

## 전략적 제휴의 수명에 관한 이론적 연구

김중화

한림대학교 사회과학대학 경영학과

E-mail: kimjw@sun.hallym.ac.kr

.....

본 연구는 기업의 전략적 제휴의 수명에 관한 이론적 고찰을 시도하였다. 광범위한 문헌 조사를 통하여, 이제까지의 기업이나 기업 환경적 차원에서의 경험적 혹은 이론적 연구들을 비판하고, 전략적 제휴의 수명에 관한 연구가 기업이 속해있는 네트워크 차원에서 조망되어야함을 역설하고 있다. 뿐만 아니라, 기존의 연구들과 네트워크 수준의 새로운 관점을 통합하여 전략적 제휴의 수명 연구에 관한 가설들을 제안한 이론적 틀을 제시한다. 전략적 제휴의 수명에 영향을 주는 요인들로는 기업의 네트워크 구조와 더불어서 기업 환경의 역동성, 기업이 속한 나라의 문화, 그리고, 전략적 제휴에 대한 경험 등이 발견되었다

.....

### I. INTRODUCTION

In recent years, strategic alliances have proliferated as one of the most attractive competitive options in domestic and international business arenas. Researchers and practitioners see the growth of these alliances as a key to sustained competitive advantage for US industry. In spite of their proliferation and presumed strategic importance, the performance record of alliances is poor. Many studies have reported failure rates as high as 80 percent (Parkhe, 1993; Mohr & Spekman, 1994). This high failure rate suggests that management's understanding of the conditions associated with effective

alliances may be limited.

One reason for this limited understanding may be that many of the empirical studies on these increasing cooperative arrangements have focused on the formation and the demographics of strategic alliances: what is the overall trend of strategic alliances in an industry (e.g., Burger, Hill & Kim, 1993; Shan, 1990; Ellis, 2000); what industry characteristics are relevant to engaging in strategic alliances (e.g., Hagedoorn, 1993; Hergert & Morris, 1988); and what are the distinguishing financial and strategic attributes of firms that most frequently enter strategic alliances (e.g., Burger et al., 1993; Contractor & Lorange, 1988; Parkhe, 1993; Gulati & Singh, 1998)?

Few empirical efforts have been directed toward answering perhaps an even more important question: why do alliances persist?

## II. IMPORTANCE OF RESEARCH

The primary objective of this study is to identify factors associated with the longevity of a strategic alliance. Clearly, identifying the factors contributing to the formation of strategic alliances is very important. However, perhaps more important is identifying the factors associated with making strategic alliances, once formed, last. A firm can successfully forge a strategic alliance with another firm. Short-lived alliances do not fulfill their missions and are costly because strategic alliances usually involve the commitment of substantial resources from both sides. The importance of research on the longevity of strategic alliances can also be realized by considering the fact that one clue to the success of strategic alliances may be their longevity. Studying more than two dozen divorces in international alliances, Serapio and Cascio (1996) report the reasons of why alliances end, among which the unsuccessful result of the international strategic alliance is highlighted.

The second objective of this study

is to incorporate the network structure of the firms to assess the longevity of a strategic alliance. The majority of the previous studies of alliance behavior have presumed that each alliance between firms is an independent and unrelated incident with no consideration for relationships among the firms through direct and indirect ties (Barley, Freeman, & Hybels, 1992; Gulati, 1993). However, Granovetter (1992) argued that individual action is embedded in social relation and cannot be understood well without considering concrete social contexts and forces. Fichman and Goodman (1995) further proposed the need of multilevel analysis of interorganizational relationships. The levels include the individual transaction level, the dyadic level, and the structural level. They argued that the structure of interorganizational relationships shapes individual transactions and dyadic relationships between partners (Fichman & Goodman, 1995).

The need for the study of the network structure of the firms engaging in strategic alliances has been recognized in the strategic alliance literature. Kogut, Shan, and Walker (1992) argued that the market must be analyzed as a network with an evolving structure rather than being characterized by the degree of competition.

