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A "new" view on "traditional" strategic alliances' formation paradigms

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Abstract

Purpose – This paper seeks to argue that managers need to apply a holistic and long-term approach in their understanding of strategic alliances' paradigms to inform decisions. Owing to the complexity of strategic alliance scenarios it is often a difficult task for management to know what information is required in order to take such decisions. It is suggested here that six widely used motivational paradigms in the formation of interorganisational relationships (transaction cost economics, resource dependence, strategic choice, stakeholder theory, organizational learning, and institutional theory) can be used not only during the formation stages of alliances but also during an alliance's lifecycle to help in decision making.

Design/methodology/approach – The paper proposes a discussion of possible shortcomings in the literature on motivational paradigms based on a review of the pertinent literature and, with the help of previously published cases/examples, suggests a new conceptual perspective of the paradigms.

Findings – The paper explains how and why motivational paradigms could be viewed as an interrelated web of issues throughout a strategic alliance's entire lifecycle – and not just at their formation stage when, often, they are used singly and in isolation of one another. It is proposed that their continuous and holistic use contributes to a manager's awareness of possible issues and helps his/her strategic management and decision taking. This new perspective is presented conceptually in a model.

Practical implications – For decision makers and managers: the proposed perspective will enhance their management and decision-taking processes by increasing their awareness and acting as an *aide-mémoire* of issues they need to consider/investigate and will reduce the possibility of alliance failure. For educators, it will expand the scope of traditional alliance formation paradigms and inform their teaching and research.

Originality/value – This is a novel approach to a traditional theory that expands its scope and usefulness.

Keywords Strategic alliances, Decision making, Strategic management

Paper type Conceptual paper



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Introduction

It has been well documented that strategic alliances are afflicted by a high rate of failure (Spekman *et al.*, 1998; Elmuti and Kathawala, 2001; Bitran *et al.*, 2002). It would appear that there is still little understanding among business executives of how strategic alliances operate and evolve (Todeva and Knoke, 2005) and that own managers' perceptions play a role in strategic alliance practice (Pansiri, 2005). Managers are involved in a necessary and dynamic learning process when involved in strategic alliances (Das and Kumar, 2007). It is proposed in this paper that managers might create and take strategic alliances more successfully through their intended lifecycle by becoming aware of, understanding, and acting on the interplay of a number of issues, rather than concentrating efforts on single or just a few alliance concerns.



This awareness of issues will facilitate managers' own learning processes. The issues in question are based on six widely used theoretical paradigms used normally to explain the motivation behind the formation of interorganisational relationships. It is suggested these issues might also impinge on a strategic alliance not just at the formation stage but also beyond it. The literature to date has not focused specifically on the close and complex interplays between these motivational paradigms, nor have their links with management been addressed from a holistic perspective and very rarely from an entire lifecycle perspective – Poulymenakou and Prasopoulou (2004) offer such an evolutionary perspective. An attempt is made to rectify these omissions by introducing a conceptual model that offers a synergistic perspective, with the aim of raising awareness among managers and academics, and of prompting such a perspective to be considered in managerial strategies.

I have drawn heavily on an article by Barringer and Harrison (2000), "Walking a tightrope: creating value through interorganizational relationships", as the basis from which to build my own arguments since they offer a comprehensive and analytical look at alliance foundations paradigms.

This paper comprises three main sections:

- (1) *Strategic alliances*. An analysis and comparison of various conceptions of strategic alliance present in the literature, followed by the understanding I have adopted here that underpins my proposals and perspectives in this piece.
- (2) The six theoretical paradigms. a short definition and discussion of the paradigms.
- (3) A conceptual model strategic alliance issues and their link with the management process. A number of short case examples from existing literature that lead to the proposal of a working model followed by a discussion that suggests this model as a valuable tool for managers and academics.

1. Strategic alliances

A synopsis of a number of understandings of "strategic alliances" will be presented in this section to help contextualise and to propose the perspective on "strategic alliance" adopted in this article:

An alliance is an arrangement between two or more firms that establishes an exchange relationship but has no joint ownership involved (Dickson and Weaver, 1997, in Barringer and Harrison, 2000, p. 391).

Despite the fact that Barringer and Harrison (2000) reviewed various sources, they do not specify the reason as to why they pick this particular definition by Dickson and Weaver (1997). Based on the comprehensive nature of the bibliographical core of the review, it would be tempting to assume that this is a "typical" definition for alliances.

