

ลักษณะทางพฤติกรรมที่มีผลต่อการดำเนินงานของกิจการร่วมทุนระหว่างประเทศ



นาย ขจรวุฒิ นำศิริกุล

วิทยานิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปริญญาบริหารธุรกิจดุษฎีบัณฑิต

สาขาวิชาบริหารธุรกิจระหว่างประเทศ ภาควิชาพาณิชยศาสตร์

โครงการร่วมผลิตบัณฑิตระดับปริญญาเอก (JDBA)

คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์มหาวิทยาลัย

ปีการศึกษา 2543

ISBN 974-13-0315-7

ลิขสิทธิ์ของจุฬาลงกรณ์มหาวิทยาลัย

**BEHAVIORAL CHARACTERISTICS OF
INTERNATIONAL JOINT VENTURE PERFORMANCE**

Mr. Kajornvut Namsirikul

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

**A Dissertation Submitted in Partial Fulfillment of the Requirements
for the Degree of Doctor of Business Administration
The Joint Doctoral Program in Business Administration
Faculty of Commerce and Accountancy
Chulalongkorn University
Academic Year 2000
ISBN 974-13-0315-7**

Thesis Title	Behavioral Characteristics of International Joint Venture Performance
By	Mr. Kajornvut Namsirikul
Program in	The Joint Doctoral Program in Business Administration
Thesis Advisor	Assistant Professor Dr. Pakpachong Vadhanasindhu
Thesis Co-advisor	Associate Professor Dr. Fredric William Swierczek

Accepted by the Faculty of Commerce and Accountancy, Chulalongkorn
University in Partial Fulfillment of the Requirements for the Doctor's Degree

..... Dean of Faculty of Commerce
and Accountancy
(Assistant Professor Dr. Virach Aphimeteetamrong)

THESIS COMMITTEE

..... Chairperson
(Associate Professor Dr. Achara Chandrachai)

..... Thesis Advisor
(Assistant Professor Dr. Pakpachong Vadhanasindhu)

..... Thesis Co-advisor
(Associate Professor Dr. Fredric William Swierczek)

..... Member
(Associate Professor Dr. Chenin Chen)

..... Member
(Assistant Professor Dr. Pornchai Chunhachinda)

บทคัดย่อวิทยานิพนธ์

ขจรวุฒิ นำศิริกุล : ลักษณะทางพฤติกรรมที่มีผลต่อการดำเนินงานของกิจการร่วมทุนระหว่างประเทศ (BEHAVIORAL CHARACTERISTICS OF INTERNATIONAL JOINT VENTURE PERFORMANCE) อ.ที่ปรึกษา : ศศ.ดร. พัทธ์ผจง วัฒนสินธุ์, อ.ที่ปรึกษาร่วม : Asso. Prof. Dr. Fredric W. Swierczek, จำนวนหน้า 180 หน้า. ISBN 974-13-0315-7.

การจัดตั้งกิจการร่วมทุนระหว่างประเทศของบริษัทต่างๆ กำลังเป็นที่แพร่หลายเป็นอย่างมากเพื่อที่บริษัทจะได้มาและรักษาไว้ซึ่งความได้เปรียบในการแข่งขันในตลาดโลก ขณะที่ผลงานวิจัยในอดีตของกิจการร่วมทุนระหว่างประเทศส่วนใหญ่จะมุ่งความสนใจไปที่โครงสร้างก่อนความสัมพันธ์ระหว่างองค์กรร่วมทุนจะเกิดขึ้น การวิจัยนี้แตกต่างไปจากเดิมโดยจะศึกษาในทางพฤติกรรมเพื่อที่จะเข้าใจถึงการรักษาความสัมพันธ์หลังจากองค์กรร่วมทุนได้เกิดขึ้น

การวิจัยนี้ได้ทำการเก็บข้อมูลแบบตัดขวาง (Cross Sectional Design) การสำรวจข้อมูลได้รับความร่วมมือจากผู้บริหารในกิจการร่วมทุนระหว่างไทยกับญี่ปุ่นจำนวน 88 ราย, ผู้บริหารในกิจการร่วมทุนระหว่างไทยกับสหรัฐอเมริกาจำนวน 33 ราย และผู้บริหารในกิจการร่วมทุนระหว่างไทยกับกลุ่มยุโรปจำนวน 32 รายในการตอบแบบสอบถาม การวิเคราะห์ข้อมูลประกอบด้วย การทดสอบความเชื่อมั่น (Reliability Test), การวิเคราะห์ตัวประกอบ (Factor Analysis), การวิเคราะห์สหสัมพันธ์ (Correlation Analysis), เทคนิคการวิเคราะห์ความแปรปรวน (Multivariate Analysis of Variance), และการวิเคราะห์ความถดถอยเชิงพหุสำหรับตัวแปรหลายตัวกับหนึ่งตัว (Multivariate and Univariate Multiple Regression)

ตัวแบบการศึกษาทางทฤษฎีได้ถูกพัฒนาขึ้นโดยมีข้อสมมติฐานที่ว่า ลักษณะของการเข้ากันได้ คุณสมบัติของการร่วมมือกัน พฤติกรรมการติดต่อสื่อสารกัน และลักษณะวิธีการแก้ปัญหาความขัดแย้ง มีความสัมพันธ์กับความพึงพอใจในผลการดำเนินงานของกิจการร่วมทุน การวิจัยนี้ได้มีการสำรวจความเห็นของผู้บริหารในกิจการร่วมทุนระหว่างไทยกับญี่ปุ่น, ไทยกับสหรัฐอเมริกา และไทยกับกลุ่มยุโรป ที่เกี่ยวกับความสำคัญของลักษณะทางพฤติกรรมเหล่านี้ ซึ่งผลการศึกษาปรากฏว่า มีความแตกต่างกันในความเห็นที่เกี่ยวกับความสำคัญของลักษณะทางพฤติกรรม ดังกล่าว

สมมติฐานในการวิจัยนี้คือ ลักษณะของการเข้ากันได้ คุณสมบัติของการร่วมมือกัน พฤติกรรมการติดต่อสื่อสารกัน และลักษณะวิธีการแก้ปัญหาความขัดแย้ง มีผลต่อความพึงพอใจในผลการดำเนินงานของกิจการร่วมทุน สมมติฐานนี้ได้ถูกทดสอบและผลการทดสอบแสดงให้เห็นว่าลักษณะทางพฤติกรรมที่สำคัญที่มีผลต่อความพึงพอใจในการดำเนินงานของกิจการร่วมทุนระหว่างประเทศได้แก่ ลักษณะของการเข้ากันได้ของจุดมุ่งหมายที่เหมาะสมกัน และความไว้วางใจซึ่งกันและกัน คุณสมบัติของการร่วมมือกันในแง่ของการประสานงาน ความมุ่งมั่นในการทำงานร่วมกันและการพึ่งพาระหว่างกัน พฤติกรรมการติดต่อสื่อสารกันในแง่ของคุณภาพ การมีส่วนร่วมในการติดต่อสื่อสาร และการแบ่งสรรข้อมูล และลักษณะวิธีการแก้ปัญหาความขัดแย้งโดยใช้วิธีร่วมมือและวิธีประนีประนอม ผลของการวิจัยนี้สนับสนุน (support) ในสมมติฐานของลักษณะของการเข้ากันได้ของจุดมุ่งหมายที่เหมาะสมกัน ความไว้วางใจซึ่งกันและกัน และการพึ่งพาระหว่างกัน และ ผลของการวิจัยนี้ยังได้สนับสนุนบางส่วน (partial support) สมมติฐานเกี่ยวกับคุณสมบัตินของการร่วมมือกันในแง่ของการประสานงาน ความมุ่งมั่นในการทำงานร่วมกัน คุณภาพในการติดต่อสื่อสาร การมีส่วนร่วมในการติดต่อสื่อสาร การแบ่งสรรข้อมูล และลักษณะวิธีการแก้ปัญหาความขัดแย้งโดยใช้วิธีร่วมมือและวิธีประนีประนอม ผลของการวิจัยนี้ยังชี้ให้เห็นถึงความเข้าใจในการที่จะจัดการดูแลรักษาความสัมพันธ์เหล่านี้ให้ดีขึ้น เพื่อที่จะบรรลุถึงความสำเร็จของกิจการร่วมลงทุนระหว่างประเทศ

สิ่งที่พบเพิ่มเติมในการวิจัยนี้ได้แก่แรงจูงใจทั้งสี่ประการในการก่อตั้งกิจการร่วมทุนระหว่างประเทศ พฤติกรรมในเชิงกลยุทธ์ ความรู้และการเรียนรู้ในองค์กร การพึ่งพาทรัพยากร และต้นทุนด้านธุรกิจได้ถูกระบุตามลำดับว่า เป็นแรงจูงใจที่สำคัญในการก่อตั้งกิจการร่วมทุนระหว่างประเทศ ผลปรากฏว่ามีความแตกต่างในด้านของแรงจูงใจในกลุ่มผู้บริหารของกิจการร่วมทุนระหว่างไทยกับญี่ปุ่น, ไทยกับสหรัฐอเมริกา และไทยกับกลุ่มยุโรป

ภาควิชาพาณิชยศาสตร์

สาขาวิชาธุรกิจระหว่างประเทศ

ปีการศึกษา 2543

ลายมือชื่อนิสิต.....

ลายมือชื่ออาจารย์ที่ปรึกษา.....

ลายมือชื่ออาจารย์ที่ปรึกษาร่วม.....

AN ABSTRACT

KAJORNVUT NAMSIRIKUL : BEHAVIORAL CHARACTERISTICS OF INTERNATIONAL JOINT VENTURE PERFORMANCE. THESIS ADVISOR : ASSISTANT PROFESSOR DR. PAKPACHONG VADHANASINDHU, THESIS CO-ADVISOR : ASSOCIATE PROFESSOR DR. FREDRIC WILLIAM SWIERCZEK, 180 pp. ISBN 974-13-0315-7.

The arrangement of international joint ventures (IJVs) between firms is becoming an increasingly prevalent way for firms to acquire and maintain competitive advantage across the nations. While existing research on IJVs focuses primarily on the *ex ante* structuring of inter-organizational relationships, this study departs from that by taking a behavioral approach to understanding the *ex post* maintenance of cross border partnerships.

This study employed the cross sectional design which was the most predominant design in the social sciences. A questionnaire survey has been responded by using 88 executives in Thai-Japanese JV, 33 executives in Thai-American JV and 32 executives in Thai-European JV. Data Analysis comprised of reliability test, factor analysis, correlation analysis, multivariate analysis of variance (MANOVA), multivariate and univariate multiple regression analysis.

A theoretical framework is developed by hypothesizing that compatibility characteristics, cooperation attributes, communication behaviors, and conflict resolution styles are related to joint venture (JV) performance satisfaction. The perceptions of Thai-Japanese JV, Thai-American JV and Thai-European JV executives of the importance of these behavioral characteristics were measured. Differences in perceptions were found.

The hypotheses concerning the relationship between compatibility characteristics, cooperation attributes, communication behaviors, conflict resolution styles and IJV performance satisfaction are then empirically tested. The findings indicate that the primary behavioral characteristics of IJV performance satisfaction are: compatibility characteristics of objectives congruence and mutual trust; cooperation attributes of coordination, commitment, and interdependence; communication behaviors of quality, participation and information sharing; and the conflict resolution styles of collaborating and compromising. The results provide support for objectives congruence, mutual trust and interdependence, and partial support for coordination, commitment, communication quality, participation, information sharing and collaborating and compromising conflict resolution. Results also offer insight into how to better manage these relationships to ensure success.

Additional findings are the four motives for IJV formation. Strategic behavior, organizational knowledge and learning, resource dependence and transaction cost are the most respectively mentioned motives. Differences in importance of motives were found among Thai-Japanese JV, Thai-American JV and Thai-European JV executives.

Department of Commerce

Student's signature.....

Field of International Business Study

Advisor's signature.....

Academic year 2000

Co-advisor's signature.....

Acknowledgement

My thanks are due to my advisor, Assistance Professor Dr. Pakpachong Vadhanasindhu, of the Faculty of Commerce and Accountancy, Graduate School of the Chulalongkorn University, and my co-advisor, Associate Professor Dr. Fredric William Swierczek, of the School of Management of the Asian Institute of Technology for their advice and encouragement for this doctoral dissertation. Profession Dr. Pakpachong's enthusiasm for precision and clarity has served as a constant inspiration. I am grateful to Professor Dr. Swierczek for his interest and his many suggestions.

I would also like to thank Associate Professor Dr. Achara Chandrachai, Associate Professor Dr. Chenin Chen, Assistant Professor Dr. Pornchai Chunchachinda, Professor Dr. Phillip H. Phan, Associate Professor Dr. Utai Tanlamai and Assistant Professor Dr. Nongluck Wirachai who have contributed to this dissertation in manifold ways.

Thanks are also due the many companies who provided the information on which this dissertation is based. Although some joint venture firms contributed more than others, acknowledgements must necessarily be anonymous. In order to avoid revealing proprietary information, the use of company names has been avoided in this dissertation.

The greatest gratitude of all, however, I reserve to my parents, Dej and Uraiwan, to my wife, Sarinporn, and to my lovely nephew, Num Kung. They have been a source of warm and enthusiastic support throughout my days in the doctoral program. Without my wife's aid in calculating factor and regression analyses, this study might yet remain unfinished. She also toiled with great good cheer as my editor. And Num Kung's smiles made it all worthwhile.

Needless to say, any errors or shortcomings in fact or interpretation in this dissertation are my responsibility alone.

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

Contents

Thai Abstract.....	iv
English Abstract.....	v
Acknowledgement.....	vi
Contents.....	vii
List of Tables.....	ix
List of Figures.....	xi
Chapter 1 : Introduction	1
1.1 Introduction	1
1.2 Research Problem	1
1.3 Research Rationale	2
1.4 Research Objectives	4
1.5 Research Question	4
1.6 Research Contribution	4
1.7 Organization of Dissertation.....	5
Chapter 2 : Literature Review	6
2.1 Definitions of IJVs	6
2.2 Literature on IJV	7
2.2.1 Motives for IJV Formation	7
2.2.2 Factors Contributing to IJV Success	17
2.2.3 IJV Performance Measurement	27
2.3 Literature on Behavioral Characteristics and IJV Performance	33
2.3.1 The First C : Compatibility	34
2.3.2 The Second C : Cooperation	41
2.3.3 The Third C : Communication	45
2.3.4 The Fourth C : Conflict Resolution	49
Chapter 3 : Theoretical Framework and Research Hypotheses	56
3.1 Theoretical Framework	56
3.2 Research Hypotheses	57
3.2.1 Compatibility	57
3.2.2 Cooperation	59
3.2.3 Communication	61
3.2.4 Conflict Resolution	63
3.2.5 IJV Performance	65
Chapter 4 : Research Methodology	68
4.1 Research Design	68
4.2 Country of Study	68
4.3 Context of Study	69
4.4 Sample	69
4.5 Instrument Development	70
4.6 Instrument Pre-test	71
4.7 Data Collection	72

Chapter 5 : Data Analysis	73
5.1 Response Rate	73
5.2 Non-Response Bias	74
5.3 Sample Characteristics	76
5.4 Operational Measurement	77
5.4.1 Dependent Variables	77
5.4.2 Independent Variables	81
Chapter 6 : Results	92
6.1 Motives for IJV Formation	92
6.2 Differences Among Thai-Japanese, Thai-American and Thai - European JVs in Factors Contributing to IJV Performance	92
6.3 Behavioral Characteristics Correlated with IJV Performance	94
6.4 Behavioral Characteristics with IJV Performance	97
6.4.1 Multivariate and Univariate Tests	98
6.4.2 Hypothesis Testing	103
Chapter 7 : Discussion, Conclusions and Implications	109
7.1 Discussion	109
7.2 Conclusions	122
7.3 Limitations and Future Research Directions	123
7.4 Implications	124
7.5 Summary	127
References	128
Appendices.....	145
Appendix A : Literature on Foreign Direct Investment	146
Appendix B : Questionnaire.....	165
Appendix C : List of Executives Participating in Pre-test Questionnaire	179
Biography	180

Lists of Tables

Table 1 : International Joint Venture Performance.....	2
Table 2 : Summary of Research on JV Control.....	24
Table 3 : Performance Measures of IJVs.....	27
Table 4 : Linkages Between Four IJV Theories and Three Major Theoretical Dimensions of IJV Literature.....	31
Table 5 : Comparison of Cultural Dimensions.....	37
Table 6 : Linkages Between IJV Theories and Behavioral Characteristics.....	54
Table 7 : Hypotheses and Expected Sign with IJV Satisfaction.....	66
Table 8 : Net Applications by Type of share Holding Submitted to BOI During 1996-1998.....	69
Table 9 : Net Applications by Shareholder Nation Submitted to BOI During 1996-1998.....	70
Table 10 : Summary of Questionnaire Returned.....	73
Table 11 : Summary of Non-Response Bias.....	74
Table 12 : Sample Descriptive Statistics.....	75
Table 13 : Sample Characteristics.....	76
Table 14 : Rotated Factor Matrix for Thai Japanese JV Multi-Item Dependent Variables.....	78
Table 15 : Rotated Factor Matrix for Pooled JV Multi-Item Dependent Variables.....	79
Table 16 : Summary Statistics for Measures.....	80
Table 17 : Rotated Factor Matrix for Thai Japanese JV Multi-Item Independent Variables.....	81
Table 18 : Rotated Factor Matrix for Thai American JV Multi-Item Independent Variables.....	82
Table 19 : Rotated Factor Matrix for Thai European JV Multi-Item Independent Variables.....	83
Table 20 : Correlation Matrix for Pooled IJV.....	89
Table 21 : Correlation Matrix for Thai Japanese JV.....	89
Table 22 : Correlation Matrix for Thai American JV.....	90
Table 23 : Correlation Matrix for Thai European JV.....	90
Table 24 : Summary of the Results of Motives for IJV Formation.....	92
Table 25 : Summary of Post Hoc Comparison of Differences.....	93
Table 26 : Correlation Matrix of Behavioral Characteristics and Performance Measure for Pooled IJV and Thai Japanese JV.....	95
Table 27 : Correlation Matrix of Behavioral Characteristics and Performance Measure for Thai American JV and Thai European JV.....	96
Table 28 : Standardized Beta Coefficients from Multivariate Regression Analysis for H1, H2, and H3.....	99
Table 29 : Standardized Beta Coefficients from Multivariate Regression Analysis for H4, H5, and H6.....	99
Table 30 : Standardized Beta Coefficients from Multivariate Regression Analysis for H7, H8, and H9.....	102
Table 31 : Standardized Beta Coefficients from Multivariate Regression Analysis for H10, H11, H12, and H13.....	102

Table 32 : Summary of Hypothesis Tests Results.....	112
Table 33 : Linkage Between Behavioral Characteristics, IJV Theories, Factors Contributing to IJV Success and Performance Measurement.....	120



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

Lists of Figures

Figure 1 : Four Major IJV Theories.....	16
Figure 2 : IJV Theories and Partner Selection.....	21
Figure 3 : IJV Theories and Management Control.....	25
Figure 4 : Linkages Between Motives for IJV Formation, Partner Selection, Management Control and IJV Performance.....	30
Figure 5 : Three Major Theoretical Dimensions of IJV Literature and Behavioral Characteristics.....	33
Figure 6 : Conflict Management Styles.....	50
Figure 7 : Theoretical Framework.....	56
Figure A : The ICV Decision Tree.....	162



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER 1

INTRODUCTION

1.1 Introduction

The proliferation of international joint ventures (IJVs) has been increasing in the last three decades across all business sectors. IJVs represent one of the most popular strategies for firms from multiple countries to share risk and resources, to gain knowledge, and to obtain access to new markets. IJVs enable firms to bring in foreign expertise and then upgrade their operating competencies. Hence, IJVs play a significant role in the dynamic world economy.

IJVs are the dominant form of business organization for multinational corporations (MNCs) in the developing countries (Vaupel and Curhan 1973). IJVs are frequently being used by fortune 500 companies in the developed countries (Janger 1980; Harrigan 1985). In fact, for U.S.-based companies, all cooperative arrangements including IJVs outnumber wholly owned subsidiaries by a ratio of 4 to 1 (Contractor and Lorange 1987). In Thailand, during the period between 1960-1994, IJVs which were granted Board of Investment (BOI) promotion certificates outnumbered wholly owned subsidiaries (WOS) by a ratio of 5.4 to 1 (BOI Report 1996). MNCs often prefer IJVs over WOS regardless of whether or not they are required by a host country as a condition of entry (Beamish 1984).

Between 1967 and 1974, IJVs replaced WOS as the most widespread form of U.S. multinational investment (Liebman 1975). From 1974 to 1982, the number of newly formed IJVs also increased except for a slight drop during 1981 and 1982 (Hladik 1985). As of 1979, roughly 40 percent of the largest U.S. industrial firms were engaged in one or more IJVs (Janger 1980). The number of joint ventures (JVs) in the U.S. grew by 423% over period 1986-1995 (Hitt, Ireland and Hoskisson 1997). According to the net applications by type of share holding submitted to BOI in Thailand during 1995-1998, the number of IJVs also grew by 307% (BOI Report 1999).

1.2 Research Problem

Despite their popularity, however, a significant number of IJVs fails. It also appears that the failure rate of IJVs is quite high (Holton 1981). Studies measuring IJV performance have generally discovered that almost half of the IJVs in a given study sample performed unsatisfactorily. Several studies are mentioned in Geringer and Hebert (1991), and these report unsatisfactory performance in 28 to 70 percent of the IJVs studied. However, the IJVs reported in Geringer and Hebert were from both developing and developed countries.

Table 1 shows the differentiation between the two. The table shows studies of IJVs by the level of economic development of the host country between 1970 and 1999. The table reports unstable structure in 27 to 68 percent and unsatisfactory performance in 28 to 50 percent of the IJVs studies in developed countries. For developing countries, the table reports unstable structure in 19 to 50 percent and unsatisfactory performance in 29 to 95 percent of the IJVs studies. The cross-sectional studies outlined in Table 1 indicate to a consistently low level of satisfaction with IJV performance, especially in developing countries.

Table 1 : International Joint Venture Performance.

<i>Researcher</i>	<i>Sample Size</i>	<i>Host Country^a</i>	<i>Percent Unstable</i>	<i>Percent Unsatisfactory</i>	<i>Measure</i>
Tomlinson (1970)	65	Developing	--	50-80	Financial
Beamish (1984)	66	Developing	45	61	Instability, perceptual
Reynold (1984)	52	Developing	50	--	Failure
Beamish (1983)	22	Developing	--	36	Perceptual
Toyo Keizai (1994)	1,657	Developing	--	36	Perceptual
Lee & Beamish (1995) ^b	33	Developing	19	29	Perceptual
Fey (1996)	20	Developing	--	15-25	Financial, perceptual
Hu & Chen (1996) ^c	2,442	Developing	--	95	Financial
Erden (1997) ^b	217	Developing	30	Very low	Financial, perceptual
Janger (1980)	168	Mixed	--	37	Perceptual
Stuckey (1983)	60	Mixed	42	--	Instability
Gomes-Casseres (1987)	5,933	Mixed	33	--	Instability
Barkema & Vermeulen (1997)	228	Mixed	49	--	Instability
Franko (1971)	1,100	Developed	30	--	Instability
Berg & Friedman (1978)	123	Developed	41	--	Instability
Killing (1982)	36	Developed	30	36	Instability, perceptual
Kogut (1988)	149	Developed	46	--	Instability
Harrigan (1988)	895	Developed	55	--	Instability
Kogut (1991)	92	Developed	40	--	Instability
Bleeke & Ernst (1991)	49	Developed	40	--	Instability
Inkpen (1993)	40	Developed	--	28	Perceptual
Hebert (1994)	93	Developed	--	40	Perceptual
Toyo Keizai (1994)	618	Developed	--	50	Perceptual
Park & Russo (1996)	204	Developed	68	--	Instability
Hennart, Kim & Russo (1998)	284	Developed	27	--	Instability
Hennart, Roehl & Russo (1999)	57	Developed	63	--	Instability

^aFDI is from developed to developing or developed countries unless otherwise noted.

^bThe home country of the of the investing firm was a developing country in Lee and Beamish (1995) and Erden (1997).

^cHu and Chen (1996) defined success as the simultaneous achievement of three performance criteria (high-quality products, profits greater than 1 million yuan, and exports greater than U.S. \$2 million). This definition of success is much more stringent than the studies identified in the table and makes comparison difficult.

Source : Adapted from Beamish and Delios (1997) and Yan and Zeng (1999)

This high failure rate may result from the difficulty and complexity in managing IJVs. Drucker (1974) notes that IJVs are the most demanding and difficult but the least understood of all tools of diversification. Young and Bradford (1977) suggest that IJVs contain “built in, self-destruct devices,” since parents see them as provisional compromises rather than desirable permanent arrangement (Arni 1982; Friedmann and Beguin 1971; Janger 1980; Kobayashi 1967).

1.3 Research Rationale

The high level of IJV failure has motivated organization theorists (Beamish 1988; Harrigan 1986; Hennart 1988; Kogut 1988; Yan and Gray 1994) to investigate the preconditions for satisfactory performance. Scholars have attempted to identify factors contributing to IJV performance, and their attention has been largely drawn to organizational structure and processes, in particular to management control mechanisms (Child, Yan and Lu 1997; Geringer and Hebert 1989; Killing 1983; Yan and Gray 1994), formation (Gray and Yan 1992), parent selection criteria (Geringer 1991; Lorange and Roos 1993), performance

criteria and assessment (Geringer and Hebert 1991) and interparent (or IJV) learning (Hamel 1991; Lyles 1988).

Current theoretical explanations for these failures vary considerably, and empirical studies have produced confusing results (Franko 1971; Harrigan 1986; Levine and Byrne 1986; Gomes-Casseres 1987; Kogut 1989). The factors predictive of successful IJV performance remain unclear (Geringer and Hebert 1991; Parkhe 1993a). In addition, the empirical studies that have been done to test existing conceptual models have either produced contradictory results or been difficult to compare because of differences in how variables are measured.

These theoretical explanations have focused primarily on the *ex ante* structuring of cross border interorganizational relationships (Parkhe 1993a). Although these research streams provide important understanding into the structuring of cross border partnerships, it sheds little light on the appropriate maintenance of existing relationships. It is assumed that a firm may decide on among many prospective foreign partners and that it has the scanning capability to make the optimal choice.

However, the choice is sometimes legitimate by the host government, or that the optimal partner may not be selected because, as the IJV is being initiated, information asymmetries exist about long-term partner objectives. In these cases, the critical determinant of partnership success becomes the *ex post* maintenance of the partnership (Aulakh, Kotabe and Sahay 1997).

This stream of research on cross border partnerships complements the structural approach described above by explicitly considering the behavioral dimensions of maintaining interorganizational partnerships (such as Beamish and Banks 1987; Bradach and Eccles 1989; Casson 1992; Hill 1990; Madhok 1995; Mohr and Spekman 1994). This stream of literature has emerged from fundamental considerations about voluntary interfirm cooperation.

The growing popularity, the substantial failure rate, and the managerial complexity of IJVs suggest that a closer examination of behavioral characteristic issues is required. The role of behavioral characteristics play in the success or failure of IJVs has not yet been researched. Therefore, it is important to identify the behavioral problems that are prevalent in this form of international operation and to systematically examine which problems are inherent in IJVs and which can be minimized, or even solve. In addition to the practical application on research on behavioral characteristics in IJVs, numerous theoretical benefits can be derived.

Some aspects of behavior characteristics which improve partnership success have been explored by Mohr and Spekman (1994). They propose behavioral characteristics of partnership success framework to analyze the vertical relationship between manufacturers and dealers. Unfortunately, the academic literature has been slow to embrace this important managerial concern (Day and Klein 1987), and little guidance has emerged on how to better ensure IJVs satisfactory performance through behavioral characteristics. Knowledge of behavioral factors that are associated with IJV performance could aid in the selection of partners as well as in the on-going management of the partnerships. Therefore, it has been suggested that the behavioral characteristics within the IJVs have a strong influence on performance; this, however, remains to be tested empirically.

1.4 Research Objectives

This study is intended to achieve three objectives as follows:

- (1) to provide a theoretical synthesis and a review of previous research on the subject.
- (2) to provide an empirical analysis of behavioral characteristics underlying the IJV performance.
- (3) to suggest the IJV firms to improve their performance satisfaction through behavioral characteristics.

1.5 Research Question

This study addresses four research questions as follows:

- (1) To what extent, compatibility has the impact on the performance of IJV?
- (2) To what extent, cooperation has the impact on the performance of IJV?
- (3) To what extent, communication has the impact on the performance of IJV?
- (4) To what extent, conflict resolution has the impact on the performance of IJV?

1.6 Research Contribution

This study contributes to the literature in three ways as follows :

- (1) The role of behavioral characteristics play in the success or failure of IJV has not yet been researched. Therefore, this research will fill this gap in IJV literature.
- (2) The study advances and tests specific hypotheses that are alternative explanations for IJV performance.
- (3) The study provides the test of a structured research instrument which permits statistical analyses to be conducted in order to draw valid conclusions concerning the characteristics of the population from which the sample is drawn. The structured research instrument based in part on instrument used by researchers are as follows :
 - i. Cultural sensitivity (Mendenhall and Oddou 1988; Johnson et al.1996)
 - ii. Mutual trust (Aulakh, Kotabe and Sahay 1997)
 - iii. Coordination (Mohr and Spekman 1994)
 - iv. Commitment (Sarkar, Cavusgil and Evirgen 1997)
 - v. Interdependence (Johnson et al.1996)
 - vi. Communication quality (Mohr and Spekman 1994)
 - vii. Participation (Mohr and Spekman 1994)
 - viii. Information sharing (Mohr and Spekman 1994).
 - ix. Conflict resolution (Rahim 1983; Ganesan 1993; Boyle and Dwyer 1995 and Lin and Germain 1998)

1.7 Organization of Dissertation

The remainder of this dissertation is divided into seven chapters. The second chapter reviews the relevant literature. The third chapter provides a theoretical framework of IJV success based on behavioral characteristics and details the rationale behind the specific relationships examined and presents the study's hypotheses. The fourth chapter discusses the methodology employed in this research. The fifth chapter analyzes the data collected from the returned questionnaire. The sixth chapter reports the results of the findings. The last chapter furnishes discussion, conclusions and implications.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER 2

LITERATURE REVIEW

This chapter focuses on the previous relevant literature on IJV. Definitions of IJV will be discussed. Three major theoretical dimensions that have been emphasized in the current IJV literature are reviewed. The additional theoretical dimension of behavioral characteristics of IJV satisfactory performance will be suggested. The linkage between behavioral characteristics and IJV satisfactory performance will be clarified.

2.1 Definitions of International Joint Ventures

An analysis of the literature on international management points that there is no harmony regarding the definition of JVs. JVs are defined very broadly as all types of cooperation between companies such as pooled research and development or joint purchasing or marketing or a whole host of cartel activities. Hibner (1982) defines JVs as the situations in which two or more persons or independent firms join forces to achieve some common goal. Comparable definitions are made by Bivens and Lovell (1966) and Spinks (1978). These definitions seem too comprehensive. They do not acknowledge the distinctiveness of the JV form.

Young and Bradford (1977) defines a more specific definition of JV as : an enterprise, corporation or partnership, formed by two or more companies, individuals, or organizations, at least one of which is an operating entity which wishes to broaden its activities, for the purpose of conducting a new, profit-motivated business of permanent duration. In general, the ownership is shared by the participants with more or less equal equity distribution and without absolute dominance by one party.

The more specific definitions articulate the joint control over the venture (Liebman 1975; Zaphiriou 1978) by parent firms which are economically independent of each other (Bernstein 1965; Byrne 1978; Spinks 1978) and which emphasize that a JV is a separate legal and organizational entity (Boyle 1968; Dobkin, Burt, Spooner and Krupsky 1986; Joelson and Griffin 1975; King 1969; Pfeffer and Nowak 1976a). Different terms are used to describe parties who own and control IJVs : “co-owners,” “co-ventures,” “partners,” and “parents” (Young and Bradford 1977). The term “parents” emphasizes both the independence of the JV as a separate legal entity as well as its partial dependence on those parties for raw materials, know-how, capital, trademarks, resources, markets, political support, or personnel. Since a clear definition of an IJV has not been found in the literature, Shenkar and Zeira (1987) propose the following definition :

“An IJV is a separate legal organizational entity representing the partial holdings of two or more parent firms, in which the headquarters of at least one is located outside the country of operation of the joint venture. This entity is subject to the joint control of its parent firms, each of which is economically and legally independent of the other”.

The literature also distinguishes between equity and non-equity JVs. In accordance with the definition from Shenkar and Zeira (1987), the term IJVs is equivalent to equity JVs

in the international context. The term “non-equity JV” describes a wide array of contractual arrangements, such as licensing, distribution, and supply agreements, or technical assistance and management contracts. Non-equity JVs are thus contracts. The use of the term JV or IJV will be restricted to describe equity JVs, while the term “contract” will be used to describe non-equity JVs and other types of contractual arrangements.

2.2 Literature on International Joint Venture

IJV is one form of international cooperative ventures (ICVs) which can be explained by foreign direct investment theory. Appendix A reviews the literature on foreign direct investment (FDI) and ICV in details. In this section, the relevant IJV literature will be reviewed.

The boundless and increasing literature on IJVs, spreading from the pioneering work of Friedmann and Kalmanoff (1961) up to the present, reveals uneven development along several lines. Although certain areas have caught enormous scholarly attention, others continue to be virtually ignored. There are three major theoretical dimensions that have been emphasized in the current IJV literature. These dimensions are motive for IJV formation, factors contributing to IJV success and IJV performance measurement.

2.2.1 Motives for IJV Formation

Many studies have been undertaken which attempt to evaluate the reasons why, or the circumstances in which, JVs are concluded. Though they vary by industry, country and type of firm, they all present a consistent picture.

There are many motivations for a firm to enter a foreign market through an IJV. Fusfeld (1958) initiates what has been a continuing discussion of the anticompetitive effects of horizontal JVs (between firms in the same industry). He hypothesizes that the management of JVs could be the forum for more general discussion between competitors, that common sourcing could lead to common cost structures and identical pricing, and that JVs could be the mechanism through which emerging industries such as titanium could be dominated by existing large firms in related industries.

West (1959) makes an early attempt to identify other reasons for JV formation besides limiting competition, such as diversification, capital constraints, government pressure in overseas operations, and pooling of know-how. He believes that pooling of know-how is becoming more important and that it explains the growing number of JVs in the oil steel, nonferrous metals, and chemical industries. He also notes the operational difficulties of JVs, stemming from the need to keep two masters happy and the reluctance of the parents to delegate full authority to JV managers.

Berg and Friedman (1980) also reveal that JVs have been seen as achieving four main objectives : (1) taking advantage of economies of scale and diversifying risk; (2) overcoming entry barriers into new markets; (3) pooling complementary bits of knowledge; (4) allaying xenophobic reactions when entering a foreign market.

Harrigan (1985) arranges the reasons for JV formation into three groups: internal, external, and strategic. Internal motives concern with sharing risks and expenses, exposure to innovation, and increasing access to resources. External motives involve easing political tensions and combating global competition. Strategic motives underlying JVs include the possibility of diversification and future business.

Morris and Hergert (1987) describe a host of collaborative arrangements to share technology and costs and state that the primary objective of the IJV is to pursue a common goal. Contractor and Lorange (1987) identify an increasing need for large firms to have local partners because they can add value at several levels within the value-added chain.

Contractor and Lorange (1988) provide that seven more or less overlapping objectives constitute the rationales for entering into cooperative ventures : (1) risk reduction (2) economies of scale and/or rationalization, (3) technology exchanges, (4) coopting or blocking competition, (5) overcoming government-mandated trade or investment barriers, (6) facilitating initial international expansion of international firms, and (7) vertical quasi-integration advantages of linking the complementary contributions of the partners in a “value chain”. Wille (1988) summarizes these motivations into three broad categories : resource-driven JVs, market-driven JVs and risk-driven JVs.

Strategic behavior improving the competitive positioning of a firm vis-a-vis its rivals is also one of the motivations to JV examined by Kogut (1988a, 1988b). In addition, he analyzes JVs as a means by which firms learn or seek to retain their capabilities (the organizational learning motive), and as organizational choices that minimize the sum of production and transaction costs (the transaction cost motive). Culpan (1993) indicates that many IJVs are formed to share production, develop markets simultaneously and meaningfully, and share R&D costs.

Swierczek, Bumbacher, and Quang (1997) summarize the main reasons why foreign investors participate in JVs in developing countries : (1) securing, maintaining and/or developing of a regional base, mainly to serve the nearby market; (2) securing, maintaining and/or developing of an overseas market which would otherwise be lost to the company; (3) securing, maintaining and/or developing of raw materials suppliers; (4) the necessity to complement other activities of the organization; (5) competitive forces in the home and the international market necessitating the development of an overseas lower cost base for export back to the home country and export to a third country; and (6) other diverse motives like utilization of old machinery, capitalization of know-how, protect patents abroad, to take advantages of offered by host government (Nguyen 1992).

It is clear that the reasons for forming IJVs are diverse and reach into all areas of business strategy. Thus the motivations can probably be condensed into four theoretical perspectives : (1) transaction costs, (2) strategic behavior, (3) organizational knowledge and learning, and (4) resource dependence.

(1) Transaction Costs

Kogut (1988a) proposes that transaction cost is especially relevant in explaining the motivations and choice of JVs. A transaction cost explanation for JVs involves the question of how a firm should organize its boundary activities with other firms. Under this perspective, a transaction cost must explain the choice between a JV and a long-term contract.

Williamson (1975, 1985) proposes that firms choose how to transact according to the criterion of minimizing the sum of production and transaction costs. Production costs may differ between firms due to the scale of operations, to learning, or to proprietary knowledge. Transaction costs refer to the expenses incurred for writing and enforcing contracts, for disputing over terms and contingent claims, for deviating from optimal kinds of investments in order to increase dependence on a party or to stabilize a relationship, and for administering a transaction.

Williamson posits that the principal feature of high transaction costs between arms-length parties is small numbers bargaining in a situation of bilateral governance. Small number bargaining results when switching costs are high due to asset specificity: namely, the degree to which assets are specialized to support trade between only a few parties. Walker and Weber (1984) analyze the outcome of this situation and propose that a firm may choose, for example, to produce a component even though its production costs are higher than what outside suppliers incur. Such a decision may, however, be optimal if the expected transaction costs of relying on an outside supplier outweigh the production saving.

Kogut (1988a) argues that because a JV straddles the border of two firms, it differs from a contract in so far as cooperation is administered within an organizational hierarchy. It differs from a vertically integrated activity in so far as two firms claim ownership to the residual value and control rights over the use of the assets. A firm chooses to share ownership because the diseconomies of acquisition due to the costs of divesting or managing unrelated activities or the higher costs of internal development. Therefore, a necessary condition is that the production cost achieved through internal development or acquisition is significantly higher than external sourcing for at least one of the partners. If vertical or horizontal integration is not efficient, then an alternative is the market or contract. A transaction cost explanation for why market transactions are not chosen rests on potential exploitation of one party when assets are dedicated to the relationship and there is uncertainty over redress.

Hennart (1988) also shows that the transaction cost framework (Williamson 1975, 1985) can provide a unifying paradigm which accounts for the common element among 'scale' and 'link' JVs. According to Hennart, 'scale' JVs are created when two or more firms enter together a contiguous stage of production or distribution or a new market. The main characteristic of these ventures is that they result from similar moves by all the parents: forward or backward vertical integration, horizontal expansion, or diversification. The partners are pursuing strategies of backward vertical integration. In 'link' JVs, on the other hand, the position of the partners is not symmetrical. The JV may, for example, constitute a vertical investment for one of the parties, and a diversification for the other.

Hennart suggests that both scale and link JVs have two main characteristics. First, the relationship between the parent(s) and the JV is an equity, or hierarchical one. This equity link suggests that hierarchical coordination has been found preferable to coordination through spot markets or contracts. A JV thus represents a particular type of internalization. Second, hierarchical control over the firm is shared with other firms. This is in contrast to an exclusive link as in a wholly owned subsidiary.

Hennart distinguishes between scale and link JVs. Scale JVs allow firms to reconcile the need to bridge a failing market with the presence of large differences in minimum efficient scale (MES) across successive stages. She uses the aluminum industry as the example where the MES of bauxite mining and refining is much higher than that for smelting and fabricating, a bauxite mining firm establishing a wholly owned, captive alumina refinery of efficient size would face the problem of disposing of the bulk of the alumina produced, since its needs are likely to be only a fraction of the output. Because the market for alumina is very narrow selling the output on the spot market or through contracts would cause difficult marketing problems. The alternative of setting up a captive downstream network of sufficient size to absorb all of the alumina would involve a tremendous investment. The solution lies in a JV with other vertically integrated aluminum companies. Each member of the JV will take a share of the output. This allows the bauxite firm to build an efficiently sized refinery while solving the problem of disposing of the alumina (Stuckey 1983).

Link JVs are created to remedy the simultaneous failure of at least two markets. Assume that efficient production requires the combination of two types of knowledge held by firms A and B. If A's know-how is marketable, but B's is not, A will license B. If B's knowledge is marketable, but A's is not, B will license A. If both types of know-how are difficult to sell, A and B will form a JV. Hennart uses the JV of Dow and BASF as the example. Dow-Badische is a JV of Dow Chemical and BASF, a German chemical company. BASF set up the venture to exploit its proprietary technology in the U.S. market, while for Dow, which took responsibility for marketing the JV's output, the JV is a way to fill in its product line. Absent failure in the market for production know-how, BASF would have licensed Dow. If the market for country-specific knowledge and distribution services was competitive, BASF would have contracted with Dow to obtain those services. A JV is chosen because both of those markets are experiencing high transaction costs.

Hennart concludes that scale JVs arise when parents seek to internalize a failing market, but indivisibilities due to scale or scope economies make full ownership of the relevant assets inefficient. Link JVs result from the simultaneous failing of the markets for the services of two or more assets whenever these assets are firm-specific public goods, and acquisition of the firm owning them would entail significant management costs. JVs will thus represent a first-best strategy in a limited number of specific circumstances.

Stuckey (1983) examines 64 JVs among the six major firms. He finds that of 15 possible linkages, eight occur, that each major has at least one JV with another and five have at least two. He also finds a high number of JVs with new entrants and other industry members. Moreover, while he notes that many of JVs resulted in more efficiency through achieving optimal scale economies, the ventures between the majors occur in bauxite and alumina production, the stage where coordination on expansion is most vital. Hence he concludes that transaction cost explanations appear more relevant to aluminum production.

Kogut (1988a) claims that joint ownership (and control) rights and the mutual commitment of resources are two properties which are particularly distinctive between JV and a contract. Under the transaction cost framework, the situational characteristics best suited for a joint venture are higher uncertainty over specifying and monitoring performance, in addition to a high degree of asset specificity. It is uncertainty over performance which plays a fundamental role in encouraging a JV over a contract.

In summary, a transaction cost perspective of JV choice implies that the critical dimension of a JV is its resolution of high levels of uncertainty over the behavior of the contracting parties when the assets of one or both parties are specialized to the transaction and the hazards of joint cooperation are outweighed by the higher production or acquisition costs of 100 percent ownership.

(2) Strategic Behavior

An argues that an alternative explanation for the use of JVs stems from theories on how strategic behavior influences the competitive positioning of the firm. The motivations to JV for strategic reasons are numerous. Though transaction cost and strategic behavior theories share several commonalities, they differ fundamentally in the objectives attributed to firms.

Transaction cost theory posits that firms transact by the mode which minimizes the sum of production and transaction costs. Strategic behavior posits that firms transact by the mode which maximizes profits through improving a firm's competitive position vis-a-vis rivals. A common confusion is treating the two theories as substitutes rather than as complementary (Kogut 1988a).

In fact, given a strategy to JV, for instance, transaction cost theory is helpful in analyzing problems in bilateral bargaining. But the decision itself to JV may come from profit motivations and , in fact, may represent a more costly, though more profitable, alternative to other choices. The primary difference is that transaction costs address the costs specific to a particular economic exchange, independent of the product market strategy. Strategic behavior addresses how competitive positioning influences the asset value of the firm.

Kogut (1988a) argues that every model of imperfect competition which explains vertical integration is applicable to JVs, from tying downstream distributors to depriving competitors of raw materials and to stabilizing oligopolistic competition (i.e. transaction cost explanation). Absolutely, not every motive for collusive behavior is contrary to public welfare. Where there are strong network externalities, such as in technological compatibility of communication services, joint research and development of standards can result in lower prices and improved quality in the final market. Research JVs which avoid costly duplication among firms but still maintain downstream competition can similarly be shown to be welfare-improving.

On the other hand, many JVs are motivated by strategic behavior to deter entry or erode competitors' positions. Vickers (1985) analyzes JVs in research as a way to deter entry through pre-emptive patenting. In oligopolistic industries it might be optimal for the industry if one of the firms invested in patentable research in order to hinder entry. He

shows that, for small innovations, a JV is an effective mechanism to ensure the entry-detering investment. For large innovations it is in the interest of each firm to pursue its own research, for the expected payoff justifies the costs. More generally, Vernon (1983) sees JVs as a form of defensive investment by which firms hedge against strategic uncertainty, especially in industries of moderate concentration where collusion is difficult to achieve despite the benefits of coordinating the interdependence among firms.

Previous industry studies have discovered some support that JVs are a form of strategic behavior to increase market power. Fushfeld (1958) discovers 70 JVs in the iron and steel industry, 53 of which are supply agreements among firms within the industry. More prominently, he discovers that the JVs created two industrial groups, in addition to U.S. Steel.

Berg and Friedman (1977) examine for the impact of JVs on firm rates of return in the chemical industry with a rich data set. Controlling for other variables they discover that firms which have engaged in one or more JVs earned lower rates of return. Based on this discovery they argue that, since most JVs in this industry involve some form of technological exchange, upstream ventures do not increase the market power of the participants. On the other hand, Berg and Friedman (1978) admit that failing firms engage in JVs in order to stabilize competition.

Pate (1969) investigated at 520 domestic JVs during 1960-1968 and found that over 50 percent of the parents fit in to the same two-digit SIC level and 80 percent were either horizontally or vertically related. Similar results are found by Boyle (1968) for 276 domestic ventures and by Mead (1967) who, after examining 885 bids for oil and gas leases, finds only 16 instances where the JV partners compete on another tract in the same sale. Thus, the Pate, Boyle, and Mead studies all conclude that JVs are motivated by market power objectives.

Pfeffer and Nowak (1976a) examine more directly the motivation of market power by testing transaction patterns across industries and the degree of industry concentration. Out of 166 JVs, 55.5 percent are between parents from the same industry. They detect that parents from industries which have a high exchange of sales and purchase transactions, and which are technology-intensive, are inclined to have more JVs. They also observe that JVs occur more frequently when the two parents are from the same industry of intermediate concentration. Since it is beneficial, though difficult, to collude in industries of intermediate concentration, they conclude that JVs are used to reduce uncertainty when oligopolistic rivalry is difficult to stabilize.

Duncan (1982) divides his sample as to whether the parents are from the same three-digit SIC industry and to whether the JV and the parents from the same industry. He detects that, at the three-digit level, ventures with parents from different industries are more prevalent (73 percent of the sample). He discovers that non-horizontal pairings between parents or between parents and the venture are negatively related to industry rates of returns. However, he observes support for higher industry rates of return when there is a horizontal relationship between the parents, suggesting that market power objectives may be the objective for these cases.

In summary, a strategic behavior perspective of JV choice suggests a JV can be examined as device for maximizing profits through improving a firm's competitive position vis-a-vis rivals.

(3) Organizational Knowledge and Learning

Kogut (1988a) argues that transaction cost and strategic motivation explanations provide compelling economic reasons for JVs. There are other explanations outside of economic rationality. Organizational knowledge and learning motivation explanation views JV as a means by which firms learn or seek to retain their capabilities.

In this view, firms consist of knowledge base, or what McKelvey (1983) calls "comps", which are not easily diffused across the boundaries of the firm. JVs are, then, a vehicle by which, to use the often-quoted expression of Polanyi (1967), "tacit knowledge" is transferred. Other forms of transfer, such as through licensing, are ruled out—not because of market failure or high transaction costs as defined by Williamson and others, but rather because the very knowledge being transferred is organizationally embedded.

Kogut identifies this perspective with a transaction cost argument, even though the explanatory factors are organizational and cognitive rather than derivatives of opportunism under uncertainty and asset specificity. An example of this confusion is the explanation for JVs, commonly adopted as a form of transaction cost theory, that the transfer of know-how in the market place is severely impeded by the hazards which attend the pricing of information without revealing its contents. Because knowledge can be transferred at zero marginal cost the market fails as sellers are unwilling to reveal their technology and buyers are unwilling to purchase in the absence of inspection.

However, as Teece (1977) determined, the transfer of technology requires non-trivial costs, partly because of the difficulty of communicating tacit knowledge. If knowledge is tacit, then it is not clear why markets should fail due to opportunistic behavior. It would seem, in fact, that knowledge could be illustrated to a purchaser without effecting a transfer, specified in a contract and sold with the possibility of legal redress. In this sense tacitness tends to preserve the market.

More or less, the market is substituted by a JV not because tacitness is a cost stemming from opportunism, but rather from the necessity of replicating experiential knowledge which is not well understood. More generally, tacitness is an aspect of the capital stock of knowledge within a firm. There is an important distinction in this regard between capital specific to individuals, and for which there may be an external labor market, and capital specific to organizations, or what Nelson and Winter (1982) call skills and routines, respectively. For transactions which are the product of complex organizational routines, the transfer of know-how can be severely impaired unless the organization is itself replicated.

In this perspective, a JV is motivated if neither party owns each other's technology or underlying 'comps', nor understands each other's routines. Or on the contrary, following Nelson and Winter (1982), a firm may choose to JV in order to retain the capability (or what they call 'remember-by-doing') of organizing, a particular activity while benefiting from the superior production techniques of a partner. Even if a supply agreement were to operate at lower production and transaction costs, a firm may select a more costly JV in order to

maintain the option, although at a cost to exploit the capability in the future. What drives the choice of JVs in this situation is the difference in the value of options to exploit future opportunities across market, contractual, and organizational modes of transacting.

Berg and Friedman (1981) investigate more explicitly the relationship between industry rates of industry returns, JV incidence and potential market power. Their sample contains over 300 ventures (most at the three-digit level) and is divided into JVs which are and are not formed for knowledge-acquisition. Controlling for other variables, and correcting for autocorrelation in the data, they detect that industry rates of return are negatively related to knowledge-acquisition JVs and positively related to non-knowledge-acquisition ventures. They reach a conclusion on this basis that knowledge-acquisition ventures do not enhance the market power of the firm, for the benefits of market coordination would be immediate whereas the payoff to R&D is long-term. No control is built for structural variables, such as concentration, to test for other market power effects. Their results are also consistent with the view that JVs are likely to be preferred to transfer organizational knowledge as opposed to achieving market power.

In summary, an organizational knowledge and learning perspective of JV choice indicates that a JV is encouraged under two conditions : one or both firms desire to acquire the other's organizational know-how; or one firm wishes to maintain an organizational capability while benefiting from another firm's current knowledge or cost advantage.

(4) Resource Dependence

Transaction cost and strategic motivation explanations furnish imperious economic reasons for JV. Organizational knowledge and learning motivation explanation views JV as a means by which firms learn or seek to retain their capabilities. An alternative explanation for the use of JVs stems from resource dependence perspective.

Resource dependence motivation explanation views JV as a means by which firms acquire resources in order to survive in their environments. This perspective builds on the original open systems model of resource procurement but adds an exchange perspective that suggests that organizations enter partnerships when they perceive critical strategic interdependence with other organizations in their environment (e.g., Levine and White 1961; Aiken and Hage 1968; Pfeffer and Salancik 1976a, 1976b, 1978), in which one organization has resources or capabilities beneficial to but not possessed by the other.

According to Pfeffer and Salancik (1976a, 1978), organizations survive to the extent that are effective. The effectiveness of an organization is its ability to create acceptable outcomes and actions. It reflects both an assessment of the usefulness of what is being done and of the resources that are being consumed by the organization. Their effectiveness derives from the management of demands, particularly the demands of interest groups upon which the organizations depend for resources and support. The key to organizational survival is the ability to acquire and maintain resources. This problem would be simplified if organizations were in complete control of all the components necessary for their operation. However, no organization is completely self-contained. Organizations are embedded in an environment comprised of other organizations. They depend on those other organizations for the many resources they themselves require. Organizations are linked to environments by federations, associations, customer-supplier relationships, competitive relations, and a

social-legal apparatus defining and controlling the nature and limits of these relationships. Organization must transact with other elements in their environment to acquire needed resources. The constraint on behavior results from situations of asymmetric interdependence when there exists the discretion to control resources and enforce demands. The organization will tend to be influenced more the greater the dependence on the external organization, or alternatively, the more important the external organization is to the functioning and survival of the organization.

