CAPÍTULO 12

SIGNIFICANT LINKS 1: PERSONAL RELATIONSHIPS AND TRUST IN ALLIANCE MANAGEMENT BETWEEN AIRLINES COMPANIES

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Rafael Guerreiro
Federal University of Uberlândia (Brazil)

Walter Bataglia
Mackenzie Presbiterian University (Brazil)

Ciro Camargo
Provincial University of Ezeiza (Argentina)

Mateus Pongeluppi
Reykjavik University (Iceland)

Thalles Coutinho
Technological Institute of Aeronautics (Brazil)

ABSTRACT: This article aimed to identify and theoretically understand the interaction between the constructs relational Capabilities, inter-organizational trust, performance, and alliance portfolio diversity, focusing on the passenger air transport industry. Therefore, we took a theoretical investigation on the subject based on international publications. We started from the theory of transaction costs, specifically concerning governance structures, whose hybrid model includes governance through alliances, with a field of study in intra-firm collaboration, both in national and international alliances, to achieve the proposed objective. As a result, six non-conclusive tentative propositions were generated, which could serve as a reference to be validated for empirical research on the subject to understand the phenomenon better.

KEYWORDS: Alliances; Relational Capabilities; Interorganizational trust; Portfolio Diversity; Portfolio Performance; Air Transport.

1 I INTRODUCTION

Interfirm alliances and Transaction Cost Theory provide study foundations in governance structures. Such hybrid governance model includes interfirm collaboration through the deployment of alliances of various kinds (Osborn & Hagedoorn, 1997; Williamsom, 1991). Alliance governance structures have two classifications in terms of their capital ownership use. (i) it can be organized as a capital joint venture, which involves the creation of a new, independent, jointly owned entity; or, (ii) it can occur when one of the partners takes another partner (or

partners) a minority shareholding position (Gulati, 1995).

Alliances are characterized by cooperative agreements between two or more companies to improve their competitive position and performance, sharing resources, and effective ones can be drivers of growth and profitability in domestic and global markets. Resource-based alliances increase the possibility of mutual learning, emphasizing international strategic alliances, which allow value creation by competing through national and foreign markets (Ireland, Hitt & Vaidyanath, 2020). They often fit into a model of simultaneous cooperation and competition, called coopetition, with a lasting relationship, which creates value when it is more efficient than polar models, given its reduction in coordination and integration costs, compared to others (Gulati, 1995; Hodogson et al., 2015; Osborn & Hagedoorn, 1997).

Certain alliances include cooperative and competitive variables within the portfolio partners. They can become balanced or unbalanced over time, in paradoxical coopetition that involves companies interaction with two contradictory logics: cooperation (mutual benefits and collective interests) and competition (opportunistic behavior and self interests), with the word “simultaneous” being the crucial point of coopetition (Bengtsson, Raza-Ullah & Vanyushyn, 2016). In many industries, competition tends to move from the inter-enterprise level to between networks, ecosystems, supply chains, and platforms (Dorn, Schweiger & Albers, 2016). In the coopetition context, a paradox arises from the inherent dualities due to the cooperation simultaneity and contradictory views and priorities of the partners involved in this relationship. (Gnyawali *et al.*, 2016).

The alliances’ ability is the company’s ability to manage, integrate and learn in strategic relationships to achieve mutual benefits (Kohtamäki, Rabetino & Möller, 2018). Alliances can be divided at the resource level into product-market extensions when the focal company aims to increase its revenue by entering new markets or developing new products and efficiency-enhancing alliances. The focal firm wants to increase the productivity of its existing assets. A balanced portfolio that combines these two types of alliances should result in superior performance (Chiambaretto & Wasmer, 2019).

Specifically concerning global strategic alliances, also called international strategic alliances, subsequently standardized by the acronym AEI, their existence occurs due to the mandatory presence of additional links at the international level, which act in terms of the coopetition strategy. This type of alliance is configured by relatively long-lasting cooperative arrangements between companies, using cross-border flows and connections, whose governance structure is physically based in different countries (Parkhe, 1991).

In this context, this article proposes a way to understand the interaction between relational capabilities, diversity of the portfolio of alliances, inter-organizational trust, and performance of alliances within the scope of the passenger air transport industry.

