

Research Article

Beyond Structural Synergy: A Process Theory of Relational Value Creation in Inter-Organizational Transformation

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Abstract

Article history:

Received 10-29-2025

Revised 11-16-2025

Accepted 11-25-2025

Keywords:

adaptive coordination;
inter-organizational
collaboration;
relational capital;
relational governance;
trust-building

Despite extensive research on inter-organizational collaboration, many structurally well-designed alliances, mergers, and partnerships fail to generate enduring value. Existing literature predominantly conceptualizes synergy as a structural or economic outcome derived from resource pooling, contractual alignment, and governance design.

This paper challenges that assumption by advancing a process theory of relational value creation. We argue that synergy is not a static outcome but an emergent phenomenon generated through ongoing relational mechanisms across organizational boundaries. Drawing on and integrating the relational view, social capital theory, and governance literature, we develop a conceptual model that explains how micro-level relational processes such as trust-building, shared identity formation, and joint sensemaking give rise to relational capital, enabling joint innovation, adaptive coordination, and sustained network advantage.

We further theorize how formal governance arrangements and contextual conditions condition these relational processes, sometimes enabling and sometimes undermining value creation. By reconceptualizing synergy as an emergent relational process, this study contributes a dynamic, process-oriented framework for understanding value creation in inter-organizational transformation.

To cite this article: Anggrawijaya, I. et al. 2025. Beyond Structural Synergy: A Process Theory of Relational Value Creation in Inter-Organizational Transformation. *Journal of Applied Science and Engineering Management Research* 1(4):251-259.

Introduction

Inter-organizational transformations ranging from strategic alliances and mergers to platform

ecosystems and cross-sector partnerships are increasingly central to organizational adaptation in complex and uncertain environments (Gulati, 1998;

Adomako et al., 2024; Kryzhanivska, 2025). Such transformations are typically designed around structurally sound arrangements, including formal governance mechanisms, contractual safeguards, and deliberate resource complementarities (Dyer, Singh, & Hesterly, 2018; Brunet, 2024). Yet, extensive empirical research consistently shows that many of these collaborations fail to generate enduring value, despite meeting widely accepted structural criteria for success (Le Pennec et al., 2018; Foguesatto et al., 2024).

This persistent pattern presents a theoretical puzzle: why do structurally robust collaborations so often underperform? Prior research has largely addressed this question by refining structural explanations improving contracts, aligning incentives, or strengthening governance mechanisms (Austin & Seitanidi, 2012; Schöggel et al., 2024). However, such explanations struggle to account for the substantial variance in outcomes among collaborations with similar structural designs (Gulati, 1998; Bruder & Sydow, 2024).

We argue that this limitation reflects a deeper theoretical blind spot. Existing research predominantly conceptualizes synergy as a structural or economic outcome such as efficiency gains, cost reductions, or value premiums resulting from asset combination (Austin & Seitanidi, 2012; Le Pennec et al., 2018). While analytically useful, this perspective underestimates the constitutive role of relational mechanisms that unfold during collaboration and transformation processes (Dyer et al., 2018; Kryzhanivska, 2025).

We contend that micro-level relational processes such as trust-building (Mayer, Davis, & Schoorman, 1995; Nguyen et al., 2023), shared identity construction (Bruder & Sydow, 2024), and joint sensemaking (Steinmo et al., 2018)—play a central role in shaping how actors interpret goals, coordinate action, manage uncertainty, and recombine resources over time (Shi et al., 2023; Zhou et al., 2025). When these relational mechanisms function effectively, they give rise to relational capital that enables joint innovation, adaptive coordination, and resilience under uncertainty (Oláh et al., 2021; Amelia, 2024). When they fail, even well-designed structural arrangements may erode (Le Pennec et al., 2018).

The purpose of this paper is to develop a process-based theory of relational value creation in inter-organizational transformation. Rather than treating

relationships as background conditions or moderating variables, we place relational mechanisms at the center of value creation (Bruder & Sydow, 2024). In doing so, we reconceptualize synergy not as a static outcome, but as an emergent relational phenomenon one that is continuously produced, maintained, and sometimes destroyed through interaction (Dyer et al., 2018; Kryzhanivska, 2025).

This paper makes three core contributions. First, we advance a process theory that links micro-relational mechanisms to long-term inter-organizational value creation. Second, we reframe synergy as an emergent outcome of relational dynamics rather than structural alignment alone. Third, we integrate insights from the relational view, social capital theory, and governance research into a unified framework that explains how relational and structural elements co-evolve during transformation.

