

## DETERMINING WHAT PARTNER SELECTION FACTORS MATTER FOR THE DIFFERENT ALLIANCE OR NETWORK PERFORMANCES

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### ABSTRACT

*In this paper we investigate the relationship between various partner selection factors and the alliance performances. Through the mean of a statistical analysis of the answers provided by 46 best performers medium and large companies operating in Romania we found that both categories of partner selection factors (noncompany and company related) were associated with the superior alliance performances. We observed a slightly stronger effect for the company related factors on the alliance performances. Specifically, we found that the consideration of country and regional issues was associated only with revenues growth and new product development due to organization's portfolio of strategic alliances. Instead, the companies and organizations considering industry issues reported superior results for all six measures of alliance performances (revenues growth, competitive position, customer satisfaction, operations improvement, product improvement, new product development). Moreover, the consideration of partner attributes was also associated with all measures of alliance performances with one exception: customer satisfaction. The strongest effect on alliance performances however, had the importance devoted by companies and organizations to the partner selection process. It means, more resources and attention devoted to the partner selection process better the alliance performances reported. Three regression models from six (for the macroeconomic/noncompany factors) and five regression models from six (for the company related factors) significantly explained the differences between the companies depending on their alliance performances. The paper contributes to the research conducted in the alliances' literature regarding the alliance partner selection for the design and the development of strategic alliances or strategic networks/clusters.*

**KEYWORDS:** *alliance performance, large companies, MNC, partner selection, strategic alliances.*

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### 1. INTRODUCTION

Strategic alliances – imagined as new organizational forms – reflect the collaboration established between two or more partnering organizations, which put in common some of their resources and competences in order to achieve a competitive advantage over their competitors or just to improve their organizational performances (Albers, Wohlgezogen & Zajac, 2016; Das & Teng, 2000; Dyer & Singh, 1998; Gulati & Singh, 1998; Kale, Dyer & Singh, 2002; Nicolescu & Popa, 2011). The collaboration is initially set based on a preestablished agreement which can be contractual, formal and/or informal (Lehene, 2020; Nicolescu, 2003). This agreement is commonly known among business practitioners as Memorandum of Understanding (MoU) (Repsol, 2017; Volkswagen, 2017)

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or as the Alliance Contract among the alliance scholars' community (Arino, Reuer, Mayer & Jane, 2014; de Jong & Klein Woolthuis, 2009; Mellewigt, Decker & Eckhard, 2012).

Defined as above, alliance scholars are currently studying strategic alliances at two levels of analysis: the dyad and the firm level. While at the alliance/dyadic level, the concept 'strategic alliances' refers to the individual partnerships formed between various companies and organizations (Dyer & Singh, 1998; Collins & Riley, 2013; de Leeuw, Lokshin & Duysters, 2014), the same concept used at the firm level describes all the partnerships and collaborations in which engage a specific organization. [Other researchers conceptualized this view of strategic alliances as the alliance portfolio (Collins & Riley, 2013; de Leeuw et al., 2014; Hoffmann, 2005, 2007).] In the alliance literature, however, the concept 'strategic alliances' is viewed much broader and the alliance scholars put various names on these collaborative agreements – for instance, strategic partnerships, collaborative strategies, collaborative relationships, strategic networks, clusters – in addition to strategic alliances (Barnes, Raynor & Bacchus, 2012). Modern concepts like Decentralized Autonomous Organizations (DAO) which can be imagined as 'virtual strategic alliances' are also appearing in the management literature nurtured by the technological development [Chen, Stegorean & Nistor, 2017]. In this paper, we analyze the social phenomena at the firm level. Thus, we are going to use the umbrella term 'strategic alliances' for all the collaborative relationships a certain company or organization participate in. More specifically, its portfolio of strategic alliances.

From other point of view, over time, the alliance scholars studied the strategic alliances from diverse theoretical perspectives to provide a better understanding, description, explanation, and prediction for the engagement of companies and organizations in strategic alliances. One important topic of modern alliance management research is the alliance partner selection for a new collaboration. Various studies investigated the alliance partner selection phenomena. For instance, Moelller (2010) investigated the association between the partner selection and the network performances. Mellewigt and Decker (2014) studied the factors which determine the partner search and selection costs. In addition, Geringer (1991), Holmberg and Cummings (2009) investigated the specific criteria the companies and organizations use to select a partnering organization for a strategic alliance.