2 I THEORETICAL FRAMEWORK

2.1 Relational ability

Adequate social capital is a product of relationships that have developed through long-term interactions between companies. Although social capital is a public good or an organizational resource, it is built through networks of personal relationships. Social capital develops as representatives of partner companies interact with each other. It is sometimes referred to as relational capital, a characteristic of each unique partnership and not of individual companies, which can serve as a basis for forming alliances. It is an essential but often overlooked component of successful strategic alliances. Relationships based on mutual trust and interactions between representatives of partner companies tend to sets off social capital. Trust relationships are the basis for managing alliances and maximizing their potential value. It makes social capital a resource that attracts some companies seeking access to the base resource of corporate networks. As well as it increases the likelihood of strategic alliance success due to trust and willingness to share resources between partners, whose desire to share resources may be necessary to ensure both partners gain from the alliance (Ireland, Hitt & Vaidyanath, 2002). Actors who share direct connections among themselves have probably more common information and knowledge about each other (Gulati, 1998).

As for alliances, their risks can be of at least two types. The (i) relational risk concerns the probability and consequent actions if a partner does not commit itself properly to an alliance and does not behave as expected, attracting decision-makers regarding the level of cooperation between the partners. It has opportunistic behaviors oriented towards the benefit of the individual company and not for the sake of the alliance. (ii) performance risk, which considers the factors that may hinder the achievement of the alliance's objectives. Alliance managers can take a much broader and deeper view of the effect on relational risk, especially by carefully managing the company's equity capital. Ensuring cooperation and avoiding competition between partners in a large alliance is a management challenge, and so is the solving problems orientation to create value intentionally; cooperative behavior is integrative. It has a positive effect on performance (Ireland, Hitt & Vaidyanath, 2002).

Relational capital resides in the close interaction at the personal level between alliance partners. It has significant performance implications for alliance partners, significantly affecting a company's ability to manage dual objectives and learn from its partners' previous successful alliances and also to protect its considerable proprietary assets from them. It, on the one hand, facilitates learning through close interaction between alliance partners and, on the other hand, minimizes the likelihood of one of the partners engaging in opportunistic behavior (Kale, Singh & Perlmutter, 2000).

2.2 Alliance performance

An alliance's worthiness indicates the value created between partners, through synergy, exceeding what could have been generated through alternative organizational configurations. Strategic alliances create value through various sources, including economies of scale, effective risk management, efficient market entries, and partner learning. Furthermore, alliances help companies minimize transaction costs, deal with uncertain environments, reduce their dependence on resources beyond their control, and successfully reposition themselves in dynamic markets. That is why investments in alliances influence resource allocation patterns as companies respond to the challenges of the new competitive environment. Increasing competition is between sets of allied firms rather than individual firms. Although popular, with a potential for value creation, many alliances fail, suggesting that alliance success is elusive even with potential synergies. Yet, its flexibility and lower levels of risk sometimes make alliances an alternative to acquisitions (Ireland, Hitt & Vaidyanath, 2002).

Except for joint ventures, which are separate legal entities, it has been challenging to measure the performance of alliances using traditional accounting or financial measures such as sales growth or return on assets or profitability. Still, these have attracted criticism for their limited ability to provide information on collaboration effectiveness, as criteria such as survival and longevity cannot distinguish between failed alliances. And therefore, they die, and those that reach their ends and therefore outlive their usefulness. For this reason, some researchers have used longevity stability as a performance measure. Alliance performance has also been studied using managerial performance assessments regarding their overall satisfaction with the alliance or the extent to which an alliance has achieved stated goals (Kale, Dyer & Singh, 2002).

The coordination and exploration activity significantly impacted the company's performance. The required coordination and exploration degree to conduct the alliances probably influenced the interdependence degree between companies. Since patterns of interdependence create different needs for coordination and exploitation, these factors supply are influenced by the alliance's governance structure and organizational capabilities. Therefore, the greater the interdependence, the greater the coordination challenges, and the greater degree of exploitation. In addition, the firms in an alliance will be more likely to achieve optimized performance when they balance their needs and the exploration of new activities (Aggarwal, Siggelkow & Singh, 2011).

In AEI, performance depends on different types of strategic adjustment, influenced by several relational factors, such as previous experience with the partner, the similarity of competence of the partner, cultural diference, and trust of the partner (Nielsen & Gudergan, 2012). Finally, studies on the performance of alliances haven't reached concensus on the best way to measure this phenomenon since longevity or closure cannot be considered

success or failure (Ariño, 2003; Schilke & Goerzen, 2010).

