**CRITICAL SUCCESS FACTORS IN STRATEGIC ALLIANCES FOR FACILITIES MANAGEMENT IN BUSINESS SERVICES**

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# Abstract

# Facilities Management (FM) is a multidisciplinary science that combines the profession to ensure environmental development function are operating effectively and efficiently. In order to effectively perform the task and processes, Critical Success Factors (CSF) is required by an organization to measure success in identifying CSF enterprises. With associated strategic alliances, companies can ensure the business or project has the proper focus to avoid wasted effort. This research aims to determine the critical success factor in the strategy of alliances in the business services for facilities management. A literature review was conducted in order to identify the critical success factor for strategic alliances specifically in the business sector. Medium such as journals, articles, and case studies related to the topic was explored. Moreover, other mediums such as documents, annual reports, electronic documents, rules and regulation and others that are related to this topic were explored and analysed. The critical success factors from the literature review were extracted and discussed. From this study, there are seven (7) critical success factors were found to be the influential factors in implementing strategic alliance in facilities management. Building relationship alliance in facilities management strategies not only bring the impact of the alliance partner but also bring impact to end users.

# Keywords:

Critical success factor, facilities management, Strategic alliances, Business sector

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# BACKGROUND OF STUDY

# The International Facilities Management Association (IFMA) stated that the facilities management (FM) industry is a rapidly growing since its establishment of their organization in Houston, United States of America around 1970s. According to the IFMA, the establishment of their organization was a response to the urgent need for a proper organization to provide information on how to manage an office facility and environment. They stated that the FM industry has expanded across the continent, such as Japan Facilities Management Association (JFMA), British Institute of Facilities Management (BIFM), and Facilities Management Association of New Zealand Incorporated (FMANZ). Kamaruzzaman and Ahmad Zawawi (2010) and Mohd Isa et al (2016) explained that FM industry in Malaysia started on the late 1990s as the Malaysian government took a step forward by implementing FM in hospitals for non-clinical support to three asset management organization in Malaysia back in 1996. Myeda and Pitt (2014) added that an international seminar in Kuala Lumpur that was conducted in 2001 has created more awareness regarding FM and soon resulted in the establishment of Malaysian Association of Facilities Management (MAFM) in 2005.

# The IFMA (2004) defined FM as a profession that integrated multiple disciplines to guarantee the functionality of built environment by incorporating place, technology, process, and people, or users. The BIFM (2017) describe FM as the involvement of process within a company to maintain and develop the agreed service that supports and improves the effectiveness of the company's main activities. Moreover, Payne (2000) stated that FM is an area of business and management practices that were drawn from organizational management, engineering, and other skills from different industries. He then stated that the definition of FM is still in the refining process. Additionally, Atkins and Brooks (2000) suggested that FM can be defined as a strategic approach to improve, operate, and maintain, as well as adapt the building and infrastructure to support the main objective of the organization. Then, Chotipanich in 2004 agrees that the roles of FM are subjective to the purpose of the organization.

# Consequently, FM, in brief, can be defined as a profession that includes multiple disciplines, such as management, business, and accounting, where the job scope is designed according to the objective or purpose of the respective organization or company. For that reason, there are a variety of ways to conduct FM according to the organization. Mostly, FM is a career built environment (BIFM, 2017) where the professionals of FM will maintain and upgrade the infrastructure of a building to its maximum capacity in order fit with the users’ daily activities (Payne, 2000; Kamaruzzaman & Ahmad Zawawi, 2010). Nonetheless, scholars such as Atkins and Brooks (2000) and Kamaruzzaman and Ahmad Zawawi (2010) agrees that the FM industry at first was seen as an industry that does not relate to the built environment, engineering, or business, and management. Atkins and Brooks (2000) stated that FM was far from property management, business, or engineering because it was mainly focused on building maintenance, cleaning, and servicing. This is due to the traditional ways of maintaining, repairing, and cleaning the building and infrastructure (Kamaruzzaman & Ahmad Zawawi, 2010). However, this condition has changed significantly around 1980, where FM was introduced as it achieves a recognition as a profession in the property and construction industry as well as business industry.