An important remark is that as some researchers (Metz, Ilies & Nistor, 2020) investigated the organizational culture and its effect on the customers service effectiveness from a sustainability perspective we think the alliance partner selection phenomena should be also investigated from the same perspective to build post-pandemic management and design effective resilience strategies. In line with the authors above which argued for environmental, economic, and social aspects introduction into the business model, in this paper we also argue for the consideration of these aspects in the alliance partner selection process.

Given the discussion above, up to now and at least as far as we know, in the alliance literature there is no evidence regarding what specific partner selection criteria/factors are associated with what type of alliance performance. For instance, do the companies and organizations which consider country and regional issues in their alliance partner selection process obtain better revenues growth from their strategic alliances as well? Is this variable associated with better alliance performances? What about innovation related performances such as new product development? Second, as far as we know, in the existent literature there is no evidence regarding the main categories of partner selection factors – whether macroeconomic/noncompany or company related – and their influence on the different type of alliance performance. For instance, which from the macroeconomic/noncompany or company related alliance partner selection factors are associated with revenues growth from strategic alliances? What about innovation related performances such as new product development?

Therefore, given these gaps in the alliance literature, for this paper, we formulate the following RQs: 1) *What type of partner selection factors – whether macroeconomic/noncompany or company*

*related – are associated with what type of alliance performance and 2) how much from the variation/dispersion of the alliance performances can be explained by the partner selection factors?* Given the discussion above, we think the paper might be valuable for both alliance management scholars and alliance management practitioners. For the alliance management academia, the paper contributes to the stream of research conducted in the field of alliance partner selection, presenting empirical evidence for the different effect of macroeconomic and company related factors on the different measures of alliance performances. For the management practitioners the paper has several implications – which we will discuss in the dedicated section – since underlines the importance of considering both noncompany and company related factors in their procedures for alliance partner selection.

## **2. LITERATURE REVIEW**

### **2.1 Alliance partner selection**

Alliance partner selection constitutes the subject of modern alliance research in both management and marketing fields. Many researchers investigated this social phenomenon from various theoretical perspectives, some of them linked the partner selection process to the alliance performance itself (Moeller, 2010), while others investigated the relationship between alliance partner selection and various other facets of alliance activity (Geringer, 1991; Mellewigt & Decker, 2014). For instance, Moeller (2010) found that better the partner selection for a network, better was the network performances obtained by the companies participating in the network. The researcher also reported that the partner selection was positively associated with the increased trust between the network partners and with the strongest commitment to the network. In addition, the partner selection was negatively correlated with the opportunistic behavior within the network. More specifically, better the attention devoted to the alliance partner selection less likely was the opportunistic behavior and misconduct to occur.

Likewise, other researchers studied the factors which determine the partner search and selection costs. The reported data suggest that the number of current alliances an organization participate in decreased the partner search and selection costs, while the future objective of the alliance does not affect the same categories of costs. On the other hand, evidence suggests that when firms make alliance-specific investments the partners search costs increase, while the same investment does not affect the selection costs (Mellewigt & Decker, 2014).

Geringer (1991) investigated instead the importance the companies put on the partner selection criteria. The scholar noted that the relative importance of the selection criteria was influenced by the critical success factors (CSF) of a business and the competitive position of the parent firm within its industry. An increase in the importance of the CSF or in the difficulty to achieve a competitive position by the parent firm, both were positively associated with an increase in weighting the partner selection criteria. Conversely, a strongest competitive position of the parent firm depending on the CSF was associated with a decrease in the importance devoted to the selection criteria.

In 2009, Holmberg and Cummings (2009) proposed a framework for the alliance partner selection from a more dynamic and broader perspective. The authors are the first scholars who introduced in the alliance literature aspects outside the organization (e.g. industry considerations) within the alliance partner selection analysis. The scholars militated for the need and the introduction of a dynamic approach within the alliance partner selection process.