Similarly, in an effort to supplement the lack of structural level analysis in

the alliance literature, Gulati (1993, 1995) first paid explicit attention to the social relations in the formation of strategic alliances. He showed that in addition to the financial, strategic, and economic imperatives, the social relations in which the firm is embedded significantly influence the choice of alliance partner. Following this research stream in strategic alliance literature, this study attempts to extend the role of social structure of the firms in order to explain one of the important dimensions of the strategic alliance - longevity.

### III. CONCEPTUAL FRAMEWORK FOR STUDY: THE ROLE OF NETWORK ANALYSIS

There are two different strands of thinking regarding strategic alliances (Powell, Koput, & Smith-Doerr, 1996). One approach is largely financial and strategic. According to this approach, strategic alliances with another organization largely depend on the complementarity of the relationship. Individual firms have their specific needs so that through a matching process in an open market, they try to identify and initiate strategic alliances with partners who can satisfy these needs while benefiting something else in reward. Therefore, this approach

implies a firm's alliancing decisions including formation and termination are economic. Alliance decisions are made on the basis of calculations involving risk versus return (Gulati, 1993; Powell, Koput, & Smith-Doerr, 1996).

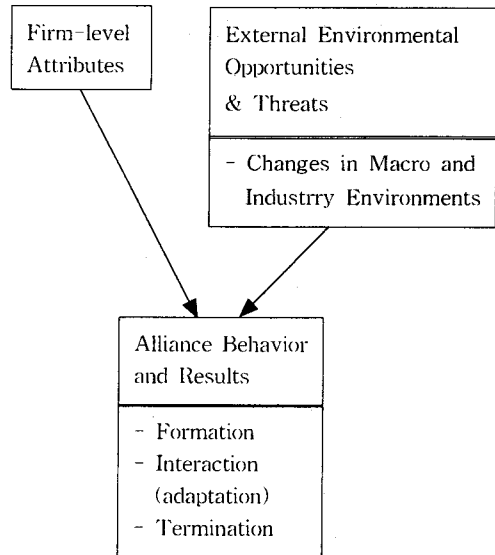
The other approach is largely sociological and emphasizes noneconomic factors such as trust, information channels, and norms & sanctions. There is notable evidence to support the idea that alliance relationships often have a strong sociological flavor (Zaheer & Venkatraman, 1995). The network structure in which a firm is embedded connotes those noneconomic factors (Coleman, 1988; Gulati, 1993; Burt, 1992). Therefore, relating the firm's network structure to the various dimensions of strategic alliances is considered an attempt to confirm the relevance of sociological factors to the explanation of the firm's alliancing behaviors.

Firms are embedded in a variety of relationships: these can be described as its social structural (network) context. The contrast between a firm-level and environmental level explanation (e.g., aforementioned theories in Chapter two) for alliance behavior and one that emphasizes the role of network (social structure) can be seen in figures 1 and 2.

The causal direction of the firm- and environmental approaches in figure

1 is that alliance behavior and its results are primarily determined by the firm- and/or environmental-level attributes. External opportunities and threats can affect the alliances directly and indirectly, through the firm-level attributes. The changes in external environments alter those attributes and then those changing attributes eventually can influence the alliance behavior and outcomes. It is also possible that the change in the external environment can have a direct impact on the changes in the alliance behavior and its results. For example, transaction cost theorists argue that the lower the competition (an environmental variable), the more likely that a firm will be exposed to small numbers bargaining and other forms of opportunistic behavior (a firm's alliancing behavior) (Williamson, 1975; Pisano, 1990). Another example is that resource dependence theorists posit that at intermediate levels of industry concentration, firms experience high levels of competitive uncertainty and are likely to mitigate this competitive interdependence by entering into frequent joint ventures (Pfeffer and Nowak, 1976). Such treatment of the external environment may cause the inappropriate effect of an atomistic notion of firms who contemplate termination decisions, without reflecting upon the actions of other firms or the relationships in which they are embedded.