2.3 Diversity of the alliance portfolio

One of the first challenges in allying lies in choosing partners. The configuration of the alliance portfolio determines the position of the focal company in the inter-organizational field and the quality and quantity of external resources to which the focal company has access, thus influencing its development and performance (Hoffman, 2007). Alliance portfolio orchestration refers to all activities the focal actors undertake to bring together previously disconnected partners, pool knowledge and resources towards a common goal, and encourage engagement and value creation. A meaningful trap, which prevents actors from realizing the value of the alliance portfolio, is to consider it a mere collection of dyadic alliances. However, orchestrating the alliance portfolio requires skills that go beyond the task of managing separate alliances. Focus firms appear to develop an alliance portfolio capability that allows them to become more proactive in choosing their partners and assessing their knowledge requirements. Alliance portfolios are managed by conscientious actors who select ties and partners (Haider & Mariotti, 2016).

As for partner diversity, although there are slight variations in the terminology used for different facets of diversity, a review using the concept of diversity shows that, across a wide range of sciences, diversity generally includes three main aspects: variety, balance, and disparity (Mohr, Wang & Goerzen, 2016).

There are two different streams within the scope of existing research on alliance portfolios: (i) configuration and (ii) capabilities. The configuration perspective focuses on how the added characteristics of the alliance portfolio influence the performance of the focal firm. The characteristics mentioned here concern the number of alliances, the size of the alliance portfolio, heterogeneity of the alliance partners as well as the portfolio's diversity. In this sense, these characteristics of the alliance portfolio influence the external knowledge to which a focal company has access. What is more, the ability to harvest alliances benefits stands at the firm's capabilities to filter external knowledge and to identify as well as to group relevant synergies among its portfolio partners. The capability perspective focuses on the managerial and strategic issues that determine the focus firms' ability to reap knowledge benefits from the alliance portfolio. The central argument of this perspective is that companies that own alliance portfolios with similar configurations can still experience substantial heterogeneity in terms of performance implications (Bos, Faems & Noseleit, 2017).

The resources needed to manage alliances, such as a portfolio of partnerships, are different from managing dyadic relationships. In this sense, such alliances portfolio may comprise several dimensions, including the abilities to configure it through the creation of non-competitive and complementary alliances (Kale & Singh, 2009). By identifying and

creating synergies between unique alliances, alliance portfolio coordination has the potential to make an alliance portfolio more than the sum of its parts. (Schilke & Goerzen, 2010). The objective of portfolio coordination is to use synergies and avoid conflicts between dyads or alliances. Inter-organizational relationships mainly occur when they overlap or are deemed redundant (Hoffmann, 2005).

Alliance portfolio diversity can be defined as the degree of variation in alliance partners, functional purposes, and governance structures. (Jiang, Tao & Santoro, 2010). What is more, the way a given company selects partners is vital in the study of alliance portfolios. The variety of partners and the unique resources they contribute are decisive for the alliance portfolio configuration (Cobeña, Gallego & Casanueva, 2017). Alliance portfolio configurations affect the frequency of competitive action, influencing three parts of the action development process: (a) opportunity recognition, (b) opportunity development, and (c) action execution. Companies with mixed alliance portfolios that maximize opportunities and execute their managerial capabilities are more skilled to identify, develop, and pursue new competitive courses of action and opportunities (Andreviski, Brass & Ferrier, 2016).

The composition of a company's alliance portfolio can be based either on exclusively co-competitive or collaborative alliances or both. In the case of alliances between airlines, not all alliances share the same objectives. "Parallel Alliances" (horizontal) aim to deal with over capabilities problems and increase the aircraft load factor on a given route. In contrast, "Complementary Alliances" (vertical) aim to improve the airline's network by providing access to destinations beyond the partner's hub (connection center) (Chiambaretto & Fernandez, 2016). Companies need to develop specific skills and routines to manage alliances by gaining experience through international collaborations successfully. To entering alliances with partners from different countries is a method to overcome foreign obligations over time (Rossmannek & Rank, 2019). Furthermore, an alliances' portfolio advantage is determined by the characteristics and reasons in which an organization is connected rather than its sheer portfolio size (Stuart, 2000). A survey of 59 airlines found that the power imbalance and mutual dependence between the focal firm and its partners can vary. In addition, other resources and dependency relationships influence a given dyad's resources and dependency relationships in the alliance portfolio. Therefore, the availability of alternatives and the dependence on resources and relationships need to be considered holistically (Hoehn-Weiss, Karim & Lee, 2017).