Even though these recent developments in the alliance literature as far as we know there is no evidence regarding the differences between macroeconomic and company related factors considered by companies and organizations and their impact or influence on the alliance performances. This gap in the extant alliance literature is in the center of our investigation in this paper.

## **2.2 Alliance performances**

In the extant alliance literature, there are various studies investigating various facets of alliance activity and the relationship between these aspects and the alliance performance as well. These studies discussed the strategic alliances also at two levels of analysis: 1) the alliance performances resulting from an individual alliance and 2) the performances extracted by an organization from all strategic alliances (the portfolio of alliances).

At the dyadic level, the researchers used various methods and measures to evaluate the alliance performance. For instance, scholars used evaluation methods such as partners' goal achievement within the alliance (Hatfield, Pearce, Sleeth & Pitts, 1998), the accumulation of knowledge and new opportunities due the alliance (Zollo, Reuer & Singh, 2002), actual performance compared with the initial expectations at the time the alliance was set (Bener & Glaister, 2010), or satisfaction with the alliance and satisfaction with the goal achievement (Kauser & Shaw, 2004; Meier, Lütkeweitte, Mellewigt & Decker, 2015; Moeller, 2010). In terms of specific measures/indicators used by various researchers to assess the alliance performance two categories of indicators can be distinguished: objective measures (e.g. profitability, sales growth, market share, ROI, etc.) and subjective measures (e.g. relational harmony, managers satisfaction with the alliance etc.).

On the other hand, at the firm level there are fewer studies conducted in the extant literature who investigated the alliance performances. Some researchers, for instance Hoffmann (2005), proposed some methods for alliance portfolio performances evaluation at the business unit level (e.g. financial impact of the portfolio, position in the industry network, contribution to achieving the strategic goals, market share increasement, etc.), and at the corporate level (e.g. quality of relationships with core partners, reputation capital as a fair and trustworthy partner, specialization of alliance management tasks, etc.). Other method used by researchers at the firm level to evaluate the alliance performances is to assess the percentage of strategic alliances in which the original goals were met, grouping the companies in categories according to the following scheme: 0-20%, 21-40%, ... 81-100% (Heimeriks, Klijjn & Reuer, 2009; Lehene, 2020).

As mentioned earlier, in this paper we focus our attention on the alliance performances at the firm level. It means, we refer to all the strategic alliances of a company or organization (portfolio of strategic alliances). Therefore, in our research we define the alliance performances as the degree the company or organization has improved a specific measure of alliance performance (e.g. revenues) due to its portfolio of strategic alliances through a period of five years.

## **3. METHODOLOGY**

### **3.1 Research strategy**

For the purpose of this paper, we used some items from a questionnaire implemented in a previous study which was conducted for other purposes, combining also the items in different variables. In survey-based empirical studies the answers provided by the respondents might be biased and influenced depending to the goal of the specific study (Bhattacharjee, 2012; Chelcea, 2007). The main advantage of the research strategy implemented in this paper is that it permitted us to use the answers provided by the respondents, no matter/independently the goal of the present research. Thus, in this study perhaps the answers were less biased, providing us the opportunity to identify more objectively the proposed associations between variables.

We administered the questionnaire through the email, between October 2017 – March 2018. We have contacted the best performers 785 medium and large companies operating in Romania, depending to their revenues, from which decided to participate 46 companies, leading to a participation rate of 5.85%. We used two sources in order to obtain the data regarding the best-performers companies operating in Romania: Top 500 Business Magazine (2016) and Top 1000 Piața Financiară (2017). The final sample contains the answers provided by 29 large companies and organizations (more than 250 employees) and by 17 medium-size firms (between 50 and 249

employees). We have included two companies less than 50 employees in the medium-size category (34, respectively 31 employees). 30 executives (e.g. President, CEO, General Manager) participated in the study. In addition to the executive suite, we have analyzed the answers provided by 10 middle managers (e.g. marketing manager), 5 first-line managers/operations managers (e.g. team leader), and one marketing specialist.