The most direct method for controlling dependence is to control the source of that dependence. Social coordination of interdependent actors is possible as a means for managing mutual interdependence. Pfeffer and Salancik (1976a; 1978) argue that the development of coordination among organizations derives from the same requirements for controlling interdependence. When situations of exchange and competition are uncertain and problematic, organizations attempt to establish linkages with elements in their environment and use these linkages to access resources, to stabilize outcomes, and to avert environmental control. According to them, linkages to other organizations provide four primary benefits to organizations in their activity of managing environmental interdependence. First, a linkage to another organization provides information about the activities of that organization which may impinge on or affect the focal organization. Second, a linkage provides a channel for communicating information to another organization on which the focal organization depends. Third, a linkage and the exposure it provides is an important first step in obtaining commitments of support from important elements of the environment. The fourth result of interorganizational linkage is that it has a certain value for legitimating the focal organization.

If communication among organizations is a necessary ingredient for achieving coordinated behavior, then JVs which facilitate information exchange are likely to arise in the organizational field. Pfeffer and Salancik (1976a; 1978) argue that JVs are mechanisms for achieving coordination among organizations through a sharing of information and resource commitments. JVs are another form of interorganizational relationships. If the principal problem organizations face is interdependence, then JVs are undertaken to reduce uncertainty and promote stability in the environment. JVs are likely to evolve between organizations for which the cooperative exchange is mutually reinforcing. Organizations will interlock around JVs which coordinate otherwise interdependence and are, therefore, primarily exchanges which reduce uncertainty about resource transactions.

Pate (1969) concludes that most JVs are not being undertaken for purposes of spreading investment risk or for undertaking technological development, but rather, are occurring among firms in a position either of competitive or of interdependence with each other. Pate finds that 80 percent of all JVs were between firms in competitive or buyer-seller relationships to each other.

In a study of 166 JVs which took place during the period 1960 to 1971, Pfeffer and Nowak (1976b) found that patterns of JV activity corresponded to patterns of transactions interdependence. In order to manage resource interdependence with other organizations, linkages are used to stabilize exchange relationships. The results suggest that JVs are being used to coordinate competitive interdependence and reduce competitive uncertainty. Overall, patterns of JV activities follow patterns of resource exchange.

In summary, a resource dependence of JV choice indicates that a JV can be analyzed as mechanisms for achieving interfirm coordination and can be predicted by considerations of resource interdependence, competitive uncertainty, and conditions that make various forms of interdependence more or less problematic.

In conclusion, the four theoretical perspectives of transaction cost, strategic behavior, organizational knowledge and learning, and resource dependence provide distinct overlapping explanations for JV behavior. Transaction cost analyzes JV as an efficient solution to the hazards of economic transactions. Strategic behavior places JV in the context of competitive rivalry and collusive agreements to enhance market power. Transfer or organizational skills view JV as a vehicle by which organizational knowledge is exchanged and imitated. Finally resource dependence concerns JV as a means by which firms control critical strategic interdependence with other organizations in their environments. The four major IJV theories are modeled in Figure 1.

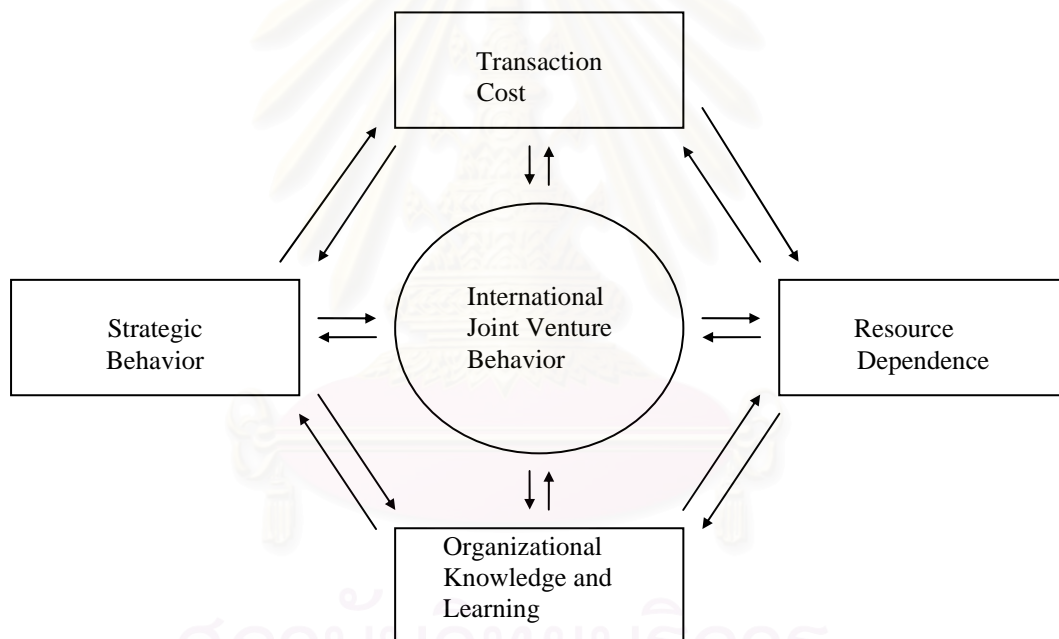


Figure 1 : Four Major IJV Theories.

2.2.2 Factors Contributing to IJV Success

A second identifiable stream of IJV research deals with the factors that influence the venture success. Scholars have attempted to identify factors contributing to IJV success, and their attention has been drawn to organizational structure and processes. There are two factors which can probably be identified as having an impact on success. These factors are partner selection and management control.

(1) Partner Selection

Former research has suggested that the choice of a particular partner is an important factor influencing IJV performance, since it influences the mix of skills and resources which will be available to the venture and thus the IJV's ability to achieve its strategic objectives (Tomlinson 1970; Berge & Friedman 1982; Killing 1983; Harrigan 1985). These studies have typically cited the need for selecting the "right" (De Hoghton 1966; Devlin and Bleakley 1988) or "proper" (Reynolds 1979) partner, particularly when IJVs involve a firm's core markets or technologies (Reich and Mankin 1986; Geringer and Hebert 1989; Hamel, Prahalad and Doz 1989). Further such a partner is commonly argued to be one which is complementary (De Hoghton 1966; Franko 1971; Gullander 1976; Killing 1983; Harrigan 1985; Dymsza 1988). Indeed, it has been argued that a lack or erosion of *complementarity* is the most important factor undermining effectiveness of the IJV process (Chowdhury 1989).

Tomlinson's (1970) investigation of the JV process in India and Pakistan is the first to recognize and focus upon partner selection as a distinct and separable decision in the IJV formation process. He tries to identify distinct categories of selection criteria in order to help understand partner selection. Of the six general categories investigated, "favorable past association" is brought up by respondents as the single most important criterion, even though it is not sufficient to ensure effective IJV performance. Despite less important than favorable past association, the categories of "facilities," "resources," "partner status" and "forced choice" are recorded as being of approximately equal importance. The final category, "local identity," is found to rarely stand for a primary criterion for partner selection. He also studies the possibility of identifying a set of specific contextual variables which might help predict the selection criteria employed for particular IJVs. Of eight groups of variables investigated, parent size, nature of business and the stated motivation for IJV formation demonstrate the strongest relationships with reported selection criteria.

Tomlinson and Thompson (1977) explore Canadian firms' IJV experiences in Mexico. They list the traits that Canadian firms should seek in local partners for IJVs in Mexico as : financial status, business compatibility, common goals, ability to negotiate with the government and compatible ethics. They also recognize traits that Mexican firms sought in foreign partners, including financial resources, technology and experience in its application, international visibility and reputation, commitment to the Mexican IJV, international experience, management depth and the ability to communicate with Mexicans.

Renforth (1974) examines the IJV process between U.S. multinational corporations and local family or non-family firms in Jamaica and Trinidad and Tobago. His purpose is to determine whether IJVs perform differently if they incorporated local partners with distinctly different operating characteristics (i.e., family versus non-family firms). He notes that IJVs could contain the demonstrated differences in philosophy, policies or operating procedures

which result from inclusion of a family or a non-family firm partner and still produce equivalent, satisfactory results.

Daniels (1971) examines investments made via IJVs in an examination of foreign direct manufacturing investment in the U.S. Despite IJV coverage is brief, the results enable him to conclude that firms sought similarly-sized organizations as partners. The explanation for this preference is that, by selecting a similarly-sized partner, a company could be assured that the two firms placed the JV in about the same importance. Besides, the two firms are then in more nearly equal power positions for bargaining.

In contrast to Daniels' findings, Adler and Hlavacek (1976) emphasize on a nonrandom sample of JVs oriented toward product innovations and formed almost particularly between firms considered "large" and "small" relative to each other. They classify a listing of "typical criteria" used to select partners for JVs in this specific type of strategic context, including an established marketing/distribution system in the market to be served; a salesforce of suitable size, caliber and image calling on specific customers; technology to improve on or complement one's own current technology base; the kind of personnel needed; a given minimum available financial resource; and relative company size.

Davidson (1982) maintains that selection of a local partner is a critical decision in JV formulation. In the most general terms, the global firm requires a partner whose strengths meet the primary needs of the venture. If marketing and distribution are the principal requirements, the ideal local partner will be an experienced and established distributor of related products. If relations with the home government is critical, a local partner with close ties to the government is needed.

Harrigan (1985) also proposes that JVs are more likely to succeed when partners possess complementary missions resource capabilities, managerial capabilities, and other attribute that create a strategic fit in which the bargaining power of the venture's sponsors is evenly matched.

Awadzi (1987) employs a sample of 40 manufacturing IJVs in the U.S. to investigate the relationship between relative bargaining power and partner selection criteria. He extracts his analysis down to four selection criteria, each with an hypothesized positive relationship with IJV performance: complementarity of partners' resource contributions, past association between partners, relatedness of partners' businesses, and relatedness of foreign partners' and IJVs businesses. He argues that the more resources a firm can contribute to a joint venture, the greater the likelihood that it would be selected as a partner.

Geringer (1991) argues that numerous studies have suggested that benefits will accrue from selecting a partner who can supply the complementary skills or capabilities that are expected to help the firm attain its strategic objectives. However, prospective partners can complement a firm on a variety of dimensions. Thus, merely advising a firm's managers to seek "a partner with complementary capabilities" provides relatively little guidance regarding the specific capabilities a potential partner should provide, or the trade-offs a firm might make between alternative complementary skills or resources.

Geringer makes the distinction between task-related criteria, which he defines as "operational skills and resources which a venture requires for its competitive success", and

partner-related criteria, which he defines as “the efficiency and effectiveness of partner’ cooperation”. More specifically, task-related criteria refer to those variables which are intimately related to the viability of a proposed venture’s operations regardless of whether the chosen investment mode involves multiple partners. The variables could be tangible or intangible, human or nonhuman, in nature. In contrast, partner-related criteria refer to those variables which become relevant only if the chosen investment mode involves the presence of multiple partners. Both criteria are normally related to the extent to which each partner can contribute to the core assets or critical success factors of the JV.

In a wide ranging field study embracing a random sample of 81 IJVs selected from a list of ventures concluded between 1980 and 1985, Geringer seeks to relate some 15 variables which might influence partner selection to the significance attached to these variables as advancing the Critical Success Factors (CSFs) of firms. These factors are determined by the underlying characteristics of the firm’s industry (Porter 1980) and by characteristics of the tasks to be carried out by a venture (Prahalad and Doz 1987). The results of the study suggest that the association between CSFs and the importance attached to the variables influencing partner selection are positive and significant. Also, the greater the perceived difficulties of the partner firms in maintaining or advancing their CSFs, the higher the relative weighting of selection criteria associates with these factors.

Geringer concludes that task-related complementarity is the foundation for partner selection based on:

- | | |
|--|----------------------|
| (1) Government pressures, regulatory requirements, etc. | (Regulation) |
| (2) Access to financial resources | (Financing) |
| (3) Government subsidiaries, tax credits and other inducements | (Government Subsidy) |
| (4) Experienced managerial personnel | (Management) |
| (5) Technical skilled employees | (Employees) |
| (6) Location of joint venture’s facilities | (Site) |
| (7) Low per-unit costs | (Low Cost) |
| (8) Patents, licenses or other proprietary knowledge | (Patent) |
| (9) Trademark, reputation of parent firms | (Trademark) |
| (10) Rapid market entry | (Rapid Entry) |
| (11) Full line of products of services | (Full Line) |
| (12) Sales to government | (Government Sale) |
| (13) Perceived local or national of venture | (Local Identity) |
| (14) Marketing or distribution systems | (Marketing) |
| (15) Post-sale customer service network. | (Service) |

Geringer also argues that among other considerations managers seeking a complementary JV partner must determine the specific task-related skills and resources that may be need from a partner as well as the relative priority among these needs. This requires management to thoroughly analyze their own firm to determine what additional task-related capabilities may be necessary in order for the JV to be competitively successful. Complementary partnership may be a necessary condition of JV success but it may not be sufficient. The JV requires considerable coordination, involves potential conflict, and may require compromises that affect the accomplishment of JV’s objectives (Geringer 1991).

Bronder and Pritzl (1992) adds the notion of *compatibility* in the partner selection criteria. They indicate that compatibility is the most important criteria for partner selection including the fundamental fit (activities and expertise complement in a way that increases value potential), the strategic fit (compatibility of strategic goal structures to be the most critical success factor) and cultural fit. Moreover, Swierczek (1994b) summarizes the importance of compatibility as “Cooperation is necessary for successful JV’s operations. If there is no compatibility in the cultural match, there can be no complementarity between partners”.

Swierczek, Bumbacher, and Quang (1997) propose that partner compatibility is one of the most important factors in the endurance of a JV and differences between national cultures. Lack of compatibility can lead to poor communication, mutual distrust and the end of the venture. Compatibility also is closely related to complementarity. If two firms do not share common objectives and do not have a compatible management style, but their strengths are complementary, it would still not lead to a joint venture.

Brouthers, Brouthers and Wilkinson (1995) argue that the benefit of exercising the IJV will accrue only through the retention of a partner who can provide compatible goals, complementary skills, cooperative culture, and commensurate risk.

Recently, Luo (1998) argues that literature on partner selection has paid little attention to the systematic categorization of various partner attributes. He proposes that the criteria for accessing partner attributes can be classified broadly into three categories related to : (1) tasks or operations; (2) partnership or cooperation; and (3) cash flow or capital structure. Operation-related criteria are associated with the strategic attributes of partners including marketing competence, relationship building, market position, industrial experience, strategic orientation, and cooperate image. Cooperation-related criteria often mirror organizational attributes such as organizational leadership, organizational rank, ownership type, learning ability, foreign experience, and human resource skills. Cash flow-related criteria are generally represented by financial attributes exemplified by profitability, liquidity, leverage, and asset management. A partner’s strategic traits influence the operational skills and resources needed for the JV’s competitive success, organizational traits affect the efficiency and effectiveness of inter-firm cooperation. He concludes that the classification is imperative because each group affects a different kind of fit (strategic, organizational and financial), thus influencing different dimensions of IJV performance.

In summary, it is evident from prior research that partner selection is one of the important factors affecting IJV operations. Partner complementarity and compatibility are major dimensions cited by researchers for the selection criteria. Partner selection appears to be an important factor in the IJV formation process. IJVs need to recognize their specific long-term needs in recruiting the right partner in order to ensure the success and profitability.

Four theoretical perspectives of transaction cost, strategic behavior, organizational knowledge and learning, and resource dependence also suggest that the selection of partners can be made in the context of each standpoint. A transaction cost perspective predicts that partner matching should reflect minimizing costs. A strategic behavior perspective foresees that JV partners will be chosen to improve the competitive positioning of the parties, whether through collusion or through depriving competitors of potentially valuable partners. An organizational knowledge and learning perspective foretells that JV partners will be selected to retain firms’ capabilities or acquire organizational knowledge. A resource dependence

perspective predicts that partner matching should reflect controlling interdependence. Figure 2 shows the model of the linkage between IJV theories and partner selection.

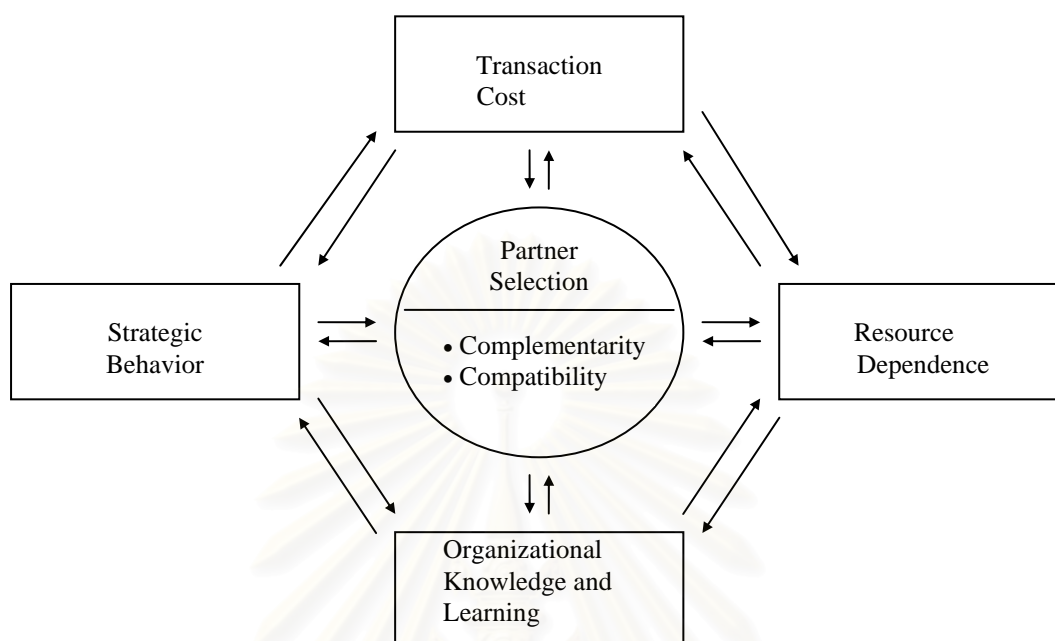


Figure 2 : IJV Theories and Partner Selection.

(2) Management Control

Another key success factor in IJVs that researchers have paid attention to is management control or parents' control. Management control is the process by which a parent organization influences its IJV to behave in ways that lead to the attainment of the organization objectives and the organization's ability to influence IJV activities and how they are performed (Arrow 1974; Ouchi 1977).

The issue of control has been particularly important in JV research. Control is the important role in the management of organizations. Several researchers have shown particular concern for the exercise of control within large organizations, particularly MNCs (Skinner 1968; Franko 1971; Stopford and Wells 1972; Brooke and Remmers 1978).

The topic of IJV control is first heightened by West (1959), who recognizes the potential inter-parent conflicts which could result from this structure of organization. He argues that firms are likely to experience great difficulty in managing JVs without effective control efforts. Tomlinson (1970) is considered the first scholar to empirically study the control-performance relationship for IJVs. He examines the "attitude of parents toward control" rather the direct parent control. From a sample of 71 IJVs in Indian and Pakistan, he finds that IJVs evidence higher levels of profitability when their U.K. parents assume a more relaxed attitude toward control. He concludes that the MNCs should not insist on dominant control over the major managerial decisions in JVs located in LDCs. Sharing of

responsibility with local associates would lead to a greater contribution from them and , in turn, to a greater return on investment.

Franko (1971) studies the control-performance relationship which is related to Stopford and Wells' (1972) research on MNCs. His work has received limited attention by researchers in the "IJV control" area because it focuses on the parent (the MNC) and its strategy rather than on the IJV and its control. Testing a sample of 169 U.S. MNCs involved in more than 1,100 JVs, he examines how parent control over JVs as well as the JVs' stability or instability (measured by the liquidation or significant changes in ownership of a JV) varied according to the MNC parents strategy. His main argument is that different strategies have different organizational and control requirements thereby influencing the stability of JVs. He concludes from his sample that JVs are more stable when the MNC parent followed a product-diversification strategy (roughly equivalent to Doz' (1986) national responsiveness strategy), which usually demands less control over subsidiaries. In contrast, JVs indicate greater instability when the parent's strategy emphasizes product concentration (roughly equivalent to Doz' (1986) global product strategy), which usually depends on centralization of decision making and strong control. Furthermore, he demonstrates that JV stability has a tendency to deviate with the evolution of the MNC parent's organizational structure and strategy.

Geringer and Hebert (1989) comment on Franko's results as having serious limitations. They claim that Franko never clearly defines his concept of control, nor does he proposes a genuine and direct measure of this construct. To evaluate control, Franko counts on the importance given by MNC parent firms to standardization and to the centralization of decision making, particularly for marketing policy issues. Moreover, Franko's dependent variable, changes in JV ownership structure, fails to furnish a clear sense of the JV's absolute or relative success or of the achievement of the JV's objectives, and therefore of the performance of the JVs. Because ownership may also be a control mechanism, utilization of this construct may result in confusion regarding the meaning of ownership changes. It is open to suspicion whether these changes are indicative of modifications in the control of the JV, or of its poor performance. In spite of these concerns, Franko creates a significant contribution by examining the JV control-performance link using the "strategy-structure" conceptual framework. Within this perspective, the degree of parental control as well as the JV's performance (or its stability) is presumed to be conditional on the MNC's strategy and structure.

Killing (1983) discovers that dominant partner JVs tend to be more successful than shared management ventures. In fact, the MNC partners in the unsuccessful ventures prefer to operate without a partner as much as possible. Independent JVs also demonstrate superior levels of performance. He concludes that one partner should assume dominant control and operate the venture as if it were a wholly owned subsidiary. From this conclusion, he implies that wholly owned subsidiaries may be more appropriate than JVs in the developed countries. Killing's result suggests that there are relatively lower requirements for adaptation and information for the MNC when it invests in other developed (versus developing) countries. Similar to Killing, Anderson and Gatignon (1986) suggest that entry modes offering greater control, as measured via the relative level of ownership, would be more efficient for highly proprietary products or processes.

In addition to his research in 1983, Killing (1988) also presents four types of joint ventures to distinguish the degree of parent control:

1. *Independent ventures* : are JVs in which the venture general manager is given a great deal of autonomy to manage as he sees fit.
2. *Dominant-parent ventures* : are JVs in which one parent plays a dominant managerial role.
3. *Split-control ventures* : are JVs in which each parent plays a separate and distinct role, for example, marketing on the one hand and technology transfer on the other.
4. *Shared-management ventures* : are JVs in which both parents play an active managerial role and all significant decisions are shared.

Nevertheless, the work of other researchers has not provided much evidence to support Killing's (1983). Janger (1980) employs a classification schema similar to Killing's, yet does not find the same result. He finds in his study of JVs in developed and developing countries that one control structure could not be identified as more successful than the others. As well, Awadzi, Kedia and Chinta (1986) fail to find any relationship between extent of parent control and the performance of IJVs.

Beamish (1984) subsequently utilizes Killing's control scale and performance measures for 12 JVs in less developed countries (LDCs). Unsatisfactory IJV performance is found to be correlated to dominant foreign control while dominant local control and shared control JVs are judged unsatisfactory in only a few cases. Further analysis also demonstrates that dominant foreign control is significantly associated with unsatisfactory performance in four decisions (production scheduling, production process, quality control and replacement of managers) involving mainly production issues.

Schaan (1983) extends the notion that parent firms seek control over specific activities as a conceptual starting point. He argues that venture success or the extent to which parental expectations for the IJV are met, is a function of the fit among three variables: the parent's criteria for success, the activities or decisions it controls and the control mechanisms which are utilized.

Geringer and Hebert (1989) argue that prior research has been highly fragmented on the basis either of the conceptualization of IJV control, the object of study or the attention devoted to IJV performance. They then propose a conceptual framework for studying control of IJVs, delineating three dimensions of parent control:

1. *Mechanisms of control* : are the means by which the control is exercised such as right to veto, representation in management bodies and special agreements related to either technology or management to achieve effective management control of an IJV's activities.
2. *Extent of control* : is the degree to which the parents exercise control such as being dependent upon the centralization or the locus of the decision making process.
3. *Focus of control or scope of control* : is the area that parents may choose to exercise control over a relatively wider or narrower scope of the IJV's activities. This suggests that exercise of effective control should emphasize selective control

over those dimensions a parent perceives as critical rather than attempting to control the entire range of the IJV's activities.

Previous studies have each focused on different dimension of control: Killing (1983) and Lecraw (1984) on extent, Geringer (1986) on scope, and Schaan (1983, 1988) on scope and mechanisms. Table 2, which is adapted from Geringer and Herbert (1989), categorizes some research on IJV control-performance relationship over the three dimensions of parent control.

Table 2 : Summary of Research on JV Control

Conception of Control	Authors	Type of JVs ¹	Measure of Performance	JV Control-Performance Relationship
Mechanisms	Tomlinson (1970)	LDC	Profitability	Indirect
	Friedman & Beguin (1971)	LDC	-	-
	Stopford & Wells (1972)	both	-	-
	Gullander (1976)	LDC	-	-
	Rafil (1978)	LDC	Cost efficiency	Direct
	Schaan (1983)	LDC	Perceptual measure of satisfaction	Contingent on fit among criteria of success, activities controlled and mechanisms
Extent	Franko (1971)	both	Instability (change in ownership structure)	Contingent on MNC ² parent's strategy
	Dang (1977)	LDC	-	-
	Janger (1980)	both	Not provided	Supposed as contingent
	Killing (1983)	DC	Survival & perceptual measure of satisfaction	Dominant control associated with performance
	Beamish (1984)	LDC	Same as Killing (1983)	No solid evidence for Killing's (1983) hypothesis
	Geringer (1986)	DC	-	-
	Awadzi et al (1986)		DC	Composite Index including financial, non-financial and industry-oriented measures
Focus	Schaan (1983)	LDC	See above	See above
	Geringer (1986)	DC	-	-

¹LDC refers to Less Developed Country, DC refers to Developed Country.

²MNC refers to multinational corporation.

Source : Adapted from Geringer and Herbert (1989)

Yan and Gray (1994) synthesizes past research on bargaining power, management control, and performance in IJVs. Conducting the case studies in China, they propose the integrative model of bargaining power, control, performance and the dynamic aspects of IJVs. They suggest the positive relationship between bargaining power and management control. The overall pattern of the partners' relative degrees of bargaining power is highly related to how they share control. The pattern of management control in JVs is directly related to venture performance. When the partners' control is even, each partner's performance, as assessed from its own perspective, is equal. When control is unevenly shared by partner, the prediction of performance is less straightforward. They also suggest that three alternative control mechanism moderate the relationship between formal management control and performance: the level of trust between the partners, the commonality of their strategic objectives, and the level of institutionalization of those

objectives—whether or not they are contractual. When these moderating variables are present management control is less predictive of performance. In addition, the relative bargaining power of two partners changes over time as a result of their learning, the growth of a JV's capacity, localization of the JV's operation, and environmental changes. The ongoing performance of the partnership exerts an important feedback effect on the partners' bargaining power, the pattern of management control, and the quality of the cooperative relationship between the partners.

In summary, it is apparent from former research that management control is one of the significant factors affecting IJV performance. Although the studies of the relationship between parent control and performance have produced ambiguous results, insufficient or ineffective control over an IJV can limit the parent firm's ability to coordinate its activities, to efficiently utilize its resources and to effectively implement its strategy. Parent firm not adequately exercising control over activities can be judged as critical for the achievement of its performance.

Four theoretical perspectives of transaction cost, strategic behavior, organizational knowledge and learning, and resource dependence also imply that management control or parents' control can be formed in the context of each viewpoint. A transaction cost perspective predicts that management control should reflect minimizing production and transaction costs. A strategic behavior perspective predicts that dimensions of control will be chosen to improve the competitive positioning of the parties. An organizational knowledge and learning perspective predicts that dimensions of control will be selected to retain firms' capabilities or acquire organizational knowledge. A resource dependence perspective predicts that management control should reflect controlling interdependence. Figure 3 shows the model of the linkage between IJV theories and management control.

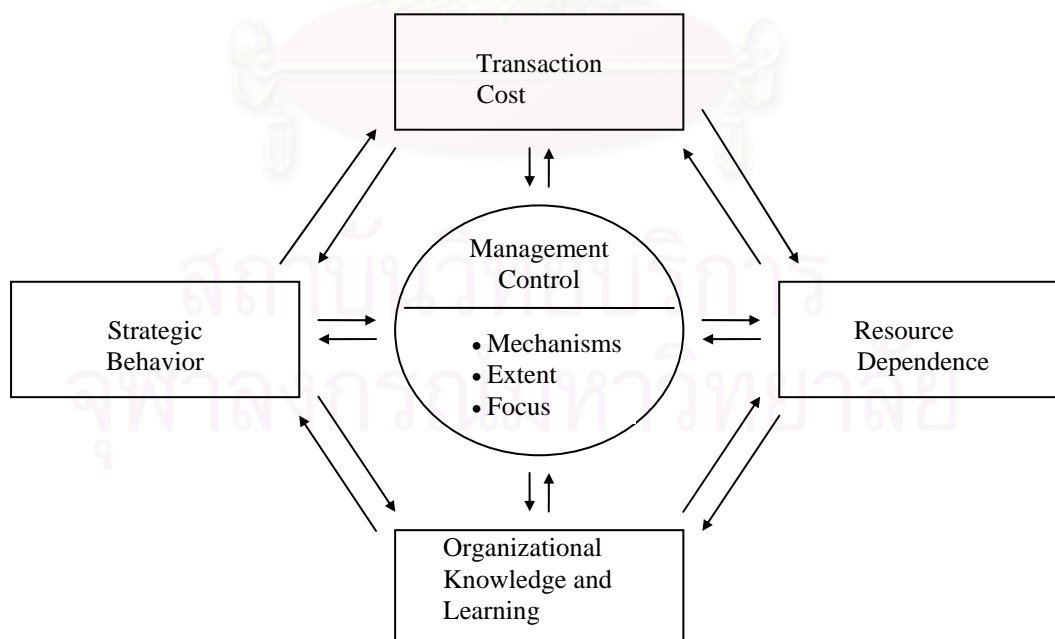


Figure 3 : IJV Theories and Management Control.

In conclusion, it is evident from two main streams of prior research that partner selection and management control are critical factors affecting IJV performance. While partner selection appears to be an important factor in the IJV formation process, management control over an IJV can efficiently utilize its resources and effectively implement its strategy.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

2.2.3 IJV Performance Measurement

The final important dimension emphasized in existing research involves with IJV performance. According to Venkatraman and Ramanujam (1986), performance has been a central construct of study in research on alliances and in larger domains of study such as

Table 3 : Performance Measures of IJVs.

<i>Performance Measure</i>	<i>Researcher(s)</i>	<i>Performance Measure</i>	<i>Researcher(s)</i>
Financial indicators	Tomlinson (1970) Good (1972) Renforth (1974) Dang (1977) Coughlin (1981) Artisien & Buckley (1981) Beamish (1984) Lecraw (1984) Koh & Venkatraman (1991) Hebert (1994) Luo & Chen (1995) Fey (1996) Hu & Chen (1996) Beamish & Delios (1997) Erden (1997)	Management's perception of success	Killing (1982, 1983) Schaan (1983) Artisien & Buckley (1983) Beamish (1984) Lecraw (1984) Beamish (1988) Hill (1988) Geringer & Hebert (1991) Inkpen (1993) Hebert (1994) Lyles & Baird (1995) Lee & Beamish (1995) Makino (1995) Fey (1996) Erden (1997) Lin & Germain (1998)
Technology transfer	Rafii (1977) Coughlin (1981) Asheghian (1982)	Multiple and composite measures	Awadzi (1987) Subieta (1991) Chowdhury (1992)
Parental Control	Phillips (1970) Geringer & Hebert (1991)	Failure	Iacuelli (1970) Reynolds (1984)
Survival	Franko (1971) Raveed (1976) Killing (1982, 1983) Blodgett (1987) Kogut (1988) Woodcock & Geringer (1990) Geringer & Hebert (1991) Makino (1995)	Duration	Blodgett (1987) Harrigan (1988) Geringer & Hebert (1991) Subieta (1991)
		Instability	Killing (1982) Beamish (1984, 1993) Gomes-Casseres (1987) Kogut (1988) Geringer & Hebert (1991) Beamish & Inkpen (1995) Lee & Beamish (1995) Erden (1997)

Sources : Adapted from Chowdhury (1992), Hebert (1994), and Beamish & Delios (1997)

international business and strategic management. It quickly becomes apparent that performance measurement is a complex and controversial topic even at the individual firm level. The problems are compounded in IJVs, where multiple parents attempt to influence IJV decisions, the true motivations of partners may be unknown to each other, and venture-specific data are seldom available.

Both researchers and practitioners have assigned many definitions to performance. According to Beamish and Delios (1997), performance can be defined in a more fine-grained categorization such as the survival, duration, instability, or failure of the IJV; the degree of parental control; the effectiveness of technology transfer; the extent to which financial goals are realized; the degree of managerial satisfaction. Some measures of performance used by academic researchers to assess the efficacy of JVs are listed in Table 3. The use of a multitude of measures is in some way reflective of the ways the parents and managers of a JV assess its performance. The performance measurement that has been emphasized in the current IJV literature can be categorized into two dimensions: (1) objective measurement, and (2) subjective measurement.

(1) Objective Performance Measurement

Scholars have still used “objective” measures with performance measurement. Objective measures include financial indicators, market share, JV survival, and JV duration. Financial indicators typically are employed in business research, such as profitability, growth and cost position in the earlier studies. The other objective measures of performance used by other researchers are such as survival of the JV (Killing 1983; Geringer 1991), its duration (Harrigan 1986; Kogut 1988b), instability of its ownership (Gomes-Casseres 1987), and renegotiations of the JV contract (Blodgett 1987).

However, each of these performance measures has limitations. For example, financial and objective measures are frequently unavailable for subsidiaries or business units (Dess and Robinson 1984). Such data are often not reported, unavailable, or are only included in consolidated corporate data. Therefore, other financial returns through mechanism such as supply contracts, management fees, technology licensing fees, transfer and joint research to access to materials, new markets or scale economies are created by IJV parents. In the situations where JVs are often not likely to generate a financial profit for many years, financial and objective measures do not appropriately reflect what the JV truly accomplished.

According to Parkhe (1996), these measures are open to many criticisms. The first is that any single measure is too narrow. As Venkatraman and Ramanujam (1986) argued, the breadth of the construct of performance cannot be captured unless financial, operational and effectiveness measures are combined. Second, in the absence of knowledge of the concrete goals and actual motivations of parent firms, it is difficult to compare JV results against specific targets. Third, poor financial performance may be quite acceptable if a JV is not a profit center, but rather a source of learning that will synergistically contribute toward parent companies' overall competitiveness. Finally, JV survival and duration may be associated not with JV success, but with high exit barriers. Anderson (1990) then suggests that financial measures evaluate only one dimension of performance. Other factors, including qualitative ones must also be examined in order to adequately evaluate the JV's performance.

(2) Subjective Performance Measurement

The difficulties of objective measurement have led some researchers toward perpetual or subjective measures which are the managers' assessments of performance, such as fulfillment of major strategic needs (such as a JV can be said to be performing well when important strategic needs are being met very well) and indirect performance indicators (such as net spillover effects for parent firms, JV's profitability relative to its industry and overall performance assessment by responsible parties) (Killing 1983; Schaan 1983; Beamish 1984; Parkhe 1993b). A single-item perceptual measure of a parent's satisfaction with a JV's overall performance has been used in most studies. The ability to provide information regarding the extent to which the JV has achieved its overall objectives is the major advantage of this type of measurement.

Overall performance assessment is subject to the familiar drawbacks of bias and recall associated with such measures until direct investigation by Geringer and Hebert (1991). They demonstrate that subjective and objective measures in IJVs are highly correlated. Their findings are consistent with research conducted in other areas of management that have also found strong correlations between subjective and objective measures of performance (Lawrence and Lorsch 1967; Dess and Robinson 1984).

Geringer and Hebert (1991) examine JV performance by objective and subjective measurement. They develop a criteria for subjective measurement of JV's performance. A five-point Likert type scales are used in assessing each parent's satisfaction with the JV's overall performance. The assessment of the JV's performance versus the initial projections along individual dimensions is developed by a fifteen-item scale. A five-point Likert type scale is also used to assess the performance on each dimension. The fifteen individual dimensions are :

- (1) Sales level,
- (2) Market share,
- (3) Profitability,
- (4) Cost control,
- (5) Management of venture,
- (6) Product design,
- (7) Manufacturing/ quality control,
- (8) Technology development,
- (9) Labor productivity,
- (10) Marketing,
- (11) Distribution,
- (12) Reputation,
- (13) Customer service,
- (14) Need for parent involvement and
- (15) Overall performance.

According to the result of the study, there are positive and significant correlation between the objective performance measures and the subjective assessment of overall parent satisfaction with JV performance and the individual dimension evaluating overall JV performance. Therefore, a multidimensional operationalization of subjective performance,

resting on distinct, crucial aspects of the JV phenomenon, can overcome some weaknesses of past performance measures (Baird, Lyles and Reger 1993; Beamish 1984; Inkpen 1993).

JV stability is also related to performance. Gomes-Casseres (1987), Kogut (1989) and Blodgett (1992) take into account JV survival and duration and address the question about the meaning of stability and factors contributing to JV instability. Gomes-Casseres' (1987) most significant contribution lies in his insight to link JV outcomes to the ongoing operations of parent firms. He distinguishes three types of instability: (1) a JV may be liquidated completely (i.e., its operation halted and its assets sold or scrapped); (2) A JV may be sold to the local partner or to outsiders in which case it remains in operation, but under different ownership; (3) One parent may buy out the other's interest in a JV and create a wholly owned subsidiary. Thus perceived, instability does not always reflect poor performance, dissolution does not necessarily equal failure, and survival does not eventually indicate success (Parkhe 1996).

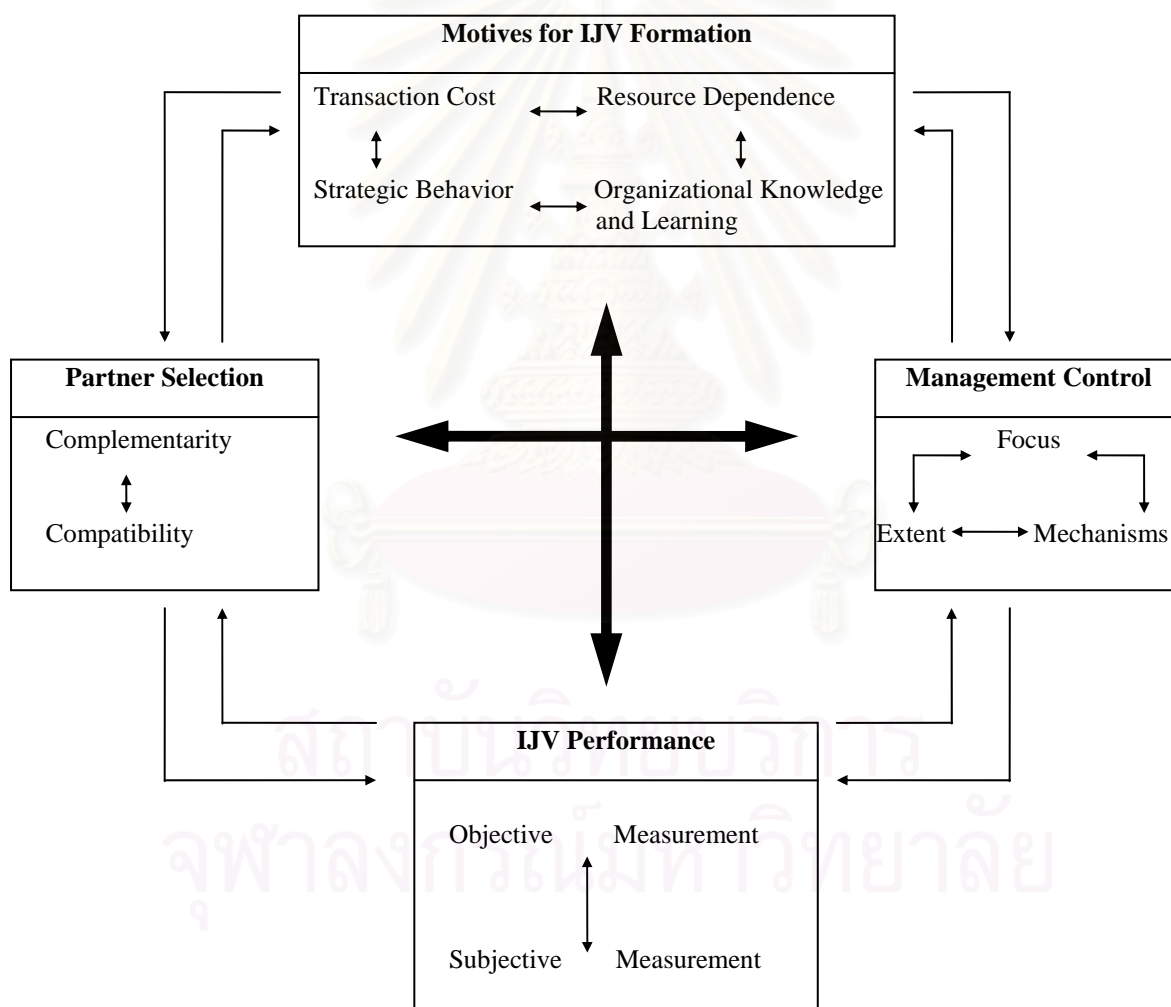


Figure 4 : Linkages Between Motives for IJV Formation, Partner Selection, Management Control and IJV Performance.

In summary, two approaches of performance measurement can be identified in the previous research. Obviously, performance measurement is a complex and controversial subject. Given the multifaceted objectives of many IJVs, performance can be difficult to measure with objective measures such as financial, duration, survival and stability outcomes. The assessment of performance is related to the objectives of IJV formation. Consequently, a sole indicator of performance, where many other objectives and success measures exist, cannot indicate the extent to which the IJV has achieved all of its objectives.

Table 4 : Linkages Between Four IJV Theories and Three Major Theoretical Dimensions of IJV Literature.

IJV Theory	Motives for IJV Formation	Factors Contributing to IJV Success		Performance Measurement
		Partner Selection	Management Control	
Transaction Cost	<ul style="list-style-type: none"> Minimizing transaction cost. Reducing uncertainty over performance. 	<ul style="list-style-type: none"> Selecting partner possessing complementary and compatible skills to minimize transaction cost (such as location of IJV facilities or low per-unit costs). 	<ul style="list-style-type: none"> Controlling IJV to attain minimum transaction cost (such as control on manufacturing cost). 	<ul style="list-style-type: none"> Objective measurement (such as return on investment or production cost).
Strategic Behavior	<ul style="list-style-type: none"> Maximizing profit through improving a firm's competitive position. Deterring competitors' positions. Increasing market power. 	<ul style="list-style-type: none"> Selecting partner having complementary and compatible skills to improve competitive position and market power (such as rapid market entry or full line of products or services). 	<ul style="list-style-type: none"> Controlling IJV to achieve maximum profit, competitive position and market power (such as control on sales and marketing). 	<ul style="list-style-type: none"> Objective measurement (such as profitability, sales growth, or market share).
Organizational Knowledge and Learning	<ul style="list-style-type: none"> Learning or seeking to retain firms' capabilities. Acquiring the other firms' organizational knowledge. 	<ul style="list-style-type: none"> Selecting partner maintaining complementary and compatible knowledge to retain firms' capabilities and acquire the other firms' organizational knowledge (such as technology or management know-how). 	<ul style="list-style-type: none"> Controlling IJV to accomplish the retaining of firms' capabilities or acquire the other firms' organizational knowledge (such as control on research and development). 	<ul style="list-style-type: none"> Subjective measurement (such as management's perception of knowledge learning success or technology transfer).
Resource Dependence	<ul style="list-style-type: none"> Acquiring and maintaining resource in order to survive Controlling interdependence to reduce uncertainty. 	<ul style="list-style-type: none"> Selecting partner holding complementary resource for firm to control interdependence (such as raw materials or financial resource). 	<ul style="list-style-type: none"> Controlling IJV to acquire or maintain resource and interdependence (such as control on resource flow). 	<ul style="list-style-type: none"> Subjective measurement (such as management's perception of resource acquisition success).

In conclusion, three major theoretical dimensions that have been emphasized in the current IJV literature has been reviewed. Although the discussion of each dimension and its effect on an IJV success may suggest a static and oversimplified view, researchers should recognize the interactive and dynamic nature of these dimensions (Tiemessen et al. 1997). For example, motivation can influence the choice of partner. The choice of partner can have an effect on control mechanisms implemented and IJV performance. The control mechanisms implemented can have an impact on the performance of IJV. As the IJV performance changes, the control mechanisms may be changed; even the choice of partner may be reassessed. Figure 4 shows the model of the linkages between motives for IJV formation, factor contributing to IJV success and IJV performance assessment.

Due to the interaction and dynamic of these dimensions, motives for IJV formation, partner selection, management control and IJV performance can also be related to the four IJV theories. Table 4 summarizes the linkages between four IJV theories and three major theoretical dimensions of IJV literature.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

2.3 Literature on Behavioral Characteristics and IJV Performance

Three theoretical dimensions in current IJV literature have been emphasized in previous section. These dimensions have focused primarily on the *ex ante* structuring of cross border interorganizational relationships (Parkhe 1993a). The underlying assumption of these studies is that choosing the right partner, aligning strategic and economic incentives of the partner firms, and using ownership control are critical determinants of IJV performance, and decrease the risk of opportunistic behavior inherent in interorganizational relationships.

Although these research streams provide important understanding into the structuring of cross border partnerships, it sheds little light on the appropriate maintenance of existing relationships. It is assumed that a firm may decide on among many prospective foreign partners and that it has the scanning capability to make the optimal choice. However, the choice is sometimes legitimate by the host government, or that the optimal partner may not be selected because, as the IJV is being initiated, information asymmetries exist about long-term partner objectives. In these cases, the critical determinant of IJV performance becomes the *ex post* maintenance of the partnership (Aulakh, Kotabe and Sahay 1997).

Another stream of research on cross border partnerships complements the structural approach described above by explicitly considering the behavioral dimensions of maintaining interorganizational partnerships (such as Beamish and Banks 1987; Bradach and Eccles 1989; Casson 1992; Hill 1990; Madhok 1995; Mohr and Spekman 1994). This stream of literature has emerged from fundamental considerations about voluntary interfirm cooperation. Scholars have recognized that: (1) IJVs involve mutual interdependence, such

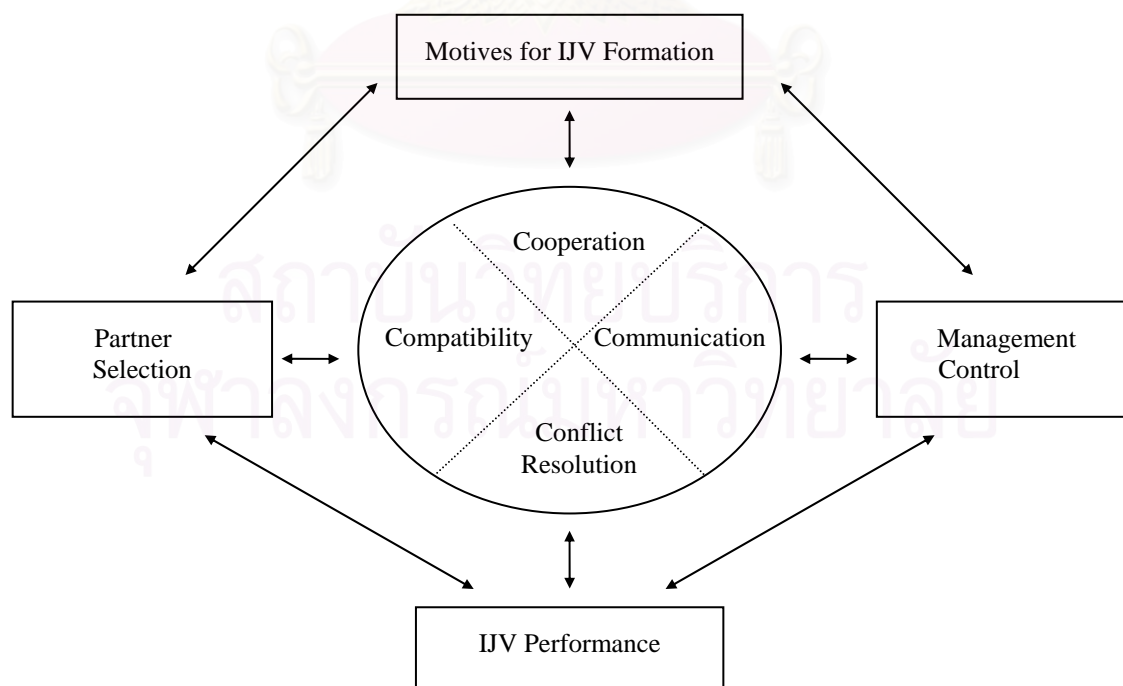


Figure 5 : Three Major Theoretical Dimensions of IJV Literature and Behavioral Characteristics.

that one is vulnerable to another whose behavior is not under one's control (Zand 1972); (2) There is only partial overlap of goals of the cooperating parties (Ouchi 1980); and (3) Each firm exercises only partial influence over the outcome of the IJV. The relationship environment is therefore often marked by uncertainty and vulnerability to opportunism (Heide and John 1988; John 1984; Provan and Skinner 1989). Consequently, there is a need to extend this behavioral approach by identifying the behavioral characteristics of IJV performance in cross border partnerships.

Core concept of behavioral characteristics and IJV performance can be captured by the four Cs: compatibility, cooperation, communication and conflict resolution. Development of IJV theory centering around these core concepts can clearly provide the needed theoretical underpinning. Furthermore, not only do these concepts tap behavioral variables at the hearth of voluntary interfirm cooperation, but they can also be linked effectively with each of the dimensions identified in Figure 4, as shown in Figure 5. As Daft and Lewin (1990) suggested, significant research requires breaking out of current conceptual boxes, often by authors' reaching into an area of ambiguity to define new variables or create a new logic rather than examining relationships among traditional variables.

2.3.1 The First C: Compatibility

Cauley de la Sierra (1995) claims that compatibility has been ranked by executives as one of the most important ingredients for a satisfactory IJV. No matter how elegant the strategic business concept behind a cooperative deal or how capable the participants, partners have to be able to work together. Otherwise, there are slim chances the venture will stand the test of time and be able to cope with changing market and environmental conditions (Cauley de la Sierra 1995). Whether a company is extending an existing relationship or entering its first cooperative venture with a firm, management will still have to ascertain whether it is or could be compatible with a particular firm.

Compatibility can be evaluated in both hard and soft factors, the tangible and intangible features. Existing literature has focused on the hard factors such as size, operating strategies (in manufacturing, marketing, distribution, and finance), organizational structures and policies. These factors have already been explored almost thoroughly for the criteria in selecting the right partners (Geringer 1991).

Soft factors are equally important. Even hard factors fit well, the IJV can fail miserably if the partners involved cannot get along. Chemistry between corporate objectives or cultures or, more importantly, between both senior managements and the executives from each partner who will be charged with managing the venture can make or break an IJV. Therefore, the strength and satisfaction of an IJV rest on the interactions of its people. Compatibility in objective congruent, cultural sensitivity and mutual trust are the most important soft factors. The partners must be able to work effectively together along these soft factors if an IJV performance is to be satisfied.

(1) Objectives Congruence

Swierczek (1994a,b) proposes that a critical success factor for JVs has been the mutuality of objectives between the partners. An effective IJV requires the partners to agree as to their fundamental objectives (Webster 1989).

Bourgeois (1980) studies the formulation of goals (the objectives of the organization), the selection of strategies (the means by which selected goals are to be achieved) and the performance in the organization. He examines several propositions concerning the state of agreement and disagreement about the strategies (means) and objectives (ends) among the managers of the organization. Essentially, a consensus or congruity about the objectives and strategies of the organization by top managers is proposed to lead to higher performance, and a lack of congruity along these two dimensions is hypothesized to be associated with lower performance.