Large-scale reliance on collaborative activity has the potential to reshape the nature of competition, with a company's network portfolio becoming a key organizational attribute (Lorenzoni & Lipponi, 1999). When looking for partners, alliance managers should assess characteristics, including the partner's reputation in alliances, partnering skills, and technology assets. They must also develop a basis acceptable to all partners, by building effective interpersonal links and establishing governance mechanisms to monitor and control the alliance as well as to manage information flows for the benefit of all parties

(Ireland, Hitt & Vaidyanath, 2002).

Another aspect to be highlighted refers to how a company's alliance portfolio contains alliances that do not share similarities. Maintaining a small portfolio of alliances with multiple (i.e., unrelated) partners can give managers better access to a broader range of information and resources than a more extensive alliance portfolio with related partners (Penney, 2018). When an industry is facing uncertainty, companies engage in strengthening ties with existing partners (Howard et al., 2016).

As far as portfolio expansion is concerned, it deepens the relationship and leads to less complexity in terms of relationships. Such decision can also have positive implications for the reputation of partner companies, for example, trusted partners who built close relationships. Different types of partners often have unique resources, as well as additional skills and experiences. As the variety of alliance portfolios increases, companies develop a relational breadth that allows passive access to these different sources of knowledge. What is more, to increase the relevance of various partners and to focus on those with necessary knowledge inputs enable alliances to create innovation benefits and knowledge integration. However, high levels of variety and relevance of partner types can diminish the effectiveness of alliance portfolios due to increased coordination complexity and conflicting routines (Hagedoorn, Lokshin & Zobel, 2017).

On the other hand, the decision to expand an alliances portfolio can also have positive implications for the reputation of partner companies (Pangarkar, Yuan & Hussain, 2017). Additionally, relational management skills substantially impact alliance portfolio capital for companies as diversity increases and, conversely, creates more value when an alliances portfolio is duly managed (Sarkar, Aulakh & Madhok, 2009).

Building a portfolio is not a matter of agreeing with each partner independently but of seeking an acceptable combination within the members of the alliance portfolio (Cobeña, Gallego & Casanueva, 2019). In this context, one of the sectors that expanded its operations through alliances was the passenger air transport industry. Airlines found in alliances a solution to expand their markets, expanding their destination reach by allying themselves with other companies in the same sector. The airlines themselves are the main catalyzers of derived benefits and synergies and the main beneficiaries of alliances between partners (Douglas & Tang, 2017). Strategic alliances in air transport are valuable to managers as an alternative to move away from risks and exposure arising from mergers and acquisitions. Furthermore, certain benefits emerging from alliances and their hybrid governance shall be pinpointed, as they: (i) allow airlines to expand their market presence internationally, by avoiding more complex regulatory and other legal barriers; (ii) provide potential cost savings resulting from shared facilities, maintenance costs and shared marketing; (iii) increase traffic to partner airlines, resulting in increased cargo and revenue; (iv) benefit passengers with flexible schedules, shorter travel times, reduced baggage handling and sharing of loyalty programs and; (v) create more effective cooperation, resulting in the

elimination of direct competition or the improvement of the company's value (Min & Joo, 2016). The virtualization of the air transport industry is the phenomenon that deals with the reduction of the percentage of routes operated directly by an airline as part of its total route offer. This virtualization allowed companies to focus their operations on resources and capabilities related to certain types of routes (origin-destination) or markets, with a wide variety of strategies (Castiglioni, Gallego & Galán, 2018).

2.4 Interorganizational trust

Trust can be defined as the willingness to accept vulnerability based on positive expectations concerning partner's behavior. Predictability, reliability, and faith are three critical components of trust. When trust exists, the company does not fear the partner's actions because they depend upon on each other to achieve a common purpose (Ireland, Hitt & Vaidyanath, 2002). Trust is an interpersonal phenomenon, although trust expectations ultimately reside in individuals. Some sociologists argue it is possible to consider inter-firm transactions in economic transactions, as observers point to numerous examples of "preferred, stable, and binding bilateral trade exchange relationships at the organizational level. This statement illustrates that companies develop close ties with peers through recurring interactions. Furthermore, the idea of trust emerging from prior contact is based on the premise that companies learn about each other through continuous interaction and build trust around norms of equity or trust based on knowledge (Gulati, 1995).

