

IMP CONFERENCE

30th Annual Industrial Marketing & Purchasing Conference

1st - 6th September 2014, Bordeaux, France

Innovating in Alliances :

**The role of Alliance Managers in the Management of
Ambidexterity.**

1. Introduction

For three decades, strategic alliances have increased. According to Agarwal et al (2010), strategic alliances are inter-organizational forms in which several partners invest resources and synergistically share knowledge. They are “inter-firm cooperative agreements aimed at achieving competitive advantage for the partners” (Das & Teng, 1999, p. 50). Dussauge et al (2000, p. 99) defined them such as “arrangements between two or more independent companies that choose to carry out a project or operate in a specific business area by coordinating the necessary skills and resources jointly rather than either operating on their own or merging their operations.” Thus, strategic alliances have to be considered in a long term perspective and have to take into account management patterns (Inkpen & Tsang, 2007).

There are many motives to form an alliance, and many typologies of alliances have been developed (Dussauge et al, 2000; Das & Teng, 2001; Kauser & Shaw, 2004; Rothaermel & Deeds, 2004; Lavie, 2007; Rahman & Korn, 2010). However, one of the main aspects of the literature on alliance performance is the focus on innovation issues (Kogut & Zander, 1993 ; Tidd, 2005 ; Sampson, 2007; Hoang & Rothaermel, 2010).

Alliances have been formed to innovate (Dussauge and Garrette, 1996, 1999; Li & Atuahene-Gima, 2001 ; Sampson, 2007; Hoang & Rothaermel, 2010). This managerial statement was fruitful in the literature, which wanted to better understand the functioning of the alliances: how do they structure ? What partner to chose ? Why allying ? For what level of performance ?

In this perspective, the literature has discussed about the need of managing tensions between the exploration and exploitation logics, leading to the formulation of the ambidexterity concept (March, 1991; Tushman & O’Reilly, 1996; Lin et al, 2007; Popadiuk, 2012).

However, the literature was scarce about the mechanisms of the functioning themselves. Who has to manage and how does this actor concretely manage the alliance?

We argue that we have to overpass the strategic choices upstream of the relationship by the decision-makers and focus on the day-to-day concrete elements related to the alliances objectives achievement.

The paper aims to lead an in-depth reflection in this direction: considering that one alliance aims to ensure an ambidexterity state, the research will put forwards the usefulness of the Håkansson and Snehota (1991)'ARA model (1991) to appreciate the elements that one alliance needs to achieve ambidexterity.

2. Alliances for innovation : research on ambidexterity

In a turbulent and hypercompetitive environment, alliances become a solution to survive. Alliances are “a formal or informal link between independent firms aiming to achieve together an action on a delimited space. In this perspective, they share and exchange resources in order to obtain an competitive advantage related to the cooperation” (Jolly, 2001, p. 17).

Such alliances constitute a solution to innovate (Loilier & Tellier, 2013; Garrette & Dussauge, 1999). In the literature, innovation can be observed as a process or an output. According to Amabile (1996), we consider that innovation can't only exist in a case of successful implementation ('failed innovation' doesn't exist). Thus, we can defined innovation such as the successful implementation of creative ideas for an organization in order to adapt and survive in its business model.

A large part of the literature only considers innovation as a final product or service usually developed in a R&D structure. However, in this perspective of “radical innovation”, many authors put forwards that incremental innovations are necessary to implement the radical innovation (Jansen et al, 2005; Smith & Tushman, 2005; Nosella et al, 2012). Thus, the exploration and exploitation perspectives emerged in the literature on innovation. The need for a concomitant management of these logics ended to the “ambidexterity concept”, which can be defined as “a synchronous orientation in terms of exploitation as well as exploration through relatively flexible partnerships” (Popadiuk, 2012, p. 77).

In the literature, ambidexterity can be considered such as a state (Lin et al, 2007; Popadiuk, 2012) or a capacity (Raisch & Birkinshaw, 2008), even a dynamic capability (Jansen et al, 2010; O'Reilly & Tushman, 2008). We argue that the “such-as-state view” of ambidexterity is the most relevant in the innovation theories. Indeed, innovation results from one process (or one logic) of exploration (radical innovation) or exploitation (incremental innovation). Thus, conciliating these two apparently paradoxical logics supposes a day-to-day work to maintain this state of ambidexterity.

