

*The Success of None-Joint Venture  
Strategic Alliances  
- a cultural perspective of a managerial strategy -*

**Advisor:**

Doctor of Economics  
**Christer Kedström**

**Authors:**

**Mikael H. Lexholm  
Henrik Buchhave**

# ABSTRACT

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<b>Title:</b>	The Success of None-Joint Venture Strategic Alliances: a cultural perspective of a managerial strategy
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<b>Authors:</b>	Mikael H. Lexholm Henrik Buchhave
<b>Advisor:</b>	Christer Kedström
<b>Key words:</b>	Strategic alliance, organisational culture, IT companies, values, identification
<b>Purpose:</b>	The purpose for this thesis is to study which factors management acknowledges as important for a successful strategic alliance and if its success insinuates employees' identification with the organisational culture as a prerequisite.
<b>Methodology:</b>	This thesis is based on empirical findings from six companies. The empirical findings are analysed through a theoretical perspective. This study has used both interviews and questionnaires for exploring its research purpose.
<b>Theoretical perspectives:</b>	Strategic Alliance Theory, Organisational Culture Theory
<b>Empirical foundation:</b>	Avansys, Connect Blue, Lundinova, Purple Scout, TAT (The Astonishing Tribe) and Terranet
<b>Conclusion:</b>	<p>The companies' managements acknowledge personal relations and trust, through good communication and predefined responsibilities and goals, as key factors to succeed in strategic alliance. These factors did not always exist according to the employees' involved. This research, in contrast, suggests that these factors are subordinate to the correlation between the company's vision and the alliance objectives, hence level of priority, which indicates that management has <i>hidden motives</i> for entering the strategic alliance.</p> <p>The successful none joint venture strategic alliances for small IT companies, studied in this research, have had a limited impact by the organisational culture.</p> <p>This research has also contributed to theory by providing a Priority Matrix for evaluating partners' priority to succeed in the strategic alliance.</p>

# SAMMANFATTNING

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<b>Titel:</b>	Lyckade icke-sammanslagningar av Strategiska Allianser: ett kulturellt perspektiv av en ledningsstrategi
<b>Seminariedatum:</b>	2008-01-24
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<b>Författare:</b>	Mikael H. Lexholm Henrik Buchhave
<b>Handledare:</b>	Christer Kedström
<b>Nyckelord:</b>	Strategiska allianser, organisationskultur, IT-företag, värderingar, motivation
<b>Syfte:</b>	Denna uppsats syftar till att undersöka vilka faktorer ledningen erkänner som viktiga för en lyckad strategisk allians och om dess framgång innebär att anställdas identifikation med organisationskulturen är en förutsättning.
<b>Metod:</b>	Uppsatsen baseras på en empirisk grund från sex företag. Den empiriska grunden analyseras utifrån teoretiska perspektiv. Vid denna studie har både intervjuer och enkäter använts för att studera forskningssyftet.
<b>Teoretiska perspektiv:</b>	Teorier om strategiska allianser och organisationskultur
<b>Empirisk grund:</b>	Avansys, Connect Blue, Lundinova, Purple Scout, TAT The Astonishing Tribe and Terranet
<b>Slutsatser:</b>	<p>Ledningen i företagen erkänner personliga relationer och förtroende, genom god kommunikation och förutbestämt ansvarsfördelning och mål, som huvudfaktorer för att lyckas i strategiska allianser. Dessa faktorer var dock inte alltid närvarande alliansen, enligt de anställda. Denna studie däremot funnit att dessa faktorer är underordnade korrelationen mellan företagets vision och målen med alliansen, därmed graden av prioritering, vilket indikerar att ledningen har underliggande motiv till att gå med i den strategiska alliansen.</p> <p>De lyckade icke-sammanslagna strategiska allianserna av små IT företag, studerade i denna uppsats, har haft begränsad påverkan av organisationskulturen.</p> <p>Denna studie har bidragit teorin genom att presentera en Prioritets Matris för att utvärdera allianspartners prioritering att lyckas i den strategiska alliansen.</p>

## **PREFACE**

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*This Master Thesis has given us a deeper understanding and knowledge, about strategic alliances and the effects of organisational culture, previously not known to us. Writing this paper has been a hectic and intense time for both of us but it has been time well spent. With that said we can also say that we are glad to have completed our research.*

*We thank Rolf Nilsson CEO at ConnectBlue, Anders Carlus CEO at Terranet, Johan Strömhage CEO at Purple Scout, Ludvig Linge Co-founder and former CEO of TAT The Astonishing Tribe, Lars Andersson Consultancy Manager at Avansys, Johan Marnfeldt Managing Director of New Technologies at Lundinova and all their employees participating in our Master Thesis. Without your time and effort this study could not have been done.*

*We would also like to give a special thanks to our advisor, Doctor of Economics, Christer Kedström for his support and guidance.*

*Lund, January 24, 2007*

*Mikael H. Lexholm*

*Henrik Buchhave*

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# 1

## **Competitive Advantages through Alliances**

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This chapter introduces background information about the importance of strategic alliances as an imperative instrument in establishing competitive advantages. When companies focus on core competencies it prevents them from providing the entire value chain internally. The background information will narrow down the subject to a problem discussion which then will distinguish this thesis purpose. The delimitations will conclude the introduction by outlining the perimeters for this thesis' research prospect.

### **1.1 Background**

Companies have a long range of social, professional and exchange relationship with other organisations. The networks can be both horizontal and vertical between costumers, suppliers, competitors and other entities. Depending on the closeness of the relationship in practice the network contact instead becomes an alliance partner. Alliances can be found locally within one industry, but also across industries and countries. The closeness and importance of the alliance defines if it will take the form of a long term consumer-supplier relationship, a strategic alliance or a joint-venture<sup>1</sup>.

Companies engage in more alliances than ever. Taking the US as an example, the amount of strategic alliances has grown in the past decades, even during times of economic decline, as in the late 1990's<sup>2</sup>. By 1998 the number of strategic alliances in the US had increased by an annual rate of approximately 25 percent<sup>3</sup>. A reason for the increasing number of strategic alliances is the incremental but rapid change in companies' environment, transforming from an industrial to a knowledge based society. The transformation is characterised by globalisation, which has strongly affected market conditions, thus companies' structures. This has led to faster

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<sup>1</sup> Gulati, R. & Nohria, N. & Zaheer, A. "Strategic Networks" Strategic Management Journal 21, 2000.

<sup>2</sup> Harbison, J.R. & Pekar, P. "Small alliances". San Francisco. Jossey-Bass Publishers, 1998.

<sup>3</sup> Ibid.



production and distribution requirements but also major technological development within the fields of IT and other technological solutions.<sup>4</sup>

This thesis studies IT companies in the south of Sweden, Malmö and Lund, which are central for great investments and an expansion of IT, Biotech and Medtech sectors. The Öresunds region is special in the sense that there is a geographical closeness between the three high-tech clusters of Ideon<sup>5</sup> Science Park in Lund, Medeon<sup>6</sup> in Malmö and the upcoming science COBIS<sup>7</sup> in Copenhagen, which will be completed in 2008. Denmark's attractiveness for business investments has especially been noticed during the last years. Its geographical location, i.e. the Öresund region as well, is also recognised as attractive due to its central position in northern Europe.

*“For the third consecutive year the Economist Intelligence Unit (EIU) has chosen Denmark as the best country in the world in which to do business and invest.”<sup>8</sup>*

The recruitment advertisements for IT personnel in Sweden increased by 77% in 2007 with Stockholm attracting most recruitment, but according to Rizvi at Monster<sup>9</sup>, one of the large websites for finding jobs, is the south of Sweden expected to exceed the capital's attractiveness during 2008. According to Finpro, a Finnish consulting organisation<sup>10</sup>, the Öresund region also contains Scandinavia's largest ICT cluster, information and communications technology, and Medeon, Europe's third largest Biotech and Medtech cluster<sup>11</sup>.

## **1.2 Problem discussion**

To build competitive advantages many companies holds on to what they know best, i.e. their core competencies. This gives the company an edge on the market, focusing on their niche. But to attract customers companies must

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<sup>4</sup> Lövendahl, B. & Revang, Ø. “Challenges to Existing Strategy Theory in a Postindustrial Society”, Strategic Management Journal, Vol 19, No 8, Aug 1998

<sup>5</sup> [www.ideon.se](http://www.ideon.se)

<sup>6</sup> [www.medeon.se](http://www.medeon.se)

<sup>7</sup> [www.cobis.dk](http://www.cobis.dk)

<sup>8</sup> [www.copcap.com/composite-10526.htm](http://www.copcap.com/composite-10526.htm)

<sup>9</sup> <http://it24.idg.se/2.2275/1.139454>

<sup>10</sup> [www.finpro.fi/en-US/Finpro/](http://www.finpro.fi/en-US/Finpro/)

<sup>11</sup> [www.finprolive.fi/cms/img/text/41/RSpotlightOresund070828F1.pdf](http://www.finprolive.fi/cms/img/text/41/RSpotlightOresund070828F1.pdf)

often be able to provide complete solutions to its clients, which makes holding on to core activities more difficult. One way of solving this issue is to engage in different types of alliances. These collaborations are often strategic for the company's survival and future success. Close partnerships like strategic alliances give rise to many beneficial advantages but also to a whole new set of problems, when companies open up their corporate doors to competitors, suppliers and costumers.

The main reason for companies to establish strategic alliances is to enhance their united capabilities, by sharing resources and technological knowledge, to increase both companies' competitive advantages<sup>12</sup>. Strategic alliances can be explored out of various perspectives. Traditional strategic research views the company as an individual entity aiming to obtain competitive advantages by establishing a market position on their own<sup>13</sup>. The growing number of networks during the last years contributes to an opposite view of companies as a part of a network of alliances, combining their capabilities and competencies<sup>14</sup>. The company elevates their level of competitive advantages, not easily obtainable on their own, but they also relay their success on the network and their close alliances with strategic companies.

Competitive alliance management skills are often characterised by a critical balance between the need of acquiring external knowledge and to keep core competencies from leaking to the alliance partners, which may decrease the company's individual competitiveness<sup>15</sup>. Decisions made by management concerning strategic issues are based on their values and previous experience, based on their education, experience and personal background<sup>16</sup>. Alliance management is a very critical factor, since the balance acquiring knowledge and leaking knowledge may seriously jeopardise the individual company. Companies often take risks in strategic alliances to reduce risk within other sections of the company's internal processes. Problems concerning predefined goals and processes, risk

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<sup>12</sup> Hyder, A.S. & Eriksson, L.T. "Success is not enough; The spectacular rise and fall of a strategic alliance between two multinationals", *Industrial Management Journal*, 34, 2005.

<sup>13</sup> Gulati, R., Nohria, N. & Zaheer, A. "Strategic Networks" *Strategic Management Journal* 21, 2000

<sup>14</sup> Ibid.

<sup>15</sup> Kale, P., Singh, H. & Perlmutter, H. "Learning and protecting of proprierty in strategic alliances: Building rational capital". *Strategic management Journal*, 21 (Special issue), 2000.

<sup>16</sup> Carpenter, M.A., Geletkanycz, M.A., Sanders, W.G. "Upper echelons research revisited: antecedents, elements, and consequences of top management team composition", *Journal of Management*, Vol. 30 No.6, 2004.

dividing, communications and management induced regulations. A crucial factor is therefore how close the alliance should be, in relation to knowledge and resource sharing, which varies over time.<sup>17</sup>

Managing a strategic alliance is comprised with many difficult issues and conflicting opinions, all of them constituting obstacles when striving for success. Strategic alliance theory often lists a number of important factors for successful alliances but few stresses the importance of the company's organisational culture, affecting the outcome of the collaboration. According to Alvesson<sup>18</sup> culture is the total amount of meanings and symbols, specific for a group of people. The organisational culture thus affects every process and actions within the company and in external relations. The inter-organisational relations between employees in the collaboration are very important, but the social capital seldom gets the attention that it deserves, i.e. relations with others who possess knowledge and resources the company needs. To achieved long-term success in a strategic alliance the social capital has to be based on trust between the companies<sup>19</sup>. The problem with lack of trust is a general problem but especially existent in international alliances, where the risk of conflicting cultural differences is high<sup>20</sup>. Parameters as cultural, economical and institutional differences are barriers in the process of establishing a trusting relationship.<sup>21</sup>

Problems are bound to arise if management's strategic actions are not supported by the organisational members who are operating within the paradigm of organisational culture, imposed by management.

### **1.3 Purpose**

The purpose for this thesis is to study which factors management acknowledges as important for a successful strategic alliance and if its

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<sup>17</sup> Stanek, M.B. (2004), *"Measuring alliance value and risk, a model approach to prioritizing alliance projects"* Management Decision, Vol 42, no 2,

<sup>18</sup> Alvesson, M. *"Understanding Organizational Culture"*, SAGE Publications Ltd, London, 2005

<sup>19</sup> Ireland, R.D., Hitt, M. & Vaidyanath, D., *Alliance Management as a Source of Competitive Advantage*, Journal of Management, 28(3) 2000.

<sup>20</sup> Hofstede, G. *"Motivation, Leadership, and Organization: Do American Theories Apply Abroad?"* Organizational Dynamics, 1980

<sup>21</sup> Hitt, M.A., Ireland R.D. & Lee, H. 2000b. *Technological learning, knowledge learning, firm growth and performance*. Journal of Engineering and Technology Management, 17.

success insinuates employees' identification with the organisational culture as a prerequisite.

## **1.4 Delimitation**

This research is limited to studying successful none-joint venture strategic alliances in small IT companies, i.e. less than 150 employees, from a management and an organisational culture perspective.

This research does not intend to investigate to what actual extent the strategic alliances are indeed successful. It is assumed that they are successful if management believes they are.

This research does not intend to consider if the companies' alliances actually are strategic per se, as a prerequisite for being chosen as a case study object.

Organisational culture is in this thesis described as a system of incentives and actions, imposed by management, and how those comply with employees' values, thus their ability to identify with the organisation.

This thesis does not attempt to grasp the entire essence of organisational culture, since that involves so much more than one interview and a questionnaire to those employees involved in the strategic alliance. The cultural aspect of symbolism, social interactions and meanings are not a part of this thesis' definition of organisational culture. The dimensions of values and motives for identification are only intended to give an indication of what effect organisational culture might have on the success of strategic alliances.

## 2

### **The Methodological Process**

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This chapter introduces the methods used in the thesis. It is imperative for the research's validity that all steps in the process of writing this thesis are transparent to enable the reader to acknowledge why the authors have chosen their methodology. This chapter describes a critical review of this research's choice of purpose and case subjects, its empirical process and the choice of theoretical framework.

#### ***2.1 The Choice of Research Subject and Study Subjects***

From the beginning we read a lot of articles and books about networking, clusters and alliance. Our original research purpose was to study how entrepreneurs are affected by their networks. We started listing companies in southern Sweden, who are operating within the IT sector, by searching for their company's registration numbers in Affärsdata. These numbers, SNI numbers 72210 and 72220, contain information about a company's operative business. We chose this industry because a knowledge intensive industry opens up for a rapidly expanding market nurturing an environment where clusters of entrepreneurs can create vast networks.

As we progressed in our preliminary research problems arose concerning the theoretical contribution of our purpose in relations to our expectations on providing the thesis with supporting empirical data. We were also unsure of how to practically approach the purpose and theoretically maintaining a logical reasoning throughout the thesis. One of our main issues concerned the practical problem of correlating entrepreneurs' success with their networks. After intense discussion, brainstorming and guidance from our advisor we found an alternative purpose in the subject of strategic alliances, which was related to our primary research question.

The new purpose was easier to grasp from both a theoretical and a practical perspective. Initial discussions and research, concerning the new topic, led us to the conclusion that much of the previous research has focused on transaction costs, the organisations' technical compatibility and

managements importance. This intrigued us to expand the theoretical research of the organisation's importance to comply with the alliance partner. This has of course been acknowledged before as well but not with the focus we intended to give it. The final purpose of this thesis aims at exploring managements' perception of successful strategic alliances but also how well employees' comply with the organisational culture and therefore affect the outcome of the alliance. Our addition has also been the focus on none joint venture strategic alliance, which is not equally common in theory as focus on joint ventures. Our reason for this delimitation was based on practical issues of gaining access to joint venture companies and their willingness to speak openly about their situation, but also because it is logical that most alliances are constituent of companies with separated control in oppose those leading to shared control, i.e. joint ventures. The size limit of the case subject was also practical since there exist more of these companies and they are often not large enough to provide all competencies internally, thus making them more in need of establishing strategic alliances.

Through personal contacts we found our first two case subjects and made appointments even before we had even chosen our final purpose, on the advice of our advisor. This led to the fact that we had not yet completed our empirical data collection method, questionnaire, when we went to these interviews. Unfortunately one of these companies did later not approve of submitting our questionnaire to their employees. After numerous amounts of phone calls we completed our empirical base with an additional four companies, summing up to a total of six companies engaged in strategic alliances and willing to participate in our study.