<FIGURE 1>  
Firm-Level and Environmental Level  
Approaches to Alliance Behavior and Results



In contrast, the social structural (network) framework presented in figure 2 indicates the role of social context in regulating the alliance behavior and its results as well as in guiding both interests and opportunities by modifying the firm-level attributes. The firm-level attributes in social systems are significantly influenced by the social relationships in which the actors are embedded. The first reason is that the amount and types of the information exposed to the firm are significantly influenced by the social relations in which the firm is embedded. Second, the firm's alliancing behavior can be guided, modified, and recommended by those network relationships that

imply trust and norms and sanctions.

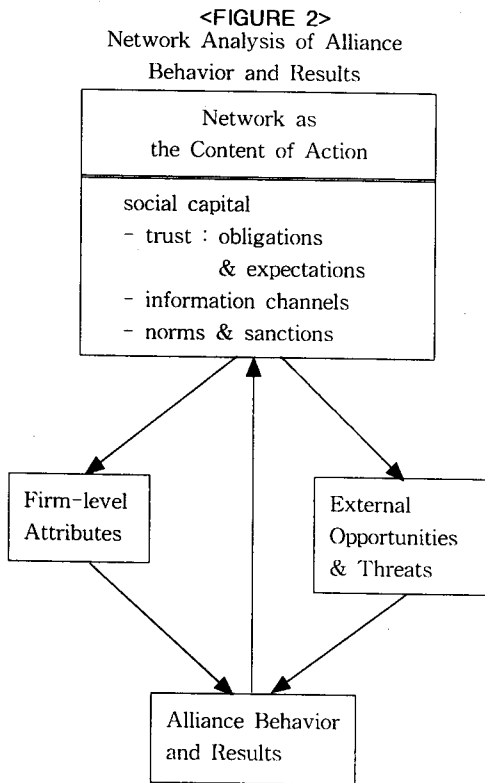


Figure 2 also points to the fact that the external opportunities and threats presented to and recognized by the firm are themselves influenced by the network in which the firm is embedded.

Past research has shown that the social relations in which the firm is embedded play the role of pipeline for both technological and social information about organizational activities (Davis, 1991; Burt, 1992; Gulati, 1993).

The feedback loop from the alliance behavior and its results to social

structure in figure 2 is characteristic of the dynamic and iterative relationship among these two things over time. Therefore, the alliance behavior and its results modifies the social structure which in turn, influences the alliance behavior and results.

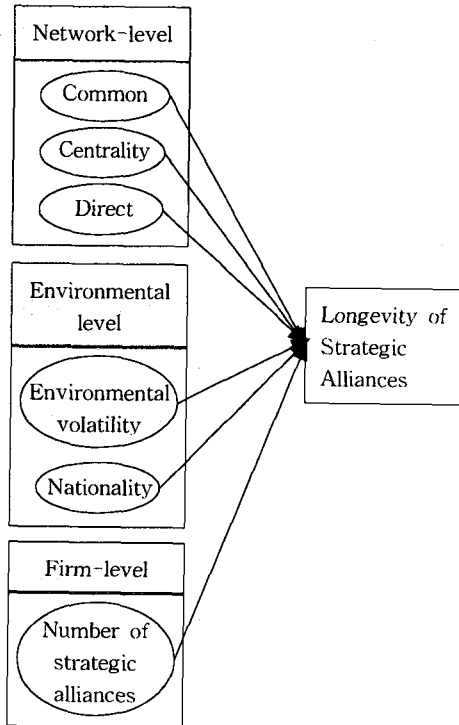
#### IV. RESEARCH FRAMEWORK OF LONGEVITY OF STRATEGIC ALLIANCES

Figure 3 shows the theoretical model in which the factors affecting longevity of strategic alliances are described.