Given the fact that we are living now in a post-pandemic period and the companies and organizations are returning to their normal operations, after a two-year period in which they were forced to operate differently their business, we think the collected data are still/as relevant as they were before the COVID-19 pandemic period. Thus, we used the collected data to analyze the alliance partner selection process implemented by companies, analysis which can be useful and informative for building post-pandemic management and resilience strategies. Particularly at the point the companies will engage in post-pandemic strategic alliances and networks.

### **3.2 Variables**

The main objective in this study is to investigate if the consideration of different partner selection factors – whether macroeconomic or company related – is associated with superior alliance performances and for which type of alliance performance (e.g. revenues, competitive position etc.). First, we aimed to investigate the effect of individual and specific partner selection factors on each type of alliance performance. Thus, the independent variables are Country and Regional Consideration (COREG CONSID), Industry Consideration (IND CONSID), Partner Attributes Consideration (PA CONSID), Partner Selection Importance (PSI). The first two variables are factors outside the company – noncompany related factors – which an organization might consider for the alliance partner selection (macroeconomic factors), while the latter ones are company related factors, measures implemented at the firm level (microeconomic factors). The dependent variables are Revenues Growth (RG), Competitive Position (CP), Customers Satisfaction (CS), respectively Operations/Processes Improvement (OPER IMPROV), Product Improvement (PROD IMPROV), New Product Development (NPD). The first three alliance performance variables are productivity-related alliance performances while the latter ones are innovation-related alliance performances.

Second, we aimed to investigate the relationship between the alliance partner selection factors and the performances extracted from the portfolio of strategic alliances if we group the variables in Macroeconomic Partner Selection Factors (MPSF) and Company Related Partner Selection Factors (CRPSF) as independent variables. Therefore, we have included in the MPSF variable the COREG CONSID and IND CONSID while in CRPSF we have included the PA CONSID and PSI variables. (See also the Appendix A.)

We measured all the variables mentioned above using a 5-point Likert scale ranging from 1 to 5 with the following meaning “1 = Strongly Disagree and 5 = Strongly Agree”. (Table 1.) We kindly asked the managers to appreciate the degree the statement in the questionnaire fit the situation in their company, according to the scale mentioned above. Moreover, we have included the items in each variable – whether MPSF or CRPSF – based on the assumption of theoretical validity according to the data extracted from examining previous studies (Bhattacharjee, 2012).

### **3.3 Control variables**

Following other researchers (de Leeuw et al., 2014; Kale et al., 2002; Luvison & de Man, 2015) we have controlled for the size of the firm (whether medium, large-size or very large size firm), internationality (whether Romanian or International company), and industry (whether younger or more mature industry). We measured the variable Firm Size (FS) using a nominal level scale with the following categories: 1) Medium-size firm (50 – 249 employees); 2) Large-size firm (250 – 1000 employees); 3) Very-large size firm (more than 1.000 employees). We measured the variable Internationality (MNC) also using a nominal level scale with the following categories: 0 – if there was the case of a Romanian company; 1 – if there was the case of an International/Multinational

company (MNC). Finally, we measured the variable Industry (IND) again using a nominal level scale depending if the company operates in a younger industry (e.g. IT) or within a more mature industry (e.g. car manufacturing).

**Table 1. Variable Measurement**

Variable	Number of items	Measurement	Cronbach Alpha	References
Country and Regional Consideration (COREG CONSID)	1	Likert 5-point	-	Bener & Glaister (2010); Holmberg & Cummings (2009); Kale et al. (2000); Kale et al. (2002)
Industry Consideration (IND CONSID)	2	Likert 5-point	0.804	
Partner Attributes Consideration (PA CONSID)	1	Likert 5-point	-	
Partner Selection Importance (PSI)	4	Likert 5-point	0.634	
Macroeconomic Partner Selection Factors (MPSF)	3	Likert 5-point	0.747	
Company Related Partner Selection Factors (CRPSF)	5	Likert 5-point	0.741	
Revenues Growth (RG)	1	Likert 5-point	-	
Competitive Position (CP)	1	Likert 5-point	-	
Customer Satisfaction (CS)	1	Likert 5-point	-	
Operations Improvement (OPER IMPROV)	1	Likert 5-point	-	
Product Improvement (PROD IMPROV)	1	Likert 5-point	-	
New Product Development (NPD)	1	Likert 5-point	-	