Bourgeois empirically examines the hypotheses and concludes that higher performance is associated with those firms in which managers have reached agreement about the strategy and objectives of the organization. Consensus on organization strategy has a greater effect than congruity of objectives, but the effect of congruity of objectives has a dual aspect. Congruity in hard goals or objectives (for example, net profit over five years, or sales growth) is associated with higher performance, but congruity in soft goals (such as community service) is not related to high performance; if anything, the reverse is true.

Since Bourgeois' exploratory work, there are several studies that have provided support for his findings. The work of Schwenk and Cossier (1993) produces the evidence that the absence of disagreement in top management teams and decision making groups is related to higher organizational performance. Pinto, Pino and Pescott (1993) discover that cross-functional teams require a set of superordinate goals and a common set of operating procedures to facilitate integration cooperation, and performance. In classification the extent of agreement in the management teams of acquired and acquiring firms, Shanley and Correa (1992) observe that overall firm objectives are determined by perceived agreement and that to accurately judge performance by a collective set of goals and a direction for the organization has to be established. They also note in their study for the need to extend this line of research to mergers, consolidations and JVs.

The results of these studies are particularly appealing when considering the context in which an IJV is created and employed. An IJV, by definition, is a shared form of organization with foundation in both parents. The strength of relationship between the parents and the IJV differs from one IJV to the following, but the basic relationship is common to all IJVs. Generally an IJV is formed with some consideration of an overarching purpose: the IJV may perform as means of minimizing manufacturing cost (transaction cost theory), as mode of improving competitive position (strategic behavior theory), as mechanism of transferring technology (organizational knowledge and learning theory), or as way of acquiring resource (resource dependence). While the parents may agree on the products the IJV will produce and the markets it will serve, they may not agree about the strategy and objectives—the means and ends—of the IJV (Quinn 1980; March 1988; Lu and Bjorkman 1997). Certainly, the managers from both parents often do not distinguish nor discuss how the IJV's performance will be evaluated (in other words, what its objectives are), nor may the parents have defined the IJV's operating strategy.

In summary, the findings of Bourgeois (1980) and others strongly recommend that such a lack of objective congruence is harmful to the overall efficiency of the IJV. As a consequence, its performance will suffer. The establishment of congruity in objectives is one of the significant behavioral factors affecting the performance of the IJV.

(2) Cultural Sensitivity

The effects of cultural differences penetrate the relationship when transactions cross cultural boundaries. According to Swierczek and Hirsch (1994), IJVs are often characterized by problems of misunderstanding and limited effectiveness because of the lack of compatibility of the cultures represented in the IJVs.

Hofstede's (1980) framework contributes the most systematic approach to evaluating the cultural dimensions of organization and management. His dimensions include :

- (1) *Power distance* : which is the concentration of authority, influence power and equality in the culture,
- (2) *Uncertainty avoidance* : which is the tolerance or acceptance of ambiguity, risk or the reduction of chance factors
- (3) *Individualism/collectivism* : which is the concern for the individual's own needs, goals achievements and satisfaction as opposed to the social group's norms and benefits
- (4) *Masculinity/femininity* : which is related to the basic dichotomy between the rational, achievement, aggressive, success driven task orientation (Masculine) and the emotional, affiliation, passive, relationship orientation (Feminine).

Power distance is related to the degree of hierarchy or level of participation in decisions in organizations. Uncertainty avoidance is related to the need for stability and conflict reduction, formalization and standardization and the time horizon in the organizations.

Individualism is related to individual job design and performance rewards or to team organization and reward systems in organizations. Masculinity is related to the task orientation as opposed to the relationship styles of management in organizations.

Based on Hofstede's cultural dimensions, Swierczek and Hirsch (1994) shows that very distinct cultural profiles can be developed as seen in Table 5. From these cultural profiles, IJVs would always be problematic because of the differences between potential partners.

Researchers have verified cultural differences in distribution relationships (Johnson et al. 1993) and in IJVs (Cullen, Johnson and Sakano 1995). In fact, Lorange and Roos (1993) have linked international strategic alliance success to the firm's ability to tailor its approach to cultures. This cultural tailoring entails what Johnson et al. (1996) refer to as cultural sensitivity.

Cultural sensitivity begins with the firm's awareness of cultural differences between it and its partners. It also includes dealing with and managing these differences. To achieve cultural sensitivity and successfully manage cultural differences, partners of the IJV must develop a fairly deep understanding of the other partner's culture.

Johnson et al. (1996) argue that cultural sensitivity requires investment of resources in terms of money, managerial effort, and time, specifically in comprehensive cultural training

Table 5 : Comparison of Cultural Dimensions

1. POWER DISTANCE					
High		Medium		Low	
Indonesia India Malaysia Philippines Singapore		Hong Kong Japan Korea France Pakistan Taiwan Thailand		Germany UK US	
2. UNCERTAINTY AVOIDANCE					
High		Medium		Low	
Korea France Japan		Pakistan Germany Taiwan Thailand		Hong Kong UK India US Indonesia Malaysia Philippines Singapore	
3. INDIVIDUALISM					
High		Medium		Low	
France Germany UK US		India Japan		Hong Kong Indonesia Korea Malaysia Pakistan Philippines Singapore Taiwan Thailand	
4. MASCULINITY					
High		Medium		Low	
Japan		Hong Kong France India Germany Indonesia UK Korea US Malaysia Pakistan Philippines Singapore Taiwan Thailand			

Source : Adapted from Swierczek and Hirsch (1994)

programs. The culturally sensitive IJV firm uses the understanding of partner culture acquired in training to span the cultural gap between IJV partners. The culturally sensitive IJV firm looks for ways to accommodate the cultural differences in its partner's business and relevant social practices. Culturally sensitive IJV managers esteem the foreign partner's culture and behave accordingly.

However, the international human resource management literature provides impressive evidence for the role of cultural sensitivity in IJVs. Studies show that expatriate success in foreign assignments concludes largely from the amounts to cultural sensitivity

(Dowling and Schuler 1990; Lolli and Davis 1991; Tung 1981). The ability to relate to cultural counterparts and colleagues, understanding of the other culture, ability to adapt, sensitivity training, and willingness to communicate and make relationships in the other culture are cited by the researchers as the important factors. Truly, studies quote expatriate managers' lack of cultural adjustment as a major reason for failed foreign assignments.

In summary, cultural sensitivity provides a foundation for satisfaction in the IJV because it strengthens mutual understandings among partners which leads to the effectiveness in the IJV. Mutual understandings among partners will result in behavioral uncertainty and opportunism reduction, which will reduce operating cost (transaction cost theory), improve learning process (organizational knowledge and learning theory) and gain control of interdependence (resource dependence theory). A lack of cultural sensitivity can easily lead to misunderstandings in cross-cultural interfirm relationships (Datta and Rasheed 1993). When a firm realizes and bridges cultural differences in the IJV, the ability to handling the problems effectively increases extensively. With effective problem handling, problems are solved, decision making is shared, and expectations are clarified. The establishment of the IJV's sensitivity to its partner's culture is one of the important behavioral factors improving the performance of the IJV.

(3) Mutual Trust

Trust is a fundamental dimension of interpersonal relations and organization life (Gibb 1964) and an essential element in the effective functioning of both large and small social systems (Barber 1983). Trust has been examined in a wide variety of organizational and social settings and, accordingly, conceptualized in different ways (Hosmer 1995). In the context of interpersonal relations, trust is defined as the willingness of one person to increase his or her vulnerability to the actions of another person (Zand 1972).

In the context of economic exchanges, trust is defined as the expectation that parties will make a good faith effort to behave in accordance with any commitments, be honest in negotiations and not take advantage of the other, even when the opportunity is available (Hosmer 1995). In the context of society, trust is defined as a collective attribute based upon the relationships in a social system (Lewis and Weigert 1985).

In the context of interorganizational exchanges, three interrelated roles of trust can be identified from the existing literature. First, according to Bradach and Eccles (1989), trust is an important deterrent to opportunistic behavior. Due to interorganizational partnerships include two or more firms that try to equalize individual gains with joint partnership performance, without trust there is a strong chance that a partner would sacrifice joint goals in favor of individual benefits, especially when such behavior is not transparent to the other firm. But if trust is in place, such opportunistic behavior is unlikely: partners will pass up short-term individual gains in favor of the long-term interests of the partnership (Axelrod 1986; Beamish and Banks 1987; Stichcombe 1986).

Second, trust can substitute for hierarchical governance, thus achieving interfirm organizational objectives when ownership-based control is not strategically viable or economically feasible. Unlike hierarchical exchanges, where formal authority structures based on ownership are employed to enforce contractual obligations, trust-based exchanges rely on mutuality of interests between partner firms (Bradach and Eccles 1989; Dwyer,

Schurr, and Oh 1987). Trust allows for bilateral governance that achieves the individual goals of independent firms by mode of a partnership's joint accomplishments, shared beliefs, and mutual concern for long-term benefits (Heide 1994; Ouchi 1980).

Third, besides deterring opportunism and giving an alternative to ownership control, partnership trust has important business performance and efficiency implications, according to some research (Bleeke and Ernst 1991; Parkhe 1993b; Wilkins and Ouchi 1983).

Harrigan (1986) asserts that managers can be as crafty as they please in writing clauses to protect their firm's technology rights, but the JV's performance depends on trust. According to transaction cost theory, opportunism is a potential risk in any JV relationship. With a foundation of mutual trust, JV partners will be more willing to exercise the tolerance and mutual forbearance that allow the JV to overcome problems that could lead to opportunistic behavior. Researchers have also argued that IJVs (Beamish and Banks 1987; Buckley and Casson 1988; Madhok 1995) should be established in a spirit of mutual trust in order to migrate the dangers of opportunism. An atmosphere of mutual trust may contribute to a free exchange of information between committed partners because the decision makers do not feel that they have to protect themselves from the others' opportunistic behavior (Blau 1964; Jarillo 1988). Without trust, information exchanged may be low in accuracy comprehensiveness and timeliness (Zand 1972), contributing to breakdowns in the JV value creation process.

Mutual trust in a partner relationship and its implications for a JV can be defined as "the belief that each partner will perform actions that will result in positive outcomes for the JV, as well as not take unexpected actions that would result in negative outcomes for the JV" (Anderson and Narus 1990). Mutual trust is also a source of confidence in partner cooperation (Ring and Van de Ven 1992). Organizations develop close bonds over time and form a positive attitude regarding each other's reliability. A certain minimum level of mutual trust is indispensable for any JV to be formed and to function. As arguing by Arrow (1973), virtually every commercial transaction has within itself an element of trust, which is certainly true of any transaction conducted over a period of time. Because it is impossible to monitor every detail in most exchanges, firms must always have a minimum level of mutual trust. Mutual trust is especially valuable in JVs because, in varying degrees, firms have to rely on their partners' performance and themselves remain vulnerable to partners' actions (Kumar 1996).

In summary, mutual trust stabilizes the relationships and interdependence (resource dependence theory) between organizations (Fishman and Levinthal 1991), reduces the need for complex contractual agreements, speeds contract negotiations (Reve 1990), permits open exchange of information and reduces transaction costs (transaction cost theory) (Bromiley and Cummings 1993). Open exchange of information will promote learning process (Organizational knowledge and learning theory). As a result, mutual trust supports the formation, handling and the performance of IJVs. Less complex contractual agreements strengthen the control of interdependence. The establishment of mutual trust in a partner is one of the crucial behavioral factors influencing IJV performance.

In conclusion, all the literature cited above strongly points to the importance of compatibility for the IJV performance. For an IJV, there must be some minimum levels of compatibility among all the partners. Incompatibility can be a source of disruption which

may disgrace a relationship or make it unworkable. Such difficulties can usually be overcome if the people work well together. Compatibility in objective congruent, cultural sensitivity and mutual trust are the most important soft factors if an IJV performance is to be satisfied.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

2.3.2 The Second C: Cooperation

Researchers cite that the key features setting IJVs apart from other single-firm strategies are the element of interfirm cooperation (Arino 1997; Buckley and Casson 1988; Doz 1996; Teece 1992) and the uncertainty about the presence of such desired cooperation. Buckley and Casson (1988) defines cooperation as coordination effected through mutual forbearance. Anderson and Narus (1990) define cooperation as similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time. Accordingly, cooperation between partners can be defined as the willingness of a partner firm to pursue mutually compatible interests in the IJV rather than act opportunistically (Das and Teng 1998). Maitland, Bryson and Van de Ven (1985) argue that cooperation is obviously superior to individual action at achieving virtually all goals.

Opportunism which is defined as self-interest seeking with guile (Williamson 1975) can be seen as the opposite of cooperation in JVs (Das and Tang 1998). While opportunistic behavior in JV can be represented by cheating, shirking, distorting information, misleading partners, and appropriating partners' critical resources, cooperation can be described by honest dealing, coordination, commitment, interdependence, fair play, and complying with agreements.

Cooperation in IJV is a significant concept because it represents a somewhat ambiguous situation: firms are supposed to pursue their own interests, but they are simultaneously required to restrain this natural pursuit in order to make IJVs work (Das and Tang 1998). Thus the key is to find a balance between competition and cooperation (Teece 1992). If cooperation and competition are at odds with each other, one cannot take for granted that a satisfactory level of cooperation will be sustained in IJVs (Das and Teng 1997; Koot 1988; Park and Russo 1996).

Cooperation is necessary for successful JV's operations (Swierczek 1994). Cooperation is desirable for the effectiveness of JVs. Scholars often cite a lack of cooperation of partners as causes for the relatively low rate of success of JVs (Buckley and Casson 1988; Doz 1996; Kanter 1994). Cooperation is the same concept of partnership in Mohr and Spekman's (1994) framework. Mohr and Spekman (1994) suggest that cooperation in partnership may include three particular dimensions: (1) coordination, (2) commitment and (3) interdependence. In order for the IJV performance to be satisfied, cooperation among partners in these dimensions must exist.

(1) Coordination

Coordination is an appropriate basis upon which to build a concept of cooperation for. Coordination articulates the idea that cooperation is of mutual benefit to the parties directly involved (Casson 1982). Buckley and Casson (1988) define coordination as effecting a Pareto-improvement in the allocation of resources, such that someone is made better off and no one worse off, than they would otherwise be.

In the context of IJV, coordination refers to the putting together of the activities or effort of each partner in such a way that it makes sense and seems logical to another

particular partners who are most influential in the allocation of its resources in the JV (Porter, Lawler III and Hackman 1975).

The goal orientation of IJV leads to the existence of goals, and this fact in turn creates the necessity for differentiated functions of each partner. The combination of goals and differentiated functions of each partner leads to a situation where the functions become dependent upon each other; thus creating the need for coordination if IJV goals are to be effectively achieved or approached. Without coordination, differentiated functions of each partner lead, if not to chaos, at least to end results that are less than what could be achieved by each partner acting alone (Porter, Lawler III and Hackman 1975).

Coordination is related to boundary definition and reflects the set of tasks each partner expects the other to perform (Mohr and Spekman 1994). When each partner functions and activities can be brought under satisfactory coordination, the IJV achieves its objectives which is the satisfactory performance of the company. The satisfactory partner coordination also provides the means for the IJV to achieve some measure of control over, or impact on, its environment. It is enabled, thereby, to cope with a dynamic set of conditions that surrounds it. Instead of being overwhelmed by the environment and falling prey to forces that would tend to dissolve or destroy, it is enabled to maintain a continuity through time.

In summary, coordination will put effort of each partner to achieve minimum cost (transaction cost theory), accomplish firm's competitive position (strategic behavior theory), complete process of organizational learning (organizational knowledge and learning theory), and control interdependence (resource dependence theory). It is quite obvious from the literature that both the necessity for and the advantages of coordination are necessary to accomplish the IJV's performance. The establishment of coordination is one of the significant behavioral factors affecting the performance of the IJV.

(2) Commitment

Mowday, Steers and Porter (1979) and Mowday, Porter, and Steers (1982) define commitment in terms of attitudinal commitment which consists of both attitudes and behaviors. They define commitment as a belief in and acceptance of organizational goals and values, a willingness to exert effort toward organizational goal accomplishment, and a strong desire to maintain organizational membership.

Steers (1977) distinguishes between passive and active commitment. Passive commitment is reflected in an attitude of loyalty to the organization and characterized by compliance, or in-role behavior (O'Reilly and Chatman 1986) which is a form of calculative attachment in which attitudes and behaviors are adopted in exchange for rewards. However, compliance does not result in active commitment, which is prosocial behavior above and beyond the call of duty or high levels of effort to achieve organizational goals. Active commitment is often expected by an organization, especially from its top management; passive commitment is generally taken for granted, yet it is active commitment that most people have in mind when they refer to commitment to an organization.

Morgan and Hunt (1994) define commitment as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at

maintaining it. The committed party believes the relationship is worth working on to ensure that it endures indefinitely. Moorman, Zaltman, and Deshpande (1992) define commitment as an enduring desire to maintain a relationship. Dwyer, Schurr, and Oh (1987) suggest that commitment involves a willingness to make short-term sacrifices to strengthen a relationship which may be made through restricting the search for alternatives and foregoing better short-term options in favor of investing in an ongoing relationship (Cook and Emerson 1978). According to Anderson and Weitz (1992), partners also invest in relationship-specific assets to demonstrate their reliability and commitment to their exchange partners.

Gundlach, Achrol, and Mentzer (1995) suggests that commitment is an essential ingredient for satisfactory long-term relationships of IJV. For commitment to be presented in an exchange relationship, IJV partners need to be not only willing to express their long-term interest in the relationship but also to take affirmative action that demonstrates willingness to act on their promise. By reducing the threat of opportunistic behavior (Williamson 1975), commitment also reduces transactions cost and therefore the costs associated with partnership (Lewis 1990). Securing the commitment of IJV partners to the objective set for the IJV is crucial to its effective implementation.

Commitment exists if both partners contribute material resources and ideas, and is thus a major influence on the success of IJV (Buchel et.al. 1997). Commitment also reflects a positive valuation of an IJV relationship (Moorman, Zaltman, and Deshpande 1992) and therefore has an effect on IJV performance. Several studies of IJVs (such as Beamish 1988; Buckley and Casson 1988; Peterson and Shimada 1978; Sullivan and Peterson 1982) have found the establishment of commitment between IJV partners to be an important determinant of perceived IJV satisfactory performance. Both conceptual and empirical studies (such as Beamish and Banks 1987; Jain 1987; Ohmae 1989; Badaracco 1991; Sheth and Parvatiyar 1992) have widely reported the positive effect of commitment on collaborative venture performance.

In summary, commitment reduces the threat of opportunistic behavior (transaction cost theory), endures desire to maintain a long-term relationship to reach the firm's competitive (strategic behavior theory), supports desire to persevere a long-term relationship of technology or knowledge transfer (organizational knowledge and learning theory), remains desire to affirm a long-term relationship to maintain resource (resource dependence theory). It is quite prominent from the literature that commitment are necessary to the IJVs. The establishment of commitment is one of the important behavioral factors affecting the performance of the IJV.

(3) Interdependence

Pfeffer and Nowak (1978) posit that interdependence is the reason why nothing comes out quite the way one wants it to. Any event that depends on more than a single causal agent is an outcome based on interdependent agents. In social systems and social interactions, interdependence exists whenever one actor does not entirely control all of the conditions necessary for the achievement of an action or for obtaining the outcome desired from the action.

Pfeffer and Nowak (1978) distinguish between outcome interdependence and behavior interdependence. These two forms of interdependence are themselves independent,

meaning that they can occur either alone or together. In a situation of outcome interdependence, the outcomes achieved by one actor are interdependent with, or jointly determined with, the outcome achieved by another actor. In the case of behavior interdependence, the activities are themselves dependent on the actions of another social actor.

Schelling (1960) proposes that interdependence will be presented when the need for cooperation among partners arises. If the partners were independent, neither would need to think about how the other might respond to a given action. The problem then would be one of sharing outcomes.

IJVs are the situation that presents interdependence. The nature of IJVs is such that the partners are interdependent (Nohria and Garcia-Pont 1991); they combine several types of resources that do not all come from the same firm, and thus each independently could not achieve the outcomes possible through the IJV (Contractor and Lorange 1988). Each firm depends on its partner to achieve its goals for the IJV, so each firm needs to take into account how the partner may respond to its own behavior and how this response will affect the outcomes of the IJV.

IJV is the form of interorganizational interdependence. The level of formality of linkages between organizations should reflect both the importance of a shared resource and the extent of the interdependence that exists between the organizations. IJVs reflect a state of partial interdependence. Tallman and Shenkar (1994) suggest that the nature of the partial interdependencies that exist between the parents of the IJV will play a large role in determining the design of the IJV. The more similar the parents are to each other, and the more closely they are bound to the IJV in an integrated system, the more likely they are to have developed common systems and to be satisfied with the performance of the IJV.

In summary, interdependence is important to an IJV because of the impact it has on the ability of the IJV to achieve its desired outcomes. The transaction cost theory suggests that partners depend on each other to achieve minimum transaction cost. The strategic behavior theory implies that partners depend on each other to accomplish firm's competitive position. The organizational knowledge and learning indicates that partners depend on each other to fulfill the process of learning. The resource dependence advises that partners depend on each other to maintain resource. Ongoing viability of the IJV depends on the continuing interdependence of the partners (Contractor and Lorange 1988). Partners must acknowledge their interdependence and their willingness to work for the satisfaction of the IJV. The establishment of interdependence is one of the crucial behavioral factors affecting the performance of the IJV.

In conclusion, all the literature cited above strongly points to the importance of cooperation for the JV performance. For an IJV, there must be a high level of cooperation among all the partners. Lack of cooperation of partners is mostly cited by scholars (Buckley and Casson 1988; Doz 1996; Kanter 1994) as causes for the relatively high rate of failure of JVs. In order to satisfying with the performance of the IJV, cooperation of partners along the dimensions of coordination, commitment and interdependent must exist (Mohr and Spekman 1994).

2.3.3 The Third C: Communication

Organizations depend upon communication. Effective communication is a basic prerequisite for the attainment of organizational goals, but it has remained one of the biggest problems facing modern management. Communication plays an important role in managerial and organizational effectiveness. Communication is commonly cited as being at the root of practically all the problems of the world (Luthans 1995).

Communication is the transmission of information from source to recipient. Communication facilitates the coordination of activities of members. Communication is a personal process that involves the exchange of behaviors. Communication involves more than just linear information flows; it is a dynamic, interpersonal process that involves behavior exchanges (Luthans 1995).

Interpersonal communication mainly emphasizes on transferring information from one person to another. Interpersonal communication is required to make a coordinated effort in achieving organizational goals. If the effort is expressed in terms of task coordination to achieve overall goals, interactive communication can be good for the organization.

Communication is another potential problem area in IJVs. By nature, IJVs tend to be fragile, agreements and communication problems make their operation even more difficult (Geringer 1988). Communication problems occur within a single organization, but in a multilingual, multicultural IJV, there is considerably more room for disagreement and distrust. Even minor language difficulties can transform a slight error into a huge problem (Cauley de la Sierra 1995). Poor communication represents a major problem for all performance appraisal systems that emphasize IJV partner involvement. IJVs process information to reduce uncertainty and equivocality and thereby attain an acceptable level of performance .

Mohr and Spekman (1994) suggest the dimensions of communication that are related to performance of IJV may include quality, participation and information sharing. Developing a solid communications system along these dimensions helps to foster the information process between partners that researchers (Cummings 1984; Kapp and Barnett 1983; Lane and Beamish 1990; Mohr and Nevin 1990; Snyder and Morris 1984) regard as essential for IJV performance.

(1) Quality

IJV partners work under conditions of bounded rationality and time constraints (Daft and Lengel 1986). The key factor in uncertainty reduction is the extent to which communication quality facilitate the processing of information (Daft and Lengel 1984; Lengel and Daft 1984). Communication quality is the key condition of information transmission (Jablin et.al. 1987).

Communication quality can overcome different frames of reference or clarify ambiguous issues to change understanding in a timely manner. Communication quality facilitate uncertainty reduction by enabling IJV partners to overcome different frames of reference and by providing the capacity to process complex subjective messages (Lengel and

Daft 1984). Communication quality allows for rapid information feedback and multiple cues so that IJV partners can converge on a common interpretation.

Communication quality includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged (Daft and Lengel 1986; Huber and Daft 1987; Stohl and Redding 1987). Timely, accurate, and relevant information is necessary if the goals of the IJV are to be achieved (Mohr and Spekman 1994). MacNeil (1981) endorses the importance of honest and open lines of communication to continued growth of close ties between partners.

In summary, across the scope of potential IJVs, communication quality is a key factor of satisfactory performance. The transaction cost theory suggests that communication quality reduces uncertainty, then diminishes transaction cost. The organizational knowledge and learning theory implies that communication quality clarifies ambiguous issues and enhances information transmission, then promotes the process of organization learning. Communication quality is essential if the performance of IJV is to be achieved. The establishment of communication quality is one of the significant behavioral factors affecting the performance of the IJV.

(2) Participation

Participation refers to the extent to which partners engage jointly in planning and goal setting (Mohr and Spekman 1994). Participation makes it easy for partners to express their ideas and helps ensure that decision reflect as much information as possible. Participation can increase the amount and the accuracy of information partners have about work practices and the environmental contingencies associated with them (Porter, Lawler III, and Hackman 1975).

Participation can generate a great deal of communication. Participation leads to responsibility and compliance (Marrow, Bowers, and Seashore 1967). Responsibility and compliance are needed for accomplish the goals. When one partner's actions influence the ability of the other to effectively compete, the need for participation in specifying roles, responsibilities, and expectations increases (Mohr and Spekman 1994).

Anderson, Lodish and Weitz (1987) and Dwyer and Oh (1988) suggest that input to decisions and goal formulation are significant aspects of participation that increase IJVs performance. Driscoll (1978) also observes that participation in decision-making is associated with satisfaction. Joint planning allows mutual expectations to be achieved and cooperative efforts to be specified.

In summary, over the range of potential IJVs, participation is an important factor of satisfactory performance. The transaction cost theory suggests that partners participate in planning and goal setting to reduce transaction cost. The strategic behavior theory implies that partners participate in planning and goal setting to increase firm's competitive position. The organizational knowledge and learning indicates that partners participate in planning and goal setting to strengthen the process of learning. The resource dependence advises that partners participate in planning and goal setting to maintain interdependence. Participation increases the IJV performance and is essential if the satisfaction of IJV is to be achieved.

The establishment of participation is one of the important behavioral factors affecting the performance of the IJV.

(3) Information Sharing

Organizations are open social systems that must process information (Mackenzie 1984). Information is processed to accomplish internal tasks, to balance diverse activities, and to interpret the external environment.

The norm of information sharing in IJV is defined as the formal and informal sharing of meaningful and timely information between firms (Anderson and Narus 1990). Such sharing fosters goals achievement (Morgan and Hunt 1994; Moorman, Deshpande, and Zaltman 1993) because communication helps to resolve disputes and align perceptions and expectations. Furthermore, the expectation of getting all information on an ongoing basis enables the partners to cope better with internal processes and external conditions (Heide and John 1992).

Information sharing is the bilateral expectation that parties will proactively provide information useful to the partner (Heide and John 1992). The frequency and quality of information sharing may be a significant factor in determining the degree to which the parties understand each other's goals and matching their efforts to achieve those goals. This dimension of communication should also help reduce role conflict and ambiguity among partners in getting their task completed by providing information that informs them of what other partners are doing and when and what others, especially at the lateral level, expect (Schuler 1979).

Information sharing has the effect of developing responsibility and collaboration through everyday interactions at all levels of the organizations (Hamel, Prahalad, and Doz 1989; Ohmae 1989). These antecedents foster reliability, cooperativeness, and openness and is the basis for the existence of positive relationships between partners (Quinn 1992). This social context in sharing of information is key to the satisfaction of interfirm collaboration (Beamish and Banks 1987) and for capability building from a resource base perspective (Barney 1992).

Information sharing significantly affects partner relationships (Heide and John 1992), through its ability to enhance mutual disclosure, enhances relationship quality (Crosby, Evans, and Cowles 1990) and therefore leads to satisfactory ventures (Badaracco 1991; Lewis 1990). This dimension of communication helps minimize errors that arise through poor judgement, and reduces misjudged expectations of partners and aligns their expectations (Lyles 1988).

In summary, over the extent of potential IJVs, information sharing is an important factor of satisfactory performance. The transaction cost theory suggests that information sharing between partners fosters goals achievement in reducing transaction cost. The strategic behavior theory implies that information sharing between partners helps goal accomplishment in expanding firm's competitive position. The organizational knowledge and learning indicates that information sharing between partners forwards goal effort in learning. The resource dependence advises that information sharing encourages goal

achievement in maintaining interdependence. The establishment of information sharing is one of the crucial behavioral factors affecting the performance of the IJV.

In conclusion, all the literature cited above strongly points to the importance of communication for the IJV performance. For an IJV, there must be communication to transmit the information between partners in order to reach the IJV's goals and objectives. Lacking communication along the dimensions of quality, information sharing and participation can make IJV operation even more difficult (Geringer 1988; Mohr and Spekman 1994). IJVs communicate information to reduce uncertainty and thereby achieve an acceptable level of satisfactory performance.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

2.3.4 The Fourth C: Conflict Resolution

Conflicts arise in IJVs because of differences in perspectives between partners (Swierczek 1994b). There is often conflict in interorganizational relationships because of interdependencies among partners that exist at the same time as distinct differences in cultures and objectives (Borys and Jemison 1989; Cook 1977). In addition to partners' explicit objectives for the IJV, the partners also have various additional expectations and implicit objectives which are not to be discovered in their formal agreement. As a result, conflicts often turn out in the daily activity of the IJV between its official goal and the unofficial expectations and individual interests of the partners (Buchel et al. 1998).

Thomas (1976) defines conflict as a condition in which the concerns of two or more parties appear incompatible. When this condition happens, it may impede the development of cooperation, compatibility and effective communication between partners which is necessary for a success of IJV. Even if the venture is economically successful, the satisfaction of the partners will decrease as the level of conflict increases. Effective management of conflict, on the other hand, fosters the development of successful JV (Buchel et al. 1998). The wide extent for conflicts which could endanger partner relationship, and thus the success of the JV, makes it essential to set up efficient and effective conflict resolution styles in the JV.

Researchers in social psychology and organizational behavior have proposed models that diminish the innumerable tactics of negotiators and managers to several fundamental styles. Early models of strategy in conflict (Deutsch 1973) follows the perceptive assumption that styles can be elaborated on a single dimension ranging from selfishness (which is a concern about own outcomes) to cooperativeness (which is a concern about the other party's outcomes). Nevertheless, a restriction of single-dimension models is that they decline to include styles that include high concern for both self and other and similarly styles that include a high concern for neither self nor other (Thomas and Kilmann 1974; Pruitt and Rubin 1986).

Later researchers have drawn on Blake, Shepard and Mouton's (1964) classification of managerial styles to model conflict styles within a framework of two orthogonal motivational dimensions, a self-oriented (assertiveness) and another-oriented (cooperativeness) concern (Thomas and Kilmann 1974; Pruitt and Rubin 1986). Inside this framework, Thomas and Kilmann (1974) develop an instrument for measuring an individual's dispositions toward five particular styles. Figure 6 shows conflict management styles as they relate to two important dimensions of the interpersonal psychology of the conflict: assertiveness and cooperativeness. These styles are :

- (1) Competing Style : is high in self-oriented concern which involves the use of power to have one's position to get accepted. In this style, user attempts to resolve the conflict by using aggressive behavior. The competing approach uses an uncooperative, autocratic attempt to satisfy one's own needs at the expense of others, if necessary. A win-lose situation is created. Competitors use authority, threaten, intimidate, and call for majority rule when they know they will win. This is believed to be the most commonly used style by managers.

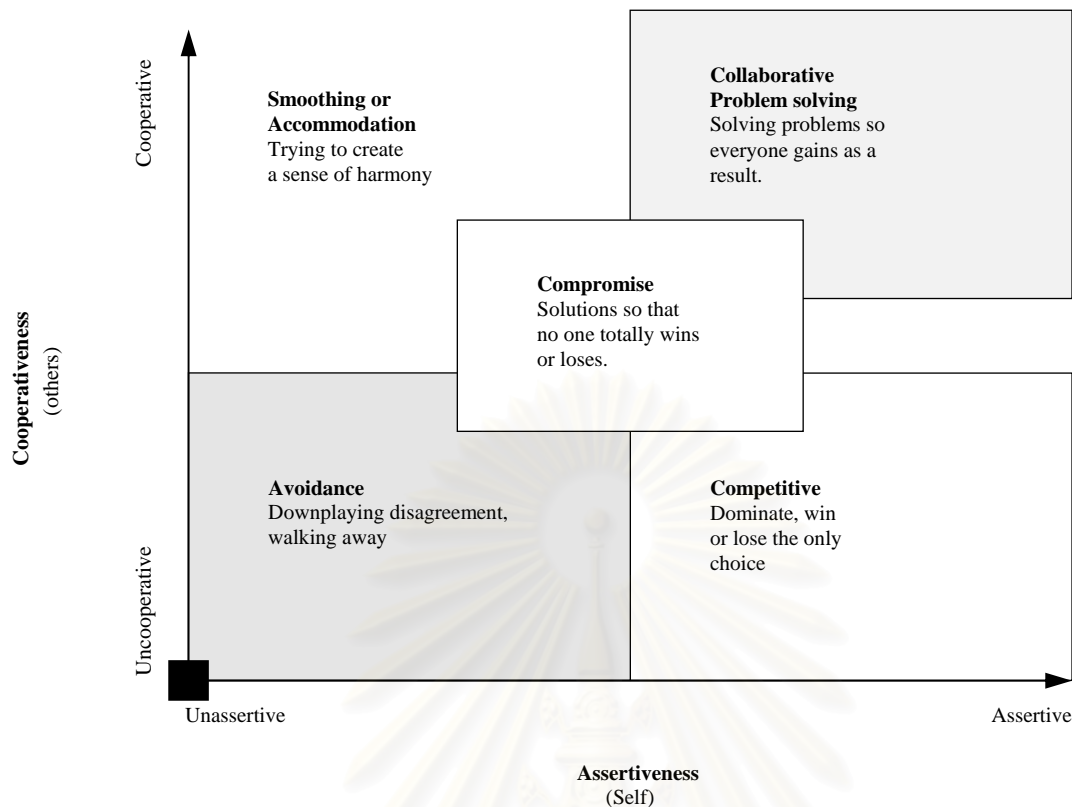


Figure 6 : Conflict Management Styles

Source : Adapted from Thomas (1976) and Swierczek (1994)

The advantage of the competing style is that better organizational decisions will be made (assuming the competitor is correct) rather than less effective compromised decisions. The disadvantage is that overuse of this style leads to hostility and resentment toward its user.

Competing styles is appropriate to use when (1) the conflict is about personal differences (particularly values that are hard to change); (2) maintaining close supportive relationships is not critical; and (3) conflict resolution is urgent.

- (2) Accommodation Style : is high in other-oriented concern which represents trying to satisfy the other party's wishes at the expense of one's own. In this style, user attempts to resolve the conflict by passively giving in to the other party. The accommodating approach is unassertive and cooperative. It attempts to satisfy the other party while neglecting one's own needs. A win-lose situation is created, with the other party being the winner.

The advantage of the accommodating style is that relationships are maintained. The disadvantage is that giving in to the other party may be counterproductive. The accommodated person may have a better solution. An overuse of this style leads to people taking advantage of the accommodator, and the relationship the accommodator tries to maintain is often lost.

The accommodating style is appropriate when : (1) maintaining the relationship outweighs all other considerations; (2) the changes agreed to are not important to the accommodator but are to the other party; and (3) the time to resolve the conflict is limited.

- (3) Collaboration Style : is high in both self-oriented and other-oriented concern which involves bringing all pertinent issues and concerns out into the open, and reaching a solution that integrates the different points of view. In this style, user assertively attempts to jointly resolve the conflict with the best solution agreeable to all parties. It is also called the problem-solving style. The collaborating approach is assertive and cooperative. The collaborator attempts to fully address the concerns of all. The focus is on finding the best solution to the problem that is satisfactory to all parties. Unlike the competitor, the collaborator is willing to change if a better solution is presented. This is the only style that creates a win-win situation.

The advantage of the collaborating style is that it tends to lead to the best solution to the conflict using assertive behavior. One great disadvantage is that the time and effort it takes to resolve the conflict is usually greater and longer than the other styles.

The collaborating style is appropriate when (1) maintaining the relationships is important; (2) time is available; and (3) it is a peer conflict. To be successful, one must confront conflict. The collaborating conflict style is generally considered to be the best style because it confronts the conflict assertively, rather than passively ignoring it or aggressively fighting one's way through it.

- (4) Avoiding Style : is low in both self-oriented and other-oriented concern which side-steps the issue and shies away from its open discussion. In this style, user attempts to passively ignore the conflict rather than resolve it. Its user is unassertive and uncooperative, and wants to avoid or postpone confrontation. A lose-lose situation is created because the conflict is not resolved. People avoid the conflict by refusing to take a stance, physically leaving it, or escaping the conflict by mentally leaving the conflict.

The advantage of avoiding style is that it may maintain relationships that would be hurt through conflict resolution. The disadvantage of this style is the fact that conflicts do not get resolved. An overuse of this style leads to conflict within the individual. People tend to walk all over the avoider. Avoiding problems usually does not make them go away; the problems usually get worse.

The avoiding style is appropriate to use when (1) one's stake in the issue is not high; (2) confrontation will damage a critical working relationship; and (3) a time constraint necessitates avoidance.

- (5) Compromise Style : is mid-point between self-oriented and other-oriented concern which involves splitting the difference, with both parties giving up something to find a middle ground. In this style, user attempts to resolve the conflict through assertive give-and-take concessions. It attempts to meet one's need for

harmonious relationships. An I-win-part-I-lose-part situation is created through compromise, making the compromising style intermediate in assertiveness and cooperation.

The advantage of the compromise style is that the conflict is resolved quickly, and relationships are maintained. The disadvantage is that the compromise often leads to counterproductive results (suboptimum decisions). An overuse of this style leads to people playing games such as asking for twice as much as they need in order to get what they want.

The compromise style is appropriate to use when (1) the issues are complex and critical, and there is no simple and clear solution; (2) all parties have a strong interest in different solutions; and (3) time is short.

On theoretical foundations, literature suggest that conflict resolution styles that are related to performance of IJV may be categorized into four styles: collaboration, compromising, competing, and avoiding. Accommodation style is not suitable for analyzing IJV relationship. Accommodation style is an unassertive, cooperative position where one partner attempts to satisfy the concerns of the other by neglecting its own concerns or goals. In dealing with the business related conflict, it will be unlikely for partners to neglect its own goals in order to please the concerns of the other or solve the conflict. Therefore, this style will not be included in this study.

(1) Collaborating

In the collaborative style, IJV partners assume that disagreements are sound if they are worked through in search of a solution that is good for the total organization. The individual parties perceive that their goals are interdependent and that it's to everyone's advantage in the long run if the total organization benefits (Ware 1992).

With the collaborative style, the orientation of the IJV partners is to identify the fundamental causes of conflict, openly share information, and search for solutions weighed to be mutually beneficial. Conflicts are admitted openly and evaluated by all concerned. Sharing, examining, and assessing the reasons for the conflict leads to a more complete development of alternatives that effectively resolves the conflict and is fully agreeable to all parties (Swierczek 1994b).

Collaboration is more related to a participative problem-solving process than the negotiation process. Negotiation is also involved in collaboration, but the objective is to work toward win-win situations, that is how to arrive at the most mutual and complementary solution (Swierczek 1994b).

In following a collaborating style, it is risky and requires IJV partners to discuss one another's underlying values and assumptions and to share personal concerns and criticisms. Integrity is essential to an effective collaborating climate (Ware 1992).

(2) Compromising

Compromise style is the propensity to limit partially the IJV partner's own interests in the process of making mutual concessions to reach an agreement. Compromise is an outcome of negotiation. Negotiation is a process in which two or more individuals or groups, who have both common interests and conflicting interests, present and discuss proposals in terms of a workable agreement. The role of compromise in this kind of negotiation is to avoid win-lose situations (Swierczek 1994b).

In following a compromising style, an IJV partner would seek a middle ground between the initial positions of the two sides (Friedmann and Beguin 1971).

(3) Competing

In the competing style, IJV partners define the problems in terms of what each person to gain or lose. Decision making is viewed as a win-lose scheme in which it is clearly better to win than to lose. IJV partners operating in this mode develop norms that justify driving for one's own point of view regardless of the merits of others' views; competing when one has an advantage and seeking compromise when one does not; concealing unfavorable information; and searching for data that the other party is hiding.

With competing style, conflict is viewed as inevitable, necessary, and even desirable. Most decisions are reached by making a series of trade-off or by powerful parties forcing the issue. IJV partners assume the worst about each other, and each party seeks to maximize its own favor.

(4) Avoiding

In the avoiding style, IJV partners are more interested in maintaining harmony than in confronting the problem or the individual partners' differences. IJV partners assume that conflict is destructive; because they value partnership in the venture, they avoid confronting their differences out of fear that the resulting conflict will split the partners irreparably.

IJV partners that develop avoiding style tend to favor the status quo; they work on maintaining an even keel and not rocking the boat. Such ventures often redefine the problems they face so that minimum disagreement occurs; they develop powerful norms of avoiding conflict, withdrawing from controversial issues, and withholding critical comments.

IJV partners may privately express sharp criticisms of each other and even of the way they work as a group; however, these criticisms are kept private. Meetings are often perfunctory and always polite, although a sensitive observer can usually pick up nonverbal signals that contrast sharply with the surface verbal behavior. Even when the stakes are high for some partners on a particular issue, the pattern of avoiding is hard to break.

In following an avoiding style, IJV partners can be extremely frustrating, especially for partners interested in making changes or improving organizational performance (Ware 1992).

Table 6 : Linkages Between IJV Theories and Behavioral Characteristics.

IJV Theory	Compatibility	Cooperation	Communication	Conflict Resolution
Transaction Cost	<ul style="list-style-type: none"> • <i>Objective congruence</i> in cost reduction, agrees with IJV strategy and performance evaluation. • <i>Cultural sensitivity</i> strengthens mutual understanding, reduces behavioral uncertainty and opportunism. • <i>Mutual trust</i> deters opportunistic behavior, substitute for hierarchical governance, then reduces transaction cost. 	<ul style="list-style-type: none"> • <i>Coordinating</i> functions of each partner to achieve minimum transaction cost. • <i>Commitment</i> reduces the threat of opportunistic behavior, then reduces transaction cost. • <i>Interdependence</i> on each partner to achieve minimum transaction cost. 	<ul style="list-style-type: none"> • <i>Communication quality</i> reduces uncertainty, then diminishes transaction cost. • <i>Participating</i> in planning and goal setting to reduce transaction cost. • <i>Information sharing</i> fosters goals achievement in reducing transaction cost. 	<ul style="list-style-type: none"> • <i>Conflict Resolution</i> increases satisfaction of partner with the concern of transaction cost objective.
Strategic Behavior	<ul style="list-style-type: none"> • <i>Objective congruence</i> to improve firm's competitive position, agrees with IJV strategy and performance evaluation. • <i>Cultural sensitivity</i> strengthens mutual understanding, and improves market power. • Mutual trust deters opportunistic behavior, increases profits and market power. 	<ul style="list-style-type: none"> • <i>Coordinating</i> functions of each partner to accomplish firm's competitive position. • <i>Commitment</i> endures desire to maintain a long-term relationship to reach the firm's competitive position. • <i>Interdependence</i> on each partner to achieve firm's competitive position. 	<ul style="list-style-type: none"> • <i>Communication quality</i> reduces uncertainty, then increases profits and market power. • <i>Participating</i> in planning and goal setting to increase firm's competitive position. • <i>Information sharing</i> helps goal accomplishment in expanding firm's competitive position. 	<ul style="list-style-type: none"> • <i>Conflict resolution</i> increases satisfaction of partner with the concern of strategic behavior objective.
Organizational Knowledge and Learning	<ul style="list-style-type: none"> • <i>Objective congruence</i> in organization learning, agrees with IJV strategy and performance evaluation. • <i>Cultural sensitivity</i> strengthens mutual understanding, reduces behavioral uncertainty and improves learning process. • Mutual trust permits open exchange of information, promotes learning process. 	<ul style="list-style-type: none"> • <i>Coordinating</i> functions of each partner to complete the process of organization learning. • <i>Commitment</i> supports desire to persevere a relationship of technology or knowledge transfer. • <i>Interdependent</i> on each partner to achieve the process of organization learning. 	<ul style="list-style-type: none"> • <i>Communication quality</i> clarifies ambiguous issues and enhances information transmission, then promotes the process of organization learning. • <i>Participating</i> in planning and goal setting to strengthen the process of organization learning. • <i>Information sharing</i> forwards goal effort in learning the organizational knowledge. 	<ul style="list-style-type: none"> • <i>Conflict resolution</i> increases satisfaction of partner with the concern of organization learning and knowledge objective.
Resource Dependence	<ul style="list-style-type: none"> • <i>Objective congruence</i> in acquiring or maintaining the resource, agrees with IJV strategy and performance evaluation. • <i>Cultural sensitivity</i> strengthens mutual understanding, reduces behavioral uncertainty and gain control of interdependence. • <i>Mutual trust</i> substitutes for hierarchical governance, maintains the control of resource 	<ul style="list-style-type: none"> • <i>Coordinating</i> functions of each partner to maintain resource dependence. • <i>Commitment</i> remains desire to affirm a long-term relationship to maintain resource. • <i>Interdependence</i> on each partner to maintain resource. 	<ul style="list-style-type: none"> • <i>Communication quality</i> reduces uncertainty to maintain resource. • <i>Participating</i> in planning and goal setting to maintain interdependence. • <i>Information sharing</i> encourages goal achievement in maintaining interdependence. 	<ul style="list-style-type: none"> • <i>Conflict resolution</i> increases satisfaction of partner with the concern of resource dependence objective.

In summary, all the literature cited above strongly points to the importance of conflict management for the JV performance. IJVs inevitably oppose conflicts, because they begin from different perspectives. The broad amount of conflicts which could jeopardize partner relationship, and thus the success of the IJV, makes it essential to construct efficient and effective conflict management styles in the IJV. The establishment of conflict resolution is one of the significant behavioral factors affecting the performance of the IJV.

In conclusion, four behavioral characteristics and IJV performance have been reviewed. These behavioral characteristics are related to the four IJV theories. Table 6 summarizes the linkages between IJV theories and behavioral characteristics.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER 3

THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES

The preceding chapter is devoted to the review of literature in IJV and behavioral characteristics. In this chapter, theoretical framework of behavioral characteristics of IJV will be proposed and research hypotheses will be arranged for empirically test.

3.1 Theoretical Framework

The theoretical framework of this research study is based on the following two premises. First, IJV partners tend to exhibit behavioral characteristics that distinguish these more intimate relationships from more traditional or conventional business relationships (Borys and Jemison 1989; Mohr and Spekman 1994). Second, although IJV partners in general tend to demonstrate behavioral characteristics, the greater degree of these behavioral characteristics between partners, the higher degree it is likely that IJV performance will be satisfied.

These behavioral characteristics can be apprehended by the four Cs: compatibility, cooperation, communication and conflict resolution. Figure 7 serves as a theoretical framework for testing of hypotheses.

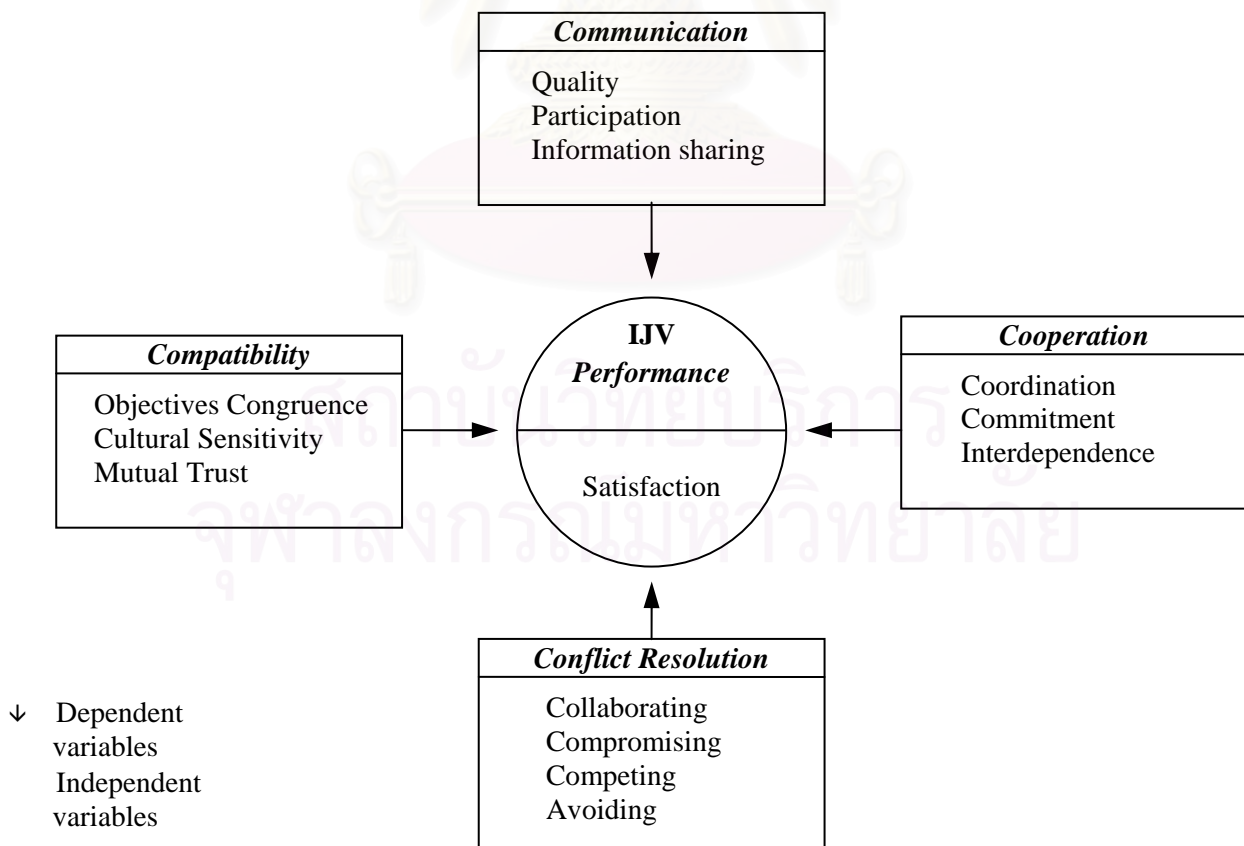


Figure 7 : Theoretical Framework.

3.2 Research Hypotheses

3.2.1 Compatibility

In forming an IJV which is a collaborative venture (Contractor and Lorange 1988), two or more firms invest in the creation of a new firm to pursue several objectives common to all partners. However, an IJV's functions are complicated by its multiparent origins. Compatibility in soft factors such as objective congruence, cultural sensitivity and mutual trust is integral to the long-term satisfactory performance of IJVs.

Objectives Congruence

How the partners formulate objectives and make decisions for the joint venture can be separately considered within two divergent views of the strategy process (Mintzberg 1973; Fredrickson and Mitchell 1984). One view of thought sees strategy as the reflection of a series of decisions made individually over a period of time (Mintzberg 1978). The other sees strategy as guiding the firm in its combination of partners activities of the organization (Ansoff 1965; Andrews 1971). Bourgeois (1980) suggests that consensus on organization strategy has a greater effect than congruity of objectives, but the effect of congruity of objectives has a dual aspect. Congruity in hard objectives such as net profit over five years or sales growth, is associated with higher performance, but congruity in soft objectives such as community service, is not related to high performance; if anything, the reverse is true. The absence of disagreement in partners' objectives is related to higher organizational performance (Schwenk and Cossier 1993). Shanley and Correa (1992) suggest that overall firm objectives are determined by perceived agreement and that to accurately judge performance a collective set of goals and a direction for the organization has to be established. Swierczek (1994a,b) also proposes that a critical success factor for JVs has been the mutuality of objectives between the partners. Generally an IJV is formed with some consideration of an overarching objective. The partners may not agree about the strategy and objectives—the means and ends—of the IJV (Quinn 1980; March 1988; Lu and Bjorkman 1997). Both partners often do not identify nor discuss how the IJV's performance will be assessed (in other words, what its objectives are), nor may the partners have outlined the IJV's operating strategy (Beamish and Delios 1997). Such a lack of congruity is detrimental to the overall efficacy of the IJV and its performance will suffer.

The establishment of congruity in objectives is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

- H1 : The higher degree of objectives congruence between partners is, the higher degree it is likely that IJV will be satisfied.