##### 1. Network Structure

The longevity of strategic alliances is influenced by the network structure in which the firm is embedded as well as the firm-level and environmental level attributes. The firm's network structure or position implies social capital: trust, information channels, and norms & sanctions (Coleman, 1988). The amount and quality of social capital available to the firm varies with the types of the network structure or position in which the firm is embedded. As Granovetter (1992: 44) puts it:

**<FIGURE 3>**  
 Research Framework of Longevity of Strategic Alliances



Whether I cheat my friend...depends on the structure of incentives and on those moral principles I apply to the situation...Incentives and moral principles are also determined by structural embeddedness, the structure of relations in which my relation with my friend is located. Whether they do so well depend on the structure of the network of relations—roughly speaking, on the extent to which the mutual friends of the dyad in question are connected to one another.

Secondly, the longevity of strategic alliances is significantly influenced by the initial stock of assets such as

social capital. The validity of this argument is found in Fichman and Levinthal (1991: 444):

...relationships can start with some initial stock of assets, which (depending on the particular context) can include favorable prior trust, goodwill, financial resources, or psychological commitment...if a relationship starts with an initial stock of assets, the risk of the relationship dissolving at its inception is reduced, even if the initial outcomes of the relationship are unfavorable.

As discussed above, a firm's social capital can be construed as the network structure in which it is embedded. If partners initiate a strategic alliance with trust, goodwill, and psychological commitment, the longevity of the strategic alliance will be greater than that without this social capital since the initial stock of social capital attached to the strategic alliance will attenuate the effects of a relatively poor fit as the result of the environmental change.

### 1.1 Common third party

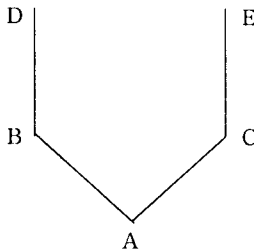
Certain kinds of social structure are especially important in facilitating social capital. One of those kinds of social structure is "Closure" (Coleman, 1988).

In an open structure like that of figure 4, actor A having relations with

actors B and C, can carry out actions that impose negative externalities on B or C or both. Since they have no relations with one another, but with others instead (D and E), they cannot combine forces to sanction A in order to constrain the actions. Unless either B or C alone is sufficiently harmed and sufficiently powerful vis--vis A to sanction by themselves, A's actions can continue unabated.

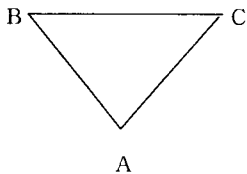
<FIGURE 4>

Social Structure without Closure  
(Adapted from Coleman, 1988)



<FIGURE 5>

Social Structure with Closure  
(Adapted from Coleman, 1988)



In a structure with closure, like that of figure 5, B and C can combine to provide a collective sanction, or either one can reward the other for sanctioning A. The consequence of this closure is a

set of effective sanctions that can monitor and guide behavior. Closure of the social structure is important, not only for the existence of effective norms, but also for another form of social capital: the trustworthiness of social structures that allows the proliferation of obligations and expectations. Defection from an obligation is much easier in an open structure than in a closed one. Reputation and collective sanctions that would ensure trustworthiness can be enhanced in the closure of the social structure. Thus, closure may create trustworthiness and restrain opportunistic behaviors in a social structure.

In addition, another important form of social capital is the potential for information that is inherent in social relations. Information is important in providing a basis for action. If organizations are collectives with limited cognitive capacities, the channels of information available must become very important in gathering information relevant to the alliances engaged. In this respect, the network structure in which firms are embedded becomes particularly relevant. It has been recognized that the ties in which firms are embedded have been of great importance to the exposure of the relevant information to the firm (Davis, 1991; Burt, 1992; Gulati, 1993, 1995).

