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0521811104 - Strategic Alliances as Social Facts: Business, Biotechnology, and Intellectual History

Mark de Rond

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## Strategic Alliances as Social Facts

*Business, Biotechnology and Intellectual History*

How can we explain a proliferation of alliances when the probability of failure is higher than success? And why have we emphasized their order, manageability, and predictability whilst acknowledging that they tend to be experienced as messy, politically charged, and unpredictable? Mark de Rond, in this provocative book, sets out to address such paradoxes. Based on in-depth case studies of three major biotechnology alliances, he suggests that we need theories to explain idiosyncrasy as well as social order. He argues that such theories must allow for social conduct to be active and self-directed but simultaneously inert and constrained, thus permitting voluntarism, determinism, and serendipity alike to explain causation in alliance life. The book offers a highly original combination of insights from social theory and intellectual history with more mainstream strategic management and organizations literature. It is a refreshing and thought-provoking analysis that will appeal to the reflective practitioner and academic researcher alike.

MARK DE ROND is University Lecturer in Strategy at the Judge Institute of Management Studies, University of Cambridge.

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## To Ed and Greetje de Rond

Strange is our situation here upon earth. However, there is one thing that we do know – man is here for the sake of other men – above all, for those upon whose smile and well-being our own happiness depends, but also for the countless unknown souls with whose fate we are connected by a bond of sympathy.

Albert Einstein

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## Foreword

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The contributions of this book are threefold. First, the three empirical studies of strategic alliances in biotechnology research add to an already considerable literature on the pharmaceutical industry and its evolving structure. Second, the approach to understanding these increasingly pervasive strategies exemplifies the utility of moving away from theoretic ‘silos’ towards multi-theoretic analysis. This approach can be usefully juxtaposed with contrasting arguments about how management research might achieve more depth and maturity, as outlined in more detail below. The third contribution of the book is to relate a pluralist perspective to the work of Isaiah Berlin. This section of the book not only provides a stronger ontological foundation for Mark’s effort, but introduces a philosophical depth that has been missing from most discussions of management theory around the world. All in all, this is a fresh, ambitious and welcome agenda. Though complex, the book is brief enough to be accessible to many readers; I encourage you to be one.

The empirical study begins with the puzzle of why alliances continue to flourish despite widely agreed statistics showing that at least half of previous efforts have failed, often miserably. Those interested in alliances, especially their strong role in the pharmaceutical industry, will be interested in the (disguised) descriptions of three specific connections. None of these collective efforts fulfilled its initially stated purpose; the most apparently successful was terminated the most quickly. De Rond’s analysis is compatible with Czarniawska’s (1997) argument that managers are in, and help create, never-ending dramas, in which purpose cannot be expected to match the firm expectations of textbooks and a-priori rhetoric. De Rond’s story of how and why initial objectives were modified is plausible, and brings into partial question, at least, attributions of alliance failure. It also supports a stronger interpretive strand in future work on alliances.

Alliances constitute an important strategy in an internationalizing and globalizing world, and the empirical aspect of the book is therefore useful in and of itself. The contribution that moves beyond empirical

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observation is de Rond's approach to theory building. Here, the work on alliances becomes the springboard for observations that are relevant to a much wider audience.

De Rond claims that useful theory building *must* be pluralist. This is a contribution to an increasingly sophisticated discussion of the purposes of management theorizing and research. In the last fifty years, almost all business schools have increased their social science capabilities. Spurred on by ranking schemes that heavily influence acceptance by journals, there has been remarkable progress recently in relating theories from economics, psychology, sociology, anthropology, geography, and other fields to the contexts of business and other organizations. De Rond's position, however, is that analysis from a single theoretical basis, the thing that is most easily rewarded by highly regarded journals, is at best a useful intermediary. Single science perspectives cannot shed significant light on the contexts we claim to be trying to understand; in fact, they tend to obscure it.

The assertion that a pluralist perspective must now be developed can be contrasted with two other points of departure. The first of these argues that management must become more of a 'design science'; the second escalates a critical, or at least a non-managerialist, stand.

The design perspective, recently explored in a conference inaugurating the new Weatherhead School of Management building designed by Frank Gehry (<http://design.cwru.edu>), is just beginning to coalesce. My summary of this point of departure is that management must take its standing as a profession more seriously. Following colleagues in architecture, medicine and engineering, proponents for this agenda claim scholars of management should put more effort into creating a coherent language of practice and offering specific, empirically verified, templates for application. Design proponents feel we are less relevant than other professional schools; we are behind colleagues helping to fight disease or reach the stars.

A critical perspective, rooted in but now rather independent of Marxist thought, finds this highly problematic. Henry Mintzberg and others repeatedly point out that too many management theorists, especially in America, tacitly assume their job is to support managerial action, thereby ignoring larger conditions and consequences. Zald (2002) introduces a special issue of *Organization* (August 2002) with an essay suggesting that it may be time to move these concerns to a more central position if the management field is to develop. Recent events, easily signified by Enron and Andersen's debacles, have further escalated this worthy agenda. If a critical perspective were closer to centre stage, theorizing would be more firmly rooted in the humanities and in history, and place organizational activity into a more contestable frame.



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De Rond's book establishes a third position. The key to his argument is that the shortcomings of management theory are more closely tied to our efforts of the past. The key issue is not that we have been standing too close (as critical theorists argue) or too far away (as most design theorists would argue), but that we have been too narrow in understanding our current ground. What our field needs, de Rond suggests, is not more theoretical variety but theories *of* variety. We need theoretical approaches that accept heterogeneity as a starting point in drawing observations from the empirical world of organizations. This is an interesting third perspective on the purpose of management theory. It is particularly attractive because it most clearly leverages our current skills as scholars, and most clearly links a management theory agenda to university and public pressures for strong science from business schools.

After establishing the logic, De Rond goes on to provide a philosophical basis for this third alternative in the works of Isaiah Berlin (1909–97), an Oxford-educated philosopher who became one of the most versatile intellectual historians of the twentieth century. Throughout his long life, Berlin remained sceptical of anything all-embracing and rational, as it denied too much of what we know to be true of social life. This depiction of Western intellectual tradition is highly relevant to the study of organizations. Management theory tends to share with much work from the social sciences, the humanities, and the sciences an unquestioned belief that to every problem there is a solution; that solutions can be found by applying reason; and that solutions found must form a coherent, all-embracing body of theory. De Rond believes that our thinking about alliances has been dominated and stunted by this tradition. Berlin's thinking supports a compelling alternative lens, a perspective that is not unknown in the field, but again one that supporters could easily claim has not been adequately explored. I believe this is an important third path to greater maturity of our field. We need a deeper and more developed pluralist tradition, even while recognizing a responsibility for design and the importance of critical distance.

As a potential reader, you may feel overwhelmed by the breadth of de Rond's agenda, and the larger debates it engages. Yet the brevity of this book is its strength. It should be read as a guidebook, rather than a definitive text. Consistent with Berlin's vision, we each must make our own extensions. Let us begin.

ANNE SIGISMUND HUFF

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I owe everything else to my parents. It is to them that I dedicate this book.