CONSTRUCTION ENGINEERING MASTERS DISSERTATION ABSTRACT

Alliances as learning vehicles: how inter-firm learning enables partnership evolution

This paper explores the notion of evolution in Alliance environments, as a result of interfirm learning. Despite increases in Alliance activity across multiple industries, rates of failure remain high – defined as "neither meeting the goals of their parent companies nor delivering on the operational or strategic benefits they purport to provide" (Kale & Singh, 2009a, 45) – illustrating the fact that forming, implementing and managing Alliance strategies is a significant challenge for firms. Although there is a substantial body of literature that considers the benefits of Alliance-based relationships over alternative market strategies, these studies often overlook the more subtle dynamics of change and revision over the course of an Alliance lifecycle. This research focuses on the process aspects of Alliance lifecycles, considering the impact of design and management conditions on an Alliance's ability to promote inter-firm learning.

The research is grounded in a conceptual framework, developed from the literature, to guide the research methodology and to provide impetus to the research inquiry and the approach to analysis. The methodology uses a multisite case study approach, with qualitative, semi-structured interviews. A total of 5 different Alliances are examined from the engineering and construction industry, featuring firms operating within the UK infrastructure sector.

The paper's findings suggest that successful Alliances evolve through a sequence of learning, evaluation and change, as the nature of learning prompts assessments about the appropriateness of conditions. It suggests the importance of organisational contexts in shaping expectations at the outset of relationships, by defining the nature of cooperation between partners – such as the Alliance interface design, governance structures, routines, and systems and processes – which interact to form a set of initial Alliance conditions. As learning led to a better understanding of the efficiency and equity of the relationships, it was found, joint re-evaluations drove changes and revisions to Alliance conditions. Conversely, Alliances with divergent expectations and motivations were either unwilling or unable to establish optimal design and management conditions. In the absence of formal cooperative processes, learning was low or completely absent and Alliances demonstrated little adaption or evolution.

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August 2021