## **2.2 Data collection**

The practical use of both qualitative and quantitative research methods is most often optimal beneficial since these two methods complete each others' findings by providing both a general and an in-depth perspective of the chosen situation<sup>22</sup>.

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<sup>22</sup> Holme & Solvang, *Forskningsmetodik*, Studentlitteratur, 1997

### **2.2.1 Primary and Secondary data**

Primary data involves first hand information collected by the researchers. This elevates the validity of the information by eliminating middlemen's interpretation of the information, thus also enabling the reader to understand the process of obtaining the material. Different examination methods comprise of observations, questionnaires, experiments and interviews<sup>23</sup>. It was important for this thesis to gather as much primary data as possible to enable an accurate answer to our research purpose. The primary data was therefore collected through interviews with a manager from each company, preferably the CEO or other top managers, and a questionnaire directed to those employees participating in the strategic alliance in question. TAT is the exception to this research since they did not participate in the questionnaire, but they are still a part of this thesis to support findings concerning management's perception of successful factors in alliances.

Our secondary data collection is based on the companies' homepages, which provided us with additional information to complement the interviews. These websites are produced and managed by the companies, which validates content of the information contracted from these sources. This information is therefore considered to be highly accurate.

### **2.3 Interviews**

The foundation of our primary data collecting is six conducted interview, one at each company. The interviewees' positions in their companies varied, but consisted of three CEO:s, one former CEO, one Consultancy Manager and one Managing Director of New Technologies. The main reason for us to base our research material on interviews was to establish the companies' internal and external conditions through managements' perceptions. The interview questions were conceived through an analysis of theory and logical reasoning about the subject. The first section of the interview guide intends to establish management's perception of the company's focus, organisational structure and give an idea of the existing culture. The second section intends to

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<sup>23</sup> Holme & Solvang, *Forskningsmetodik*, Studentlitteratur, 1997

establish management's perception of their strategic alliance and the internal and external prerequisites surrounding it.

To get an accurate interpretation of the interviews, they were conducted through the use of a dictating machine, except for one company where the interviewee refused to let us tape the conversation. In that case we had to use the old fashion method of writing down every thing he said. Empirical material from that interview is of course not as precise in its accuracy in comparison to the other material, but since we were left with no other choice we were forced to adapt our interview method in that case. This material was looked over extra carefully to make it as accurate as possible.

The interviews were conducted in Swedish and then translated into English, with the focus of translating the meaning of what was said rather than translating it word by word.

## **2.4 Questionnaire**

To compare employees' values with managements' statements during the interviews, hence employees' possibilities to identify with the organisational cultures, a questionnaire was submitted to our interviewee. They received the instruction to forward the questionnaire to those employees active in the strategic alliance discussed at the interview. The questionnaire is divided into three sections. The first section enables the employee to state some brief information about his employment and express his motivation towards the company's vision, goals and central values. He was also able to express how he perceives the strategic alliance at hand. In the second section he has to choose between two alternatives which will describe his basic values in life and in concern to his preferable work environment. In the last section the employee is able to rank different types of rewards in concern to how he is motivated by them. These three elements will provide the research with empirical data to confirm if the employee's answers comply with the environment he is subjected to, according to the management.

The first section of the questionnaire was conceived from logical discussion about which facts would be of interest when later on analysing his motivation to identify with the organisational culture and how he perceives the strategic



alliance. The second section was based on Hofstede's first four dimensions of values, but was altered to fit into this research purpose. This section was not intended to be a replica of Hofstede's research since it has no intention of comparing differences in national cultures, but rather employees' values in relation to their company. The last section was conceived as the first section, through logical discussion.

Some of the questionnaires were not completed in full, which affect the accuracy of the result and is one of the flaws of conducting a questionnaire in contrast to an interview. We did not get all of the questionnaires from the people in the alliances, which also may have affected the accuracy of the results. The research is still valid since the responses submitted to us from the questionnaires are fully completed for at least one employee per company, except TAT.

## **2.5 The Accuracy of the Research Process**

### **2.5.1 Validity**

Validity of a thesis is concerned about that the research measures what it intends to measure, and nothing else. This relates to the relevance of the conducted research, to the results found and how this actually answers the research purpose.<sup>24</sup>

To validate our thesis we have reflected upon existing theory and adapted our methodological processes to the purpose of this thesis. To confirm the accuracy of the research we have mainly been using primary data, but we have also been particularly careful in the use of theories to ensure our result's authenticity.

### **2.5.2 Reliability**

The reliability measures how well the process of executing the thesis has been documented, ensuring its validity through enabling others to repeat our

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<sup>24</sup> Holme & Solvang, *Forskningsmetodik*, Studentlitteratur, 1997

research. It also measures the accuracy of the authors' interpretation of the collected information.<sup>25</sup>

To ensure the reliability of this thesis we have reproduced both the interview questions and the questionnaire in the appendixes, but also the raw results of the questionnaires to make our interpretation of the material as transparent as possible for the reader. Our choice to interview one person from each company can be lack of reliability since it only reproduces the perception of one person. To minimise any inaccurate information stemming from this we have tried to interview the CEO if possible and if not the closest to him/her. The interviewees' education background and work experience can sometimes affect his/her answers, which we have tried to reduce by using mostly closed questions instead of open, leading to less deviation from the subject. The questionnaire has also been conceived with the problem of nuanced questions in mind, leading employees' to answer the questions in a certain way. The questionnaire has been revised many times and submitted to several test persons to give positive and negative critique about its formulation, structure, depth and relevance.

One of the intentions of complementing the interviews with a questionnaire was to receive a complete description of the situation prevailing in each company.

### **2.5.3 Generalisation**

A critical part of the method is regarding the possibility to generalise this research to apply for other small IT companies.

This study is based on a qualitative and a quantitative study of six companies. The results of this study are therefore not sufficient to display an exact presentation applicable to all companies under any circumstances, but it is nevertheless fully able to give an indication of the prevailing prerequisites in the IT sector and show tendencies which may mirror universal conditions. Any conclusions should of course be supported by the findings of this

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<sup>25</sup> Holme & Solvang, *Forskningsmetodik*, Studentlitteratur, 1997

research and optimally by further research within the field of strategic alliances and organisational culture.

## **2.6 The Choice of Theoretical Framework**

### **2.6.1 Theoretical criticism**

The framework used in this research reflects well acknowledged theories within strategic alliance theory and organisational culture theory. The choice of using selected authors within the field of strategic alliances concerns their ability to describe vital elements of benefits and problematic issues concerning the inter-organisational interaction between two or more companies.

The introducing organisation theory has been chosen to describe the evolving theories within the field. The choice of using Hofstede and Hatch has been most compliant to our purpose of establishing the employees' values and the importance of explaining to the reader in which ways employees relate and identify with the organisation, i.e. organisational culture. Hofstede's fifth dimension<sup>26</sup> has not been included in our questionnaire. Instead we have included a dimension of motive for employment, which suits our study better than Hofstede's fifth dimension, because it provides the research with a more direct answer to the employee's long term or short term values in relation to his employment.

The theories chosen can of course be complemented by other theories within both theoretical fields, but has not been necessary for our research purpose.

### **2.6.2 Connecting Empirical findings, Theory and Analysis**

Through our choice of interview questions, design of questionnaire and theoretical framework we have been able to describe each company's circumstances to establish both a managerial- and an organisational perspective their internal processes and their external relations, i.e. a

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<sup>26</sup> Hofstede, G., Bond, M.H. "The Confucian connection: From cultural roots to economic growth" Organizational Dynamics, 1988

strategic alliance. From these empirical elements we have been able to derive an analysis by interpreting companies' situation with theories on motives for entering a strategic alliance by Doz and Hamel<sup>27</sup> and how to best manage a successful strategic alliance by Bruce et al.<sup>28</sup> These two sections constitute management's perspective and the last section analyses employee's values, from Hofstede's theory, and how these comply with the organisational culture, hence how employees' values comply with the prerequisites imposed by management. Finally a conclusion is drawn from the analysis providing the research with individual conclusions for each company, a general discussion and a contribution to research.

## **2.7 Our Academic Background**

Authors can never be completely objective in their interpretations of their research since their thoughts originate from a paradigm created out of their personal background and choices of academic credentials. With this in mind it would be appropriate to present the reader with some basic background of the authors of this master thesis. Mikael Lexholm has studied business administration at Lund University School of Economics and Management. His major is strategic management, but he has also studied organisational culture and leadership theories. Henrik Buchhave has studied business administration at Lund University School of Economics and Management. His major is strategic management, but he has also studied informatics.

Our backgrounds have probably some influence on this thesis, e.g. when interpreting the interview results, but we have done our absolute best to be objective and to always emanate from gathered material and presented theories.

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<sup>27</sup> Doz, Y. L. and G. Hamel "Alliance Advantage: The art of creating value through partnering" Harvard Business School Press, Boston, 1998

<sup>28</sup> Bruce, M., F. Leverick and D. Littler "Complexities of collaborative product development" Technovation, 15 (9), 535-552, 1995

### 3

## **A Cultural Dimension of Strategic Alliance Theory**

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Today's fierce and competitive business society forces companies to focus on their core competencies to gain a competitive advantage on the market. This is especially true for those who base their core competencies on high intensive technological knowledge. By devoting all resources on those core competencies the companies lack imperative in-house knowledge necessary to produce goods or services to end consumers. This strive for finding and defending a profitable niche on the market leaves companies in a dependent state of collaborations with other companies in the value chain, equally competitive in their niche as themselves. These collaborations, especially those important for the success and survival of the company, can be constructed in several ways to serve the specific needs of that alliance.

### **3.1 Alliances**

Each company involved in an alliance, or in the process of evaluating potential partners, has their own motives and risk takings for entering the collaboration<sup>29</sup>. General motives for creating a close business relationship with a competitor, complementary firm, supplier or costumer are:

- To reduce the cost of technological development or market entry
- To reduce the risk of development or market entry
- To achieve scale economies in production
- To reduce the time taken to develop and commercialize new products

General risks to be taken in consideration when collaborating with externally controlled organisations are:

- Leakage of information
- Loss of control or ownership
- Divergent aims and objectives, resulting in conflict

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<sup>29</sup> Tidd, J., Bessant, J., Pavitt, K. *"Managing Innovation: Integrating Technological, market and organizational change"* By: Joe Tidd, John Bessant and Keith Pavitt, 2001

Both motives and risks must be carefully weighted in the equation of balancing positive and negative effects of external knowledge affecting the present stability and future success of the company.

Depending on the objectives and the closeness of the collaboration, different alliance constructions are more suitable for obtaining a successful outcome in the interest of all parties. Tidd, J. et al.<sup>30</sup> defines these types of collaborations as:

- Subcontract/supplier relations
- Licensing technology
- Consortia (a strict research collaboration)
- Strategic alliance
- Joint venture
- Network

For the purpose of this research we are only examining strategic alliances since all the case studies presented in this study view their collaborations as most important and tactical for their company in the long run, which is aligned with theories of strategic alliances. The difference between subcontract/supplier relations and strategic alliances should also be clarified since many companies may have strategic alliances with their supplier. The key difference is how the importance of the collaboration is perceived by the companies involved and their closeness, hence short or long term perspective as well as the amount of shared resources and knowledge, in the alliance. Licensing technology has no strategic impact on the licensing firm and consortia have no market based relation. Networks are loose connections among firms, rather than strategic alliances. Joint ventures can either be a constructed form of a strategic alliance, in the form of a contract-based collaboration, or as a separate unit with shared control, which is more than an alliance.

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<sup>30</sup> Tidd, J., Bessant, J., Pavitt, K. *"Managing Innovation: Integrating Technological, market and organizational change"* By: Joe Tidd, John Bessant and Keith Pavitt, 2001

### **3.1.1 Strategic Alliance – a Definition**

Many researchers define strategic alliances differently, which leaves new research dependant on defining the specific meaning of *strategic alliances* to their study.

*“...a strategic alliance is a close, long-term, mutual beneficial agreement in which resources, knowledge, and skills are shared with the objective of enhancing the competitive position of each partner.”<sup>31</sup>*

*“Most often strategic alliances are expressed through joint ventures, franchises and other forms of collaborations...a strategic alliance can be seen as an inter-organisational means through which strategic goals can be obtained by collaboration...two or more companies come together for a specific task to share resources and competencies, for the purpose to achieve some form of defined goal. As the underlying main purpose, it is a request to, through unanimous activities, improve the competitive ability.”<sup>32</sup>*

*“Strategic alliances, whether formal or informal, typically takes the form of an agreement between two or more firms to co-develop a new technology or product...strategic alliances involve near-market development projects...unlike more formal joint ventures, a strategic alliance typically has a specific end goal and timetable, and does not normally take the form of a separate company.”<sup>33</sup>*

These definitions show some deviance in their interpretations but the main characteristics of strategic alliances are similar. Certain specific factors appear as critical for creating a strategic alliance, thus leading to our definition:

*A strategic alliance consists of two or more companies collaborating with the intention of obtaining a predefined goal and enhancing their competitive advantages through shared resources and knowledge, without forming a separate company, i.e. joint venture.*

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<sup>31</sup> Spekman, R., Forbes, T., Isabella, L., Et MacAvoy, T. *“Alliance Management: A view from the past and a look to the future”* Journal of Management Studies, 35(6), 747 – 772, 1998

<sup>32</sup> Bengtsson, L., Holmqvist, M., Larsson, R. *“Strategiska Allianser: Från marknadsmisslyckande till lärande samarbete”* Liber ekonomi, Malmö, 1998

<sup>33</sup> Tidd, J., Bessant, J., Pavitt, K. *“Managing Innovation: Integrating Technological, market and organizational change”* By: Joe Tidd, John Bessant and Keith Pavitt, 2001

Shared resources can be defined as both united resources as well as access to the other firm's resources to solve any problem within the purpose of the strategic alliance. The predefined goal in our definition is, in contrast to Tidd et al., open to any objective viewed as strategic for the success of each member of the collaboration. This definition gives us a framework for how this paper will interpret and categorise each case study as being part of a strategic alliance.

### **3.1.2 Strategic Alliances**

The motives for establishing a strategic alliance can, more specifically than those general concerning all alliances, be one of three strategies defined by Doz and Hamel<sup>34</sup> as:

- To build critical mass through co-option
- To reach new markets by leveraging co-specialized resources
- To gain new competencies through organizational learning

A critical mass through co-option<sup>35</sup> is temporary, horizontal or vertical, alliances, creating scale of economies or large networks, through which weaker firms can challenge dominant companies in their business sector.

Co-specialised collaborations<sup>36</sup> are, on the other hand, constituent of knowledge intensive firms from different sectors complementing each others competencies, thus creating innovative solutions to enter new markets, develop new products or create new business segments. This form of strategic alliance creates a potential risk for those involved since they commit to technology and technical knowledge they have no control over.

In contrast to previous motives, gaining new competencies through organisational learning<sup>37</sup> elevates the companies' competitive advantages through strengthening and developing new knowledge in both organisations. Even though learning new competencies serves both companies well as an overall goal for the alliance, it also creates problems for evaluating the

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<sup>34</sup> Doz, Y. L. and G. Hamel "Alliance Advantage: The art of creating value through partnering" Harvard Business School Press, Boston, 1998

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

<sup>37</sup> Ibid.



collaboration due to deviant expectations of success therefore undermining attempts to measure tangible results. This problem suggests that firms need to invest time in *designing* the alliance to suit their objectives, rather than simply agreeing on legal and financial details<sup>38</sup>.

All the complexity of maintaining the collaboration and reaching its preset goals, forces the firm to assess the internal organisation's ability to cope with external influences and changes in the organisational environment. Tidd et al.<sup>39</sup> assessed two dimensions affecting firms when acquisitioning new technology through a strategic alliance:

The characteristics of the technology

- Competitive significance of the technology
- Complexity of the technology
- Codifiability (How extensively the technology is described or documented, thus easier transferable.)
- Credibility potential, or political profile of the technology

The organisation's 'inheritance'

- Corporate strategy, for example, a leadership versus follower position
- Capabilities and existing technical know-how
- Culture of the firm, including receptivity to external knowledge
- 'Comfort' of management with a given technical area

Even though all these factors may be directly significant to the success of the strategic alliance we argue that the corporate strategy and organisational culture have indirectly more significant effects. This assumption is reasonable, because no change can be performed in the present or in the future without the compliance of both management and the organisation. Bruce et al. defined specific factors<sup>40</sup> which affect the alliance positively, related to both management and the organisation:

- The alliance is perceived as important by all partners
- A collaboration 'champion' exists

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<sup>38</sup> Tidd, J., Bessant, J., Pavitt, K. "*Managing Innovation: Integrating Technological, market and organizational change*" By: Joe Tidd, John Bessant and Keith Pavitt, 2001

<sup>39</sup> Ibid.