Therefore, "trust" p*er se* steers considerable discussion regarding alliances possibilities among firms. For example, the increased number of partners in an alliance can also limit and undermine trust. As firms include more portfolio partners, they also enhance capabilities to identify and perceive common interests more easily within newer associates. However, adding dyadic alliances makes less likely that all partners will trust their portfolio peers. Such condition encourages group monitoring in terms of contributions, benefits and differences. In this sense, introducing appropriate sanctions in face of partner's misbehavior is more challenging to implement when a large group of participants is involved. (Gulati, 1998). Companies with substantial social capital will likely choose partners with whom they have a bond of trust before the partnership is formed, as trust is often a product of experiences from previous joint-experiences that have been positive and successful (Ireland, Hitt & Vaidyanath, 2002).

In this sense, many studies find that trust between partners is critical to alliance success because it facilitates alliance governance and helps partners to work harmoniously. Interpersonal trust often develops between individuals from participant companies that interact and provide interface within alliances. These positive professional interactions are bridges to alliances executives' social corporate bonds as they regularly work together, understand their work styles and are committed to joint objectives. Also, inter-firm trust

also depends upon other variables, including institutional factors and the national culture. That can be complemented by the existence of sectorial arrangements created by senior management to facilitate interactions between these alliances executives (Kale & Singh, 2009). Above all, an alliance requires a certain set of informal security (trust) shared by executives and that requires time and social interaction, which happens naturally in most relationships if proper conditions are given in an environment whereas the group must work together and create value (Dyer, Singh & Hesterly, 2018). Utterly, trust is a dynamic phenomenon and its robustness among peers, from conditional to unconditional, is strongly associated with the evolution and maturity of the social relationship (Chen, Lin & Yen, 2014).

As a consequence, social capital is also recognized as an embedded intangible asset within the relationship of individuals, communities, networks, or societies. Similarly, social capital is based on good reputation, often based on relevant prior experience, and direct personal contact at the individual level. At the organizational level, corporate social capital involves social structures, including networks and ties and associated norms as well as values, because these elements shape organizations and influence their overall performance (Kwok et al., 2018).

Developing trust between partners is a challenge in many arrangements and building it up is especially important in international strategic alliances. In this sense, strategic alliances play a crucial role, as cultural, economic, and institutional differences between countries increase the difficulty of developing trust between partners from different countries. To build trust, in these cases, full cooperation must be obtained (Ireland, Hitt & Vaidyanath, 2002). Considering AEI, the challenges of interrelating partners' idiosyncrasies and resources are surmountable when building trust (Robson et al., 2019). They have more substantial obstacles building trust and more significant potential for appropriation concerns than domestic alliances because transnational companies have more difficulties specifying intellectual property rights, legally enforcing intellectual property, and monitoring partner activities. Informal and personal connections between organizations play an essential role in determining the governance structures to organize their transactions. Trust can replace hierarchical contracts in many exchanges and serve as an alternative control mechanism (Gulati, 1998). Notice that different nationalities treat three dimensions of trust (integrity, trustworthiness, and benevolence) differently, as they are shown as time-dependent (Bidault et al., 2018).

Interpersonal trust (extent of trust placed in the partner organization by members of a focal organization) and inter-organizational trust are related but distinct constructs and play different roles in steering negotiation processes and exchanging performance. When examining the characteristics of an inter-organizational relationship, it is valid to study the levels (individual and organizational) simultaneously. Interorganizational trust and interpersonal trust are related, although empirically and theoretically distinct (Zaheer, Mcevily & Perrone, 1998). Whether or not trust exists at the interpersonal level between two

companies (i.e., between employees of the two companies) affects how rationally these two companies depend on each other at the inter-organizational level. Interpersonal trust and inter-organizational trust can be considered two distinct constructs that have specific effects on other constructs (Ashnai et al., 2016). A greater degree of involvement and participation in decision-making can also contribute to interpersonal attachment and affective trust (Albers, Wohlgezogen & Zajac, 2016).

Trust can occur between individuals and organizations, as similar feelings can arise between collective entities (Gulati & Sytch, 2008). Trust is a multilevel phenomenon that exists at the personal, organizational, inter-organizational, and even international levels. (Das & Teng, 2001). However, it should be noted that organizations from different sectors that do not have shared values may not be able to enjoy a high-quality relationship in the implementation of the partnership in terms of trust and commitment (Barroso-Méndez et al., 2016).

