Reflecting the growing practical importance of – and conceptual attention to - the phenomenon of collaboration across firm and national boundaries, Farok Contractor and Peter Lorange have once again edited a book based on papers presented at a conference on the topic. 15 years after the publication of Cooperative Strategies in International Business, the long awaited “second edition” is finally here. This edited volume brings together 36 original contributions from leading scholars from 10 different countries on the topic of inter-organizational cooperation. The chapters present an eclectic mix of conceptual and empirical papers that examine different aspects of the management of alliances and network relationships. The diversity of the contributions from 65 of the leading researchers in the field attests to the complexity of the phenomenon of inter-firm collaboration. Drawing on different – often hard-to-reconcile and compare - perspectives (e.g., transaction costs, social exchange theory, knowledge-based view, real options theory, and organizational learning theory) and methods (e.g., case studies, survey methods, conceptualizations, and event studies) the book aims at presenting the state-of-the-art research in the alliance field. The chapters in this book address the issue of collaboration from both content and process perspectives, with internal and external focus, involving a myriad of industries and levels of analyses, utilizing a variety of different conceptualizations and measures of key variables, such as learning and performance. This impressive coverage of an area so multifaceted is to be congratulated and although this is one of the largest books in terms of pages (925) and weight I have read it was well worth it. Perhaps two or even three volumes would be more appropriate to fully cover this important topic in the future.

The very breadth of the book is its strength as well as its weakness. The multi-disciplinary nature of the book is consistent with the complex and ambiguous nature of the phenomenon under investigation, however, the lack of a clear focus and structure unwillingly adds to the “messiness” of research within this field (Parkhe, 1993).

After an introduction by the editors, which establishes the growing importance of alliances in the so-called knowledge-based economy, the 35 main chapters of the book are loosely organized into 11 parts: “Alliance Structure and Performance: Theoretical Overviews”, “Do Companies Gain Experiences in Managing Cooperative Relationships?”, Learning Across the Inter-organizational Membrane”, “The Role of Trust and Goodwill in Cooperative Relationships”, “The Role of Knowledge in Alliance Management”, “A Social Exchange Perspective to Inter-firm Linkages”, “Cooperation for Innovation and R&D Partnerships”, “The Organization of Inter-firm Relationships in the New Alliance-based Economy”, “Alliance Structure and Performance: Empirical Studies”, “Process and Management Issues in Alliances”, and “Buyer-Supplier Alliances”. Although extremely important, one wonders why the book starts with structure and performance rather than motivation and underlying conditions for alliance formation. Similarly, the book is lacking a chapter (preferably at the end) dedicated explicitly to potential future directions of research in this field. Whereas some parts contain 8 papers, others consist of only 1. It is unclear whether this reflects a conscious measure of
relevance on the part of the editors or merely introduces an unintended bias.

The grouping of chapters into seemingly related parts appears somewhat artificial and it is not clear how and why this is necessary. Despite the best efforts and intentions of the editors, the book suffers from a lack of clear direction and theoretical framework to ground the myriad of studies approaching this topic. However, several useful frameworks for analyzing alliances do exist in the literature and many of these are cited consistently throughout the book (e.g., Parkhe, 1993; Gulati, 1998). Although these frameworks differ somewhat in nature, by and large they agree on the same basic stages of alliance relationship development related to 5 main dimensions; (1) motives for formation, (2) partner selection, (3) management, (4) governance and control, and (5) performance, mediated by a variety of sociological variables. Indeed, in chapter 3 Buckley and Glaister point to these very dimensions in their assessment of what we currently know about international joint ventures. Dividing the book along these dimensions, however, it is interesting to note that partner selection is all but missing and the majority of contributions deal explicitly with control and performance issues from an atomistic perspective, more or less ignoring the call for systemic research made by several influential researchers the past several years. This is the flipside of the breadth of coverage pursued in this book, which makes the positioning less clear and limits its ability to fulfill its mission of reflecting the current state-of-the-art research in the alliance field.

As in any edited volume, the quality and novelty of the individual contributions vary significantly with particularly chapters in the latter part of the book standing out as adding new perspectives to the field. For instance, Ethiraj, Kale and Singh investigate alliance value creation in e-businesses in chapter 24, using abnormal stock market gains following alliance announcements as dependent variable. An interesting finding of this study is that firms in different e-business types differ significantly in terms of their alliance value creation. Similarly, Song, Park and Mezias in chapter 28 ask: “Do Strategic Alliances Matter in the Electronic Marketplace?” and find that alliance announcements have a positive impact on firm value – and a much larger impact compared to conventional industries. Furthermore, they conclude that alliances between B2B e-commerce firms or alliances with brick-and-mortar firms generate greater firm value than alliances between B2C e-commerce firms or alliances with other e-commerce firms respectively. This kind of forward-looking focus on e-commerce and comparative studies is extremely useful in our pursuit to understand the wider implications of alliances in different contexts. Moreover, the use of event study methodology seems appropriate in this context as alliances represent major “events” and hence likely impact the stock price of the focal firm. Given the apparent lack of consistency and agreement on performance measures in alliance research, explicitly addressed by Paul Olk in chapter 6, using stock price changes as indicators of firm and alliance performance is promising. In chapter 29 Dussauge, Garrette and Mitchell continue this line of research by looking at how inter-partner learning in alliances impacts the competitive position of the firms involved by focusing on relative market share. In chapter 35 Oliver and Roos are to be congratulated for their interesting contribution about collaboration in an alliance team facing a crisis based on a case study. Far too often in alliance research is the team- and individual level factors contributing to alliance success or failure neglected. Essentially, alliances involve negotiations and transactions between individuals within first teams and then firms. Recognizing the different levels of analysis and explicitly focusing on the interrelations between them seems to be an important consideration for future research, as explicitly recognized and explored in the excellent chapter 15 on the link between interpersonal and inter-organizational trust by Zaheer, Lofstrom and George.

Overall, this book makes a valuable addition to the field of inter-organizational cooperation and it is certainly useful as an encyclopedia for scholars within this growing field of research. The impressive list of contributors and the extensive subject and author index in the back makes it a great starting point for literature reviews and I am convinced this “second edition” will be cited as frequently as the first. One cannot help but wishing that this extensive volume of 925 pages had included a CD ROM to ease the use.
References


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