<sup>40</sup> Bruce, M., F. Leverick and D. Littler "*Complexities of collaborative product development*" *Tachnovation*, 15 (9), 535-552, 1995

- A substantial degree of trust between partners exists
- Clear project planning and defined task milestones are established
- Frequent communication between partners, in particular between marketing and technical staff
- The collaborating parties contribute as expected
- Benefits are perceived to be equally distributed

Since management is consciously entering the alliance and all of the above mentioned factors for positive effects must originate from management's initiatives, organisational willingness to adapt remain a critical factor for success. Not said that management's initiative to enter the alliance will automatically mean that they also will initiate all or any of the positive affecting factors previously mentioned. In a scenario without good management no degree of organisational adaptation will be enough to rescue the collaboration. Organisational culture is often only mentioned in theories of strategic alliances as a factor to be taken into consideration. This underlines the importance to study both management's activities and employees' compliance with organisational culture and their effects on the strategic alliance.

This study searches for all positive factors for succeeding in strategic alliances, but also gives high focus for finding a positive correlation between employees' identification with organisational culture and a positive outcome of the strategic alliance.

### **3.2 Organisation Theory**

The development of organisation theory has had different approaches concerning motives and means for organisational compliance with management's interests<sup>41</sup>. In the beginning of the 20<sup>th</sup> century a diversity of similar theories on organisation theory was evolved, which later has become known as the classical approach<sup>42</sup>. Common to this approach was that organisations act rationally because they desire maximum reward for minimal

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<sup>41</sup> Burnes, B. *"Managing Change: A Strategic Approach to Organisational Dynamics"* Pitman Publishing, London, 1996

<sup>42</sup> Ibid.

effort<sup>43</sup> and are only driven by financial rewards. This view of efficiency and machine-like metaphor, of individuals' simple need for financial rewards, also suggests that there is a one best way of carrying out a work process, hence there also exists a one best design of organisational structure. Management's duties were therefore described as maintaining the efficiency of the machine-like organisation through planning work and supervising activities<sup>44</sup>.

The response to the classical approach evolved during the 1930s and 1940s and was mainly reacting to the machine-like metaphor of the organisation and the view of people as solely being economically driven. Human relations approach<sup>45</sup> instead considered organisations to be co-operative social systems composed of both informal and formal values and procedures, because people are both economically and emotionally driven. Management's duties were therefore described in form of leadership and communication, and to motivate employees by both intrinsic and extrinsic rewards.

During the 1970s and 1980s some theories acknowledged that there is no one best way of practise because different organisations are faced with different problems and prerequisites. Opportunistic organisations were viewed as best controlled through applying the classical approach, while organisations operating in a changing environment were best suited by applying the human relations approach. Contingency theory<sup>46</sup> was therefore developed as an approach of how management should construct the organisation in relation to environmental uncertainty and dependence, technological requirements and the company's size.

The initial reaction, in the 1980s, towards contingency theory was that it said a lot about everything and was therefore useful for nothing<sup>47</sup>. Instead theorist developed a focus of cultural effects on organisational performance.

The key thought, in all approaches previous to organisational culture theory, is that the organisation is the production of management. This thought is not

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<sup>43</sup> Taylor, F. W. "*The Principles of Scientific Management*" Harper (1947 edition), New York, 1911

<sup>44</sup> Fayol, H. "*General and Industrial Management*" (trans.) Pitman, London, 1949

<sup>45</sup> Burnes, B. "*Managing Change: A Strategic Approach to Organisational Dynamics*" Pitman Publishing, London, 1996

<sup>46</sup> Ibid.

<sup>47</sup> Peters, TJ and Waterman, R. H. "*In Search of Excellence: Lessons from America's Best Run Companies*" Harper and Row, London, 1982

false, but does not entail the entire truth as well. The organisation is a far more complex being than was previously thought of. The shared organisation's set of meanings, values, beliefs and symbols have been found much harder to influence by leaders than first realised. Instead today's theorists advocate an understanding of the organisational culture as the best way for management to successfully implement changes in the organisational environment<sup>48</sup>.

### **3.2.1 Organisational Culture**

Organisational culture is described by several authors<sup>49</sup> as related to traditions and involves the meanings and symbols collectively shared by members of a group. In the beginning of cultural theory development organisational culture was treated as a concrete concept which easily could be adjusted to serve management's will<sup>50</sup>. This was criticised because culture is not a one best practise neither is it a static reality but rather an emerging flow of meanings and symbolism within a group of people<sup>51</sup>. Hofstede<sup>52</sup> argues that these values and beliefs are strongly influenced by legislation and the local culture outside of the corporate organisation, hence organisational culture is difficult for management to change. In contrast to Hofstede more recent research acknowledges the difficulties in cultural changes but suggests that it is possible to manage culture. An individual's values and beliefs are strongly correlated with his/her identification with the group of which he/she is a member. Hatch's identification process<sup>53</sup> describes how individuals identify with the organisation through interaction with the organisational culture. Pratt<sup>54</sup> further points out management's possibility to change organisational culture through the identification process by disrupting the very foundation of organisational member's set of values, i.e. *sense-breaking*, and motivating them to establish new values in line with management's strategic direction of the firm, i.e. *sense-giving*. If individuals

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<sup>48</sup> Alvesson, M. "Understanding Organizational Culture" SAGE Publications Ltd, London, 2005

<sup>49</sup> Ibid.

<sup>50</sup> Peters, TJ and Waterman, R. H. "In Search of Excellence: Lessons from America's Best Run Companies" Harper and Row, London, 1982

<sup>51</sup> Burnes, B. "Managing Change: A Strategic Approach to Organisational Dynamics" Pitman Publishing, London, 1996

<sup>52</sup> Hofstede, G. "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" Organizational Dynamics, 1980

<sup>53</sup> Hatch, MJ "The Dynamics of Organizational Culture" The Academy of Management Review, 1993

<sup>54</sup> Pratt, M. G. "The Good, the Bad, and the Ambivalent: Managing Identification among Amway Distributors" Administrative Science Quarterly, 2000

accept both the sense-breaking and the sense-giving they will incorporate the new set of values into their identity, i.e. *sense-making*. Alvesson and Kärreman<sup>55</sup> acknowledge management's possibility to influence organisational member's identification with the organisational culture through extensive supportive ceremonial activities and social relations with senior members, higher up on the career ladder. This *excess ceremoniality* has been found so strong that it influences individuals' organisational identity even though actions and activities contradict the organisational culture. Alvesson<sup>56</sup> points out that managing culture is indeed possible but is not done with ease. Organisational culture is formed within and between individuals and it is most beneficial for management to understand the organisational culture before imposing any changes in the environment.

### **3.2.2 Hofstede's Four Value Dimensions**

Hofstede's research<sup>57</sup> studies a multinational U.S. company with subsidiaries in 40 countries around the world, comparing differences of employees' values to find out a general set of values for each country, i.e. national culture. He argues that the mental programming of people, i.e. culture, is strongly influenced by legislation and local culture, which indicates the existence of a national culture. This would imply that theory applicable in one country might not be suitable for others. Hofstede describes peoples set of values in a scope of four dimensions:

- Power distance (how people relate to inequalities in society)
- Uncertainty avoidance (how people fear and seek to avoid uncertainty and ambiguity)
- Individualism – Collectivism (how people value independence vs. social relations)
- Masculinity – Femininity (if people prefer to acquire financial means and things or to care for others and the quality of life)

Hofstede found that these dimensions have great importance in relation to motivation, leadership and the organisation. By referring to other case

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<sup>55</sup> Alvesson, M. and Kärreman, D. "*Unraveling HRM: Identity, Ceremony, and Control in a Management Consulting Firm*", *Organization Science*, 2007

<sup>56</sup> Alvesson, M. "*Understanding Organizational Culture*", SAGE Publications Ltd, London, 2005

<sup>57</sup> Hofstede, G. "*Motivation, Leadership, and Organization: Do American Theories Apply Abroad?*" *Organizational Dynamics*, 1980

studies, and comparing them to his own findings of national culture, he demonstrates the importance of understanding the organisational culture before attempting to implement changes in the organisation's environment.

The question is whether to adapt changes to fit the existing culture or to try to change culture to fit attempted changes. The latter might be difficult because culture changes slowly.

*“If culture matters, an organization's politics can loose their effectiveness when its cultural environment changes.”*

Hofstede's research on organisational values, affected by legislation and local culture, is important for understanding organisations with conflicting identities, due to changes in the work environment.

Hofstede and Bond conducted a research in 1988<sup>58</sup>, which led to the creation of a fifth dimension, the Confucian dynamism. This dimension<sup>59</sup> relates to a person's long term determination or short term, locally induced, obligations. This value will not be used in our research<sup>60</sup>.

Hofstede's research can be criticised because it might be argued that local culture has more of an impact on organisational culture than legislation, thus giving focus to geographical areas of culture rather than on a national level. It can also be argued that the global mass media is a mayor influential power on culture, thus it might be difficult to speak about national cultures. Beside this criticism, Hofstede's research has established a good base for studying individuals set of values, important for understanding if they identify with the organisational culture.

### **3.2.3 Hatch's Cultural Dynamics Model**

Individuals' identification with the organisational culture is an important process because it says something about which factors are meaningful and motivating for individuals, both intrinsically and extrinsically. Hatch's

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<sup>58</sup> Hofstede, G., Bond, M.H. *“The Confucian connection: From cultural roots to economic growth”* Organizational Dynamics, 1988

<sup>59</sup> [www.geert-hofstede.com](http://www.geert-hofstede.com)

<sup>60</sup> For further explanation see chapter 2.6.1 Theoretical Criticism, page 19

research<sup>61</sup> describes the identification process through her cultural dynamics model, which is based on Schein's previous research<sup>62</sup>. The model consists of four main dimensions which are interrelated to each other.

1. Assumptions
2. Values
3. Artefacts
4. Symbols

These dimensions are focally intertwined to proactively/retroactively and prospectively/retrospectively affect one and other. Culture is based on individuals' assumptions which will shape what they value. Assumptions can in turn be altered if individuals are presented by new conflicting values, if these are affiliated with success. Values create social relations and activities which produce artefacts as representation of the organisational values. Since artefacts affirm values of individuals' belief of how things should be done, then external artefacts can challenge existing ones, and if accepted change individuals' values. The acceptance of an artefact is therefore crucial when implementing changes in the environment.

*"Within business organizations...the introduction of radical innovations, daring strategic plans, and visionary reorganizations...live or die by their ability to transform established values enough to permit their acceptance into the culture."*

If an artefact have more meaning, within the organisation, than its actual function it also represent a symbol which affect how individuals value that artefact. The symbols of a culture challenge individuals assumptions of what is true and how the identify with them.

These focal pro- and retro interactions between assumptions, values, artefacts and symbols constitute individuals' identification processes with organisational culture. This indicates that culture can be influenced by management through symbolic rewards and activities, if the symbolism is accepted and incorporated into organisational members' set of assumptions.

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<sup>61</sup> Hatch, MJ "The Dynamics of Organizational Culture" The Academy of Management Review, 1993

<sup>62</sup> Schein, E. H. "Organizational culture and leadership" San Francisco: Jossey-Bass., 1985

### **3.3 Connecting the Dots**

In a successful strategic alliance it must be assumed that both companies' levels of technical knowledge are at a satisfying level, otherwise it compromises their possibilities for a successful collaboration. This fact elevates the importance of management and organisational culture, both influencing processes and outcome of strategic alliances. Because they are inseparably intertwined both are a concern when entering collaboration with an external organisation. The distinction between their individual impacts, on the alliance, is that management makes a conscious decision entering the cooperation, while the organisation often has little power influencing that decision. Even though a successful strategic alliance requires an agreement upon objectives and goals between the management groups, the organisational culture remains a crucial factor influencing the outcome of the collaboration. This paper focuses on the management and its creation of values and motives for individuals' identification with organisational culture in relation to the success of strategic alliances. It does not imply that our research captures the entire essence of culture but rather grasps an understanding of general compliance between organisational culture and management's philosophy on leadership and strategic actions.



## 4

### **A Study of Six Successful Strategic Alliances**

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The following chapter consists of information regarding each company's vision, goals, central values and organisational structure. This will give a presentation of the companies as well as presenting information about decision-making, reward systems and internal communication/openness, from management's perspective. The chapter will then describe each company's collaboration, which their managements perceive as strategic, in resemblance of the previous company description. The information in this section will be somewhat altered to further enlighten circumstances concerning the interactions between the partners' management groups and organisations, in the perception of the interview person. Combining these two sections are the results from the questionnaires, which present employees' values and motives and how these comply with the organisation and their view of working at the company. It will also present some brief information of what they perceive as problematic in the alliance. These three sections will make it possible to grasp the company's internal and external relations from management's perspective but also how employees' comply with their work environment.

Gathered material comes from interviews, with managers, and from questionnaires submitted to those employees who are directly involved in their company's strategic alliance. The following information in this chapter has come from the interviews If not mentioned otherwise.

#### **4.1 Terranet**

##### **4.1.1 The Company**

Terranet was founded 2004, in Lund<sup>63</sup>. The company provides customer with free wireless calls, text-messaging and long distance VoIP calls. These services are provided without base stations, antenna stations nor infrastructure.

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<sup>63</sup> [www.terranet.se](http://www.terranet.se)

The company's vision is to be a leading supplier in developing countries. A core value for Terranet is to earn money but still have their heart in the right place. The customer satisfaction is a priority.

Terranet is a matrix organisation consisting of twenty-five employees and consultants with Anders Carlus as the CEO. Various responsibilities have been divided within the company but still all mayor decisions go through the CEO. Most of the employees have an academic degree in engineering or marketing. Only one employee is female. The company has a rather strong culture. At the moment it is difficult for the company to acquire qualified personnel, dedicated to details. Employees are very important for Terranet's future survival and development, therefore finding the right type of employees is more important than fast company growth.

There is no bonus system in practice at Terranet, everyone has monthly salary and some of the managers own stock in the company. There are no material differences between employees and the CEO, everyone has the same office size, same model of mobile phone, IKEA furniture etc.

The company uses a control system, called Budget Toll Gates, which means that projects are constituent of partial goals to achieve the final objective. Terranet receives financial compensation for each completed partial goal. This way partners divide the involved risks amongst them.

#### **4.1.2 Strategic Alliances**

Terranet has three types of alliances<sup>64</sup>:

- *Global strategic partners* (partners involved in strategic business development)
- *Technology and business partners* (collaboration with selected partners regarding mobile communications solutions)
- *Wireless communications interest groups* (communities in wireless mobile communication)

The most import strategic alliance began nine months ago. The project was initiated by Terranet's CEO when he visited the potential partner in Ecuador.

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<sup>64</sup> [www.terranet.se](http://www.terranet.se)

The commencing problem was how the partner would be able to learn about their own market requirements in relation to Terranet's product market's conditions. It was also an obstacle how the partner would be able to acquire sufficient technical knowledge required for the alliance success. The evaluation process of their partner took some weeks. From the beginning Terranet felt that they could trust their partner's claimed level of capability, but was not as convinced if they were telling the truth about the depth of their contacts with authorities, which later turned out to hold true.

Terranet's partner is market leader in Ecuador and employs approximately hundred times more people than they do. All their employees are men, half of them with an academic education. The company's size has not had a negative effect on Terranet who's philosophy is to go their own way, not compromising their believes for financial means.

Because the alliance mainly is a supplier-customer relationship Terranet is covering 10 % of all risks involved, while their partner covers the rest. Terranet's incentives to succeed in this alliance are in contrast stronger than their partner's. The alliance is highly prioritised by Terranet but have only middle priority at their partner company. A successful collaboration means that their first product will reach the product market creating a reference for future costumers. Specific product development for the Ecuador market can also, according to Mr Calius, be useful for a future product design suitable for the Chinese market. The Alliance will create a reputation for Terranet as well as providing the first financial inflow of capital, besides investment capital. The incentive for partner A is simply to increase their market share. At the moment neither Terranet nor their collaboration provides any form of career possibilities for employees involved in the alliance.

The cultural differences between the two companies are regarding productivity, laws and regulations and cash flow management. To minimise cultural differences Terranet has set up an office in Ecuador with local personnel. It is Terranet who takes most initiatives and has most requirements.

The alliance members get feedback trough e-mail and personal meetings every third month. A cultural difference is that Terranet uses more open questions. Terranet's contact base is with six employees at development

level. Personal relations have been essential for the collaboration. So far there is no specific control system used in the alliance but when the product enters the market there will be a financial reason to incorporate a system. To develop the alliance further the partner company needs to improve their market- and technical knowledge. Terranet expresses an important need of improving efficiency and to keep working with core activities.

One great problem in Terranet's collaboration has been their partner's low technological knowledge. Another issue has been Terranet's strict policy of not being involved with bribes, which later on may present a problem since their niche is specifically focused on poorer countries where corruption is more common. The difficulty dealing with authority in these countries is that governments are often changing, which may ruin previous agreements. Terranet acknowledges two things for future alliances: the importance of having experience of dealing with authorities in other countries and to agree on clear goal specifications for the collaboration.

#### **4.1.3 Employee Values and Motivation for Identification**

According to the questionnaire<sup>65</sup> the employee at Terranet, who is involved in the strategic alliance, is male. He is newly employed and his motive for employment is to establish a career. He is okay with Terranet's vision and goals but does not feel especially motivated by them. He feels even less motivated by their central values. Concerning the strategic alliance he feels there is a problem with openness with the other company but both companies are to blame.