# LITERATURE REVIEW

# Facilities Management Job Scope

# As mentioned, the job scope of FM is designed according to the objectives or purposes of the organization. FM has gained its foothold in the business industry, the professionals of FM should understand the foundation of their profession and identify the integration between their profession and business profession in order to fit in with the purposes of the industry. The IFMA (2004) stated that FM professionals should study how their profession relate directly to the organization in general, such as operative works, project management, and finance. More importantly, they added that the professionals should work closely with the decision-making parties in order to support the main objective of the organization and activities. For this reasons, according to Langston and Kristengsen (2002), facilities managers, should at best, become a part of the decision-making team, or at least, become a direct reporter to the company’s Chief Executive Officer (CEO). It is important that FM become a part of the strategic team of the company as the professionals will synchronize the system with the main objective of the company, predict the future condition as well as provide a suitable solution of a condition. There are a few possible techniques that are available to approach FM requirements, as Atkins and Brooks (2000) mentioned, and they are strategic analysis, developing strategies, and implementing strategies. Strategic analysis aims to analyse and establish an understanding of the company's needs, objectives, policies, assets, and space utilisation in order to provide a general picture of the current state service, while developing strategies is viewing and analyse case studies on how FM consultant work with the clients in order to achieve sustainable infrastructure. Finally, the strategies developed are implemented into action according to the infrastructure and organization's strategy.

# Todeva and Knoke (2005) stated that there are several positive outcomes to the organization that are actively engaged in strategic alliances, such as high return equity, better investment, and higher success rate. Thus, these alliances were meant to strengthen the business and relationship between two or more companies. Strategic alliances are an agreement between two or more parties to share risks, benefits, responsibilities, control, operation integration, and mutual dependence for the benefit and success of all parties involved (Vyas et. al, 1995; Mockler, 1999; Ernst and Bamford, (2005). The option of strategic alliances is crucial and a risky step to take a business especially the new market business. This is because, despite the benefits of alliances, there are risks of failures due to lack of trust, too optimistic, and poor communication between the alliances. Therefore, it is important to identify the critical success factor of strategic alliances for sustainability of the organization and business.

# RESEARCH METHODOLOGY

# This paper intends to understand strategic alliances, more importantly, this paper intends to identify and establish the critical success factors (CSF) in the strategic alliances facilities management in the business sector in order to avoid failure of alliances. Besides that, this paper will explore the definition of strategic alliance and identify the reasons for its failure. In order to reach this objective, methods like literature review and triangulation were used. More, journals and articles as well as case studies related to this topic were explored, understand, and analyzed. The produce of this paper aims to be used as references or recommendations to build strong strategic alliances in facilities management in business industry. The findings are presented as subheadings within the results and discussion section.

# RESULTS AND DISCUSSION

# *Strategic Alliances*

# Strategic alliances, in general, can be defined as an agreement between two or more parties to share risks and benefits in order to achieve excellence success. Vyas et. al, (1995) stated that strategic alliances are an acknowledgment between parties to share knowledge and resources to gain benefits for the involved parties. Mockler (1999) also agrees on the definition of strategic alliances and added that it is one of the options for companies to use in order to achieve the common objective or interests of the involved companies. Ernst and Bamford (2005) also define strategic alliances as an agreement between involved parties or companies where they agreed on shared risks, responsibilities, and control, as well as operational integration and mutual dependence. Moreover, Whipple et al. (2000) stated that strategic alliances are a process where the participants are willing to modify their business practices in order to reduce waste and duplication. Therefore, one of the important aspects of strategic alliances is to minimise resources and to achieve maximum effectiveness and efficiency of efforts in the process of facilities improvements.

# There are two classifications of strategic alliances, according to Dussauge et. al (2000), which are i) horizontal strategic alliances; linking competing companies in the same industry, and ii) vertical strategic alliances; linking buyers and suppliers in separate industries, but are capable of being integrated into the same business system. Faulkner (1995) agrees to these two classifications and described that horizontal alliances blur the distinction between rivalry and cooperation within a domain, while vertical alliances remove the uncertainty of price and availability based on mutual relationship, and potentially discarded the regulating power of price mechanism. However, Bronder and Pritlz (1992) argued that there are three classifications of strategic alliances, which is, horizontal, vertical, and diagonal alliance. Diagonal alliance applies to the cooperative activities between companies in different industries. Nevertheless, these classifications focus more on cost reduction of capital investment as well as riskless of new market entry, therefore there are more classifications for strategic alliances based on the industries, such as cross-licensing for technology alliance (Bronder and Pritlz, 1992).

