



Cooperative strategies in international business and management: Reflections on the past 50 years and future directions



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ABSTRACT

Over the past 50 years, cooperative forms of governance such as equity joint ventures and other strategic alliances have received tremendous attention in international business and management research. This article traces the history of this research over these past five decades with particular emphasis on the critical role that (Columbia) Journal of World Business has played in disseminating scholarly and managerial expertise on the successful management of cross-border, inter-firm collaboration. We highlight the evolution of interest in different contexts, phenomena, theories, and methodologies, along with the factors that have driven interest in these topics. Several suggestions for future research are also provided.

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1. Cooperative strategies in international business and management

Over the past 50 years, cooperative forms of governance have received substantial attention in international business and management research. With the increasing economic openness of previously closed economies, and the rise of manufacturing centers such as China, these cooperative modes of governance have been complemented by increasing numbers of wholly-owned subsidiaries and market-based transactions. The one-time view of cooperative arrangements as a 'necessary evil' in accessing foreign markets (Moxon & Geringer, 1985) has been replaced by their enduring popularity as often preferred modes of addressing cross-border business opportunities today.

Cooperative strategies refer to any type of agreement between two or more firms, contractual or otherwise, involving mutual forbearance towards one or more (typically not identical) goals by providing capital, knowledge, technology, managerial talent, and/or other valuable assets under the purview of said firms (Anand & Khanna, 2000; Gulati, 1998). Such agreements need not be permanent, but many are, and also continue to evolve to suit the changing needs and motives of their counterparts. Joint ventures (JVs) differ from co-production, licensing, franchising,

and other contractual agreements in that that the former involves the contribution of capital to create a separate, legally distinct organization, jointly owned in varying degrees by its parent firms (Beamish & Lupton, 2009). Despite this important distinction, both equity and non-equity forms of cross-border cooperative arrangements are generally referred to as 'international alliances'.

This article reports on the history and evolution of research on cooperative forms of international strategy employing a semi-structured review of the literature, with an emphasis on the role of the (Columbia) Journal of World Business in disseminating this knowledge. We undertook a review of well over 100 scholarly and practitioner-oriented articles published in (C)JWB and elsewhere which we utilize in the sections that follow¹. Table 1 lists the 20 most cited articles in our review, according to the Social Sciences Citation Index as of Dec. 20, 2014. Cooperative forms of organizational governance initially formed a body of research primarily motivated by understanding the phenomenon itself, and intent on providing practical implications rather than theoretical contributions. Of course, this was also the primary objective of Columbia Journal of World Business, as with perhaps most business publications at the time. The focus became more

¹ Articles for inclusion were selected by searching the keywords 'joint venture' and 'alliance' in the 'subject' field of Business Source Complete (i.e. title, abstract or keywords). This search was complemented through a visual inspection of each issue of (C)JWB in order to identify and include articles overlooked in the original search. While there may be some disagreement on the inclusion or exclusion of a particular article in this review, we have made all reasonable attempt to review every article in (C)JWB where cooperative strategy is, in our best estimation, of central focus.

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Table 1
Top 20 cited articles in (Columbia) Journal of World Business.