The employee values a large power distance, weak uncertainty avoidance, individualism and masculinity. In average he is indifferent between financial- and none financial rewards, not feeling especially motivated by anything in particular. He feels most motivated by wage, responsibility, bonuses, life quality at work, superior recognition and flexible working hours.

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<sup>65</sup> See Questionnaire Results for Terranet in the Appendix

## **4.2 TAT**

### **4.2.1 The Company**

TAT was founded in 2002 by six people who had studied at Lund University<sup>66</sup>. They knew each other from the demo scene of the personal computers in the 1990s.

The company's vision is to help customers to create more beautiful mobile phones. The company's strength is that it has profound technological knowledge as well as design competencies to create a unique mobile phone interface.

A core value at TAT is to view work as fun and that there should be a certain amount of freedom to work assignments.

*"We are cowboys, but whilst we have been growing there have been more rules."*

Business Developer Ludvig Linge

TAT is a none-hierarchal organisation, but with their rapid expansion, more rules have been favoured to accomplish efficiency. These rules have been more prioritised by the new female CEO. In the company there are 20 % women, both in management positions and in the entire workforce. The personnel are highly educated, where 20 % have an education in design, 20 % are engineers and the rest has some other sort of academic education. The career paths are not very structured. If someone wants to become a project leader he/she has to speak up and plead his/her cause.

The employees are rewarded through an options program and a profit sharing program. As most companies in the IT industry the company has some difficulties finding skilled people to join their work force. Although it has improved since their reputation as a strong brand has grown.

The company does not use any direct type of control system, except common key financial figures for the company as a whole. Each week there are group meetings for progressing group related updates and each month the entire

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<sup>66</sup> [www.tat.se](http://www.tat.se)

work force gathers for company updates. In these monthly meetings management also recognises those who have performed well.

#### **4.2.2 Strategic Alliances**

The company has numerous strategic alliances. General problems with alliances are to evaluate which benefits they will produce. Normally alliances are evaluated after some months. TAT's incentives to succeed in their collaborations have been many. By working with well known partners TAT will be associated with them, gaining a positive reputation of their own. Working with other firms also present TAT with opportunities to expand the technological scope of their product range. Because TAT's product is a mobile interface technology it is favourable for TAT that their technology reaches a greater market share through collaborations with large, known corporations. Cooperating with other design firms also improves TAT's skills within that corporate division.

In the current alliance the partner has a brand which TAT is favoured to be associated with. It has also meant that TAT's products would be able to run on their partner's technological platform, as well as on every other company working with that company's platform. The collaboration between the two companies is close and they are often seen together at exhibitions. If risk is not shared equally the risk taking company gets financially compensated to ensure trust in the relationship. TAT and their partner have close personal relationships where contacts take place on an inter-organisational level. The cooperation is highly prioritised in the two companies but the priority also depends on who is initiating the project. The two firms have no visible conflicting values and the management groups of both companies believe there is potential for developing the alliance. According to TAT they take more initiative than their partner, but both are satisfied with the alliance.

No special rewards are connected with the work within the alliance. Employees are motivated to work in the collaboration because they get to present their own work at exhibitions, giving them a good reputation and recognition by their peers.

For future alliances TAT has learned that clear specifications of work assignments and well specified goals will help both sides to avoid optimistic calculations of time.

#### **4.2.3 Employee Values and Motivation for Identification**

No questionnaire has been submitted by TAT's employees because management has as a policy not to enforce additional unrelated work activities upon their employees. The interview is still helpful for our research purpose, thus we will analyse collected data and compare it with the other case studies.

## **4.3 Purple Scout**

### **4.3.1 The Company**

Purple Scout is an IT consultancy firm with 41 employees. The company was acquired by a Finnish company in 2007. Purple Scout has offices in Malmö, Stockholm and Gothenburg.

*“Purple Scouts ambition is to simplify the transition to free development tools through training in the tools, support of implementation and operation, and development of software tools that help our customers to produce software faster with fewer errors and at a lower cost.”*

Purple Scout's vision<sup>67</sup>

The company goal is to double their turnover each year, which so far has been true. The difficulties lie in finding qualified personnel, not to find new customer.

Purple Scout's central values are the cornerstones of the company<sup>68</sup>:

- *Pioneers* - We are a pioneer in the technical sense through keeping ahead within Open Source
- *Open/honest* - We always suggest the best possible solution available for our customers, whether it is Open Source or Closed Source. This takes a very open and honest approach.
- *Bold-and-daring* - We are a fast-growing company, we are doing well and have interesting assignments and customers. This makes us what we call "gladkaxiga", a word not easily translated. We have tried different translations but no one captures the essence of "Gladkaxig" The latest addition is "happy hotshot" which is still being evaluated...
- *A little bit better* –
  - For our customers we try to put the right person in the right place, for the best enthusiasm and knowledge.
  - For our employees we try to emphasize balance in life - working normal hours and take part in their family life as well.
  - Our partners know that we do all things possible to deliver the right competence for the right price at the right time.

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<sup>67</sup> [www.purplescout.se](http://www.purplescout.se)

<sup>68</sup> Ibid.



Purple Scout has a function based organisational structure. The company practices flexible working hours. For a company like Purple Scout it is very important to keep the administration activities at a minimum.

To minimise overhead administrative costs Purple Scout has not organised work processes as projects but rather as individual tasks together with employees at the partnering firm in different assignments. Management value individual performance over group performance, since most of the work within the alliance is performed individually. To give more freedom to employees, Purple Scout has not many rules controlling the work processes. Among the employees 10 % are women and in the management group there is one out of seven who is female. 48 of 50 employees have a university degree in engineering.

Recruiting difficulties, due to a shortage of available IT personnel on the labour market, has made Purple Scout implement a system of recruitment bonuses. They also have a system where individuals get a bonus for keeping work hours to 40 hours a week, after accomplishing their assignments, which intends to give employees balance in their work load. For many employees it is considered a reward and a motivation when their ideas are used and they are appreciated for their work efforts.

Many decisions are taken solely by the management but some larger strategic decisions are first consulted with employees before making a final decision. The regional offices are independent from each other, but some fundamental functions, for example the bonus system, are the same for the entire organisation. The CEO estimates a good working environment to be essential, especially when recruiting new personnel is difficult.

The company does not use any specific control system, only how much time is invoiced by customers, keeping working hours as close to 40 hours a week as possible.

#### **4.3.2 Strategic Alliances**

Purple Scout has three alliances which can be classified as strategic. The most important of those alliances is formed together with an American

company. The partner's product is added to Purple Scout's offered consultancy package. The two companies have no common development per se but they have to adapt to each other to make their products fit together, which involves some development. Purple Scout get a lot of support from the American service centre. The partner's software product is a tool to analyse open source systems.

The collaboration has been going on for about a year and was first initiated by the American company at an exhibition. There are no specific risks involved in the alliance. The partner company is a bit larger than Purple Scout, but Purple Scout is expanding faster. The ambition in the alliance is to increase the turnover as well as product and market range for both partners. The common goals for the alliance have made the relationship very open and outspoken. Purple Scout handles the marketing in the Swedish and Finnish markets, while their partner supports the product.

Although the American partner is larger than Purple Scout they have a greater interest and are more active in the alliance. Purple Scout prioritises their large customers higher than they do the alliance. Purple Scout has a key account manager who manages most issues in the alliance. Their main objective for the alliance is to combine the companies' knowledge and technologies. A defined vision is not needed in the alliance, but the personal relations between the management groups have been crucial.

There are no obvious career paths, for employees, in the cooperation but there might be in the future. It is not impossible that there could be Purple Scout consultants in the US to attain better knowledge about the product.

There are not many women active in the alliance but the American partner's manager for the European region is a Danish woman. The CEO acknowledges that she might have posed as a contributing factor, as bridge between the companies, for avoiding any cultural differences. For future alliances Purple Scout acknowledges the importance to improve collaborative activities and goal accomplishments right from the beginning. The management group has also learnt that it is difficult to sell a concept with a new unknown product. It has also been recognised as a problem that most sales personnel are good at initiating contact with new customers but not as good at completing the sale, and the other way around. This is not a

particular issue for Purple Scout but still presents a problem because smaller companies with new products are often dependent on reputation to attract new costumers, which in turn depends on the supplier's size of client base. This presents more of a general concern rather than an actual problem for Purple Scout since they, as previously stated, have no problem attracting new costumers.

#### **4.3.3 Employee Values and Motivation for Identification**

According to the questionnaire<sup>69</sup> the employee at Purple Scout, who is involved in the strategic alliance, is male. He has been employed for 1 to 3 years and his motive for employment is self fulfilment. He is quite motivated by Purple Scout's vision and very motivated by their goals and central values. Concerning the strategic alliance he feels there is a problem with time planning but it is neither company's fault.

The employee values a small power distance, weak uncertainty avoidance, collectivism and masculinity. In average he is indifferent between financial- and none financial rewards, but feels especially motivated by possibilities for education and superior recognition.

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<sup>69</sup> See Questionnaire Results for Purple Scout in the Appendix

## **4.4 Lundinova**

### **4.4.1 The Company**

Lundinova was founded by the three managers in 2001 and has 40 employees. The consultants are experienced in system engineering, embedded systems, electronic design, software design, industrial design, radio & wireless, audio/opto and signal processing. Four alliances are listed at the homepage. They are alliances with Atmel, Silicon Graphics, Zenit Design Group and Elektronikindustriföreningen.<sup>70</sup>

*“Lundinova offers innovative and efficient product development by providing our customers with the right skills, the right development environment and the smartest design solutions.”*

Lundinova's business mission<sup>71</sup>

The vision of the company is “Product development for your ideas”. A fundamental idea at Lundinova is to have a broader knowledge base than their competitors. The idea helps the company to take broader cases than other consulting firms. The goals and central values of the company are approximately the same and is a combination of earning money, enjoy working and to seek deeper technological experience.

The company is managed by three managing partners, the founders of the company. Their customers are often start-up companies with whom assignments are project based, led by informal project leaders. The work has to be controlled in some form, but there are not many rules for work processes.

Lundinova has flexible working hours. There are five female employees out of forty people. One of the three partners, the Financial Managing Director, is a woman. Employees' educational backgrounds vary. A few employees only have a two year Swedish engineering education but the majority has a Master of Science in engineering. One person has a PhD degree in engineering. Lundinova's closeness with Lund's Institute of Technology has

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<sup>70</sup> [www.lundinova.se](http://www.lundinova.se)

<sup>71</sup> Ibid.

been a good way to informally get in contact with potential future employees, but also to get a more theoretical analysis of a problem. Only five out of forty employees are women at Lundinova. Not many women study to become engineers and those who do are often attracted by larger well known corporations. This is bad for smaller firms because many women are good project leaders, while men often focused more on technical issues.

Management at Lundinova focuses on group performance prior to individual performance. The company has a bonus system where all employees share a yearly bonus. Because Lundinova is a small organisation there are limited career paths. There is a future possibility of opening a foreign office, which may provide career opportunities, but that is not yet in process.

Decisions are often taken by one person in a higher position, but employees have possibilities to influence the decisions. The quality of work and working environment is in general more important than performance and efficiency. Management's controlling efforts have increased as the company has grown.

The work process at Lundinova, which influence their alliances, is some sort of a lonely ranger mentality. This does not present a problem of trust for management, concerning employees' loyalty to the company, because the corporate culture can be resembled by a family metaphor with many after-work bonding activities. Even the work place has more of a house-like resemblance rather than a working facility. The inter-organisational relations are essential for the alliance.

#### **4.4.2 Strategic Alliances**

Lundinova has a few alliances that are strategic. The most strategic alliance was initiated in 2001, when Lundinova was founded. Most of Lundinova's strategic alliances have commenced through managers personal networks.

It is considered a problem that the two companies have overlapping competencies, which imposes a great risk when sharing confidential information, core to each company. The greatest benefit is that both companies are able to take on larger projects, than they could have done on there own. The evaluation process of the partner was short. The two

companies began with one project, which was successful, and grew from there.

The alliance started as a coincidence when Lundinova rented an office in the same building as their current partner. The two companies assist each other to compensate areas in which they lack sufficient competencies. The main contractor gives a percentage of the profits to the partner. Communication is essential for the alliance and the management groups meet a couple of times a week. Although the alliance is quite open leakage of critical information is considered a problem. The initial motivation for Lundinova, to engage in the collaboration, was to enlarge the prospect of finding new costumers during the recession in the IT industry.

Employees often have the authority to make decisions by themselves. In some cases a consultant works alone with a client, which comes with many responsibilities but also a lot of trust from management. In cases like this Lundinova has a rule that another employee must have some control in the project. This rule has come about since they previously had some problems with a developer who was too liberal taking initiatives without consulting superiors.

Besides salary, it is an incentive for individuals to become project leader and, by performing well, promote a career move. Success is a common motivation factor in the alliance because both companies benefit from good performance.

There is no typical control system in the company. Developing possibilities of the alliance are good because the companies complement each other. Personal relations have been very important for the alliance, even though there does not exist any specific cultural differences between the companies. Lundinova has previously been offered to create a joint venture alliance, but has so far not taken that leap.

Lundinova has found that media relations are important to promote the alliance. They also feel that to succeed in an alliance it is more important to finish existing projects rather than starting new ones.

For future alliances Lundinova has acknowledged that it is important to have a predefined agenda, which specifies everybody's responsibilities. They have also learnt that project members must possess diplomatic skills.

#### **4.4.3 Employee Values and Motivation for Identification**

##### **Employee 1**

According to the questionnaire<sup>72</sup> the employee at Lundinova, who is involved in the strategic alliance, is male. He is newly employed and his motive for employment is development. He is quite motivated by Lundinova's vision and goals and very motivated by their central values. Concerning the strategic alliance he feels there are no problems between the two companies.

The employee values a small power distance, weak uncertainty avoidance, collectivism and femininity. In average he is more motivated by none financial rewards, but also value wage, possibilities for education and bonuses equally high. Concerning the alliance the employee acknowledges no problematic issues.

##### **Employee 2**

According to the questionnaire<sup>73</sup> the second employee at Lundinova, who is involved in the strategic alliance, is male. He has been employed for 4 to 6 years and wage is his motive for employment. He is not motivated at all by Lundinova's vision and goals but is very motivated by their central values. Concerning the strategic alliance he feels there is a problem with time planning but both companies are to blame.

The employee values a small power distance and collectivism but feels indifferent towards uncertainty avoidance. In question of femininity and masculinity he has not left an answer. In average he values none financial rewards much higher than financial rewards. Most of all he values life quality and a stress free work environment. Among the financial rewards he only values wage and to some extent possibilities for education.

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<sup>72</sup> See Questionnaire Results for Lundinova in the Appendix

<sup>73</sup> Ibid.

## **4.5 Connect Blue**

### **4.5.1 The Company**

Connect Blue was founded in 2000 with the mission to create reliable, wireless communication systems<sup>74</sup>. Many of their products are based on blue tooth technology, with frequency jumping, suitable for industrial, professional and medical applications. Today the company is owned by three investment companies together with, the founder and CEO, Rolf Nilsson.

The company vision is to become a leader in their business segment and to be regarded as the leading company in the industry. The company goal is to expand turnover with an annual growth of between 30 to 40 %. To achieve this it is also a goal to attract customers who can be used as reference to build a better reputation, which will attract more costumers. Therefore maintaining long prosperous relationships with customers are crucial to the company. Customers must feel that Connect Blue is always supporting them as much as they possibly can.

The company consists of 30 employees and has a flat organisational structure to improve employees' chances to influence organisational goals and activities. Work is project based and managed by a project leader. If a project group needs support they can get assistance from other employees. At the company there are many rules and routines, which are useful for both internal and external evaluation of Connect Blue's organisational capacity.

The company has flexible working hours, although most employees are at work between 9 am to 4 pm. Many employees work more than normal working hours because they are interested and committed to their work. Of course they also receive financial compensation for working extra hours.

10 % of the employees are women but their presences in project leading positions vary depending on specific project requirements. 27 out of 30 employees have an education in engineering. The hiring of personnel is often informal and the company supervises many Master Theses at Lund's Institute of Technology. For newly employed people it is important to learn how the company works in regard to project processes and customer relations.

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<sup>74</sup> [www.connectblue.se](http://www.connectblue.se)



The company emphasises group and not individual performance and have no formal bonus policy for individuals, although CEO or the human resources manager sometimes give financial rewards to individuals who have contributed more than others. Employees seem to appreciate these rewards. The career paths are limited because of the company's size, but a person can obtain more responsibilities if he/she advances to a position as project leader.

Many decisions are made in consensus within a project group, but depending on the importance of the decision superior managers are also consulted. There are meetings where employees can have an influence on work and the CEO often asks for employees' opinions, but often he receives little criticism. Management has also handed out questionnaires about strategic goals, how well employees value their working environment, wage level and how people have the ability to influence their work assignments. These questionnaires also gave little criticism; employees seem content with their working situation.

Connect Blue is a high technology company and the quality of work is more valued than rapid results. The company has some key figures that are shown on personnel meetings, but not for individual projects. A system with project calculation including key figures for the different projects has just been launched.