Indirect connections between firms-

through common partnerships-can play as important a role as do direct connections, as can be seen in closure. Indirect ties provide the initial stock of assets by which the firm can have a head start in initiating a strategic alliance.

One simple case of indirect ties is when two firms share a common third partner with whom they are each connected. A shared contact of a dyad is any firm which is in direct contact with both firms. Two of the firms are likely to have access to more information about each other, and to be in the social context in which they can develop more trust, norms and expectations.

Therefore, in the inception of strategic alliances between firms, they start with an initial stock of assets which reduce the risk of the relationship dissolving, as Fichman and Levinthal (1991) observe.

Additionally, over time, the strategic alliances not only transform an economic exchange into a socially embedded relationship, but also foreclose opportunities of cultivating alternative strategic relationships with other firms (Ring & Van de Ven, 1992). This phenomenon could raise the barriers to exit the existing strategic relationship (Dwyer, Shurr, and Oh, 1987).

Thus, it could be assumed that once

a strategic alliance is initiated between the partners with many indirect ties, the prior relations in which the firms are embedded can play the role of discouraging the firms to dissolve the alliance relationship due to the high barriers to exit.

All in all, it must be assessed whether third party ties protract the longevity of strategic alliances. This is assessed in the following proposition:

*Proposition 1: The longevity of strategic alliances will be positively related to the number of common third party ties between the partner firms.*

## 1.2 Centrality

Centrality refers to the extent to which a firm is the object of linkages (Scott, 1991). In other words, a firm with greatest centrality, which is called a hub firm, occupies the most central locations within the network. The hub firm maintains ties to a large number of other firms.

Greater centrality confers a firm social capital, notably in the form of more access to the information that passes through the network (Davis, 1991). If a firm is better informed about the candidate firm to forge an interfirm relationship and the firm has more



ability to forecast technological and market changes, the firm is more likely to avoid an incorrect partnering decision made at entry. This informational advantage will reduce eventually the risk of the relationship dissolving.

Second, firms more centrally located have more collaborative experience (Powell, Koputt, & Smith-Doerr, 1996). Firms that have a large number of ties accumulate the know-how of establishing a good alliance relationship so that the strategic alliances of the firms with much experience last longer than those with little experience. In other words, administrative skills at managing strategic alliances will extend the longevity of strategic alliances.

Hall et al. (1977) found evidence to champion the notion that the longevity of the interorganizational relationship is regarded as a measure of the partner's administrative skills in their research of youth service organizations. Thus, it can be expected that longer alliances occur if partners are centrally located in the network. Short lived alliances are more likely in the strategic alliances, when none of the partners is centrally located.

*Proposition 2: The longevity of strategic alliances will be positively related to the centrality of the partner*

*firms.*

### 1.3 Direct ties.

When there is no prior tie between the partner firms, it is likely that they may enter into a strategic alliance that requires a relatively small capital investment and entails somewhat low risk. A partner may not want to be exposed to too much risk in the alliance with its new partner. Thus, it can test its partner with a small alliance project which is easily and quickly accomplished. If they are satisfied with their partners, they may initiate a larger and more complex alliance, which demands more time and effort from each other. As a firm accumulates the knowledge about its partner firm through direct ties, it can be anticipated that both of the firms embark on a more complex and larger strategic alliance taking more time to complete.

*Proposition 3: The longevity of strategic alliances will be positively related to the number of direct ties with the partners firms.*

## 2. Environmental Volatility

Instability or volatility in the

environment indicates the level of change--a great amount (dynamic) or a little amount (stable). Volatile industry environments bring change and unpredictability for the firm (Griffin, 1996). To survive in an volatile environment, firms must be able to adapt quickly to changing environment conditions. However, organizations cannot easily internally develop the strategic capabilities required to deal with rapidly changing environmental conditions due to organizational inertia and the constraints of the existing administrative tradition (Hannah & Freeman, 1989).