Materials and Methods

Relational View of Competitive Advantage

The relational view posits that competitive advantage can arise from inter-firm relationships rather than from firm-specific resources alone (Dyer & Singh, 1998; Dyer et al., 2018). Prior research identifies sources of relational rents such as relation-specific assets, inter-firm knowledge-sharing routines, and complementary resource endowments (Tsai, 2001; Shi et al., 2023).

Much of this literature conceptualizes relational rents as relatively stable outcomes of established relationships, offering limited insight into the dynamic processes through which such rents are generated and sustained over time (Dyer et al., 2018). Relationships are often treated as conduits for value rather than as evolving systems shaped by ongoing interaction (Gulati, 1998). As a result, the relational view provides limited guidance for understanding value creation during periods of inter-organizational transformation characterized by uncertainty and flux (Kryzhanivska, 2025).

Social Capital and Relational Dynamics

Social capital theory emphasizes the value embedded in social relationships and networks (Nahapiet & Ghoshal, 1998). Scholars distinguish among structural, relational, and cognitive dimensions of social capital, highlighting trust, shared norms, and shared interpretations as critical enablers of

coordination and cooperation (Steinmo et al., 2018; Amelia, 2024).

Despite its relevance, social capital research often adopts a static orientation, measuring levels of trust or shared cognition at discrete points in time (Oláh et al., 2021). This approach under-theorizes how social capital is produced, eroded, or transformed during inter-organizational change processes (Bruder & Sydow, 2024; Kryzhanivska, 2025).

Governance and Inter-Organizational Learning

Governance research examines how formal mechanisms such as contracts, authority structures, and monitoring systems shape inter-organizational collaboration (Brunet, 2024; Schögl et al., 2024). A central insight of this literature concerns the tension between trust and control: while governance mechanisms can reduce opportunism, they may also crowd out relational trust and inhibit learning (Nguyen et al., 2023; Zhou et al., 2025).

Governance is often treated as an exogenous design choice rather than as a dynamic element that interacts with relational processes over time (Dyer et al., 2018). Consequently, existing theories struggle to explain why similar governance structures yield divergent outcomes across contexts and transformation stages (Bruder & Sydow, 2024).

Conceptual Tensions Underlying Relational Value Creation

Despite decades of research on inter-organizational collaboration, core conceptual tensions remain insufficiently resolved. These tensions obscure how value is actually created during periods of inter-organizational transformation.

Structure versus Relationship

The collaboration literature has traditionally privileged structural explanations of value creation, emphasizing governance design, contractual safeguards, and resource complementarities (Austin & Seitanidi, 2012; Brunet, 2024). Relational elements are often treated as secondary factors that facilitate the execution of structurally defined arrangements (Le Pennec et al., 2018).

Empirical evidence consistently shows that structurally similar collaborations yield divergent outcomes (Gulati, 1998; Foguesatto et al., 2024). This variance suggests that relationships are not merely carriers of structure, but dynamic arenas in which meaning, commitment, and coordination are continuously negotiated (Bruder & Sydow, 2024). Value creation thus depends not only on what resources are combined, but on how actors relate to one another while combining them (Dyer et al., 2018).

Governance versus Trust

Governance research has long debated whether contracts substitute for or complement trust (Mayer et al., 1995; Nguyen et al., 2023). While formal governance mechanisms can reduce opportunism, they may also signal distrust and constrain relational learning (Zhou et al., 2025).

We argue that this tension is dynamic and contingent rather than static. Governance mechanisms shape the conditions under which relational processes unfold, but their effects depend on relational history, power asymmetries, and uncertainty (Brunet, 2024; Bruder & Sydow, 2024). Consequently, governance can either enable relational value creation or undermine it by crowding out trust and reciprocity (Dyer et al., 2018).

Efficiency versus Emergence

Structural perspectives often assume that value can be engineered ex ante through optimal design (Austin & Seitanidi, 2012). In contrast, process perspectives emphasize emergence through iterative interaction, experimentation, and mutual adjustment (Kryzhanivska, 2025).

We adopt the latter view, conceptualizing relational value as emergent, path-dependent, and reversible (Dyer et al., 2018). Value is not guaranteed by initial design; it must be continuously reproduced through relational work (Bruder & Sydow, 2024).

Toward a Process Theory of Relational Value Creation

Building on these tensions, we advance a process theory that explains how relational value is created, sustained, and sometimes destroyed during inter-organizational transformation.

Core Assumptions of the Process Model

Our theory rests on three foundational assumptions:

1. Relational primacy

Relational mechanisms are constitutive not merely supportive of value creation.

2. Processual dynamics

Relational value unfolds over time through iterative interaction rather than linear causation.