The definition quoted would appear to be fairly generic and broad in its reach. But compared with others (Das and Teng, 2000; Stiles, 1998; Mockler *et al.*, 1997; Lorange and Roos, 1993) who define strategic alliances simply as co-operations that are important to the partners and that will help them pursue their objectives, Barringer's and Harrison's (2000) preferred definition introduces an additional qualifying factor: there has to be no share of equity in the agreement between the organisations. Together with Ohmae (1989) they agree on this proviso as a condition for alliances.



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Equity is regarded as a good indicator that helps quantify the "depth" of organizational relationships on a sliding scale.

Moss Kanter (1994, p. 96) uses the idea of a continuum or sliding scale to define "cooperative arrangements" or alliances – she uses these terms as synonymous – ranging between weak and distant, and strong and close, depending on how deeply the changes resulting from the alliance affect the partners involved. Newman and Chaharbaghi (1997) classify alliances along a fairly similar continuum based on whether the alliance formation is based on a defensive or offensive strategy.

In addition to the definitions and continua, some authors use metaphors to describe strategic alliances. Ohmae (1989) describes the relationship between partners in an alliance as an "entente" (Ohmae, 1989, p. 143) that involves a share in the control, similar to the relationship between partners in a new marriage.

A criticism of the metaphor is that it implies that a strategic alliance is a long-term relationship. Such a situation depends on the strategic goal(s) set for the strategic alliance's formation – without taking into account disruptive factors and/or mistakes that could lead to a "divorce".

A different metaphor to characterise strategic alliances by is that of a "parental relationship" (Lorange *et al.*, 1997, p. 251). Here organisations get together to "give birth" (Lorange *et al.*, 1997, p. 251) to an idea, research and development, a product or another firm. It could be inferred from this metaphor that a strategic alliance is necessarily a long-term process (although the authors include short-term operations in their typology) that involves a very heavy bond or joint commitment towards the sibling and that it would not be a good idea, therefore, to terminate the alliance because this would "kill" the sibling when, for example, the alliance's purpose has been achieved (e.g. in R&D) or when there is a breakdown in the "parental" relationship.

A combination of the two approaches to the metaphors (relationship focused and outcome focused), is encapsulated in a different perspective used to describe alliances. This perspective is based on a tension between the alliance partners, and has been addressed by many authors. The tension, is caused by the partners co-operating and, simultaneously competing with one another, for example, in certain areas of operation, and/or business (Marks and Mirvis, 1998; Stiles, 1998). In addition partners might also compete in learning and internalising new ideas and methods from each other (Lei, 1997). In view of the many perspectives available, the concept of "cooperative competition" (Marks and Mirvis, 1998, p. 4) is not enough as a definition of strategic alliance by itself, but it throws some light on the type of relationship entered by the partners and, in doing so, expands on the ideas proposed by the "marriage" and "parenthood" metaphors.

From the previous, the attempts at defining strategic alliances have given rise to many different views. There would appear to be two large "camps" in the literature. On the one hand there are those authors who see the term "strategic alliance" as a generic denominator and advocate a very broad definition, or possibly no definition at all. On the other, some prefer to use a different terminology to refer to generic relationships of the characteristics discussed, such as "strategic combinations" (Marks and Mirvis, 1998, p. 10), "co-operative agreements" (Devlin and Bleackley, 1997, p. 179), or "interorganizational relationships" (Barringer and Harrison, 2000, p. 367; Ring and Van de Ven, 1994, p. 112), and reserve the term "strategic alliance" as an indicator of relationships with more specific characteristics, such as equity exchange or a long term outlook.

The typologies presented here are an illustration of the plethora of explanations and interpretations of what a strategic alliance actually is. It might be of interest to note that

such a diversity of understandings is not unique to strategic alliances, but is also present in other uses of the word "strategic" in management language and literature. French (2009) picks-up some of the semantic implications when he looks at various implicit and explicit understandings of the term and states that, in the main, "... in some significant fashion, strategy is intimately related to planning" (p. 11) which, in turn, involves objectives or aims. He then procedes to yuxtapose the word "strategy" with other terms like "management" noting the many different uses of the term "strategic management" and suggests that "... it is often impossible to know exactly what strategic methodology is being expressed" (p. 6), and that, therefore, "... it is necessary to seek to understand how the terminology is applied" (French (2009)). So, with the purposes of clarity and understanding, and as a basis for the suggestions that follow, I will suggest now the concept of "strategic alliance" used here. In a comparable way with definitions offered by Todeva and Knoke (2005) and Mandal et al. (2003), I subscribe to a more generic understanding of "strategic alliance", based on the one common denominator between the many perspectives seen previously: the joint "intent to plan" of two or more organisational partners. In other words, "a strategic alliance is the planned working together of various organisational partners to achieve one or more goals".