Cultural Sensitivity

When transactions across cultural boundaries, the effects of cultural differences pervade the relationship (Johnson et al. 1996). Lorange and Roos (1993) link international strategic alliance success to the firm's ability to tailor its approach to cultures. Johnson et al. (1996) refer cultural sensitivity as a cultural tailoring. Cultural sensitivity starts with the firm's awareness of cultural differences between it and its partners. To achieve cultural sensitivity and successfully manage cultural differences, each partner must develop a fairly deep understanding of other partner's culture (Johnson et al. 1996). Studies indicate that expatriate success in foreign assignments derives largely from what amounts to cultural sensitivity (e.g. Dowling and Schuler 1990; Lolla and Davis 1991; Tung 1981). A lack of cultural sensitivity can easily lead to misunderstandings in cross-cultural partner relationships (Datta and Rasheed 1993). When each partner understands and bridges cultural differences in the IJV, the ability to communicate effectively increases substantially and the performance also increases.

The establishment of cultural sensitivity is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H2 : The higher degree of cultural sensitivity between partners is, the higher degree it is likely that IJV will be satisfied.

Mutual Trust

Fusfeld and Haklish (1985) describe the long, trusting nature of the relationship that develops, stating that it serves to reduce the potential for opportunistic behavior. The firms' desires to collaborate is highly related to mutual trust (Pruitt 1981). Williamson (1985) states that, other things being equal, exchange relationships featuring trust will be able to manage greater stress and will exhibit greater adaptability. IJVs are more efficient than other forms of entry into foreign markets because mutual trust develop between partners and because the future becomes more important than the present (Gugler and Dunning 1993). Zand (1972) asserts that the lack of mutual trust will be deleterious to information exchange, to reciprocity of influence, and will lessen the effectiveness of joint problem solving. Once mutual trust is established, firms learn that joint efforts will lead to outcomes that surpass what the firm would achieve had it acted solely in its own best interests (Anderson and Narus 1990). Lane and Beamish (1990) also find that mistrust and misunderstanding are substantial barriers to satisfactory performance.

The establishment of mutual trust is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H3 : The higher degree of mutual trust between partners is, the higher degree it is likely that IJV will be satisfied.

3.2.2 Cooperation

Kanter (1988) and Forrest (1992) suggest that cooperation in IJVs result in blurred boundaries between firms and, eventually, close ties bind the two parties. John (1984) suggests that the long and sticky nature of the cooperation between firms will suit to reduce the potential for opportunistic behavior. A set of process-related constructs that help guide the flow of information between partners, manage the depth and breadth of interaction, and capture the complex and dynamic interchange between partners will be existed in such cooperation. Existing literature has concentrated on coordination, commitment, and interdependence as important attributes of cooperation (e.g., Salmond and Spekman 1986; Day and Klein 1987; Dwyer, Schurr, and Oh 1987; Frazier, Spekman and O'Neal 1988; Anderson and Narus 1990; Mohr and Spekman 1994; Arino 1997). These attributes imply that both partners realize their mutual dependence and their willingness to work for the survival of the relationship.

Coordination

Coordination is related to boundary definition and reflects the set of tasks each partner expects the other to perform (Mohr and Spekman 1994). The satisfactory IJV working cooperation is characterized by coordinated behaviors aimed at mutual objectives that are harmonious across organizations (Narus and Anderson 1987). When each partner functions and activities can be brought under satisfactory coordination, the IJV achieves its objectives which is the satisfactory performance of the company. The satisfactory partner coordination also provides the means for the IJV to achieves some measure of control over, or impact on, its environment. It is enabled, thereby, to cope with a dynamic set of conditions that surrounds it. Instead of being overwhelmed by the environment and falling prey to forces that would tend to dissolve or destroy, it is enabled to maintain a continuity through time. The stability in an uncertain environment can be achieved by greater coordination (Pfeffer and Salancik 1978).

The establishment of coordination is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

- H4 : The higher degree of coordination between partners is, the higher degree it is likely that IJV will be satisfied.

Commitment

Porter et al (1974) refer commitment as the willingness of trading partners to exert effort on behalf of the relationship. It suggests a future adjustment in which partners attempt to build a relationship that can survive unexpected problems. The best IJVs realize the long-term commitment of partners, which may be the single most important factor in the operation's satisfaction (Lane and Beamish 1990). A higher level of commitment contributes the context in which both partners can fulfill individual and joint goals without building the spirit of opportunistic behavior (Cummings 1984). Higher levels of commitment are expected to be associated with IJV success due to the fact that more committed partners will exert effort and balance short-term problems with long-term goal achievement (Angle and

Perry 1981). Commitment is also the effort exerted to make JV work (Anderson and Weitz 1992 ; Mohr and Spekman 1994). Most recently, Hung (1995) also discussed the significance of commitment in the partnership, where process-related constructs help guide the flow of information between partners, manage the depth and breadth of interaction, and capture the complex and dynamic interchange between partners.

The establishment of commitment is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H5 : The higher degree of commitment between partners is, the higher degree it is likely that IJV will be satisfied.

Interdependence

As firms join forces to achieve mutually beneficial goals, they acknowledge that each is dependent on the other (Mohr and Spekman 1994). The exchange paradigm is the source to explain this perspective (Cook 1977). Interdependence results from a relationship in which both firms perceive mutual benefits from interacting (Levine and White 1962) and any loss of autonomy will be equitably compensated through the expected gains (Cummings 1984). IJV is the form of interorganizational interdependence. The level of formality of linkages between organizations should reflect both the importance of a shared resource and the extent of the interdependence that exists between the organizations. IJVs reflect a state of partial interdependence. Tallman and Shenkar (1994) suggest that the nature of the partial interdependencies that exist between the parents of the IJV will play a large role in determining the design of the IJV. The more similar the parents are to each other, and the more closely they are bound to the IJV in an integrated system, the more likely they are to have developed common systems and to be satisfied with the performance of the IJV. Both partners then recognize that the advantages of interdependence provide benefits greater than either could attain singly (Mohr and Spekman 1994). It is concluded that partners acknowledge their interdependence and their willingness to work for the survival of the IJV.

The establishment of interdependence is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H6 : The higher degree of interdependence between partners is, the higher degree it is likely that IJV will be satisfied.

3.2.3 Communication

Since communication processes underlie most aspects of organizational functioning, communication behavior is critical to organizational satisfaction (Kapp and Barnett 1983; Mohr and Nevin 1990; Snyder and Morris 1984). In order to achieve the benefits of collaboration, effective communications between partners are essential (Cummings 1984). Lane and Beamish (1990) find that good communication is important for the success of the venture and is not to be taken for granted. Furthermore, the relationship was best served by two-way communication (Ohmae 1989). Communication captures the utility of the information exchange and is deemed to be a key indicator of the IJV's vitality (Cummings 1984). According to Mohr and Spekman (1994), three aspects of communication which have significantly contributing to satisfactory performance of the IJV might be quality of communication, participation in planning and goal setting and extent of information sharing between partners.

Quality

A key aspect of information transmission is communication quality (Jablin et al. 1987). Quality includes such aspects as the accuracy, timeliness, adequacy, and credibility of information exchanged (Daft and Lengel 1986; Huber and Daft 1987; Stohl and Redding 1987). Over the range of potential partnerships, communication quality is a key factor of success. Timely, accurate, and relevant information is essential if the goals of the IJV are to be achieved (Mohr and Spekman 1994). Honest and open lines of communication are important to continued growth of close ties between IJV partners (MacNeil 1981).

The establishment of communication quality is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

- H7 : The higher degree of communication quality between partners is, the higher degree it is likely that IJV will be satisfied.

Participation

Participation refers to the extent to which partners engage jointly in planning and goal setting (Mohr and Spekman 1994). When one partner's actions influence the ability of the other to effectively compete, the need for participation in specifying roles, responsibilities, and expectations increases (Mohr and Spekman 1994). Anderson et al. (1987) and Dwyer and Oh (1988) suggest that input to decisions and goal formulation are important aspects of participation that increase IJVs performance. Driscoll (1978) also finds that participation in decision-making is associated with satisfaction. Joint planning allows mutual expectations to be established and cooperative efforts to be specified. Hence, participation increases the performance satisfaction.

The establishment of participation is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H8 : The higher degree of participation between partners is, the higher degree it is likely that IJV will be satisfied.

Information Sharing

Information sharing refers to the extent to which critical, often proprietary, information is communicated to one's partner (Mohr and Spekman 1994). Huber and Daft (1987) report that closer ties result in more frequent and more relevant information exchanges between high performing partners. By sharing information and by being knowledgeable about each other's business, partners are able to act independently in maintaining the relationship over time (Mohr and Spekman 1994). The systematic availability of information allows people to complete tasks more effectively (Guetzkow 1965), is associated with increased levels of satisfaction (Schuler 1979), and is an important predictor of IJV performance (Devlin and Bleackley 1988). Therefore, information sharing increases the performance satisfaction.

The establishment of information sharing is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H9 : The higher degree of information sharing between partners is, the higher degree it is likely that IJV will be satisfied.

3.2.4 Conflict Resolution

Borys and Jemison (1989) and Cook (1977) find that there is often conflict in interorganizational relationships because of interdependencies among partners that exist at the same time as distinct differences in cultures and objectives. Due to a certain amount of conflict or tension is expected in most IJV, and understanding of conflict resolution style is identified as integral to the success of the IJV. Gugler and Dunning (1993) state that conflict is not unusual in interorganizational networks. They concur with Hamel, Prahalad, and Doz (1989) that harmony is not the most important measure of success. The impact of conflict resolution on the relationship can be productive or destructive (Assael 1969; Deutsch 1969). Thus, the manner in which partners resolve conflict has implications for IJV satisfaction.

Thomas and Kilmann (1974) develop an instrument for measuring an individual's dispositions toward five particular styles. These styles are : competing (high in self-oriented concern) style, accommodation (high in other-oriented concern) style, collaboration (high in both) style, avoiding (low in both) style, and compromise (mid-point) style.

On theoretical foundations, literature suggest that conflict resolution styles that are related to performance of IJV may be categorized into four styles: collaboration, compromising, competing, and avoiding. Accommodation style is not suitable for analyzing IJV relationship. Accommodation style is an unassertive, cooperative position where one partner attempts to satisfy the concerns of the other by neglecting its own concerns or goals. In dealing with the business related conflict, it will be unlikely for partners to neglect its own goals in order to please the concerns of the other or solve the conflict. Therefore, this style will not be included in this study.

Collaborating

Collaborating style is anticipated to associate positively with IJV performance. Collaborating style not only enable participants to escape from "deadlock" situations, but it also leads to long-run IJV satisfaction (Friedmann and Beguin 1971). High performance international alliances are often distinguished by constructive communications and regular information exchanges in dealing with day-to-day managerial and operational issues (Business International Corporation 1987; Mohr and Spekman 1994). A collaborating approach tends to make a relationship more satisfying, since it aims at achieving positive outcomes for both partners (Campbell et al. 1988). When information is openly exchanged, partners tend to make internal attributions of positive outcomes, and a positive attitude toward the interaction process is likely to develop (Boyle and Dwyer 1995). Collaborating style is proactive on behalf of both partners and try to maximize the interests of both partners in a "win-win" approach. This conflict resolution approach maximizes the interests of both parties involved in conflict, thereby creating the necessary climate for optimal performance success. Firms in IJV are motivated to engage in collaborating style because they are, by definition, linked together to manage an environment that is more uncertain and turbulent than each one alone could control (Cummings 1984). Collaborating outcomes are expected to satisfy more fully the needs and concerns of both partners (Thomas 1976). When partners engage in collaborating conflict resolution behavior, a mutually satisfactory solution may be reached, thereby also enhancing IJV performance.

The establishment of collaborating style in conflict resolution is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H10 : Collaborating conflict resolution style is positively related to IJV satisfaction.

Compromising

Compromising style is expected to connect positively with IJV performance. Compromising style not only enable participants to escape from “stalemate” situations, but it also leads to long-run IJV performance (Friedmann and Beguin 1971). High performance international alliances are often signified by constructive communications and regular information exchanges in dealing with day-to-day managerial and operational issues (Business International Corporation 1987; Mohr and Spekman 1994). A compromising approach tends to make a relationship more satisfying, since it aims at achieving positive outcomes for both partners (Campbell et al. 1988). When information is openly exchanged, partners tend to make internal attributions of positive outcomes, and a positive attitude toward the interaction process is likely to develop (Boyle and Dwyer 1995). Compromising style integrates moderate concern for both partners and avoid to maximize either partner’s interests in order to avoid win-lose situation (Swierczek 1994b). Quite often, there are situations in which both IJV partners need to adopt a “give-and-take” attitude in resolving disagreements (Schaan 1988; Friedmann and Beguin 1971). When an IJV partner strives to balance the needs and concerns of both parties, positive evaluations of overall performance are more likely to ensue (Ganesan 1993).

The establishment of compromising style in conflict resolution is expected to have a positive impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H11 : Compromising conflict resolution style is positively related to IJV satisfaction.

Competing

Competing style may inversely predict performance since it is more indicative than collaborating and compromising styles of a win-lose orientation. This style involves no concern for the interest of others and as such does not integrate the concerns of others into the resolution of conflict. When one IJV partner attempts to dominate the conflict resolution process, the other partner may become frustrated and more rigid, which reduces the chance of eliminating the underlying cause of the conflict and may increase the likelihood of future conflict (Cadotte and Stern 1979). When IJV conflicts are forced to a resolution via a voting process, the goodwill of the minority partner may be damaged and that may require significant time for repair (Schaan 1988). Indeed, competing style signals an inherently weak ongoing relationship (Permuter and Heenan 1986). Competing conflict resolution style involves high interest in self and low interest in others, therefore little time is needed to interact with others. This conflict behavior style minimizes information exchange and is seen as counter-productive and is very likely to strain the fabric of the IJV. Hence, the performance satisfaction will be reduced.

The establishment of competing style in conflict resolution is expected to have a negative impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H12 : Competing conflict resolution style is negatively related to IJV satisfaction.

Avoiding

Avoiding style involves no concern for the interest of others and as such does not integrate the concerns of others into the handling of conflict. This style requires little or no interaction because of low interest in self, low interest in others, and low levels of information exchange. Avoiding conflict resolution style is somewhat at odds with the norms and values espoused in more successful strategic partnerships (Ruekert and Walker 1987). Such behaviors do not fit with the more proactive tone of a partnership in which problems of one partner become problems affecting both partners. As a result, this style fails to go to the root cause of the conflict and tends to undermine the partnership's goal of mutual gain and performance satisfaction.

The establishment of avoiding style in conflict resolution is expected to have a negative impact on the performance of the IJV. This can be stated more formally according to the hypothesis below.

H13 : Avoiding conflict resolution style is negatively related to IJV satisfaction.

3.2.5 IJV Performance

IJVs by nature are established for different objectives. In the situations where JVs are often not likely to generate a financial profit for many years, financial and objective measures do not appropriately reflect what the JV truly accomplished. Anderson (1990) suggests that financial measures evaluate only one dimension of performance. Other factors, including qualitative ones must also be examined in order to adequately evaluate the JV's performance. Objective measurement which is the single measure is therefore too narrow (Parkhe 1996).

As Venkatraman and Ramanujam (1986) argued, the breadth of the construct of performance cannot be captured unless financial, operational and effectiveness measures are combined. Second, in the absence of knowledge of the concrete goals and actual motivations of parent firms, it is difficult to compare JV results against specific targets. Third, poor financial performance may be quite acceptable if a JV is not a profit center, but rather a source of learning that will synergistically contribute toward parent companies' overall competitiveness. Finally, JV survival and duration may not be associated with JV success, but with high exit barriers.

Overall performance assessment is also subject to the familiar drawbacks of bias and recall associated with such measures until direct investigation by Geringer and Hebert (1991). They demonstrate that subjective and objective measures in IJVs are highly

Table 7 : Hypotheses and Expected Sign with IJV Satisfaction.

Hypotheses	Expected Sign with IJV Success
H1 : The higher degree of objectives congruence between partners is, the higher degree it is likely that IJV will be satisfied.	+
H2 : The higher degree of cultural sensitivity between partners is, the higher degree it is likely that IJV will be satisfied.	+
H3 : The higher degree of mutual trust between partners is, the higher degree it is likely that IJV will be satisfied.	+
H4 : The higher degree of coordination between partners is, the higher degree it is likely that IJV will be satisfied.	+
H5 : The higher degree of commitment between partners is, the higher degree it is likely that IJV will be satisfied.	+
H6 : The higher degree of interdependence between partners is, the higher degree it is likely that IJV will be satisfied.	+
H7 : The higher degree of communication quality between partners is, the higher degree it is likely that IJV will be satisfied.	+
H8 : The higher degree of participation between partners is, the higher degree it is likely that IJV will be satisfied.	+
H9 : The higher degree of information sharing between partners is, the higher degree it is likely that IJV will be satisfied.	+
H10 : Collaborating conflict resolution style is positively related to IJV satisfaction.	+
H11 : Compromising conflict resolution style is positively related to IJV satisfaction.	+
H12 : Competing conflict resolution style is negatively related to IJV satisfaction.	-
H13 : Avoiding conflict resolution style is negatively related to IJV satisfaction.	-

correlated. Their findings are consistent with research conducted in other areas of management that have also found strong correlations between subjective and objective measures of performance (Lawrence and Lorsch 1967; Dess and Robinson 1984). Therefore, the use of subjective measurements of satisfaction that reflects the ways the partners assess their performance is appropriate for the study of IJV.

In summary, thirteen hypotheses which are related to the IJV success have been proposed. Table 7 shows all hypotheses and expected sign with IJV success.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

CHAPTER 4

RESEARCH METHODOLOGY

This chapter discusses the research methodology employed in the study. Thailand as one of the developing country recipient of FDI is selected for country of study. Thai-Japanese, Thai-European and Thai-American JVs are the context of study due to Japanese, European, and American are the top three nations to apply for the BOI privileges. Sample is identified from local databases. Questionnaire is developed and pre-tested based on structured research instrument from other researchers. Data is collected through the mail questionnaire.

4.1 Research Design

The cross-sectional design, which is the most predominant design employed in the social science, is used in this study. This design is identified with survey research, a method of data collection common in many social science fields (Nachmias and Nachmias 1997).

4.2 Country of Study

In 1992 the global stock of FDI exceeded \$2 trillion. The number of subsidiaries has surpassed 250,000. The number of parent corporations (MNCs) was more than 37,000. Indeed, the growth in the number of foreign affiliates which are subsidiaries is impressive. In 1993, the number of foreign affiliates was 170,000; in 1994, 200,000; and in 1995, 250,000. This equals a 47 percent increase for the 1993 to 1995 period. The annual production of the foreign subsidiaries in 1992 was \$5.2 trillion which surpassed the volume of world export trade which was \$4.9 trillion for that same year. Parent firms located in developed countries (United States, United Kingdom, France, Germany, and Japan) accounted for the majority of incidences of FDI; however, the prevalence of developed countries as host sites for FDI is decreasing (UNCTAD 1993, 1994, 1995).

The growth rate of FDI inflows to developed economies has lagged behind that of developing economies through the first half of the 1990s. Developing countries, led by those in East, South, and Southeast Asia, are becoming increasingly popular host sites for FDI. From 1986 to 1993, the amount of FDI flowing into developing countries increased five times. Developing countries accounted for 37 percent of FDI, up from the 16 percent that was the average in the 1986 to 1990 period (UNCTAD 1992, 1995). The countries of East, South, and Southeast Asia have received the brunt of this upsurge in FDI inflows. In 1992, the countries of this region accounted for 57 percent of total developing country inflows, or 18 percent of worldwide FDI inflows (UNCTAD 1994). The distribution in foreign subsidiaries is beginning to reflect the increased popularity of developing countries for foreign investment.

The reason for choosing Thailand as a country of study because Thailand has become one of the developing country recipient of FDI. IJVs have been a commonly used form of equity investment in Asia region, and the number of IJVs in Thailand grew exponentially in the first half of the 1980s (BOI 1996). Table 8 lists the number of projects and registered

Table 8 : Net Applications by Type of Share Holding Submitted to BOI During 1996-1998

Distribution of Share-Holding	1996				1997				1998			
	Number of Projects		Total Investment		Number of Projects		Total Investment		Number of Projects		Total Investment	
Wholly Thai Owned	435	41.7%	9,740	41.0%	320	37.0%	3,320	26.4%	182	23.8%	530	8.3%
Wholly Foreign Owned	154	14.8%	3,550	15.0%	186	21.5%	1,430	11.4%	224	29.2%	2,080	32.5%
Joint Venture	453	43.5%	10,440	44.0%	360	41.5%	7,840	62.2%	360	47.0%	3,790	59.2%
Total	1,042	100%	23,730	100%	866	100%	12,590	100%	760	100%	6,400	100%

Unit : Million US\$ 1996 US\$ 1 = 25.34 Baht ; 1997 US\$ 1 = 31.37 Baht ; 1998 US\$ 1 = 41.31 Baht .

Source : BOI Report 1999.

capital submitted to BOI during 1996-1998. Distribution of share holding for JV is ranging between 360 and 453 projects which account for 41.5% to 47.0% of total number of projects submitted. In term of US\$, JV is ranging between 3,790 and 10,440 millions which account for 44.0% to 62.2% of total investment submitted. Thus, IJVs are concluded with a great frequency in Thailand by foreign MNCs. It is within the context of considerable increases in subsidiary incidence and in dollar flows of FDI from developed countries to all world locations that the rapid growth in IJVs is being observed. Strong economic growth, relatively stable political and economic climate and growth of exports are the additional reasons for selecting Thailand as the location to measure the behavioral characteristics of IJV performance.

Unfortunately, there is no official statistical number of failure rate of IJVs in Thailand. According to the data in Table 1, 29 to 95 percent of the IJVs studies in developing countries reports unsatisfactory performance between 1970-1999. The failure pattern could be expected to be consistent in Thailand, as being one of the developing countries.

4.3 Context of Study

Table 9 lists the number of projects submitted to BOI during 1996-1998. Japanese investor is ranging between 36.1% to 47.9% of total number of projects submitted. European investor is ranging between 18.5% to 29.8% of total number of projects submitted. American investor is ranging between 10.4% to 13.4%. Japan, Europe and American are the top three nations that continue investing in Thailand during the last three years. These three nations consist of more than 75% of number of projects submitted to BOI. Consequently, context of this study will include Thai-Japanese, Thai-European and Thai-American JVs based in Thailand.

4.4 Sample

In this study, the relevant sample consists of Thai-Japanese, Thai-European and Thai-American JVs. The industries represented in the sample include the following : agriculture, forestry, fishing, mining, stone quarrying, manufacturing, construction, wholesales, retails, restaurant, hotel, warehouse, transportation services, financial services, insurance, real estate, comminuting services, social welfare, individual welfare service.

Table 9 : Net Applications by Shareholder Nation Submitted to BOI During 1996-1998

Share-Holding per Nation	1996		1997		1998	
	Number of Projects		Number of Projects		Number of Projects	
Japan	291	47.9 %	197	36.1 %	186	31.8 %
Europe	112	18.5 %	147	26.9 %	174	29.8 %
America	63	10.4 %	73	13.4 %	78	13.4 %
Other Nations	141	23.2 %	129	23.6 %	146	25.0 %
Total	607	100 %	546	100 %	584	100 %

Source : BOI Report 1999.

The databases available from Foreign companies in Thailand : 1999 Yearbook, Factory Directory in Thailand : Vol. 2 98/99 and Thailand Business Profiles 1997-1998, the list of 1,469 Thai-Japanese JVs, 928 Thai-European JVs and 317 Thai-American JVs are compiled for the total of 2,714 IJVs. The names and addresses including telephone numbers of 2,714 IJVs are checked with the information provided by Business On-Line Co., Ltd. (BOL 2000). These IJVs have also been telephoned in order to check for the address and existing of the companies. After deleting repeating names and a minimum of 25 percent equity participation required, the examination yields 663 Thai-Japanese JVs, 410 Thai-European JVs and 206 Thai-American JVs.

No restriction is placed on the type of industry the participating IJVs could be involved with. But to ensure that each partner in the IJVs examined is displaying a strong relationship in management, the only restriction places on the participating IJVs are that no one partner could have greater than 75 percent equity participation in the IJV and each partner must have a minimum of 25 percent equity participation in the IJV. According to the Thai business law, one partner will need more than 75 percent equity voting in order to make an important decision such as closing or changing the structure of the IJV. With this restriction, it is certainly that each partner will have the influence on the decisions of the IJV.

4.5 Instrument Development

The study requires measures for compatibility, cooperation, communication, conflict resolution and satisfaction. The relevant literature are reviewed to delimit construct domains and develop operational definitions. Items pools for each construct are generated and assembled into a preliminary questionnaire.

The questionnaire consists of seven sections, one for each of the four groups of variables hypothesized to affect performance satisfaction (see Appendix B). Section I is concerned with the responder profile in both personnel and company. Section II attempts to assess the impact of partner compatibility factors on the satisfaction of the firm. Section III endeavors to appraise the impact of cooperation factors on the satisfaction of the firm. Section IV tries to evaluate the impact of communication factors on the satisfaction of the firm. Section V seeks to measure value of the impact of conflict resolution styles on the satisfaction of the firm. Section VI attempts to assess the performance satisfaction of the firm. The last section, Section VII, provides the responder to express his idea, suggestion or comment in order to improve this research. These are Likert scaled responses.

The Likert Scale is employed as the main purpose is to identify senior executives' attitudes to behavioral characteristics that are likely to impact on the performance of IJVs in Thailand. The senior executives' responses are given a numerical score that would consistently reflect the direction of the person's attitude on each statement. The use of Likert scales has the advantage of eliminating the subjectivity associated with open-ended questions and forced the respondent to choose one of the alternatives available, that alternative being the closest correct response to the statement being measured (Julian and Ramaseshan 1999). This type of scale has the added advantage of consistency across respondents by standardizing the available responses. The rich background information reduced the subjectivity as well as the possibility that respondent's answer may have been influenced by the wording of a particular question and by the manner in which certain questions may have been asked.

4.6 Instrument Pre-test

In order to ensure the content validity, the pre-test of this questionnaire is used to assess both individual questions and their sequencing. Pre-testing is organized in three stages.

The first stage consists in refining the English version of the questionnaire and cover letter. Three business professionals are used to examine the proposed questionnaire packet. The initial questionnaire format is developed based upon pre-existing measures developed for and used within the United States. Pre-testing with this group indicates the necessity to reduce the number of items of the scales to minimize translation and cross-cultural misinterpretation.

Second stage involves personal interview pre-testing the questionnaire with the senior executive of 8 IJVs which consist of four Thai-Japanese JVs, two Thai-American JVs, and two Thai-French JVs (see list of executives in Appendix C). These senior executives are interviewed to see if the respondent is able to access the information requested, to see if any of the questions asked seems confusing, and to see if any of the questions produce respondent resistance or hesitancy for one reason or another. The personal interview pre-test reveals some statements in which the wording needs to be improved and in which the sequence of the words needs to be changed. However, The results suggested only minor changes, which are incorporated into the final version of the questionnaire.

After the personal interview pre-test, it has been realized that it is important to provide both an English and Thai translation of each statement as some of the Thai respondents feel more comfortable answering in Thai. Therefore, it is deemed necessary to provide both English and Thai translation of each statement. In this third stage, once the statements are translated into Thai, they are then translated back into English to ensure that the Thai translation is conveying the intended meaning to the respondent. The questionnaire is translated and back-translated into Thai by two independent translators in accordance with accepted standards (Brislin 1970; Sperber, Devellis and Boehlecke 1994).

4.7 Data Collection

Data were collected from two major sources. The secondary data were obtained from publicity, government agencies and other institutions. The primary data were obtained from the mail surveys. The secondary data were also used to verify the accuracy of the primary data. The method of primary data collection is a self-administered mail survey. In this study, a three-step procedure is used for securing the return of the self-administered mail surveys.

Firstly, a covering letter, together with instructions and items on the questionnaire has both English and Thai translation, with the attached self-administered mail survey is sent to the respondent (see Appendix B). To enhance the response rate, two avenues are employed. First, the self-addressed, pre-stamped envelopes to each respondent is provided for returning the completed questionnaires. Second, members of the sample are offered a copy of the results for completing the survey. Secondly, after all the questionnaires has been received by the respondents for at least two weeks, each company is followed up by multiple personal phone calls or faxes. Finally, the self-administered mail survey together with covering letter are sent out again encouraging all those respondents who have not already responded to do so.



CHAPTER 5

DATA ANALYSIS

This chapter discusses the data analysis employed in the study. Response rate is computed. Non-response bias is tested. Sample characteristics are explored. Operational measurements of all variables are conducted.

5.1 Response Rate

Table 10 summarizes the questionnaire returned in this study. Of the 659 surveys mailed to Thai-Japanese JVs, 154 surveys were returned. Twenty seven surveys were returned undeliverable. Eleven surveys indicated that they were not the joint venture companies. Six surveys were partially completed. Two surveys showed that they could not provide confidential information. Two surveys were executive time constraints. Eighteen surveys were completed by Japanese partners. The Thai-Japanese JVs survey yielded a response rate of 23.37 percent. Partially and Japanese partner completed surveys were

Table 10 : Summary of Questionnaire Returned

Details of Questionnaire Returned	Pooled IJV		Thai-Japanese JV		Thai-American JV		Thai-European JV	
	Survey	Percent	Survey	Percent	Survey	Percent	Survey	Percent
Population								
IJVs from 3 lists	2,714	100.00%	1,469	100.00%	317	100.00%	928	100.00%
- <u>Deduct</u> Repeating Names and more than 75% Equity Participation	1,435	52.87%	806	54.87%	111	35.02%	518	55.82%
- <u>Deduct</u> Pre-test IJVs	8	0.30%	4	0.27%	2	0.63%	2	0.22%
Total IJVs for Questionnaire Mail Out	1,271	46.83%	659	44.86%	204	64.35%	408	43.96%
Response								
Questionnaire Mailed Out	1,271	100.00%	659	100.00%	204	100.00%	408	100.00%
Questionnaire Returned	324	25.49%	154	23.37%	64	31.37%	106	25.98%
- Undeliverable	74	22.84%	27	17.53%	11	17.19%	36	33.96%
- Not a Joint Venture Firms	45	13.89%	11	7.14%	11	17.19%	23	21.70%
- Partially Completed	13	4.01%	6	3.90%	1	1.56%	6	5.66%
- Can not Provide Confidential Information	8	2.47%	2	1.30%	4	6.25%	2	1.89%
- Executive Time Constraints	2	0.62%	2	1.30%	0	0.00%	0	0.00%
- Completed Questionnaires from Foreign Partners	29	8.95%	18	11.69%	4	6.25%	7	6.60%
- Completed Questionnaires from Thai Partners	153	47.22%	88	57.14%	33	51.56%	32	30.19%
Total Response Rate		25.49%		23.37%		31.37%		25.98%
Usable Response Rate		12.04%		13.35%		16.18%		7.84%
Non-Response								
- Unable to Contact	352	37.17%	198	39.21%	52	37.14%	102	33.77%
- Executive Time Constraints	335	35.37%	182	36.04%	34	24.29%	119	39.40%
- Reluctant to Provide Confidential Information	227	23.97%	107	21.19%	50	35.71%	70	23.18%
- Turnover of Executives	2	0.21%	1	0.20%	1	0.71%	0	0.00%
- Dissolution of the Firms	8	0.84%	4	0.79%	1	0.71%	3	0.99%
- Not a Joint Venture Firms	23	2.43%	13	2.57%	2	1.43%	8	2.65%
Total Non-Response	947	100.00%	505	100.00%	140	100.00%	302	100.00%

discarded. A total of 88 usable questionnaires were retained for analysis for an effective usable response rate of 13.35 percent.

In the Thai-American JVs sample, of the 204 surveys, 64 surveys were returned. Eleven surveys were returned undeliverable. Eleven surveys indicated that they were not the joint venture companies. One survey was partially completed. Four surveys pointed that they could not provide confidential information. Four surveys were completed by American partners. The Thai-American JVs survey yielded a response rate of 31.37 percent. Partially and American partner completed surveys were discarded. A total of 33 usable questionnaires were retained for analysis for an effective usable response rate of 16.18 percent.

For Thai-European JVs, 408 surveys were mailed and 106 surveys were returned. Thirty six surveys were returned undeliverable. Twenty three surveys indicated that they were not the joint venture companies. Six surveys were partially completed. Two surveys showed that they could not provide confidential information. Seven surveys were completed by European partners. The Thai-European JVs survey yielded a response rate of 25.98 percent. Partially and European partner completed surveys were discarded. A total of 32 usable questionnaires were retained for analysis for an effective usable response rate of 7.84 percent. Of the total of 32 responses from Thai-European JVs, there were 13 from Thai-German (40.63%), 6 from Thai-British (18.75%), 5 from Thai-French (15.63%), 4 from Thai-Swiss (12.50%), 2 from Thai-Netherlands (6.25%), 1 from Thai-Danish (3.13%) and 1 from Thai-Swedish (3.13%).

Overall, the study yielded a response rate of 25.49 percent. An effective usable response rate of 12.04 percent was achieved, which is reasonable for a mail survey (Groves, 1990). This compares favorably with the response rates of McDougall et. al. (1994) with 11 percent and Koch and McGrath (1996) with 6.5 percent. The reasons for non-response were unable to contact, executive time constraints, reluctance to provide confidential information, turnover of executives, dissolution of the firms and not a joint venture firms (see Table 10).

5.2 Non-Response Bias

Non-response bias could be assessed by comparing first-wave to second-wave respondents to ensure representativeness of the sample, as suggested by Armstrong and Overton (1977). They argue that late respondents are more representative of those in the sample who did not respond than are early respondents. A multivariate analysis of variance analysis (MANOVA) of the first-wave and second-wave respondents was performed on variables such as length of operation, ownership proportion, number of employees and sales volume (see Table 11). First-wave responses were the surveys returned during the first four

Table 11 : Summary of Non-Response Bias

Characteristics	Thai-Japanese JV			Thai-American JV			Thai-European JV		
	1 st Wave (N = 67)	2 nd Wave (N = 21)	Sig. Diff.	1 st Wave (N = 23)	2 nd Wave (N = 10)	Sig. Diff.	1 st Wave (N = 28)	2 nd Wave (N = 4)	Sig. Diff.
Length of Operation (years)		12.70	13.90	0.56	10.43	9.10	0.59	8.46	3.50
		0.40							
Ownership Proportion (%)	53.37	53.48	0.97	46.52	43.30	0.58	52.75	57.00	0.45
Number of Employees (group)	3.45	2.95	0.20	3.13	2.30	0.21	2.18	1.25	0.28
Sales Volume (million Baht)	1,204.35	902.35	0.57	595.64	470.72	0.68	497.72	124.23	0.67

weeks after the initial mailing. Second-wave responses were the questionnaires returned during the second month following the initial mailing. No significant differences were found at $\alpha = .05$ on characteristics such as length of operation, ownership proportion, number of employees and sales volume. Based on these results, non-response bias did not appear to present a problem in testing the framework. Therefore, the results suggest that there appears to be no significant difference between respondents and non-respondents and that the sample can be considered sufficient to draw conclusions about Thai-Foreign IJVs for the issues under study.

Table 12 : Sample Descriptive Statistics

Descriptions	Pooled IJV (N = 153)		Thai-Japanese JV (N = 88)		Thai-American JV (N = 33)		Thai-European JV (N = 32)	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Position								
President	11	7.19%	6	6.82%	2	6.06%	3	9.38%
Vice President	6	3.92%	3	3.41%	2	6.06%	1	3.13%
Director	21	13.73%	12	13.64%	5	15.15%	4	12.50%
Managing Director	59	38.56%	32	36.36%	11	33.33%	16	50.00%
Deputy Managing Director	6	3.92%	3	3.41%	2	6.06%	1	3.13%
General Manager	13	8.50%	7	7.95%	3	9.09%	3	9.38%
Deputy General Manager	2	1.31%	2	2.27%	0	0.00%	0	0.00%
Division Manager	35	22.88%	23	26.14%	8	24.24%	4	12.50%
Total	153	100.00%	88	100.00%	33	100.00%	32	100.00%
IJV Sector								
Agriculture, Forestry and Fishing	1	0.65%	1	1.14%	0	0.00%	0	0.00%
Mining and Stone Quarrying	1	0.65%	0	0.00%	0	0.00%	1	3.13%
Manufacturing	85	55.56%	65	73.86%	11	33.33%	9	28.13%
Construction	10	6.54%	5	5.68%	0	0.00%	5	15.63%
Wholesales, Retails, Restaurant & Hotel	16	10.46%	6	6.82%	5	15.15%	5	15.63%
Warehouse and Transportation Services	6	3.92%	1	1.14%	4	12.12%	1	3.13%
Financial Services, Insurance, Real Estate and Business	25	16.34%	7	7.95%	10	30.30%	8	25.00%
Communiting Services, Social Welfare, Individual Welfare Service	9	5.88%	3	3.41%	3	9.09%	3	9.38%
Total	153	100.00%	88	100.00%	33	100.00%	32	100.00%
Number of Expatriates								
none	24	15.69%	7	7.95%	8	24.24%	9	28.13%
1-2	74	48.37%	37	42.05%	19	57.58%	18	56.25%
3-4	28	18.30%	22	25.00%	3	9.09%	3	9.38%
5-6	12	7.84%	10	11.36%	1	3.03%	1	3.13%
7 or more	15	9.80%	12	13.64%	2	6.06%	1	3.13%
Total	153	100.00%	88	100.00%	33	100.00%	32	100.00%
Number of Employees								
less than 50	45	29.41%	15	17.05%	11	33.33%	19	59.38%
50-99	20	13.07%	12	13.64%	4	12.12%	4	12.50%
100-199	25	16.34%	18	20.45%	5	15.15%	2	6.25%
200-499	33	21.57%	22	25.00%	7	21.21%	4	12.50%
500-999	18	11.76%	14	15.91%	3	9.09%	1	3.13%
1000 or more	12	7.84%	7	7.95%	3	9.09%	2	6.25%
Total	153	100.00%	88	100.00%	33	100.00%	32	100.00%

5.3 Sample Characteristics

Mean substitution method which is one of the more widely used methods (Hair et al. 1995) has been used to replace the missing data. The rationale of this approach is that the mean is the best single replacement value. This replaces the missing values for a variable with the mean value of that variable based on all valid responses. In this manner, the valid sample responses are used to calculate the replacement value.

Table 12 and 13 provide additional summary information on the sample. The majority of the respondents was managing director (Thai-Japanese JV = 32 : 36.36%, Thai-American JV = 11 : 33.33% and Thai-European JV = 16 : 50.00%) and had the average working time of 8.17 years with the present company (Thai-Japanese JV = 8.47, Thai-American JV = 8.33 and Thai-European JV = 7.21).

The set of IJVs operated in 8 industries, and 55.56% of the sampled IJVs came from the manufacturing sector (Thai-Japanese JV = 65 : 73.86%, Thai-American JV = 11 : 33.33% and Thai-European JV = 9 : 50.00%). The group of IJVs had 865.89 million baht in average revenue and -0.38 million baht in average profit (Thai-Japanese JV = 1,132.28 : -6.28, Thai-American JV = 557.78 : 14.28 and Thai-European JV = 451.03 : 0.72). A majority of the IJVs had 1-2 expatriates (Thai-Japanese JV = 42.05%, Thai-American JV = 57.58% and Thai-European JV = 56.25%). In term of the number of employees, the majority of Thai-Japanese JV had 200-499 employees (25.00%), while the majority of Thai-American JV (33.33%) and Thai-European JV (59.38%) had of less than 50 employees. Average IJV duration was 11.35 years (Thai-Japanese JV = 12.99, Thai-American JV = 10.03 and Thai-European JV = 8.22). Thai partners represented an average of 51.68% ownership proportion in the IJVs (Thai-Japanese JV = 53.40%, Thai-American JV = 45.55% and Thai-European JV = 53.28%). The average registered capital was 291.14 million baht (Thai-Japanese JV = 280.67, Thai-American JV = 242.53 and Thai-European JV = 370.05).

Analyses also suggest sufficient sample compatibility across each type of IJVs in position, IJV sector, number of expatriates, time with the present company, IJV duration, registered capital and ownership proportion.

Table 13 : Sample Characteristics

Characteristics	Pooled IJV (N = 153)		Thai-Japanese JV (N = 88)		Thai-American JV (N = 33)		Thai-European JV (N = 32)	
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
Years with the Present Company	8.17	5.81	8.47	5.68	8.33	7.30	7.21	4.75
IJV Duration (years)	11.35	7.63	12.99	8.56	10.03	6.37	8.22	4.29
Registered Capital (million baht)	291.14	954.09	280.67	879.29	242.53	529.62	370.05	1,412.37
Ownership Proportion (%)	51.68%	0.12	53.40%	0.10	45.55%	0.15	53.28%	0.10
Average Revenue (million baht)	865.89	1,830.26	1,132.28	2,126.17	557.78	791.80	451.03	1,615.86
Average Profit (million baht)	-0.38	144.26	-6.28	168.51	14.28	99.54	0.72	108.60

5.4 Operational Measurement

The Appendix B lists items used to measure each of the constructs. Principal component factor analyses with varimax rotations also were conducted for the variables in each construct. A factor analysis was run in order to assess the factor structure. Significant loadings of items on intended constructs, and non-significant cross-loadings offers evidence for convergent and discriminant validity for these measures (Joreskog & Sorbom 1989).

Reliability analysis was conducted and items with low item-to-total correlations were deleted. Cronbach's alphas were computed. All scales exceeded 0.60 or above which exhibited favorable reliability and were considered reasonably good to further analysis (Cohen and Cohen 1983). Through this process, measures retained for the analysis exhibit favorable reliability, as well as convergent and discriminant validity (Churchill 1979).

5.4.1 Dependent Variables

Geringer and Hebert (1991) suggest the use of subjective measurements of satisfaction that reflects the ways the partners assess their performance is appropriate for the study of IJV. Anderson and Narus (1990) also suggest that satisfaction with aspects of the working relationship between partners can serve as a proxy for partnership success.

IJV performance is measured using twenty two criteria reflecting an IJV partner's satisfaction with : (1) sales level, (2) sales growth, (3) market share, (4) profitability, (5) return on investment (ROI), (6) return on sales (ROS), (7) cost control, (8) management of venture, (9) technology development, (10) product design, (11) manufacturing/quality control, (12) labor productivity, (13) marketing, (14) distribution, (15) reputation, (16) customer service, (17) need for parent involvement, (18) personal relationship with partner, (19) joint venture's financial performance, (20) overall relationship with partner, (21) objectives in the joint venture and (22) overall performance. Respondents indicate the extent to which each of statements is satisfied on a scale of 1 (strongly dissatisfy) to 5 (strongly satisfy). The respondents are also asked to rate the important of each criteria. Managers respond on a 1 (not at all important) to 5 (very important). The two items were multiplied together as a measure of IJV performance satisfaction. Multiplication of two items will incorporate the level of satisfaction and the level of important of each dimension, which offers us the total performance measurement.

The Thai-Japanese JV data of the satisfaction items were considered suitable for factor analysis as the Bartlett Test of Sphericity was significant (1098.920;0.000) and the Keyser-Meyer-Olkin (KMO) measure of sampling adequacy (0.838) was greater than 0.6 (Tabachnik and Fidell, 1996). With eigenvalues greater than 1, the factor analysis for the satisfaction items resulted in a four-factor solution (see Table 14).

The first factor, comprised of the six items tapping satisfaction with profitability, return on sales (ROS), return on investment (ROI), sales level, sales growth and market share, was termed 'Satisfaction with Financial Performance'. Cronbach's alpha for this measure of performance was 0.88, indicating a strong level of reliability. Table 16 lists summary scale statistics.

Table 14 : Rotated Factor Matrix for Thai-Japanese JV Multi-Item Dependent Variables.

	Factor 1	Factor 2	Factor 3	Factor 4
E4 (Profitability)	0.88	0.14	0.04	-0.05
E6 (ROS)	0.82	0.00	0.16	-0.07
E5 (ROI)	0.80	0.14	0.28	-0.25
E1 (Sales Level)	0.73	0.19	0.08	0.37
E2 (Sales Growth)	0.69	0.17	-0.01	0.36
E3 (Market Share)	0.55	0.27	0.33	0.14
E20 (Overall Relationship with Partner)	0.07	0.88	0.16	0.16
E18 (Personal Relationship with Partner)	0.03	0.77	0.33	-0.01
E19 (JV Financial Performance)	0.43	0.62	-0.02	0.16
E22 (Overall Performance)	0.47	0.61	-0.04	0.26
E15 (Reputation)	0.14	0.60	0.39	0.20
E21 (Objectives in the JV)	0.28	0.60	0.16	0.47
E17 (Need for Parent Involvement)	0.10	0.52	0.51	0.13
E10 (Product Design)	-0.03	0.09	0.77	0.26
E9 (Technology Development)	0.26	0.27	0.72	0.20
E7 (Cost Control)	0.43	0.04	0.59	0.01
E8 (Management of Venture)	0.33	0.31	0.56	0.04
E12 (Labor Productivity)	0.06	0.36	0.45	0.43
E13 (Marketing)	0.15	0.06	0.12	0.89
E14 (Distribution)	0.01	0.34	0.18	0.68
E16 (Customer Service)	-0.14	0.13	0.44	0.58
Eigen Value	7.92	2.87	1.50	1.40
% of Variance	20.55	17.75	14.34	12.53
Cumulative % of Variance	20.55	38.30	52.63	65.16

The second factor, consisted of the seven items tapping satisfaction with overall relationship with the partner, personal relationship with partner, JV financial performance, overall performance, reputation, objectives in the joint venture and need for parent involvement, was termed ‘Satisfaction with Partner Relationship’. Cronbach’s alpha for this measure of performance was 0.87, indicating a strong level of reliability.

The third factor, constituted of the five items tapping satisfaction with product design, technology development, cost control, management of venture and labor productivity, was termed ‘Satisfaction with Production Performance’. Cronbach’s alpha for this measure of performance was 0.79, indicating a strong level of reliability.

In the initial factor analysis for fourth factor, one item (manufacturing/ quality control) did not exhibit clean loadings and also loaded on the other three components of satisfaction. Thus, this item was dropped, and three items were retained for the third factor. The third factor, comprised of three items tapping satisfaction with marketing, distribution and customer service, was termed ‘Satisfaction with Marketing Performance’. Cronbach’s alpha for this measure of performance was 0.75, indicating a strong level of reliability.

According to the small sample size, Thai-American and Thai-European JV data were not suitable for factor analysis. The result of factor analysis from pooled IJV data will then be the guideline for extracting the components of satisfaction in Thai-American and Thai

Table 15 : Rotated Factor Matrix for Pooled IJV Multi-Item Dependent Variables.

	Factor 1	Factor 2	Factor 3	Factor 4
E4 (Profitability)	0.92	0.03	0.04	0.04
E5 (ROI)	0.88	0.07	0.07	0.17
E6 (ROS)	0.84	0.04	0.02	0.11
E1 (Sales Level)	0.69	0.11	0.43	0.01
E2 (Sales Growth)	0.61	0.10	0.47	0.09
E3 (Market Share)	0.53	0.28	0.27	0.39
E19 (JV Financial Performance)	0.52	0.43	0.22	0.12
E20 (Overall Relationship with Partner)	0.05	0.86	0.22	0.18
E18 (Personal Relationship with Partner)	0.02	0.81	0.09	0.20
E21 (Objectives in the JV)	0.24	0.61	0.48	0.14
E22 (Overall Performance)	0.49	0.56	0.29	0.01
E17 (Need for Parent Involvement)	0.05	0.51	0.00	0.37
E15 (Reputation)	0.17	0.49	0.38	0.31
E13 (Marketing)	0.21	0.08	0.83	0.09
E14 (Distribution)	0.07	0.28	0.69	0.15
E16 (Customer Service)	-0.07	0.22	0.60	0.42
E10 (Product Design)	-0.01	0.06	0.18	0.83
E9 (Technology Development)	0.10	0.24	0.16	0.75
E7 (Cost Control)	0.30	0.21	-0.01	0.56
E11 (Manufacturing/Quality Control)	0.21	0.28	0.32	0.49
Eigen Value	7.43	2.69	1.37	1.21
% of Variance	21.20	15.86	13.67	12.74
Cumulative % of Variance	21.20	37.06	50.73	63.47

European IJV data. The pooled IJV data of the satisfaction items was considered suitable for factor analysis as the Bartlett Test of Sphericity was significant (1884.6777;0.000) and the Keyser-Meyer-Olkin (KMO) measure of sampling adequacy (0.879) was greater than 0.6 (Tabachnik and Fidell, 1996). With eigenvalues greater than 1, the factor analysis for the satisfaction items resulted in a four-factor solution (see Table 15).

The first factor, comprised of the seven items tapping satisfaction with profitability, return on investment (ROI), return on sales (ROS), sales level, sales growth, market share and joint venture's financial performance, was termed 'Satisfaction with Financial Performance'. Cronbach's alphas for this measure of performance were 0.89 for Pooled IJV data, 0.91 for Thai-American JV data and 0.89 for Thai-European JV data. All Cronbach's alphas indicate a strong level of reliability.

The second factor, consisted of the six items tapping satisfaction with our overall relationship with the partner, personal relationship with partner, objectives in the joint venture, overall performance, need for parent involvement and reputation was termed 'Satisfaction with Partner Relationship'. Cronbach's alphas for this measure of performance were 0.84 for Pooled IJV data, 0.78 for Thai-American JV data and 0.81 for Thai-European JV data. All Cronbach's alphas indicate a strong level of reliability.

In the initial factor analysis for third factor, one item (labor productivity) did not exhibit clean loadings and also loaded on the other components of satisfaction. Thus, this item was dropped, and three items were retained for the third factor. The third factor,

Table 16 : Summary Statistics for Measures

Variables	Thai-Japanese JV (n = 88)			Thai-American JV (n = 33)			Thai-European JV (n = 32)		
	Mean	Std. Dev.	Alpha	Mean	Std. Dev.	Alpha	Mean	Std. Dev.	Alpha
DEPENDENT VARIABLES									
Satisfaction with Financial Performance	13.02	3.97	0.88	13.76	4.36	0.91	13.84	3.65	0.89
Satisfaction with Marketing Performance	14.63	3.55	0.75	15.68	3.41	0.61	15.56	3.78	0.86
Satisfaction with Production Performance	13.25	3.13	0.79	15.72	3.27	0.68	15.76	2.98	0.65
Satisfaction with Partner Relationship	14.89	3.57	0.87	16.16	3.44	0.78	15.97	3.35	0.81
INDEPENDENT VARIABLES									
Construct : Compatibility									
H1 : Objectives Congruence	3.84	0.58	0.80	3.91	0.66	0.86	3.91	0.73	0.92
H2 : Cultural Sensitivity	3.78	0.69	0.73	3.82	0.82	0.84	3.78	0.81	0.70
H3 : Mutual Trust	4.04	0.71	0.85	3.97	0.62	0.81	3.80	0.92	0.93
Construct : Cooperation									
H4 : Coordination	3.87	0.62	0.79	3.73	0.69	0.92	3.90	1.06	NA
H5 : Commitment	3.98	0.64	0.81	3.12	0.93	NA	3.98	0.81	0.90
H6 : Interdependent	3.57	0.98	0.63	3.79	0.69	0.63	4.01	0.76	0.78
Construct : Communication									
H7 : Quality	3.87	0.71	0.90	3.86	0.61	0.90	3.78	0.77	0.84
H8 : Participation	3.74	0.70	0.79	3.59	0.66	0.87	3.85	0.78	0.87
H9 : Information Sharing	4.01	0.51	0.71	3.76	0.83	NA	4.03	0.81	0.93
Construct : Conflict Resolution									
H10 : Collaborating	3.53	0.75	0.88	3.60	0.56	0.76	3.85	0.73	0.84
H11 : Compromising	3.59	0.76	0.85	3.41	0.74	0.71	3.70	0.80	0.92
H12 : Competing	2.80	0.86	0.77	2.37	1.00	0.83	2.65	1.01	0.80
H13 : Avoiding	3.19	0.85	0.84	3.09	0.78	0.75	2.88	0.72	0.68

constituted of three items tapping satisfaction with marketing, distribution and customer service, was termed ‘Satisfaction with Marketing Performance’. Cronbach’s alphas for this measure of performance were 0.74 for Pooled IJV data, 0.61 for Thai-American JV data and 0.86 for Thai-European JV data. Cronbach’s alpha for Thai-American JV data indicates a modest level of reliability for research in behavioral sciences (Cohen and Cohen 1983). The rest of Cronbach’s alphas indicate a strong level of reliability.