*Source:* own elaboration based on the cited references

#### 4. DATA ANALYSIS AND RESULTS

We start the data analysis with presenting the descriptive statistics and the correlation matrix for the data in our study. The result of our initial analysis is displayed in the Table 2 and in the Table 3. First, we can observe that the companies and organizations considering country and regional issues for alliance partner selection (COREG CONSID) obtain better alliance performances only in terms of revenues’ growth (RG) and new product development (NPD). Second, we can observe that the companies and organizations considering industry issues (IND CONSID) obtain better alliance performances for all measures of alliance performance – productivity or innovation. Third, the consideration of partner attributes (PA CONSID) is also positively associated with all measures of alliance performance, with one exception: customer satisfaction (CS). Finally, companies and organizations devoting more interest and resources for partner selection (PSI) also obtain superior alliance performances for all measures of alliance performances. It is important to mention that the depicted correlations are zero order correlations, no other variables being considered in studying the proposed relationships.

Next, we aimed to investigate which group of partner selection factors – macroeconomic or company related – exhibit an influence on the alliance performance and for which type of alliance performance, if we control/eliminate the influence of tertiary variables (FS, MNC, IND). Then, according to our research questions, we also aimed to investigate how much from the dispersion/variation of each type of alliance performance can be explained by the categories of

partner selection factors considered in our study. Thus, we conducted an explanatory regression analysis in order to investigate this research goal. The results of our analysis can be observed in the Table 4 and Table 5.

**Table 2. Descriptive statistics and correlation matrix I**

Variable	Min	Max	Mean	S.D.	COREG CONSID	IND CONSID	PA CONSID	PSI	RG	CP	CS	OPER IMPROV	PROD IMPROV	NPD
COREG CONSID	1	5	3.74	1.182	1.00	0.487**	0.436**	0.343**	0.482**	0.245	0.140	0.144	0.070	0.373**
IND CONSID	5	10	8.43	1.669		1.00	0.706**	0.674**	0.433**	0.413**	0.414**	0.397**	0.272*	0.302*
PA CONSID	2	5	4.15	.942			1.00	0.668**	0.414**	0.277*	0.244	0.420**	0.295*	0.369**
PSI	9	20	16.52	2.698				1.00	0.468**	0.358**	0.415**	0.449**	0.432**	0.385**
RG	2	5	4.20	.833					1.00	0.420**	0.533**	0.554**	0.446**	0.677**
CP	1	5	4.22	.892						1.00	0.740**	0.471**	0.277*	0.406**
CS	2	5	4.09	.812							1.00	0.531**	0.455**	0.459**
OPER IMPROV	2	5	4.39	.745								1.00	0.619**	0.602**
PROD IMPROV	1	5	4.17	1.102									1.00	0.568**
NPD	1	5	4.09	1.112										1.00

**Note.** \*\*  $p < 0.01$ ; \*  $p < 0.05$  Sig. (1-tailed)

Source: own elaboration based on the respondents' answers

**Table 3. Descriptive statistics and correlation matrix II**

Variable	Min	Max	Mean	S.D.	EPSF	CRPSF	RG	CP	CS	OPER IMPROV	PROD IMPROV	NPD
MPSF	6	15	12.17	2.470	1.00	0.682**	0.523**	0.396**	0.347**	0.337*	0.217	0.383**
CRPSF	12	25	20.67	3.400		1.00	0.486**	0.361**	0.397**	0.473**	0.425**	0.407**
RG	2	5	4.20	.833			1.00	0.420**	0.533**	0.554**	0.446**	0.677**
CP	1	5	4.22	.892				1.00	0.740**	0.471**	0.277*	0.406**
CS	2	5	4.09	.812					1.00	0.531**	0.455**	0.459**
OPER IMPROV	2	5	4.39	.745						1.00	0.619**	0.602**
PROD IMPROV	1	5	4.17	1.102							1.00	0.568**
NPD	1	5	4.09	1.112								1.00