The previous discussion indicates that there is a planned purpose which is intrinsic to the notion of "strategic alliance". This understanding forms the basis on which some of the suggestions in this paper are based. However, before focusing on these, a brief introduction of the motivational paradigms will be offered in the next section.

2. The six theoretical paradigms

Barringer and Harrison (2000) provide a review of well-documented theoretical paradigms that explain the creation of strategic alliances. These paradigms are: "transaction cost economics, resource dependence, strategic choice, stakeholder theory, organizational learning, and institutional theory" (Barringer and Harrison, 2000, p. 369). Since this typology of paradigms forms the backbone of this paper and the ideas it suggests, it is apposite to introduce Barringer's and Harrison's (2000) overall criticisms of the motivational paradigms. They make three main points: the theories are not holistic since they explain alliance formation from relatively narrow perspectives; the underlying cost/benefit analysis in the theories is in itself not sufficient to explain the motivations that might lie behind alliance formation; and the theories are not exhaustive in their treatment of alliance formation factors. Bearing these criticisms in mind, a short introductory description of the paradigms follows.

Transaction costs economics (TCE) is concerned with the minimisation of an organisation's production and transaction costs. Barringer and Harrison (2000) take one of the basic decisions firms are often faced with within the TCE framework, namely "make or buy", and expand it by suggesting that, with the advent of an alliance, the choice would be "make or buy or partner". They also introduce the concept of "trust" (Barringer and Harrison, 2000, p. 371). Over time and after a number of successful transactions, the alliance partners develop a sense of trust in each other that hopefully brings a reduced wish by individual partners seeking selfish and opportunistic openings – for examples and further discussions on this point see Hutt *et al.* (2000). Barringer and Harrison criticise this paradigm because it does not seem to take the human elements of alliance relationships into account, assuming that different individuals and cultures will work well together. They also doubt as to whether TCE per se actually plays an important role as a motivational factor in alliance formation.

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This thought was prompted by research in the form of a multiple case study, carried out by Faulkner (1995), in which TCE was not identified as a motivator by executives involved in alliance creations. Although the authors singled out Faulkner's study and used it to exemplify what they termed as "perhaps the most condemning criticism of TCE" (Barringer and Harrison, 2000, p. 372), they do not mention the extent to which one could generalise from Faulkner's findings.

"Resource dependence" is based on the principle that no organisation is self-sufficient and that it obtains resources through exchanges with the environment (Barringer and Harrison, 2000, p. 370). It focuses on the control factor over those resources, suggesting that the more power and control an organisation has over the resources it requires, the less vulnerable it becomes. In addition, such power/control might make the organisation more competitive *vis à vis* others in the same environment. The competitive advantage can only be sustained provided the resources acquired "are rare, valuable in the market, imperfectly imitable, and nonsubstitutable" (Barringer and Harrison, 2000, p. 373). Barringer and Harrison's main critique of the resource dependence paradigm is that it focuses on the needs for resources and exchanges rather than the processes of how these take place. Their point is relevant when posited within a management discussion and is, therefore, a good example of the link between motivational paradigms and the alliance management process.

The third paradigm is "strategic choice". This is based on "factors that provide opportunities for firms to increase in competitiveness or market power" (Barringer and Harrison, 2000, p. 370). The authors acknowledge the very broad and all-encompassing nature of this paradigm, the plethora of different strategic reasons organisations might have to enter into alliances, and the fragmented nature of research linking strategic choice and alliances. As seen earlier, the use of the word "strategic" necessitates an explanation of its use in each case. Since this paradigm is so broad in its nature, a definition that seems apposite for purpose is that suggested by Lane and Probert (2007): "... strategic... is congruent with the implementation of corporate objectives formulated by top management" (p. 13). This definition not only incorporates the need for objectives, but, defines whose objectives they are — a consideration of importance in the model that will be suggested later. So, to summarise the meaning of "strategic choice" here, it is "a paradigm that refers to the intent or decision of an organisation's management to engage in a strategic alliance to achieve a set of goals or objectives". I shall return to this definition in the next section.