In the beginning factor analysis for fourth factor, one item (management of joint venture) did not exhibit clean loadings and also loaded on the other components of satisfaction. Thus, this item was dropped, and four items were retained for the fourth factor. The fourth factor, comprised of the four items tapping satisfaction with product design, technology development, cost control and manufacturing/quality control, was termed ‘Satisfaction with Production Performance’. Cronbach’s alphas for this measure of performance were 0.74 for Pooled IJV data, 0.68 for Thai-American JV data and 0.65 for Thai-European JV data. Cronbach’s alphas for Thai-American JV and Thai-European JV data indicate a reasonably strong level of reliability for research in behavioral sciences (Cohen and Cohen 1983; Anderson and Coughlan 1987). The rest of Cronbach’s alphas indicates a strong level of reliability. Table 16 lists summary scale statistics.

Table 17 : Rotated Factor Matrix for Thai Japanese JV Multi-Item Independent Variables

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10	Factor 11	Factor 12	Factor 13
QUALITY1	0.74	0.09	-0.04	0.04	0.09	0.12	-0.15	0.13	0.10	0.17	0.25	0.10	0.31
QUALITY2	0.85	0.15	0.01	0.09	0.14	0.09	0.13	0.16	0.11	0.04	0.16	0.07	-0.06
QUALITY3	0.71	0.16	-0.08	0.19	0.30	0.10	-0.09	0.20	0.15	0.24	-0.03	-0.03	-0.09
QUALITY4	0.77	0.03	-0.01	0.15	0.18	0.19	-0.04	-0.01	0.11	-0.03	-0.08	0.05	0.23
QUALITY5	0.73	0.32	-0.13	0.21	0.20	0.03	0.06	0.04	0.33	0.10	0.00	-0.08	-0.03
TRUST1	0.22	0.73	-0.07	-0.03	0.09	0.16	-0.03	0.26	0.18	0.22	0.08	0.03	-0.01
TRUST2	0.06	0.78	-0.09	0.21	0.20	0.14	-0.10	0.10	0.17	0.03	0.24	0.09	0.15
TRUST3	0.24	0.70	0.18	0.22	0.12	0.20	-0.15	0.13	0.26	0.07	-0.04	0.00	0.11
AVOID1	0.15	-0.01	0.80	-0.35	-0.01	-0.12	0.05	-0.04	0.07	0.11	-0.13	-0.04	0.19
AVOID2	0.07	-0.06	0.82	0.03	-0.12	0.12	0.24	0.02	0.01	0.05	-0.11	-0.01	-0.16
AVOID3	-0.06	0.01	0.81	0.26	0.02	0.06	0.11	-0.03	0.03	0.00	0.20	0.15	0.16
AVOID4	-0.05	0.03	0.79	0.29	0.04	0.06	-0.12	0.02	0.08	0.08	0.12	0.24	-0.08
COMPROM1	0.15	-0.08	0.06	0.84	0.15	0.12	0.24	0.07	0.09	0.06	0.03	0.05	0.06
COMPROM2	0.15	0.32	0.30	0.66	0.09	0.08	0.08	0.15	-0.07	0.04	0.18	0.13	0.13
COMPROM3	0.18	0.41	0.04	0.60	0.30	0.01	-0.09	0.10	-0.17	0.16	0.13	0.14	0.08
COMPROM4	0.30	0.45	0.05	0.59	0.16	0.20	0.09	0.12	0.04	0.18	-0.09	0.02	-0.08
COLLAB1	0.49	0.10	0.03	0.08	0.63	0.21	0.08	0.09	0.03	0.06	0.13	0.20	0.26
COLLAB2	0.31	0.13	-0.01	0.05	0.76	0.06	0.03	0.17	0.21	0.24	0.11	0.08	0.09
COLLAB3	0.23	0.22	-0.01	0.26	0.79	0.13	-0.05	0.01	-0.03	-0.03	0.14	0.13	-0.06
COLLAB4	0.20	0.10	-0.01	0.38	0.60	0.09	-0.04	0.28	0.16	0.36	-0.17	-0.13	0.04
OBJ1	0.16	0.12	0.15	0.07	0.20	0.75	0.00	-0.08	0.23	0.07	0.06	-0.11	0.07
OBJ2	0.16	0.16	-0.01	-0.04	0.06	0.88	0.04	0.11	-0.13	0.12	0.11	0.05	-0.02
OBJ3	0.09	0.13	0.02	0.30	0.03	0.75	-0.13	0.12	0.02	-0.11	-0.03	0.18	0.13
COMPETE1	0.03	-0.13	-0.02	0.28	-0.05	-0.04	0.87	-0.05	-0.01	0.03	-0.01	0.00	0.00
COMPETE2	0.01	0.17	0.20	-0.05	0.07	-0.09	0.83	0.10	-0.15	-0.09	0.03	0.15	0.20
COMPETE3	0.22	-0.13	0.09	-0.02	-0.12	-0.03	0.58	0.08	-0.15	0.35	-0.20	-0.17	0.41
COMPETE4	-0.36	-0.36	0.17	0.04	0.04	-0.05	0.64	-0.08	0.14	0.08	-0.02	0.10	0.23
COMMIT1	0.22	0.35	-0.14	0.18	0.19	0.08	-0.13	0.60	-0.07	-0.05	0.25	0.19	0.21
COMMIT2	0.04	0.09	0.09	0.09	0.10	0.00	0.08	0.84	0.05	0.26	0.21	0.06	0.11
COMMIT3	0.30	0.31	-0.12	0.13	0.26	0.26	0.01	0.66	0.05	0.04	0.11	-0.06	-0.10
CULSENS3	0.23	0.13	0.12	0.10	0.01	0.02	-0.07	-0.05	0.83	0.12	0.08	0.02	0.13
CULSENS4	-0.05	0.19	0.03	-0.11	0.12	0.04	-0.04	0.10	0.83	0.01	0.07	0.01	-0.06
PARTIC1	0.10	0.15	0.08	0.07	0.17	0.00	-0.03	0.15	0.13	0.80	0.04	0.33	0.06
PARTIC2	0.22	0.13	0.03	0.16	0.17	0.10	0.13	0.15	0.04	0.73	0.33	0.08	-0.02
INFSHAR3	0.15	0.07	0.01	0.10	0.05	-0.07	-0.05	0.17	0.14	0.27	0.80	0.04	-0.11
INFSHAR4	0.02	0.14	0.07	0.03	0.12	0.29	-0.02	0.19	0.02	-0.03	0.78	-0.08	0.13
INTERDE1	0.35	0.12	0.12	0.09	0.16	-0.07	0.02	0.45	0.07	0.22	0.04	0.57	-0.03
INTERDE2	-0.02	0.03	0.30	0.14	0.11	0.13	0.14	0.00	-0.02	0.26	-0.06	0.76	-0.03
COORD1	0.22	0.40	0.04	0.04	0.09	0.34	0.09	0.34	0.13	0.01	0.24	0.04	0.52
COORD3	0.34	0.32	0.09	0.26	0.26	0.18	-0.07	0.10	0.10	0.04	-0.05	-0.09	0.56
Eigen Value	11.69	3.99	2.76	2.22	2.04	1.74	1.68	1.39	1.28	1.13	1.08	0.85	0.84
% of Variance	29.22	9.98	6.90	5.56	5.11	4.35	4.19	3.48	3.21	2.83	2.70	2.13	2.09
Cumulative % of Variance	29.22	39.20	46.10	51.66	56.77	61.12	65.30	68.78	71.99	74.82	77.52	79.65	81.74

5.4.2 Independent Variables

Exploratory Factor Analysis

In order to assess the construct validity of the thirteen independent variables, the items across the scales were subjected to a exploratory factor analysis. Thai-Japanese JV data was considered suitable for exploratory factor analysis for the whole constructs as the Bartlett Test of Sphericity was significant (2442.504;0.000) and the Keyser-Meyer-Olkin (KMO) measure of sampling adequacy (0.767) was greater than 0.6 (Tabachnik and Fidell,

Table 18 : Rotated Factor Matrix for Thai American JV Multi-Item Independent Variables

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10	Factor 11	Factor 12	Factor 13
TRUST2	0.89	0.27	0.13	-	-	-	-	-	-	-	-	-	-
TRUST3	0.83	0.05	0.43	-	-	-	-	-	-	-	-	-	-
OBJ3	0.08	0.91	0.25	-	-	-	-	-	-	-	-	-	-
OBJ2	0.24	0.89	0.13	-	-	-	-	-	-	-	-	-	-
CULSENS2	0.18	0.22	0.92	-	-	-	-	-	-	-	-	-	-
CULSENS4	0.50	0.25	0.74	-	-	-	-	-	-	-	-	-	-
COORD3	-	-	-	0.92	0.24	0.07	-	-	-	-	-	-	-
COORD4	-	-	-	0.89	0.17	0.10	-	-	-	-	-	-	-
COORD1	-	-	-	0.87	0.28	-0.01	-	-	-	-	-	-	-
COORD2	-	-	-	0.78	0.10	0.19	-	-	-	-	-	-	-
INTERDE1	-	-	-	0.15	0.74	0.15	-	-	-	-	-	-	-
INTERDE4	-	-	-	0.21	0.74	0.25	-	-	-	-	-	-	-
INTERDE3	-	-	-	0.09	0.65	-0.04	-	-	-	-	-	-	-
INTERDE2	-	-	-	0.37	0.52	-0.25	-	-	-	-	-	-	-
COMMIT4	-	-	-	0.18	0.12	0.93	-	-	-	-	-	-	-
QUALITY2	-	-	-	-	-	-	0.90	0.13	0.05	-	-	-	-
QUALITY3	-	-	-	-	-	-	0.88	0.22	0.14	-	-	-	-
QUALITY4	-	-	-	-	-	-	0.81	0.24	0.16	-	-	-	-
QUALITY1	-	-	-	-	-	-	0.79	-0.04	0.47	-	-	-	-
PARTIC1	-	-	-	-	-	-	-0.04	0.91	0.04	-	-	-	-
PARTIC2	-	-	-	-	-	-	0.24	0.85	0.23	-	-	-	-
PARTIC3	-	-	-	-	-	-	0.49	0.69	0.04	-	-	-	-
PARTIC4	-	-	-	-	-	-	0.22	0.22	0.91	-	-	-	-
INFSHAR1	-	-	-	-	-	-	0.22	0.22	0.91	-	-	-	-
COMPETE4	-	-	-	-	-	-	-	-	-	0.86	-0.12	0.10	-0.19
COMPETE3	-	-	-	-	-	-	-	-	-	0.84	0.13	0.23	-0.14
COMPETE1	-	-	-	-	-	-	-	-	-	0.76	-0.29	0.23	-0.19
COMPROM3	-	-	-	-	-	-	-	-	-	-0.07	0.85	-0.03	0.05
COMPROM2	-	-	-	-	-	-	-	-	-	-0.38	0.80	-0.03	0.25
COMPROM1	-	-	-	-	-	-	-	-	-	0.23	0.59	0.17	0.40
AVOID2	-	-	-	-	-	-	-	-	-	0.06	-0.27	0.79	-0.14
AVOID3	-	-	-	-	-	-	-	-	-	0.32	0.02	0.78	0.03
AVOID4	-	-	-	-	-	-	-	-	-	0.16	0.37	0.78	-0.06
COLLAB2	-	-	-	-	-	-	-	-	-	-0.26	-0.12	-0.28	0.80
COLLAB4	-	-	-	-	-	-	-	-	-	-0.13	0.26	0.07	0.79
COLLAB3	-	-	-	-	-	-	-	-	-	-0.19	0.36	-0.08	0.69
Eigen Value	3.50	1.14	0.67	4.08	1.25	0.96	4.77	1.78	0.86	4.12	2.54	1.14	1.11
% of Variance	58.35	19.01	11.20	45.35	13.81	10.67	52.99	19.82	9.53	20.69	18.69	17.39	17.37
Cumulative % of Variance	58.35	77.35	88.56	45.35	59.16	69.82	52.99	72.81	82.34	20.69	39.38	56.77	74.14

1996). Since Kaiser criterion has been shown to be quite accurate when the number of variables is less than 30 or when sample is greater than 250. Therefore, Cattell's scree test (Cattell 1966) is more appropriate to be used to extract factors since the number of variables is greater than 30 and sample is less than 250 (Stevens 1996). According to Cattell's scree test (Cattell 1966), the thirteen factors would be retained and represented all the derived factors. Results of the varimax with Kaiser normalization rotated factor analysis are provided in Table 17. The pre-specified thirteen-factor solution accounted for 81.742% of the variance and represented all the derived factors with scree test criterion.

Table 19 : Rotated Factor Matrix for Thai European JV Multi-Item Independent Variables

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10	Factor 11	Factor 12	Factor 13
OBJ2	0.88	0.14	0.27	-	-	-	-	-	-	-	-	-	-
OBJ3	0.84	0.37	0.14	-	-	-	-	-	-	-	-	-	-
OBJ4	0.77	0.41	0.27	-	-	-	-	-	-	-	-	-	-
OBJ1	0.68	0.55	0.09	-	-	-	-	-	-	-	-	-	-
TRUST2	0.33	0.86	0.21	-	-	-	-	-	-	-	-	-	-
TRUST3	0.36	0.85	0.22	-	-	-	-	-	-	-	-	-	-
TRUST1	0.25	0.80	0.36	-	-	-	-	-	-	-	-	-	-
CULSENS2	0.15	0.16	0.87	-	-	-	-	-	-	-	-	-	-
CULSENS4	0.28	0.37	0.74	-	-	-	-	-	-	-	-	-	-
COMMIT1	-	-	-	0.94	0.07	0.05	-	-	-	-	-	-	-
COMMIT3	-	-	-	0.91	0.06	0.30	-	-	-	-	-	-	-
INTERDE1	-	-	-	-0.02	0.90	0.09	-	-	-	-	-	-	-
INTERDE2	-	-	-	0.11	0.86	0.17	-	-	-	-	-	-	-
INTERDE4	-	-	-	0.57	0.65	-0.01	-	-	-	-	-	-	-
COORD2	-	-	-	0.19	0.17	0.96	-	-	-	-	-	-	-
PARTIC1	-	-	-	-	-	-	0.84	0.27	0.27	-	-	-	-
PARTIC4	-	-	-	-	-	-	0.77	0.36	0.15	-	-	-	-
PARTIC3	-	-	-	-	-	-	0.71	0.45	0.26	-	-	-	-
INFSHAR3	-	-	-	-	-	-	0.31	0.85	0.29	-	-	-	-
INFSHAR2	-	-	-	-	-	-	0.33	0.84	0.31	-	-	-	-
INFSHAR4	-	-	-	-	-	-	0.55	0.72	0.16	-	-	-	-
QUALITY4	-	-	-	-	-	-	0.11	0.34	0.90	-	-	-	-
QUALITY3	-	-	-	-	-	-	0.52	0.17	0.78	-	-	-	-
COMPROM3	-	-	-	-	-	-	-	-	-	0.91	0.31	0.09	-0.06
COMPROM2	-	-	-	-	-	-	-	-	-	0.88	0.25	-0.20	-0.07
COMPROM4	-	-	-	-	-	-	-	-	-	0.81	0.24	0.20	0.05
COMPROM1	-	-	-	-	-	-	-	-	-	0.78	0.30	0.05	-0.01
COLLAB4	-	-	-	-	-	-	-	-	-	0.22	0.79	-0.15	-0.40
COLLAB3	-	-	-	-	-	-	-	-	-	0.42	0.77	-0.08	0.04
COLLAB2	-	-	-	-	-	-	-	-	-	0.40	0.75	0.17	0.22
COLLAB1	-	-	-	-	-	-	-	-	-	0.25	0.69	0.25	0.17
COMPETE3	-	-	-	-	-	-	-	-	-	0.08	-0.03	0.92	0.11
COMPETE4	-	-	-	-	-	-	-	-	-	-0.05	-0.02	0.86	0.10
COMPETE1	-	-	-	-	-	-	-	-	-	-0.35	0.31	0.69	-0.02
AVOID2	-	-	-	-	-	-	-	-	-	-0.31	0.19	-0.02	0.79
AVOID3	-	-	-	-	-	-	-	-	-	-0.01	-0.01	0.19	0.79
AVOID4	-	-	-	-	-	-	-	-	-	-0.18	-0.04	0.02	0.73
Eigen Value	5.74	0.98	0.81	2.86	1.44	0.81	5.39	0.83	0.65	4.90	2.77	1.73	1.22
% of Variance	32.60	32.17	18.82	34.46	33.31	17.45	32.56	31.13	22.09	25.43	19.23	16.45	14.74
Cumulative % of Variance	32.60	64.77	83.59	34.46	67.77	85.22	32.56	63.68	85.78	25.43	44.66	61.11	75.85

With a small sample size, Thai-American JV data was considered suitable for exploratory factor analysis in each construct as all the Bartlett Test of Sphericity was significant (Compatibility = 102.807;0.000, Coordination = 135.347;0.000, Communication = 189.181;0.000 and Conflict Resolution = 177.781;0.000) and all the Keyser-Meyer-Olkin (KMO) measure of sampling adequacy (Compatibility = 0.731, Coordination = 0.773, Communication = 0.776 and Conflict Resolution = 0.622) was greater than 0.6 (Tabachnik and Fidell, 1996). According to Cattell's scree test (Cattell 1966), each individual three factors would be retained and represented all the derived factors under compatibility, cooperation and communication constructs. Four factors would be maintained and typified

all the derived factors under conflict resolution construct. Results of the varimax rotated factor analysis for each construct are provided in Table 18.

By a small sample size, Thai-European JV data was considered suitable for exploratory factor analysis in each construct as all the Bartlett Test of Sphericity was significant (Compatibility = 210.244;0.000, Coordination = 76.415;0.000, Communication = 186.024;0.000 and Conflict Resolution = 267.980;0.000) and all the Keyser-Meyer-Olkin (KMO) measure of sampling adequacy (Compatibility = 0.876, Coordination = 0.646, Communication = 0.870 and Conflict Resolution = 0.699) was greater than 0.6 (Tabachnik and Fidell, 1996). According to Cattell's scree test (Cattell 1966), each individual three factors would be retained and represented all the derived factors under compatibility, cooperation and communication constructs. Four factors would be maintained and typified all the derived factors under conflict resolution construct. Results of the varimax rotated factor analysis for each construct are provided in Table 19.

Aspects of Compatibility

To tap the objectives congruence between the two IJV firms, a four-item scale is developed. Respondents indicate the extent to which each of statements is agreeable on a scale of 1 (strongly disagree) to 5 (strongly agree). In the initial factor analysis in Thai-Japanese JV data, one item did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.80. In the beginning analysis in Thai-American JV data, two items did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.86. The four-item scale from Thai-European JV data had a Cronbach's alphas of 0.92. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

The measure of cultural sensitivity rotates on elements isolated for cultural adaptation as identified by Mendenhall and Oddou (1988) for effective cross-cultural training programs. Culture sensitivity is measured on a four-item scale adapted from Johnson et al. (1996). Managers indicate their responses on a 1 (strongly disagree) to 5 (strongly agree). In the initial analysis in Thai-Japanese JV data, two items did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.73. In the beginning analysis in Thai-American JV data, two items did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.84. In the primary analysis in Thai-European JV data, two items did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.70. All Cronbach's alphas indicate a strong level of reliability for exploratory research (Anderson and Coughlan 1987).

The measure of mutual trust is operationalized with a four-item scale adapted from Aulakh, Kotabe and Sahay (1997). Managers respond on a 1 (strongly disagree) to 5 (strongly agree). In the initial analysis in Thai-Japanese JV data, one item did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, this item was

dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.85. In the beginning analysis in Thai-American JV data, two items did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.81. In the primary analysis in Thai-European JV data, one item did not exhibit clean loadings and also loaded on the other components of compatibility. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.93. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

Attributes of the Cooperation

The measure of ***coordination*** is tapped with a four-item scale adapted from Mohr and Spekman (1994). Managers respond on a 1 (strongly disagree) to 5 (strongly agree). In the initial analysis in Thai-Japanese JV data, two items did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.79. The four-item scale from Thai-American JV data had a Cronbach's alphas of 0.92. In the primary analysis in Thai-European JV data, three items did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, these items were dropped, and one item was retained. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

The measure of ***commitment*** is assessed with a four-item scale adapted from Sarkar, Cavusgil and Evirgen (1997). Managers respond on a 1 (strongly disagree) to 5 (strongly agree) for the rest of statements. In the initial analysis in Thai-Japanese JV data, one item did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.81. In the primary analysis in Thai-American JV data, three items did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, these items were dropped, and one item was retained. In the beginning analysis in Thai-European JV data, two items did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.90. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

The measure of ***interdependence*** is gauged with a four-item scale adapted from Johnson et al. (1996). Managers respond on a 1 (strongly disagree) to 5 (strongly agree). In the initial analysis in Thai-Japanese JV data, two items did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.63. The four-item scale from Thai-American JV data had a Cronbach's alphas of 0.63. Cronbach's alpha of 0.63 indicates a modest level of reliability for research in behavioral science (Anderson and Coughlan 1987). In the primary analysis in Thai-European JV data, one item did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.78, indicating a strong level of reliability (Anderson and Coughlan 1987).

Aspects of Communication

The measure of ***communication quality*** is assessed with a five-item scale adapted from Mohr and Spekman (1994). Managers respond on a 1 (never) to 5 (always). The five-item scale from Thai-Japanese JV data had a Cronbach's alphas of 0.90. In the initial analysis in Thai-American JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and four items were retained. The remaining four items had a Cronbach's alpha of 0.90. In the beginning analysis in Thai-European JV data, three items did not exhibit clean loadings and also loaded on the other components of communication. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.84. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

The measure of ***participation*** is estimated with a four-item scale adapted from Mohr and Spekman (1994). Managers respond on a 1 (strongly disagree) to 5 (strongly agree). In the initial analysis in Thai-Japanese JV data, two items did not exhibit clean loadings and also loaded on the other components of communication. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.79. The four-item scale from Thai-American JV data had a Cronbach's alphas of 0.87. In the initial analysis in Thai-European JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.87. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

The measure of ***information sharing*** is predicted with a four-item scale. The items are adapted from Mohr and Spekman (1994). Managers respond on a 1 (strongly disagree) to 5 (strongly agree). In the initial analysis in Thai-Japanese JV data, two items did not exhibit clean loadings and also loaded on the other components of communication. Thus, these items were dropped, and two items were retained. The remaining two items had a Cronbach's alpha of 0.71. In the primary analysis in Thai-American JV data, three items did not exhibit clean loadings and also loaded on the other components of cooperation. Thus, these items were dropped, and one item was retained. In the initial analysis in Thai-European JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.93. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

Conflict Resolution

Collaborating Style is measured by a four-item scale. The items are adapted from Rahim (1983), Ganesan (1993), Boyle and Dwyer (1995) and Lin and Germain (1998). Managers respond on a 1 (very infrequently) to 5 (very frequently). The four-item scale from Thai-Japanese JV data had a Cronbach's alphas of 0.88. In the initial analysis in Thai-American JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.76. The four-item scale from Thai-European JV data had a Cronbach's alphas of 0.84. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

Compromising Style is measured by a four-item scale. The items are adapted from Rahim (1983), Ganesan (1993), Boyle and Dwyer (1995) and Lin and Germain (1998). Managers respond on a 1 (very infrequently) to 5 (very frequently). The four-item scale from Thai-Japanese JV data had a Cronbach's alphas of 0.85. In the initial analysis in Thai-American JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.71. The four-item scale from Thai-European JV data had a Cronbach's alphas of 0.92. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

Competing Style is measured by a four-item scale. The items are adapted from Rahim (1983), Ganesan (1993), Boyle and Dwyer (1995) and Lin and Germain (1998). Managers respond on a 1 (very infrequently) to 5 (very frequently). The four-item scale from Thai-Japanese JV data had a Cronbach's alphas of 0.77. In the initial analysis in Thai-American JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.83. In the initial analysis in Thai-European JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.80. All Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987).

Avoiding Style is measured by a four-item scale. The items are adapted from Rahim (1983), Ruekert and Walker (1987) and Dyer and Song (1997). Managers respond on a 1 (very infrequently) to 5 (very frequently). The four-item scale from Thai-Japanese JV data had a Cronbach's alphas of 0.84. In the initial analysis in Thai-American JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.75. Two Cronbach's alphas indicate a strong level of reliability (Anderson and Coughlan 1987). In the initial analysis in Thai-European JV data, one item did not exhibit clean loadings and also loaded on the other components of communication. Thus, this item was dropped, and three items were retained. The remaining three items had a Cronbach's alpha of 0.68, indicating a reasonably strong level of reliability (Anderson and Coughlan 1987).

Control Variables

In testing the hypotheses, it was important to rule out alternative explanations for the findings. It was particularly important to establish that the independent variables were actually predictors of the satisfaction of the IJV performance. Although no specific hypotheses were developed for the effects of ownership level (proportion) and duration (length of operation), these were incorporated in the analysis as control variables. Percentage of share held by Thai partner was used for ownership proportion (25% = minimum ownership; 75% = maximum ownership) and number of year was used for duration.

Internal Consistency, Unidimensionality, Convergent and Discriminant Validity

Reliability analysis was conducted and Cronbach's alphas were computed. All scales exceeded 0.60 or above which exhibit favorable reliability and were considered reasonably good to further analysis (Cohen and Cohen 1983). Through this process, measures retained for the analysis exhibit favorable reliability (Churchill 1979). Therefore, all the multi-item scales used in the study show reasonable internal consistency.

A factor analysis was run to assess the factor structure. Significant loadings of items on intended constructs, and non-significant cross-loadings offers evidence for convergent and discriminant validity for these measures (Joreskog & Sorbom 1989). Through this process, the pattern of observed loadings for Thai-Japanese JV, Thai-American JV and Thai-European JV data indicates that the scales represent independent measures of the underlying construct, thus further supporting unidimensionality as well as convergent and discriminant validity of the scales (Churchill, 1979).

Preliminary Considerations

To study the relationship between behavioral characteristics and IJV performance satisfaction, a comprehensive regression paradigm was followed. The analysis consisted of (1) checking whether the regression assumptions were met and (2) investigating for the presence of multicollinearity, and (3) detecting outliers.

Three regression assumption—normality of residuals, homoscedasticity (that is, equality of variance) of the error terms, and zero mean of the error term—were tested. The normality assumption deals with the applicability of significance tests (the t-test and the F-test), while the assumptions of homoscedasticity and zero mean of the error term determine the applicability of the least-squares procedure (Pindyck and Rubinfeld 1981). A normal probability plot and a histogram of studentized residuals were conducted to determine whether the errors were normally distributed. The results show quite a strong support for the assumption that the error terms follow a normal distribution. A plot of the studentized residuals against the standardized predicted values for the IJV performance satisfaction data (the dependent variable) was performed to test the equal variance assumption. A random scatter pattern was found, which supports the assumption of equality of variance of the errors. The standardized residuals were then plotted against the standardized predicted values for the IJV performance satisfaction data to test whether the mean of the error terms was zero. The plots show a random distribution of residuals above and below the zero value, which suggests that the mean of the error term is zero. Based on these tests, the assumptions of normality of residuals, homoscedasticity, and zero mean of the error term are valid.

The presence of multicollinearity was then investigated. This occurs when two or more predictor variables are highly correlated. If multicollinearity is present, inefficient parameter estimates and unreliable results are obtained (Kmenta 1986). Correlation matrix were computed for the variables tested in each of the hypotheses (see Table 20-23).

Multicollinearity becomes concerned any time the absolute value of a simple correlation coefficient exceeds 0.80 (Studenmund 1997). An examination of the correlation matrix revealed that there might be concerned about multicollinearity in Thai-European JV data. Strong correlations were found between objective congruence and mutual trust ($r = 0.72$) and between participation and information sharing ($r = 0.77$). Test of simple correlation coefficients must also be considered to be sufficient but not necessary tests for multicollinearity (Studenmund 1997). Further investigation was performed, employing the “Variance Inflation Factor” test, or VIF (Wetherill 1986). The test generates a statistic which is the reciprocal of $1-R$ for some k^{th} explanatory variable that was regressed against the other predictor variables in the model. The higher the VIF value, the greater the multicollinearity; to establish that damaging multicollinearity is not present, the largest VIF value should not be greater than 10 (Wetherill 1986). The results show that the largest VIF value found in the present study was 2.70, indicating that multicollinearity is not present to a significant degree in the data.

Finally, the influence of outliers was investigated. The most basic diagnostic tool involves the residuals and identification of any outliers, that is, observations not predicted well by the regression equation which have large residuals. When residuals are standardized by dividing them by their standard deviation, a residual that is as much as three (or certainly, four) of these units in absolute size is reasonably considered an outlier (Cohen and Cohen 1983). In Thai-Japanese JV data, a test showed that observation number 62,79 and 80 had a significant influence upon three of the regression coefficients in compatibility and cooperation construct. In Pooled IJV data, a test showed that observation number 50 and 144 had a significant influence upon nine of the regression coefficients in compatibility, coordination and conflict resolution construct. Therefore, these outliers (observations) were deleted from the data.

CHAPTER 6

RESULTS

This chapter reports the results of the statistical findings from the previous chapter. Four theoretical perspectives of the motives for IJV formation are covered. Differences among Thai-Japanese, Thai-American and Thai-European JVs in factors contributing to IJV performance are found. Behavioral Characteristics correlated with IJV performance are included. Hypotheses are tested.

6.1 Motives for IJV Formation

The results in Table 24 confirms that four theoretical perspectives are the major motives for IJV formation. Under pool IJV executives' opinion, strategic behavior was the first most mentioned motives. Organizational knowledge and learning and resource dependence are the second and third most mentioned motive. Finally, transaction cost was the last mentioned motive for IJV formations.

Table 24 : Summary of the Results of Motives for IJV Formation.

Motives for IJV Formation	Pooled IJV (N = 153)		Thai-Japanese JV (N = 88)		Thai-American JV (N = 33)		Thai-European JV (N = 32)	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Transaction Cost	53	34.64%	31	35.23%	15	45.46%	7	21.88%
Strategic Behavior	96	62.75%	59	67.05%	19	57.58%	18	56.25%
Organizational Knowledge and Learning	85	55.56%	55	62.50%	20	60.61%	10	31.25%
Resource Dependence	69	45.10%	37	42.05%	17	51.52%	15	46.88%

Thai-Japanese JV and Thai-European JV executives considered strategic behavior as the first most mentioned motive. Organizational knowledge and learning was the first most mentioned motive for Thai-American JV. Thai-Japanese JV executives cited organizational knowledge and learning as the second most mentioned motive. While Thai-American JV executives named strategic behavior as their second most mentioned motive, Thai-European JV executives revealed resource dependence as their second most motive. Resource dependence had been mentioned by Thai-Japanese JV and Thai-American JV executives as their third mentioned motive. But the third mentioned motive for Thai-European JV executives was organizational knowledge and learning. Finally, transaction cost was the last mentioned motive for all IJV formations. All four theoretical perspectives had been cited for the motives for IJV formation.

6.2 Differences Among Thai-Japanese, Thai-American and Thai-European JVs in Factors Contributing to IJV Performance

To explore the differences among Thai-Japanese, Thai-American and Thai-European JV executives' perceptions of the importance factors contributing to IJV performance, post hoc methods in multivariate analysis of variance (MANOVA) were used. Post hoc

Table 25 : Summary of Post Hoc Comparison of Differences.

	Pooled IJV (N = 153) Mean	Thai-Japanese JV (N = 88) Mean	Thai-American IJ (N = 33) Mean	Thai-European IJ (N = 32) Mean	Post Hoc Comparison Significant Differences	
					Scheffe	Turkey HSD
Factors Contributing to IJV Success						
Partner Selection	4.46	4.44	4.55	4.41	No Difference	No Difference
Management Control	3.93	3.90	4.09	3.84	No Difference	No Difference
Compatibility						
Objective Congruence	3.87	3.84	3.91	3.92	No Difference	No Difference
Cultural Sensitivity	3.79	3.78	3.82	3.78	No Difference	No Difference
Mutual Trust	3.98	4.04	3.97	3.80	No Difference	No Difference
Cooperation						
Coordination	3.84	3.87	3.73	3.91	No Difference	No Difference
Commitment	3.80	3.98	3.12	3.98	TJ**, TE**>TA	TJ** TE**>TA
Interdependence	3.71	3.57	3.79	4.01	TE* > TJ	TE** > TJ
Communication						
Quality	3.85	3.87	3.86	3.78	No Difference	No Difference
Participation	3.73	3.74	3.59	3.85	No Difference	No Difference
Information Sharing	3.96	4.01	3.76	4.03	No Difference	No Difference
Conflict Resolution						
Collaborating	3.61	3.53	3.60	3.85	TE* > TJ	TE* > TJ
Compromising	3.58	3.59	3.40	3.70	No Difference	No Difference
Competing	2.67	2.80	2.37	2.65	TJ* > TA	TJ* > TA
Avoiding	3.10	3.19	3.09	2.89	No Difference	No Difference

* $p < 0.10$; ** $p < 0.05$; TJ = Thai-Japanese JV; TA = Thai-American JV; TE = Thai-European JV

procedures compare the means of the three groups to determine if the means are equal. If the result is equal, this means there is no significant difference among the groups. Scheffe's test which is the most conservative with respect to Type I error will be employed (Hair et al 1995). Turkey HSD difference will also be used to strengthen the result.

Two previous identified factors (partner selection and management control) were not significant difference at the 0.05 level. There was no difference in perceiving partner selection and management control as factors contributing to IJV performance among Thai-Japanese, Thai-American and Thai-European JV executives (see Table 25).

Of the thirteen behavioral characteristics tested, nine behavioral characteristics were not significant difference at the 0.05 level. Only commitment, interdependence, collaborating conflict resolution and avoiding conflict resolution were significant difference at least at 0.10 level. Thai-Japanese JV and Thai-European JV executives considered commitment as more important than did Thai-American JV executives (Scheffe, $p < 0.05$; Turkey HSD, $p < 0.05$). Commitment to IJV is highest in Thai-Japanese and Thai European JV, with Thai-American JV offering significantly less commitment. The high degree of commitment in the Thai-Japanese and Thai-European JV may reflect a desire to maintain a long term relationship in order to obtain the firm's competitive position, which is their first mentioned motive to form the IJV. In the Thai-American JV, the degree of commitment is still rather low, because Thai-American JV may reveal a need to maintain a relationship in a certain period of time in order to transfer or learning the knowledge, which is its first mentioned motive to form the IJV.

Thai-European JV executives considered interdependence as more important than did Thai-Japanese JV executives (Scheffe, $p < 0.10$; Turkey HSD, $p < 0.05$). The higher degree of interdependence in Thai-European JV may reflect a desire to maintain resources, which is its second mentioned motive to form the IJV. In the Thai-Japanese JV, the degree of interdependence is fairly low, because Thai-Japanese JV may reflect a lower desire to maintain resources, which is its third mentioned motive to form the IJV.

Thai-European JV executives regarded collaborating conflict resolution more highly than Thai-Japanese JV executives (Scheffe, $p < 0.10$; Turkey HSD, $p < 0.10$). The higher degree of collaborating conflict resolution in Thai-European JV may reflect a desire to solve the conflict in the win-win situation in order to increase satisfaction of partner with the concern of long term relationship in maintaining resources, which is its second mentioned motive to form the IJV. In the Thai-Japanese JV, the degree of collaborating conflict resolution is rather low, because Thai-Japanese JV may reflect a lower need to solve the conflict in the win-win situation in order to transfer or learning the knowledge in a certain period of time, which is its second mentioned motive to form the IJV.

Thai-Japanese JV executives considered competing conflict resolution as more important than did the Thai-American JV executives (Scheffe, $p < 0.10$; Turkey HSD, $p < 0.10$). The higher degree of competing conflict resolution in Thai-Japanese JV may reflect a desire to quickly solve the conflict in order to obtain the firm's competitive position, which is its first mentioned motive to form the IJV. In the Thai-American JV, the degree of competing conflict resolution is rather low, because Thai-American JV may reflect a lower need to quickly solve conflict in order to gradually transfer or learning the knowledge, which is its first mentioned motive to form the IJV.

6.3 Behavioral Characteristics Correlated with IJV Performance

Of the thirteen behavioral characteristics tested against each of the four performance measures in pooled IJV data, there were forty significant correlations. The strongest appeared with the satisfaction with partner relationship. The performance measure that extracted the largest number of correlated behavioral characteristics was satisfaction with partner relationship. Satisfaction with marketing performance and satisfaction with production performance had fairly similar results, that are, they were correlated with ten of the same behavioral characteristics, which were objectives congruence, cultural sensitivity, mutual trust, coordination, interdependence, communication quality, participation, information sharing, collaborating conflict resolution and compromising conflict resolution. Satisfaction with financial performance was correlated with nine of the same behavioral characteristics, which were objectives congruence, mutual trust, coordination, interdependence, communication quality, information sharing, collaborating conflict resolution and compromising conflict resolution. The results are reported in Table 26.

Satisfaction with partner relationship were found to correlate with all behavioral characteristics measured except for competing and avoiding conflict resolutions. However, few correlations were particularly weak. Moderate correlations were identified between satisfaction with partner relationship and all behavioral characteristics except cultural sensitivity and commitment, which were weakly correlated. Weak correlations were classified between satisfaction with marketing performance and satisfaction with production performance and all behavioral characteristics except commitment, competing and avoiding conflict resolutions, which were not significant correlated. Satisfaction with financial performance was weakly correlated with all behavioral characteristics except cultural sensitivity, participation, competing and avoiding conflict resolutions, which were not significant correlated.

Table 26 : Correlation Matrix of Behavioral Characteristics and Performance Measure for Pooled IJV and Thai-Japanese JV.

Behavioral Characteristics	Pooled IJV				Thai-Japanese JV			
	Satis with Fin. Perf.	Satis with Mkt.Perf.	Satis with Prod.Perf.	Satis with Part. Rel.	Satis with Fin. Perf.	Satis with Mkt.Perf.	Satis with Prod.Perf.	Satis with Part. Rel.
Objectives Congruence	.25**	.31**	.30**	.48**	–	.23*	.33**	.40**
Cultural Sensitivity	–	.16*	.17*	.27**	–	–	–	–
Mutual Trust	.25**	.36**	.36**	.54**	.27**	.32**	.40**	.51**
Coordination	.31**	.17**	.17**	.40**	.32**	–	.40**	.33**
Commitment	.22**	–	–	.32**	.51**	.21*	.50**	.52**
Interdependence	.27**	.19*	.19*	.48**	.33**	–	.40**	.43**
Quality	.20**	.27**	.27**	.50**	–	.29**	.36**	.53**
Participation	–	.24**	.28**	.46**	–	.23**	.45**	.42**
Information Sharing	.24**	.26**	.23**	.41**	–	.24*	.30**	.30**
Collaborating Conflict Resolution	.18*	.22**	.33**	.48**	–	–	.40**	.43**
Compromising Conflict Resolution	.16**	.22**	.23**	.48**	.24*	.27*	.40**	.55**
Competing Conflict Resolution	–	–	–	–	–	–	–	–
Avoiding Conflict Resolution	–	–	–	–	–	–	–	–

*p < 0.05; **p < 0.01 (two-tailed tests); – non significant

In Thai-Japanese JV data, of the thirteen behavioral characteristics tested against each of the four performance measures, there were thirty-two significant correlations. The strongest appeared with satisfaction with production performance and satisfaction with partner relationship. The performance measures that extracted the largest number of correlated behavioral characteristics were satisfaction with production performance and satisfaction with partner relationship. Satisfaction with marketing performance had fairly similar results, that is, it was correlated with seven of the same behavioral characteristics, which were objectives congruence, mutual trust, commitment, communication quality, participation, information sharing, and compromising conflict resolution. Satisfaction with financial performance was correlated with five of the same behavioral characteristics, which were mutual trust, coordination, commitment, interdependence and compromising conflict resolution. The results are reported in Table 26.

Satisfaction with production performance and satisfaction with partner relationship were found to correlate with all behavioral characteristics measured except for cultural sensitivity, competing and avoiding conflict resolution. However, few correlations were particularly weak. Moderate correlations were identified between satisfaction with partner relationship and all behavioral characteristics except coordination and information sharing, which were weakly correlated. Weak correlations were recognized between satisfaction with production performance and all behavioral characteristics except objective congruence, communication quality and information sharing, which were moderately correlated. Satisfaction with marketing performance was weakly correlated with all behavioral characteristics except cultural sensitivity, coordination, interdependence, collaborating conflict resolution, competing conflict resolution and avoiding conflict resolution, which

Table 27 : Correlation Matrix of Behavioral Characteristics and Performance Measure for Thai-American JV and Thai-European JV.

Behavioral Characteristics	Thai-American JV				Thai-European JV			
	Satis with Fin. Perf.	Satis with Mkt.Perf.	Satis with Prod.Perf.	Satis with Part. Rel.	Satis with Fin. Perf.	Satis with Mkt.Perf.	Satis with Prod.Perf.	Satis with Part. Rel.
Objectives Congruence	.47**	.55**	–	.66**	–	–	–	.50**
Cultural Sensitivity	.38*	.43*	–	.47**	–	.35*	–	.48**
Mutual Trust	.43**	.62**	.45**	.62**	–	–	–	.66**
Coordination	.62**	.70**	.41*	.73**	–	–	–	.48**
Commitment	–	–	–	–	–	–	–	.38**
Interdependence	.38*	.36*	.36*	.53**	–	–	–	.54**
Quality	.48**	.48**	.51**	.67**	–	–	–	.49**
Participation	–	.36*	–	.57**	–	–	–	.50**
Information Sharing	.38*	.39*	.38*	.57**	–	–	–	.63**
Collaborating Conflict Resolution	–	.47**	–	.60**	–	–	–	.43**
Compromising Conflict Resolution	–	–	–	.49**	–	–	–	–
Competing Conflict Resolution	–.40*	–.40*	–	–.42*	–	–	–	–
Avoiding Conflict Resolution	–	–	–	–	–	–	–	–

* $p < 0.05$; ** $p < 0.01$ (two-tailed tests); – non significant

were not significant correlated. Weak correlations were classified between satisfaction with financial performance and all behavioral characteristics except commitment, which was moderately correlated.

Of the thirteen behavioral characteristics tested against each of the four performance measures in Thai-American JV data, there were thirty-four significant correlations. The strongest appeared with satisfaction with partner relationship. The performance measures that extracted the largest number of correlated behavioral characteristics were satisfaction with partner relationship. Satisfaction with marketing performance had fairly similar results, that is, it was correlated with ten of the same behavioral characteristics, which were objectives congruence, cultural sensitivity, mutual trust, coordination, interdependence, communication quality, participation, information sharing, collaborating conflict resolution and competing conflict resolution.

Satisfaction with financial performance was correlated with eight of the same variables, which were objectives congruence, cultural sensitivity, mutual trust, coordination, interdependence, communication quality, information sharing and competing conflict resolution. Satisfaction with production performance was correlated with five of the same variables, which were mutual trust, coordination, interdependence, communication quality and information sharing. The results are reported in Table 27.

Satisfaction with partner relationship was found to correlate with all behavioral characteristics measured except for commitment and avoiding conflict resolution. However, only one correlation was particularly strong. Moderate correlations were identified between satisfaction with partner relationship and all behavioral characteristics except coordination, which was strongly correlated. Moderate correlations were recognized between satisfaction

with production performance and all behavioral characteristics except interdependence and information sharing, which were strongly correlated. Satisfaction with marketing performance was moderately correlated with all behavioral characteristics except coordination, which was strongly correlated, and interdependence, participation and information sharing which were weakly correlated. Moderate correlations were classified between satisfaction with financial performance and all behavioral characteristics except cultural sensitivity, interdependence and information sharing, which were moderately weakly correlate. Satisfaction with financial performance, satisfaction with marketing performance and satisfaction with partner relationships were all negatively correlated with competing conflict resolution.

In Thai-European JV data, of the thirteen behavioral characteristics tested against each of the four performance measures, there were only eleven significant correlations. The strongest appeared with satisfaction with partner relationship. The performance measures that extracted the largest number of correlated behavioral characteristics were satisfaction with partner relationship. Satisfaction with financial performance and satisfaction with production performance were not significantly correlated with any of the behavioral characteristics. Only satisfaction with marketing performance was correlated with mutual trust. The results are reported in Table 27.

Satisfaction with partner relationship was found to correlate with all behavioral characteristics measured except for three conflict resolution. Moderate correlations were identified between satisfaction with partner relationship and all behavioral characteristics except commitment, which was weakly correlated. Satisfaction with marketing performance was weakly correlate with mutual trust.

6.4 Behavioral Characteristics with IJV Performance

The hypotheses were tested using multiple regression analysis. Due to the small sample size, for each construct, the models were run separately for each of the dependent variables: satisfaction with financial performance, satisfaction with marketing performance, satisfaction with production performance and satisfaction with partner relationship. While conducting analyses in this fashion may result in an inflated Type 1 error rate, this approach is consistent with other research (e.g., Kohli 1989b; Mohr and Spekman 1994). As an additional precaution, the findings will be compared with a multivariate multiple regression approach (e.g., Sinha 1990). In deriving the prediction equations under multivariate multiple regression analysis, the correlations among the dependent variables were taken into account (Stevens 1996). The multivariate statistics were also reported with each hypothesis. The multivariate findings were significant for all thirteen hypotheses with univariate tests confirming those found with standard regression techniques, except for hypothesis 7 to 9 in Thai-European JV data, which Pillai's trace and Wilk's Lambda were not significant, and hypothesis 10 to 13 in Thai-American JV, which Pillai's trace was not significant, and Thai-European JV data, which Pillai's trace, Hotelling's trace and Wilk's Lambda were not significant.

6.4.1 Multivariate and Univariate Tests

(1) Hypothesis 1, 2 and 3

For hypothesis 1, 2 and 3, the multivariate test for pooled IJV, Thai-Japanese JV, Thai-American JV and Thai-European JV data were significant. Table 28 lists summary of multivariate regression analysis for H1, H2 and H3.

The multivariate test for pooled IJV data was significant at the 0.001 level (Pillai's trace = 3.62, $p < 0.001$; Hotelling's trace = 4.70, $p < 0.001$; Wilk's Lambda = 4.17, $p < 0.001$). The three compatibility characteristics explained 7% of the variance in satisfaction with financial performance, 15% of the variance in satisfaction with marketing performance, 10% of the variance in satisfaction with production performance and 34% of the variance in satisfaction with partner relationship respectively. The equations testing H1-H3 with satisfaction with financial performance, satisfaction with marketing performance, satisfaction with production performance and satisfaction with partner relationship were significant ($F = 3.41, p < 0.01$; $F = 6.38, p < 0.001$; $F = 4.19, p < 0.01$; $F = 16.65, p < 0.001$) for pooled IJV data.

The multivariate test for Thai-Japanese JV data was significant at the 0.01 level for Pillai's trace and at the 0.001 level for the rest (Pillai's trace = 2.42, $p < 0.01$; Hotelling's trace = 2.86, $p < 0.001$; Wilk's Lambda = 2.66, $p < 0.001$). The three compatibility characteristics explained 10% of the variance in satisfaction with financial performance, 14% of the variance in satisfaction with marketing performance, 16% of the variance in satisfaction with production performance and 32% of the variance in satisfaction with partner relationship respectively. The equations testing H1-H3 with satisfaction with financial performance, satisfaction with marketing performance, satisfaction with production performance and satisfaction with partner relationship were significant ($F = 2.90, p < 0.05$; $F = 3.80, p < 0.01$; $F = 4.30, p < 0.01$; $F = 8.94, p < 0.001$).

The multivariate test for Thai-American JV data was significant at the 0.05 level for Pillai's trace, at the .001 level for Hotelling's trace and at the 0.01 level for Wilk's Lambda (Pillai's trace = 1.70, $p < 0.01$; Hotelling's trace = 2.84, $p < 0.001$; Wilk's Lambda = 2.21, $p < 0.01$). The three compatibility characteristics explained 45% of the variance in satisfaction with marketing performance and 55% of the variance in satisfaction with partner relationship respectively. Only the equations testing H1-H3 with satisfaction with marketing performance and satisfaction with partner relationship were significant ($F = 6.26, p < 0.01$; $F = 8.93, p < 0.001$).

The multivariate test for Thai-European IJV data was significant at the 0.01 level for Hotelling's trace and at the 0.05 level for Pillai's trace and Wilk's Lambda (Pillai's trace = 1.87, $p < 0.05$; Hotelling's trace = 2.32, $p < 0.01$; Wilk's Lambda = 2.12, $p < 0.05$). The three compatibility characteristics explained 36% of the variance in satisfaction with partner relationship. Just the equation testing H1-H3 with satisfaction with partner relationship was significant ($F = 4.52, p < 0.01$).

Table 28 : Standardized Beta Coefficients from Multivariate Regression Analysis for H1, H2, and H3.

Dependent Variables with	Pooled IJV				Thai-Japanese JV				Thai-American JV				Thai-European JV			
	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with
	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.
Control Variables																
Duration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ownership Proportion	-0.14*	-	-	-	-0.19*	-	-	-	-	-	-	-	-	-	-	-
Independent Variables																
H1 : Objectives congruence	0.20**	0.15*	0.21**	0.30****	-	-	-	-	-	-	-	0.53***	-	-	-	-
H2 : Cultural Sensitivity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
H3 : Mutual Trust	0.20**	0.33****	0.21**	0.44****	0.37***	0.40***	0.35***	0.54****	-	0.55***	-	0.53***	-	-	-	0.62**
Degree of Freedom	5/145	5/145	5/145	5/145	5/79	5/79	5/79	5/79	5/27	5/27	5/27	5/27	5/26	5/26	5/26	5/26
R ² adjusted for df.	0.07	0.15	0.10	0.34	0.10	0.14	0.16	0.32	0.22	0.45	-	0.55	-	-	-	0.36
F value	3.41***	6.38****	4.19***	16.65****	2.90**	3.80***	4.30***	8.94****	2.79**	6.26***	-	8.93****	-	-	-	4.52***
Pillai's trace			3.62****				2.42***					1.70**			1.87**	
Hotelling's trace			4.70****				2.86****					2.84****			2.32****	
Wilk's Lambda			4.17****				2.66****					2.21****			2.12**	
VIF			1.64				1.51					1.92			2.70	

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; **** $p < 0.001$; - non significant

Table 29 : Standardized Beta Coefficients from Multivariate Regression Analysis for H4, H5, and H6.

Dependent Variables with	Pooled IJV				Thai-Japanese JV				Thai-American JV				Thai-European JV			
	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with	Satis with
	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.	Fin. Perf.	Mkt.Perf.	Prod.Perf.	Part. Rel.
Control Variables																
Duration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ownership Proportion	-0.13*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Variables																
H4 : Coordination	0.26***	-	0.24***	0.24***	-	-	-	-	0.68***	0.65***	-	0.67****	-	-	-	-
H5 : Commitment	-	-	-	0.13*	0.38***	0.31**	0.30***	0.39***	-	-	-	-	-	-	-	-
H6 : Interdependence	0.19**	0.22**	0.33****	0.41****	-	0.21*	0.26**	0.30***	-	-	-	-	-	-	-	0.41**
Degree of Freedom	5/145	5/145	5/145	5/145	5/79	5/79	5/79	5/79	5/27	5/27	5/27	5/27	5/26	5/26	5/26	5/26
R ² adjusted for df	0.14	0.06	0.17	0.32	0.26	0.11	0.28	0.33	0.36	0.45	0.15	0.50	-	-	-	0.31
F value	5.78****	2.89**	7.21****	15.15****	6.77****	2.97**	7.50****	9.20****	4.60***	6.20***	2.12*	7.33****	-	-	-	3.78**
Pillai's trace			3.97****				2.79****					1.82**			1.91**	
Hotelling's trace			5.01****				3.79****					2.75***			1.99**	
Wilk's Lambda			4.51****				3.29****					2.26***			1.99**	
VIF			1.26				1.57					1.81			2.70	

* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$; **** $p < 0.001$; - non significant

(2) Hypothesis 4, 5 and 6

For hypothesis 4, 5 and 6, the multivariate test for pooled IJV, Thai-Japanese JV, Thai-American JV and Thai-European JV data were significant. Table 29 lists summary of multivariate regression analysis for H4, H5 and H6.

The multivariate test for pooled IJV data was significant at the 0.001 level (Pillai's trace = 3.97, $p < 0.001$; Hotelling's trace = 5.01, $p < 0.001$; Wilk's Lambda = 4.51, $p < 0.001$). The three coordination attributes explained 14% of the variance in satisfaction with financial performance, 6% of the variance in satisfaction with marketing performance, 17% of the variance in satisfaction with production performance and 32% of the variance in satisfaction with partner relationship respectively. The equations testing H4-H6 with satisfaction with financial performance, satisfaction with marketing performance, satisfaction with production performance and satisfaction with partner relationship were significant ($F = 5.85, p < 0.001$; $F = 2.89, p < 0.05$; $F = 7.21, p < 0.001$; $F = 15.15, p < 0.001$).