A sociological view of trust stands out, called "institutional trust" (Bachmann & Inkpen, 2011). Trust in the form of interaction-based trust develops based on face-to-face personal experience between two (or more) individuals with no referrals made or needed to make institutional arrangements. On the other hand, an institutional trust is a form of individual or collective action constitutively incorporated into the institutional environment in which a relationship is placed, based on favorable assumptions about the manager's future behavior concerning such conditions. Trust based on the integrity of individual actors can only fulfill an additional function compared to trust produced by institutional arrangements (Bachmann, 2012). Thus, trust is more than a phenomenon. It becomes a tool that can be created, shaped, and influenced, enabling effective joint action with others (Czakon & Czernek, 2016).

There are three forms of trust in inter-organizational business relationships: (i) calculation (for example, cautious behaviors underlying deterrent sanctions), (ii) cognitive (for example, predicting the behavior of the other party), and (iii) affective (empathy, security, affective ties) (Akrout & Diallo, 2017). In the case of joint ventures, it was found that balanced ownership participation and balanced interdependence do not affect trust (Khalid & Ali, 2017).

Finally, alliance managers can use the contracts that regulate alliances as a psychological defense mechanism to avoid cognitive dissonance and alleviate anxiety caused by conflicting expectations about the partner (Lumineau, 2017).

3 I DEDUCTIVE PROPOSITIONS

Based on the exposed constructs, the following propositions resulted:

P1: There is an intrinsic relationship between relational capabilities, management of an alliances' portfolio, and trust (interpersonal and inter-organizational).

Considering that: (i) weaker companies are more likely to establish collaborative relationships because they strive to survive, and that, concerning reliable companies, these are particularly desirable partners (Mitchell & Singh, 1996); (ii) large-scale reliance on collaborative activity has the potential to reshape the nature of competition, with a company's network portfolio becoming a key organizational attribute, and early-stage partnership appears to be an essential pre-condition for the rapid development of relational capabilities in the process of redefining boundaries (Lorenzoni & Lipponi, 1999); and even that (iii) companies with substantial social capital will likely choose partners with whom they have a bond of trust before the alliance, as trust is often a product of experiences from previous alliances that were positive and successful (Ireland, Hitt & Vaidyanath, 2002).

P2: There is a strong relationship between the breadth of the alliance portfolio and the relational capabilities of alliance managers.

Considering that: (i) the value of an alliance is reflected in the gains between partners through synergy and that alliances that are part of a strategy contribute to the creation of value through various sources, as well as investments in alliances influence patterns of resource allocation and resulting market positions, as companies respond to the challenges of the new competitive environment and, thus, increasing competition starts to occur between groups of allied companies and not individual companies (Ireland, Hitt & Vaidyanath, 2002); (ii) that relational management skills have a more substantial impact on the capital of the alliance portfolio for companies as diversity increases (Sarkar, Aulakh & Madhok, 2009); (iii) the coordination and exploration activity has a significant impact on the company's performance, and the degree of coordination and exploration required in conducting the alliances is likely to be influenced by the degree of interdependence between the companies and the companies that are part of an alliance will be more likely to achieve higher performance when they manage to find a balance between the needs and the provision of coordination of activities and exploration of new activities (Aggarwal, Siggelkow & Singh, 2011); (iv) expansion deepens the relationship and leads to less complexity in terms of the number of relationships, and the decision to expand can also have positive implications for the reputation of partner companies and future possibilities of alliance (Pangarkar, Yuan & Hussain, 2017); and, finally, that (v) high levels of variety and relevance of partner types can decrease the effectiveness of alliance portfolios due to increased coordination complexity and conflicting routines (Hagedoorn, Lokshin & Zobel, 2017).

P3: Interpersonal relationships are an essential tool for strengthening relational capabilities through trust.