#### **4.5.2 Strategic Alliances**

The company has two alliances which are strategic for the company. One of the alliances is important because of its high level of technological development and the other because of great marked shares.

The most important alliance has been running since 2002 where Connect Blue took the initiative. The difficult aspect of valuating a partner was to get an understanding of their level of technological knowledge and if the companies' technologies were combinable. As Connect Blue had feared their selected partner did not live up to claimed capabilities, at first.

The evaluation of alliance partner took some weeks. Connect Blue rated the initial risk as rather high because they put much effort into the collaboration,

without knowing if the merge between the technologies would be successful. Because this was the first opportunity for Connect Blue's technology to reach the product market they saw great benefits from a successful alliance. The partner was also eager to succeed since they saw great potential for their product to get a competitive advantage on the market.

The two companies have no common resources, but they have a system for risk dividing comprising of a compensation plan for all preliminary research Connect Blue performs, on their partner's request, before commencing a project. The alliance has partly been successful because of its open communications. Connect Blue's CEO has contacts with all levels in the partnering firm's organisation, from development level to the CEO. Connect Blue has in some concerns had to keep an open mind and adjust to cultural differences. Some clear differences have been the use of German as a communication language and the hierarchical structure of decision making, when employing 8000 people, which in the beginning slowed down efficiency. To deal with the efficiency issue Connect Blue is paid for any delays caused by their partner. To deal with the communication issue Connect Blue employees who are active in the alliance has been taking language courses to learn how to speak German. According to the CEO these problems are no longer issues. Planning is equally performed by both companies about new market segments and constructing specifications, but since Connect Blue is the supplier their partner establishes specific requirements for each project.

The partner company gives feedback to Connect Blue's CEO but not directly to the employees involved in the alliance, which has recently been questioned. The CEO handles most of the overall contacts with the partner but employees also have constant project meetings as well. The management groups meet each other three times a year to discuss marketing and technology issues. The German management group also visits Connect Blue in Malmö twice a year. Further communication is done by e-mail or telephone. Some of the employees working in the alliance meet each other once a month, but most of the communication is done by e-mail or telephone.

The incentive for the partnering company is great because it enhances their product and gives them a competitive advantage, which is the reason they give high priority to the alliance. For Connect Blue the collaboration is most important because it reaches vast market shares, but the overall impact of

the alliance only constitutes 18 % of their overall turnover. Both companies also benefit from being associated with each other.

The employees in the alliance are not rewarded in any particular way and there are no existing career paths at the moment within the alliance. CEO reflects that it is possible that such opportunity will present it self in the future.

No particular control system is used to control the alliance. From Connect Blue's perspective market shares is the crucial factor for success and for the German partner is that the technology is reliable.

In the alliance few of the employees are women. Almost everyone has an educational background in engineering. The performance is rated out of group perspective and all the personnel are dedicated to the project, according to the CEO. Connect Blue takes more initiative than their partner in the alliance.

Totally Connect Blue is satisfied with what they have accomplished in the alliance. Problems within projects sometimes occur due to technical failure, but also when a project group does not stay within the framework of their core assignment. For future alliances the CEO acknowledges the importance to have many personal meetings between the companies to build strong personal relationships. That helps both organisations to understand each other better so they can avoid unnecessary misunderstandings. It was also found important to avoid larger and complicated projects in the beginning of collaboration because it puts to much strain on the relationship.

### **4.5.3 Employee Values and Motivation for Identification**

#### **Employee 1**

According to the questionnaire<sup>75</sup> the employee at Connect Blue, who is involved in the strategic alliance, is male. He has been employed for 1 to 3 years and development is his motive for employment. He is quite motivated by Connect Blue's vision but only somewhat motivated by their goals and central values. Concerning the strategic alliance he feels there is a problem with time planning but both companies are to blame.

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<sup>75</sup> See Questionnaire Results for Connect Blue in the Appendix

The employee values a small power distance, weak uncertainty avoidance, individualism and femininity. In average he is indifferent towards financial and none financial rewards, but values more responsibility and a stress free work environment the most.

## **Employee 2**

According to the questionnaire<sup>76</sup> the second employee at Connect Blue, who is involved in the strategic alliance, is male. He has been employed for 1 to 3 years and development is his motive for employment. He is quite motivated by Connect Blue's vision, goals and central values. Concerning the strategic alliance he feels there are problems with communication, openness and personal relations, but do not know how is to blame.

The employee values a small power distance, collectivism and femininity but is indifferent towards uncertainty avoidance. In average he values none financial rewards more than financial rewards. Most of all he values a stress free work environment and freedom in work assignments.

## **Employee 3**

According to the questionnaire<sup>77</sup> the third employee at Connect Blue, who is involved in the strategic alliance, is male. He has been employed for 1 to 3 years and wage is his motive for employment. He is quite motivated by Connect Blue's vision, but not motivated at all by their goals and only somewhat motivated by their central values. Concerning the strategic alliance he feels there are problems with time planning and communication but both companies are to blame.

The employee values a small power distance, weak uncertainty avoidance, collectivism and femininity. In average he values none financial rewards much higher than financial rewards. Most of all he values possibilities for education among, stress free working environment and flexible working hours.

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<sup>76</sup> Ibid.

<sup>77</sup> See Questionnaire Results for Connect Blue in the Appendix

#### **Employee 4**

According to the questionnaire<sup>78</sup> the fourth employee at Connect Blue, who is involved in the strategic alliance, is male. He has been employed for 4 to 6 years and development is his motive for employment. He is quite motivated by Connect Blue's vision, goals and central values. Concerning the strategic alliance he feels there are problems with time planning and communication but both companies are to blame.

The employee values a small power distance, weak uncertainty avoidance, collectivism and masculinity. In average he values none financial rewards more than financial rewards. He values more responsibility, bonuses, decision making and all none financial equally high, but he is not especially motivated by any particular type of reward.

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<sup>78</sup> Ibid.

## **4.6 Avansys**

### **4.6.1 The Company**

The consultancy company was founded in 1999 with a focus on IT infrastructure. The company has also a financial services section, since 2004, where the company offers financial solutions combined with IT services. The company has offices in Malmö, Helsingborg and Kristianstad.<sup>79</sup>

The vision of the company is to be the leading IT infrastructure provider in southern Sweden. The organisation is divided into competence groups with one manager each.

Avansys employs 80 people in the entire organisation. The working hours are normally 40 hours a week, but the consultants adapt to clients working hours, even if it extends to weekends. The company feels they have a strong organisational culture. Management means that it is important for the consultants to have strong connections to colleagues when they are working for clients outside the organisation. To create a personal relationship amongst Avansys' employees everybody meet once a week for an informal none-work related breakfast at the Malmö office. They also have a monthly work related meeting with the entire organisation. Competence groups meet every two weeks.

There are not many women employed at the company. About 30 % of their employees have an academic education, but many only have a shorter Swedish technical education (*KY-utbildning*). Management rank group performance higher than individual performance. The career paths are normally that you can become a project leader or manager for a competence group. The project leaders make the decisions, but other employees have a lot of opportunities to influence their work. At the company, performance and efficiency is as important as working environment and quality. Avansys does not have any control system, except from key financial figures.

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<sup>79</sup> [www.avansys.se](http://www.avansys.se)

#### **4.6.2 Strategic Alliances**

Avansys need both broad and deep knowledge to handle their projects. Through the years the company has constructed a wide network with other value adding companies within their field. This makes it possible for Avansys to succeed in project where they otherwise would lack sufficient competencies or resources.<sup>80</sup>

The company has several strategic alliances with other companies. One of them is an alliance with a supplier, which began with a normal customer-supplier relationship and grew from there.

The product Avansys buys from their supplier is neither exclusive on the market nor is Avansys exclusively using their product in their total service provided to their costumers. It is, on the other hand, Avansys's goal to only use their partner's product in the future. To achieve this goal Avansys only recommend their partner's product to their costumers and Avansys often publish adds together with their partner. The incentive for Avansys to commit to a close relationship with their partner is practical for two reasons. Firstly, it enables Avansys' employees to specialise in that product's applications and, secondly, Avansys gains access to their partner's worldwide support function, which is useful when assisting internationally operating costumers. An additional motive for Avansys to work with one supplier is that they receive a discount for purchasing more units than primarily agreed upon. The risks involved in the alliance are divided as in most customer-supplier relationship. There are not any specific cultural differences in the alliance recognised by Avansys. The partners meet once a month to discuss any emergent issues. Avansys small company size can sometimes present a problem, since they are not highly prioritised by their huge multinational partner.

The personal relationships between the two organisations have been very important for the outcome of the alliance. No special control system is used for the strategic alliance.

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<sup>80</sup> [www.avansys.se](http://www.avansys.se)

### **4.6.3 Employee Values and Motivation for Identification**

According to the questionnaire<sup>81</sup> the employee at Avansys, who is involved in the strategic alliance, is male. He has been employed for 1 to 3 years and development is his motive for employment. He is quite motivated by Avansys's vision and goals but is only somewhat motivated by their central values. Concerning the strategic alliance he feels there are problems with time planning, communication and openness but both companies are to blame.

The employee values weak uncertainty avoidance, collectivism and femininity but is indifferent towards a small power distance. In average he values none financial rewards more than financial rewards. He values bonuses and flexible working hours the most.

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<sup>81</sup> See Questionnaire Results for Avansys in the Appendix



## 5

### **Analysing Successful Factors and Motives**

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This chapter will analyse the companies' objectives for preserving their strategic alliances and which successful factors are affecting their outcomes, from their managements' perspectives. The compliance between employees' values and the organisational culture will then be analysed to detect if they are in compliance with the organisational culture. Analysing the companies and their alliances from these perspectives enables the research to detect outspoken- as well as underlying factors, affecting the companies' success in their strategic alliances.

Initially when commencing this research we found the gender aspect and the aspect of employees' academic degree to affect the organisational culture, but in the empirical findings we have found most organisations to be homogenous. Nearly no females were employed and most employees have the same academic credentials, except for TAT and Avansys. It could be discussed if these two factors have had a positive or negative effect on employees in their relation to organisational culture, but since this study has not found sufficient information to support any deeper analysis no further reference will be made to this issue. The information has not been subtracted from the empirical material because it still serves a purpose of giving a full description of the companies.

#### **5.1 Terranet**

##### **5.1.1 Objectives for Entering the Strategic Alliance**

Terranet's objective for entering the alliance with their partner is to gain access to market shares and to be able to further develop their product on an actual market. The alliance further enables Terranet to establish an international reputation, but they are also able to use specific development, for the Ecuadorian market, to launch their product on the greater Chinese market.

### **5.1.2 Factors for Success**

Terranet's priority to make the alliance successful is higher than their partner's due to the circumstances concerning the collaboration. The incentive for the partner company is simply to increase their market share, but at the same time this collaboration will ensure them with a competitive advantage not accessible to their competitors. For Terranet the alliance is a chance to get their technology on the market while reducing costs for further development, which they can use to gain access to other markets. By reaching the product market Terranet is also able to attract new costumers by establishing a reputation. Personal relations have been acknowledged by the CEO as essential for the collaboration. Because there have been a lot of cultural differences between the two companies Terranet has opened up an office in Ecuador and recruited local labour. This action has helped the relationship to build a mutual trust. The great incentives for Terranet to succeed in the alliance have led them to take most initiatives, including the initiative for the alliance, which makes them *collaboration champion* for improving further development.

Both companies benefit from the collaboration and risks are divided via the Budget Toll Gate system, which creates strong incentives to reduce transaction costs and build mutual trust, even though the priority varies between them. Indicators supporting this can be seen in the way the collaboration partners handle any emerging issues. Terranet acknowledges many cultural differences but is still optimistic about the alliance's possibility for success. It is clear that Terranet is most driven since the CEO still acknowledges a lack in the partner's contribution to the alliance and he recognise a lot of changes which would improve the collaboration processes. To build trust there are also constant feedback through e-mail as well as personal meetings.

A problem affecting the success of the collaboration has been low technological compliance between the partner's technological level of knowledge and Terranet's technical product specification. The CEO also acknowledges cultural differences, i.e. dealing with foreign authorities, and agreeing upon predefined goals, to be highly important for successful strategic alliances.

### **5.1.3 Organisational Compliance**

The employee in Ecuador feels some identification with the company's vision and goals but is less committed to its central values.

He is more or less indifferent to either financial or none financial rewards with no factor specifically motivating him to perform. He does however rank monetary payments, responsibility, superior recognition, quality at work and flexible working hours as most motivating. The last two has not been mentioned by the CEO, but the first two are in compliance with Terranet's current situation. The company only has salary as a motivational reward and responsibility is a part of the assignment in Ecuador dealing with the large partner and keeping close contact with the CEO.

The Employee's large power distance is suitable for the CEO since he takes all mayor decisions himself. It is also suitable when dealing with a large corporation like the partner company who employs about 2500 people, and therefore has a more hierarchical structure. The distant location of the employee, in relation to Terranet's head quarter, supports the weak uncertainty avoidance since many of the daily decisions and problems arising must be handled at location or via contact with Sweden, i.e. the CEO. The employee also has clear individual and masculinity values which correlates with his separation with the main organisation in Sweden and with the exclusive financial reward system, i.e. salary.

In the strategic alliance the employee acknowledges openness as a problem with the partner company, which supports the CEO's recognition of cultural differences but is a warning to his belief that a close relationship is essential for a successful alliance.

The lack of career opportunities for the employee can become a problem since his motive for employment is to build a career, but the salary is, in contrast, an important factor motivating the employee to perform.

## **5.2 TAT**

### **5.2.1 Objectives for Entering the Strategic Alliance**

TAT has strong incentives to engage in the strategic alliance because they are strengthening their own reputation by being associated with a well known partner. The alliance also enables TAT to reach a greater market share by accessing their partner's platform, which indirectly opens up new markets through their partner's other collaborations who also use that platform.

### **5.2.2 Factors for Success**

An important factor contributing to the success of the alliance is a good open communication on an inter-organisational level and personal relationships, which are both creating a mutual trust. The partners' financial system for dividing risks has also insured trust in their cooperation by avoiding situations with asymmetric risk sharing. The priority of the collaboration is high because of the additional benefits the alliance contributes to but varies from one project to another depending on who is initiating it. TAT generally acts as *champion leader* by taking most initiatives in the alliance. The interview person believes there is a future for the alliance and he has not acknowledged any problems like conflicting values between the two organisations. This observation is made although he later explains that it is necessary to early on agree upon work assignments and to specify common goals, which will otherwise lead to optimistic calculation of time. Discontent about miss calculations of time has, during the interview, not been directed towards the partner and the alliance is instead believed to be satisfactory for both companies.

### **5.2.3 Employees; at the Heart of the Organisation**

Since no questionnaires have been submitted by TAT it is not possible to estimate the compliance between employees' values and the organisational culture. For the purpose of comparison we will still derive an analysis of the

organisation from management's point of view, even though, we will not be able to confirm if these actions have been accepted by the organisation.

The company's vision of design- and technological innovation opens up an organisation in which employees have a chance to express their creativity for the profession they have chosen. This means that employees have a chance to achieve self fulfilment within the organisation. Many factors point at the organisation as focusing on the employees as the main source of competitive advantage, constituting the core competence of the company. TAT's decentralised organisation puts employees in the centre with the goal to have fun in work assignments, while being wild and independent, i.e. to be cowboys. The company also endorses both individualistic- as well as social motives for employees to identify with the organisation through both financial reward systems and performance recognising activities. Some factor are in contrast counteracting employees identification process like the rules implemented by the new CEO, which restricts their freedom in work processes, and the lack of classic career paths, neither available in the company nor in the alliance. Employees' reason to have strong identification with alliance activities, even though no special rewards are connected to these activities, is the opportunity to display their achievements themselves at exhibitions, receiving superior- and social recognition.

## **5.3 Purple Scout**

### **5.3.1 Objectives for Entering the Strategic Alliance**

Purple Scout entered the strategic alliance to establish a competitive advantage by collaborating with a complement supplier. The cooperation has enabled Purple Scout to provide their customers with a broader range of services, through the new product addition.

### **5.3.2 Factors for Success**

The alliance is perceived to be important by both companies especially to expand their product- and market range. The alliance has a higher priority for the partnering company, because their software is not an end product, which forces them to reach end consumer markets through alliances. The extended product range is an important component enabling the company to accomplish its goal of annually increasing turnover by 100%. Even though the partner's product has a great impact on total turnover, Purple Scout give higher priority to their large costumers, which indicates that access to market shares exceeds the importance of the additional service provided. The difference in priority has shown in the partner company's more active approach towards the collaboration, acting as a *collaboration champion*.

So far in the collaboration the CEO does not refer to any misconducts but he does recognise that it has been a problem to sell the partner's product because it is unknown to their costumers. The fact that management sees their partner's product to be the source of the problem rather than their own marketing, or some other factor, indicates that the product is strongly connected to Purple Scout's core activities. Management is therefore questioning the use of the product when problems arise, if only subconsciously. This does not mean that the product is not important for Purple Scout, since they are still engaged in the alliance, but it explains that the product is not vital for the company's core competencies therefore not given as high priority as their large costumers are. The results of the collaboration seem to have been equally distributed between both companies since no further discontent has been mentioned. There have, on the other

hand, been some problems with commencing collaborative activities and accomplishment of alliance goals, which the CEO acknowledges as important factors to keep in mind for future alliances. The problem with underperforming sales personnel seems to be more of a concern rather than an issue since the company claim to have no problem finding new costumers.

