

Navigating Machiavellianism in corporate alliance partnerships

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Researchers from University of Leeds and Cardiff University published a new paper in the *Journal of Marketing* that examines the nature, functioning, and performance relevance of Machiavellianism in alliance partnerships.

The study is authored by Giuseppe Musarra, Matthew Robson, and

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Alliances are an essential component of a firm's strategic arsenal for thriving in today's hyper-competitive marketplace. They serve as a mechanism for partners to implement their agendas and achieve marketing-related goals (e.g., develop new product and enter new markets). Yet, many alliances underperform.

Given the large investments firms make to form and manage alliances, it is crucial to address such a real-world marketing problem. A fundamental issue is that both the bright side and dark side of alliances shape their effectiveness. Alliances offer a platform for joint learning that can serve the interests of the partnership (bright side) or they can foster learning-related exploitation and the use of power to prioritize one's own goals (dark side).

The tension between these routes can be used by an alliance partner with Machiavellian characteristics. "Machiavellianism in an alliance is a firm's strategy of social conduct that involves manipulation of the partner for own gain, often against its best interests. Our interviews with executives confirm that Machiavellianism resonates strongly in the marketing alliance context," says Musarra. For example, one CEO commented that "For companies like mine, tie-ups are a unique vehicle that offer great opportunities to benefit from the partner and its skills. We are masters of manipulation."

Like other social psychology constructs transferred from the individual to the firm level, Machiavellianism is partly dispositional (internal beliefs) and partly manifest (behavioral). The researchers did not find evidence that Machiavellianism is a fixed, firm-level disposition. Instead, the interviewees were convinced their firm's Machiavellianism and its dimensions (i.e., distrust in the partner, desire for status, amoral manipulation, and desire for control) vary across alliance settings.

For instance, the managing director of a marketing alliance was adamant that "It can change. Our motives, needs, and desire to lead in the production of new skills ... change, as it is often easier to chalk up another victory by deceiving rather than leading."

The main study examines a firm's Machiavellianism as a driver of its performance effectiveness in the alliance via learning and power mechanisms. Machiavellianism harms performance by: (a) weakening motivations to develop and learn new knowledge with the partner (i.e., [collaborative learning](#)); (b) strengthening motivations related to anxiety about failing to access and learn new knowledge from the partner (i.e., learning anxiety); and (c) increasing the use of power to dominate the alliance's agenda.

While Machiavellianism naturally drives learning anxiety, it can encourage collaborative learning when there is situational knowledge furnished by collaborative history. The path to use of power is unaffected by collaborative history. Using history to understand the situation opens the way for Machiavellian pragmatists to favor bright-side (collaborative) learning over the more intuitive dark-side (anxiety) route in the race to learn.

Using collaborative history, moderating conditions can benefit performance by neutralizing the negative performance effects of Machiavellianism through collaborative learning and learning anxiety, but not use of power. The study's quasi-longitudinal study shows that learning and power effects take time to unfold. Robson says that "Performance outcomes of learning are contingent on the alliance development stage. We observe an inverted U-shaped moderation at the alliance development stage on the paths from collaborative learning and learning anxiety to performance. Once an alliance partnership is past its peak, opportunities fade for both learning-related mechanisms."

The researchers also observe that the competitive mechanism, use of power, appears to be problematic because it is resistant to the conditioning effects of both knowledge built via collaborative history and the alliance development stage. Machiavellian use of power to dominate the alliance's agenda is a key concern for alliance management.

"Machiavellian firms' preoccupation with dark-side learning anxiety and use of power could preclude a focus on collaborative learning, to the detriment of performance. Still, it is important that managers factor into their planning the conditioning effects of alliance situational factors like collaborative history," advises Katsikeas.

Understanding how to identify a Machiavellian partner is beneficial for practitioners because such partners are adept at creating the illusion of cooperation. The researchers' interviews uncovered manifestations of Machiavellianism's behavioral side that would allow the detection of a Machiavellian partner. Machiavellian firms are likely to exhibit behaviors that reflect its dimensions, such as hypervigilance, authoritative work patterns, and calculative adaptations.

Firms may find it prudent to set up an alliance with a partner with Machiavellian characteristics, provided the partner offers a good fit of capabilities for the [alliance](#) work. The challenge facing managers is to surface this [partner](#)'s Machiavellianism and suppress its deleterious effects until they can find value in collaborative learning.

More information: Giuseppe Musarra et al, EXPRESS: Machiavellianism in Alliance Partnerships, *Journal of Marketing* (2022). [DOI: 10.1177/00222429221100186](https://doi.org/10.1177/00222429221100186)

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