The fourth paradigm is "stakeholder theory". Here the organisation is at the centre of a largely interdependent network of stakeholders. In a nutshell, the theory helps to point at possible synergies or common goals between the stakeholders (Barringer and Harrison, 2000, p. 370). Such recognition of synergies might prompt the formation of alliances with the purpose of reducing "environmental uncertainties" (Barringer and Harrison, 2000, p. 376). The authors establish a link between this paradigm and management when they question the manageability of stakeholder theory in the case of organisations with thousands of stakeholders. They point out its limited use because stakeholder theory only goes as far as to indicate synergies, giving little advice on the type of alliances that should be formed. As such, this paradigm might be used towards the creation of alliance objectives, thus contributing towards the initial stages of a strategy or plan.

"Organisational learning" is the fifth paradigm. It is concerned with organisations seeking opportunities to increase their knowledge to help them enhance their competitive advantages (Barringer and Harrison, 2000, p. 370). The efficient

incorporation of knowledge from the outside environment depends on the "absorptive capacity" (Cohen and Levinthal (1990); Kumar and Nti (1998), in Barringer and Harrison, 2000, p. 379) of the organisation. The absorptive capacity of a firm is a variable that refers to its ability to recognise the value of external knowledge, absorb it, and put it into practice. The authors state that alliances are an effective means of transferring knowledge between organisations with high absorptive capacity, and warn of the risks of such transfers. Due to the fact that the exchanges between partner organisations are likely to happen at a different level from that of the executives who concluded the alliance, for example between engineers or operation managers, there is a risk of loss of information in that more knowledge is transferred between organisations than was originally intended. Barringer and Harrison (2000) are critical of the paradigm in as far as this risk is not properly accounted for in the theory.

Finally, the sixth paradigm is "institutional theory". The theory suggests that organisations are under pressure "to appear to be in agreement with the prevailing rules, requirements and norms of their business environments" (Barringer and Harrison, 2000, p. 380). The authors single out as one of such pressures the need to convey an image of legitimacy. A possible way for a company to achieve this is by forming alliances either with other complementary organisations or by joining trade associations. There is also the wish of executives, either consciously or not, to imitate other successful organisations. This prompts them to enter into alliances simply because others are doing it. Such a "fashion", if it were to become embedded in a certain type of industry, could mean that alliances could become a strategy for adaptation and survival (Barringer and Harrison, 2000, p. 381) – an observation that bears truth, for example, in the case of scheduled airlines in recent years, where competition is shifting from individual players to alliances. The value of this paradigm is, in the cases where it is relevant and applicable, that it provides a general aim or direction for engaging in an alliance. On its own, it does not offer specific enough detail for the creation of a strategy, but, through an interplay with other paradigms it might help in the formulation of appropriate alliance objectives.

3. A conceptual model – strategic alliance issues and their link with the management process

Barringer and Harrison (2000) advocate strongly that researchers should implement a blend of paradigms as a better way of understanding what motivates organisations to engage in interorganisational relationships, rather than looking at each one in an isolated fashion. With the aim of contributing to the understanding of the basic motivational characteristic behind each paradigm, they depict them along a continuous line where the paradigms that rely mostly on an economic motivation are at one end, and the ones relying more on behavioural motivations at the other (see Figure 1).

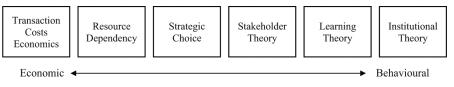


Figure 1.
Theoretical foundations of interorganizational relationships

Source: Barringer and Harrison (2000, p. 382)



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This model is effective in that it illustrates a specific theoretical conceptualisation of motivational paradigms. However, its linear sequence does not provide any indications to the possible relationships that exist between the paradigms. This lack of attention to the relationships between paradigms has been reinforced by a number of authors who have dealt with various issues regarding strategic alliance management in isolation. Such issues include:

- different strategic approaches to alliance management (Duysters et al., 1999; Elg and Johansson, 2001; Bitran et al., 2002);
- various aspects of the relationships between partners throughout an alliance's lifecycle (Bissessur and Alamdari, 1998; Mockler, 1999; Cullen *et al.*, 2000; Koza and Lewin, 2000; Das, 2005; Patel, 2007);
- the roles of the alliance management (Spekman et al., 1998);
- the alliance management's consideration of risks, resources and objectives, as well as mistakes (Das and Teng, 1998; Werther, 1998; Elmuti and Kathawala, 2001; Suen, 2002; Das, 2005); and
- the influence that the complexities of the environment exert on alliances (Stiles, 2003; Mason, 2007).

