

**BUILDING AN ALLIANCE CAPABILITY MODEL:
A STUDY OF SELECT INDUSTRIES IN INDIAN CONTEXT**

by

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CERTIFICATE

This is to certify that the thesis entitled **“Building an Alliance Capability Model: A Study of Select Industries in Indian Context”** which is being submitted by Mr. Dinesh Kumar Likhi to the Indian Institute of Technology Delhi for the award of the degree of Doctor of Philosophy (Ph.D.), is a record of bona fide research work carried out by him. He has worked under my guidance and supervision and has fulfilled the requirements for the submission of the thesis, which has attained the standard required for a Ph.D. degree of the Institute. The results presented in this thesis have not been submitted elsewhere for the award of any degree or diploma.

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(Dinesh Kumar Likhi)
New Delhi

ABSTRACT

The dependence on alliances has significantly increased and will further increase in the coming years. As a result,, there has been an increasing focus on alliance management through building alliance capability. The management of strategic alliance for higher performance requires that firms should aim at developing both inter and intra firm alliance capabilities.

This research has three main objectives. The first one is to find out differences in alliance capability model research variables viz. Context, Leadership, Inter-capability, Intra-capability, Revitalization capability, and performance in select industries, in order to interpret and generalize the findings. The second objective is to establish a relationship between the key research variables, (Context, Leadership, Inter Capability, Intra Capability, Revitalization Capability, and Alliance Performance). The third one is to propose a validated model of strategic alliance capability with focus on alliance performance.

The literature surveyed on the subject brings out the gaps in the areas of alliance management relating especially to internal context, leadership and their roles in inter-, intra- and revitalization capability building and alliance performance. This provides an opportunity to attempt a comprehensive alliance capability model.

Given the complexity of the subject under study and in order to develop a balance check mechanism, the research was divided into four phases: (i) Pilot Study using select cases of one Indian company, i.e Steel Authority of India Limited, (ii) Opinion Survey Study that deals with the opinion of 129 alliance executives selected from steel, oil, power and engineering industries, (iii) Cases of select companies from steel, oil and

power industries in the Indian context, and (iv) Syntheses that encompass the learning of both the Opinion Survey and the Case Research.

After a review of literature, the key variables affecting performance of strategic alliances have been identified. In order to identify whether such variables affect performance of strategic alliances, case research was conducted in one company (to keep key variables, not adopted in the study, under control). After it was established that variables under study are relevant, Interpretive Structural Modeling was carried out to classify variables into drivers (independents), autonomous, linkage and dependents. This enabled creation of a conceptual alliance management capability framework for further validation.

The opinion survey aims at developing basic understanding of the impact of internal context in enhancing leadership support and commitment, alliance management capabilities (inter, intra and revitalization) and strategic alliance performance. While maintaining random selection in the best possible manner, the key parameter for executive's selection for the opinion survey was 'experience in working with strategic alliances' in order to have relevant experience based input. The data has been collected through questionnaires formulated to capture the alliance executives' experiences in different areas of alliance management such as internal context, leadership-support and commitment, intra capability, inter capability, revitalization capability and alliance performance. The questionnaires were formulated and tested for validity and reliability. The statistical analysis of the data has been done utilizing both SPSS and AMOS software and conclusions have been reached, based on differences, associations and paths.

The SAP-LAP (Situation Actor Process-Learning Action Performance) framework has been adopted to understand the impact of context and leadership in a semi-controlled micro ambient of major

companies in Power, Oil and Steel industries. The case research has helped to re-validate the model to enhance Strategic Alliance Performance through context, leadership and alliance capabilities (inter, intra and revitalization), based on high performance and moderate performance cases of strategic alliances. Interpretation of relationships, identified in opinion survey was done for a better insight.

The synthesis of the Opinion Survey and Case Research studies is done taking into consideration the differences, similarities and an interpretation of both the studies. Emphasizing the learning from the Case Research, issues for implementations that could affect the impact positively or negatively on strategic alliance performance, have been suggested. This has helped in proposing a model for use and implementation, as also for interpretation of relationships (established through findings of opinion survey).

The research highlights that although internal context of an organization is the major driver of alliance performance, leadership emerges as the key enabler in building capability and the alliance performance and inter- and intra-capability as the important linkage variables. The major outcome variables are revitalization capability and alliance performance. In addition, revitalization capability seems to be an outcome of the influence of leadership, inter and intra capability, which also seems to drive performance of strategic alliance.

A validated model for enhancing alliance performance has been established. A list of major findings has been incorporated. Suggestions for implementing the learning have been provided. Major recommendations are listed and implementation issues and limitations of the study have also been presented.

