ABSTRACT

Existing scholarship on strategic alliances has been limited by the tendency to view alliance formation through a single theoretical lens that focuses solely on the economic aspects (e.g. acquisition of capabilities) of narrowly defined relationships. As yet, there has been little attention paid towards examining how strategic alliances—of all sorts—can address environmental issues. This study addresses these concerns by integrating the resource-based theory with institutional theory to assess firms' decisions to participate in strategic alliances. Drawing on these theoretical perspectives, this study articulates a framework for characterizing strategic alliances based on their focus on competency- and legitimacy-orientation, and thus develops a new typology of strategy alliances. Further, a conceptual model is constructed to examine the extent to which the variance of firms' motivations in participating strategic alliances influences their choices of different alliance configurations, which may influence firms' likelihood to pursue more (or less) proactive environmental strategies. This model is tested empirically for a sample of 74 firms that participated in 146 environmental alliances. The results suggest that firms with resource-based motivation may choose competency-oriented alliances such as exploration alliances and non-equity alliances, which tend to associate firms with more proactive environmental strategies, whereas firms with institutional motivations may choose legitimacy-oriented alliances such as exploitation alliances, homogeneous alliances and equity alliances, which tend to associate firms with less proactive environmental strategies.