# However, according to Anderson (2001), strategic alliances will only have high success rate when with commitment. He argued that without commitment there is a high chance of failure in alliances. Additionally, Cummings (1994) stated that the failure between alliances will affect not only on the company but also on the respective partners. He further explained that commitment between alliances ensures the alliances of future placement between each other where the organizations commit to build a long-term partnership and withstand with their partners through a crisis or unwanted events. Therefore, it is important to recognize the critical factors that influence strategic alliance. A study has shown that there are eight main reasons for alliance failure, and they are;

# i) Overly optimistic

# ii) Poor communication

# iii) Lack of shared benefit

# iv) Show results for payback

# v) Lack of financial commitment

# vi) Misunderstood operating principles

# vii) Lack of alliances experiences

# *Critical Success Factors*

# Through literature review, there are fifteen (15) critical success factor that influences strategic alliances as listed in Table 1:

# Table 1: Critical success factor for strategic alliances

|  |  |
| --- | --- |
| Critical success factors | Source |
| 1 | Trust | Bleeke & Earnest (1993), Barney & Hansel (1994), Etzoni (1998), Moore (1998), Smith et al (1997), Chen-Olmsted & Jamison (1999), Bierly III & Callagher (2007). |
| 2 | Partner selection | Medcof (1997), Saxton (1997), Technology Associations and Alliances (1999), Chummings (2009). |
| 3 | Communication | Cummings (1984), Mohr & Spekman (1994), Creed & Miles (1996), Monczka et al (1998), Hunt et al (2000). |
| 4 | Alliance control | Geringer et al (1989), Leifer & Mills (1996), Technology Association and Alliances (1999), Das et al (1998). |
| 5 | Alliance governance | Culati & Singh (1998), Gulati et al (1998), David & Han (2004). |
| 6 | Senior management commitment | Technology Association and Alliances (1999), Elmuti & Kathalawa (2001), Hoofman & Scholssr (2001). |
| 7 | Clearly defined objectives and roles | Eisenhardt (1985), Mockler (1999), Earnest & Stern (1996), Whipple & Frankel (2000). |
| 8 | Knowledge sharing | Inkpen & Corrosan (1995), Morrison & Mezentseff (1997), Jones & George (1998), Kale et al (2000), Dyer & Nobeoka (2000), Ciborra (2010). |
| 9 | Collaboration | Pfeffer & Salancik (1978), Gray (1989), Schrage (1995), Li et al (2009). |
| 10 | Coordination | Amburgey & Miner (1990), Farland (1990), Galbraith & Cohen (1995), Gulati & Singh (1998), Gulati et al (1998), Gulati et al (2005), Kale & Singh (2009), Kale et al (2009). |
| 11 | Cultural compatibility | Inkeles & Levinson (1969), Shweder & LeVine (1984), Ashkanasy et al (2000), Strersman et al (2000), Zollo et al (2002), Pett & Dibrell (2011) |
| 12 | Commitment | Porter et al (1974), Cummings (1994), Technology Associations and Alliances (1999), Anderson (2001). |
| 13 | Alliances compatibility | Gulati (1998), Gulati et al (1998), Gulati & Singh (1998), Anand & Khanna (2000), Kale et al (2002), Hoang & Rothaermel (2005), Gulati et al (2005). |
| 14 | Alliances competence | Lambe et al (2002), Morgan & Hunt (1994), Varadarajan & Cunningham (1995), Day (1995). |
| 15 | Performance feedback | Michelet & Remacle (1992), Kramer (1993), Pearce (1997), Lau & Murnighan, (1998), Li et al (2002), Shenkar & Reuer (2006). |