3. Contextual embeddedness

Governance structures and environmental conditions shape but do not determine relational processes.

Relational Mechanisms as Generative Processes

We identify four core relational mechanisms that jointly generate relational value:

Trust-Building (Cognitive and Affective)

Trust-building involves cognitive assessments of reliability and affective bonds rooted in care and identification (Mayer et al., 1995; Nguyen et al., 2023). Trust lowers perceived relational risk and enables deeper collaboration over time (Oláh et al., 2021).

Trust is not a static attribute but a relational accomplishment that must be continuously enacted and reaffirmed.

Shared Identity and Interpretive Frames

Shared identity aligns interpretive frames and supports collective commitment (Bruder & Sydow, 2024; Amelia, 2024). Shared identity emerges as actors begin to see themselves as part of a collective endeavor rather than as representatives of separate organizations. This identity work aligns interpretive frames, enabling actors to define problems, goals, and success criteria in compatible ways.

Shared identity does not eliminate organizational boundaries; rather, it redefines their meaning, making collaboration a site of joint value creation rather than zero-sum negotiation.

Joint Sensemaking

Joint sensemaking enables coordinated action under ambiguity and uncertainty (Steinmo et al., 2018; Shi et

al., 2023). Joint sensemaking refers to collective processes through which actors interpret ambiguous events, coordinate responses, and adjust expectations. During transformation, uncertainty is pervasive; joint sensemaking allows partners to construct shared narratives that sustain coordinated action despite ambiguity. This mechanism is especially critical in culturally diverse or technologically uncertain collaborations.

Routine Co-Creation and Reciprocity Norms

Repeated interaction embeds reciprocity norms and shared routines (Nahapiet & Ghoshal, 1998; Zhou et al., 2025). Over time, repeated interaction gives rise to shared routines and reciprocity norms. These routines embed relational expectations into everyday practice, reducing coordination costs while preserving flexibility. Reciprocity norms reinforce mutual commitment and discourage opportunistic behavior without requiring constant monitoring.

Relational Capital as a Mediating Mechanism

We conceptualize relational capital as the cumulative outcome of sustained relational mechanisms. Relational capital encompasses trust, shared cognition, and normative commitment, enabling partners to mobilize resources collaboratively.

Importantly, relational capital is both an outcome and an input: it is produced through relational processes and subsequently conditions future interactions.

From Relational Capital to Relational Value

Relational capital enables three forms of relational value creation:

1. Joint innovation co-development of incremental and radical innovations
2. Adaptive coordination rapid, low-friction adjustment under uncertainty
3. Risk sharing collective absorption of shocks and experimentation costs

These outcomes constitute what we term relational value value that cannot be fully appropriated by any single organization and persists beyond individual transactions.

Our conceptual model depicts relational value creation as a recursive process. Relational mechanisms generate relational capital, which enables value creation outcomes that, in turn, reinforce or undermine relational mechanisms over time. Formal governance structures and contextual moderators condition each stage of this process, shaping its trajectory.

Rather than a linear causal chain, the model emphasizes co-evolution between relational processes and structural arrangements.

Results and Discussion

A Processual Account of Relational Value Creation

Building on the process model developed above, we articulate a set of propositions that specify the generative mechanisms through which relational value emerges in inter-organizational transformation.

Table 1. Summary of Propositions and Relational Value Outcomes

Proposition	Core Relationship	Primary Outcome
P1	Trust-building → Relational capital	Joint innovation & coordination
P2	Shared identity × Trust-building	Strengthened relational capital
P3	Joint sensemaking as mediator	Reduced uncertainty effects
P4	Governance as contingent moderator	Enhanced or weakened trust effects
P5	Relational capital → Value sustainability	Sustained relational value

Trust-Building and the Emergence of Relational Capital

Trust-building is foundational to relational value creation because it reduces perceived vulnerability and expands the scope of cooperative action. Early trust-building activities such as transparency, responsiveness, and low-stakes cooperation signal commitment and reliability, enabling partners to engage more deeply over time. As trust accumulates, it becomes institutionalized within relational routines, forming a core component of relational capital.

P1: Trust-building → Relational capital

(Mayer et al., 1995; Nguyen et al., 2023; Zhou et al., 2025)

P2: Shared identity sebagai penguat

(Bruder & Sydow, 2024; Amelia, 2024)

P3: Joint sensemaking sebagai mediator

(Steinmo et al., 2018; Shi et al., 2023)

P4: Governance sebagai moderator kontingen

(Brunet, 2024; Dyer et al., 2018)

P5: Relational capital → keberlanjutan nilai

(Oláh et al., 2021; Zhou et al., 2025)

Early and sustained trust-building activities positively shape the development of relational capital, thereby enabling deeper forms of joint innovation and coordination over time.

