flexible to that of the formal contract, particularly as it tends to instil confidence in the developing relationship, at an early stage in the process. Both contracts should therefore be balanced between protections of the respective partners, while aiding the partners to build long-term relationships.

**Determinant Characteristics of the Preparation Category**

In continuing, Table 2 identifies the *preparation* determinants, where a number of practitioners point towards the issue of preparation as being of significant importance in international strategic alliancing (e.g. Young et al, 1989; Niederkofler, 1991; Smith and Reney, 1997; Tse et al, 1997; Khanna et al, 1998; Parker, 1998; Anand and Khanna, 2000; Bennett, 2001b; Shrader, 2001; Ibison, 2002; Nielsen, 2008; and Li et al 2013). Against this backdrop and for the purposes of this study, the preparation category is defined as: “the groundwork, issues and information analysis seen as being necessary for firms to identify and address, prior to entering into any (or furthering existing) international strategic alliances”. With this in mind, there appears to be increasing anxiety in the nature of the preparation required by firms as they embark upon this particular strategic course of action. As a result, there is an emerging agreement among practitioners that leads to the suggestion in this paper, that the characteristics of: - researching prospective partners, locational issues, organisational integration, and psychic distance, are essentially at the forefront of the preparation category. Accordingly, the key characteristics associated with the preparation determinants are described as:

- Researching of potential alliance partner(s);
- Locational issues;
- Integration of organisational and product/service competencies;
- Psychic distance.

In the light of these four key characteristics, there is a requirement for the organisation to ensure that a sufficient and prior examination of available information on any proposed partner’s track record, distinct strengths, goals and firm specific-objectives, are transparent and clearly understood (e.g. Geringer, 1991; Casson et al, 1996; Child and Faulkner, 1998; Das and Teng, 1998; Yan and Zeng, 1999; Demirbag and Mirza, 2000; Fey and Beamish, 2000; Reuer and Koza, 2000; and Clark and Knowles, 2003). Furthermore, on a similar note, Stiles and Turner (1994), Manuel et al (1996) and Rao and Schmidt (1998) allude to the importance of developing a number of rules and questions, which they see as being essential considerations during both - the processes involved in partner selection and screening - and - during the early stages of negotiations with prospective partners. Similarly, data on location-specific issues are also fundamentally important to those firms seeking to expand operations through international strategic alliancing and should therefore be considered within the preparation stage of the expansion process. Here, firms should ensure that they are aware of as much about the host country as possible, with particular attention being paid towards issues such as: - taxes and
location-specific incentives; communications and transportation infrastructures; the competitive environment; and those particular local laws and regulations that govern the setting-up of alliances (e.g. Buchan, 1993; Stiles and Turner, 1994; Gentry, 1996; Smith and Reney, 1997; and Chea, 2002).

Moreover, in terms of capitalising on issues associated with, for example: firm-specific core competencies; clear benefits from the exploitation of synergistic opportunities; the prospect of sharing risks; the creation and exploitation of competitive advantage; then there is a distinct requirement for firms to fully understand and appreciate the various capabilities of potential alliance partners (e.g. Porter, 1986; Hamel, 1991; Fletcher and Hardhill, 1995; Anand and Khanna, 2000; Das and Teng, 2000; and Tallman and Fladmoe-Lindquist, 2002). In view of these issues therefore, this form of preparation would allow the firm to ensure that the potential for integrating coherent collaborative value-adding activities, are maximised. Undoubtedly, the advantages for firms to cross-fertilise their knowledge, experience and skills through such collaborative ventures cannot be underestimated and therefore clarity of benefits during this preparation stage is vital towards progressing forward with prospective alliance partners.

In terms of the key issue of psychic distance, this factor involves a large number of extremely important considerations which typically include: an understanding of host country language; the many aspects of possible cultural differences between both organisations - as well as - country cultural differences; the evolving political situation in the host nation; the level and extent of education of the various segments of the respective host country populous; as well as - the level of market readiness and industrial development of the host country for alliance products/services (e.g. Hall, 1960; Vahline and Wiedersheim-Paul, 1977; Hofstede, 1983; Francis, 1991; Anderson, 1993; Casson and Cox, 1993; Trompenaars, 1994; Jeannet and Hennessey, 1995; O’Grady and Lane, 1995; Barkema et al, 1996; Casson et al, 1996; Dawar et al, 1996; Rao and Hashimoto, 1996; Segil, 1996; George et al, 1998; Money, 1998; and Rao and Schmidt, 1998). Consequently, many authors acknowledge the need for firms to recognise the issue of psychic distance between potential partners and indeed between firms and host nations, and in particular, the need for careful consideration during the early stages of international strategic alliancing.