The CEO of Purple Scout has acknowledged the personal relationship between the two companies as crucial for the alliance. Establishing a certain amount of trust, to create such a close personal relationship, has been possible due to numerous factors. Firstly, goal congruence has created a unanimous ambition to make the alliance successful. Secondly, the common goals together with the lack of risks involved have created an open communication in the relationship. Finally, the Danish contact person, representing the American partner, may have contributed to reduce any possible cultural differences.

The most important factor for Purple Scout's success, and to establish strong relationships with partner companies, is employees' compliance with the organisational culture. It is central for the company that employees have a balance in their life, which is believed, by management, to have a crucial impact on performance in the company and in relations with costumers and partners. To ensure that employees keep their balance management has implemented an active and a passive system together with flexible working hours. The active system rewards employees for accomplishing the work assignments within the 40 hour work week and the passive system regulates the partner from invoicing more than 40 hours per week per employee. There have been no difficulties expanding the client base but rather in recruiting new personnel, which has led to the implementation of a reward system for contributing to new recruitments. This proves that the company has a long term approach to success, since they are more willing to loose costumers in the short run rather than recruit individuals who do not support their organisational culture. To further strengthen employees' identification with the organisational culture all large strategic decisions are first consulted with employees before final decisions are made. The CEO estimates a good working environment to be vital for the company to succeed internally and externally.

### **5.3.3 Organisational Compliance**

The employee involved in the strategic alliance has full awareness and identification with the company's vision, goals and central values. This strengthens the previous findings of management's focus on employees and organisational culture.

Motivation for performance was equally spread out in favour for both financial and none-financial motives. The employee values possibilities for education and superior recognition the most, the latter is supported through management's outspoken appreciation for individual performance and their use of employees' ideas.

Management's emphasis on balance in life, as core to the organisation, together with closeness to superiors, through involvement in strategic decision making, have opened up for the employee to identify with the company and the organisation. The questionnaire supports management's actions since the employee values a small power distance. His approach to femininity and masculinity shows that he is equally balanced between caring for others and about their opinions, i.e. belongingness to the organisation, and how he values economic issues, i.e. individual responsibility and performance. The company's organisational structure of individual performance and its strong organisational culture are supported by the employee's weak uncertainty avoidance and his slightly stronger support towards collectivism. Weak uncertainty avoidance means that he is confident and feels capable to solve problematic situations on his own. His leaning towards collectivism means that he feels connected with the organisation.

In the strategic alliance the employee feels that there is a problem with time planning but it is neither company's fault.

The lack of possible career paths in the organisation or in the collaboration has no visible impact on how the employee is motivated by the company's vision, goals and values. This relation is correlated with the employee's motive for employment, which is self fulfilment. This means that the employee has no intention of leaving the organisation because his needs are fulfilled through belongingness with the organisation, which in turn leads to a strong identification with its culture.



The compliance between management's strategies and employees values indicates that management is aware of its actions and how it affects the organisation. Management's emphasis on a strong organisational culture seems to be just in line with their success, since external relations mainly are based on individual employees' performance. The employee's identification with the organisation is therefore important for the company to succeed.

## **5.4 Lundinova**

### **5.4.1 Objectives for Entering the Strategic Alliance**

Lundinova has engaged in their most important strategic alliance to be able to attract more costumers, without additional costs and risks, and to gain a competitive advantage through their partner's complementing technological knowledge.

### **5.4.2 Factors for Success**

The companies' priority of the alliance are depending on which party is the main contractor for that project, but since they both profit from the collaboration it is in the companies' best interest to succeed. The collaboration champion is therefore depending on who is taking initiative for the project.

Lundinovas strategic alliances are most often originating from personal networks, indicating that close relationships are perceived as essential for successful collaborations. The inter-organisational relations have also been perceived as important for the collaboration. The closeness Lundinova finds important for succeeding involve a lot of trust between the partners, which in turn has been acknowledged as a problem for Lundinova on both a management- and organisational level. On management level communication and openness are considered important but it also poses a huge risk for information leakage. On an organisational level employees are trusted to work individually with clients but are not trusted to be fully capable of making decisions on their own. No specific cultural differences within the alliance have been acknowledged by Lundinova, even though they in the past have experienced confusion in responsibility roles without a predefined agenda. An indication that conflicts have arisen in the past, has stressed the importance of project members possessing diplomatic skills.

Lundinova has found two additional factors influencing the success of the collaboration, which are media relations to promote the alliance and to finish existing projects instead of taking on new ones. Lundinova also feel that they

lack female employees whom they believe in general are better project leaders than men.

### **5.4.3 Organisational Compliance**

The employees have very differentiated answers concerning how well they are familiar with and motivated by the company's vision and goals. The employee who has been working at the company for 4 to 6 years feels little knowledge or affiliation, while in contrast the newly employed feels the opposite. On the other hand they both feel strongly connected with the company's central values.

The employees both feel more strongly about none financial rewards, than financial rewards, as contributing to their motivation to identify with the company and therefore perform better. Wage was important for both but altogether financial rewards are less motivating than none financial rewards. This supports management's focus on quality of work and working environment rather than performance and efficiency. The lonely ranger mentality is also supported by both employees appreciation of freedom within work assignments and flexible hours. Management's belief that becoming a project leader is an incentive for employees to work harder has not been confirmed by the two employees involved in the alliance. They both feels less motivated by promotion, responsibility and decision making in contrast to wage and none financial rewards. The bonus system the company uses is divided between all employees unaffected by individual performance, i.e. another form of wage, which is motivating for the employees who scored higher on wage than individual bonuses.

No matter if the longer employed person did not consciously identify with the company's goals since he is motivated by exactly those types of rewards, as is the other employee. Management has imposed few rules on work processes which are more in line with the new employee's weak uncertainty avoidance, but at the same time they both scored high on freedom in work processes. Both employees favour collectivism, but they value individual performance in accordance with the lonely ranger philosophy. According to the questionnaire answers the employees value small power distance but do

not favour neither responsibility nor decision making, which are all in compliance with management's operational activities. The new employee's femininity values indicate that he has a casual approach to work and is not competitive, which confirms his preference of none financial rewards. The other employee chose not to answer this section, but also he favoured none financial rewards.

In the strategic alliance there are sometimes problems with the calculations of time, which was not acknowledged by the new employee. This may be an indication of poor communication due to the lonely ranger mentality, but can also stem from ignorance by the newly employed person.

The company's expressed central values indicate employees importance but their lack of full empowerment and few motivational rewards says otherwise, i.e. an increase in management's controlling efforts and little influence on decision making. Even though there is compliance between employees' values and organisational culture this has little effect on management's strategic decisions because the culture is mainly about being engineers and to have fun while earning your pay check. This is also supported by the fact that both employees have different motives for employment, which further explains the minimal effect of the lack of career paths. Management's approach to their employees therefore indicates that their main competence is focus on work processes and the total in-house range of technological knowledge. The lonely ranger mentality supports the construction of work processes but also the central values of being engineers. Group belongingness is developed through the after-work bonding activities and the house-like resemblance of the work place rather than work activities or motivational rewards linked to performance.

## **5.5 Connect Blue**

### **5.5.1 Objectives for Entering the Strategic Alliance**

Connect Blue has engaged in the strategic alliance to enable their technology to reach the product market and to gain access to greater market shares. They developed the technology themselves, but used their strategic partner to reduce costs and risks connected to the process of market entry. Since Connect Blue's technology is only a part of an end product they needed their alliance partner's product and distribution channels to reach the actual product market. Today that customer is only representing 18% of Connect Blue's annual turnover, but they still serve a higher purpose of establishing a reputation for Connect Blue through association and by giving access to their distribution channels.

### **5.5.2 Factors for Success**

Both companies perceive the alliance to be important, but from different perspectives. Connect Blue's vision, to become leader in their business segment, functions as a strong motivation for overcoming most differences which may come up in the alliance. The collaboration has been a means to an end i.e. gaining a strong reputation through association and market entry to achieve their vision. The envisioning of getting one step closer of reaching their vision motivates Connect Blue to the degree that they entered the alliance even though they rated the initial risk as being quite high. The few weeks long timeframe for the partner evaluation process might have been too short. The alliance has also helped Connect Blue to reach their goal of growing 30 – 40 % a year, but has less importance today since it only covers 18 % of their total annual turnover. The partner eagerness to gain competitive advantages through Connect Blue's technology, i.e. they have given high priority to the collaboration, has been a contributing factor for the alliance's positive outcome. It is Connect Blue's belief that benefits have been equally distributed amongst them. A common factor for both companies has been mutual trust, which has been established through visible routines, at Connect Blue, and strong personal relationships between the companies. The CEO at Connect Blue feels that personal relations are the strongest factor for a

successful alliance. He also emphasises that putting early strains on that relationship puts the alliance at jeopardy. An underlying factor for establishing trust is that the companies have eliminated most transaction cost behaviour by having no shared resources and by dividing all risks.

Connect Blue has been the *collaboration champion* through their extra willingness to adapt to their partner's wishes by learning German and being the primary initiative taker in the alliance. Of course their partner has also contributed to the relationship by breaking their hierarchy of structure of decision-making to improve efficiency in the cooperation, but not to the same extent as Connect Blue's efforts. Open communication on all levels of the organisations along with frequent meetings has further strengthened the relationship. The partner's communication, in terms of feedback to employees at Connect Blue, has so far been neglected but is now, on Connect Blue's initiative, being revised.

Clear objectives for projects have been questionable since some projects have had a tendency to stray from the core framework of their projects' primary goals. This problem is being dealt with by implementing a control system monitoring project performance through key figures. The alliance partners have created automatic stabilisers for planning and keeping agreements through their system of dividing risks and their financial compensation system. This has contributed to the mutual trust and for collaborating parties to contribute as expected.

The outspoken focus on long term customer relationships indicates that much responsibility, for success, lies in employees' performance and dedication to their work and to their participation in the alliance. Management at Connect Blue values their employees and has kept the organisational level flat so that employees have a chance to influence work. Management has further handed out questionnaires to find out if employees are satisfied with their work situation, but without receiving any negative criticism. This indicates that employees identify with the organisation and its central values. Management's financial rewards with committed employees are believed to be sufficient motivating factors for employees' identification with the company.

### **5.5.3 Organisational Compliance**

The questionnaire found a quite strong identification with the company's vision. The identification with the company's goals was on the other hand more varying, where answers were ranging between a low 2 and a high 4, out of 5. Company values have been acknowledged by the employees but were not perceived as motivating, where their average answer was three and a half.

Common to all employees were that they all favoured none financial rewards over financial rewards. Their number one factor for motivation they had in common was a stress free working environment. Life quality at work, Flexible working hours, freedom within work assignments and performance recognition by superiors were also ranked as high priorities by everyone. Strict routines in work processes do not comply with employees' motivation. The informal financial reward system seems to have an effect, although the recognition of receiving the financial reward has a more significant result than the actual reward itself, thus in compliance with the employees' need of superiors' recognition. The open communication initiated by the CEO is also in compliance with that need. Among the financial motivational factors additional responsibility were conceived as a motivational factor, in fact higher than influencing decision making. The possibility to obtain a position with more responsibilities is limited to the possible career paths available in the organisation. One function within the company complying with this is the possibility of achieving a position as project leader. The answers concerning wage and bonuses were varying, but had no strong support by the majority answer. One of the employees ranked most of his answers concerning financial motivational factors as none affecting for his motivation to perform. The motivation of stress free work environment and life quality at work are weakly supported by the company since there is high pressure for employees to keep a high work pace for reaching the company's annual goal and to maintain a good relationship with clients and partners. This fact is supported with employees' vague motivation with company's goals and central values. The compensating factors are the overall employee identification with motivational rewards and their motive for employment. All employees see their employment as development, which supports the weak identification with goals and values.

Core values were in average common to all employees showing that they identify with flat organisational structures and closeness with superiors. They also favoured working in groups with others where they could feel a sense of belonging and group loyalty. One of the employees has more of a materialistic set of values than the others, even though he ranked financial factors lower than the none-financial factors. Almost the entire staff was constituted of men with an academic degree in engineering. This construction of the work force has not had any visible affects on neither the collaboration nor the company's organisational culture compliance with organisational structure or management strategy.

In the Strategic Alliances almost all of the employees felt that there was a lack of keeping time schedules as well as a lack in communication between the partners. One of the employees also felt a lack in openness and personal relations. All of the employees felt that both companies were responsible for the shortcomings.



## **5.6 Avansys**

### **5.6.1 Objectives for Entering the Strategic Alliance**

Avansys objective with the alliance is to enable employees to specialise in one product, i.e. developing employees' knowledge to be more competitive, which enables Avansys to reduce costs and to access their partner's international support function. The latter is important for attracting Swedish clients working internationally.

### **5.6.2 Factors for Success**

Avansys has a semi high priority in the alliance because they have alternative suppliers to substitute their partner, if it suits their customers, but they have high priority in the long run since they see positive benefits of having a single supplier. Avansys can be considered the *collaboration champion* since it is outspoken that their partner gives little priority to the relationship due to the difference in size and the extent of benefits resulting from the alliance. The partner does not feel that benefits received from the alliance have a great impact on their company. It is a concern for Avansys that their partner gives less priority to the alliance since it affects their contribution in terms of speed.

There are little risks involved and no specific cultural differences. Avansys recognises a close relationship to be the main factor for a successful alliance. This is created through mutual trust, which Avansys is trying to establish by having monthly meetings to discuss emerging issues.

### **5.6.3 Organisational Compliance**

The employee is quite aware and committed to the company's vision and goals. He is, in contrast, only somewhat motivated by the company's values.

The employee has stated, through the questionnaire, that he favours none financial rewards over financial. The two factors he values the most to feel motivated to perform are bonuses and flexible working hours. Neither of these rewards is provided by the company since they only have wage as

financial reward and work hours are often longer than 40 hours per week, even extending to weekends to suit clients' needs. The employee's none financial motivation is only supported by the company through the none-work related breakfast and the work related meetings. These events are the only tangible activities supporting the strong organisational culture, perceived by management. The small percentage of the work force who have higher academic degrees and the lack of financial and none financial rewards indicate that the importance of employees are less than the company's value as a whole, through work processes, client base and the total range of technological knowledge.

The employee was more or less indifferent to power distance, which indicates that he acknowledges power distance as existing but wants to take part of influencing work processes. This is semi supported by the company in terms of employees' opportunity to influence daily work assignments but not higher decisions. He was in favour of weak uncertainty avoidance, collectivism and femininity. This shows that he is not afraid of solving problems individually but he prefers group performance and that he believes that none monetary factors affect the company's performance more than individual performance. His values are supported by the company's priority of group performance and the jointly activities creating a bond to other organisational members.

The employee recognises several issues in the strategic alliance as problematic. Management's concern about their partner's lack of priority and the contrasting claim of having good personal relations are conflicting with the employee's view of the alliance. According to the employee there is a lack of time planning, communication and openness caused by both parties, which confirms management's worry and negate their claims in how they perceive the alliance.

The employee's motive for employment is development, which explains why he is neither greatly affected by his belief of not sharing company values nor that his need for none financial rewards are not met. Together with his preference of none financial rewards it further explains why he accepts the lack of career paths even though he is motivated by more responsibility.

## 6

### Conclusions about the Hidden Truth

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#### **6.1 Initial Statement**

Any negative findings in this report should not be exaggerated by the reader, since it describes management's activities and organisational compliance with those activities, but says nothing about actual performance or the companies' competitiveness on the market. Two important facts should not be forgotten when reading this paper; firstly, all managers perceive their strategic alliance as successful and, secondly, they are all individually successful companies, still in their growth face. This paper's primary objective is to present a successfully implemented management strategy from both a managerial- and cultural perspective. Conclusions made in this study therefore aim at presenting a deeper theoretical knowledge within the subject of strategic alliances.

#### **6.2 Individual Conclusions of the Case Studies**

This chapter will first draw conclusions about each individual company and then see if there are any common attributes between them. The companies will be divided into two levels of priority depending on managements' statements during the interviews and what the alliances actually mean for the companies individual successes. An alliance given high priority has a prominent impact on the company, even though not necessarily imperative. Middle priority refers to management's belief that the alliance is important but its contribution is marginal to the company's in-house capabilities. This classification is important to distinguish the parties' preset ambition to succeed in the alliance. This ambition has previously, in the analytical chapter, been recognised as the *collaboration champion* and is strongly correlated with higher priority, thus indicating which company will take most initiative in the alliance.