Contents

	Content	Page No.
	<i>Certificate</i>	<i>i</i>
	<i>Acknowledgements</i>	<i>ii</i>
	<i>Abstract</i>	<i>iv</i>
	<i>Contents</i>	<i>vii</i>
	<i>List of Figures</i>	<i>xiv</i>
	<i>List of Tables</i>	<i>xvi</i>
	<i>List of Appendices</i>	<i>xxii</i>
	<i>Nomenclature</i>	<i>xxiii</i>
Chapter – 1:	Introduction to the Study	1
1.1	General Background	1
1.2	Key Challenges for Indian Industries	2
1.3	Need for the Study	5
1.4	Research Questions	8
1.5	Objectives of the Study	9
1.6	Scope of the Study	10
1.7	Overall Methodology of the Study	11
	1.7.1 Opinion Survey of Indian Alliance Executives	11
	1.7.2 Case Research of Three Major Companies	12
	1.7.3 Comparative Analysis and Synthesis	12
1.8	Organization of the Thesis	12
1.9	Concluding Remarks	14
Chapter – 2:	Literature Review on Strategic Alliance Management	16
2.1	Introduction	16
2.2	Understanding Strategic Alliances	17
	2.2.1 Definition	17
	2.2.2 Linkage to Strategy Theory	19
	2.2.3 Types of Strategic Alliances	19
	2.2.4 Life Cycle of Strategic Alliances	21
	2.2.5 Motives of Strategic Alliances	22
2.3	Role of Context in Strategic Alliances	26

2.4	Role of Leadership in Strategic Alliances	28
2.5	Role of Capabilities in Strategic Alliances	29
2.5.1	Role of Intra-Firm Capability in Strategic Alliances	32
2.5.2	Role of Inter-Firm Capability in Strategic Alliances	38
2.5.3	Role of Revitalization Capability in Strategic Alliances	43
2.6	Performance Measurement in Strategic Alliances	46
2.7	Variables Identified from Literature Review	48
2.7.1	Dependent Variable	49
2.7.2	Independent Variables	49
2.8	Gaps identified from Literature Review	50
2.9	Concluding Remarks	52
Chapter-3:	Design of the Study	54
3.1	Introduction	54
3.2	Research Variables	55
3.2.1	Macro Variables	56
3.2.2	Micro Variables	57
3.2.3	Justification of Macro and Micro Variables Chosen	59
3.2.4	Additional Variables	60
3.3	Conceptual Framework of Research	60
3.4	Research Proposition for Pilot Study	61
3.5	Hypotheses Formulation for Opinion Survey	63
3.5.1	Hypotheses of Difference	63
3.5.2	Hypotheses of Association	66
3.6	Research Methodology	70
3.6.1	Methodology for the Pilot Study	71
3.6.2	Research Methodology for the Opinion Survey	74
3.6.3	Research Methodology for the Case Analysis	77
3.6.4	Methodology for Building an Alliance Capability Model	81
3.6.5	Sampling for Pilot Study, Opinion Survey and Case Research	82
3.6.6	Justification of the Methodology Chosen	84
3.7	Roadmap of the Study	86

3.8	Concluding Remarks	87
Chapter – 4: Pilot Study on Strategic Alliance		88
	Management	
4.1	Introduction	88
4.2	Key Research Propositions in the Pilot Study	88
4.3	Methodology for the Pilot Study	89
4.4	Case Research	90
4.4.1	Background-Steel Authority of India Limited	91
4.4.2	Caselet A: SAIL– Bansal Steel Service Center at Bokaro	93
4.4.3	Caselet B: SAIL-UEC	96
4.4.4	Caselet C: SAIL– Romelt	99
4.4.5	Caselet D: Oxygen Plant Strategic Alliance	101
4.4.6	Caselet E: VISL	103
4.4.7	Caselet F : RFP	104
4.4.8	Caselet G: Salem Steel Plant Strategic Alliance	106
4.4.9	Caselet H :Strategic Alliance with NTPC	107
4.4.10	Caselet I: Strategic Alliance with DVC	109
4.5	Caselets Analysis	110
4.6	ISM of Identified Variables from Literature and Caselet Analysis	114
4.6.1	Structural Self-Interaction Matrix (SSIM)	114
4.6.2	Reachability Matrix	115
4.6.3	Level Partitions	117
4.6.4	Formation of ISM-based model	118
4.6.5	Relationship Analysis	120
4.7	Summary of Major Findings from the Pilot Study	121
4.8	Concluding Remarks	123
Chapter – 5: Opinion Survey of Alliance Executives		124
5.1	Introduction	124
5.2	Design of the Questionnaire	125
5.3	Validity and Reliability of Questionnaire	127