In the literature, there are three forms of ambidexterity: a structural ambidexterity (Tushman & O'Reilly, 1996; He & Wong, 2004), a contextual ambidexterity (Gibson & Birkinshaw, 2004; Andriopoulos & Lewis, 2009) and a network ambidexterity (McNamara & Baden-Fuller, 1999; O'Reilly & Tushman, 2008; Kacioui-Maurin, 2011).

Whereas the structural ambidexterity's studies considers the differentiation between units or other organizational structures, the literature on contextual ambidexterity focuses on the individual skills to ensure the balance between exploitation and exploration. Finally, the network ambidexterity attempts to observe the relationships set between the organization's partners, in a network perspective, to articulate the exploitation and exploration logics.

We argue that these three forms of ambidexterity should't be considered separately. Following the call of O'Reilly & Tushman (2013) and Kacioui-Maurin (2001), studies combining these three forms are missing and the present research aims to fill this gap.

In this perspective, the question of this research is how is ambidexterity achieved in a multiactor context such as alliances ?

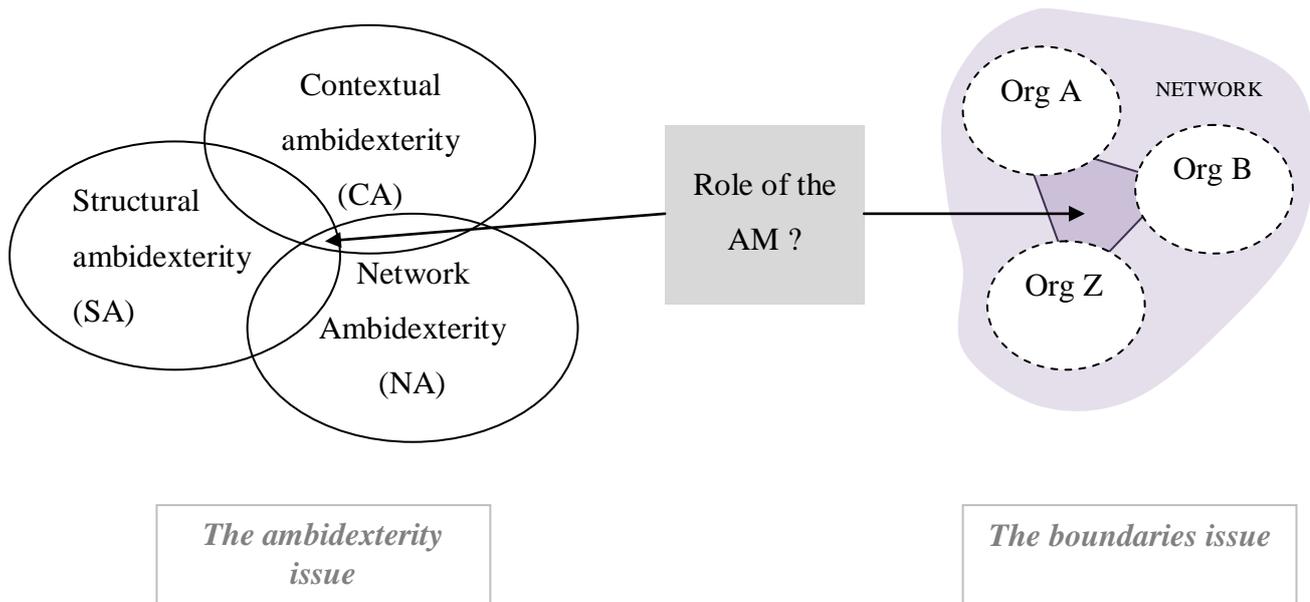
The research propose to answer this question by focalizing on the role of particular individuals, especially in networks configurations such as alliances.

3. Role of boundary-spanners in alliances

Alliances are configuring in networks. Thus alliances have to forge linkages between actors in a form of network organization to achieve ambidexterity. In this situation, some actors, called boundary-spanners, have necessarily a crucial role to realize relationships and consolidate these linkages. Indeed, they seem to play a role of intermediaries in the different interfaces of the alliance (Barner-Rasmussen et al, 2010), but this role is still undefined. They concretely mobilize resource of the networks to achieve ambidexterity. We argue that they are the actors to interview to better understand the mechanisms in action in achieving ambidexterity. In alliances, these individual actors are the alliance managers (AM). How do these AM arrive to combine the two logics and the three nature of ambidexterity? What resources do they do and use? Why?

Answering this issue is not easy, because ambidexterity, alliances, innovation and boundaries are complex and unclear words in the literature. The level of analysis is essential to delimitate the research.