The multivariate test for Thai-Japanese JV data was significant at the 0.001 level (Pillai's trace = 2.79, $p < 0.001$; Hotelling's trace = 3.79, $p < 0.001$; Wilk's Lambda = 3.29, $p < 0.001$). The three coordination attributes explained 26% of the variance in satisfaction with financial performance, 11% of the variance in satisfaction with marketing performance, 28% of the variance in satisfaction with production performance and 33% of the variance in satisfaction with partner relationship respectively. The equations testing H4-H6 with satisfaction with financial performance, satisfaction with marketing performance, satisfaction with production performance and satisfaction with partner relationship were also significant ($F = 6.77, p < 0.001$; $F = 2.97, p < 0.05$; $F = 7.50, p < 0.001$; $F = 9.20, p < 0.001$).

The multivariate test for Thai-American JV data was significant at the 0.05 level for Pillai's trace and at the 0.01 level for Hotelling's trace and Wilk's Lambda (Pillai's trace = 1.82, $p < 0.05$; Hotelling's trace = 2.75, $p < 0.01$; Wilk's Lambda = 2.26, $p < 0.01$). The three coordination attributes explained 36% of the variance in satisfaction with financial performance, 45% of the variance in satisfaction with marketing performance and 50% of the variance in satisfaction with partner relationship respectively. The equations testing H4-H6 with satisfaction with financial performance, satisfaction with marketing performance, and satisfaction with partner relationship were significant ($F = 4.60, p < 0.01$; $F = 6.20, p < 0.01$; $F = 7.33, p < 0.001$).

The multivariate test for Thai-European JV data was significant at the 0.05 level (Pillai's trace = 1.91, $p < 0.05$; Hotelling's trace = 1.99, $p < 0.05$; Wilk's Lambda = 1.99, $p < 0.05$). The three coordination attributes explained 31% of the variance in satisfaction with partner relationship respectively. Only the equation testing H4-H6 with satisfaction with partner relationship was significant ($F = 3.78, p < 0.05$).

(3) Hypothesis 7, 8 and 9

For hypothesis 7, 8 and 9, only the multivariate test for pooled IJV, Thai-Japanese JV and Thai-American JV were significant. Table 30 lists summary of multivariate regression analysis for H7, H8 and H9.

The multivariate test for pooled IJV data was significant at the 0.001 level (Pillai's trace = 3.48, $p < 0.001$; Hotelling's trace = 4.26, $p < 0.001$; Wilk's Lambda = 3.88, $p < 0.001$). The three communication behaviors explained 5% of the variance in satisfaction with financial performance, 9% of the variance in satisfaction with production performance and 31% of the variance in satisfaction with partner relationship respectively. The equations testing H7-H9 with satisfaction with financial performance, satisfaction with production performance and satisfaction with partner relationship were significant ($F = 2.72, p < 0.05$; $F = 3.81, p < 0.01$; $F = 14.60, p < 0.001$).

The multivariate test for Thai-Japanese JV data was significant at the 0.01 level for Pillai's trace and at the 0.001 level for Hotelling's trace and Wilk's Lambda (Pillai's trace = 2.45, $p < 0.01$; Hotelling's trace = 2.91, $p < 0.001$; Wilk's Lambda = 2.69, $p < 0.001$). The three communication behaviors explained 6% of the variance in satisfaction with financial performance, 20% of the variance in satisfaction with production performance and 30% of the variance in satisfaction with partner relationship respectively. The equations testing H7-H9 with satisfaction with financial performance, satisfaction with production performance and satisfaction with partner relationship were significant ($F = 1.98, p < 0.10$; $F = 5.15, p < 0.001$; $F = 8.16, p < 0.001$).

The multivariate test for Thai-American JV data was significant at the 0.01 level for Hotelling's trace, at the 0.05 level for Pillai's trace and Wilk's Lambda (Pillai's trace = 1.80, $p < 0.05$; Hotelling's trace = 2.34, $p < 0.01$; Wilk's Lambda = 2.08, $p < 0.05$). The three communication behaviors explained 18% of the variance in satisfaction with financial performance, 30% of the variance in satisfaction with marketing performance, 21% of the variance in satisfaction with production performance and 52% of the variance in satisfaction with partner relationship respectively. The equations testing H7-H9 with satisfaction with financial performance, satisfaction with marketing performance, satisfaction with production performance and satisfaction with partner relationship were significant ($F = 2.41, p < 0.10$; $F = 3.70, p < 0.05$; $F = 2.72, p < 0.05$; $F = 7.87, p < 0.001$).

Although Hotelling's trace in Thai-European JV data was significant at 0.10 level (Hotelling's trace = 1.55, $p < 0.10$), but the other two measures (Pillai's trace and Wilk's Lambda) were not significant. Therefore, the multivariate test then was considered not significant. The equations testing H7-H9 with all satisfaction performances were correspondingly not significant.

(4) Hypothesis 10, 11, 12 and 13

For hypothesis 10, 11, 12 and 13, only the multivariate test for pooled IJV and Thai-Japanese JV were significant. Table 31 lists summary of multivariate regression analysis for H10, H11, H12 and H13.

The multivariate test for pooled IJV data was significant at the 0.001 level (Pillai's trace = 2.84, $p < 0.001$; Hotelling's trace = 3.37, $p < 0.001$; Wilk's Lambda = 3.11, $p < 0.001$). The four conflict resolution styles explained 10% of the variance in satisfaction with production performance and 29% of the variance in satisfaction with partner relationship respectively. The equations testing H10-H13 with satisfaction with production performance and satisfaction with partner relationship were significant ($F = 3.69$, $p < 0.01$; $F = 11.03$, $p < 0.001$).

The multivariate test for Thai-Japanese JV data was significant at the 0.001 level (Pillai's trace = 2.41, $p < 0.001$; Hotelling's trace = 2.97, $p < 0.001$; Wilk's Lambda = 2.69, $p < 0.001$). The four conflict resolution styles explained 8% of the variance in satisfaction with financial performance, 18% of the variance in satisfaction with production performance and 30% of the variance in satisfaction with partner relationship respectively. The equations testing H10-H13 with satisfaction with financial performance, satisfaction with production performance and satisfaction with partner relationship were significant ($F = 2.23$, $p < 0.05$; $F = 3.98$, $p < 0.01$; $F = 7.11$, $p < 0.001$).

Although Hotelling's trace and Wilk's Lambda in Thai-American JV data were significant at 0.05 and 0.10 level (Hotelling's trace = 1.60, $p < 0.05$; Wilk's Lambda = 1.51, $p < 0.10$), but Pillai's trace was not significant. The multivariate test then was considered not significant. The equations testing H10-H13 with all satisfaction performances were correspondingly not significant.

All of the statistics for multivariate test for Thai-European JV data were not significant (Pillai's trace, Hotelling's trace and Wilk's Lambda). The equations testing H10-H13 with satisfaction with all performance were also not significant.

6.4.2 Hypothesis Tests

Hypothesis 1

As Table 28 shows, objectives congruence had a significant positive impact on satisfaction with financial performance ($p < 0.05$), satisfaction with marketing performance ($p < 0.10$), satisfaction with production performance ($p < 0.05$) and satisfaction with partner relationship ($p < 0.001$) in pooled IJV data.

H1 : The higher degree of objectives congruence between partners is, the higher degree it is likely that IJV will be satisfied.

Thus, the null hypothesis is rejected. H1 receives support from pooled IJV data.

Objectives congruence also had a significant positive impact on satisfaction with partner relationship ($p < 0.01$) in Thai-American JV data. H1 then receives partial support

from Thai-American JV data. Objectives congruence had no significant impact on the satisfaction with all performances in Thai-Japanese JV and Thai-European JV data. H1 receives no support from Thai-Japanese JV and Thai-European JV.

Hypothesis 2

As Table 28 shows, cultural sensitivity had no significant impact on any of the four satisfaction in pooled IJV data.

H2 : The higher degree of cultural sensitivity between partners is, the higher degree it is likely that IJV will be satisfied.

Hence, the null hypothesis is failed to reject. H2 receives no support from pooled IJV data.

Cultural sensitivity also had no significant impact on any of the four satisfaction in Thai-Japanese JV, Thai-American JV and Thai-European JV data . H2 then receives no support from Thai-Japanese JV, Thai-American JV and Thai-European JV data.

Hypothesis 3

Table 28 shows that mutual trust had a significant positive impact on the satisfaction with financial performance ($p < 0.05$), satisfaction with marketing performance ($p < 0.01$), satisfaction with production performance ($p < 0.05$) and satisfaction with partner relationship ($p < 0.001$) in pooled IJV data.

H3 : The higher degree of mutual trust between partners is, the higher degree it is likely that IJV will be satisfied.

Therefore, the null hypothesis is rejected. H3 receives support from pooled IJV data.

Mutual trust also had a significant positive impact on the satisfaction with financial performance ($p < 0.01$), satisfaction with marketing performance ($p < 0.01$), satisfaction with production performance ($p < 0.01$) and satisfaction with partner relationship ($p < 0.001$) in Thai-Japanese JV data. H3 then receives support from Thai-Japanese JV data. In Thai-American JV data, mutual trust further had a significant positive impact on the satisfaction with marketing performance ($p < 0.01$) and satisfaction with partner relationship ($p < 0.01$). H3 thereupon receives partial support from Thai-American JV data. Mutual trust corresponding had a significant positive impact on the satisfaction with partner relationship in Thai-European JV data ($p < 0.05$). H3 therewith receives partial support from Thai-European JV data.

Hypothesis 4

Table 29 shows that coordination had a significant positive impact on the satisfaction with financial performance ($p < 0.01$), satisfaction with production performance ($p < 0.01$) and satisfaction with partner relationship ($p < 0.01$) in pooled IJV data.

H4 : The higher degree of coordination between partners is, the higher degree it is likely that IJV will be satisfied.

Thus, the null hypothesis is enough to reject. H4 receives partial support from pooled IJV data.

Coordination also had a significant positive impact on the satisfaction with financial performance ($p < 0.01$), satisfaction with marketing performance ($p < 0.01$) and satisfaction with partner relationship ($p < 0.001$) in Thai-American JV data. H4 then receives partial support from Thai-American JV data. Coordination had no significant impact on the satisfaction with all performances in Thai-Japanese JV and Thai-European JV data. H4 receives no support from Thai-Japanese JV and Thai-European JV.

Hypothesis 5

Table 29 shows that commitment had a significant positive impact on the satisfaction with partner relationship ($p < 0.10$) in pooled IJV data.

H5 : The higher degree of commitment between partners is, the higher degree it is likely that IJV will be satisfied.

Hence, the null hypothesis is enough to reject. H5 receives partial support from pooled IJV data.

Commitment also had a significant positive impact on the satisfaction with financial performance ($p < 0.01$), satisfaction with marketing performance ($p < 0.05$), satisfaction with production performance ($p < 0.01$) and satisfaction with partner relationship ($p < 0.01$) in Thai-Japanese JV data. H5 then receives support from Thai-Japanese JV data. Commitment had no significant impact on the satisfaction with all performances in Thai-American JV and Thai-European JV data. H5 receives no support from Thai-American JV and Thai-European JV.

Hypothesis 6

Table 29 shows that interdependence had a significant positive impact on the satisfaction with financial performance ($p < 0.05$), satisfaction with marketing performance ($p < 0.05$), satisfaction with production performance ($p < 0.001$) and satisfaction with partner relationship ($p < 0.001$) in pooled IJV data.

H6 : The higher degree of interdependence between partners is, the higher degree it is likely that IJV will be satisfied.

Therefore, the null hypothesis is rejected. H6 receives support from pooled IJV data.

Interdependence also had a significant positive impact on the satisfaction with marketing performance ($p < 0.10$), satisfaction with production performance ($p < 0.05$) and satisfaction with partner relationship ($p < 0.01$) in Thai-Japanese JV data. H6 then receives partial support from Thai-Japanese JV data. Interdependence further a significant positive impact on the satisfaction with partner relationship ($p < 0.05$) in Thai-European JV data. H6

thereupon receives partial support from Thai-European JV data. Interdependence had no significant impact on the satisfaction with all performances in Thai-American JV data. H6 receives no support from Thai-American JV data.

Hypothesis 7

Table 30 shows that communication quality had a significant positive impact on the satisfaction with production performance ($p < 0.10$) and satisfaction with partner relationship ($p < 0.001$) in pooled IJV data.

H7 : The higher degree of communication quality between partners is, the higher degree it is likely that IJV will be satisfied.

Thus, the null hypothesis is enough to reject. H7 receives partial support from pooled IJV data.

Communication quality also had a significant positive impact on the satisfaction with production performance ($p < 0.10$) and satisfaction with partner relationship ($p < 0.001$) in Thai-Japanese JV data. H7 then receives partial support from Thai-Japanese JV data. In Thai-American JV data, communication quality further a significant positive impact on the satisfaction with financial performance ($p < 0.10$), satisfaction with marketing performance ($p < 0.10$), satisfaction with production performance ($p < 0.05$) and satisfaction with partner relationship ($p < 0.01$). H7 therewith receives support from Thai-American JV data. Communication quality had no significant impact on the satisfaction with all performances in Thai-European JV data. H7 receives no support from Thai-European JV data.

Hypothesis 8

Table 30 shows that participation had a significant positive impact on the satisfaction with production performance ($p < 0.10$) and satisfaction with partner relationship ($p < 0.01$) in pooled IJV data.

H8 : The higher degree of participation between partners is, the higher degree it is likely that IJV will be satisfied.

Hence, the null hypothesis is enough to reject. H8 receives partial support from pooled IJV data.

Participation also had a significant positive impact on the satisfaction with production performance ($p < 0.01$) and satisfaction with partner relationship ($p < 0.01$) in Thai-Japanese JV data. H8 then receives partial support from Thai-Japanese JV data. Participation had no significant impact on the satisfaction with all performances in Thai-American JV and Thai-European JV data. H8 receives no support from Thai-American JV and Thai-European JV data.

Hypothesis 9

Table 30 shows that information sharing had a significant positive impact on the satisfaction with financial performance ($p < 0.05$) and satisfaction with partner relationship

($p < 0.05$) in pooled IJV data.

H9 : The higher degree of information sharing between partners is, the higher degree it is likely that IJV will be satisfied.

Therefore, the null hypothesis is enough to reject. H9 receives partial support from pooled IJV data.

Information sharing also had a significant positive impact on the satisfaction with financial performance ($p < 0.10$) in Thai-Japanese JV data. H9 then receives partial support from Thai-Japanese JV data. Information sharing further had a positive impact on the satisfaction with partner relationship in Thai-American JV data ($p < 0.10$). H9 therewith receives partial support from Thai-American JV data. Information sharing had no significant impact on the satisfaction with all performances in Thai-European JV data. H9 receives no support from Thai-European JV data.

Hypothesis 10

As Table 31 shows, collaborating conflict resolution style had a significant positive impact on the satisfaction with production performance ($p < 0.01$) and satisfaction with partner relationship ($p < 0.01$) in pooled IJV data.

H10 : Collaborating conflict resolution style is positively related to IJV satisfaction.

Thus, the null hypothesis is enough to reject. H10 receives partial support from pooled IJV data.

Collaborating conflict resolution style also had a significant positive impact on the satisfaction with production performance ($p < 0.10$) in Thai-Japanese JV data. H10 then receives partial support from Thai-Japanese JV data. Collaborating conflict resolution style had no significant impact on the satisfaction with all performances in Thai-American JV and Thai-European JV data. H10 receives no support from Thai-American JV and Thai-European JV data.

Hypothesis 11

As Table 31 shows that compromising conflict resolution style had a significant positive impact on the satisfaction with partner relationship ($p < 0.001$) in pooled IJV data.

H11 : Compromising conflict resolution style is positively related to IJV satisfaction.

Hence, the null hypothesis is enough to reject. H11 receives partial support from pooled IJV.

Compromising conflict resolution style also had a significant positive impact on the satisfaction with financial performance ($p < 0.10$), satisfaction with production performance ($p < 0.05$) and satisfaction with partner relationship ($p < 0.001$) in Thai-Japanese JV data. H11 then receives partial support from Thai-Japanese JV data. Compromising conflict

resolution style had no significant impact on the satisfaction with all performances in Thai-American JV and Thai-European JV data. H11 receives no support from Thai-American JV and Thai-European JV data.

Hypothesis 12

As Table 31 shows that competing conflict resolution style had no significant impact on the satisfaction with all performances in pooled IJV data.

H12 : Competing conflict resolution style is negatively related to IJV satisfaction.

Therefore, the null hypothesis is failed to reject. H12 receives no support from pooled IJV data.

Competing conflict resolution style also had no significant impact on the satisfaction with all performances in Thai-Japanese JV, Thai-American JV and Thai-European JV data. H12 then receives no support from Thai-Japanese JV, Thai-American JV and Thai-European JV data.

Hypothesis 13

As Table 31 shows that avoiding conflict resolution style had no significant impact on the satisfaction with all performances in pooled IJV data.

H13 : Avoiding conflict resolution style is negatively related to IJV satisfaction.

Consequently, the null hypothesis is failed to reject. H13 receives no support from pooled IJV data.

Avoiding conflict resolution style also had no significant impact on the satisfaction with all performances in Thai-Japanese JV, Thai-American JV and Thai-European JV data. H13 then receives no support from Thai-Japanese JV, Thai-American JV and Thai-European JV data.

CHAPTER 7

DISCUSSION, CONCLUSIONS AND IMPLICATIONS

This chapter provides the discussion and conclusions of the findings. Implications for theory and research, managers and government are implied. Limitations of the study are indicated. Future research is suggested.

7.1 Discussion

Motives for IJV Formation

Four theoretical motives for IJV formation were tested to determine differences among IJV executives perceptions of the frequent mention of each. For the pooled IJV data, strategic behavior is the most important motive to set up the IJV in Thailand. Maximizing profit by improving a firm's competitive position vis-a-vis rivals is currently the critical issue. Thailand's fast industrialization and GDP growth have made it a target for foreign MNCs seeking new customers to form IJVs. The local market is also relatively large, with a population of over sixty million. Thailand is also increasingly becoming both an arena, as foreign MNCs contest over its domestic market, and a platform area, as foreign MNCs employ its location, its cheap labor, and resources as a stage to regional and global markets. Foreign MNCs have broadening included Thailand in their regional distribution systems because of its strategic location as a gateway to the newly emerging neighboring economies of Vietnam, Laos, Myanmar, and Cambodia.

The next significant motive for establishing the IJV is the organizational knowledge and learning issue. Foreign MNCs observe Thailand less and less as a isolate market. A regional view prevails and, therefore, operations in Thailand are becoming increasingly linked with those in other countries. Foreign MNCs are making significant efforts to upgrade management or manufacturing knowledge and skills, which are difficult to transfer, to their subsidiaries in Thailand. IJV then is viewed as a means by which parent's firms learn or seek to retain their capabilities. Therefore, IJV has been applied by parent's firms as the vehicle to transfer these tacit knowledge.

Resource dependence has been mentioned as the third substantial motive for forming the IJV. Parent's firms view IJV as a means by which they acquire resources in order to survive in their environment. Thailand is also becoming an important part of globally interdependent business systems, and hence, global competitive battles. Foreign MNCs, Japanese in particular, have set up the IJVs in order to employ Thailand as a production and export platform to compete internationally and to bypass some trade protection measures of its trading partners. For example, in the consumer electronics industry, Japanese manufacturers exported to the United States through their Thai subsidiaries to bypass the Voluntary Export Restraint Quotas affecting U.S./Japan trade.

The transaction cost motive is the last mentioned motive for arranging the IJV. IJV is organized in order to minimizing the sum of production and transaction costs. Thailand is a global source for customers seeking cheap labor or material inputs. Thailand is rich in natural resources and is a major source for agricultural products. Thailand also has an

abundant supply of low-skilled labor with high participation rates in the work force. At the same time, the Thailand is the most developed in Southeast Asia, making for a relatively reliable work environment. In consequence, foreign companies set up the IJVs in order to use Thailand as a production base in labor intensive and light industries to serve their regional networks.

Four theoretical motives for IJV formation were also tested to determine differences among Thai-Japanese JV, Thai-American JV and Thai-European JV executives perceptions of the frequent citation of each. Strategic behavior motive had been mentioned by Thai-Japanese JV and Thai-European JV executives as the most important motive for establishing joint venture in Thailand. While the organizational knowledge and learning motive had been identified by Thai-Japanese JV executives as the next most important motive for starting joint venture in Thailand, Thai-European JV executives revealed resource dependence as their second most important motive. However, Thai-American JV executives perceived organizational knowledge and learning as their first important motive and strategic behavior as the second important motive. All IJV executives considered resource dependence and transaction cost to be the third and fourth important motives.

Differences in Perception of importance of Behavioral Characteristics

Two factors contributing to IJV success and thirteen behavioral characteristics were tested to determine differences among Thai-Japanese, Thai-American and Thai-European JV executives perceptions of the importance of each. There were no distinct differences between the three groups of executives in their perceptions of the importance of partner selection criteria, management control, objective congruence, cultural sensitivity, mutual trust, coordination, communication quality, participation, information sharing, compromising and avoiding conflict resolution. Only commitment, interdependence, collaborating and competing conflict resolution were statistically significant.

There were two distinct differences among the three groups of executives in their attitude toward the importance of cooperative behavior. Thai-Japanese and Thai-European JV executives perceived commitment to be more significant than did Thai-American JV executives. Both Thai-Japanese and Thai-European JV executives considered strategic behavior as their most important motive to form IJV. The benefit from this motive is the increment asset value of the parent's firm. Therefore, there is a need to put the effort to maintain the long term relationship with the partners. Commitment is a belief in and acceptance of organizational goals and values, a willingness to exert effort to ward organizational goal accomplishment, and a strong desire to maintain organizational membership (Mowday, Steers and Porter 1979 and Mowday, Porter and Steers 1982). Commitment is then the essential ingredient for satisfactory long-term relationships in Thai-Japanese and Thai-European JV. Thai-Japanese and Thai-European JV executives are more likely to believe that an ongoing relationship with another is so important as to be worth working on to ensure that it endures indefinitely. Thus, they would be expected to tolerate more commitment. In Thai-American JV, the degree of commitment is lower. Since Thai-American JV executives considered organizational knowledge and learning as their most important motive to form IJV. Thai-American JV executives may perceive a need to maintain a relationship in only a certain period of time in order to transfer or learning the knowledge. The degree of commitment is therefore rather low.

Thai-European JV executives perceived interdependence to be more important than did the Thai-Japanese JV executives. Thai-European JV executives considered resource dependence as their second most important motive to form IJV. Resource dependence motivation explanations view JV as a means by which firms acquire resources in order to survive in their environments. Interdependence will be present when the need for cooperation among partners arises (Schelling 1960). Consequently, the higher degree of interdependence in Thai-European JV reflects a desire to maintain long term resources. While in Thai-Japanese JV, the degree of interdependence is lower, due to the fact that Thai-Japanese JV executives considered resource dependence as their third most important motive to form IJV.

Another two substantial differences among the three groups were found in the perceptions of the importance of conflict resolution techniques, except for compromising and avoiding. Thai-European JV executives were somewhat more likely to accept collaborating style to resolve conflicts than did the Thai-Japanese JV executives. Thai-European JV executives considered resource dependence as their second most important motive to form IJV. IJV is viewed by resource dependence motivation explanations as a means by which firms acquire resources in order to survive in their environments. The higher degree of collaborating conflict resolution in Thai-European JV reflects a desire to solve the conflict in the win-win situation in order to increase satisfaction of partner with the concern of long term relationship in maintaining resources. Thai-European JV executives are more likely to spend the time trying to maximize the interests of both partners in a “win-win” approach. While Thai-Japanese JV executives considered resource dependence as their third most important motive to form IJV, the degree of collaborating conflict resolution is then lower. Thai-Japanese JV reflects a lower need to solve the conflict in the win-win situation which is very time consuming. Hence, the degree of collaborating conflict resolution is rather low.

Thai-Japanese JV executives were somewhat more likely to accept competing style to resolve conflicts than did the Thai-American JV executives. Thai-Japanese JV executives considered strategic behavior as their most important motive to form IJV. The benefit from this motive is the increment asset value of the parent’s firm. Therefore, there is a need to solve the conflict in no time in order to get the things done in their way for ensuring the total benefits of the parent’s firm. Competing conflict resolution style involves high interest in self and low interest in others, therefore little time is needed to interact with others. Thai-Japanese JV executives are likely to minimize information exchange in order to solve short-term difficulties. The higher degree of competing conflict resolution in Thai-Japanese JV reflects a desire to quickly solve the conflict in order to ensure the firm’s competitive position. While Thai-American JV executives considered organizational knowledge and learning as their most important motive to form IJV, the degree of competing conflict resolution is then lower. There is less need to quickly solve conflict in transfer or learning the knowledge. Therefore, the degree of competing conflict resolution is rather low.

Behavioral Characteristics with Performance Measures

Thirteen research hypotheses were tested to measure the strength of the relationships between each of the four groups of behavioral characteristics—compatibility characteristics, cooperative attributes, communication behaviors, and conflict resolution styles—with each of four performance measures—satisfaction with financial performance, satisfaction with

Table 32 : Summary of Hypothesis Tests Results

Hypotheses	Pooled IJV	Thai-Japanese JV	Thai-American JV	Thai-European JV
<u>Compatibility</u>				
H1 : Objectives Congruence	Support	—	Partial Support	—
H2 : Cultural Sensitivity	—	—	—	—
H3 : Mutual Trust	Support	Support	Partial Support	Partial Support
<u>Cooperation</u>				
H4 : Coordination	Partial Support	—	Partial Support	—
H5 : Commitment	Partial Support	Support	—	—
H6 : Interdependence	Support	Partial Support	—	Partial Support
<u>Communication</u>				
H7 : Quality	Partial Support	Partial Support	Support	—
H8 : Participation	Partial Support	Partial Support	—	—
H9 : Information Sharing	Partial Support	Partial Support	Partial Support	—
<u>Conflict Resolution</u>				
H10 : Collaborating	Partial Support	Partial Support	—	—
H11 : Compromising	Partial Support	Partial Support	—	—
H12 : Competing	—	—	—	—
H13 : Avoiding	—	—	—	—

marketing performance, satisfaction with production performance and satisfaction with partner relationship. The four groups of behavioral characteristics were supported, although to varying degrees, regarding their effect on performance measures.

The following variables were found to be significant in predicting the IJV performance : objectives congruence, mutual trust, coordination, commitment, interdependence, communication quality, participation, information sharing, collaborating conflict resolution and compromising conflict resolution. This research suggests that as these variables are present in greater amounts, the performance of the IJV is likely to be higher. Cultural sensitivity, competing conflict resolution and avoiding conflict resolution were found not to be predictors of IJV performance. Table 32 summarized the results of all hypothesis tests.

The finding for ***objectives congruence*** as a predictor of IJV performance is similar to other findings on objectives and performance relationships. Dymsha (1988) suggests in his study of the failure of joint ventures in developing countries that significant differences in major objectives of partners is one of the key factors in failures of joint ventures. IJVs that fail may have significant differences in their objectives with respect to the business. Since partners in a joint venture can have a number of different objectives depending upon the size and type of companies involved; their particular business, industry, and products; their international and other experience; and many other factors. The study of objectives and the selection of strategies in Bourgeois (1980) also implies that higher performance is associated with those firms in which managers have reached agreement about the strategy and objectives of the organization. Swierczek (1994a,b) also proposes that a critical success factor for IJVs has been the mutuality of objectives between the partners. An effective IJV requires the partners to agree as to their fundamental objectives (Webster 1989).

An IJV is much more likely to be the result of a number of different motives, which means that expectations are complex. This is one of the main reasons why it is critical for IJV management to clarify its objectives. All those involved should know from the beginning what objectives the partner organizations are engaging and what expectations they have of the new IJV. Those expectations and objectives which led to the creation of the IJV

influence the structuring of the organization. They also make up the only rational measures for evaluating the success or failure of the IJV at a later stage. The different partners in an IJV may be pursuing different aims. Discussion and analysis of objectives can therefore help to disclose hidden objective conflicts, and make it possible to the parties to find a compromise before the conflicts become apparent and put the whole IJV in danger.

Generally an IJV is formed with some consideration of an overarching motive or objective : the IJV may perform as means of minimizing manufacturing cost (transaction cost theory), as mode of improving competitive position (strategic behavior theory), as mechanism of transferring technology (organizational knowledge and learning theory), or as way of acquiring resource (resource dependence). This study has demonstrated that the establishment of congruity in objectives has a positive impact on the performance of the IJV. The higher degree of objectives congruence between partners is, the higher degree it is likely that IJV will be satisfied.

The strong, consistent find for mutual trust as a predictor of IJV performance is also conforming with arising research on partnering relationships. Mohr and Spekman (1994) suggest in their investigation of vertical partnerships between manufacturers and dealers that high levels of mutual trust are associated with satisfaction with profits. Anderson and Narus (1990) and Anderson and Weitz (1992) suggest that mutual trust is important in soothing a partner's fear of opportunistic behavior. Bradach and Eccles (1989) propose that due to IJVs include two or more firms that try to equalize individual gains with joint partnership performance, without trust there is a strong chance that a partner would sacrifice joint goals in favor of individual benefits, especially when such behavior is not transparent to the other firm. But if trust is in place, such opportunistic behavior is unlikely: partners will pass up short-term individual gains in favor of the long-term interests of the IJV (Axelrod 1986; Beamish and Banks 1987; Stichcombe 1986).

Mutual trust is also a source of confidence in partner cooperation (Ring and Van de Ven 1992). Organizations develop close bonds over time and form a positive attitude regarding each other's reliability. A certain minimum level of mutual trust is indispensable for any JV to be formed and to function. As arguing by Arrow (1973), virtually every commercial transaction has within itself an element of trust, which is certainly true of any transaction conducted over a period of tie. Because it is impossible to monitor every detail in most exchanges, firms must always have a minimum level of mutual trust. Mutual trust is especially valuable in JVs because, in varying degrees, firms have to rely on their partners' performance and themselves remain vulnerable to partners' actions (Kumar 1996). This study has verified that the establishment of mutual trust has a positive impact on the performance of the IJV. The higher degree of mutual trust between partners is, the higher degree it is likely that IJV will be satisfied.

This study indicates that cooperative behaviors has an impact on performance satisfaction. The finding for coordination as a predictor of IJV performance is related to other findings on closer business relationships. Frazier et al. (1988) suggest in their study of Just-in-Time relationships that high levels of coordination are associated with mutually fulfilled expectations. Mohr and Spekman (1994) indicate in their investigation of vertical partnerships between manufacturers and dealers that high levels of coordination are associated with satisfaction with manufacturing support and dyadic sales.

Coordination is related to boundary definition and reflects the set of tasks each partner expects the other to perform (Mohr and Spekman 1994). The satisfactory IJV working cooperation is characterized by coordinated behaviors aimed at mutual objectives that are harmonious across organizations (Narus and Anderson 1987). This study has confirmed that the establishment of coordination has a positive impact on the performance of the IJV. The higher degree of coordination between partners is, the higher degree it is likely that IJV will be satisfied.

The finding for ***commitment*** as a predictor of IJV performance is also conforming with the research on partnering relationships. Mohr and Spekman (1994) suggest in their research of vertical partnerships between manufacturers and dealers that high levels of commitment are associated with satisfaction with manufacturing support and dyadic sales. In the study of strategic alliance success factors, Olson and Singsuwan (1997) find that high in levels of mutual commitment experiences high performance of ROI and market share.

Julian and Ramaseshan (1999) also suggest that commitment is one of the factors influencing the marketing performance of IJVs in Thailand. Several studies of IJVs (such as Beamish 1988; Buckley and Casson 1988; Peterson and Shimada 1978; Sullivan and Peterson 1982) have found the establishment of commitment between IJV partners to be an important determinant of perceived IJV satisfactory performance. Both conceptual and empirical studies (such as Beamish and Banks 1987; Jain 1987; Ohmae 1989; Badaracco 1991; Sheth and Parvatiyar 1992) have widely reported the positive effect of commitment on collaborative venture performance. This study has assured that the establishment of commitment has a positive impact on the performance of the IJV. The higher degree of commitment between partners is, the higher degree it is likely that IJV will be satisfied.

The finding for ***interdependence*** as a predictor of IJV performance is also in agreement with the research on design of the IJV. Tallman and Shenkar (1994) suggest that the nature of the partial interdependencies that exist between the parents of the IJV will play a large role in determining the design of the IJV. The more similar the parents are to each other, and the more closely they are bound to the IJV in an integrated system, the more likely they are to have developed common systems and to be satisfied with the performance of the IJV.

IJVs are the situation that presents interdependence. The nature of IJVs is such that the partners are interdependent (Nohria and Garcia-Pont 1991); they combine several types of resources that do not all come from the same firm, and thus each independently could not achieve the outcomes possible through the IJV (Contractor and Lorange 1988). Each firm depends on its partner to achieve its goals for the IJV, so each firm needs to take into account how the partner may respond to its own behavior and how this response will affect the outcomes of the IJV. This study has determined that the establishment of interdependence has a positive impact on the performance of the IJV. The higher degree of interdependence between partners is, the higher degree it is likely that IJV will be satisfied.

This study adds acceptance to the opinion that communication problems are associated with a lack of success in strategic alliances (Mohr 1989, Sullivan and Peterson 1982). ***Communication quality*** is found to be a predictor of IJV performance. Without communication quality, the success of the IJV is placed in doubt. The importance of communication becomes critical in signaling future intentions and might be interpreted as an

obvious display of more delicate phenomena such as trust and commitment. This finding is consistent with Mohr and Spekman (1994) who found that communication quality was associated with satisfaction with manufacturing support in their research of vertical partnerships between manufacturers and dealers.

Daft and Lengel (1984) suggest that communication quality facilitate the processing of information which is the key factor in uncertainty reduction. Communication quality facilitate uncertainty reduction by enabling IJV partners to overcome different frames of reference and by providing the capacity to process complex subjective messages (Lengel and Daft 1984). Communication quality allows for rapid information feedback and multiple cues so that IJV partners can converge on a common interpretation. This study has determined that the establishment of communication quality has a positive impact on the performance of the IJV. The higher degree of communication quality between partners is, the higher degree it is likely that IJV will be satisfied.

Participation is found to be a predictor of IJV performance. This finding is consistent with Anderson et al. (1987) who find that mutual participation is associated with resource allocation among channel members. Olson and Singsuwan (1997) find in their study of strategic alliance success factors that high in levels of mutual participation in decision making experiences high performance of ROI and market share. Mohr and Spekman (1994) suggest that participation is associated with satisfaction with manufacturing support and dyadic sales in their research of vertical partnerships between manufacturers and dealers. Driscoll (1978) also finds that participation in decision-making is associated with satisfaction.

Participation makes it easy for partners to express their ideas and helps ensure that decision reflect as much information as possible. Marrow, Bowers, and Seashore (1967) suggest that participation leads to responsibility and compliance which are needed for accomplish the objectives. Anderson et al. (1987) and Dwyer and Oh (1988) propose that input to decisions and goal formulation are important aspects of participation that increase IJVs performance. This study has ascertained that the establishment of participation has a positive impact on the performance of the IJV. The higher degree of participation between partners is, the higher degree it is likely that IJV will be satisfied.

The finding for ***information sharing*** as a predictor of IJV performance is also in line with the research on performance partnerships. Olson and Singsuwan (1997) find that high in levels of mutual information sharing experiences high performance of sales growth in their study of strategic alliance success factors. Information sharing is the bilateral expectation that parties will proactively provide information useful to the partner (Heide and John 1992). The frequency and quality of information sharing is a significant factor in determining the degree to which the parties understand each other's goals and matching their efforts to achieve those goals. This dimension of communication should also help reduce role conflict and ambiguity among partners in getting their task completed by providing information that informs them of what other partners are doing and when and what others, especially at the lateral level, expect (Schuler 1979).

Information sharing has the effect of developing responsibility and collaboration through everyday interactions at all levels of the organizations (Hamel, Prahalad, and Doz 1989; Ohmae 1989). These antecedent foster reliability, cooperativeness, and openness and

is the basis for the existence of positive relationships between partners (Quinn 1992). This social context in sharing of information is key to the satisfaction of interfirm collaboration (Beamish and Banks 1987). Information sharing significantly affects partner relationships (Heide and John 1992), through its ability to enhance mutual disclosure, enhances relationship quality (Crosby, Evans, and Cowles 1990) and therefore leads to satisfactory ventures (Badaracco 1991; Lewis 1990). This study has confirmed that the establishment of information sharing has a positive impact on the performance of the IJV. The higher degree of information sharing between partners is, the higher degree it is likely that IJV will be satisfied.

This study indicates that the manner in which conflict is resolved has an impact on IJV performance. **Collaborating conflict resolution** is found to be related to IJV performance. Collaborating style is proactive on behalf of both partners and try to maximize the interests of both partners in a “win-win” approach. This conflict resolution approach maximizes the interests of both parties involved in conflict, thereby creating the necessary climate for optimal performance success. Mohr and Spekman (1994) find in their research of vertical partnerships between manufacturers and dealers that collaborating conflict resolution is associated with satisfaction with manufacturing support. Olson and Singsuwan (1997) detect that high in levels of collaborating conflict resolution experiences high performance of ROI in their study of strategic alliance success factors. Lin and Germain (1998) find in their study that collaborating conflict resolution is a powerful mechanism for fostering performance.

Collaborating style not only enable participants to escape from “deadlock” situations, but it also leads to long-run IJV satisfaction (Friedmann and Beguin 1971). High performance international alliances are often distinguished by constructive communications and regular information exchanges in dealing with day-to-day managerial and operational issues (Mohr and Spekman 1994). A collaborating approach tends to make a relationship more satisfying, since it aims at achieving positive outcomes for both partners (Campbell et al. 1988). Firms in IJV are motivated to engage in collaborating style because they are, by definition, linked together to manage an environment that is more uncertain and turbulent than each one alone could control (Cummings 1984). Collaborating outcomes are expected to satisfy more fully the needs and concerns of both partners (Thomas 1976). When partners engage in collaborating conflict resolution behavior, a mutually satisfactory solution may be reached, thereby also enhancing IJV performance. This study has proved that the establishment of collaborating style in conflict resolution has a positive impact on the performance of the IJV. Collaborating conflict resolution style is positively related to IJV satisfaction.

Compromising conflict resolution has also been beneficial to the success of the relationship in conflict situations. Compromising conflict resolution is found to be related to IJV performance. Compromising style not only enable participants to escape from “stalemate” situations, but it also leads to long-run IJV performance (Friedmann and Beguin 1971). High performance international alliances are often signified by constructive communications and regular information exchanges in dealing with day-to-day managerial and operational issues (Mohr and Spekman 1994).

Compromising style integrates moderate concern for both partners and avoid to maximize either partner’s interests in order to avoid win-lose situation (Swierczek 1994b).

Quite often, there are situations in which both IJV partners need to adopt a “give-and-take” attitude in resolving disagreements (Schaan 1988; Friedmann and Beguin 1971).

A compromising approach tends to make a relationship more satisfying, since it aims at achieving positive outcomes for both partners (Campbell et al. 1988). When information is openly exchanged, partners tend to make internal attributions of positive outcomes, and a positive attitude toward the interaction process is likely to develop (Boyle and Dwyer 1995). When an IJV partner strives to balance the needs and concerns of both parties, positive evaluations of overall performance are more likely to ensue (Ganesan 1993). This study has showed that the establishment of compromising style in conflict resolution has a positive impact on the performance of the IJV. Compromising conflict resolution style is positively related to IJV satisfaction.

The non-significant findings in this study bear discussion. The fact that *cultural sensitivity* was not related to any of the measures of performance is surprising. The non-significance of this relationship may be due to the higher significant correlation between objectives congruence and performance, and higher significant correlation between mutual trust and performance. While, in pooled IJV data, objectives congruence and mutual trust are moderately correlated with satisfaction with partner relationship and are weakly correlated with the rest, cultural sensitivity is only weakly correlated with satisfaction with marketing performance, production performance and partner relationship. A less significant correlation between cultural sensitivity and performance, then suggests that although cultural sensitivity and performance are positively related, cultural sensitivity does not uniquely explain variance in IJV performance above and beyond that explained by the objectives congruence and mutual trust.

The non-significant of this relationship may also be due to the awareness of cultural difference between partners. Cultural sensitivity begins with the firm’s awareness of cultural differences between partners. Each partner probably become familiar with other partner culture and learn to deal with and manage these differences. Each partners already understand the other partner’s culture and integrate the differences in order to emerge with the independent culture of the IJV.

The non-significance of the relationship between cultural sensitivity and performance may also be due to the relationship between mutual trust and cultural sensitivity. A moderate significant correlation between mutual trust and cultural sensitivity suggests that there perhaps is the effect of cultural sensitivity on mutual trust. Therefore, mutual trust partially mediates the effect of cultural sensitivity on performance. This effect has been studied by Johnson et al. (1996). They find that for both Japanese and U.S. partners, cultural sensitivity predicts increased trust in their partners. However, the lack of a significant direct relationship between cultural sensitivity and performance should not trivialize the role of building cultural sensitivity. Cultural sensitivity may have other consequences, such as efficiency and longevity of the partnership, which were not explicitly considered in this study.

Competing conflict resolution and *avoiding conflict resolution* were not significantly related to any of the measures of performance. The non-significance of these relationship probably is due to the significant correlation between collaborating conflict resolution and performance, and significant correlation between compromising conflict resolution and performance. A non significant correlation between competing conflict resolution and

performance, and a non significant correlation between avoiding conflict resolution and performance suggest that these conflict resolution behaviors do not explain variance in IJV performance about with that explained by collaborating and compromising conflict resolution behaviors.

The non-significance between these two conflict resolution modes and performance may also due to the infrequently handling of these modes. While the average mean of competing conflict resolution had the first lowest value of 2.67, the average mean of avoiding conflict resolution had the second lowest value of 3.10. With these two lowest means, it showed that these two conflict resolution modes were not popular in the IJV. While competing conflict resolution involves no concern for the interest of other partners and as such does not integrate the concerns of other partners into the resolution of conflict, avoiding style involves no concern for the interest of other partners and as such does not also integrate the concerns of other partners into the handling of conflict. Competing conflict resolution minimizes information exchange and is seen as counter-productive and is very likely to strain the fabric of the IJV. Avoiding conflict resolution also fails to go to the root cause of the conflict and tends to undermine the partnership's goal of mutual gain and performance satisfaction. Hence, these two conflict resolutions is expected to have reverse relationships with the performance. The negatively moderate correlation between these two conflict resolutions and satisfaction with financial performance, satisfaction with marketing performance and satisfaction with partner relationship also demonstrated the inverse direction of the relationship.

The significant of the 10 behavioral characteristics in this study not only can be considered for the *ex post* maintenance of the partnerships but also can be adopted as a guideline for selecting the *ex ante* structuring of cross border interorganizational relationships. Objectives congruence between partners plays an important role in partner selection, management control and performance measurement. While IJVs could hold the demonstrated differences in philosophy, policies or operating procedures, selecting the right partners who have compatible objectives congruence will produce satisfactory results. With the high degree of objectives congruence between partners, it will help each partner to easily control its IJV to behave in ways that lead to the accomplishment of the IJV objectives. The problems of performance measurement are further minimized when the true objectives of partners are known to each other. The performance measurement dimensions of partners are clarified.

Mutual trust between partners additionally acts a significant part in partner selection, management control and performance measurement. Selecting right partners with a high level of mutual trust is indispensable for any IJV to be molded and to perform. IJVs rely on their partners' performance and themselves in order to achieve the long-term interests of the IJV. Along with the high level of mutual trust between partners, it allows for bilateral control that achieves the individual objectives of independent firms by mode of partnership's joint achievements, shared beliefs, and mutual concern for long-term benefits. The issues of performance measurement are then lowered when the partners trust each other. Partners satisfactions with the performance measurement dimensions are maintained.

Coordination between partners shows a substantial position as well in partner selection, management control and performance measurement. While IJVs could carry on the established differences in operating functions and activities, selecting the right partners who

have the ability to satisfactorily coordinate each partner functions and activities will yield pleasing outcomes. The satisfactory partner coordination also provides the means for the IJV to achieve some measure of control over its environment. It is enabled, thereby, to cope with a dynamic set of conditions that surrounds it. The stability in an uncertain environment regarding the partner performance measurement dimensions can be achieved by greater coordination.

Commitment between partners moreover plays a considerable role in partner selection, management control and performance measurement. While IJVs could need the future adjustment in policies or operating procedures, selecting the right partners who have long term commitment to IJV can exert effort on behalf of the relationship that can survive unexpected problems. With a higher level of commitment contributes to the context in which both partners can fulfill individual and joint objectives without building the spirit of opportunistic behavior, it will help each partner to easily control its IJV to behave in ways that lead to the attainment of the IJV objectives. Higher levels of commitment are expected to be associated with IJV performance measurement due to the fact that more committed partners will exert effort and balance short-term performance assessment with long-term performance measurement.

Interdependence between partners correspondingly shows an important position in partner selection, management control and performance measurement. The right partners to be selected must be the ones who acknowledge their interdependence and their willingness to work for the satisfaction of the IJV. With the high degree of interdependence between partners, it will help each partner to effortlessly control its IJV to behave in ways that lead to the fulfillment of the IJV objectives. The issues of performance measurement are then minimized when partners must depend on each other.

Communication quality between partners further acts a significant part in partner selection, management control and performance measurement. The right partners to be selected must be the ones who have honest and open lines of communication quality which will be important to continued growth of close ties between IJV partners. With the high degree of communication quality between partners, it will help each partner to comfortably control its IJV to act in ways that lead to the completion of the IJV objectives. Communication quality relieves each partner to be more understandable about the important of each performance measurement criteria that is necessary for the survival of the IJV.

Participation between partners also plays a substantial role in partner selection, management control and performance measurement. The right partners to be selected must be the ones who participate jointly in planning and objective setting. Joint planning allows mutual expectations to be established and cooperative efforts to be specified. With the high degree of participation between partners, it will help each partner to smoothly control its IJV to behave in ways that lead to the achievement of the IJV objectives. Participation makes it easy for partners to express their ideas and helps ensure that evaluation of performance reflect as much information as possible.

Information sharing between partners additionally shows a considerable position in partner selection, management control and performance measurement. The right partners to be selected must be the ones who share information between partners which helps minimize errors that arise through poor judgement, and reduces misjudged expectations of partners and

aligns their expectations. By sharing information and by being knowledgeable about each other's business, partners are able to act independently in controlling the operations over time. The systematic availability of information allows people to complete tasks more effectively and is associated with increased levels of performance satisfactory evaluation.

The manner in which conflict is resolved plays an important role as well in partner selection, management control and performance measurement. The right partners to be selected who exhibit high degree of collaborating conflict resolution will tend to make a relationship more satisfying, since it aims at achieving positive outcomes for both partners. The partners with high degree of compromising conflict resolution will tend to make a relationship more satisfying, since it aims to balance the needs and concerns of both parties. Firms in IJV are motivated to engage in collaborating conflict resolution or compromising conflict resolution because it will help each partner to easily control its IJV to behave in ways that lead to the accomplishment of the IJV objectives. When partners engage in collaborating conflict resolution behavior or compromising conflict resolution behavior, a mutually satisfactory solution in performance measurement can be reached, thereby also enhancing IJV performance.

Table 33 summarized the relationship among behavioral characteristics, IJV theories, factors contributing to IJV success and performance measurement.

7.2 Conclusions

Recent research in international business appears to be fairly well-documented the rationale for and the decision to form a firm to enter a foreign market through an IJV. However, very little guidance exists regarding the processes required to develop and sustain the partnership beyond the initial decision to forge such a relationship. Given both the costs and risks associated with mismanaging a potentially valuable partnership, insight into the behavioral factors affecting IJV performance is quite useful. This research is a response to calls for more attention to ex post maintenance of cross-border joint venture (Lane and Beamish 1990; Ring and Van de Ven 1994). It sheds light on these issues and offers an improved understanding of the form and substance of the interaction between partners.

This study confirms with the existing motives for IJV formation that strategic behavior, organizational knowledge and learning, resource dependence and transaction cost are the four most important motives. For the pooled IJV data, while strategic behavior is the most important motive to set up the IJV, organizational knowledge and learning is the second significant motive for establishing the IJV. Whereas resource dependence has been mentioned as the third substantial motive for forming the IJV, transaction cost motive is the last mentioned motive for arranging the IJV. Four theoretical motives for IJV formation were also important to all Thai-Japanese JV, Thai-American JV and Thai-European JV executives but there were substantial differences in the recognition of each regarding their importance for a satisfactory IJV. Thai-Japanese JV and Thai-European JV executives perceived strategic behavior as their first most mentioned motive. Thai-American JV executive considered organizational knowledge and learning as their first most mentioned motive. Thai-Japanese JV executives identified organizational knowledge and learning as the second most mentioned motive. While Thai-American JV executives perceived strategic behavior as their second most mentioned motive, Thai-European JV executives considered resource

Table : 33 Relationship Among Behavioral Characteristics, IJV Theories, Factors Contributing to IJV Success and Performance Measurement.

Behavioral Characteristics	Motives for IJV Formation				Factors Contributing to IJV Success		Performance Measurement
	Transaction Cost	Strategic Behavior	Organizational Knowledge and Learning	Resource Dependence	Partner Selection	Management Control	
Compatibility	<ul style="list-style-type: none"> • <i>Objectives congruence</i> minimizes the sum of production and transaction costs. • <i>Mutual trust</i> deters opportunistic behavior, substitute for hierarchical governance, and reduces transaction cost. 	<ul style="list-style-type: none"> • <i>Objectives congruence</i> allows firm to transact by the mode which maximizes profits through improving firm's competitive position vis-a-vis rivals. • <i>Mutual trust</i> is a source of confidence in partner cooperation that lets firm to transact by the mode which maximizes profits through improving firm's competitive position vis-a-vis rivals. 	<ul style="list-style-type: none"> • <i>Objectives congruence</i> increases learning or seeking to retain firm's capabilities. • <i>Mutual trust</i> permits open exchange of information and promotes learning process. 	<ul style="list-style-type: none"> • <i>Objectives congruence</i> entitles firm to acquire or maintain the resources in order to survive in firm's environments. • <i>Mutual trust</i> substitutes for hierarchical governance and maintains the control of resource. 	<ul style="list-style-type: none"> • Selecting the right partner who has compatible <i>objectives congruence</i> will produce satisfactory results. • Selecting the right partners with a high level of <i>mutual trust</i> is indispensable for IJV to be formed and to function. 	<ul style="list-style-type: none"> • <i>Objectives congruence</i> help each partner to easily control its IJV to behave in ways that lead to the fulfillment of the IJV objectives. • <i>Mutual trust</i> between partners allows for bilateral control that achieves a joint objectives and mutual concern for long-term benefits. 	<ul style="list-style-type: none"> • <i>Objectives congruence</i> consents to agree with IJV performance evaluation. • <i>Mutual trust</i> maintains partner satisfactions with the performance measurement dimensions.
Cooperation	<ul style="list-style-type: none"> • <i>Coordination</i> coordinates functions and activities of partners to achieve minimum transaction cost. • <i>Commitment</i> reduces the threat of opportunistic behavior and transaction cost. • <i>Interdependence</i> between partners to achieve minimum transaction cost. 	<ul style="list-style-type: none"> • <i>Coordination</i> coordinates functions and activities of partners to accomplish firm's competitive position. • <i>Commitment</i> endures desire to maintain a long-term relationship to reach the firm's competitive position. • <i>Interdependence</i> on each partner to achieve firm's competitive position. 	<ul style="list-style-type: none"> • <i>Coordination</i> coordinates functions and activities of partners to complete the process of organization learning. • <i>Commitment</i> supports desire to persevere a relationship of technology or knowledge transfer. • <i>Interdependence</i> on each partner to achieve the process of organization learning. 	<ul style="list-style-type: none"> • <i>Coordination</i> coordinates functions and activities of partners to maintain resource. • <i>Commitment</i> remains desire to affirm a long-term relationship to maintain resource. • <i>Interdependence</i> on each partner to maintain resource. 	<ul style="list-style-type: none"> • Selecting the right partners who have the ability to satisfactory <i>coordinate</i> each partner functions and activities will yield pleasing outcomes. • Selecting the right partners who have long term <i>commitment</i> to IJV can exert effort that can survive unexpected problems. • Selecting the right partners who acknowledge their <i>interdependence</i> and their willingness to work for the satisfaction of the IJV. 	<ul style="list-style-type: none"> • Satisfactory partner <i>coordination</i> provides the means for the IJV to achieves some measure of control over its environment. • A higher level of <i>commitment</i> will help each partner to easily control its IJV to attainment of the IJV objectives. • A high degree of <i>interdependence</i> between partners will help each partner to effortlessly control its IJV and to guide to the fulfillment of the IJV objectives. 	<ul style="list-style-type: none"> • The greater <i>coordination</i> can stabilize partner performance measurement criteria. • Higher levels of <i>commitment</i> are tolerated with the evaluation of IJV performance measurement. • High level of <i>interdependence</i> minimizes the issues of performance measurement.