**Note.** \*\*  $p < 0.01$ ; \*  $p < 0.05$  Sig. (1-tailed)

Source: own elaboration based on the respondents' answers

As we can see in the Table 4, for the Model Ia, the control model is not statistically significant. We have obtained  $F(3, 41) = 0.951$ . Moreover, none from the control variables have an impact on the dependent variable. In addition, less than 10% from the dispersion of the dependent variable (RG) is explained by the control model (0.06%) as indicated by the R – square. This percentage grows to 32.7 ( $R^2 = 0.327$ ) if we include our variable of interest (MPSF) in the Model Ia. The difference between the R – square value  $\Delta R^2 = 26.2$  suggests an increase in the explanatory power of Model Ia with 26.2%, in comparison with the Model Ia. For the Model Ia we have obtained  $F(4, 40) = 4.855$ ,  $p < .01$  denoting that the Model Ia is a good explainer of revenues growth from strategic alliances. The R – square value ( $R^2 = 0.327$ ) tells us that if we want to explain the differences between organizations in terms of RG (why some companies and organizations obtain higher RG from firm's strategic alliances) in a high degree (32.7%) the differences are due to the differences

between them in terms of our proposed variables. Moreover, we can observe a highly positive and significant effect of MPSF on RG ( $\beta = 0.534, p < .01$ ).

**Table 4. Regression analysis between Macroeconomic Partner Selection Factors (MPSF) and each dependent variable**

*Dependent Variable: Ia – IIa: Revenues Growth (RG); Ib – IIb: Competitive Position (CP); Ic – IIc: Customers Satisfaction (CS); Id – IId: Operations/Processes Improvement (OPER IMPROV); Ie – IIe: Product Improvement (PROD IMPROV); If – IIf: New Product Development (NPD)*

	Model Ia	Model IIa	Model Ib	Model IIb	Model Ic	Model IIc	Model Id	Model IId	Model Ie	Model IIe	Model If	Model IIf
Firm Size (FS)	-0.192	-0.237	-0.194	-0.228	-0.094	-0.122	-0.171	-0.199	-0.143	-0.162	-0.348	-0.384
Internationality (MNC)	0.042	0.042	-0.097	-0.097	-0.136	-0.136	0.048	0.048	0.070	0.070	-0.005	-0.005
Industry (IND)	-0.204	-0.069	-0.231	-0.129	-0.266	-0.183	-0.222	-0.140	-0.104	-0.048	-0.179	-0.073
Macroeconomic Partner Selection Factors (MPSF)	-	0.534**	-	0.404**	-	0.329*	-	0.326*	-	0.220	-	0.419**
R <sup>2</sup>	0.065	0.327	0.069	0.219	0.063	0.163	0.068	0.166	0.031	0.075	0.124	0.285
F-value	0.951	4.855**	1.008	2.801*	0.924	1.948	0.996	1.984	0.439	0.816	1.926	3.978**
No. of observations	44	44	44	44	44	44	44	44	44	44	44	44

**Note.** Values for coefficients are standardized (Beta). \*\*  $p < 0.01$ ; \*  $p < 0.05$

*Source:* own elaboration based on the respondents' answers

**Table 5. Regression analysis between Company Related Partner Selection Factors (CRPSF) and each dependent variable**

*Dependent Variable: Ia – IIa: Revenues Growth (RG); Ib – IIb: Competitive Position (CP); Ic – IIc: Customers Satisfaction (CS); Id – IId: Operations/Processes Improvement (OPER IMPROV); Ie – IIe: Product Improvement (PROD IMPROV); If – IIf: New Product Development (NPD)*

