

The Implementation of Strategic Alliances By Thai Firms

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Abstract

This study, the implementation of strategic alliances by Thai firms which focused on the behaviour of partners, the governance structure and the satisfaction outcome of firms in industrial districts in Thailand was operationalized integrating the Transaction Cost Theory (TCT), the Property Rights Theory (PRT), and the Transactional Value Theory (TVT). The propositions were then assessed on the basis of a survey of 503 firms in industrial districts in Thailand. Logistic regression analysis results generally supported the model and hypotheses, suggesting the need for a greater focuses on the TCT, the PRT, and the TVT to study the relationship of partners' behaviour, governance structure, and satisfaction of allied firms. We further found that collaborative alliances (Joint Ownerships) were more likely to be effective as the governance form when collaborations were highly complex in terms of uncertainty, whereas Separated Ownerships were preferred when the level of trust was high between partners. The findings also showed that Separated Ownerships were more likely to be selected when the highest probability for opportunistic behaviour was compensated by the expected future benefits. Moreover, ANOVA analysis result strongly supported that satisfaction of the firm with the alliance should be independent of the implemented structure, if this has been selected taking into account aspects from the TCT, the PRT, and the TVT.