Author(s)	Title (year of publication)	Times cited
P.W. Beamish	The characteristics of joint ventures in developed and developing countries (1985)	161
J.B. Cullen, J.L. Johnson, & T. Sakano	Success through commitment and trust: The soft side of strategic alliance management (2000)	122
B. Gomes-Casseres	Joint venture instability: Is it a problem? (1987)	99
M.T. Dacin, M.A. Hitt, & E. Levitas	Selecting partners for successful international alliances: Examination of U.S. and Korean firms (1997)	76
A. Parkhe	Understanding trust in international alliances (1998)	76
H. Chen & T. Chen	Governance structures in strategic alliances: Transaction cost versus resource-based perspectives (2003)	72
I. Björkman & Y. Lu	The management of human resources in Chinese-western joint ventures (1999)	66
C.C. Baughn, J.G. Denekamp, J.H. Stevens, & R. N. Osborn	Protecting intellectual capital in international alliances (1997)	65
D. Lei, J.W. Slocum Jr, & R.A. Pitts	Building cooperative advantage: Managing strategic alliances to promote organizational learning (1997)	50
A. Parkhe	Building trust in international alliances (1998)	49
J. Li, K.R. Xin, A. Tsui, & D.C. Hambrick	Building effective international joint venture leadership teams in China (1999)	46
M.A. Schilling	Understanding the alliance data (2009)	46
Y. Luo	Joint venture success in China: How should we select a good partner? (1998)	38
E.W.K. Tsang	A preliminary typology of learning in international strategic alliances (1999)	38
J. Child & Y. Yan	Investment and control in international joint ventures: The case of China (1999)	35
Y.T. Wong, H.Y. Ngo, & C.S. Wong	Perceived organizational justice, trust, and OCB: A study of Chinese workers in joint ventures and state-owned enterprises (2006)	34
P.W. Beamish & A. Kachra	Number of partners and joint venture performance (2004)	31
R.A. Ainnuddeen, P.W. Beamish, J.S. Hulland, & M.J. Rouse	Resource attributes and firm performance in international joint ventures	29
K.R. Harrigan	Strategic alliances: Their new role in global competition (1987)	28
S.K. Hoon-Halbauer	Managing relationships within Sino-foreign joint ventures (1999)	28

According to Social Sciences Citation Index (SSCI), as of July 21, 2015.

concerned with academic rigor and generalizability in the later years of the Journal of World Business. Cooperative business strategies thus became a context within which testing, integration and extending various theories took place.

In accordance with the evolution of scholarly discourse and the mission of (C)JWB, we structure our review first by the theme of the article, then by theoretical perspectives, and finally by methodology. We begin with a broad overview of the literature published over the last 50 years, categorized according to the purpose of the alliance and other contextual factors, along with the researchers' relative focus on various aspects of the alliance formation, ownership and management process. Out of concern for manageability, parsimony and prevalence within the pages of (C)JWB, we focus on dyadic and ego-centric alliance characterizations, leaving out the higher-order studies of alliance networks. Following this historical overview, we delve more deeply into the theoretical and methodological underpinnings associated with the various research streams in the major section that follows. Based on these summaries, we provide in the following section a broad though by definition incomplete set of directions for future research that reflects the changing nature of internationalization, globalization and the increasing sophistication of scholarly modes and methods of inquiry. It is our hope that this article will provide a useful and informative summary for budding and experienced scholars of international business and management alike, and that it encourages new cooperative strategy research along the lines suggested, or otherwise inspired.

2. Tracing the history of cooperative strategy research

We begin our review with a discussion of the various facets and foci of JV and alliance research, roughly in the order of their emergence in scholarly discourse, as exemplified in (C)JWB. First, we summarize the reasons for entering into such agreements,

which often but not exclusively include market and/or technology access, depending on the partners' intentions. JVs in particular are both an early mechanism and enduring result of the gradual opening of previously closed economies in Latin America, the former Eastern Bloc countries and eventually Russia, along with the Southeast Asian region, most notably China. Hence, we briefly discuss the historical, legal and political backdrop within which joint ventures and alliances blossomed. An important implication of these geopolitical drivers of internationalization through cooperative agreement is that foreign firms often entered into them out of necessity, not preference. Consequently, partner firms often pursue partially misaligned objectives, which have inspired research on partner selection, agreement negotiation process, and identifying ownership arrangements and management techniques that are more conducive to the success of the endeavor, including its longevity. We summarize the research in these areas and conclude with a discussion on the role of experiential learning from past cooperative internationalization endeavors, in order to 'close the loop' on the current state of scholarly discussion.

2.1. Why cooperate?

Given the predominant focus in research on competition and competitive strategy, it is worthwhile to first explore the benefits of cooperation in extending the global reach of the multinational enterprise. Much of the early research on cooperative business arrangements focused on the motives to enter into an agreement in the first place, rather than going it alone. Such research is complicated by the fact that there are at least two, and often three sets of interests to be satisfied (i.e. host country firm, foreign firm and government), and hence the benefits and drawbacks of a particular agreement are often a matter of perspective (Wright & Russel, 1975). Such perspectives have had a lasting effect on the state of modern alliance research, as scholars have continued

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