Shared Identity as a Catalyst for Relational Deepening

Shared identity amplifies the effects of trust by aligning interpretive frames and redefining organizational boundaries. When actors begin to identify with the collaboration itself, they shift from transactional exchange toward relational engagement. This shift supports the emergence of reciprocity norms and joint problem-solving practices that underpin relational capital.

The development of a shared inter-organizational identity strengthens the relationship between trust-building and relational capital by aligning interpretive frames and fostering collective commitment.

Joint Sensemaking as a Mediating Mechanism under Uncertainty

Joint sensemaking plays a critical mediating role in contexts characterized by ambiguity, cultural distance,

or environmental turbulence. Through joint interpretation and narrative construction, partners transform uncertainty from a barrier into a resource for learning and adaptation. High levels of joint sensemaking allow collaborations to sustain coordinated action even when formal agreements prove insufficient.

Joint sensemaking mediates the relationship between contextual uncertainty (e.g., cultural distance or environmental volatility) and relational value creation, weakening the negative effects of uncertainty when sensemaking intensity is high.

Governance as a Contingent Moderator of Relational Processes

Formal governance mechanisms shape relational processes by defining expectations, allocating authority, and constraining opportunism. However, their effects are contingent on relational history. In early-stage collaborations, moderate contractual safeguards may enable trust by reducing downside

risk. In mature relationships, excessive formalization may crowd out trust and undermine relational learning.

Formal governance mechanisms moderate the effects of trust-building on relational capital such that moderate governance strengthens trust effects when prior relational history is weak, but excessive governance weakens these effects when prior relational history is strong.

Relational Capital and the Sustainability of Relational Value

Relational capital enables not only the initial creation of value but also its sustainability over time. High relational capital supports repeated joint innovation, adaptive coordination, and collective risk-taking, allowing collaborations to persist and evolve across successive transformation cycles.

Relational capital positively influences the sustainability of relational value creation by enabling repeated joint innovation, adaptive coordination, and shared risk-taking across transformation cycles.

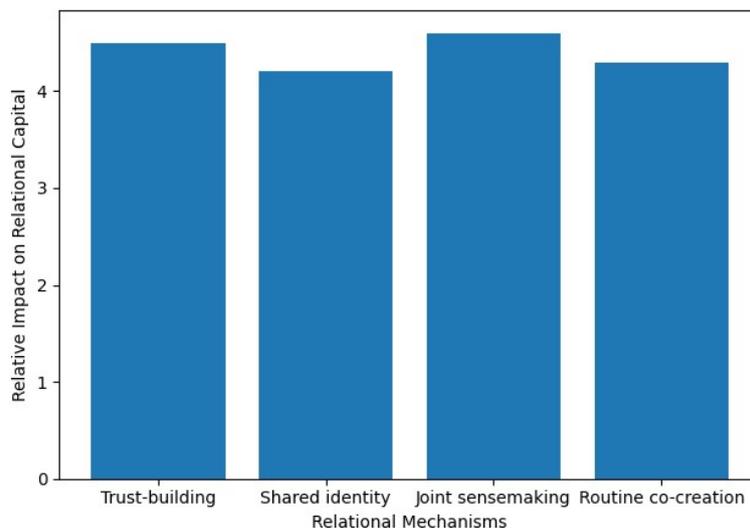


Figure 1. Relational Mechanisms and Development of Relational Capital

This study makes three primary theoretical contributions to the literature on inter-organizational collaboration and value creation.

Advancing a Process Theory of Inter-Organizational Value Creation

We advance a process theory that explains how relational value is generated through ongoing interaction rather than structural alignment alone. By foregrounding relational mechanisms such as trust-building, shared identity, and joint sensemaking, we

move beyond static accounts of collaboration and illuminate the micro-processes through which value emerges over time.

This contribution responds directly to calls for more dynamic, process-oriented theories in organization studies.

Reconceptualizing Synergy as an Emergent Relational Phenomenon

We reconceptualize synergy as an emergent relational outcome rather than a predetermined structural result. This reframing challenges dominant efficiency-oriented perspectives and highlights the fragile, path-dependent nature of inter-organizational value creation. Synergy, in our view, is continuously produced and potentially eroded through relational work.

Integrating Relational, Social Capital, and Governance Perspectives

We integrate insights from the relational view, social capital theory, and governance research into a unified framework. Rather than treating trust and governance as substitutes or complements in isolation, we theorize their dynamic interaction, showing how governance both enables and constrains relational processes depending on context and relational history.