**Determinant Characteristics of the Development Category**

In penetrating international markets, organisations are increasingly identifying opportunities to form and develop strategic partnerships, with a view to offering a variety of products and services to customers across all corners of the globe. Indeed, by concentrating on cross-border expansion through strategic alliancing, firms are therefore sharpening their focus on this form of growth, which culminates in a requirement for firms to restructure their internal resourcing mechanisms in order to meet the challenges of international alliancing. Hence, the final category to be discussed here is identified in Table 2 as the *development* determinants. The development category is defined as: “those particular issues that firms require to address when they have recently expanded into international strategic alliancing - or - when growing and capitalising on existing international strategic alliances, for the main purpose of improving the effectiveness of operations”. In creating this category, an analysis and evaluation of previous studies suggest that the development determinants of international strategic alliancing consists of four key characteristics, and these are identified as: - *trust*; *relationships*; *communication*; and *network growth*. These key characteristics are described as: -

- Trust in an international alliance partnership;
- Developing partnership relationships;
- Cost reduction;
- Communication in the international strategic alliance;
- The growth of international alliancing networks.

In examining the nature of these key characteristics, trust, is arguably the most important element of any international strategic alliance. Furthermore, over the past two decades a large number of authors have cited trust as being a significant factor in the long-term development of international partnerships (e.g. Akerlof, 1982; Hirshman, 1984; Williamson, 1985; Liebenstein, 1987; Gambetta, 1988; Bradach and Eccles, 1989; Casson, 1990; Hamel, 1991; Larson, 1992; Sako, 1992; Buchan, 1993; Casson and Cox, 1993; Morgan and Hunt, 1994; Schmitz, 1994; Ritchie, 1995; Tully, 1996; Child and Faulkner, 1998; George et al, 1998; Rao and Schmidt, 1998; and Arino et al, 2001). On this note, if an alliance is expected to be successful, then partners must be able to trust one another in all aspects of the alliance, and in this respect, prospective parties must ensure that all personnel have an appropriate mind-set and sufficient experience to work both within - and - for the alliance. Without trust between partners, the alliance is likely to fail at a relatively early stage. Consequently, considering the evolving competitive behaviour of firms in the various industrial market segments within the global economy, if an alliance is to be successful in the longer-term, then the early development of deep, meaningful, coherent, positive and personal relationships among key personnel are vital (e.g. Eisenstadt and Roniger, 1984; Buchan, 1993; Schmitz, 1994; Bell, 1995; Fletcher and Hardhill, 1995; Manuel et al, 1996; Segil, 1996; Stuart, 1997; Money, 1998; and George et al, 1998). Additionally, a number of earlier studies go as far as to suggest that these relationships could be described as social networks, (e.g. Mitchell, 1973; Arocena, 1984; Birley, 1985; Johannison, 1987; Szarka, 1990; and Austreid, 1995), which according to them, are critical to the success of the strategic venture, and should therefore not be ignored.

Clear communication at - and - throughout all levels (from senior management to operational staff) within the alliance is important to the success of the venture (Buchan, 1993; Parkhe, 1993; Bell, 1995; Ritchie, 1995; Fina and Rugman, 1996; Dupuis and Prime, 1996; Gentry, 1996; Cyert and Goodman, 1997; Kale et al, 2001; and Das, 2004). These studies conclude that the development of open communication policies is fundamentally important in the breaking down of many of the psychic distance issues that tend to exist when alliances are formed with foreign organisations. The frequency of communication is also cited as important, and in this context, the more often partners are in contact, the faster personal relations tend to develop. Similarly, for those firms that are involved in several international strategic alliances, communication links between the different operations needs to be appropriately managed in order to ensure that organisational learning from respective ventures is shared and fully capitalised upon. Indeed, the integration of best practice, cultural progress and performance enhancing initiatives across all ventures is essential, particularly if organisations are to improve and develop their cultural awareness, decision-making effectiveness and relationship building policies.

Developing organisational and social networks are an essential route for any firm to embark upon and in particular, they are invaluable for those involved in international partnerships. In this sense, it is important to realise that the fundamentals of networking can be unstructured and according to Bell (1995) networking tends to evolve dynamically. Additionally, Child and Faulkner (1998); Money (1998); Frenkel and Scott (2002); Li and Ferreira (2008); and Leischnnig et al (2013), suggest that social networks can only be established once there is trust between the parties, thereby reiterating the complex nature of international alliance development. However, it
should be pointed out that it is vital for firms seeking to establish international strategic alliances to be aware of the importance of growth through strategic alliance networking, particularly when different cultures are involved (Wellman, 1983; and Powell, 1990). Here, networking can be particularly important for SME’s, and in some cases developing international alliance networks can be relatively uncomplicated, due to their short communication channels. On this issue, Fletcher and Hardhill (1995) and Korhonen et al (1996) suggest that developing foreign alliance networks can give SME’s a competitive edge over their larger rivals. Furthermore, several authors point towards networking as a competitive strategy (e.g. Miles and Snow, 1984; Johanson and Mattson, 1987; and Jarillo, 1988), and competitive advantage is seen to be achieved by gaining access to, and exploiting, valued external resources and expertise via such networks.