One way to cope with these difficulties is to enter into alliances with firms that already possess those capabilities. Therefore, high levels of environmental volatility increase the probability of engaging in strategic alliances (Dollinger & Golden, 1992). However, it can be hypothesized that strategic alliances are more likely to be dissolved under unstable and volatile environments than stable environments. There are two main concerns around the organization's partner selection and termination decisions: satisfaction of resource needs and desire for autonomy (Seabright, Levinthal, & Fichman, 1992).

After an alliance relationship is established, an organization would terminate a strategic alliance when the partner organization could no longer

provide the desired resources or when another organization could satisfy those needs in a less threatening manner to the autonomy of the organization. In a highly volatile environment, the initial conditions in which strategic alliances are established change swiftly, requiring later changes in the resource requirements. For either party in an interorganizational relationship, these changes in other's fitness increase the possibility of terminating the relationship as a result of either failure to meet resource requirements or a decrease in autonomy. Therefore, the more likely a strategic alliance is to be dissolved, the shorter the longevity of strategic alliances.

It is expected that in the stable environment, firms are less likely to be engaged in strategic alliances, but once the alliance relationship is established, they are likely to survive longer. On the other hand, in the volatile environment, firms are more likely to enter into strategic alliances, but the longevity of strategic alliances is more likely to be short.

*Proposition 4: The longevity of strategic alliances will be negatively related to environmental volatility.*

### 3. Nationality

Gerlach (1987) argues that the stable

pattern of interfirm relationships in Japan establishes the basic organizing unit of the Japanese economy. Bolton, Malmrose, & Ouchi (1994) investigated Japanese interfirm relations in the semiconductor industry. They compared US and Japanese semiconductor equipment firms. They found that in Japan, strategic alliance is less likely to occur as a stand-alone and specific linkage between two parties for the achievement of a specified purpose. Rather, such an alliance is initiated within a long-lasting network of relationships such as *keiretsu* so that Japanese firms are more likely to involve relational contracting, characterized by stable bonding mechanisms and a dense historical network of economic ties between the parties to the exchange (Bolton, Malmrose, & Ouchi, 1994). As a comparison, in the United States, interfirm relations correspond closely to the neoclassical contracting model, characterized by arm's length spot contracting on the open market (Bolton, Malmrose, & Ouchi, 1994).

Martin, Mitchell, and Swaminathan (1995) provide more evidence to support the long-term interfirm relationship of the Japanese firm. They found Japanese automobile assemblers and component manufacturers have a tendency to recreate and extend their buyer-supplier links in North America.

From a telephone interview with an

alliance researcher, it was supported that Japanese firms have a tendency to get involved in longer-term strategic alliances than American firms. This information is consistent with the Japanese long-term strategic orientation that can be found in various dimensions of the firm activities. Thus, the proposition is as follows:

*Proposition 5: The longevity of the Japanese strategic alliances will be greater than that of the American strategic alliances.*

#### 4. Previous Experience

The number of previous alliances is an important attribute. A firm that has a large number of previous alliances accumulate the know-how of establishing good strategic alliances so that the strategic alliances of the firm with much experience can last longer than those with little experience.

Walker (1988) states that the stability of organizational linkages is related to the efficiency of managing interorganizational relationship. If a firm has better knowledge and experience regarding managing an alliance relationship, other things being equal, the firm's strategic alliances are more likely to persist.

*Proposition 6: The longevity of*

*strategic alliances will be positively related to the number of previous strategic alliances the partners have.*

## V. CONCLUSION

Through an extensive review of strategic alliance literature, it is found that most empirical studies have focused on the formation of strategic alliances. Second, the treatment of the role of external organizations is either ignored or usually condensed solely within measures of competitiveness or uncertainty in markets.

Transaction cost economics offers an explanation of why firms engage in strategic alliances and provides the conditions under which strategic alliances are preferred to other governance structures. However, transaction cost economists have treated each alliance as an independent and unrelated occurrence. This treatment of strategic alliances may overlook the possibility that an important social context may alter the formal structure of those alliances and the transaction costs allocated with them.