Considering that: (i) relational capital resides in the close interaction at the personal level between alliance partners and that relational capital has important performance implications for alliance partners and can significantly affect a firm's ability to manage with success the dual goals of learning from your alliance partners and also protecting your own

core assets from them (Kale, Singh & Perlmutter, 2000); (ii) relational capital facilitates learning through intimate interaction between alliance partners, on the one hand, and, on the other, minimizes the probability of an alliance partner engaging in opportunistic behavior, since relationships, based on mutual trust and interactions between representatives of partner companies tend to produce social capital, and trust relationships are the basis for managing alliances, maximizing their potential value, increasing the probability of success of the strategic alliance, as well as that effective social capital is a product of relationships that developed through long-term interactions between companies, built through networks of personal relationships, developed as representatives of partner companies interact with each other (Ireland, Hitt & Vaidyanath, 2002); (iii) trust in the form of interaction-based trust develops based on the face-to-face personal experience between two (or more) individuals and that institutional trust is a form of individual or collective action that is constitutively incorporated in the institutional environment in which a relationship is placed, based on favorable assumptions about the manager's future behavior in relation to such conditions (Bachmann & Inkpen, 2011); (iv) resources and dependency relationships of a given dyad within a portfolio of alliances are, in fact, influenced by other resources and dependency relationships in the portfolio and that the availability of other options and therefore the dependency on resources and relationships need to be considered holistically when analyzing interdependencies in the alliance in terms of portfolio (Hoehn-Weiss, Karim & Lee, 2017) and, finally, that in an alliance, informal security (trust) requires time and social interaction - something that happens naturally in alliance relationships, as partners work together to create value (Dyer, Singh & Hesterly, 2018).

P4: Interpersonal trust plays an essential role in building inter-organizational trust, becoming critical in portfolio management to manage trust between partners as the number of partners changes.

Considering that: (i) the inclusion of more partners in an alliance can make it challenging to identify and perceive common interests, making the task of guaranteeing trust between alliance partners more difficult; as well as that having more partners makes it less likely that all partners will trust each other within the alliance and that monitoring each partner's contributions and introducing appropriate sanctions in the face of free spins is more challenging to implement when there is a large group of participants involved, which makes it challenging to introduce incentive structures that can foster trust (Gulati,1998); (ii) the capabilities of the alliance portfolio comprises several dimensions, including the skills to configure an alliance portfolio and that one of the drivers of inter-firm trust is interpersonal trust, which generally develops between individuals from the two companies who interact with each other in the alliance interface, being linked to the social ties that develop between these individuals, as they work regularly with each other, understand each other's work style and are stable in their respective roles (Kale & Singh, 2009); and (iii) trust is a dynamic phenomenon; the transformation of trust, from conditional to unconditional, is strongly

associated with the evolution and maturity of the social relationship (Chen, Lin & Yen, 2014).

P5: Interpersonal trust combined with inter-organizational trust enables relational capabilities, allowing for better-managed alliances.

Considering that: (i) trust is an interpersonal phenomenon and, although expectations of trust ultimately reside in individuals, it is possible to think of inter-firm transactions in economic transactions, as, at the organizational level, observers point to numerous examples of "preferred, stable, and binding bilateral trade relationships" to illustrate that firms develop close ties with other firms through recurrent interactions (Gulati, 1995); (ii) interpersonal and inter-organizational trust are related but distinct constructs, and play different roles in affecting negotiation processes and performance exchange (Zaheer, Mcevily & Perrone, 1998); (iii) interpersonal trust and inter-organizational trust can be considered as two distinct constructs, which have distinct effects on other constructs (ASHNAI et al., 2016); and that (iv) a greater degree of involvement and participation in decision-making can also contribute to interpersonal attachment and affective trust (Albers, Wohlgezoged & Zajac, 2016).

P6: Interpersonal trust is essential for the satisfactory performance of alliances, facilitating the development of relational capabilities.

Considering that: (i) trust between partners is a challenge in many alliances, especially important in international strategic alliances, where they play a significant role, as cultural, economic, and institutional differences between countries increase the difficulty of developing trust between partners with domestic bases in separate countries (Ireland, Hitt & Vaidyanath, 2002); (ii) the objective of portfolio coordination is to use synergies and avoid conflicts between dyads or alliances, as conflicts between inter-organizational relationships mainly occur when they overlap, that is, when they are partially or redundant (Hoffmann, 2005); and that (iii) many studies find that trust between partners is critical to alliance success, not only because it facilitates alliance governance, but also because it helps partners work more operationally (Kale & Singh, 2009).

4 I FINAL CONSIDERATIONS

From the theoretical bases and the deductive method, one may identify and understand the interaction between the constructs' relational capabilities, inter-organizational trust, performance, and alliances portfolio diversity, which generated tentative propositions that could not be conclusive in the future. Validated through empirical research, based on a case study, in the passenger air transport industry, preferably using the qualitative research method, with in-depth content analysis, to better understand this phenomenon.

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