# *Trust*

# According to Chen-Olmsted and Jamison (1999), one of the reasons for alliance failure is because of lack of trust. Therefore, building trust between alliance companies is important. According to Moore (1998), the existing trust in an alliance relationship lessens the perception of risk connected with opportunistic behaviour. Moreover, a study shows that the degree of trust between alliance partners influences the alliances performances (Bleeke & Earnest, 1993; Smith et. al., 1997). Moore (1998) added that trust between partners must exist in order to communicate and share information to manage the alliance and create mutual understanding whilst creating a long-term relationship between alliances. There are few benefits of trust in an alliance between companies, such as cost reduction. Barney and Hansel (1994) claim that when an exchange was made based on trust, the transaction cost such as bargaining cost and monitoring cost can be reduced. Other scholars such as Etzoni (1988) and Bromiley and Cummings (1992) agrees that cost can be reduced with the existing trust within alliances. Moreover, a relationship based on trust, according to a study by Kale et al (2009) shown that it increases the satisfaction level of business alliance and the achievement of joint actions and goals. Finally, building trust between alliances help to prevent and protects the company from any opportunistic acquisition. Thus, trust is one of the important element in creating strong and strategic alliances.

# *Partner Selection*

# An alliance can never be formed without the existence of partners. Aswathappa (2010) stated that the selection of partners is important and must be chosen selectively and carefully to avoid mischief. Technology Associations and Alliances (1999) survey has found that 70% out of 455 CEOs agreed that partner selection is one of the crucial element and one of the critical success factors in developing successful alliances. According to Holmberg and Chummings (2009), partner selection process is the action of i) aligning the goals of the firm and the partner, ii) identify a set of the potential partner, iii) interrelating the potential partners with industries, and finally iv) evaluate and select the suitable partner. Medcof (1997) has listed the criteria needed for a partner in the process of partner selection, which a few of them are:

# i) Strategic fit between the respective partners,

# ii) Capable to perform a trusted role,

# iii) Operational capability between partners,

# iv) Committed to inter-firm partners,

# v) Appropriate control mechanism between partners.

# In selecting partners for alliances, it is important for all parties to understand their respective partners (Saxton, 1997) and build mutual trust between allies (Li & Ferreira, 2008), as the trust between partners is one of the key issues in partner selection (Bierly III & Gallagher, 2007). Saxton added that with the existence of a trust, it will reduce potential conflict during alliances, hence increases the success rate of the partnership. Li and Ferreira (2008) claim that trust can be viewed as a bridge to reduce internal and external risk exposure.

# *Communication*

# Aswathappa (2010) defines communication as the process of delivering means from one to another. Oftentimes communications between alliances were overlooked and ignored by companies, even at the stage of building alliances. Hunt et al (2000) suggested that communication failure resulted in alliances failure due to the lack of working relationships and interpersonal connection into the building and unify the companies of alliances. Communication is one of the important tools in building a sustainable relationship or alliances. As Creed and Miles (1996) define it, communication is a vital tool to collect information between alliances. An honest and open communication between partners is important for the continuous growth, as well as strengthen the bond between alliances (Mohr & Spekman, 1994). There are several positive impacts and benefits of having a proper and effective communication, one of them being the avoidance of alliance failure. According to Pitt et al (2011), communication failure is one of the causes of alliance failure. Furthermore, Park and Ungsan (2001) stated that over half of alliance failure is a result of communication failure, apart from rivalry among partners and last of trust. For that reason, effective communications between partners are essential in order to achieve success organization collaboration (Cummings, 1984; Mohr et. al, 1994; Monczka et al, 1998). In conclusion, communication is a vital tool in achieving the related industry’s common goals; receiving and sharing knowledge and essential information, and strengthen the bond and trustworthiness of the alliances, thus increases the strategic alliances.