The network approach is introduced to supplement the weaknesses of the extant empirical research. The concept of social capital has been recognized and utilized in empirical studies of

network analysis (e.g., Coleman, 1988; Gulati, 1993; Shan, Walker, & Kogut, 1994; Gulati & Singh, 1998). Social capital lies in the social relations between the firms. The conception of social capital as a resource for action is one way of introducing network analysis into the research of strategic alliances (Gulati, 1993; Ellis, 2000). Types of network structure (or position) in which a firm is embedded may determine the magnitude of social capital. Empirical studies of network structure usually relate the characteristics of the position or structure of a firm to the behavior of the firm while assuming the existence of social capital that is embedded in the network structure of the firm.

Network-level propositions are proposed, along with environmental-level and firm-level propositions. In the network level, common third party ties, centrality, and direct ties are proposed to affect the longevity of a strategic alliance. Environmental volatility and nationality are identified at the environmental level and previous alliance experience is identified at the firm-level.

## References

- Barley, S. R., Freeman, J., & Hybels, R. C. 1992. Strategic alliances in

- commercial biotechnology. In N. Nohria & R. Eccles (Eds.), *Networks and organizations: Structure, form and action*. Boston: Harvard Business School Press.
- Bolton, M. K., Malmrose, R., & Ouchi, W. G. 1994. *The organization of innovation in the United States and Japan: Neoclassical and relational contracting*. *Journal of Management Studies*, 31: 653-679.
- Burgers, W. P., Hill, C. W. L., & Kim, W. C. 1993. *A theory of global strategic alliances: The case of the global auto industry*. *Strategic Management Journal*, 14: 419-432.
- Burt, R. S. 1992. *The Social structure of competition*. In N. Nohria & R. Eccles (Eds.), *Networks and organizations: structure, form and action*. Boston: Harvard Business School Press.
- Coleman, J. S. 1988. *Social capital in the creation of human capital*. *Annual Journal of Sociology*, 94: S95-S120.
- Contractor, F., & Lorange, P. 1988. *Cooperative strategies in international business*. Lexington, MA: Lexington Books.
- Davis, G. F. 1991. *Agents without principles? The spread of the poison pill through the intercorporate networks*. *Administrative Science Quarterly*, 36: 583-613.
- Dollinger, M. J., & Golden, P. A. 1992. *Interorganizational and collective strategies in small firms: Environmental effects and performance*. *Journal of Management*, 18: 695-715.
- Dwyer, F. R., Schurr, P. H., and Oh, S. 1987. *Developing Buyer-Seller Relationships*. *Journal of Marketing*, 51: 11-27.
- Ellis, P. 2000. *Social Ties and Foreign Market Entry*. *Journal of International Business Studies*, 31: 443-469.
- Fichman, M., & Goodman, P. 1995. *Customer satisfaction and customer-supplier ties in interorganizational relations*. Working Paper. Carnegie Mellon University.
- Fichman, M., & Levinthal, D. A. 1991. *Honeymoons and the liability of adolescence: A new perspective on duration dependence in social and organizational relationships*. *Academy of Management Review*, 16(2): 442-468.
- Gerlach, M. 1987. *Business alliances and the strategy of the Japanese firm*. *California Management Review*, Fall: 126-141.
- Granovetter, M. 1992. *Problems of explanation in economic sociology*. In N. Nohria & R. Eccles (Eds.), *Networks and organizations: Structure, form and action*. Boston: Harvard Business School Press.
- Griffin, R. W. 1996. *Management*. Boston, MA: Houghton Mifflin.

