

Network Capability and the Selection of Alliance Strategy

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The linkages within a supply chain are increasingly important source of competitive advantage. Network collaboration can be viewed as a dynamic capability building process that enable the system evolve with surrounding environment. Theory and research have devoted considerable attention to identifying firm's incentives to form linkages. The purpose of this study is to investigate the effect of supply chain capability on the choice of alliance strategy. Data on Taiwanese Optoelectronics and Semiconductor companies was collected from a survey and secondary sources, totally 463 cases of linkage formation. Results indicate that the a firm search for network efficiency and flexibility, the more likely a shaping or adapting strategy will be choose rather than a stabilizing strategy; in contrast, the more a firm engage in effectiveness, the more likely it is to form a stabilizing strategy. Managerial implications and future research directions are discussed.

Keywords: supply chain management, alliance strategy, capability renewal, Taiwan

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