### **6.2.1 Terranet**

The strategic alliance objectives are not strongly correlated with Terranet's vision. This means that Terranet has **hidden motives** for entering the alliance, which are connected with the company's ambition to evolve. The alliance revolves around Terranet's unique technology, i.e. none substitutable, and the partner's ability to provide Terranet with additional benefits other than those set out for the alliance, thus both companies gain competitive advantages they cannot achieve individually. The ambition makes Terranet prioritise the alliance highly and is therefore accepting the many cultural differences which exist between them and their partner.

Management believes that personal relations are the primary factor for a successful strategic alliance and that trust, necessary for establishing a close relationship, is built on just that together with a good mutual communication. What can be interpreted from the interview is that trust also exists because the companies have divided all risks involved amongst them. The employee's perception of the strategic alliance is that the openness can be improved but feels it is both company's fault, which is noticeable because he is the one who has acknowledged the issue.

The collaboration commenced nine months ago, which is one of the reasons why there still are some difficulty in the compliance between the companies' technological level of knowledge. Because the alliance is in line with the company's vision it is a problem to be solved, not avoided.

The employee's identification with the company's vision, goals and values is low but does not seem to have a greater affect on the alliance's outcome since his values and motives are in line with his work assignment. His motive for employment also indicates that full compliance with the company is not necessary because his motive for performing well is to establish a career and this employment may be a step in the right direction. Terranet focus on their technology also allows the employee to have a different set of values than that of the company, since he is not part of the technological development.

### 6.2.2 TAT

TAT's objectives for entering the alliance are more correlated with their vision than with actual objectives set out for the alliance, which means that the alliance serves a higher purpose than what is defined in its objectives. The alliance is constituent of TAT's in-house technological knowledge and unique products together with the partner's technical platform and network of compatible partners and their products, thus neither company is substitutable. TAT gives the alliance high priority because of the additional benefits, i.e. **hidden motives**, obtained by collaborating with their partner.

The CEO acknowledges personal relationships and open communication to be the most important factors for making the alliance successful. The interview further indicates that these factors have reciprocal relations with mutual trust, which is established through predefined goals and by dividing risks, thus avoiding transaction costs.

Without a questionnaire it is impossible to make further conclusion. However, the interview indicates that management puts high focus on their employees and their compliance with the organisational culture. Management's increasing need for control and efficiency might jeopardise employees' identification with the company, if not handled correctly.

### 6.2.3 Purple Scout

Purple Scout's objective for entering the alliance is highly correlated with both the objectives for the alliance and their vision. The alliance is important for Purple Scout and revolves around the partner's product, but is not as important as their large costumers, thus the product is **substitutable** in concern to the company's business idea. Purple Scout gives middle priority to the alliance because they are able to provide a more complete service to their customers but their in-house competencies exceed their partner's contribution, hence the higher priority to their large costumers.

Management recognises personal relationships between the two companies to be the most important factor for the alliance. Trust is the cornerstone of their good relationship and is based on goal congruence, lack of risks involved,

open communication and no specific cultural differences. The importance of trust and personal relationships are supported by management's primary concern for commencing collaborative activities and accomplishing predefined goals in the alliance. The employee's recognition of problems with time planning does not seem to interfere with the companies' mutual trust since it is the employee's belief that it is neither company's fault.

There is a strong compliance between the employee's identification with the company's vision, goals, central values and motivating factors for performance. Because of Purple Scouts focus on employees, as their competitive advantage, the compliance with the employee's values is crucial for succeeding in both internal processes and external relationships. The employee's motive for employment, to seek self fulfilment, supports his strong compliance with the organisational culture.

#### **6.2.4 Lundinova**

Lundinova's objectives for entering the strategic alliance are closely correlated with both the alliance objectives and the company vision. The alliance aims at combining the two companies' resources to establish a larger client base, but also to complement each others competencies. Management sometimes perceives the alliance to be problematic due to complementing knowledge end leakage of crucial information. This indicates that even though management perceive the collaboration to be important, it is not imperative for their competitiveness, hence **substitutable**. This is supported by the fundamental idea at Lundinova to have a broader knowledge base than their competitors. Since the alliance is not a joint venture the partner can in some cases be seen as a competitor, which makes it impossible for management to fully relay on them as creating their competitive advantage on the market. The alliance therefore has a middle priority for Lundinova.

Management believes close personal relations are a key factor to a successful alliance, both on a managerial and an organisational level. Communication and openness in the relationship is also perceived to be important to establish trust in the alliance but a negative consequence of this can result in leakage of crucial information, which is a concern for management. Their concern is supported by past experience of confusion in

responsibility roles without a predefined agenda. In regard to that experience they also value project members to possess diplomatic skills. One of the employees recognises time planning as an issue but this has not been noticed by the other employee. This indicates an internal communication problem or that the new employee has not had the time to recognise the issue yet.

Employees at Lundinova differ in their opinions concerning the company's vision and goals but have an outspoken identification with the organisational culture. Their values on the other hand are only corresponding in concern to power distance and collectivism, which are supported by the family mentality at work. Their needs for motivational factors are somewhat provided by the company through flexible hours, wage and annual bonus, freedom in work assignments and life quality at work. Management's perception that becoming a project lead is motivating does not comply with employees' lack of motivation by more responsibility, promotion and more influence in decision making. The nature of work assignments, taking place at clients facilities, and the mentality of lonely rangers, indicate that the work processes and the total range of the company's level of technological knowledge, i.e. the total intellectual capital, constitutes management's main focus as their core competencies. This is further supported by employees' semi compliance with the organisational culture.

### **6.2.5 Connect Blue**

Connect Blue's objectives for entering the strategic alliance are both closely and loosely correlated with their vision and in turn with the objectives of the alliance. The alliance main component is Connect Blue's unique technical solution, which is none substitutable. The alliance is therefore establishing a competitive advantage for their partner but more of a supplier-consumer relationship for Connect Blue, which is loosely correlated with their vision, i.e. financial profit. Assisting Connect Blue to achieve their vision as market leaders are instead the access to greater market shares and by establishing a reputation through association with the well known partner. These **hidden**

**motives** make Connect Blue give high priority to the alliance and given them the ambition to solve any emerging cultural differences.

Management believes that close personal relationships and an open communication are most important for a successful alliance. To support the relationship the partners must establish a mutual trust, induced by visible processes, no shared resources and divided risks, i.e. no transaction costs. The CEO emphasises that there also exist some tension in the beginning, unaffected by the excluded transaction costs, which may strain the alliance if a close relationship has not yet been established. The CEO acknowledges clear project objectives and a compensation system for not fulfilling agreements as helpful for strengthening the level of trust between the two companies. Apart from management's many preventive actions to nurture a trusting relationship the employees experienced problematic issues concerning the alliance, constituent of a lack of communication and inefficient time planning. One employee also experienced a problem with openness and personal relationships.

The employees' compliance with organisational culture was inconsistent amongst the employees, but in average were they only somewhat motivated by goals and central values and only some of the preferred motivational factors are provided by the company. These differentiated sets of values are compensated by employees' quite strong motivation by the company's vision in relation with their unanimous motive for employment, which is development. The motive of development compensates the lack of career paths in the organisation. The lack of employees' identification is also supported by management's focus on their in-house level of technological knowledge and the routines and process systems in practice at the company.

#### **6.2.6 Avansys**

Avansys's objective for entering the strategic alliance is highly correlated with the company vision. The alliance revolves around a product, which is easily **substitutable** by Avansys if it suits their costumers. The objective of the alliance is more of a costumer-supplier relationship, but the competitive advantage for Avansys lies in future financial and knowledge enhancing



benefits of exclusively purchasing the product from one supplier. Because Avansys has a long term ambition to maintain the alliance they give it middle priority.

Management recognises close relationships to be most important for a successful alliance. Trust is also recognised as an important factor, which is established by minimising the risks involved in the alliance. Even though a close relationship is important, for management, the employee has experienced many problematic issues in the alliance such as a lack of time planning, communication and openness.

The employee is less motivated by the company's central values than he is motivated by their vision and goals. The employee feels motivated by most types of financial and none financial rewards, which makes it easy for the company to meet his motivational needs. The company fulfils his motivational needs through the salary and the none-work related meetings with other organisational members. Neither of the most valued rewards is provided by the company but since the employee is motivated by those incentives provided it does not cause a problem. His weak compliance with organisational culture can be explained by his motive for employment, which is development. This motive supports the somewhat weak identification with company.

### **6.3 Discussion**

Managements have acknowledged personal relations and trust, through good communication and predefined responsibilities and goals, as key factors to succeed in strategic alliance. These factors did on the other hand not always exist according to the employees' involved in the strategic alliance. A noticeable fact is that almost all employees' who answered the questionnaire believed that existing deficiencies were caused by both companies, which implies that the employees acknowledge the problems but are unable or unwilling to amend them. Existing theory also recognises these factors but this research, in contrast, suggests that these factors are actually subordinate to the correlation between the company's vision and the alliance objectives, hence level of priority, which indicates that management has *hidden motives*

for entering the strategic alliance. Thus the hidden motives do not refer to those objectives shared by both partners, i.e. agreed upon goals to achieve through collaborative performance together with combined resources and technological knowledge.

Since the strategic alliances studied in this research have little or no shared resources organisational culture had limited impact on none joint venture strategic alliances for small IT companies. The compliance between employees' values and the organisational culture was however existent to some level in all companies. The main factors compensating managements' inability to fully meet their employees' need were managements' perceptions of the companies' core competencies, i.e. the employees' role, but also employees' motive for employment. Because of these factors there was no need for employees' full identification with the organisational culture, thus its limited effect on the success of the strategic alliance. It was only found important that companies provide some of the most motivating rewards for their employees.

### **6.3.1 Contribution to Theory**

This thesis will provide strategic alliance theory with a Priority Matrix for evaluating a potential partner's ambition to succeed, in the collaboration, before engaging in the strategic alliance. This is not by any means a sufficient evaluation but should be considered by management before taking the leap into a committed relationship. The choice of strategic alliance partner is of great importance because even if the partners do not share risks and/or resources they do invest tremendous amount of time in establishing the well acknowledged close and trusting relationship, but more importantly they may lock themselves out from an opportunity to create an alliance with another company, who may be more suitable and provide more benefits than their existing partner.

Hidden motives have a greater impact on the strategic alliance than due other factors, including personal relations and organisational culture, given that these are satisfied at some level. Our conclusion is therefore that finding a partner with high priority and ambition to succeed will give the strategic

alliance prerequisites to create a strong competitive advantage for both companies.

### Priority Matrix

	Strategic objectives are <b>weakly</b> correlated with the company's vision	Strategic objectives are <b>strongly</b> correlated with the company's vision
<b>Easily</b> Substitutable Partner	Weak motives lead to low priority due to weak competitive advantage. A strict <b>supplier-customer relationship is preferable</b> , contract in focus.	Clear motives lead to middle priority due to middle competitive advantage. A <b>Strategic alliance is preferable</b> , alliance objectives in focus.
<b>Difficultly</b> Substitutable Partner	Hidden motives lead to high priority due to strong competitive advantage. A <b>Strategic alliance is preferable</b> , underlying objectives in focus.	Clear motives lead to high priority due to strengthening core competencies. A <b>Joint venture is preferable</b> , inter-organisational relations in focus.

**Important!** The upper-left square and the bottom-right square are not supported by this research. They are merely assumptions, which should be supported by further research.

The Priority Matrix shows two best practices for engaging in strategic alliances. Weak correlation between the company's vision and the strategic alliance objectives is only positive if the company's partner offers a competitive advantage through a unique service or good, i.e. the partner is *difficultly substitutable*. Strong correlation between the company's vision and the strategic alliance objectives is suitable for a strategic alliance if the partner is *easily substitutable*, i.e. the alliance objectives' importance to the company's vision compensates the partner's lack of uniqueness. (*Notice! This research does not consider joint ventures to be a part of the concept strategic alliances, since they have different prerequisites.*<sup>82</sup>) The other two

<sup>82</sup> For further explanation see chapter 3.1.1 Strategic Alliance – a Definition, page 23

combinations are not suitable for strategic alliances, but since that result is not supported by this research it is only an assumption drawn from previous made conclusions.

### **6.3.2 Suggestions for Further Research**

To support, invalidate or revise the generalised results found in this research it is a suggestion that further research will study this subject in a wider but also in a more focused perspective, thus:

- Validity the findings found in this research by studying more case studies, having more interviews, submitting the questionnaires to the entire work force, complementing the questions in the interview guide and the questionnaire and doing in depth research at location to identify the actual social relations at the work place. The latter can possibly identify the importance of gender- and academic perspectives within inter-organisational social relations and identification with organisational culture and their impact on strategic alliances.
- Expanding the research to comprise of larger companies, i.e. more employees create a higher importance to organisational identification.
- Studying other knowledge intensive industries to find out if the same results apply there.
- Studying low knowledge intensive industries to find out if changes in processes involve more compliance with organisational culture.
- Studying joint ventures and strict costumer-supplier relationship to support the entire Priority Matrix.

## **Interview Guide**

### **Company information**

1. What is your company vision?
2. Which are your company goals?
3. Which values are central for your company?
4. What kind of organisational structure do your company have?
5. Are rules and routines important?
6. Is working at your company a 8 to 17 job
7. How many women are employed at your company?
8. Do they have leading positions?
9. How many of your employees have an academic degree?
10. Do you emphasise group or individual performance?
11. What kind of reward system (-s) does your company have?
12. What career opportunities does your company provide?
13. Are decisions made in consultation with others or is one person responsible?
14. To what degree can employees influence company goals?
15. Does your company have an openness of opinion? And if so how is this right used?
16. Are performance and efficiency more important than the working environment and quality of work?
17. Does your company apply any performance monitoring to evaluate performance?

### **Strategic Alliance**

18. How many of your collaborations with other companies do you estimate as strategic for your company?
19. How long have you most strategic collaboration been going on?
20. How did your strategic alliance begin? Was it you who initiated it?
21. Which risks and advantages did you consider as consequences for this alliance?
22. How long did the evaluation process, for potential partners, take?
23. Did you estimate any adapting costs?
24. What expectation did you have when you began the collaboration?
25. Describe the collaboration (positive reactions and results, challenges, changes)
  - Closeness of the alliance
  - Shared resources
  - Risk sharing
  - Openness
  - Vision
  - Goals
  - Central values
  - Divided responsibilities
  - Who pushes the agenda
  - Who pushes the development
  - Who take initiatives
  - Who makes demands
  - Who makes the decisions
  - How is feedback given to alliance members
  - How is feedback received
  - How do you reward alliance members for good performance

- How are rewards received
  - Career opportunities
  - How high priority do the collaboration have for both partners
  - How do meetings between the management groups take place
  - How do meetings between the organisations take place
  - Which incentives do the organisations have for making the collaboration successful?
26. Do you apply any performance monitoring in the collaboration?
27. How do you estimate a potential for improving and developing the alliance?
28. How do you evaluate:
- Communication between the companies?
  - Power structures?
  - Personal relations?
  - Visions-, goal- and value comprehension between the companies?
- What have you done to improve/develop the collaboration in consideration to these factors?
29. Is it more important to complete established tasks or amending them before continuing?
30. How would you describe work processes?
31. Is work strict guided by established routines or do you create new routines when needed?
32. Do you have a schedule for working hours and timetable for when goals should be completed?
33. To what extent can alliance members influence the goals for the collaboration?
34. How many of the alliance members are female?
35. Do they have any leading positions in the collaboration?
36. How many of the alliance members have an academic degree?
37. Do the collaboration emphasise group or individual performance?
38. Do you feel that there is willingness in the organisation for improvements/development of the collaboration?
39. How much have personal relations affected the success of the collaboration?
40. Do you feel that the alliance members identify with the alliance?
41. Have your alliance partner's company size effected your actions and work processes?
42. How involved is your alliance partner in improvements/development of the collaboration?
43. Do you feel that you have reached the objective set out for entering the collaboration?
44. Which positive factors, from this collaboration, would you take with when starting a new strategic alliance?
45. Which negative factors, from this collaboration, would you take with when starting a new strategic alliance?

## Questionnaire

***The questionnaire is divided into 3 separate parts with questions concerning Your view of Your work place.***

### Part 1

Sex:            Male ☐        Female ☐

Number of years You have been employed at the company:

Recently hired ☐    1 - 3 ☐    4 - 6 ☐    7 - 10 ☐    > 10 ☐

What does Your employment at the company mean primarily for You  
(Choose one or several alternatives):

Wage ☐    Career ☐    Merit ☐    Development ☐    Status ☐    Self-  
fulfilment ☐

How well do You know and are motivated by Your company's:

A) Vision

1 ☐    2 ☐    3 ☐    4 ☐    5 ☐

B) Goals

1 ☐    2 ☐    3 ☐    4 ☐    5 ☐

C) Central values

1 ☐    2 ☐    3 ☐    4 ☐    5 ☐

What do you think could be improved when collaborating with other  
companies (Choose one or several alternatives):

Communication ☐    Openness ☐    Time planning ☐

Personal relationships ☐    Nothing ☐

Are misunderstandings or conflicts in collaborations with other companies  
due to:

Your company ☐    Your collaborative partner ☐    Both companies ☐

Does not exist ☐

## Part 2

In this part of the questionnaire 2 statements will be presented at a time, to which one of them You will take a stand for. **Mark the alternative which suites Your values the most, in concern to Your view of how a work place should be.** You are only allowed to choose one alternative.

