Knowledge Management for Strategic Alliances: A Case Study

Mario J. Donate, University of Castilla-La Mancha, Spain
Fátima Guadamillas, University of Castilla-La Mancha, Spain
Jesús D. Sánchez de Pablo, University of Castilla-La Mancha, Spain

ABSTRACT

Managing organizational knowledge in alliances implies establishing the best possible strategic design to create, acquire, maintain, transfer, and apply organizational knowledge developed between the partners (or acquired from partners) in order to achieve competitive goals. In this paper, the role of knowledge management strategy (KMS) in strategic alliances is analyzed in a technology-intensive company. The importance of alliances for technological companies and the necessity of designing suitable KMSs in alliances—in terms of objectives and goals, knowledge management tools, and support systems—are explained first of all. Moreover, the analysis of a case study of KMS in the strategic alliances of a company currently developing different businesses in technological settings is developed by the authors. Finally, several conclusions are discussed, based on how the implementation aspects concerning KMS in strategic alliances have been managed and the way they have contributed to the attainment of the company’s objectives and goals.

Keywords: Case Study, Innovation, Knowledge Management Strategy, Spain, Strategic Alliances, Technology

1. INTRODUCTION

The growth of alliances has generated considerable interest in this topic among both academics and practitioners over the past 25 years (Grant & Baden-Fuller, 2004; Meier, 2011). In particular, the strategic management literature has recognized alliances as a source for firms to acquire and improve their knowledge-based capabilities in current innovation-intensive environments (Oxley & Sampson, 2004). Alliances can thus operate as a mechanism for firms to develop a competitive advantage, outperforming their rivals by means of the company’s proven access to economies of scope and scale, complementary capabilities and knowledge, the possibility of competing in new markets, the improvement of their learning capacity, or the sharing of costs and risks of R&D projects, among other reasons (Saxton, 1997; Ireland, Hitt, & Vaidyanath, 2002; Luo, 2008).

A Knowledge Management Strategy (KMS) is considered in this paper as one of the main factors for firms in order to build...
collaborative (competitive) advantages through strategic alliances. Managing organizational knowledge in alliances involves working on the best possible strategic design to create, acquire, maintain, transfer and apply organizational knowledge developed or acquired amongst the partners in order to achieve strategic goals (Guadamillas, Donate, & Sánchez de Pablo, 2006).

A clear relationship exists between strategic alliances and the way KMS are established by firms in order to obtain specific knowledge outcomes. For instance, Lane and Lubatkin (1998) and Stuart (2000) contend that the main objective of partners in a technological alliance is inter-organizational learning, as a consequence of the difficulty faced by each partner in terms of internally solving their competitive challenges. Inter-organizational learning is based on the absorptive capacity of the company, which represents its ability to assess, assimilate and use the external (acquired) knowledge (Cohen & Levinthal, 1990; Lane & Lubatkin, 1998). For that learning to take place, an adequate KMS has to be developed to effectively exploit the flows of knowledge that are produced in the strategic alliance through absorptive capacity (Grant & Baden-Fuller, 2004). In doing so, the development of innovations will speed up, thus making its implementation over a short period of time possible, ultimately leading to important advantages for the firm whilst encouraging a superior level of learning (Stuart, 2000).

In order to effectively manage a strategic alliance, organizational and technical aspects have to be taken into account: the use of information technology (IT) and the systems that make the access to knowledge easier, the organizational culture that fosters innovation development and ethical and responsible behavior, and human resources (HR) practices. All of these make the establishment of a coherent structure for knowledge management in strategic alliances a complicated issue (Schmaltz, Hagenhoff, & Kaspar, 2004; Guadamillas et al., 2006).

Furthermore, there are other kinds of problems that arise in strategic alliances, which make the effective development of collaborative activities and knowledge sharing a complex issue. The first problem is the specificity, tacitness and complexity of knowledge, which may make knowledge storage and transfer difficult for a firm. Moreover, the distrust between partners and the cultural barriers in respect of collaboration imply certain reluctance on the part of companies to participate in alliances (Lane & Lubatkin, 1998; Ireland et al., 2002). Excessive technological and knowledge diversity (or similarity), for example, can be problematic insomuch as it gives rise to difficulties in terms of learning from partners (Lane & Lubatkin, 1998). Finally, the organizational form and the governance structure of the strategic alliance should be adapted to accomplish the alliance objectives and specific requirements of the companies involved. Meier (2011) summarizes those aspects influencing (intra and inter-organizational) knowledge outcomes of a strategic alliance: the characteristics of knowledge; those of the alliance partners; those of their interaction and relationship; and the way knowledge management is developed in the alliance (active knowledge management).

In this paper, we attempt to analyze the KMS of companies involved in strategic alliances, and in particular, a number of aspects related both to the sharing and transmission of knowledge from the knowledge-based view of the firm. The role of technical and organizational factors in these processes will be thus analyzed in relation to culture, HR practices, and the management of IT systems. This paper will be structured as follows: Firstly, the importance of KMS for individual companies in alliances in order to develop a collaborative advantage and obtain important returns on their R&D investment will be explained. Secondly, we shall analyze the importance of organizational and strategic aspects that are involved in this process, stressing those factors that make the effective transmission and sharing of knowledge a complex task for a firm.

Finally, the role of KMS oriented towards innovation in strategic alliances will be analyzed in a Spanish company within a technology-intensive industry. This firm maintains strategic alliances that are considered as being essential
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