

EURAM
2010



10th

19th-22nd May, Rome

Back to the Future

Tor Vergata University, Rome, ITALY

**TRACK 40: RELATIONAL CAPABILITIES TO MANAGE STRATEGIC
ALLIANCES AND NETWORKS**

Antonio Capaldo

S.E.GEST.A. Department of Management
Catholic University of the Sacred Heart
1, Largo Francesco Vito – Rome 00168 – IT
e-mail: antonio.capaldo@unicatt.it
ph.: +39 06 3015.6110

Gianni Lorenzoni

ALMA Graduate School – University of Bologna
Villa Guastavillani – 18, Via degli Scalini
Bologna 40136 – IT
e-mail: gianni.lorenzoni@unibo.it
ph.: + 39 051 209.8086

Peter Smith Ring

College of Business Administration
Loyola Marymount University
1 LMU Drive – Los Angeles CA 90045
e-mail: pring@lmu.edu
ph.: +1-310-338-7411

**Track Proposal for the
2010 EURAM Conference – Rome, May 19-22**

June, 2009

DESCRIPTION OF THE PROPOSED TRACK

Extant research shows that interfirm collaborative relationships, and in particular dyadic alliances and alliance networks, significantly impact relevant performance outcomes at the firm, dyad, and network levels (Uzzi, 1997; Zaheer and Bell, 2005; Dyer and Hatch, 2006). However, in order to fully exploit the potential for competitive advantage embedded in inter-organizational collaboration, individual members of the partner firms and their respective organizations should manage the relationships carefully (Zajac, 1998; Lavie, 2006). To do so, a distinctive set of “relational capabilities” – individual and organizational abilities to manage inter-organizational relationships – is needed (Capaldo, 2007).

Scholars belonging to major research traditions, such as the behavioral theory, the evolutionary theory, and the knowledge-based theory of the firm, have extensively discussed the importance of capabilities, at both the individual (i.e., individual skills) and organizational (i.e., organizational capabilities and the underlying routines) *levels*, for understanding organizational behavior and performance. In recent times, two streams of literature have emerged in the field of capability research, focused on their *contents* and *dynamics* respectively.

Conversely, despite recent increase in scholarly attention paid to interfirm relationship management (Lorenzoni and Lipparini, 1999; Dyer and Nobeoka, 2000; Kale and Singh, 2007), research on relational capabilities is still in its infancy. In particular, we know too little about how relational capabilities emerge and evolve along the relationships’ developmental processes (Ring and Van de Ven, 1994; Ring, Doz and Olk, 2005). We believe that, being a special category of capabilities, relational capabilities should be explored by focusing on their *levels*, *contents*, and *processes*.

First, alliance and network scholars have typically focused on the organizational level of analysis exclusively. However, since organizations are managed by individuals who act on behalf of their organizations, the issue of relational capabilities should also be tackled at the individual level.

Second, despite considerable attention to the contents of relational capabilities, we still need to deepen our understanding of what individuals and organizations involved in interfirm relationships should do to manage successfully those relationships as they evolve along their developmental pathways.

Third, we know too little about where individual and organizational relational capabilities come from, or in other words, about the processes through which relational capabilities emerge and develop over time.

In order to fill the above gaps, we invite papers dealing with the content of and/or the developmental processes of relational capabilities, at the individual and/or organizational levels. Subjects might include, without being limited to, one or more of the following:

- How relational capabilities are similar to, or different from, other categories of capabilities;
- Similarities and differences in the nature and contents of the relational capabilities needed to manage dyadic alliances vs. alliance networks;
- The impact of relational capabilities on competitive advantage at the firm, dyad, or network levels;

- The activities/processes that individuals and/or organizations should successfully manage to be said to possess a relational capability;
- The individual/organizational attitudes and qualities that can promote the development of relational capabilities;
- The role of routines in relational capabilities at the organizational level;
- How initial conditions influence the development of relational capabilities;
- Whether and how individual and organizational relational capabilities influence each other's development processes;
- The learning mechanisms that drive the accumulation of relational capabilities;
- Whether and how different learning mechanisms can differently influence the accumulation of relational capabilities;
- The role of improvisation (if any) in the development processes of relational capabilities.