What tends to be lacking in the literature is a holistic approach to these issues that enables the recognition of the complex relationships that exist between them. These issues could manifest themselves simultaneously, and/or over longer periods of time. In addition, management might not always be immediately aware of them – an example illustrating this possibility follows. It is important to highlight that such issues are closely linked with alliance motivational paradigms and with managerial actions.

The following four cases illustrate some of the complexities involved in strategic alliance scenarios and changes that are taking place in some managers' attitudes:

- (1) A study published by Hatfield *et al.* in, 1998 among 72 joint ventures (a type of strategic alliance) of US firms formed between 1981 and 1988 (the study allowed time for subjects to take a retrospective view) identified the 12 main goals of organisations in setting up a joint venture. Seven of these goals involved transaction cost economics (TCE) as a motivational paradigm. However, and more to the point of the argument that follows, half of the goals showed no TCE background or a background shared between TCE and at least one other motivational paradigm (e.g. acquiring technical or product knowledge, expansion, managing of competition and overcoming government barriers). Hatfield *et al.* (1998) suggested that the duration and survival of joint ventures could be affected by macro-environmental changes and partners' strategies. The authors also concluded that non-financial objectives needed to be monitored and measured, and that financial measures were not always accessible.
- (2) Gomes-Casseres (1998) cites the case of Fuji Xerox in the 1980s, an alliance created to facilitate Xerox's sales of copiers in Japan that, over time, adapted and modified its marketing strategy to guarantee survival. This flexibility in its strategic approach allowed the alliance to evolve beyond its initial aim to supply products to Xerox's global sales and to contribute to Xerox's research and development programmes.

- (3) Swissair's demise. This was rooted in management misjudging resource dependency and in errors made in the levels and the role of equity exchange between partners. Because of this, the airline could not survive in the face of changes in the industry's environment (Suen, 2002).
- (4) A practitioner survey conducted by Pricewaterhouse Coopers in, 2004 (businesswire, 2004) among 201 senior finance executives showed that there appears to be an upward trend of organisations preferring strategic alliances as opposed to mergers and acquisitions to meet their strategic goals since the latter were perceived to entail higher risks. Without necessarily excluding cutting costs (56% of respondents listed this as a motivational factor for an alliance), eighty percent of respondents indicated that access to new sources of growth was more important. In addition, a possible indicator of a change in corporate attitudes towards alliances was a trend among the chief financial officers approached to want to have more participation in assessing alliance proposals, rather than only monitoring their performances.

These examples show that attitudes towards alliances seem to be changing and that motivations for entering into alliances seem to be moving away from the traditional pure financial ones. Some managers are becoming aware and starting to deal with the fact that motivations for alliance creation could be multifaceted and complex in nature, making them more difficult to track and measure and influencing marketing decisions. In addition, some alliance partners display a level of flexibility in modifying an alliance's strategic and marketing goals to adapt and reply to varying circumstances and thus ensuring the alliance's survival. These are indicators of a process of reflection and learning by some managers. However, management factors have been identified that could pose a challenge to an alliance's long-term survival – some examples of these are the possible managerial tendency to base management practice on homogeneity (Richard and Brown Johnson, 2001), the lack of experience in alliance management (Pekar and Allio, 1997), and the potential ignorance of synergies, changes and opportunities among partners when operating without a long term perspective (Gomes-Casseres, 1998). Also, implementing incorrect governance procedures might prevent organisations from attaining the full potential offered by the resources they control (Barney et al., 2001; Hutt et al., 2000).

In proposing a new model (see Figure 2) of the relationships between strategic alliance issues and the link with a strategic alliance management process, my aim is to provide a more realistic representation of the intertwined and complex nature of the relationships between the paradigms.