However, knowing if this boundary-spanner really exists, and if he exists, is he strategic? Even, if ambidexterity exists, and if it exists, how to concretely manage it?, is a challenge that we attempt to resolve.



4. The ARA model to understand the role of boundary-spanners in managing ambidexterity.

For answering the question, we propose to use the ARA model such as the relevant tool of analysis. The ARA model was developed in the 1990's and is associated to the "IMP literature". This literature attempts to study the functioning of networks and tries to deeply understand the interactions between the involved actors, underlining the dynamics of value creation (Fyrberg & Jürriado, 2009).

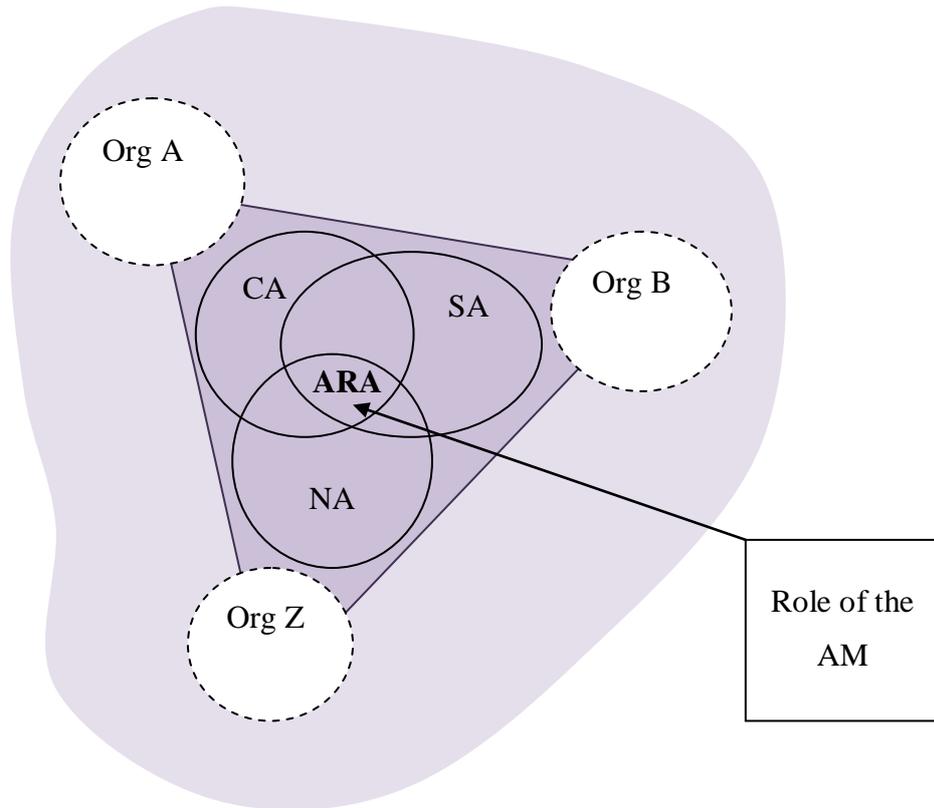
The approach is distinguishing the network formation and its functioning (Häkansson et Ford 2002; Möller & Halinen 1999; Möller & Svahn 2003; Ritter et al, 2004), and propose several tools that enable researchers to analyze these networks and take into account the physical and processual ties inside them.

In this perspective, the ARA model (Actors – Resources – Activities) is one of these tools and attempts to observe the way in which dyadic business relations are embedded in a larger network of business relationships (actor bonds, resource ties and activity links) (Ford & Mouzas, 2010; Håkansson & Johanson, 1992; Håkansson & Snehota, 1995, 2006; Rundh, 2008; Veludo et al, 2004). These substance layers reflect the landscape of the relation and are not independent; there is an interplay between them¹.