SHORT BIBLIOGRAPHY

- Anand BN, Khanna T. 2000. Do firms learn to create value? *Strategic Management Journal* **21**: 295-315.
- Capaldo A. 2007. Network structure and innovation: The leveraging of a dual network as a distinctive relational capability. *Strategic Management Journal* **28**: 585-608.
- Dyer JH, Hatch NW. 2006. Relation-specific capabilities and barriers to knowledge transfers: Creating advantage through network relationships. *Strategic Management Journal* **27**: 701-719
- Dyer JH, Nobeoka K. 2000. Creating and managing a high-performance knowledge-sharing network: The Toyota Case. *Strategic Management Journal Special Issue* **21**: 345-367.
- Ireland RD, Hitt MA, Vaidyanath D. 2002. Alliance management as a source of competitive advantage. *Journal of Management* **28**(2): 413-446.
- Kale P, Dyer JH, Sing H. 2002. Alliance capability, stock market response, and long-term alliance success: The role of the alliance function. *Strategic Management Journal* **23**: 747-767.
- Kale P, Singh H. 2007 Building firm capabilities through learning: The role of the alliance learning process in alliance capability and firm-level alliance success. *Strategic Management Journal* **28**(10): 981-1000.
- Lavie D. 2006. The competitive advantage of interconnected firms: An extension of the resource-based view. *Academy of Management Review* **31**(3): 638-658.
- Lorenzoni G, Baden Fuller C. 1995. Creating a strategic center to manage a web of partners. *California Management Review* **37**(3): 146-163.
- Lorenzoni G, Lipparini A. 1999. The leveraging of interfirm relationships as a distinctive organizational capability: A longitudinal study. *Strategic Management Journal* **20**: 317-338.
- Powell WW, Koput KW, Smith-Doerr L. 1996. Interorganizational collaboration and the locus of innovation: networks of learning in biotechnology. *Administrative Science Quarterly* **41**:116-145.
- Ring PS, Van de Ven AH. 1994. Developmental processes in cooperative interorganizational relationships. *Academy of Management Review* **19**: 90-118.
- Ring PS, Doz Y, Olk PM. 2005. Managing formation processes in R&D alliances. *California Management Review* **47**(4): 137-156.
- Simonin BL. 1997. The importance of collaborative know-how: An empirical test of the learning organization. *Academy of Management Journal* **40**(5): 1150-1174.
- Spekman RE, Forbes TM, Isabella LA, MacAvoy TC. 1998. Alliance management: A view from the past and a look to the future. *Journal of Management Studies* **35**(6): 747-772.
- Uzzi B. 1997. Social structure and competition in interfirm networks: The paradox of embeddedness. *Administrative Science Quarterly* **42**: 35-67.
- Zaheer A, Bell GG. 2005. Benefiting from network position: firm capabilities, structural holes, and performance. *Strategic Management Journal* **26**(9): 809-825.

Zajac EJ. 1988. Commentary on 'Alliances and Networks' by R. Gulati. *Strategic Management Journal* **19**:319-321.

ABOUT THE CHAIRS

Antonio Capaldo is Associate Professor of Business Administration at the Catholic University of the Sacred Heart in Rome. He earned his Ph.D. in Management from the University of Bologna and has been Visiting Researcher at the Warwick Business School (UK). His research interests include relationships and networks at several levels of analysis, network governance, the embeddedness of strategy, the processes of interorganizational collaboration, and the strategic management of interfirm alliances and alliance networks. Professor Capaldo serves as a reviewer for a number of international journals and conferences, and has published more than 30 papers and book chapters and one book. His work on the relationships between network structure and innovation has recently been published in the *Strategic Management Journal*.

Gianni Lorenzoni is Emeritus Professor of Strategic Management at the University of Bologna. He has been Visiting Scholar at Stanford University and New York University, as well as Visiting Professor at Texas A&M and several European Schools. He is also President of Alma Graduate School and President of PMI (the 50k Competition). Professor Lorenzoni's research activities are focused on strategic management and organizational network forms. Most recent project are concentrated on strategic alliances and partnerships, industrial districts and clusters. His articles have been published in *California Management Review*, *Strategic Management Journal*, *Industrial and Corporate Change*, *Research Policy*, and many others.

Peter Smith Ring, Ph.D (UC, Irvine), is Professor of Strategic Management at Loyola Marymount University in Los Angeles, CA. He has been visiting professor/research scholar at Insead; IESE; Nanyang Business School (as a Fulbright Scholar); CEIBS; University of Bologna; University of Bocconi; Université de Paris IX – Dauphine; University of Catania; and University College Dublin. He is an AIM Visiting International Fellow at the Graduate School of Business, Strathclyde University. His research focuses on networks and strategic alliances, the processes for managing strategic alliances, the role of trust in inter-organizational relationships, strategies for managing competitive and political environments, and public sector-private sector collaboration. His research has been published in *Strategic Management Journal*, *Academy of Management Review*, *California Management Review*, *Policy Sciences*, *Journal of Management Studies*, *European Management Journal*, *European Management Review*, *Administration and Society*, and *Public Administration Review*, as well as in a number of chapters in research monographs. He co-edited the *Oxford Handbook on Inter-organizational Relationships* that was published by Oxford University Press in June of 2008. He sits on the Editorial Boards of the *Journal of Management Studies*, *Strategic Management Journal* and the *California Management Review*.