Table : 33 Relationship Among Behavioral Characteristics, IJV Theories, Factors Contributing to IJV Success and Performance Measurement (Continued).

Behavioral Characteristics	Motives for IJV Formation				Factors Contributing to IJV Success		Performance Measurement
	Transaction Cost	Strategic Behavior	Organizational Knowledge and Learning	Resource Dependence	Partner Selection	Management Control	
Communication	<ul style="list-style-type: none"> • <i>Communication quality</i> reduces uncertainty and diminish transaction cost. • <i>Participating</i> in planning and goal setting to reduce transaction cost. • <i>Information sharing</i> fosters goals achievement in reducing transaction cost. 	<ul style="list-style-type: none"> • <i>Communication quality</i> is important to continued growth of close ties between IJV partners to fulfill firm's competitive position. • <i>Participating</i> in planning and goal setting to increase firm's competitive position. • <i>Information sharing</i> helps goal accomplishment in expanding firm's competitive position. 	<ul style="list-style-type: none"> • <i>Communication quality</i> clarifies ambiguous issues and enhances information transmission and promotes the process of organization learning. • <i>Participating</i> in planning and goal setting to strengthen the process of organization learning. • <i>Information sharing</i> forwards goal effort in learning the organizational knowledge. 	<ul style="list-style-type: none"> • <i>Communication quality</i> is crucial to protracted development of close ties between IJV partners to maintain interdependence. • <i>Participating</i> in planning and goal setting to maintain interdependence • <i>Information sharing</i> encourages goal achievement in maintaining interdependence 	<ul style="list-style-type: none"> • Selecting the right partners who have honest and open lines of <i>communication quality</i> to continued growth of close ties between IJV partners. • Selecting the right partners who <i>participate</i> jointly in planning and goal setting. • Selecting the right partners who <i>share information</i> help minimize errors that arise through poor judgement, and reduces misjudged expectations of partners and aligns their expectations. 	<ul style="list-style-type: none"> • A high degree of <i>communication quality</i> between partners will help each partner to comfortably control its IJV to act in ways that lead to the completion of the IJV objectives. • A high degree of <i>participation</i> between partners will help each partner to smoothly control its IJV to behave in ways that lead to the accomplishment of the IJV objectives. • By <i>sharing information</i> and by being knowledgeable about each other's business, partners are able to act independently in controlling the operations over time. 	<ul style="list-style-type: none"> • <i>Communication quality</i> relieves each partner to be more understandable about the important of each performance measurement criteria that is necessary for the survival of the IJV. • <i>Participation</i> makes it easy for partners to express their ideas and helps ensure that evaluation of performance reflect as much information as possible. • The systematic availability of <i>information sharing</i> allows people to complete tasks more effectively, is associated with increased levels of performance satisfactory evaluation.
Conflict Resolution	<ul style="list-style-type: none"> • <i>Collaborating Conflict Resolution</i> increases satisfaction of partner with the concern of transaction cost objective. • <i>Compromising Conflict Resolution</i> increases satisfaction of partner with the concern of transaction cost. 	<ul style="list-style-type: none"> • <i>Collaborating Conflict Resolution</i> increases satisfaction of partner with the concern of strategic behavior objective. • <i>Compromising Conflict Resolution</i> increases satisfaction of partner with the concern of strategic behavior objective. 	<ul style="list-style-type: none"> • <i>Collaborating Conflict Resolution</i> increases satisfaction of partner with the concern of organization learning and knowledge objective. • <i>Compromising Conflict Resolution</i> increases satisfaction of partner with the concern of organization learning and knowledge objective. 	<ul style="list-style-type: none"> • <i>Collaborating Conflict Resolution</i> increases satisfaction of partner with the concern of resource dependence objective. • <i>Compromising Conflict Resolution</i> increases satisfaction of partner with the concern of resource dependence objective. 	<ul style="list-style-type: none"> • Selecting the right partners who exhibit high degree of <i>collaborating conflict resolution</i> will tend to make a relationship more satisfying, since it aims at achieving positive outcomes for both partners. • Selecting the right partners who exhibit high degree of <i>compromising conflict resolution</i> will tend to make a relationship more satisfying, since it aims to balance the needs and concerns of both parties. 	<ul style="list-style-type: none"> • <i>Collaborating conflict resolution</i> will help each partner to easily control its IJV to behave in ways that lead to the accomplishment of the IJV objectives. • <i>Compromising conflict resolution</i> will help each partner to easily control its IJV to behave in ways that lead to the attainment of the IJV objectives. 	<ul style="list-style-type: none"> • When partners engage in <i>collaborating conflict resolution</i> behavior, a mutually satisfactory solution in performance measurement can be reached. • When partners engage in <i>compromising conflict resolution</i> behavior, a mutually moderate satisfactory solution in performance measurement can be arrived.

dependence as their second most motive. Thai-Japanese JV and Thai-American JV executives identified resource dependence as their third mentioned motive. But the third mentioned motive for Thai-European JV executives was organizational knowledge and learning. All executives perceived transaction cost as their last mentioned motive for IJV formations.

This study indicates that behavioral independent variables were also important to all Thai-Japanese JV, Thai-American JV and Thai-European JV executives but there were substantial differences in the perceptions of each regarding their importance for a sound IJV. Thai-Japanese JV and Thai-European JV executives perceived commitment to be higher than did Thai-American JV executives. Thai-European JV executives considered interdependence to be more important than did the Thai-Japanese JV executives. Thai-European JV executives were also somewhat more likely to accept collaborating style to resolve conflicts than did the Thai-Japanese JV executives. Thai-Japanese JV executives were somewhat more likely to take competing style to resolve conflicts than did the Thai-American JV executives.

This study suggests that objectives congruence between the partners, mutual trust, the willingness to coordinate activities, the ability to convey a sense of commitment to relationship, and the interdependence to achieve mutually beneficial goals are critical success key. Critical also to IJV performance are the communications approaches used by the IJV partners. The quality of information transmitted, the joint participation by partners in planning and goal setting, and sharing of meaningful and timely information between partners send very important signals to the IJV parties. Joint participation and information sharing enable both partners to better understand the vital choices facing each other. Such openness is not natural for management and it must develop its communications ability and learn to adapt or adjust its traditional concern for decision independence. This skill is essential to the success of the IJV. Management must also move towards processes and behavioral tools that support working with another partner to achieve mutually beneficial goals. Consistent with this view is the importance of collaborating and compromising as a conflict resolution mechanism. The partners' ability to take the other's perspective and attempt to reconcile differences improves problem solving.

7.3 Limitations and Future Research Directions

Though this study addressed behavioral issues in cross-border partnerships and complemented the research based on the structural approach by identify the antecedents and performance consequences of interfirm joint venture, the findings should be evaluated in light of the following limitations.

First, the study examined Thai-Japanese JVs, Thai-American JVs and Thai-European JVs, which are mainly in the manufacturing sector (55.56%) in Thailand only, and care should be taken when generalizing the findings. IJVs in developing countries are generally less stable than those in developed countries, and managers in the former tend to be more dissatisfied than in the later (Beamish 1985). Future research is motivated to compare the finding in different sectors.

Second, the study examined successful IJVs only – that is, the research sample did not include any failed IJVs. From a practitioner's perspective, a comparison of failed IJVs to successful ones could provide valuable guidelines.

Third, the results were based on information obtained from one side of the IJV. The other partner's perceptions of the IJV remain unknown. The attempt had been made to obtain information from both partners, but many IJVs were unwilling to identify their partners for confidentiality and strategic reasons. As some variables in the study were bilateral, data collection from only one partner did not capture all aspects of the relationship, and the findings should be interpreted accordingly. Future research is encouraged that uses responses from both the local and foreign partners to understand the social dynamics of such partnerships.

Fourth, the study used cross-sectional data, thus precluding an examination of the dynamic effects of behavioral characteristics and performance. This becomes particularly crucial because two-way causal linkages have been suggested in the literature between behavioral characteristics and performance.

Fifth, only thirteen behavioral characteristics were considered in this study. The success of IJVs may result in other behavioral variables as well, and these need to be examined. Furthermore, future research is encouraged to systematically examine the behavioral factors and performance relationship by incorporating the different dimensions of behavioral factors such as management control characteristics and performance.

Finally, methodological limitation may exist. The sample size (n for Thai-European JV = 32, n for Thai-American JV = 33 and n for Thai-Japanese JV = 88) was on the low side, adequate fit statistics may notwithstanding. Multiple methods, such as case analysis and post interviews, would be helpful in validating further the findings.

7.4 Implications

(1) Implications for Theory and Research

In light of the scant and fragmented nature of the literature which address behavioral factors that differentiate successful from unsuccessful IJVs, this research has attempted to clarify this problem. The empirical test reported here provides an attempt to better understand IJV performance and the behavioral factors that contribute to success. The theoretical framework provides a number of contributions.

First, this study has quantified some explanations for IJV performance. For example, conflict resolution strategy has often been discussed as sustaining satisfactory joint venture relationships.

Second, this study contributes to the growing debate between those who argue that *ex ante* structuring of cross border joint venture relationships will lead to the success of the IJVs, and those who contend that *ex post* maintenance of the joint venture relationships will continue the performance satisfaction of the IJVs. To date, published empirical studies have largely been ones that emphasize on *ex ante* structuring of joint venture relationship factors. However, this study emphasizes on *ex pose* maintenance of the joint venture relationship factors. Though this study finds differences at the partners' nationality level, the majority of coefficients are similar across the partners' nationality examined here. Behavioral characteristics model reflects an overall average effect for each of thirteen explanatory

variables, and provides a fundamental test of basic propositions about the joint venture relationships. The results consistently support the hypotheses. The signs of all 13 coefficients in these models are those hypothesized, and 10 coefficients are individually significant. The partner's nationality effects of response coefficients are significant as a set, and never reverse the sign of any significant main effect in pooled model.

Finally, this study serves as a theoretical platform upon which subsequent studies can build. A specification of the linkages between behavioral characteristics and its performance can provide a useful framework for future research.

(2) Implications for Managers

This research offers insight into how to proactively manage joint venture relationships in order to acquire the benefits of success, and to avoid the damaging costs inherent in their failure. There are several significant managerial implications of the study's findings.

Because firms are finding it increasingly difficult to perform all activities along the value chain internally, it is becoming important for them to forge long-term partnerships with other firms in different countries. The first managerial implication relates to the manner in which partners attempt to manage the future scope and tone of their relationship. Objectives congruence, mutual trust, coordination, commitment, interdependence, communication quality, participation, information sharing, collaborating conflict resolution, and compromising conflict resolution all serve to better align partners' expectations and enhance joint venture relationship performance, which is eventually beneficial to both partners.

These factors all contribute to joint venture partnership success. The challenge, however, lies in developing a management philosophy or corporate culture in which independent and autonomous partners can give up some sovereignty and control, while also engaging in planning and organizing which takes into account the needs of the other partner. Such an intentional relinquish of control (and autonomy) does not come easily but appears to be a necessary managerial requirement for the future. While it would seem that similarities across organizational cultures would improve the probability of joint venture relationship success (see Harrigan 1988), such compatibility cannot be warranted. In many cases, differences in culture, operating procedures, and practices become apparent only during the course of the joint venture relationship. Effort must be dedicated to the formation and implementation of management strategies that promote and encourage the continued growth and maintenance of the joint venture relationship.

The second implication is that these behavioral characteristics can also be adopted as a guideline in selecting partner, controlling the IJV and evaluating the IJV performance as summarized in Table 33.

The last implication is that the dynamics of joint venture relationships in different regions or countries are guided by local and regional cultural practices. Therefore,

management needs to be aware of this so as to avoid the pitfall of trying to find a partnership management formula that can be transferred across countries.

(3) Implications for Government

Government should exploit the benefits of this study to educate Thai-foreign JVs or Thai firms seeking a foreign partner to realize the important of behavioral characteristics and IJV performance. Government should set up the action plan to organize the activity to promote the knowledge of behavioral characteristics.

The results of this study for motive of IJV formation shows that strategic behavior and organizational knowledge and learning are the first and second mentioned motives for IJVs to invest in Thailand. The view of transaction cost and resource dependence as two popular motives has changed. Thailand used to have an abundant supply of low-cost and low-skilled labors. The country used to be rich in natural resources such as tin, natural gas, tungsten, and timber. However, Thailand's comparative advantage of labor cost is gradually eroding. The threats should have come from the opening of China's and Vietnam's markets in their even cheaper labor sources. The eroding comparative advantage in labor cost is also aggravated by increasing electricity, water, and office operating costs. Natural resources is also depleting.

In consequence, it has changed the notion that IJVs mainly use Thailand as a production base in labor and resource abundant intensive.

Joint venture partners from Europe, Japan, and the United States have all pursued different strategies in the Thai market. The JV partners could also view Thailand as important for their regional strategies, driving an export focus for production. Foreign partners have increasingly included Thailand in their regional distribution systems because of its strategic location as a gateway to the newly emerging neighboring economies Vietnam, Laos, Myanmar and Cambodia. Therefore, in view of strategic behavior motive, government should improve Thailand to be a strategic location for IJV. Thailand has become increasingly attractive as a gateway and hub for the emerging economies of the Indochina region. As Thailand borders more states in Southeast Asia than any other, it naturally acts as the hub for regional and sub-regional economic activities. Government should be aggressive in pursuing economic cooperation with its neighbors. An southern economic triangle which has been formed between northern Sumatra in Indonesia, the five southern provinces of Thailand, and the four northern states of Malaysia should be urgently developed into the practical stage. The Indochinese Economic Quadrangle in the north which has been formed between Thailand, Laos, Myanmar, and the south Chinese province of Yunnan should also be immediately advanced into the businesslike stage. Government should further extend the additional economic cooperation with Vietnam and Laos in order to complete the boundary of economic activities with the neighbors. The success of this cooperation will certainly enhance regional investment and trade.

In view of organizational knowledge and learning motive, Thailand will have to upgrade its technical capabilities in order to attract higher-value-added activities. Because Thailand suffers from a shortage of skilled managers, scientists, and engineers, foreign partners seldom transfer much technology to the country. When foreign partners engage in a production strategy, they normally limit it to one using low levels of technological sophistication. Recognizing these problems, the government should launch several programs

such as expanding research and development, improving education, attracting expatriate scientists and engineers home, and attracting foreign direct investment in technological projects. Government should also designate human resource development as an urgent key factor in national development for the National Economic and Social Development Plan.

7.5 Summary

This dissertation studied the role of behavioral characteristics and performance in the IJV context. A questionnaire survey has been employed using 88 executives in Thai-Japanese JV, 33 executives in Thai-American JV and 32 executives in Thai-European JV. Thirteen hypotheses have been tested. The empirical findings indicate that partner behaviors in the form of objectives congruence, trust, coordination, commitment, interdependence, communication quality, participation, information sharing, collaborating conflict resolution, and compromising conflict resolution all have a positive impact on the performance of the IJV.

Based on this analysis, behavioral characteristics is proved to be able to improve performance of IJVs. Additional findings are the four motives for IJV formation. Strategic behavior, organizational knowledge and learning, resource dependence and transaction cost are the most respectively mentioned motives. The implications for theory, managers and government have been presented. Limitation have been provided. Future research direction has been suggested.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

References

- Adler, L. and Hlavacek, J. D. 1976. *Joint Ventures for Product Innovation*. New York: American Management Association.
- Aiken, M. and Hage, J. 1968. Organizational interdependence and intraorganizational structure. *American Sociological Review* 33 : 912-930.
- Aldrich, H.C. 1979. *Organizations and Environments*. Englewood Cliffs, NJ : Prentice Hall.
- Aliber, R.Z. 1970. A theory of direct foreign investment. In C.P. Kindleberger, editor, *The International Corporation*. Cambridge: MIT Press.
- Aliber, R.Z. 1971. The multinational enterprise in a multiple currency world. in J.H. Dunning, editor, *The Multinational Enterprise*, London: George Allen & Unwin, Ltd.
- Aliber, R.Z. 1983. Money, multinationals, and sovereigns. In C. P. Kindleberger and D.B. Audretsch, editors, *The Multinational Corporation in the 1980s*. Cambridge, MA MIT Press.
- Anderson, E. 1990. Two firms, one frontier : On assessing joint venture performance. *Sloan Management Review* Winter : 19-30.
- Anderson, E. and Coughlan, A.T. 1987. International marketing entry and expansion via independent or integrated channels of distribution. *Journal of Marketing* 51 : 71-82.
- Anderson, E. and Gatignon, H. 1986. Modes of foreign entry: A transaction cost analysis and propositions. *Journal of International Business Studies* Fall : 1-26.
- Anderson, E., Lodish, L., and Weitz, B. 1987. Resource allocation behavior in Conventional channels. *Journal of Marketing Research* 24 : 85-97.
- Anderson, J. and Narus, J. 1990. A model of distributor firm and manufacturer firm working partnerships. *Journal of Marketing* January 54 : 42-58.
- Anderson, J. and Weitz, B., 1992. The use of pledges to build and sustain commitment in distribution channels. *Journal of Marketing Research* 29(1) : 18-34.
- Arino, A. 1997. Veracity and commitment, cooperative behavior in first-time collaborative ventures. In P.W. Beamish and J.P. Killing, editors, *Cooperative Strategies : European Perspectives*. San Francisco : The New Lexington Press.
- Armstrong, J.S. and Overton, T. 1977. Estimating nonresponse bias in mail surveys. *Journal of Marketing Research* 51 : 71-86.
- Arni, V.R.S. 1982. *Guidelines for the Establishment of Industrial Joint Ventures in Developing Countries*. New York : UNIDO.
- Arrow, K. 1973. *Information and Economic Behavior*. Stockholm: federation of Swedish Industries.
- Arrow, W.K. 1974. *The Limits of Organization*. New York : Norton.
- Artisien, P.F.R. and Buckley, P.R. 1983. Joint ventures in Hungary : Comment. *Journal Of World Trade Law* 18 : 163-172.
- Ashegnian, P. 1982. Comparative efficiencies of foreign firms and local firms in Iran. *Journal of International Business Studies* 13 Winter : 113-120.
- Aulakh, P.S., Kotabe, M. and Sahay, A. 1997. Trust and performance in cross-border marketing partnerships: A behavioral approach. In P.W. Beamish and J.P. Killing, editors, *Cooperative Strategies : North American Perspectives*. San Francisco : The New Lexington Press.
- Awadzi, W. K. 1987. *Determinants of Joint Venture Performance : A Study of International Joint Ventures in the United States*. Unpublished PhD Dissertation, Louisiana State University.
- Awadzi, W., Kedia, B.L. and Chinta, R 1986. Performance Implications of Locus of

- Control and Complementary Resources in International Joint Ventures—An Empirical Study. Presented at Academy of International Business Conference, London.
- Axelrod, R. 1986. An evolutionary approach to norms. *American Political Science Review* 80 (4) : 1095-1111.
- Badaracco J. L. Jr. 1991. *The Knowledge Link : How Firms Compete Through Strategic Alliances*. Boston: Harvard Business School Press.
- Baird, I.S., Lyles, M.A. and Reger, R.K. 1993. *Evaluation of Interorganizational Relationships; Integration and Future Directions*. Paper presented at the National Academy of Management Meeting, Atlanta.
- Barber, B. 1983. *The Logic and Limits of Trust*. New Brunswick, NJ : Rutgers University Press.
- Barkema, H. and Vermeulen, F. 1997. What differences in the cultural backgrounds of partners are detrimental for international joint ventures? *Journal of International Business Studies* 28(4) : 845-864.
- Barney, J.B. 1992. Integrating organizational behavior and strategy formulation research: A resource based analysis. *Advances in Strategic Management* 8 : 39-61.
- Bartlett, C.A. and Ghoshal , S. 1987a. Managing across borders : New strategic requirements. *Sloan Management Review* Summer 28 : 7-17.
- Bartlett, C.A. and Ghoshal , S. 1987b. Managing across borders : New organizational responses. *Sloan Management Review* Fall 28 : 43-53.
- Beamish, P.W. 1984. *Joint Venture Performance in Developing Countries*. Unpublished doctoral dissertation, University of Ontario.
- Beamish, P.W. 1985. The characteristics of joint ventures in developed and developing countries. *Columbia Journal of World Business* Fall : 13-19.
- Beamish, P.W. 1987. Joint venture in LDCs : Partner selection and performance. *Management International Review* 27 : 23-37.
- Beamish, P.W. 1988. *Multinational Joint Ventures in Developing Countries*. London : Routledge.
- Beamish P.W. 1993. The characteristics of joint ventures in the People's Republic of China. *Journal of International Marketing* 1(2) : 29-48.
- Beamish, P.W. and Banks, John C. 1987 . Equity joint ventures and the theory of the multinational enterprise. *Journal of International Business Studies* 19 : 1-16.
- Beamish, P.W. and Delios, A. 1997. Improving joint venture performance through congruent measures of success. In P.W. Beamish and J.P. Killing, editors, *Cooperative Strategies : European Perspectives*. San Francisco : The New Lexington Press.
- Beamish, P.W. and Inkpen, A. 1995. Keeping international joint ventures stable and profitable. *Long Range Planning* 28(3) : 26-36.
- Berg, S. and Friedman, P. 1977. Joint ventures : competition and technological complementarities. *Southern Economic Journal* 43(3) : 1330-1337.
- Berg, S. and Friedman, P. 1978. Joint ventures in American industry: an overview. *Mergers and Acquisitions* 13 : 28-41.
- Berg, S. and Friedman, P. 1980. Causes and effects of joint ventures activity: Knowledge acquisition vs. Parent horizontality. *Antitrust Bulletin* 25(1) : 143-168.
- Berg, S. and Frideman, P. 1981. Impacts of domestic joint ventures on industrial rates of return. *Review of Economics and Statistics* 63 : 293-298.
- Berg, S., Duncan, J. and Friedman, P. 1982. *Joint Ventures Strategies and Corporate Innovation*. Cambridge, Mass. : Oelgeschlager Gunn & Hain.

- Bernstein, L. 1965. Joint ventures in the light of recent antitrust developments; anticompetitive joint ventures. *Antitrust Bulletin*, 10 : 25-29.
- Bivens, K.K., and Lovell, E. B. 1966. *Joint Ventures with Foreign Partners, International Survey of Business Opinion and Experience*. New York : National Industrial Conference Board.
- Blake, R. R. and Mouton, J. S. 1964. *The Managerial Grid*. Houston, TX : Gulf Publishing.
- Blake, R. R., Shepard H. and Mouton, J. S. 1964. *Managing Intergroup conflict in Industry*. Houston, TX: Gulf Publishing.
- Blau, P.M. 1964. *Exchange and Power in Social Life*. New York : Wiley.
- Bleeke, J. and Ernst, D. 1991. The way to win in cross-border alliances. *Harvard Business Review* Nov-Dec : 127-135.
- Blodgett, L.L. 1987. *A Resource-Based Study of Bargaining Power in U.S.-Foreign Equity Joint Ventures*. Unpublished Ph.D. dissertation, University of Michigan, Ann Arbor.
- Blodgett, L.L. 1992. Factors in the instability of international joint ventures: An event history analysis. *Strategic Management Journal* 13 : 475-481.
- Board of Investment 1996. *Key Investment Indicators in Thailand*. Office of the Board of Investment, May : Bangkok.
- Board of Investment 1999. Foreign Investment from Major Countries : Internet Report. Office of the Board of Investment, March : Bangkok.
- Borys, B. and Jemison, D. 1989. Hybrid arrangements as strategic alliances : Theoretical issues in organizational combinations. *Academy of Management Review* 14, April : 234-249.
- Bourgeois, L. J. III. 1980. Performance and consensus. *Strategic Management Journal* 1 : 227-248.
- Boyle, S.E. 1968. An Estimate of the number and size distribution of domestic joint subsidiaries. *Antitrust Law and Economics Review* 1 : 81-92.
- Bradach J.L., and Eeles, R.G. 1989. Price, authority, and trust: From ideal types to plural forms. *American Review of Sociology* 15 : 97-118.
- Brislin, R.W. 1970. Back-Translation for Cross-Cultural Research. *Journal of Cross-Cultural Psychology* 1(3) : 185-216.
- Bromiley, P., and Cummings, L.L. 1993. Organizations with trust: Theory and measurement. Paper presented at the Academy of Management Meeting, Atlanta.
- Bronder, C and Pritzl, R. 1992. Developing strategic alliances : A conceptual framework for successful cooperation. *European Management Journal* 10(4) : December.
- Brouthers K.D., Brouthers, L.E and Wikinson TJ. 1995. Strategic alliances : Choose your partners. *Long Range Planning* 28 : 18-25.
- Brooke, M and Remmers, H. 1978. *The Strategy of Multinational Enterprise*. London : Pitman.
- Buchel, B., Prange, C., Probst, G., and Ruling C. 1998. *International Joint Venture Management*. Singapore : John Wiley.
- Buckley, P.J. 1985. New theories of international business ; Some of unresolved issue. In M.C. Casson, editor, *The Growth of International Business*, New York : Allen and Unwin.
- Buckley, P.J. 1988. The limits of explanation : Testing the internalization theory of the multinational enterprise. *Journal of International Business Studies* 19(2) : 181-194.
- Buckley, P.J. 1990. Problems and developments in the core theory of international business. *Journal of International Business Studies* 21(4) : 675-665.
- Buckley, P.J. and Mark Casson 1976. *The Future of the Multinational Enterprise*. New York : Holmes and Meiers.

- Buckley, P.J. and Mark Casson. 1985. *The Economic Theory of the Multinational Enterprise* New York : St. Martin's Press.
- Buckley, P.J. and Mark Casson 1988. A theory of cooperation in international business. In F. Contractor and P. Lorange, editors, *Cooperative Strategies in International Business*. Lexington, Mass. : Lexington Books.
- Business Research and Data Center Co., Ltd, Thailand Business Profiles 1998-1999, Bangkok.
- Byrne, N.J. 1978. Joint ventures agreements and article. *New Law Journal* 10 : 784-786.
- Casson, M.C. 1982. *The Entrepreneur: An Economic Theory*. Oxford, England : Blackwell.
- Casson, M.C. 1992. Internationalization theory and beyond. In P.J. Buckley, editor, *New Directions in International Business: Research Priorities for the 1990s*, Brookfield, Vt.: Edward Elgar.
- Cattell, R.B. 1966. The meaning and strategic use of factor analysis. In R.B. Cattell, editor, *Handbook of Multivariate Experimental Psychology*, Chicago : Rand McNally.
- Cattell, R.B. 1966 The scree test for the number of factors. *Multivariate Behavioral Research* Vol. 1 April.
- Cauley de la Sierra, M. 1995. *Managing Global Alliances*. Cambridge, London : Addison-Wesley.
- Caves, R.E. 1971. International corporations : The industrial economics of foreign investment. *Economica* Vol. 38 February.
- Caves, R.E. 1972. International Corporations : *The International Economics of Foreign Direct Investment*. Penguin Modern Economics Reading : 265-301.
- Caves, R.E. 1974. Multinational firms, competition and productivity in host country markets. *Economica* Vol. 41 May.
- Chen, E. 1983. *Multinational Corporation : Technology and Employment*. New York : St. Martin Press.
- Child, J., Yan, Y. and Lu, Y. 1997. Ownership and Control in Sino-Foreign Joint Ventures. In P.W. Beamish and J.P. Killing, editors, *Cooperative Strategies : Asian Pacific Perspectives*. San Francisco : The New Lexington Press.
- Chowdhury, M.A.J. 1989. *International Joint Ventures : Some Interfirm -Organization Specific Determinants of Successes and failures—A Factor analysis exploration*. Unpublished doctoral dissertation, Temple University.
- Chowdhury, J. 1992. Performance of international joint ventures and wholly owned foreign subsidiaries : A comparative perspective. *Management International Review* 32(2) : 115-133.
- Churchill, G.A., Jr. 1979. A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research* 16 : 64-73.
- Coase, R.H. 1937. The nature of the firm. *Economica* 386-405.
- Cohen, J. and Cohen, P. 1983. *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences*. Second Edition, Lawrence Erlbaum Associates, Hillsdale : NJ.
- Commercial Intelligence Service. 1999, Foreign Companies in Thailand : 1999 Yearbook. August, Business Monitor International Ltd, London : UK..
- Contractor, F.J. and Lorange, P. 1987. Competition versus cooperation : A benefit-cost framework for choosing between fully owned investments and cooperative relationships. In G. Westcott and others, editors, *Managing in a Global Economy II : Eastern Academy of Management Proceedings of the Second International Conference*.
- Contractor, F.J. and Lorange, Peter. 1988. Why should firms cooperate? The strategy

- and economics basis for cooperative ventures. In F. Contractor and P. Lorange, editors, *Cooperative Strategies in International Business*. Lexington, MA : Lexington Books.
- Cook, K. 1977. Exchange and power in networks of interorganizational relations. *The Sociological Quarterly* Winter 18 : 62-82.
- Cook, K.S., and Emerson, R.M. 1978. Power, equity, and commitment in exchange networks. *American Sociological Review* 43 : 721-739.
- Coughlin, C.C. 1981. *Technology Transfer to Yugoslavia Via Joint Ventures*. Unpublished Ph.D. dissertation. University of North Carolina at Chapel Hill.
- Crosby, L A., Evans, K. R., and Cowles, D. 1990. Relationship quality in services selling: An interpersonal perspective. *Journal of Marketing* 54(July) : 60-81.
- Cullen, J., Johnson, L., and Sakano, T. 1995. Japanese and local partner commitment to IJVs: Psychological consequences of outcomes and investments in the IJV relationship. *Journal of International Business Studies* 26(1) : 91-116.
- Cummings, T. 1984. Transorganizational development. *Research in Organizational Behavior* 6 : 367-422.
- Daft, R.L. and Lengel, R.H. 1984. Information richness : A new approach to manager information processing and organization design In Staw B. and Cummings, L.L., Editors, *Research in Organizational Behavior*, Greenwich: CT : JAI Press.
- Daft, R.L. and Lengel, R.H. 1986. Organizational information requirements, media richness, and structural design. *Management Science* 32(5) : 554-571.
- Daft, R.L. and Lewin, A.Y. 1990. Can organization studies begin to break out of the normal science straitjacket? *Organizational Science* 1 : 1-9.
- Dang, T.T. 1977. *Ownership, Control, and Performance of Multinational Corporations : A Study of U.S. Wholly Owned Subsidiaries and Joint Ventures in the Philippines and Taiwan*. Unpublished Ph.D. dissertation. University of California, Los Angeles.
- Daniels, J.D. 1971. *Recent Foreign Direct Manufacturing Investment in the United States*. New York : Praeger.
- Das, T.K. and Teng, B.S. 1997. Sustaining strategic alliances : Options and guidelines. *Journal of General Management* 22(4) : 21-42.
- Das, T.K. and Teng, B.S. 1998. Between trust and control: developing confidence in partner cooperation in alliances, *Academy of Management Review* 23(3) : 491-512.
- Datta, D.K. and Rasheed, A.M.A. 1993. Planning international joint ventures: The role of human resource management. In R. Culpán, editor, *Multinational Strategic Alliances*. New York, International Business Press : 251-272.
- Davidson, W.H. 1982. *Global Strategic Management*. New York : Wiley.
- Day, G. and Klein, S. 1987. Cooperative behavior in vertical markets : The influence of transaction costs and competitive strategies. In M. Houston, editor, *Review of Marketing* : 39-66.
- De Houghton, C. 1966. *Cross-Channel Collaboration*. London : PEP.
- Dess, G.G. and Robinson, Jr. R.B. 1984. Measuring organizational performance in the absence of objective measures : The case of the privately held firm and conglomerate business unit. *Strategic Management Journal* 5(3) : 265-273.
- Deutsch, M. 1973. *The Resolution of Conflict*. New Haven, CT: Yale University Pres.
- Devlin, G. and Bleakley, M. 1988. Strategic alliances—Guidelines for success. *Long Range Planning* 21(5) : 18-23.
- Dobkin, J.A., Burt, J.A., Spooner, M.J. and Krupsky, K.J. 1986. *International Joint Ventures*. Washington, DC : Federal Publications.
- Donaldson, L. 1990. The ethereal hand : Organizational economics and management

- theory. *Academy of Management Review* 15(3) , 369-381.
- Douglas, A.P. and Craig, C.S. 1983. *International Marketing Research*. Englewood Cliffs, NJ: Prentice Hall.
- Dowling, P.J. and Schuler, R.S. 1990. *International dimensions of human resource management*. Boston, MA : PWS-Kent Publishing.
- Doz, Y. 1986. *Strategic Management in Multinational Companies*. Oxford : Pergamon.
- Doz, Y. 1996. The evolution of cooperation in strategic alliances: Initial conditions or learning processes? *Strategic Management Journal* 17(summer special Issue) : 55-83.
- Driscoll, J. 1978. Trust and participation in organizational decision making as predictors of satisfaction. *Academy of Management Journal* 21 : 44-56.
- Drucker, P.F. 1974. *Management Tasks, Responsibilities and Practices*. New York : Harper & Row.
- Duncan, L. 1982. Impacts of new entry and horizontal joint ventures on industrial rates of return. *Review of Economics and Statistics* 64 : 120-125.
- Dunning, J.H. 1971. Trade, location of economic activity and the MNE : A search for an eclectic approach. In B. Ohlin, editor, *The International Allocation of Economic Activity*. Proceedings of a Nobel Symposium held at Stockholm, London : Macmillan.
- Dunning, J.H. 1977. *The Multinational Enterprise*, London, George Allen and Unwin 41(4) November : 269-295.
- Dunning, J.H. 1979a. Trade, location for economic activity and the multinational enterprise : some empirical evidence. *Journal of International Business Studies* 10 Winter.
- Dunning, J.H. 1979b. The explaining changing patterns of international production: In defense of the eclectic theory. *Oxford Bulletin of Economics and Statistics* 41(4) November : 269-295.
- Dunning, J.H. 1981. *International Production and the Multinational Enterprise*. London : George Allen and Unwin.
- Dunning, J.H. 1988. The eclectic paradigm of international production : A restatement and some possible extensions. *Journal of International Business Studies* Spring : 1-31.
- Dwyer, F.R. and Oh, S. 1988. A transactions cost perspective on vertical contractual structure and interchannel competitive strategies. *Journal of Marketing* 52 : 21-34.
- Dwyer, F.R., Schurr, P. and Oh S. 1987. Developing buyer-seller relationships. *Journal of Marketing* 51 April : 11-27.
- Dyer, B. and Xong, X.M. 1997. The impact of strategy on conflict : A cross-national comparative study of U.S. and Japanese firms. *Journal of International Business Studies* 28(3) : 467-493.
- Dymsza, W.A. 1988. Success and failures of joint ventures in developing countries : Lessons from experience. In F. Contractor and P. Lorange, editors, *Cooperative Strategies in International Business*. Lexington, Mass. : Lexington Books.
- Erden, D. 1997. Stability and satisfaction in cooperative FDI : Partnerships in Turkey. In P.W. Beamish and J.P. Killing, editors, *Cooperative Strategies : Asian Perspectives*. San Francisco : The New Lexington Press.
- Factory Directory in Thailand Vol. 2 98/99 May 1998.
- Fey, C.F. 1996. Important design characteristics for Russian-foreign joint ventures. *European Management Journal* 13(4) : 405-415.
- Fishman, M. and Levinthal, D.A. 1991. Honeymoons and the liability of adolescence: A new perspective on duration dependence in social and organizational relationships. *Academy of Management Review* 16 : 442-468.

- Franko, L.G. 1971. *Joint Venture Survival in Multinational Corporations*. New York : Praeger.
- Frazier, G., Spekman, R. and O'Neal, C. 1988. Just - in - time exchange relationships in industrial markets. *Journal of Marketing* 52(10) : 52-67.
- Friedmann, W.G. and Beguin, J.P. 1971. *Joint International Business Ventures in Developing Countries*. New York : Columbia University Press.
- Friedmann, W.G. and Kalmanoff, G. (Eds.). 1961. *Joint International Business Ventures*. New York : Columbia University Press.
- Fusfeld, D. 1958. Joint subsidiaries in the iron and steel industry. *American Economic Review* 48 : 578-287.
- Ganesan, S. 1994. Determinants of long-term orientation in buyer-seller relationships. *Journal of Marketing* 22 (April) : 1-19.
- Geringer, M. J. 1986. *Criteria for Selecting Partners for Joint Ventures in Industrialized Market Economies*. Unpublished doctoral dissertation, University of Washington, Seattle.
- Geringer, M.J. 1988. Partner selection criteria for developed country joint ventures. *Business Quarterly* 53(1) : 67-84.
- Geringer, M.J. 1991. Strategic determinants of partner selection criteria in the international joint venture. *Journal of International Business Studies* 22 : 41-62.
- Geringer, M.J. and Herbert, L. 1989. Control and performance of international joint ventures *Journal of International Business Studies* 20(2) : 235-254.
- Geringer, M.J. and Hebert, L. 1991. Measuring performance of international joint ventures. *Journal of International Business Studies* 22 : 249-263.
- Gibb, J. 1964. Climate for trust formation. In L. Bradford, J. Gibb, and K. Benne, editors, *T-Group Theory and Laboratory Method*, New York: Wiley.
- Gomes-Casseres, B. 1987. Joint venture instability : Is it a problem? *Columbia Journal of World Business* 22(2) : 97-102.
- Good, L. 1972. *United States Joint Ventures and Manufacturing Firms in Monterey, Mexico : Comparative Styles of Management*. Unpublished Ph.D. dissertation. Cornell University, New York.
- Gray, B. and Yan, A. 1992. A negotiations model of joint venture formation, structure and performance : Implications for global management. *Advances in International Comparative Management* 7 : 41-75.
- Groves, R.M. 1990. *Survey Errors and Survey Costs*. New York : John P. Wiley.
- Grubel, H.G. 1977. *International Economics*. Homewood : Richard D. Irwin.
- Gugler, P. and Dunning, J.H. 1993. Technology-based cross-border alliances. In R. Culpan, editor, *Multinational Strategic Alliances*. New York : International Business Press.
- Gullander, S. 1976. Joint ventures and corporate strategy. *Columbia Journal of World Business* 11(1): 140-114.
- Gundlach, G.R., Achrol R.S., and Mentzer, J.T., 1995. The structure of commitment in exchange. *Journal of Marketing* 59 (January) : 78-92.
- Hair, J.F. Jr., Anderson, R.E., Tatham, R.L. and Black, W.C. 1995. *Multivariate Data Analysis with Readings*, Fourth Edition, Prentice Hall.
- Hamada, K. 1974. An economic analysis of the duty-free zone. *Journal of International Economics* August : 231-235.
- Hamel, G. 1991. Competition for competence and inter-partner learning within International strategic alliances. *Strategic Management Journal* 12 : 83-103.
- Hamel, G., Prahalad, C.K. and Doz, Y. 1989. Collaborate with your competitors and win.

- Harvard Business Review* Jan-Feb : 133-139.
- Harrigan, K. 1985. *Strategies for Joint Ventures Success*. Lexington, MA : Lexington Books.
- Harrigan, K. 1986. *Managing for Joint Ventures Success*. Lexington, MA : Lexington Books.
- Heide, J.B. 1994. Interorganizational governance in marketing channels. *Journal of Marketing* 58 (January) : 71-85.
- Heide, J. B., and John, G. 1992. Do norms matter in marketing relationships? *Journal of Marketing* 56(4) : 32-44.
- Hennart, J.F. 1988. A transaction costs theory of equity joint ventures. *Strategic Management Journal* Vol. 9 : 361-374.
- Hennart, J.F. 1990. The transaction cost theory of the multinational enterprise. In C. Pitelis and R. Sugan, editors, *The Nature of the Transnational Firm*. London : Routledge.
- Hennart, J.F., Kim, D.J. and Zeng, M. 1998. The impact of joint venture status on the longevity of Japanese stakes in U.S. manufacturing affiliates. *Organization Science* 9(3) : 1-14.
- Hennart, J.F., Roehl, T. and Zietlow, D.S. 1999. "Trojan Horse" or "Work Horse"? The evolution of U.S.-Japanese joint ventures in the United States. *Strategic Management Journal* 20(1) : 15-29.
- Herbert, L. 1994. *Division of Control and JV Performance*. Unpublished Ph.D. dissertation. University of Western Ontario, London.
- Hibner, D.T., Jr. 1982. Antitrust considerations of joint ventures, teaming agreements, co-production and leader follower agreement. *Antitrust Law Journal* 5(4) : 705-723.
- Hill, R.C. 1988. *Joint Venture Strategy Formulation and implementation : A Contingency Approach*. Unpublished Ph.D. dissertation, Texas A&M University.
- Hill, C.W. 1990. Cooperation, opportunism, and the invisible hand : Implications for transaction cost theory. *Academy of Management Review* 15(3) : 500-513.
- Hitt, M.A., Ireland, R.D. and Hosskison, R.E. 1997. *Strategic Management : Competitiveness and Globalization*. St. Paul, MN : West.
- Hladik, K.J. 1985. *International Joint Ventures : An Analysis of U.S.-Foreign Business Partnerships*. MA : Heath.
- Hofstede, G. 1980. *Culture's Consequences*. Beverly Hills : Sage.
- Holton, R.E. 1981. Making international JVs work. In L. Otterbeck, editor, *Management of Headquarters Subsidiary Relationships in Multinational Corporations*. New York : ST. Martins Press.
- Horaguchi, H. and Toyne, B. 1990. Setting the record straight : Hymer internalization theory and transaction cost economics. *Journal of International Business Studies* 21(3) : 487-494.
- Hosmer L.T. 1995. Trust : The connecting link between organizational theory and philosophical ethics. *Academy of Management Review* 20(2) : 379-403.
- Hu, M.Y. and Chen, H. 1996. An empirical analysis of factors explaining foreign joint venture performance in China. *Journal of Business Research* 35 : 165-173.
- Huber, G. and Daft, R. 1987. The information environment of organizations. In F. Jablin et al., editors, *Handbook of Organizational Communication*. Newbury Park, CA : Sage Publications.
- Hymer, S.H. 1960/1976. *The International Operations of National Firms : A Study of Direct Foreign Investment*. Cambridge, MA : MIT Press.
- Iacueli, D. 1970. *Management Factors and Joint Ventures : Italy, A Case Study*. Unpublished Ph.D. dissertation. MIT Sloan School of Management, Cambridge, Mass.
- Inkpen, A. 1993. *Learning and collaboration : an Examination of North American-Japanese*

- Joint Ventures*. Unpublished Ph.D. dissertation, University of Western Ontario, London.
- Jablin, F., Putnam, L., Roberts, K. and Porter, L. 1987. *Handbook of Organizational Communication*. Sage Publications, Newbury Park : CA.
- Jain, S.C. 1987. Perspectives on international strategic alliances. In Cavusgil S, T., editor, *Advances in International Marketing*, Greenwich, Conn.: JAI Press.
- Janger, A.H. 1980. *Organizations of International Joint Ventures*. Conference Board Report 87 : New York.
- Jarillo, J.C. 1988. On strategic networks. *Strategic Management Journal* 9 : 31-41.
- Joelson, M.R. and Griffin, P.J. 1975. Multinational joint ventures and the U.S. antitrust laws. *Virginia Journal of International Law* 15 : 487-538.
- John, G. 1984. An empirical investigation of some antecedents of opportunism in a marketing channel. *Journal of Marketing Research* 21 : 278-289.
- Johnson, H. 1970. The efficiency and welfare implication of the multinational corporation. In C.P. Kindleberger, editor, *The International Corporation*. Cambridge: MIT Press.
- Johnson, J.L., Cullen, J.B., Sakano, T. and Takenouchi, H. 1996. Setting the stage for trust and strategic integration in Japanese-U.S. cooperative alliances. *Journal of International Business Studies* 27(5) : 981-1004.
- Johnson, J.L., Sakano, T., Cote, J. and Onzo, N. 1993. The exercise of interfirm power and its repercussions in U.S.-Japanese channel relationships. *Journal of Marketing* 30(4) : 1-10.
- Joreskog, K.G. and Sorbom, D. 1989, *Lisrel 7 : User's reference guide*. Chicago, IL : Scientific Software.
- Julian, C.C. and Ramaseshan, B. The factors influencing the marketing performance of international joint ventures (IJVs) in Thailand. *Sasin Journal of Management* Vol 5, 1999 : 1-16.
- Kaiser, H.F. 1960. The application of electronic computers to factor analysis. *Educational and Psychological Measurement* 20 : 141-151.
- Kanter, R, M. 1994. Collaborative advantage : The art of alliances. *Harvard Business Review* 72(4) : 96-108.
- Kapp, J. and Barnett, G. 1983. Predicting organizational effectiveness from communication activities : A multiple indicator model. *Human Communication Research* 9 : 239-254.
- Kemp, M. 1964. *The Pure Theory of International Trade*. Englewood Cliffs: Prentice-Hall.
- Killing, J. 1982. How to make a global joint venture work. *Harvard Business Review* 60 : 120-127.
- Killing, J. 1983. *Strategies for Joint Venture Success*. New York : Praeger.
- Kindleberger, C.P. 1969. *American Business Abroad*. New Haven, Yale : University Press.
- King, H.T., Jr. 1969. *Application of U.S. Antitrust Laws to international Joint Ventures*. (November 4) Remarks before the Inter-American Bar Association, Caracas, Venezuela.
- Kmenta, J. 1986. *Elements of Econometrics*. Second Edition, New York : MacMillan Publishing Company.
- Knickerbocker, F.T. 1985. *Oligopolistic Reaction and Multinational Enterprise*. Boston : Harvard University Press.
- Kobayashi, N. 1967. Some organizational practices. In Ballon, editor, *Joint ventures and Japan*. Sophia University.
- Koch, M.J. and McGrath, R.G. 1996. Improving labour productivity : Human resource management policies do matter. *Strategic Management Journal* 17 : 335-354.

- Kogut, B. 1988a. Joint ventures : Theoretical and empirical perspectives. *Strategic Management Journal* 9, 319-332.
- Kogut, B. 1988b. A study of the life cycle of joint ventures. In F.J. Contractor and P. Lorange, editors, *Cooperative Strategies in International Business*, Lexington, MA, Lexington Books : 169-186.
- Kogut, B. 1989. The stability of joint ventures: Reciprocity and competitive rivalry. *Journal of Industrial Economics* 38 : 183-198.
- Kogut, B. 1991. Joint ventures and the option to expand and acquire. *Management Science* 37(1) : 19-32.
- Koh, J. and Venkatraman, N. 1991. Joint venture formations and stock market reactions : An assessment in the information technology sector. *Academy of Management Journal* 34(4) : 869-892.
- Kohli, A. 1989b. Effects of supervisory behavior : The role of individual differences among salespeople. *Journal of Marketing* 53 October : 50-65.
- Kojima, K. 1978. *Direct Foreign Investment*. New York : Praeger.
- Koot, W.T.M. 1988. Underlying dilemmas in the management of international joint ventures. In F. Contractor and P. Lorange, editors, *Cooperative Strategies in International Business*. Lexington, Mass. : Lexington Books.
- Kumar, N. 1996. The power of trust in manufacturer-retailer relationships. *Harvard Business Review* 74(6) : 92-106.
- Lane, H. and Beamish, P.W. 1990. Cross-cultural cooperative behavior in JVs in LDCs. *Management International Review* 30 (special Issue) : 87-102.
- Lawrence, P.R. and Lorsch, J.W. 1967. *Organization and Environment ; Managing Differentiation and Integration*. Boston : Harvard University Press.
- Lecraw, D.J. 1984. Bargaining power, ownership and the profitability of transnational corporations. *Journal of International Business Studies* 15 : 27-43.
- Lee, C. and Beamish, P.W. 1995. The characteristics and performance of Korean joint ventures in LDCs. *Journal of International Business Studies* 26(3) : 637-654.
- Lengel, R.H. and Daft, R.L. 1984. *An exploratory Analysis of the Relationship Between Media Richness and Managerial Information Processing*, Working Paper, Texas A&M University.
- Levitt, T. 1983. The globalization of markets. *Harvard Business Review* May-June : 92-102.
- Levine, J.B. and Byrne, J.A. 1986. Corporate odd couples. *Business Week* July 21 : 100-106.
- Levine, S. and White, P.E. 1961. Exchange as a conceptual framework for the study of interorganizational relationships. *Administrative Science Quarterly* 5 : 583-601.
- Lewis, J.D. 1990. *Partnerships for Profit: Structuring and Managing Strategic Alliances*. New York : Free Press.
- Lewis, J.D., and Weigert, A. 1985. Trust as social reality *Social Forces* 63 : 967-985.
- Liebman, H.M. 1975. *U.S. and Foreign Taxation of Joint Ventures*. Office of Tax Analysis, U.S. Treasury Department.
- Lin, X. and Germain, R. 1998. Sustaining satisfactory joint venture relationships: The role of conflict resolution strategy. *Journal of International Business Studies* 29(1) : 179-196.
- Lolla, C. and Davis, H.J. 1991. Cultural synergy and multicultural workforce : Bridging occidental and oriental cultures. *Advances in International and Comparative Management* 6 : 103-125.
- Lorange, P. and Roos, J. 1993. *Strategic Alliances : Formation, Implementation and Evolution*. Cambridge, MA : Blackwell.
- Lu, Y., and Bjorkman, I. 1997. International joint venture decision making. In P.W.

- Beamish and J.P. Killing, editors, *Cooperative Strategies : Asian Pacific Perspectives*. San Francisco : The New Lexington Press.
- Luo, Y. 1998. Joint venture success in china: How should we select a good partner? *Journal of World Business* 33(2) : 145-166.
- Luo, Y. and Chen, M. 1995. Financial performance comparison between international joint ventures and wholly foreign-owned enterprises in China. *The International Executive* 37(6) : 599-613.
- Luthans, F. 1995. *Organizational Behavior*. Seventh Edition, Singapore : McGraw-Hill Inc.
- Lyles, M. A. 1988. Learning among JV-sophisticated firms. In F. Contractor and P. Lorange, editors, *Cooperative Strategies in International Business*. Lexington, MA : Lexington Books.
- Lyles, M.A. and Baird, I.S. 1994. Performance of international joint ventures in two Eastern European countries : The case of Hungary and Poland. *Management International Review* 34(4) : 313-329.
- Macdougall, G. 1960. The benefits and costs of private investment plan abroad : A theoretical approach. *Economic Record* March.
- MacNeil, I. 1981. Economic analysis of contractual relations : Its shortfalls and the need for a "rich classificatory apparatus". *Northwestern University Law Review* 75 : 1018-1063.
- Madhok, A. 1995. Revisiting multinational firms' tolerance for joint ventures: A trust-based approach. *Journal of International Business Studies* 26(1) : 117-137.
- Magee, S.P. 1977b. Information and the multinational corporation : An appropriability theory of direct foreign investment. In J.N. Bhagwati, editor, *The New International Economic Order*, Cambridge, MA : MIT Press.
- Maitland, I., Bryson, J., and Van de Ven, A. 1985. Sociologists, economists, and opportunism. *Academy of Management Review* 10 : 59-65.
- Makino, S. 1995. *Joint venture Ownership Structure and Performance ; Japanese Joint Ventures in Asia*. Unpublished Ph.D. dissertation, University of Western Ontario, London.
- March, J. 1988. *Decisions and Organizations*. Oxford : Basil Blackwell.
- Marret, C. B. 1971. On the specification of interorganizational dimensions. *Sociology and Social Research* 56(1) : 83-99.
- Marrow A. J., Bowers, D. F. and Seashore, S. E. 1967. *Management by Participation*, New York : Harper and Row.
- Mason, C. and Perreault, W. 1991. Collinearity, power, and interpretation of multiple regression analysis. *Journal of Marketing Research* 28 August : 268-280.
- McDougall, P.P., Covin, J.G., Robinson, R.B. and Herron, R. 1994. The effects of industry growth and strategic breadth on new venture performance and strategy content. *Strategic Management Journal* 15 : 537-554.
- Mckelvey, B. 1983. *Organizational Systematic : Taxonomy, Evolution, Classification*. University of California : Berkeley.
- Mead, W.J. 1967. Competitive significance of joint ventures. *Antitrust Bulletin*.
- Mendenhall, M. and Oddou, G. 1988. Acculturation profiles of expatriate managers : Implications for cross-cultural training programs. *Columbia Journal of World Business* 21 : 73-79.
- Mohr, J. 1989. *Communicating with Industrial Customers*. Marketing Science Institute, Report No. 89-112, Cambridge, MA.
- Mohr, J. and Nevin, J.R. 1990. Communication strategies in marketing channels : A theoretical perspective. *Journal of Marketing* 54 October : 36-51.