5.3.1	Validity	127
5.3.2	Reliability	129
5.4	Questionnaire Testing and Final Questionnaire	130
5.5	Sampling & Data Collection	132
5.6	Respondents' Profile	133
5.7	General Observations from the Survey	135
5.8	Factor Analysis	137
5.8.1	Factor Analysis for Macro Variables	138
5.8.2	Factor Analysis for Micro Variables	139
5.9	Univariate Analysis for Variables	140
5.9.1	Univariate Analysis for Macro Variables	140
5.9.2	Univariate Analysis for Micro Variables	142
5.10	Cultural Dimensions Preferences	143
5.11	Tests for Hypotheses of Difference	145
5.11.1	Hypotheses of Difference amongst Macro Variables	145
5.11.2	Hypotheses of Difference amongst Micro Variables	147
5.12	Cluster Analysis and Discriminant Analysis	148
5.13	Concluding Remarks	150
Chapter – 6:	Empirical Validation of the Conceptual Framework on Strategic Alliance Management	152
6.1	Introduction	152
6.2	Testing Hypotheses of Association for Macro Variables	152
6.2.1	Correlation Analysis	153
6.2.2	Step-wise Regression Analysis of Macro Variables	153
6.2.3	Discussions on Hypotheses Testing for Macro Variables	158
6.3	Testing Hypotheses of Association for Micro Variables	159
6.3.1	Correlation Analysis	159
6.3.2	Step-wise Regression Analysis of Micro Variables	161
6.3.3	Discussions on Hypotheses Testing for Micro Variables	170

6.4	Testing Hypotheses of Association for All Variables Using Structural Equation Modeling	174
6.5	Testing Hypotheses of Association for SAP as Independent Variable and Performance as Dependent Variable	178
6.6	Concluding Remarks	180
Chapter – 7: Case Studies on Strategic Alliances		182
7.1	Introduction	182
7.2	Case Research Methodology	183
7.3	Oil Sector and ONGC Strategic Alliances	185
7.3.1	Strategic Alliances in Oil Sector	185
7.3.2	Brief on ONGC	187
7.3.3	Case Study Data Collections	188
7.3.4	Case Study No. 1 (OVL & Vietnam Government Strategic Alliance)	189
7.3.5	Case Study No. 2 (OVL, CNPC, China, Petronas Malaysia, Sudan Oil Company Strategic Alliance)	195
7.3.6	Case Study No. 3 (OVL & Sakahlini Strategic Alliance)	200
7.4	Power Sector and NTPC Strategic Alliances	204
7.4.1	Power Sector and Strategic Alliances	204
7.4.2	Brief on NTPC	206
7.4.3	Case Study Data Collection	207
7.4.4	Case Study No. 4 (Strategic Alliance between NTPC and SAIL)	207
7.4.5	Case Study No. 5 (Strategic Alliance between NTPC and State Governments)	211
7.4.6	Case Study No. 6 (Strategic Alliance between NTPC and Power Trading Corporation)	215
7.5	Steel Sector and SAIL Strategic Alliances	218
7.5.1	Steel Sector and Strategic Alliances	218
7.5.2	Brief about SAIL	219
7.5.3	Case Study Data Collection	221

7.5.4	Case Study No. 7 (SAIL– UEC Strategic Alliance)	221
7.5.5	Case Study No. 8 (SAIL– Jaiprakash Associate Alliances)	224
7.5.6	Case Study No. 9 (SAIL– Romelt Alliance)	230
7.6	High and Moderate Performance Cases	234
7.7	Concluding Remarks	236
Chapter – 8: Synthesis of Learning and Validated Alliance Capability Model		237
8.1	Introduction	237
8.2	Key Learning from the Pilot Study	237
8.3	Key Learning from the Opinion Survey	238
8.4	Key Learning from the Case Research	240
8.5	Comparative Analysis of Opinion Survey and Case Research	240
8.6	Validated Model with Interpretations	243
8.7	Key Implementation Issues	247
8.8	Concluding Remarks	249
Chapter – 9: Conclusions		251
9.1	Introduction	251
9.2	Summary of Main Findings	252
9.2.1	Comparison Amongst Select Sectors of Indian Industries	252
9.2.2	Relationship of Key Research Variables	253
9.2.3	Validated Alliance Capability Model	255
9.3	Major Recommendations	256
9.4	Implications and Relevant Research Audience	257
9.4.1	Implications to Academicians	258
9.4.2	Implications to Managers	259
9.5	Significant Research Contributions	260
9.6	Limitations of the Study	261
9.7	Suggestions for Future Research	262

9.8	Concluding Remarks	263
	<i>References</i>	264
	<i>Appendices</i>	A1-A56