- Gulati, R. 1993. *The dynamics of alliance formation*. Doctoral Dissertation. Harvard Business School.
- Gulati, R. 1995. *Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances*. *Academy of Management Journal*, 38: 85-112.
- Gulati, R. & Singh, H. 1998. *The Architecture of Cooperation: Managing Coordination Costs and Appropriation Concerns in Strategic Alliances*. *Administrative Science Quarterly*, 43: 781-814
- Hagedoorn, J. 1993. *Understanding the rationale of strategic technology partnering: Interorganizational modes of cooperation and sectoral differences*. *Strategic Management Journal*, 14: 371-385.
- Hall, R. H., Clark, J. P., Giordano, P. C., Johnson, P. V., & Van Roekel, M. 1977. *Patterns of interorganizational relationships*. *Administrative Science Quarterly*, 22: 457-474.
- Hannan, M. T., & Freeman, J. 1989. *Organizational Ecology*. Cambridge, MA: Harvard University Press.
- Martin, X., Mitchell, W., & Swaminathan, A. 1995. *Recreating and extending Japanese automobile buyer-supplier links in north America*. *Strategic Management Journal*, 16: 589-619.
- Mohr, J., & Spekman, R. 1994. *Characteristics of partnership success: Partnership attributes, communication behavior, and conflict resolution techniques*. *Strategic Management Journal*, 15: 135-152.
- Nelson, R. E. 1989. *The strength of strong ties: Social networks and intergroup conflict in organizations*. *Academy of Management Journal*, 32: 377-401.
- Parkhe, A. 1993. *Strategic alliance structuring: A game theoretic and transaction cost examination of interfirm cooperation*. *Academy of Management Journal*, 36: 794-829.
- Powell, W. W., Koput, K. W., & Smith-Doerr, L. 1996. *Interorganizational collaboration and the locus of innovation: Networks of learning in biotechnology*. *Administrative Science Quarterly*, 41: 116-145.
- Ring, P. S., & Van de Ven, A. H. 1992. *Structuring cooperative relationships between organizations*. *Strategic Management Journal*, 13: 483-498.
- Scott, J. 1991. *Social network analysis: A handbook*. London and Newbury Park: Sage Publications.
- Seabright, M. A., Levinthal, D. A., & Fichman, M. 1992. *Role of individual attachments in the dissolution of interorganizational relationships*. *Academy of Management Journal*, 35(1): 122-160.
- Serapio, M. G., Jr., & Cascio, W. F. 1996. *End-games in international*

- alliances*. Academy of Management Executive, 10: 62-73.
- Shan, W. 1990. *An empirical analysis of organizational strategies by entrepreneurship high-technology firms*. Strategic Management Journal, 11: 129-139.
- Shan, W., Walker, G., & Kogut, B. 1994. *Interfirm cooperation and startup innovation in the biotechnology industry*. Strategic Management Journal, 15: 387-394.
- Walker, G. 1988. *Network analysis for cooperative interfirm relationships*. In Contractor, F. J., & Lorange, P. (Eds.), *Cooperative strategies in international business*. Lexington, MA: Lexington Books.
- Williamson, O. E. 1975. *Markets and hierarchies: Analysis and antitrust implications*. New York: Free Press.
- Zaheer, A., & Venkatraman, N. 1995. *Relational governance as an interorganizational strategy: An empirical test of the role of trust in economic exchange*. Strategic Management Journal, 16: 373-392.

## A Research Framework of Studying Longevity of Strategic Alliances

Joong-Wha Kim\*

### Abstract

This study proposes a conceptual framework that can help to investigate strategic alliances. Based on the framework, this study identifies the factors that affect longevity of strategic alliances, highlighting the network structure in which a firm is embedded as an important variable, along with other environmental-level and firm-level variables such as environmental volatility, nationality, and previous experience with strategic alliances.

In this study, the network structure of existing alliances in which a firm is embedded constitutes a form of social capital and is hypothesized to partially explain the longevity of a strategic alliance. In addition, the significance of other factors is appreciated.

---

\* Professor, Department of Management, College of Social Science, Hallym University