# *Alliance Control*

# The designation and implementation of the control structure is an important aspect of alliances success (Geringer et. al, 1989). A sustainable company is a company that knows how to manage the control owned by alliances. Appropriate control in the alliances is crucial in organizing regulation. Moreover, control management can minimise potential fraud activities within the company. Leifer and Mills (1996) define control as a regulatory process where the system elements are made predictable through the establishment of standards in achieving similar goals and objectives. As reported by Das et. al (1998), adequate control hold by alliances will increase the confidence to cooperate with their respective partners. Also, Gerniger et al (1989) stated that the quality control protects the partners against competitive advantage or loss to another competitors or partners. Moreover, he added that formal control measures the positive behavior of the partners, as it is called, "structural specification." Therefore, quality alliance control contains the benefit of proper management of the alliances in terms of their behavior and confidence to commit with the company, more so, it is a tool to increase the trustworthiness of alliances towards the company and increase the productivity and quality of work of the alliances. Hence, fair alliance control is one of the aspects of strategic alliances.

# *Alliance Governance*

# Gulati and Singh (1998) define alliance governance is a contractual arrangement that formalizes the relationship between partners. A number study has shown the effectiveness of a proper and structural alliance governance (David & Han, 2004). The structure of alliance governance typically explains the ruler, the line in command, organization hierarchy, the power of authority, and more importantly the responsibility. In general, the structure includes details of in-house services such as design, provision, consultant, equipment, and staff requirements. It also includes contractors and other service providers of the company in-house and external services as well external parties. Alliances governance is a tool to reach an agreement and success between the alliances. The guide should be compiled and followed by all parties involved in the cooperation in order to keep order and authority as well as to strive success. Gulati et. al (1998) agrees that hierarchy control is one of the effective response to accommodate joint ventures.

# *Senior Management Commitment*

# A survey on four hundred and fifty-five (455) CEO’s of an electronic company by Technology Associations and Alliances (1999) has found that the senior management commitment is one of the essential elements in achieving successful strategies alliances, aside from partner selection. Elmuti and Kathalawa (2001) said that one of the important aspects that determine the successfulness of strategic alliances is the commitment and involvement of senior management. The commitment of senior management is important as they should know the system and operation of the organization, where this knowledge can help to manage and assist the alliances to cooperate and adjust with the system of the company. Moreover, the commitment of senior manager could overcome the obstacles that consistently become a barrier, such as financial resources and management attention, as according to Hoffman and Scholssr (2001) suggests, most senior managers act as sponsor for strategical alliances. Elmuti and Kathalawa (2001) claim that one of the roles of the senior manager is to convince others throughout the organization. Therefore, the commitment of senior management in alliances forming is important, as without it, the company will experience lack of resources, finance, and marketing.

# *Clearly Defined Objective and Roles*

# Mockler (1999) defines strategic alliances as an agreement between two or more parties to shared resources, responsibilities, and knowledge in order to gain a common objective or interest of the participated parties. Therefore, the participated companies must share similar goals and objective to achieve, hence, it is important to clearly state and define the objective of the alliances as well as the roles of each alliance. Earnest and Stern (1996) suggest that the top management must produce a clear link between the expectations of the industry and the sectors where the industries belong in. More so, the management should explain to the potential partners of the objectives, missions, and visions to be accomplished in forming the alliance. This is because it is easier for the potential partners to find a common ground on the agreed goals, as Whipple and Frankel (2000) wrote, the establishment and execution of clearly defined purpose and well-defined procedures must clearly be delivered and communicated between managers and the involved alliances. To summarise, prior to forming an alliance, it is important to justify and clarify the objective of the alliance because it will reduce any misunderstanding and prevent shortcomings in the future, and Eisenhardt (1985) claims that it will guarantee a successful implementation of control.

# *Knowledge Sharing*

# Learning has been regarded as one of the major objectives for strategic alliances (Morrison & Mezentseff, 1997; Inkpen, 2005), and learning process can be achieved by knowledge sharing and information within individuals and organization (Jones and George, 1998). There are several scholars such as Lyles (1988), Ciborra (2010), Inkpen and Crossan (1995), Dyer and Nobeoka (2000), Kale et al (2000), to name a few, agree that knowledge is one of the important element affecting the success rate of strategic alliances. Knowledge sharing happens when two individuals or more exchange information, ideas, and services in order to achieve a successful discussion or action. This process is due to the limited resources that are owned by a company or individual in dealing with a specific issue. However, there are several barriers to knowledge sharing between alliances, and these barriers will reduce the speed and the widespread of the information. Furthermore, there is viability that the information changes, unstable, and rephrased. Thus, there are several components that are needed in order to gain successful knowledge sharing, which are, effective communication, coordination, commitment, and collaboration between parties.