CONCLUSIONS

As international markets rapidly evolve and product life cycles shorten, these have assisted in a shift towards a greater requirement of firms for closer customer interaction supplemented by more tailored products. As a result, for organisations - either internationalising - or for those experienced international firms, import substitution strategies have taken many forms. With this in mind, it has been well documented that expansion by international strategic aligning would appear to address many of the problems, questions and issues facing today’s firms. However, the decision to form an international strategic alliance is clearly both difficult and complex in nature and under-researched. This paper considers many of the questions and issues raised by existing literature on international strategic aligning, and as a result, the four categories of key determinants from Table 2, have been classified and presented in a conceptual framework in Appendix 1. This theoretical framework contends that within organisational strategic decision making processes, the four key determinant categories of: motivation, preparation, planning and development, are all dynamically interrelated and they will significantly affect the international strategic alliance decisions of the firm. Importantly, the main purpose of this paper is to build on the works of the many previous researchers in the area of international strategic aligning and to create a framework that assists our understanding of the issues and processes involved in organisational decision-making. On this note, this framework recognises that there is no exact or scientific process that exists for organisational decision-making on international strategic aligning, but that firms adopt more of an organisational contingency approach. Hence, this framework postulates that depending on firm-specific experience of international strategic aligning, the decision process of firms will consider a variety of important characteristics associated with part, or indeed, all of these four key categories. In this vein, if a firm for example, had absolutely no experience of international strategic aligning, then it would require to give great consideration to the complete set of categories of determinants within the decision making process. Such consideration would be dependent on the particular situation that respective firms were in at the time of evaluating international strategic aligning and consequently, a process involving all of the four categories of determinants would therefore formally or informally evolve over time. At the other extreme, if a firm had - some or indeed extensive - experience of international strategic aligning, then less or little consideration may be required to be given to the determinants of, for example preparation. The decision process would therefore tend to place a greater emphasis on the interrelationships of organisational motivation, planning and development of the alliance. Against this backdrop, this framework provides organisations with a focus on the key determinants requiring consideration in the strategic decision making processes related to international strategic aligning. The framework is seen by the authors as being
theoretical in nature and is developed in order to stimulate further discussion in international strategic alliancing. Consequently, the framework will be used as a test vehicle during future research studies of the internationalisation process of strategic alliance decision-making within and across various industry sectors.

NOTES

1 *Key determinants* is the term used by the authors to identify those particular issues which have been acknowledged from an extensive search of literature sources as being extremely important in the strategic decision making process for international strategic alliancing and for the purposes of this paper, are used to develop a theoretical framework categorising these key characteristics.

2 Further details of recent studies which highlight an increasing number of important characteristics associated with international strategic alliancing can be found in the following publications: - Smith and Reney, 1997; Parker, 1998; Lal et al, 1999; Ryans et al, 1999; Benoit, 1999; Reuer, 1999; Anand and Khanna 2000; Burton et al, 2000; Burt and Griffiths, 2000; Bennett, 2001a; Gibson, 2001; Hoffman and Preble, 2001; White, 2001; Clark, 2002; Goddard and Standish-Wilkinson, 2002; Ono and Zimmerman, 2002; Nakamoto, 2002; McKay and Frank, 2002; Das, 2004; and Li et al, 2013.

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Tully, S. (1996). The alliance from hell (Northwest and KLM) deal could come to an end, *Fortune*, 133/12, (June 24) 64.


Appendix 1  Internationalisation through Strategic Alliances: Theoretical Framework of Key Determinant Relationships

**Key “Planning” Determinants**
- The historical record of any potential partner alliance(s);
- The duration of international strategic alliance agreements;
- The procedures for termination of international alliances;
- The contents of international strategic alliance contracts.

**Key “Motivation” Determinants**
- Satisfying company goals/growth;
- Delivering innovation/technological development;
- Degree of firm and inter-firm integration required;
- Gain location-specific assets;
- Overcome legal constraints;
- Minimise exposure in potentially risky environments;
- Capitalise on firm core competencies/competitive advantages;
- Capitalise on market development/geographical opportunities;
- Competitor behaviour;
- Degree of focus on home market;
- Avoid or counter competition;
- Cross-fertilise knowledge, skills, resource, etc.;
- Favourability to the firm's stakeholders.

**Key “Preparation” Determinants**
- Researching of potential alliance partner(s);
- Locational issues;
- Integration of organisational and product/service competencies;
- Psychic distance.

**Key “Development” Determinants**
- Trust in an international alliance partnership;
- Developing partnership relationships;
- Cost reduction;
- Communication in the international strategic alliance;
- The growth of international alliancing networks.

Source: Author Generated from Literature Evidence