	Model Ia	Model IIa	Model Ib	Model IIb	Model Ic	Model IIc	Model Id	Model IId	Model Ie	Model IIe	Model If	Model IIf
Firm Size (FS)	-0.192	-0.259	-0.194	-0.244	-0.094	-0.147	-0.171	-0.239	-0.143	-0.202	-0.348*	-0.408**
Internationality (MNC)	0.042	0.058	-0.097	-0.085	-0.136	-0.123	0.048	0.064	0.070	0.084	-0.005	0.009
Industry (IND)	-0.204	-0.205	-0.231	-0.232	-0.266	-0.267	-0.222	-0.223	-0.104	-0.105	-0.179	-0.180
Company Related Partner Selection Factors (CRPSF)	-	0.514**	-	0.385	-	0.410**	-	0.513**	-	0.448**	-	0.455**
R <sup>2</sup>	0.065	0.325	0.069	0.214	0.063	0.228	0.068	0.327	0.031	0.229	0.124	0.328
F-value	0.951	4.814**	1.008	2.730*	0.924	2.957	0.996	4.861**	0.439	2.968*	1.926	4.870**
No. of observations	44	44	44	44	44	44	44	44	44	44		

**Notes.** Values for coefficients are standardized (Beta). \*\*  $p < 0.01$ ; \*  $p < 0.05$

*Source:* own elaboration based on the respondents' answers

The same analysis was conducted for all the regression models in our study. For editorial constraints we are not going to report this detailed analysis, but we are going to report the result in the next section, depending the influence of each group of partner selection factors – macroeconomic or company related – on each type of alliance performance. We also provide a report for the explanatory purpose of our regression models (how much from the dispersion/variation of alliance performances can be explained by our regression models).

First, in the Table 4 one can observe that if we control/eliminate the influence of FS, MNC, and IND on the alliance performances, MPSF have a highly positive and significant effect on RG ( $\beta = 0.534, p < .01$ ), CP ( $\beta = 0.404, p < .05$ ), NPD ( $\beta = 0.419, p < .01$ ) and a medium intensity and positive effect on CS ( $\beta = 0.329, p < .05$ ) and OPER IMPROV ( $\beta = 0.326, p < .05$ ). Second, in the Table 5 we can observe a highly positive and significant effect of CRPSF on RG ( $\beta = 0.514, p < .01$ ), CS ( $\beta = 0.410, p < .01$ ), OPER IMPROV ( $\beta = 0.513, p < .01$ ), PROD IMPROV ( $\beta = 0.448, p < .01$ ) and NPD ( $\beta = 0.455, p < .01$ ).

Third, regarding the explanatory purpose of our regression models, for the MPSF, as we can see in the Table 4, three regression models (IIa, IIb, IIc) from the proposed six, are statistically significant and in consequence good explainers of alliance performances. In specific terms, if we want to explain the differences between companies and organizations in terms of their RG (32.7%), CP (21.9%), and NPD (28.5%) – why some companies and organizations extract higher value from their strategic alliances – in a high degree, the differences can be explained by our regression models (IIa, IIb, IIc). Of course, from 32.7% to 100% from the dispersion of RG for instance, there are other factors as well explaining the variation of companies in terms of their RG – factors which we have not included in our models – but as we can see from our analysis above, in a high degree (32.7%) the dispersion of companies and organizations depending on their RG is due to our explanatory regression model.

Fourth, in terms of CRPSF, we can observe in the Table 5 that five from the six proposed regression models are statistically significant and in consequence good explainers of alliance performances. Using the same analysis as above, the regression models IIa, IIb, IIc, IIe and IIc are significant and good explainers of differences between companies and organizations depending on their RG (32.5%), CP (21.4%), OPER IMPROV (32.7%), PROD IMPROV (22.9%), and NPD (32.8%) as denoted by their R-square values. Only the model IIc examining the relationship between CRPSF and CS is not statistically significant. Thus, this regression model cannot be used as an explainer of dispersion of companies and organizations depending on their CS scores.

## 5. MANAGERIAL IMPLICATIONS

We can derive from the present study some interventions for companies and organizations in order to improve their alliance partner selection process. First, we recommend the managers of organizations to consider both – macroeconomic and company related factors – for selecting new partners for their strategic alliances. According to our data the companies and organizations extracting higher value from their strategic alliances consider both – macroeconomic and company related factors – when they search and select a partner for a new collaboration. While both categories of partner selection factors are associated with better alliance performances the managers need to be aware that the company related factors (e.g. the allocation of resources for alliance partner selection) have a stronger effect on both productivity and innovation related performances. Thus, we recommend managers to pay particular attention to this category of alliance partner selection factors.