# *Collaboration*

# Often the in intense business competition, industries use collaboration approach to meet the demand of the competition. This is due to inadequate of resource and support from external means. The intense competition in demand increases the need for time, costs, and expertise. Schrage (1995) define collaboration as a purposive relationship, while Gray (1989) define collaboration as a process of critical thinking and problem solving, and perceive the different aspects of an issue and produce a solution and limitations, based on their expertise. Collaboration is interactive and adaptive in nature (Anderson, 1991), and it can achieve stability in an environment that is either stable or unstable (Pfeffer and Salancik, 1978). Furthermore, Li et. al. (2009) stated that strategic collaboration could produce a greater commitment and reduce partner's disengagement as well as create a greater value, such as compassion, community-based, and mutual benefit, for the respective collaborators. Therefore, collaboration can be described as the togetherness of companies to hand-in-hand to overcome the competition of their business as well as joining their expert minds to overcome the challenges and identify the limitations and the advantages of the situation based on their corresponding expertise.

# *Coordination*

# Amburgey and Miner (1990) view coordination as an effort to provide a synchronous and regular amount of time, direct and implement to produce the sane harmonious actions on a specific target. Furthermore, Farland (1990) define coordination as a process in where a business leader develops a strategy to unite the alliances to achieve their common goals. Kale and Singh (2009) suggest that alliances must coordinate their actions accordingly to manage their independence and gain the benefit of their relationship. In short, coordination is a process to develop a strategy to unify the alliances and manage the alliances independence. Coordination comprises of two separate unit which is department and functional area. Lack of coordination can cause insufficient knowledge on actions and decisions, resource allocations, and information handling (Gulati & Singh, 1998; Gulati, Lawrence & Puranam, 2005; Kale et. al, 2009). According to Galbraith and Cohen (1995), there are three mechanisms to manage coordination successfully, which are; i) programming, ii) hierarchy and iii) feedback.

# *Cultural Compatibility*

# Organisational culture has been defining as one of the firm-level variables in studying alliance performance (Zollo et al, 2002). According to Ashkanasy, Wilderom, and Peterson (2000), culture has the element of homogeneity were through the sense of making and giving meaning to an event. In this context, culture can be described as a shared meaning system (Shweder & LeVine, 1984). In any condition, cultural differences have become a barrier to reach the mission and vision of a company, organization and even national. Strersman et al (2000) indicated that natural culture traits, directly and indirectly, influences strategic alliances formation and the alliance's relationship. Therefore, it is important to understand both national culture and organizational culture. Pett and Dibrell (2001) stated that natural culture is often being overlooked influence in international alliances formation. However, they postulate that international alliances should understand the organizational culture and economic growth. Culture reflected in the design of an organization, authority, and conception. Inkeles and Levinson (1969) and Pett and Dirbell (2011) added that culture also influences how the organization deals with conflict. In conclusion, cultural values and understanding are important in forming alliances as the conflict in culture can affect the way the organization deals with conflict and the way they work.

# *Commitment*

# Besides trust, collaboration, and communication, commitment is one of the important element to build a sustainable relationship and alliances. Commitment is the concept of social responsibility of company and alliances. Porter et al (1974) view commitment as the willingness of partners to extract effort for the sake of the relationship. Commitment should be built and implemented in all levels and positions within both the company and alliances. As Anderson (2001) stated, commitment to alliances is demonstrated by weaving organization incentives to collaborate and commit to their organizational system and embedding them into the organizational values and culture. He added that organizational commitment includes investment by the alliances and create exclusive agreements between companies. The commitment between alliances is one of the important factors to create a sustainable alliance as it will reduce the conflict between alliances. Furthermore, the strong commitment to alliances ensures a long-lasting relationship. As Cummings (1994) suggested, commitments ensures future placement in which the partner attempts to build a partnership that will stand through unwanted events or crisis. Therefore, commitments are one of the important elements on strategic alliances as the strong commitment between alliances will ensure the sustainability of the partnership regardless of the condition.