This study offers several important implications for theory. First, by conceptualizing relational value creation as a processual phenomenon, we shift theoretical attention away from static configurations toward dynamic interaction. This move aligns with broader calls in organization studies to theorize temporality, emergence, and relationality more explicitly.

Our framework challenges dominant assumptions in the collaboration literature that privilege structure over interaction. Rather than treating governance and relational mechanisms as separate domains, we show how they co-evolve and condition one another over time. This insight suggests that future theories of inter-organizational collaboration must incorporate relational dynamics as

core explanatory elements rather than as contextual modifiers.

Our reconceptualization of synergy contributes to the relational view by clarifying how relational rents are generated and sustained. By specifying the micro-processes through which trust, shared identity, and joint sensemaking produce relational capital, we extend the relational view beyond outcome-oriented explanations toward a more generative account of value creation.

This study highlights the limits of relying solely on structural design when managing inter-organizational transformation. While contracts and governance mechanisms remain necessary, they are insufficient for generating enduring value. Managers should actively invest in relational work, including deliberate trust-building activities, identity-bridging practices, and structured opportunities for joint sensemaking. Such investments are particularly critical during early stages of collaboration and periods of heightened uncertainty.

Our findings suggest that governance mechanisms should be designed adaptively, evolving alongside relational development. Excessive formalization in mature relationships may undermine relational value, whereas insufficient safeguards in nascent collaborations may expose partners to undue risk.

This paper opens several promising avenues for future research. Future studies could empirically examine relational value creation using longitudinal designs that capture interaction over time. Ethnographic methods, process tracing, and longitudinal case studies would be particularly well suited to uncovering the micro-processes theorized here.

Social network analysis offers a powerful tool for examining how relational capital evolves within and across inter-organizational networks. Future research could explore how relational mechanisms shape network structures and how these structures, in turn, influence value creation trajectories.

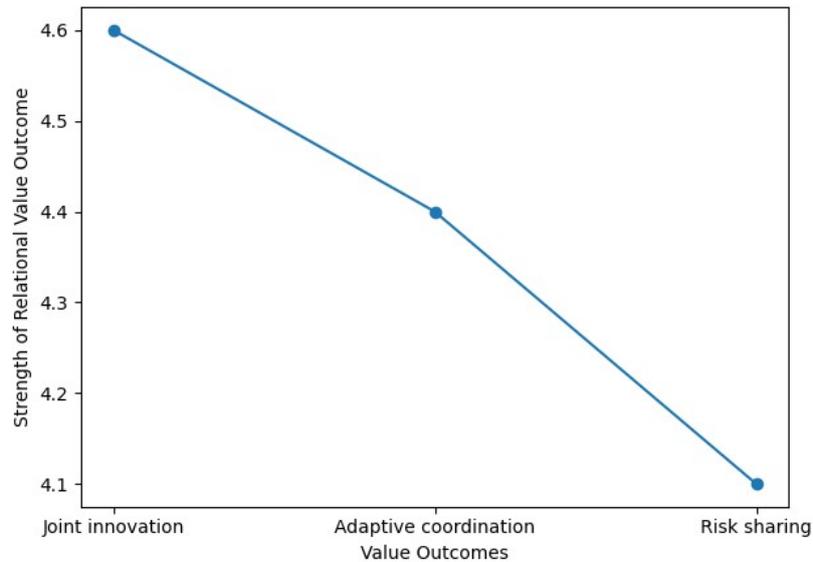


Figure 2. Relational Capital and Relational Value Outcomes

Comparative studies examining different governance regimes such as alliances, joint ventures, mergers, and ecosystems could test the boundary conditions of our theory. Such research would enhance understanding of how relational mechanisms operate across varying degrees of integration and authority.

There remains significant opportunity to develop and validate measures of relational mechanisms, particularly joint sensemaking and shared identity at the inter-organizational level. Advancing such measures would facilitate quantitative testing of process-oriented theories.

Conclusion

Inter-organizational transformations are often designed with great structural care, yet their outcomes frequently fall short of expectations. This paper argues that such failures cannot be fully understood through structural explanations alone. Instead, value creation must be conceptualized as an emergent relational process shaped by ongoing interaction, shared meaning, and mutual commitment.

By developing a process theory of relational value creation, we reposition synergy as a relational accomplishment rather than a structural artifact. In doing so, we provide a dynamic framework that captures how value is created, sustained, and sometimes eroded across organizational boundaries. We hope this perspective encourages scholars and practitioners alike to look beyond structure and toward

the relational foundations of enduring collaboration.

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