Second, we also recommend the following specific procedures/interventions for the managers of organizations in order to improve their performances extracted from their strategic alliances. Thus, we advise the managers to consider that a future partner should possess the specific attributes according to the organization's needs or goals with the alliance (e.g. the future partner needs to possess advanced marketing abilities for this particular collaboration). Managers also need to improve their resources allocated to the alliance partner search and selection if they want to increase their performances extracted from their strategic alliances. Very important, in the case the alliance partner is incompatible with the organization or alliance's goals managers should refuse the collaboration. We also advise managers of organizations to constantly search for information and data for potential alliance partners and even build a data base particularized to the partner selection

purpose. Moreover, we recommend that the managers should increase their use of formal procedures and increase the attention devoted to the alliance partner selection process.

## 6. CONCLUSIONS

In this paper we have tried to shed some light regarding what factors consider the companies and organizations for partner selection when they search for new partners for the formation of new strategic alliances and networks/clusters. Even though in the management and marketing fields previous studies investigated the alliance partner selection phenomena, as far as we know, there was no evidence regarding what specific partner selection factors – macroeconomic or company related – were associated with superior alliance performances. In addition, we did not know with what type of alliance performance are these factors associated – productivity (e.g. revenues growth) or innovation (e.g. operations/processes improvement). These were the gaps in the existent alliance literature we tried to cover in this study.

Thus, we found that both categories of partner selection factors – macroeconomic/noncompany and company related – were associated with superior alliance performances. Companies and organizations who considered in a higher degree the partner selection factors – macroeconomic and company related – reported better alliance performances. Even though both categories of alliance partner selection factors were important for extracting higher value from the portfolio of strategic alliances the company related factors exhibited a slightly stronger effect on the alliance performances. Thus, companies and organizations who considered in a higher degree the company related factors for partner selection (e.g. they allocate more resources for partner selection) extracted superior value from their strategic alliances.

Our findings are quite important for the social and organizational practice since bring evidence that both categories of partner selection factors are important in order to increase the performances extracted by organizations from their strategic alliances. We have proposed various interventions useful for managers and specialists in charge of designing strategic alliances. For academia, the paper adds evidence to the stream of research conducted in the field of alliance partner selection for the development of new strategic alliances and networks.

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## APPENDIX A. VARIABLES AND ITEMS

We calculated the score for the independent variable IND CONSID summing the scores of two items, respectively for the variable PSI summing the scores of four items. In addition, for the MPSF we calculated the score summing the scores of three items, respectively five items for the variable CRPSF. For the dependent variables, we measured each item separately according to the procedure mentioned in the methodology section (e.g. revenues growth due to firm's portfolio of strategic alliances). To identify the associations between the proposed variables, given the fact that there are different number of items in each variable, we reported the standardized coefficients ( $\beta$ ).

### *Country and Regional Consideration (COREG CONSID)*

1. Our company considers country and regional issues for the partner selection.

### *Industry Consideration (IND CONSID)*

1. Our company considers the industry issues for the partner selection.
2. Our company considers the key success factors in our industry for the partner selection.

### *Partner Attributes Consideration (PA CONSID)*

1. Our company considers partner attributes and how well they fit with our needs for the partner selection (e.g. marketing abilities).

### *Partner Selection Importance (PSI)*

1. Our company is constantly searching for information regarding potential alliance partners from various sources (data bases, specialized websites, business meetings etc.).
2. In our company our managers use formal procedures for the formation and management of our alliances.
3. Our company allocates resources for selecting compatible partners.
4. If the partner is not compatible, we refuse the collaboration.

### *Macroeconomic Partner Selection Factors (MPSF)*

1. Items COREG CONSID + IND CONSID

### *Company Related Partner Selection Factors (CRPSF)*

2. Items PA CONSID + PSI