# *Alliance Compatibility*

# In an environment where alliances are a part of the organization strategy, the compatibility level between alliances is important, as according to Gulati (1998), having a high level of compatibility is an added advantage. One of the ways to increase compatibility between alliances is by providing excellent service and experiences while doing the partnership. A study made by Anand and Khanna in 2000 has found that firms with higher alliances experience have a higher rate of positive responses from stock markets. Kale et al (2002) added that excellent service does not only create greater alliances success but also strengthen the industry's ability to achieve its main purposes and goals. He added that the adaptation of higher order of organizing principles, such as creating separate structure or entity that is responsible for coordinating and managing the company's overall alliances activity is crucial. Furthermore, a few studies too found positive links between dedicated alliances management and firm compatibility and they influence the success rate of alliances (Kale et. al, 2002; Hoang and Rothaermel, 2005).

# *Alliance Competence*

# The competence of alliances is as important as the compatibility of the alliances. Lambe, Spekman, and Hunt (2002) define alliance competence as an organizational ability to find, develop, and manage alliance. One of the success factors of an alliance is to follow the guidelines or agreements as well as develop more effective and efficient guideline. It is indicated that one of the aspects of strategic alliances is trust, commitment, and communication (Morgan and Hunt, 1994; Varadarajan and Cunningham, 1995; Day, 1995). However, the success rate of strategic alliances does not focus only on the business sector, rather build and nurture relationship into a long-term and sustainable relationship and partnership. On the same hand, a research carried out by Lambe, Spekman, and Hunt (2002) has found that alliances competencies provide direct and positive impact and effect on the successfulness of strategic alliances. In conclusion, it is important to identify and extract out alliances’ competencies in order of them to fit in with the role and objective of the alliances.

# *Performance Feedback*

# Lastly, in order to strengthen the alliance relationship, feedback from the performance of the alliance is important. According to Shenkar and Reuer (2006) suggests that strong organization alliances should associate positively with performance. They added that feedback performance is one of the ways to develop trust and to ensure work efficiency in the alliances. Thus, the feedback performance is important as to improve and upgrade to alliances performance for the satisfaction of the alliances. However, feedback performances can both positively and negatively affect the relationship of the alliances, especially with the trust in the alliances (Shenkar & Reuer, 2006; Kramer, 1993; Li et al, 2002, Lau & Murnighan, 1998). Pearce (1997) suggest that lower trust level in alliances tends to characterized faultiness by sub-group than as a whole, while Kramer (1993) and Li et al (2002) added that a group that strongly identify faultiness as a whole have a greater trust in the group. Moreover, Andersen Consulting as quoted by Michelet and Remacle (1992), stated that strategic alliances can be more measurable by developing a balanced scorecard and build a dollar defence. Therefore, it is important to for the alliances to perform feedback performances in order to identify and share the faultiness and flaws as well as the strength and positivity in the alliances in order to improve the relationship and strengthen the bond of between alliances.

# CONCLUSIONS

# One of the purposes of this paper is to identify the critical success factor of strategic alliances in facilities management specifically in Malaysia. Second, is to establish the success factors in strategic facilities management alliances in a business organization. This paper was designed using the literature review method where journals, articles, and case studies that are related to the topic were explored. Based on the literature review, fifteen (15) critical success factors were identified, as well as the reasons for alliances failures. Some of the critical success factors for strategic alliances is trust and communication between alliances, the collaboration and coordination for alliances, and a clear definition and roles as well as purpose of this alliances. Furthermore, the alliances governance, control, compatibility, and competence are among the critical success factors. Additionally, the few factors that could cause failure in alliances were identified, such as behaviours that are too optimistic, lack of commitment, and poor communication. These factors influence the success rate of the alliances, therefore, it is important to identify them before forming alliances. The failure to meet these factors could cause loss of alliances or at extreme cases loss of business. More so, Malaysia is a developing country with the opportunity for growth through alliances with other countries. Hence, it is critical to consider the risks and factors when prior to forming alliances, be it in Malaysia or international.

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