The most important in society is equality so that everybody has the same opportunity to a high standard of life.	1. <input type="checkbox"/> <input type="checkbox"/>	It is okay with different conditions because it leads a driven and competitive society.
Order and balance in an organisation are best created through participation in decision-making.	2. <input type="checkbox"/> <input type="checkbox"/>	Order and balance in an organisation are best created by a leader.
Without a power structure employees work more creatively.	3. <input type="checkbox"/> <input type="checkbox"/>	A hierarchal power structure with routines makes employees work more efficiently.
Leaders and employees are the same only with different work assignments.	4. <input type="checkbox"/> <input type="checkbox"/>	A higher position of power means status and privileges, which is something to look up to.
Closeness to management creates openness.	5. <input type="checkbox"/> <input type="checkbox"/>	Problems should only be discussed with your closest superior, so that everybody have time to complete their own work assignments.
All decisions made by superiors should be open for critique.	6. <input type="checkbox"/> <input type="checkbox"/>	Because power structure has to exist, all decisions made by superiors are automatically legitimate.
All employees should have the right to the same opportunities and benefits.	7. <input type="checkbox"/> <input type="checkbox"/>	Different positions in the power structure entitles to different benefits.
When someone radiates power he/she is perceived as a show-of.	8. <input type="checkbox"/> <input type="checkbox"/>	When someone radiates power he/she motivates others and worthy of others' respect.
Problematic situations should be solved.	9. <input type="checkbox"/> <input type="checkbox"/>	Problematic situations should be avoided.
Uncertainty is a part of life.	10. <input type="checkbox"/> <input type="checkbox"/>	Uncertainty can be avoided by careful planning.
I have plenty of time to fulfil my work assignments.	11. <input type="checkbox"/> <input type="checkbox"/>	I have not enough time to fulfil my work assignments.
Opposition and competition is constructive and can be controlled through faire play.	12. <input type="checkbox"/> <input type="checkbox"/>	It is better to avoid conflicts and competitions because it often leads to disagreements and a hostile work environment.
A differentiation of opinions is	13.	A majority of consent for opinions



positive.	<input type="checkbox"/> <input type="checkbox"/>	is preferable.
Risk taking leads to new opportunities.	<b>14.</b> <input type="checkbox"/> <input type="checkbox"/>	Risk taking leads to uncertainty and problems.
Rules are changeable if needed.	<b>15.</b> <input type="checkbox"/> <input type="checkbox"/>	Rules are never to be broken, otherwise disorientation and confusion arise.
Less supervision and fewer rules are preferable because it leads to innovation.	<b>16.</b> <input type="checkbox"/> <input type="checkbox"/>	Rules and routines are preferable because it leads to efficiency.
The majority's opinion is valued higher than an individual holding specific knowledge in that matter.	<b>17.</b> <input type="checkbox"/> <input type="checkbox"/>	The opinion of an individual, holding specific knowledge, is more valued than the majority's opinion.
Group responsibility is most important when creating a strong development.	<b>18.</b> <input type="checkbox"/> <input type="checkbox"/>	Individual responsibility is most important when creating a strong development.
Group loyalty creates real security for the individual.	<b>19.</b> <input type="checkbox"/> <input type="checkbox"/>	The individual creates his/her own security through strong self-esteem.
Group belonging is ideal for a company.	<b>20.</b> <input type="checkbox"/> <input type="checkbox"/>	Leadership is ideal for a company.
Private life is a part of one's social relationships in a group.	<b>21.</b> <input type="checkbox"/> <input type="checkbox"/>	One's private life is strictly personal.
The majority's opinion at the work place decides what is right and wrong.	<b>22.</b> <input type="checkbox"/> <input type="checkbox"/>	Individual opinions at the work place decide what is right and wrong for each person.
Men need not be opinionated or confident, but can also assume nurturing roles.	<b>23.</b> <input type="checkbox"/> <input type="checkbox"/>	Men should have a strong opinion and be confident. Women should be nurturing.
It is better to perform less so employees feel well and happy, because it is better long term.	<b>24.</b> <input type="checkbox"/> <input type="checkbox"/>	It is better to perform more, even if it is more demanding sometimes, because the work has to get done.
One works to make a living.	<b>25.</b> <input type="checkbox"/> <input type="checkbox"/>	One works to make a career.
Social relationships are most important.	<b>26.</b> <input type="checkbox"/> <input type="checkbox"/>	Economic security is most important.
Others appreciation of my work performance motivates me.	<b>27.</b> <input type="checkbox"/> <input type="checkbox"/>	Ambition drives me.
One sympathises with the unfortunate.	<b>28.</b> <input type="checkbox"/> <input type="checkbox"/>	One admires the successful achiever.
Small and slow are beautiful.	<b>29.</b> <input type="checkbox"/> <input type="checkbox"/>	Big and fast are beautiful.

### Part 3

**Answer following statements concerning how important they are to You.** 1 has no meaning to You and 5 is precisely what motivates you to perform better.

	1	2	3	4	5
Wage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Possibilities for promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opportunities for development within the profession	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Higher position of responsibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bonus for performing well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larger office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Higher position of decision making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Privileges as company car, personal laptop etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High standard of life at the work place (social relations, facilities etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stress free work environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social status within the organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Superiors' recognition when performing well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Social recognition when performing well	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More freedom within the work assignments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flexible working hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Questionnaire Results for Terranet

Questionnaire Terranet	
All numeral values are on a scale of 1 to 5, where 1 is no acceptance and 5 is full acceptance	
Part 1: Employment information	Employee
Sex:	Male
Number of years Employed:	New
Motive for Employment:	career
Motivation by company Vision:	3
Motivation by company Goals:	3
Motivation by company Values:	2
Improvements of the alliance:	Openness
Responsible for Faults:	Both

Part 2: Employee values	
Small (A)/Large (B) Power Distance	
1	B
2	B
3	B
4	B
5	A
6	B
7	B
8	A
Employee value:	6/8 large P.D.

Weak (A)/Strong (B) Uncertainty Avoidance		
	9	A
	10	A
	11	A
	12	A
	13	A
	14	A
	15	B
	16	B
Employee value:		6/8 weak U.A.

Collectivism (A)/Individualism (B)		
	17	B
	18	B
	19	A
	20	B
	21	B
	22	A
Employee value:		4/6 individualism

Femininity (A)/Masculinity (B)		
	23	A
	24	B
	25	B
	26	B
	27	B
	28	B
	29	B
Employee value:		6/7 masculinity

<b>Part 3: Motives for performance</b>	
<b>Financial Rewards</b>	
Wage:	4
Promotion:	3
Education:	3
Responsibility:	4
Bonus:	4
Office size:	2
Decision-making:	3
Privileges:	3
Motivation factor in average:	<b>3.3/5</b>
<b>None Financial Rewards</b>	
Life quality at work:	4
Stress free work:	3
Social status:	3
Superior recognition:	4
Social recognition:	3
Freedom in work assignments:	3
Flexible working hours:	4
Motivation factor in average:	<b>3.4/5</b>

## Questionnaire Results for Purple Scout

Questionnaire Purple Scout	
All numeral values are on a scale of 1 to 5, where 1 is no acceptance and 5 is full acceptance	
Part 1: Employment information	Employee
Sex:	Male
Number of years Employed:	1-3
Motive for Employment:	Self-fulfilment
Motivation by company Vision:	4
Motivation by company Goals:	5
Motivation by company Values:	5
Improvements of the alliance:	Time planning
Responsible for Faults:	Neither

Part 2: Employee values	
Small (A)/Large (B) Power Distance	
	1 B
	2 A
	3 A
	4 A
	5 A
	6 A
	7 A
	8 B
Employee value:	6/8 small P.D.

<b>Weak (A)/Strong (B) Uncertainty Avoidance</b>		
	<b>9</b>	A
	<b>10</b>	A
	<b>11</b>	A
	<b>12</b>	A
	<b>13</b>	A
	<b>14</b>	A
	<b>15</b>	A
	<b>16</b>	B
Employee value:		<b>7/8 weak U.A.</b>

<b>Collectivism (A)/Individualism (B)</b>		
	<b>17</b>	B
	<b>18</b>	A
	<b>19</b>	A
	<b>20</b>	A
	<b>21</b>	A
	<b>22</b>	B
Employee value:		<b>4/6 collectivism</b>

<b>Femininity (A)/Masculinity (B)</b>		
	<b>23</b>	A
	<b>24</b>	A
	<b>25</b>	B
	<b>26</b>	B
	<b>27</b>	A
	<b>28</b>	B
	<b>29</b>	B
Employee value:		<b>4/7 masculinity</b>

<b>Part 3: Motives for performance</b>	
<b>Financial Rewards</b>	
Wage:	3
Promotion:	4
Education:	5
Responsibility:	4
Bonus:	4
Office size:	3
Decision-making:	3
Privileges:	2
Motivation factor in average:	<b>3.5/5</b>
<b>None Financial Rewards</b>	
Life quality at work:	4
Stress free work:	4
Social status:	4
Superior recognition:	5
Social recognition:	4
Freedom in work assignments:	3
Flexible working hours:	2
Motivation factor in average:	<b>3.7/5</b>



## Questionnaire Results for Lundinova

Questionnaire Lundinova		
All numeral values are on a scale of 1 to 5, where 1 is no acceptance and 5 is full acceptance		
Part 1: Employment information	Employee 1	Employee 2
Sex:	Male	Male
Number of years Employed:	New	4-6
Motive for Employment:	Development	Wage
Motivation by company Vision:	4	2
Motivation by company Goals:	4	2
Motivation by company Values:	5	5
Improvements of the alliance:	Nothing	Time planning
Responsible for Faults:	Both	Both

Part 2: Employee values		
Small (A)/Large (B) Power Distance		
	1	A A
	2	B A
	3	A B
	4	A A
	5	A A
	6	A A
	7	A
	8	B A
Employee value:		6/8 small P.D. 6/8 small P.D.

Weak (A)/Strong (B) Uncertainty Avoidance			
	9	A	A
	10	A	B
	11	A	B
	12	A	B
	13	A	A
	14	A	B
	15	A	A
	16	A	A
Employee value:		8/8 weak U.A.	4/8

Collectivism (A)/Individualism (B)			
	17	A	A
	18	B	B
	19	B	A
	20	A	A
	21	A	A
	22	A	
Employee value:		4/6 collectivism	4/6 collectivism

Femininity (A)/Masculinity (B)			
	23	A	
	24	A	
	25	A	
	26	A	
	27	A	
	28	A	
	29	A	
Employee value:		7/7 femininity	No answers

<b>Part 3: Motives for performance</b>		
<b>Financial Rewards</b>		
Wage:	4	4
Promotion:	2	1
Education:	4	3
Responsibility:	3	2
Bonus:	4	1
Office size:	3	1
Decision-making:	3	1
Privileges:	3	1
Motivation factor in average:	<b>3.3/5</b>	<b>1.8/5</b>
<b>None Financial Rewards</b>		
Life quality at work:	4	5
Stress free work:	4	5
Social status:	4	3
Superior recognition:	4	3
Social recognition:	4	3
Freedom in work assignments:	4	4
Flexible working hours:	4	4
Motivation factor in average:	<b>4/5</b>	<b>3.9/5</b>

## Questionnaire Results for Connect Blue

Questionnaire Connect Blue				
All numeral values are on a scale of 1 to 5, where 1 is no acceptance and 5 is full acceptance				
Part 1: Employment info.	Employee 1	Employee 2	Employee 3	Employee 4
Sex:	Male	Male	Male	Male
Number of years Employed:	1-3	1-3	1-3	4-6
Motive for Employment:	Development	Development	Development	Development
Motivation by company Vision:	4	4	4	4
Motivation by company Goals:	3	4	2	4
Motivation by company Values:	3	4	3	4
Improvements of the alliance:	Time planning		Time planning	Time planning
	Communication		Communication	Communication
	Openness			
	Personal relations			
Responsible for Faults:	Both		Both	Both

Part 2: Employee values					
Small (A)/Large (B) Power D.					
	1	A	B	A	A
	2	A	A	A	A
	3	B	A	A	A
	4	A	A	A	A
	5	A	A	A	A
	6	A	A	A	A
	7	B	A	A	A
	8	B	A		B
Employee value:		5/8 small P.D.	7/8 small P.D.	7/8 small P.D.	7/8 small P.D.

Weak (A)/Strong (B) Uncertainty Avoidance					
	9	A	A	A	A
	10	A	B	A	A
	11	B	B	B	B
	12	B	A	A	A
	13	A	A	A	A
	14	A	B	A	A
	15	A	B	A	A
	16	B	A	A	A
Employee value:		5/8 weak U.A.	4/8 U.A.	7/8 weak U.A.	7/8 weak U.A.

Collectivism (A)/Individualism (B)					
	17	B	B	B	B
	18	B	B	A	B
	19	B	A	A	A
	20	B	A	A	A
	21	B	A	A	A
	22	A	A	B	A
Employee value:		5/6 individualism	4/6 collectivism	4/6 collectivism	4/6 collectivism

Femininity (A)/Masculinity (B)					
	23	A	A	A	A
	24	A	A	A	B
	25	A	A	A	B
	26	B	A	A	B
	27	A	A	A	A
	28	B	A		B
	29	B	A		B
Employee value:		4/7 femininity	7/7 femininity	5/7 femininity	5/7 masculinity

<b>Part 3: Motives for performance</b>				
<b>Financial Rewards</b>				
<b>Wage:</b>	4	4	2	3
<b>Promotion:</b>	4	3	3	3
<b>Education:</b>	3	4	5	3
<b>Responsibility:</b>	5	4	3	4
<b>Bonus:</b>	3	4	2	4
<b>Office size:</b>	1	1	2	2
<b>Decision-making:</b>	4	3	2	4
<b>Privileges:</b>	2	3	2	3
Motivation factor in average:	<b>3.3/5</b>	<b>3.3/5</b>	<b>2.6/5</b>	<b>3.3/5</b>
<b>None Financial Rewards</b>				
<b>Life quality at work:</b>	4	4	4	4
<b>Stress free work:</b>	5	5	5	4
<b>Social status:</b>	2	4	3	4
<b>Superior recognition:</b>	4	4	4	4
<b>Social recognition:</b>	2	4	4	4
<b>Freedom in work assignments:</b>	3	5	4	4
<b>Flexible working hours:</b>	4	4	5	4
Motivation factor in average:	<b>3.4/5</b>	<b>4.3/5</b>	<b>4.1/5</b>	<b>4/5</b>

## Questionnaire Results for Avansys

Questionnaire Avansys	
All numeral values are on a scale of 1 to 5, where 1 is no acceptance and 5 is full acceptance	
Part 1: Employment information	Employee
Sex:	Male
Number of years Employed:	1-3
Motive for Employment:	Development
Motivation by company Vision:	4
Motivation by company Goals:	4
Motivation by company Values:	3
Improvements of the alliance:	Time Planning
	Communication
	Openness
Responsible for Faults:	Both

Part 2: Employee values	
Small (A)/Large (B) Power Distance	
1	B
2	A
3	A
4	A
5	A
6	B
7	B
8	B
Employee value:	4/8

<b>Weak (A)/Strong (B) Uncertainty Avoidance</b>		
	<b>9</b>	A
	<b>10</b>	B
	<b>11</b>	B
	<b>12</b>	A
	<b>13</b>	A
	<b>14</b>	A
	<b>15</b>	A
	<b>16</b>	B
Employee value:		<b>5/8 weak U.A.</b>

<b>Collectivism (A)/Individualism (B)</b>		
	<b>17</b>	A
	<b>18</b>	A
	<b>19</b>	B
	<b>20</b>	A
	<b>21</b>	B
	<b>22</b>	A
Employee value:		<b>4/6 collectivism</b>

<b>Femininity (A)/Masculinity (B)</b>		
	<b>23</b>	A
	<b>24</b>	A
	<b>25</b>	A
	<b>26</b>	B
	<b>27</b>	B
	<b>28</b>	A
	<b>29</b>	A
Employee value:		<b>5/7 femininity</b>



<b>Part 3: Motives for performance</b>	
<b>Financial Rewards</b>	
Wage:	4
Promotion:	3
Education:	4
Responsibility:	4
Bonus:	5
Office size:	3
Decision-making:	3
Privileges:	3
Motivation factor in average:	<b>3.6/5</b>
<b>None Financial Rewards</b>	
Life quality at work:	4
Stress free work:	4
Social status:	4
Superior recognition:	4
Social recognition:	4
Freedom in work assignments:	4
Flexible working hours:	5
Motivation factor in average:	<b>4.1/5</b>

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**Interview subjects:**

*Anders Carlus, CEO, Terranet*

*Johan Marnfeldt, Managing Director of New Technology, Lundinova*

*Johan Strömhage, CEO, Purple Scout*

*Lars Andersson, Competency Manager, Avansys*

*Ludvig Linge, Co-founder, TAT The Astonishing Tribe*

*Rolf Nilsson, CEO, Connect Blue*