The model shows the fact that paradigms do not necessarily happen in isolation or independently from one another. It makes it clear also that not all paradigms are necessarily germane to every alliance scenario. The model proposes that "strategic choice" is the overall motivational element under which the others occur. Based on the definition of strategic intent described previously, which suggests a close link with strategic objectives set by the organisation's management, and also looking at the descriptions of the other five paradigms, it would appear that the latter either become strategic objectives themselves or, possibly, contribute towards the formulation of such objectives. In view of this strategic intent embedded in the other paradigms, I propose that the "strategic choice" paradigm has an overarching role that sets it apart from the other motivational paradigms. Its fundamental "status" and its tight link with

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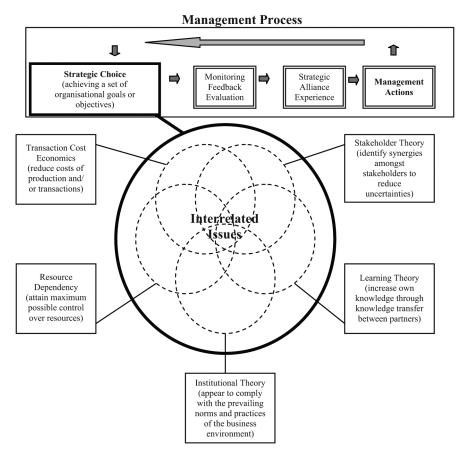


Figure 2. Relationships between strategic alliance issues and the link with the management process over time

Note: ---- denotes an issue that might or might not be germane to a specific alliance

the essence of what a strategic alliance is makes strategic choice the basic platform used by partners to consider, create and enter strategic alliances on the one hand, and provides an umbrella under which the other motivational paradigms could manifest themselves and evolve.

Since strategy is decided by management, a managerial process is included in the model (see Figure 2). This is a constant and iterative process that involves control, evaluation and reflection – organisations control and evaluate their strategies as well as implement corrective measures; organisations improve their "alliance skills" through learning (Pekar and Allio, 1997; Pansiri, 2005); and management of an alliance project needs to be constant (Elmuti and Kathawala, 2001). This managerial process could underpin the learning process reflected in the fact that managerial experience of alliances is a factor that will influence further strategic decisions (Mockler, 1999; Devlin and Bleackley, 1997; Lorange *et al.*, 1997).



With the exception of "strategic intent", paradigms are represented with dotted lines to reflect the fact that they may or not be germane to a particular strategic alliance. It is the manager's job to decide whether to consider some or all of those. In moving away from a linear conceptualisation and depiction, the model could act as a reminder of the presence of other paradigms, and points to potential overlaps between them. The complexities involved in alliance formation and management, some of the motivational paradigms and how they influence one another, are issues that may or may not be apparent in a first instance to all partners or to an alliance management team. By becoming aware and deploying flexibility and change, alliances can make good progress – as was the case of Fuji Xerox mentioned previously. However, a lack of vision might lead to mistakes or omissions in strategic alliance governance that could have dire consequences. By considering the sequence of events in the case of Swissair's demise, the paradigms (or their interplay) manifested themselves later in the alliance lifecycle, rather than at the formation stage. The paradigms needed to be appreciated in a longitudinal perspective rather than just at one moment in time or even ignored. As was the case in Swissair's example, some of the paradigms" roles and effects became apparent during later stages of the alliance's life cycle – they were therefore no longer "formation paradigms" but became alliance issues. As such, these alliance issues would have required management recognition, attention and actions.

A need for a realistic research approach in dealing with strategic alliances is required (Stiles, 2003). The model (see Figure 2) helps raise awareness of existing and potential alliance issues that may be present in the external and internal environments of partner organisations and alliances. Provided the pertinent alliance issues are detected in time, marketing and other decisions and actions can then be taken before such issues turn into major problems, or trigger crises that jeopardise the partners' and/or the alliance's survival.

Conclusion and suggestions

The main worth of the proposed conceptual model (see Figure 2) comes to the fore when considering interactions that exist between the different motivational factors for, on the one hand, the creation, and, on the other, the management of existing strategic alliances. There is a close link between these two aspects, with the motivational factors giving rise to managerial concerns and actions in what is often a complex asymbiotic relationship between the alliance partners (Das and Kumar, 2007). In view of the fact that an organisation's life-cycle stages and dynamics have a bearing on strategic alliance decisions (Reuer *et al.*, 2002; Hwang and Park, 2006), an iterative process for monitoring and reporting the effect of management actions and decisions needs to be included in the relationship from the onset and maintained in the long term.

The model proposed (see Figure 2) could be helpful to management as an "aide-mémoire", and possibly to others involved in research and teaching. Since performance and assessment of strategic alliances relies on the level of managerial cognitive base in a number of diverse areas including choice of alliance partners and evaluation (Pansiri, 2005), by increasing the level of awareness of the presence of the various motivational paradigms and the *interplay* between them over time, the proposed model might open doors or provide the motivation for obtaining information on issues that otherwise might have remained undetected, thus informing, expanding and facilitating the decision-taking process for managers.



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