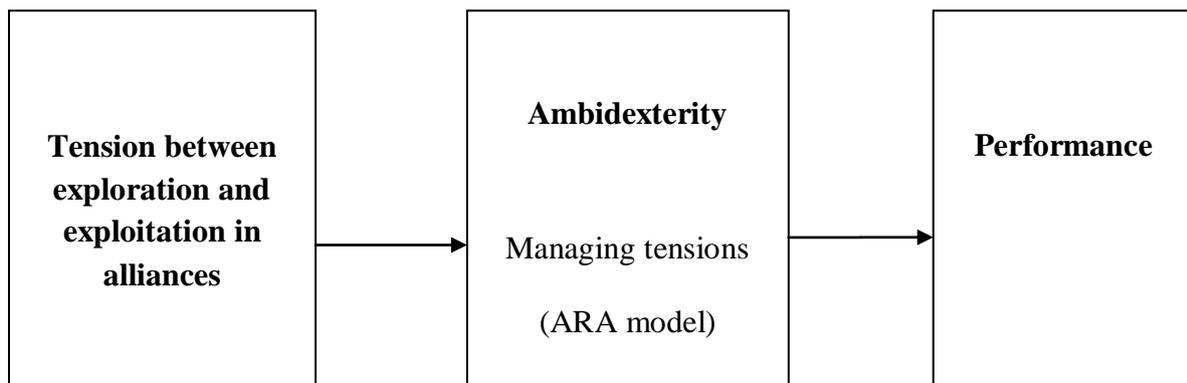
Actors “carry out activities usually in combination with other actors. [...] Through their activities actors transform and transfer resources in order to maintain and grow the more aggregated actor, for example, the organization of which they are a part. Actors are essentially human and can be individuals or collectivities such as groups, departments, organizations, or nets of organizations. [...] Actors have control over some resources, access to others and work with other actors to create, combine, develop, exchange or destroy resources » (Lenney & Easton, 2009, p. 553). « Companies make use of resources; a combination of technical, personal, financial and other resources is always needed in a business enterprise. No company has all the resources needed; some have to be acquired from others » (Håkansson & Snehota, 1995, p. 132). Activity is « a sequence of acts directed towards a purpose » (Håkansson & Snehota, 1995, p. 52). In this light, the use of the ARA model seems to be an appropriate tool to provide an operationalization of the ambidexterity concept. Alliances constitute a form of network configuration in which actors, resources and activities are shared to achieve performance; we argue that organizing ambidexterity in this configuration is important.

Thus, in a methodological perspective, we propose to better understand the functioning of alliances by using the ARA model and interviewing the alliance managers.

¹ « Actors carry out activities and activate resources. Activities are resource consuming and evolve as the capabilities of actors develop. Resources limit the range of activities an actor can pursue. The existence of bonds between actors is a prerequisite for them to actively and consciously develop strong activity links and resource ties. Activity links make it likely that bonds can develop, and so on. The interplay of bonds, ties and links is at the origin of change and development in relationships. Actor bonds evolve, resource ties and activity links change and the three become mutually adjusted. » (Håkansson & Snehota, 1995, p. 35)



Finally, as ambidexterity could be related to performance of organizations (Gibson & Birkinshaw, 2004; He & Wong, 2004; Andriopoulos & Lewis, 2009), we argue that managing the existing tensions in alliances enables to achieve ambidexterity and succeed in alliances.



Following the reflection, we develop therefore three main propositions, whose highlight the potential perspectives of research in the literature on ambidexterity:

Proposition 1. There is a combination of the three ambidexterity's natures in the alliances.

We argue that researchers have to operationalize the three forms of ambidexterity and verify that they exist in a multiactor context.

Proposition 2. The AM manages actors, activities and resources to achieve ambidexterity.

- a) The AM manages specific activities in order to achieve ambidexterity.***
- b) The AM manages specific resources in order to achieve ambidexterity.***
- c) The AM manages specific actors in order to achieve ambidexterity.***

The future research on ambidexterity has to identify what elements are necessary to achieve ambidexterity in a multiactor context. We propose in this perspective to use the ARA model, which is relevant, in order to answer this issue.

Proposition 3. The AM is crucial in this perspective and develop specific competencies to achieve ambidexterity.

Finally, research could identify the personal competencies and skills of the boundary-spanners, in order to better understand the embedded mechanisms between the individual and network levels in a multiactors context.

Managerial and theoretical contributions.

This paper is theoretical. It begins a reflection about the role of individuals in multiactors context needing ambidexterity. We propose three main propositions. On a theoretical background, the research enables to clarify the concept of ambidexterity and underlines the need to observe ambidexterity such as the combination of the three form traditionnaly considered in the literature, due to a focus on multiactors context.

We propose to the future researcher to operationalize the three forms and verify if they exist, and how they are combined if so. We also propose to use, on a methodological perspective, the ARA model, which is relevant in this issue.

In a managerial side, we argue that the boundary spanners really exist (which is not an evidence) and have a specific role in interorganizational relationships. Thus we finally propose to identify the profile of this actor.

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