

Identifying and classifying the factors affecting strategic alliance formation in urban environment management

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Submitted May 15, 2017; Revised August 21, 2017

The quick and complicated changes of the recent decades have made the organizations increasingly try to welcome changes. Changes such as innovations, complication of decision making and management processes, necessity for spontaneous decision making and the experiences of different contracting companies have led the organizations to forming strategic alliances. Moreover the importance of investing in urban environment which is a vital element and has an important effect on maintaining and improving the urban life quality is known to everyone. Therefore this paper is aimed at identifying and classifying the factors affecting the formation of strategic alliances in urban environment of Tehran. Descriptive-survey research method was used in this research. Our population included academic experts and the managers of the 22 districts of Tehran municipality. Using Cochran method the sample size was defined to be 149. The data was collected through literature review and survey. Once the effective factors were extracted from the literature they were classified by the experts. The data was analyzed using phase hierarchical analysis and the software "Expert Choice" was used for this purpose. Nine factors were extracted from the literature and prioritized. At the end of the paper recommendations are presented about the factors.

Keywords: strategic alliance, environment management, the municipality of Tehran

INTRODUCTION

Some researchers view the subjects from management's perspective and claim that supports of the senior management of all companies involved in the strategic alliance is a key factor in the success of the alliance [1]. As a matter of fact in order for the alliances to be literally strategic, they must have a dominant effect on the strategic plans of companies and by the support of superior management the strategic alliances must be formed, executed, managed and controlled [1,2]. Companies cannot access the resources they need in absence of superior management support [3]. Another challenge that may affect the success of alliances is organizational goals. No matter how close the relations between two members are, combining the culture of separate organizations is difficult. This is more difficult when the mother-companies have different and sometimes contrasting strategic goals. The alliance must be in line with the strategies of each company. Superior

management should create a clear link between its expectations from the future of the industry and the ways of receiving a bigger portion of the industry and also the places where the future plans must be proportionate [4]. An alliance becomes successful as long as the members have a common perspective of future [4].

Moreover an alliance is dependent upon a delicate balance between cooperation and competition. Therefore an alliance must create autonomy for each member so that they are encouraged to share a certain degree of power and control and they do not assume that they are marginalized. In this case the marginalized company is reluctant to cooperate and the alliance begins to collapse [5,6]. The members' willingness to continue cooperation decreases when one of the members becomes superior over the others [7]. Bowersox et al. [8] believe, that a clear decision making process and setting the process in a way that is supports power and control balance are of the critical factors in the success of and strategic alliance.

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weight of 0.265, “control and power level” with the total absolute weight of 0.211 and “members’ appreciation of the importance of the alliance” with the total absolute weight of 0.115 came next respectively.

In current paper the aforementioned factors are examined in forming strategic alliances in managing urban environment in private sectors in Tehran. Therefore due to the differences in the form, type and procedure of the alliances, the factors may have similarities with and differences from other researches in this area. Researchers have applied different approaches for developing models of forming a strategic alliance. Some researchers have studied the effectiveness of strategic alliances e.g. [9-14]. Another group of researchers have studied the obstacles and failure factors of strategic alliances e.g. [22-28]. Some other researchers have focused on the factors affecting the selection of the appropriate form of strategic alliances and the structure of strategic alliances e.g. [13, 17-20]. Finally the last group has focused on the factors affecting the formation of strategic alliances e.g. [28-33]. Current research, which is focused on the strategic alliance model, examines the factors that affect the formation of strategic alliances in the population.

In fact this study has taken one step forward compared to the studies of [12, 16]. Karagiannidis’s model includes 6 factors namely effective communication, trust and commitment, controllable power, compromise, cultural respect, and the value the members consider for the alliance. Vipel and Frankel’s model includes five dimensions namely trust and commitment, compromise, senior management support, clear goals, ability to achieve the expected performance.

Organizational culture is highlighted in many studies about formation of strategic alliances [6-9]. Organizational culture is highlighted in this paper and also in prioritizing and hierarchical analysis it has higher total absolute weight than others do. Therefore it can be claimed that the results of this research are in consistency with the previous researches. Senior management support is a factor that has a high total absolute weight and is in the first place in this research. This result is consistent with the study of [13], as in their model this factor is highly emphasized on. Other studies such as [30, 35] have mentioned senior management support as an important factor in forming strategic alliances. This factor has been neglected in the study of [49] therefore different results have achieved. Many studies have been conducted about the role and importance of “trust” in forming strategic alliances. This factor has been neglected in the study of [49]

therefore different results have achieved. Many studies have been conducted about the role and importance of “trust” in forming strategic alliances e.g. [51-53]. The results of this paper also put emphasis on “trust” and its indicators. It is the third important criterion. Based on the results of this paper and the importance of strategic alliances in strategic planning for big organization, it is suggested that in decision making and primary assessments the organizations pay special attention to the factors affecting strategic alliances and the way the factors influence them. Since the strategic decisions are made by senior managers, forming strategic alliance is dependent on their views. Therefore the managers with positive attitudes towards strategic alliance will encourage strategic alliance formation. On the other hand strategic alliances may be hazardous threats if they are not based on logical and well-founded assessments. As the literature and results of this study demonstrated cultural compromise is crucial in forming and maintaining strategic alliances. Therefore it is recommended that cultural differences be taken seriously for assessing the possibility of forming or maintaining a sustainable alliance

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