- Mohr, J. and Spekman, R. 1994. Characteristics of partnership success : Partnership attributes, communication behavior, and conflict resolution techniques. *Strategic Management Journal* Vol. 15 : 135-152.
- Moorman C., Zaltman, G., and Deshpande, R. 1992. Relationships between providers and users of market research: The dynamics of trust within and between organizations. *Journal of Marketing Research* 29(3) : 314-328.
- Moorman C., Deshpande, R. and Zaltman, G. 1993. Factors affecting trust in market research relationships. *Journal of Marketing Research* 57(1) : 81-101.
- Morgan, R.M., and Hunt, S.D. 1994. The commitment - trust - theory of relationship marketing. *Journal of Marketing* 58(3) : 20-38.
- Morris, D. and Hergert, M. 1987. Trends in international collaborative agreements. *Columbia Journal of World Business* 22(2) : 15-21.
- Mowday, R.T., Porter, L.W., and Steers, R.M. 1982. *Employee - Organizational Linkages : The Psychology of Commitment, Absenteeism, and Turnover*. New York: Academic Press.
- Mowday, R.T., Steers, R.M., and Porter, L.W. 1979. The measurement of organizational commitment. *Journal of Vocational Behavior* 14 : 224-247.
- Nelson, R.R. and Winter, Sidney G. 1982. *An Evolutionary Theory of Economic Change*. Cambridge, MA : Belknap Press of Harvard University Press.
- Nguyen, T.T.A. 1992. *Establishing JVs in Vietnam : Problems and Prospects*. Research Study, School of Management, Asian Institute of Technology, April.
- Nohria, N, and Garcia-Pont, C. 1991. Global strategic linkages and industry structure. *Strategic Management Journal* 12 (Summer special issue) : 105-124.
- Nunnally, J.C. 1978. *Psychometric Theory*, Second Edition, McGraw-Hill : New York.
- Ohmae, K. 1989. The global logic of strategic alliances. *Harvard Business Review* Mar-Apr : 51-62.
- Olson, L.B. and Singsuwan, K. 1997. The effect of partnership, communication, and conflict resolution behaviors on performance success of strategic alliances. In P.W. Beamish and J.P. Killing, editors, *Cooperative Strategies : Asian Pacific Perspectives*. San Francisco : The New Lexington Press.
- Osborn, R.N. and Baughn, C.C. 1990. Forms of interorganizational governance for multinational alliances. *Academy of Management Journal* 33(3) : 503-519.
- O'Reilly, C. III, and Chatman, J., 1986. Organizational commitment and psychological attachment: The effects of compliance, identification, and internalization on prosocial behavior. *Journal of Applied Psychology* 71(3) : 492-499.
- Ouchi, W.G. 1977. The relationship between organizational structure and organizational control. *Administrative Science Quarterly* 22(2) : 293-315.
- Ouchi, W.G. 1980. Markets, bureaucracies, and clans. *Administrative Science Quarterly* 25 (March) : 129-143.
- Ozawa, T. 1979. *International Investment and Industrial Structure : New Theoretical Implication for the Japanese Experience*. Oxford Economics Paper.
- Park, S.H. and Russo, M.V. 1996. When competition eclipses cooperation: An event history analysis of joint venture failure. *Management Science* 42 : 875-890.
- Parkhe, A. 1993a. "Messy" research, methodological predispositions, and theory development in international joint ventures. *Academy of Management Review* 18 : 227-268.
- Parkhe, A. 1993b. Strategic alliances structuring : A game-theoretic and transaction-cost examination of interfirm cooperation. *Academy of Management Journal* 36 : 794-829.

- Parkhe, A. 1996. International Joint Venture. In B. J. Punnett and O. Shenkar, editors, *Handbook for International Management Research*, Lexington, Mass., Blackwell Publishers Inc. : 429-459.
- Pate, J.L. 1969. Joint venture activity : 1960-1968. *Economic Review* Federal Reserve Bank of Cleveland : 16-23.
- Pearce, J.A. II and Zahra, S.A. 1991. The relative power of CEOs and boards of directors: Associations with corporate performance. *Strategic Management Journal* 12(2) : 135-154.
- Peterson, R.B., and Shimada, J.Y. 1978. Sources of management problems in Japanese-American joint ventures. *Academy of Management Review* 3(3) : 796-804.
- Pfeffer, J. and Nowak, P. 1976a. Joint ventures and interorganizational interdependence. *Administrative Science Quarterly* 21(3) : 398-418.
- Pfeffer, J. and Nowak, P. 1976b. Pattern of joint venture activity : Implications for anti-trust policy. *Antitrust Bulletin* 21 : 315-339.
- Pfeffer, J. and Salancik, G.R. 1978. *The External Control of Organizations : A Resource Dependence Perspective* New York : Harper and Row.
- Phillips, W.G.Jr. 1970. *An Examination of the Public Stock Offering as an Ownership Strategy for U.S. Direct Investment in Mexico*. Unpublished Ph.D. dissertation, University of Nebraska.
- Pindyck, R.S. and Rubinfeld, D.L. 1981. *Econometric Models and Economic Forecasts*. New York : McGraw-Hill Book Company.
- Pinto, M.B., Pino, J.K. and Prescott, J.E. 1993. Antecedents and consequences of project team cross-functional cooperation. *Management Science* 39(10) : 1281-1297.
- Polanyi, M. 1967. *The Tacit Dimension*. New York : Doubleday.
- Porter, L.W., Lawler III, E.E. and Hackan, JR. 1975. *Behavior in Organizations*. Japan : McGraw-Hill Kogakusha.
- Porter, M.E. 1980. *Competitive Strategy*. New York : Praeger.
- Powell, W. 1987. Hybrid organizational arrangements : New form or transitional development, *California Management Review* 30(1) : 67-87.
- Powell, W. 1990. Neither market nor hierarchy. *Research in Organizational Behavior* 12 : 295-336.
- Prahalad, C.K. and Doz, Yves L. 1987. *The Multinational Mission : Balancing Local Demands and Global Vision*. New York : Free Press.
- Provan, K.G. and Skinner S.J. 1989. Interorganizational dependence and control as predictors of opportunism in dealer-supplier relations. *Academy of Management Journal* 32 : 202-212.
- Pruitt, D.G. 1981. *Negotiation Behavior*. New York : Academic Press.
- Pruitt, D.G. and Rubin, J.Z. 1986. *Social conflict : Escalation, Stalemate, and Settlement*. New York : Random House.
- Quinn, J.B. 1980. *Strategies for Change : Logical Incrementalism*. Burr Ridge, Ill. : Irwin.
- Quinn, J.B. 1992. *Intelligent Enterprise*. New York : Free Press.
- Rafii, F. 1977. *Joint Ventures and Technology Transfer to Iran : The Impact of Foreign Control*. Unpublished Ph.D. dissertation, Harvard University.
- Rahim, A. 1983. A measure of styles of handling interpersonal conflict. *Academy of Management Journal* 26(2) : 368-376.
- Raveed, S. 1976. *Joint Ventures Between US Multinational Firms and Host Governments In Selected Developing Countries : A Case Study of Costa Rica, Trinidad and Venezuela*. D.B.A. dissertation, Indiana University.
- Reich, R. B. and Mankin. E.D. 1986. *Joint ventures with Japan give away our future*.

- Harvard Business Review* 64(2) : 78-86.
- Renforth, 1974. *A Comparative Study of Joint International Business Ventures with Family Firms or Nonfamily Partners : The Caribbean Community*. D.B.A. dissertation, Indiana University.
- Reve, T. 1990. The firm as a nexus of internal and external contracts. In M. Aoki B. Gustafson, and O. Williamson, editors, *The Firm as a Nexus of Treaties*, Thousand Oaks, CA : Sage.
- Reynolds, J.I. 1979. *Indian - American Joint Ventures : Business Policy Relationships*. Washington, DC : University Press of America.
- Reynolds, J.I. 1984. The "pinched shoe" effect on international joint ventures. *Columbia Journal of World Business* 19 : 23-29.
- Ring, P.S. and Van de Ven, A.H. 1992. Structuring cooperative relationships between organizations. *Strategic Management Journal* 13 : 483-498.
- Ring, P.S. and Van de Ven, A. H. 1994. Developmental processes of cooperative interorganizational relationships. *Academy of Management Review* 19 : 90-118.
- Ruekert, R. and Walker, O. 1987. Marketing's interaction with other functional units : A conceptual framework and empirical evidence. *Journal of Marketing* 51 : 1-19.
- Rugman, A.M. 1979. *International Diversification and the Multinational Enterprise*. Lexington : D.C. Heath.
- Rugman, A.M. 1981. *Inside the Multinational*, New York : Columbia University Press.
- Rugman, A.M. 1986. New theories of multinational enterprise : An assessment of internalization theory," *Bulletin of Economic Research* Vol. 38 No. 2 : 3307-3378.
- Sarkar, M. Cavusgil, S.T. and Evirgen, C. 1997. A commitment-trust mediated framework of international collaborative venture performance. In P.W. Beamish and J.P. Killing, editors, *Cooperative Strategies : North American Perspectives*. San Francisco : The New Lexington Press.
- Schaan, J.L. 1983. *Parent Control and Joint Venture Success : The Case of Mexico*. Unpublished doctoral dissertation, University of Western Ontario, London, Canada.
- Schaan, J.L. 1988. How to control a joint venture even as a minority shareholder. *Journal of General Management* 14 : 4-16.
- Schwenk, C. and Cossier, R. 1993. Effects of consensus and devil's advocacy on strategic decision making. *Journal of Applied Psychology* 23 : 126-139.
- Shanley, M.T. and Correa, M.E. 1992. Agreement between top management teams and expectations for post acquisition performance. *Strategic Management Journal* 13 : 245-266.
- Shelling, T. C. 1960. *The Strategy of Conflict*. Cambridge, Mass.: Harvard University Press.
- Shenkar, O. and Zeira, Y. 1987. Human resources management in international joint ventures: Directions for research. *Academy of Management review* 12(3) : 546-557.
- Sherman, S. 1992. Are strategic alliances working? *Fortune* September 21 : 77-78.
- Sheth, J. N., and Parvatiyar, A. 1992. Towards a theory of business alliance formation. *Scandinavian International Business Review* 1(3) : 71-87.
- Simon, H. 1945. *Administrative Behavior*. New York : The Free Press.
- Skinner, W. 1968. *American Industry in Developing Countries*. New York : Wiley.
- Snyder, R. and Morris, J. 1984. Organizational communication and performance. *Journal of Applied Psychology* 69 : 461-465.
- Sperber, A.D., Devellis, R.F. and Boehlecke, B. 1994. Cross - Cultural Translation : Methodology and Validation. *Journal of Cross-Cultural Psychology* 25(4) : 501-524.

- Spinks, S.O. 1978. The contemporary antitrust regulation of joint ventures in the European Economic Community. *Vanderbilt Journal of Transnational Law* 11 : 373-420.
- Steers, R.M. 1977. Antecedents and outcomes of organizational commitment. *Administrative Science Quarterly* 22 : 46-56.
- Stevens, J. 1996. *Applied Multivariate Statistics for the Social Sciences*. Third Edition, Mahwah, NJ : Lawrence Erlbaum Associates.
- Stinchcombe, A.L. 1986. Norms of exchange. In A.L. Stinchcombe, editor, *Stratification and Organization: Selected Papers*, Cambridge University Press.
- Stopford, J.M. and Wells, L.T. 1972. *Managing the Multinational Enterprise*. New York : Basic Books, Inc.
- Stohl, C. and Redding, W.C. 1987. Messages and message exchange processes. In F. Jablin et al., editors, *Handbook of Organizational Communication : An Interdisciplinary Perspective*. Newbury Park, CA, Sage Publications : 451-502.
- Stuckey, A. 1983. *Vertical Integration and Joint Ventures in the Aluminum Industry*. Cambridge, MA : Harvard University Press.
- Subieta, A.T. 1991. *Effective formation of International Cooperative Arrangements : Technology Joint Ventures and Licensing Agreements*. Unpublished Ph.D. dissertation, Michigan State University.
- Sullivan, J., and Peterson, R. 1982. Factors associated with trust in Japanese-American joint ventures. *Management International Review* 22(2) : 30-40.
- Swierczek, F.W. 1994a. Joint ventures in Asia and multinational management. *European Management Journal* 12(2) : 197-209.
- Swierczek, F.W. 1994b. Culture and conflict in joint ventures in Asia. *International Journal of Project Management* 12(1) : 39-47.
- Swierczek, F.W., Bumbacher, U. and Quang, T. 1997. Joint ventures in Vietnam : an introduction. In F.W. Swierczek, U. Bumbacher and T. Quang, editors, *Understanding International Joint Ventures in Vietnam*. SOM research Monograph, Motic Series #7.
- Swierczek, F.W. and Hirsch, G. 1994. Joint ventures in Asia and multicultural management. *European Management Journal* 12(2) : 197-209.
- Tabachnick, B.G. and Fidell, L.S. 1996. *Using Multivariate Statistics*, Third Edition, HarperCollins College Publishers.
- Tallman, S.B. and Shenkar, O. 1994. A managerial decision model of international cooperative venture formation. *Journal of International Business Studies* 25(1) : 91-114.
- Teece, D. 1977. Technology transfer by multinational firms. *Economic Journal* 87 : 242-261.
- Teece, D. 1980. Multinational enterprises : International government and industrial organization. *American Economics Review* May : 233-238.
- Teece, D. 1986. Transactions cost economics and the multinational enterprises. *Journal of Economic Behavior and Organization* 7 : 21-45.
- Teece, D.J. 1992. Competition, cooperation, and innovation: Organizational arrangements for regimes of rapid technological progress. *Journal of Economic Behavior and Organization* 18 : 1-25.
- Thomas, K. 1976. Conflict and conflict management. In M. Dunnette, editor, *Handbook of Industrial and Organizational Psychology*. Chicago, IL, Rand McNally : 889-935.
- Thomas, K. and Kilmann, R.H. 1974. *Thomas-Kilmann conflict mode instrument*. Tuxedo, NY : Xicom.
- Tiemessen, I., Lane, H.W., Crossan, M.M., and Inkpen, A.C. 1997. Knowledge management in international joint ventures. In P.W. Beamish and J.P. Killing, editors,

- Cooperative Strategies : North American Perspectives*. San Francisco : The New Lexington Press.
- Tomlinson, J.W.C. 1970. *The Joint Venture Process in International Business : India and Pakistan*. Cambridge, MA : MIT Press.
- Tomlinson, J.W.C. and Thompson, M. 1977. *A Study of Canadian Joint Ventures in Mexico*. Working paper, University of British Columbia, Vancouver.
- Tung, R.L. 1981. Selection and training of personnel for overseas assignments. *Columbia Journal of World Business* 16(1) : 68-78.
- UNCTAD. 1992. *World Investment Report, 1992 : Transnational Corporations as Engines of Economic Growth*. New York : United Nations.
- UNCTAD. 1993. *World Investment Report, 1993 : Transnational Corporations and Integrated International Production*. New York : United Nations.
- UNCTAD. 1994. *World Investment Report, 1994 : Transnational Corporations, Employment and the Workplace*. New York : United Nations.
- UNCTAD. 1995. *World Investment Report, 1995 : Transnational Corporations and Competitiveness*. New York : United Nations.
- Vaupel, J.W. and Curhan, J.P. 1973. *The World's Multinational Enterprise*. Boston : Harvard University.
- Venkatraman, N., and Ramanujam, V. 1986. Measurement of business performance in strategy research: A comparison of approaches. *Academy of Management Review* 11(4) : 801-814.
- Vernon, R. 1966. International investment and international trade in the product cycle. *Quarterly Journal of Economics* Vol. 30 May : 190-207.
- Vernon, R. 1971. *Sovereignty at Bay : The Multinational Spread of U.S. Enterprises*. New York : Basic Books.
- Vernon, R. 1977. *Storm over the Multinationals*. Cambridge : Harvard University Press.
- Vernon, R. 1983. Organizational and institutional responses to international risk. In R. Herring, editor, *Managing International Risk*. New York : Cambridge University Press.
- Vicker, J. 1985. Pre-emptive patenting, joint ventures, and the persistence of oligopoly. *International Journal of Industrial Organization* 3 : 261-273.
- Walker, G. and D. Weber, 1984. A transaction cost approach to make or buy decisions. *Administrative Science Quarterly* 29 : 373-391.
- Ware, J. 1992. Problem solving and conflict resolution in groups. In Gabarro, J., editor, *Managing People and Organizations*, Boston, MA : Harvard Business Publication.
- Webster, D. 1989. International joint ventures with Pacific Rim partners. *Business Horizons* March-April : 65-71.
- Weiss, A. and Anderson, E. 1992. Converting from independent to employee salesforces: The role of perceived switching costs. *Journal of Marketing Research* 29(2) : 101-115.
- West, M.W. Jr., 1959. The jointly owned subsidiary. *Harvard Business Review* July-August 31-34 : 165-172.
- Wetherill, B.B. 1986. *Regression Analysis with Applications*. New York : Chapman and Hall.
- Wilkins, A.L., and Ouchi, W.G 1983. Efficient cultures: Exploring the relationship between culture and organizational performance. *Administrative Science Quarterly* 28 : 468-481.
- Wille, J.R. 1988. Joint Venturing Strategies. *The Handbook of Joint Venturing*. Homewood, IL : Dow Jones-Irwin.
- Williamson, O.E. 1975. *Markets and Hierarchies : Analysis and Antitrust Implications – A Study in the Economics of Internal Organizations*. New York : Free Press, Macmillan.

- Williamson, O.E. 1981. The economics of organizations: The transaction cost approach. *American Journal of Sociology* 87 : 548-577.
- Williamson, O.E. 1985. *The Economic Institutions of Capitalism*. New York : The Free Press.
- Williamson, O.E. 1991. Comparative economic organization : The analysis of discrete structural alternatives. *Administrative Science Quarterly* 36 : 269-296.
- Woodcock, P.C. and Geringer, J.M. 1990. Parent strategy, ownership, structure, cultural congruity and joint venture performance. *Proceedings of Administrative Sciences Association of Canada Conference*. Whistler, BC, Canada.
- Yan, A. and Gray, B. 1994. Bargaining power, management control, and performance in United States-China joint ventures. *Academy of Management Journal* 37 : 1478-1517.
- Yan, A. and Zeng, M. 1999. International joint venture instability: A critique of previous research, A reconceptualization, and directions for future research. *Journal of International Business Studies* 30(2) : 397-414.
- Young, R.G. and Bradford, S.Jr. 1977. *Joint Ventures Planning and Action*. New York : Arthur D. Little.
- Zand, D. 1972. Trust and managerial problem solving. *Administrative Science Quarterly* 17 : 229-239.
- Zaphiriou, G.A. 1978. Methods of cooperation between independent enterprises (Joint Ventures). *American Journal of Comparative Law* 20 (Supplement) : 245-264.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย



Appendices

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

Appendix A

I. Literature on Foreign Direct Investment

In the past, many researchers had tried to develop the theoretical concepts in order to explain the existing of the foreign direct investment (FDI). There are many existing theories using different approaches that attempt to explain FDI. Three approaches can be summarized from the literature. The first approach tries to explain how foreign firms compete abroad. International capital movement and industrial organization theories can be used to explain this approach. The second approach tries to explain why foreign firms exist. This approach can be explained by the internalization theory. The last approach tries to explain where ownership advantage of the firms should be exploited. Location theory holds the answer for this approach.

The First Approach : How Foreign Firms Compete Abroad?

International Capital Movement Theory

Before 1960s, international direct investment was considered primarily as only a special case of portfolio investment, that of the parent firm lending to a subsidiary or investing in a subsidiary. The inability of international trade theory to explain foreign investment was the motivation behind the economists in this period to consider foreign investment exclusively as a form of international capital movement. Within this framework, MacDougall (1960) and Kemp (1964) point out that differential interest rate of capital between countries lead to the flow of portfolio and direct investment from capital abundant country to capital poor country. The theory is based on the basic assumption that the investors maximize the rate of return by the differences in inter-country interest rates. The different rate exists because the difference in capital labor ratio.

While the theory seems to explain well with the general fact that the gap of factor endowment between countries can allow capital rich country to invest in capital poor country, however when such capital flows across national boundaries into foreign lands, markets and cultures, the special case becomes a different subject. The source firm must contend with differences in distance, time, markets, cultures, languages, personnel, currency, and governments, and other obstacles, which all favor the local competitors under normal circumstances. FDI theory, then, must explain why firms can, and do, go against this tide of market elements to conduct business in foreign markets and nations. The theory does not address these issues.

Industrial Organization Theory

Hymer (1960) is the first to analyze direct investment from the perspective of industrial organization theory. He is one of the first to distinguish between portfolio investment and direct investment. Portfolio investment refers to investment with no control over the operating entity, whereas direct investment infers that control also accompanies the investment. Portfolio theory at that time hypothesized that international investment took place because portfolio investments were attracted to countries with higher interest rates

(assuming risk was held equal). Hymer noted that in the early part of the twentieth century the pattern of international investment did not conform with the expectations of portfolio investment theory. He suggests that direct investment took place for reasons other than interest rate differentials. Investors use direct investment for the purpose of gaining control of the enterprise for two reasons: (1) to ensure the safety of the investment and (2) because the investor (or investing firm) has some types of advantages with which it wishes to exploit that foreign market. As Hymer explains : “If the markets are imperfect, that is, if there is horizontal or bilateral monopoly or oligopoly, some form of collusion will be profitable. One form of collusion is to have the various enterprises owned and controlled by one firm. This is one motivation for firms to control enterprises in foreign countries.” If the markets are imperfect and the investor has some types of advantages over the competing firms in the host country, then it is logical for the investor to exploit that advantage and invest in the foreign country.

Kindleberger (1969) follows on the work of Hymer and continues in the same line of thought that an investor must possess some advantages that would allow a direct investment to earn enough return to justify competing with firms in the host country because in a world of perfect competition for goods and factors, direct investment cannot exist. He lists the following imperfections as being possible causes of direct investment : (1) Departures from perfect competition in goods market, including product differentiation, special markets skills, retail price maintenance, and administered pricing. (2) Departures from perfect competition in factor markets, including the existence of patent or unavailable technology, of discrimination in access to capital, and of differences in skills of managers organized into firms rather than hired in competitive markets. (3) Internal and external economies of scale, the latter being taken advantage of by vertical integration. (4) Government limitations on output or entry.

Kindleberger states two conclusions that lead to the “monopolistic theory of direct investment.” First, because the foreign corporation possessed some advantages over the local firms, the foreign firm is hesitant to share that special knowledge. This is a strong reason in the mind of the investor against sharing his equity, as opposed to a joint venture. The second conclusion is that the FDI belongs to the theory of monopolistic competition. He suggests in his work that the rise of international corporations would be the wave of the future.

Dunning (1971) also identifies market imperfections as being the reason for companies (or countries) to invest abroad. He suggests three primary reasons : (1) to exploit market potential, (2) to secure materials for manufacturing and (3) to exploit a comparative advantage that they possess.

Buckley and Casson (1976) points out several shortcomings of the Hymer-Kindleberger FDI theory. Both took the endowments that provided the investing firm with a sufficient advantage to undertake FDI as a given. The planning, investment, management, and experience necessary to obtain such an advantage are ignored. Second, because these costs of acquisition are ignored, it is impossible for Hymer or Kindleberger to explain or predict why firms would invest in this procedure rather than some other types of assets. Third, the Hymer - Kindleberger theory emphasizes an advantage in terms of a monopoly by way of a single innovation or a patent. Their theory does not provide a foundation for the transmission of innovation or entrepreneurship.

Caves (1971) adds a slightly different perspective to the developing FDI theory. While FDI meant, in the Hymer - Kindleberger tradition, that the investor must possess some advantage that enables a return sufficient to justify the foreign investment, he indicates that FDI tended to occur only in a few of many possible institutional forms, and only within a few industries in developed countries.

Thus, while restricting the process, Caves tends to agree with Hymer, Kindleberger and others in the industrial organization theory that for FDI to occur, the firm investing abroad must enjoy not only enough of an information advantage in its special asset to offset the information disadvantage of its alien status; it must also find production abroad preferable to any other means of extracting this rent from a foreign market, such as exporting or licensing and establishing a native producer.

Caves argues that FDI occurs mainly in industries characterized by certain market structures in both home and host countries. He divides FDI into horizontal and vertical. Horizontal FDI usually occurred in industries where product differentiation and oligopolistic power exist while vertical FDI occurs mainly because the firms want to secure their raw materials or intermediate products for their own operation in the home market.

Caves also observes that firms frequently test a foreign market by exporting and then switching to local production through a subsidiary for better adaptation of the product to the local market or to produce the product at a lower cost. In many times firms can find increased foreign sales solely for the reason that the local population accepted the product better when it is produced locally. FDI is almost solely undertaken by the largest firms (and governments). Smaller firms, because of the costs involved, choose licensing as a means of foreign production.

Caves (1974) attempts to explain statistically the substantial interindustry variance in multinational corporations (MNCs). The tests conducted by Caves indicates that the intangible assets--namely, advertising, and research and development--are significant factors for the MNCs in both Canada and the United Kingdom and MNCs will appear in relatively concentrated industries with significant barriers to entry, and that the multinationals' advantages against de novo firms will make their prevalence an increasing function of entry barriers.

Aliber (1970) adds another dimension to the FDI theory. He feels that the industrial organization theory expounded by Hymer and Kindleberger and extended by Caves (1971) does not explain why a firm would choose to exploit a foreign market by direct investment rather than through licensing or exporting. Aliber (1971) suggests that FDI can be explained in that the source country firm may pay a higher price for the income stream than the host country because of some advantage in the capital markets that the source country may possess. That is : "In the market for debt, the source-country firm might be able to borrow at a lower rate than the host-country firm. In the equity market, the shares of the source-country firm may be capitalized at a higher rate than the earnings of the host-country firm. Indeed the distinction between source-country firms and host country firms may be large in terms of the differences between the capitalization rate applied by their market to their shares."

Kindleberger (1969) explains Aliber (1970)'s idea more simply : "Entrepreneurs in the country whose currency is regarded as the strongest have an advantage over local

enterprise in a foreign country, or for equity control of local companies.” Kindleberger (1969) also notes a weakness of Aliber’s theory in that the theory cannot explain cross-investments in the same industry.

Magee (1977b) combines the neoclassical theories of creation and appropriability with the theory of industrial organization to explain why firms engage in FDI. He argues that industries with a high derived demand for information must continually make investments that produce five specific types of information : (1) Creation (2) Development (3) Production (4) Markets (5) Appropriability. MNCs are specialists in the production of these specific types of information. Because the duplication of this information by the market is difficult, MNCs better transmit these types of information via internal markets. In addition the level of “appropriability” increases as the level of sophistication increases.

While the analyses have made significant contribution to the validity of the industrial organization approach, there are still several points of criticism concerning the application of industrial organization theory to FDI as pointed out by Buckley (1985). First, this approach fails to predict not only where advantages will be exploited, but also the initial motivation of the firm to undertake overseas operations and the interaction between home and host country factors that might affect the firm’s advantages. As such, this approach is not said to sum up all the relevant factors in the decision to undertake FDI. Second, an established foreign firm might not encounter high cost of foreignness due to the experience at adapting to local situations and international demand for the firm’s product. Third, the notion of the firm specific advantages relies upon a specific set of assumptions about the diffusion of technical and marketing know-how, comparative advantage of firm in particular location and existence of particular types of economies of scale. Dynamically these factors are likely to change and lead to a decline in the effectiveness of comparative advantages that are not catered for within the static framework of the industrial organization.

Caves (1972) proposes the *product differential theory* in explaining foreign direct investment under the industrial organization approach. He suggests that the main advantage that the foreign firms had over their local competitors in foreign market is their ability to differentiate products. This approach is similar to Johnson (1970), even though Caves clearly emphasizes on product differential rather than Johnson’s analysis of technology exploitation as a major competitive factor.

Caves argues that the firm exploited product differentiation by differentiating either a wide range of products or the tastes of one region, or possible a combination of the two. The former strategy lead to horizontal FDI while the latter lead to vertical FDI.

For horizontal FDI, the products are usually differentiated by technology, design, brand name and promotion strategy. This horizontal FDI is more in favor of foreign firms as Grubel (1977) points out that foreign firms are unlikely to be challenge by the local firms because they were costly and not wise economically for the local firms to compete with the foreign firms unless they are large enough to engage in world trade production and financially strong.

As for vertical FDI, there are at least two major reasons; either to secure their market or to control input sources and processing operation in order to minimize both interruption of inflow and pilling up of unwieldy inventories, if they might occur.

Vernon (1966) uses a micro-economic concept, the product cycle, to help explain a macro-economic phenomenon, the rapid growth and worldwide spread of the foreign activities of US-based MNCs in the first two decades following World War II. Vernon's *product life cycle theory* can be called an extension of the industrial organization approach of foreign direct investment, based upon product differential with a time lag. The focus will be more on the FDI aspects of the model. The model rests on four assumptions which are well explained by Buckley and Casson (1985) : (1) Products undergo predictable changes in production and marketing. (2) Information available on technology is restricted. (3) Production processes change over time and economies of scale are prevalent. (4) Tastes differ according to income and, thus, products can be standardized at various income levels.

In Vernon's model, the introduction and establishment of new products in the market follows three stages. The stimulus to develop new products is provided by the needs and opportunities of the market. The market where the firm is best aware of these needs and opportunities is the one closest at hand, the home market. New products are the result of research and development activities by the firm.

In stage one (New Product), when the product is initially developed and marketed, there is a need for close contact between the design, production, and marketing groups of the firm and the market being served by the product. This requires that production and sales take place in the home country.

In stage two (Maturing Product), when the markets in other countries develop characteristics similar to those of the home market, the product is exported to foreign countries. The multinational corporation (MNC) will have an advantage over local firms abroad as it has already incurred and recovered the costs of developing the product. Once local firms in the host countries begin to produce competing products, the costs of production for all firms will become more important. At that point the MNC will set up local production in the host countries if this results in lower costs.

In stage three (Standardized Product), the product becomes well established with a standardized design, and the market share of the MNC declines relative to host-country firms. In cases where the host country has strong cost advantages, the MNC will cease production at home and begin to import the product from the host country to the home country.

Vernon (1971,1977) modifies his model substantially, where the MNC in stage one is now identified as an emerging oligopoly, in stage two as a mature oligopoly, and in stage three as a senescent oligopoly.

There are some shortcomings concerning this theory in explaining the FDI. First, it cannot explain certain type of FDI such as non-standardized products or special designed products for overseas market. Second, some firms are capable of developing, marketing and standardizing products almost simultaneously, differentiating the product to suit a variety of demand without significantly time lag. Third, the theory tends to treat the three development stages independently, but in fact they are interdependent. Therefore, the theory is not a dynamic one in trying to explain FDI.

The Second Approach : Why Do Foreign Firm Exist?

Internalization Theory

While the industrial organization approach is an attempt to answer how foreign firm compete abroad, it does not address the more fundamental question why foreign firm exist?

The majority of the works in this field has centered upon the notion of internalization. Its basic hypothesis is that multinational hierarchies represent an alternative mechanism for arranging value-added activities across national boundaries to that of the market, and that firms are likely to engage in FDI whenever they perceive that the net benefits of their joint ownership of domestic and foreign activities, and the transactions arising from them, are likely to exceed those offered by external trading relationships.

Coase (1937) is the first to show that a domestic corporation could bypass the regular market and use internal prices to overcome the excessive transactions costs of an outside market.

Hamada (1974) proposes various economies of scale (reasons to internalize) that multinational companies could realize : (1) An information network all over the world (2) Ability to set up distribution and/or production facilities behind the tariff walls of host countries (3) Ability to make full use of patent systems and the granting of franchises in order to restrict exports from the host country to competitive markets (4) Economies of scale in advertising, sales, and after-sales service (5) Increase in the value of brand names in different markets (6) Ability to utilize incentives and concessions in taxation in both source and host countries (7) Transfer pricing and tax havens (8) Economies of scale in fund raising (9) Foreign exchange operations and speculation in the foreign exchange markets (10) Ability to exert political influence in both source and host countries.

Williamson (1975) proposes his view of internalization theory that due to the transaction costs which must be borne as a result of conducting business in imperfect markets, it is more efficient (less expensive) for the firm to use FDI or internal structure rather than market intermediaries to serve a foreign market. He suggests the reasons for these market imperfections arise from two environmental conditions : uncertainty and a small number of market agents. When these conditions coexist with two sets of human factors, opportunism and bounded rationality, he argues that the costs of writing, executing and enforcing arms-length complex contingent claims contracts with market intermediaries are greater than the costs of internalizing the market. In other words, a firm facing a complex, unpredictable business environment and having few potential channel members to utilize would be more profitable performing the distribution function itself if : (1) there is a strong likelihood market agents would try to take advantage of the firm's lack of complete knowledge; and (2) the firm is unable to specify all possible future transaction contingencies.

Buckley and Casson (1976) applies the internalization concept and internalization advantage in explaining FDI. FDI will be motivated if the cost of international resource allocation with internalization is less than the cost of international transaction through the market mechanism. In other words, the existing of FDI is the consequences of market imperfection. Moreover, the internalization of markets across national boundaries will depend on location-specific factor. When host country location-specific advantages are not

available, a firm will internalize the market within the national boundary and exploit its advantages on exporting. On the other hand, when host country location specific advantages are present, internalization of the market will take place across national boundaries and as the result, motivate FDI.

Buckley and Casson's theory is based on three postulates : (1) Firms maximize profit in a world of imperfect markets. (2) When firms in intermediate markets are imperfect, they have an incentive to bypass such markets by creating internal markets. This involves bringing under common ownership and control the activities linked by the market. (3) Internalization of markets across national boundaries generates MNCs.

Buckley and Casson specify four groups that are relevant to the internalization decision : (1) Industry-specific factors relating to the nature of the product and the structure of the external market. (2) Region-specific factors relating to the geographic and social characteristics of regions linked by the market. (3) Nation-specific factors relating to the political and fiscal relations between the nations concerned. (4) Firm-specific factors that reflect the ability of the management to organize an internal market. Their theory views the MNC as a special case of the multiplant firm, a further extension of the work of Hymer, Kindleberger, Dunning, and others. Their main emphasis is on the industry-specific factors. They stated that these factors, in particular, suggested excellent reasons for internalizing markets for intermediate products and for internalizing markets in knowledge.

Buckley and Casson further identify five types of market imperfections that could provide significant benefits to internalization : (1) When the interdependent activities linked by the market involve significant time lags but the futures markets required for their coordination are missing. (2) When efficient exploitation of market power over an intermediate product requires discriminatory pricing of a kind not feasible in an external market. (3) When a bilateral concentration of market power leads to an indeterminate or unstable bargaining power. (4) When there is inequality between buyer and seller with respect to knowledge of the nature or value of the product. (5) When there is government intervention, such as ad valorem tariffs or restrictions on capital movements.

Buckley and Casson make the logical assumption that companies have an incentive to internalize markets as long as the marginal benefits outweigh the marginal costs. MNCs then are created as firms internalize markets across national boundaries. Furthermore, they suggest that the previous theories could be shown to possess certain methodological shortcomings. Buckley and Casson mention the shortcomings : (1) The previous theories prejudge some of the crucial issues, such as the decision to internalize a market. (2) They are often vague about the assumptions on which their analysis is based, in particular the objectives of firms and the competitive constraints to which they are subject. (3) They fail to distinguish between short-run and long-run analysis

Buckley and Casson (1985) note, "the thrust of the concept on internalization is that the actions of firms can replace the market or alternatively can augment it". They also list several advantages to internalization : (1) The increased ability to control and plan production and, in particular, to coordinate flows of crucial inputs. (2) Exploitation of market power by discriminatory pricing. (3) Avoidance of bilateral market power. (4) Avoidance of uncertainties in the transfer of knowledge between parties. (5) Avoidance of potential government intervention.

Buckley (1990) attempts to differentiate between internalization and market structure and internalization and competitive advantage. He observes that some industries are relatively fixed and concentrated in structure. This encourages firms to diversify. Other industries are more wide open with loose market structures. These industries encourage internalization as a means of overcoming imperfections in the market structure. This, then, is the basic distinction that separated the two concepts. He also notes that MNCs do not conduct international business in a vacuum. The developing theory of international business must also consider social and political aspects of world trade as well as the economic aspects.

Rugman (1979) analyzes the role of the MNC as a vehicle for international diversification. Rugman (1979) extends the internalization theory to include not only direct investment but also international diversification. MNCs use internalization of knowledge as a means to create internal markets to bypass imperfections in the capital markets.

Rugman (1981) suggests that the internalization theory synthesized the works of the preeminent writers and their individual theories. These scholars, Vernon (1966), Kindleberger (1969), Caves (1971), Aliber (1970), Johnson (1970), Magee (1977a,b), Kojima (1978), and others, all contribute to the development of the internalization theory. Rugman (1986) surveys the literature on the MNC and focuses on the concept of internalization. He states in the conclusion that the internalization theory is at the core of the theory of the MNC. He also concludes that the internalization theory is perfectly consistent with the transaction cost theory (Rugman 1981; Dunning 1981) and the eclectic theory (Dunning 1979,1981). In this case the hierarchical organizational structure replaces external markets.

Although the transaction cost reasoning has provided the international approach with a powerful logic in explaining foreign direct investment, it is still deficit in some aspects as a general theory of FDI. The major limitation as argued by Knickerbocker (1985) is that the theory focused mainly on one mode of hierarchy or organization. This therefore provides a firm with one solution to the problem of imperfect international market, that is the establishment of a wholly-owned subsidiaries. What is seen in the real phenomena is that joint ventures, not wholly-owned subsidiaries are dominant ownership pattern of MNCs in developing countries.

Teece (1980) tries to justify the utilization of IJV within the framework of internalization theory by pointing that two necessary conditions must exist. First, the firm must possess a rent-yielding asset which will allow it to be competitive in foreign market. Second, the IJV arrangements are superior to other means for appropriating the rents from the sale of this asset in the foreign market.

Beamish (1988) argues that the attractiveness of IJV is a function of both the revenue enhancing and cost reducing opportunity for foreign firm because the local partner can provide location-specific knowledge regarding the local market. Moreover, even though the start up cost of wholly owned subsidiaries might be substantially lower, the long term average costs might be higher than the joint venture due to the very significant cost associated with independent effects to overcome a lack of knowledge about the local economy, politic and culture. As a result, IJV might be the outcome of host country local equity requirement as well as the preferred strategic choice of multinational firm particularly in the context of minimizing the risk of international operation in certain host countries.

Hennart (1988) uses the transaction cost theory to examine IJVs. The theory suggested that the minimization of costs was an important reason for FDI (or MNCs) and in his paper for IJVs. Hennart [1988] explains that the minimization of costs for the following areas is a reasonable cause for IJVs : raw materials and components, knowledge, distribution, and loan capital.

Hennart (1990) provides a survey of the work done on the MNC and FDI and developed the transaction cost theory of the MNC. He explains the types and forms of FDI including horizontal investments (of knowledge and goodwill), vertical investments (of backward and forward integration), and the actions of freestanding firms (with no particular national alliance). Hennart develops the transactions cost theory to explain such occurrences as joint ventures, contracts, and other forms of investment and countertrade. He concludes that the transactions costs approach provided a “convincing explanation” for the varied forms of existence of MNCs.

In sum, under the concept of internalization theory, a firm possessing an advantage can either use the advantage itself or can sell or lease the advantage to other firms. This choice is usually explained in the context of transactions costs. There are costs involved in use of markets and in internal coordination and control. The FDI decision depends on which option presents the best net return, when the risks associated with each alternative are taken into account. The use of the advantage in the host country is required if FDI is to take place. The cost of moving resources used in the host country must exceed the costs of controlling a subsidiary at a distance plus the costs of trade. Otherwise, the resource would be exported or moved to the home country, production would take place in the home country, and the foreign country market would be served by exports.

The Third Approach : Where Ownership Advantage to be Exploited?

Location Theory

Unlike industrial organization and internalization theory, location theory not only provides an answer to where FDI takes place, but also answers why the firm goes abroad. Vernon (1966) has incorporated location factors into the product cycle hypothesis to explain the interplay of the dynamic industry development and location influences, but apart from this much of the literatures on the theory of FDI tends to implicitly include location factors as a minor consideration.

The important of location theory to explain FDI has been taken up by Buckley and Casson (1985) who argue that location factors are important in explaining FDI which can be analyzed in two ways. First, the characteristics of location that influence FDI, for example, why and where does the foreign firm go abroad? The second relates to advantages attributed to producing in more than one location. Since location specific factors are external to the firm and often immobile, the study of location factors and FDI activity suggest that if firm can benefit more from production overseas than production in the home country because of the location specific factors, the firm will locate in that market. There are three location specific factors that are important to foreign firm: (1) raw materials which lead to vertical FDI, (2) cheap labors which lead to offshore production facilities and (3) protected of fragmented markets which lead to FDI as the preferred means of market servicing.

This theory explains not only the choices between home and host country production, but also the criteria behind the choices of overseas production facilities. The potential market size may be the most possible common location determinant. Chen (1983) argues that the potential growth of the foreign market has been included as a major location factor in several analysis of FDI.

Harrigan (1985) proposes that the existence of FDI might be due to the direct and indirect restriction of the tariff on import in the host country. As a result, foreign firms would setup the manufacturing facilities in the host countries in order to bypass the trade restriction (tariff).

Kojima (1978) argues that the ability to exploit the location factors would tend to motivate FDI. He differentiates between U.S. monopolistic direct investment and Japanese trade-oriented direct investment. Japan has concentrated its efforts in FDI to ensure the supply of raw materials and intermediate products for which it does not have a natural comparative advantage. Kojima distinguishes between Japanese type which he calls trade oriented foreign investment and non trade American type which he calls non trade oriented foreign investment. Japanese type foreign investment would take place in responding to relative comparative advantage changes, and corresponding to a macro economic government policy. This includes locating declining home country industry that has lost its comparative advantage.

In other words, Japanese FDI is exploit natural resources not available in Japan, and also to move labor intensive activities from the high cost to low cost location. This leads to the movement of Japanese firms to less developing countries (LDCs). FDI is claimed to be trade oriented because it is not only increasing technology transfer to these countries but also

increasing the trade volume between Japan and the host countries where the Japanese firms are located. Unlike Japanese FDI, the American type FDI is a defense of oligopolistic position in the world markets and is to exploit market factor and respond to trade barriers. Kojima (1978) calls this type of investment as non trade foreign investment because this FDI transfers its disadvantage activities and therefore reduced trade volume.

Further more, Ozawa (1979) argues that Japanese type of FDI does not need monopolistic advantage because FDI relies upon the exploitation of the industries rather than firm specific knowledge. Thus, there is no motivation for oligopolistic reaction FDI as presented by the industrial organization theory.

Dunning (1988) observes that Kojima (1978) views the MNC as an instrument by which comparative trading advantages of nation states may be efficiently utilized. He suggests that the Kojima's approach may be somewhat limited in presenting a unified theory with practical implications

However, there are several criticisms regarding Kojima's (1978) model. First, American type of FDI is not necessary non trade oriented. Second, the model is a static analysis which fails to recognize a dynamic pattern of growth of Japanese investment. For example, Kojima [1978] argues that Japanese investment could be easily transferred technology to LDCs because the technology gap between these two countries (host and the investing country) is small. As Japan experiences rapid industrialization, the gap has grown to the stage where now Japanese type FDI may be similar to American type FDI.

Eclectic Theory

Dunning (1977,1979) develops the eclectic approach to the theory of FDI. It provides a consolidation of the literature on FDI that draws on the industrial organization, location theory and market imperfections approaches. The eclectic theory specifies a set of three conditions that are required if a firm is to engage in FDI.

Firm-Specific Advantages

The firm must possess net ownership advantages vis a vis firms of other nationalities in serving particular (and, in practice, mainly foreign) markets. These firm-specific (or ownership) advantages (FSA) largely take the form of the possession of intangible assets, which are, at least for a period of time, exclusive or specific to the firm possessing them. The range of advantages that can lead to FDI is large but can be summarized as follows :

- (1) Proprietary technology due to research and development activities.
- (2) Managerial, marketing, or other skills specific to the organizational function of the firm.
- (3) Product differentiation, trademarks, or brand names.
- (4) Large size, reflecting scale economies.
- (5) Large capital requirements for plants of the minimum efficient size.

Internalization Advantages

Assuming that condition in the firm-specific advantages is satisfied, it must be more beneficial for the enterprise possessing these advantages to use them itself rather than to sell or lease them to foreign firms. Thus the firms, to become an MNC, must have an incentive to internalize its FSA. The conditions that favor internalization include :

- (1) High costs of making and enforcing contracts.
- (2) Buyer uncertainty about the value of the technology being sold.
- (3) A need to control the use or re-sale of the product.
- (4) Advantages of using price discrimination or cross-subsidization.

Country-Specific Advantages

Assuming that the conditions stated in the firm-specific advantages and internalization advantages are satisfied, it must be profitable to the enterprise to locate abroad, that is, to utilize these advantages in conjunction with at least some factor inputs (including natural resources) outside its home country. Otherwise foreign markets would be served entirely by exports and domestic markets by domestic production. Therefore, the location-specific advantages of the MNC are important elements in its choice of modality for servicing foreign markets. The location-specific advantages of the host country can include :

- (1) Natural resources.
- (2) Efficient and skilled low-cost labor force.
- (3) Trade barriers restricting imports.

The first and second of these can result in FDI that leads to exports as well as production for the local market. The third will be associated with production for the local market only.

Aliber (1983) explains his dissatisfaction with Dunning's eclectic theory. The key attribute of an MNC is not the fact that it engages in foreign production but that it finances some of its operation in its home currency. He is concerned with the MNC as a conduit for the financing of foreign capital projects

Dunning (1988) defends his eclectic theory of FDI against the criticisms that had been mounted against it. Two general differences between most FDI theories are concerned with structural distortions of the market and transactional market failure. Structural distortions are concerned with government intervention or actions that encourage or discourage FDI. Transactions gains could be realized with foreign exchange operations, enhanced arbitrage and leverage opportunities, and better coordination of financial decision making.

In summary, there are existing theories attempt to explain FDI. However, each theory only explain partially of the existing of FDI. Dunning's eclectic theory tries to integrate the various approaches in order to explain all the form of international production that have taken place by all countries. Eclectic theory explain why firms choose a particular forms of activities; export, licensing and FDI by linking up the interrelationship among ownership-specific advantages, internalization specific advantages and location specific advantages.

Although Dunning's eclectic theory is criticized as not really a theory of FDI, since it is derived mostly from all other theories of FDI, it, however, still has a strong explanatory power over other theories and hence remains a popular approach in explaining the features of FDI.

Up to this point, the literature have clearly showed that FDI is the received theories for MNCs to invest abroad. The type of FDI may be vary according to the objectives of each MNC. International cooperative ventures (ICVs) is one of the variety of FDI. IJV is also one form of ICV for MNC to invest abroad.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

II. Literature on International Cooperative Venture

Beamish (1988) and Contractor and Lorange (1988) claim that ICVs are a rapidly proliferating variety of FDI. There are existing theories using different approaches that attempt to explain ICVs. Two approaches can be summarized from the literature. One is the oligopoly frameworks which explain in terms of the market imperfections concepts of industrial organization economics models. Another one is the internalization frameworks which explain in terms of transaction cost economics approach of internalization models. These economic based frameworks have had success in providing rationales for the existence of joint operations.

Oligopoly Frameworks

Franko (1971) and Stopford & Wells (1972) focus their studies of ICVs on MNC-local shared equity joint ventures and conduct their studies within the industrial organization or oligopoly of competition. These studies generally view the equity joint venture (EJV) as the result of bargaining between an MNC and the local government.

Harrigan [1984] and Kogut [1988] propose that the motivation to deter competitive market entry and improve oligopoly profit potential for MNCs by strategic attempts is to establish equity joint ventures (EJVs) in less developed countries in order to extend their home country market power into a new location at lower cost and with less interference than a wholly owned subsidiary (WOS).

Tallman and Shenkar (1994) suggest that in the oligopoly framework, EJV formation is the result of industry structure, competition based on market share, and exogenous forces such as government policy. When those exogenous forces make sole ownership impossible, or strategic maneuvering requires cooperation rather than confrontation on unfavorable terms, EJVs are accepted as second best, temporary solutions, to be used until the venture can be converted to a WOS, or a host market presence is no longer necessary.

Beamish (1985) suggests that the local party typically offers a short-term solution to market-specific difficulties in the host nation and the EJV serves to control potential competition in the host market. More recently, the oligopoly framework has come to see ICVs involving multinationals as a way of extending collusive control of an industry internationally in order to reduce competition and increase profitability.

Internalization Frameworks

Teece (1986) and Buckley (1988) see that the internalization frameworks emphasize minimizing the sum of transaction and governance costs to explain the structural forms of FDI.

As in the oligopoly framework, the internalization approach focuses on EJVs while treating non-equity cooperative ventures as purely market transactions. EJVs are treated as quasi-hierarchical modified forms of contractual governance structures, with partial equity positions taken to minimize the opportunistic behavior embedded in competitive market activity at a lower resource cost than whole ownership. Thus, Buckley and Casson (1988)

suggest that EJVs provide a compromise contractual arrangement that reduces the impact of mistrust when the costs of co-ownership are lower than the cost of whole ownership.

Kogut (1988) and Hennart (1988) suggest that the residual profits of EJVs are held mutually hostage to desired behavior by the partners, hence reducing transaction costs. Beamish and Banks (1987) state that only by reducing the expected costs of transactions due to opportunism, bounded rationality, uncertainty, and small numbers conditions, EJVs can be justified on other than political grounds.

The transaction cost school addresses ICVs between MNCs as well as MNC-local ventures, but continues to focus on equity forms of cooperation as a means of ensuring trustworthiness under conditions where complete hierarchical merger is not desirable. Williamson (1991) suggests that as derivatives of structural economics, transaction cost models treat EJVs as situated at a midpoint between market and hierarchy, hybrids with intermediate degrees of the same transactional characteristics attributable to markets and hierarchies. The transaction cost approach does not go beyond oligopoly models in highlighting the process leading to ICV formation. This is the most important point.

Horaguchi and Toyne (1990) argue that transaction cost minimization cannot explain the creation of a new market, and as a whole it assumes a reactive rather than a proactive approach on the part of the investing firm.

Indeed, even the less deterministic economic theories, such as evolutionary economics which are proposed by Nelson and Winter (1982), fail to provide a realistic account of managerial behavior such as the preference for “satisficing” solutions which are mentioned by Simon (1945). Donaldson (1990) also notes that economic models essentially allow for merely one type of individual activity that of opportunistic agents seeking their net advantage, while failing to acknowledge other bases for managerial action.

In summary, oligopoly frameworks view ICVs as a means by which MNCs extend market power. Internationalization frameworks considers ICVs as a means by which MNCs minimize the opportunistic behavior and lower resource cost. Two frameworks are quite well in explaining the motive behind ICVs.

Sherman (1992) perceives that economic models do not explain the myriad of interpersonal and organizational factors affecting the formation and stability of ICVs. Tallman and Shenkar (1994) follow on a popular analogy of viewing ICVs as marriages claiming that the decision to form an ICV, as well as the selection of cooperative strategies, organizational forms and partners, is not strictly economic, but also a social, psychological and emotional phenomenon. Thus, what is nominally a legally contracted economic partnership is in fact a relationship involving many considerations, only a few of which are economic in nature. It is no coincidence that ICVs are frequently described using such terms as “trust”, “shared visions,” and “understanding.”

Tallman and Shenkar (1994) broadly define ICVs as any formal, cooperative activities between separately constituted, legally autonomous, business organizations across national boundaries. This definition of ICVs is considerably more limited than that of strategic alliances which are defined by Contractor and Lorange (1988) in that it does not include activities that are either limited to specific product technology, such as licensing or

joint R&D. or impinge on the legal autonomy of participating parties such as cross shareholding.

Tallman and Shenkar (1994) present a managerial decision framework to explain how managers choose to use ICVs in international markets as well as why and when they are likely to select EJVs versus CJVs. They suggest that a proactive approach towards the study of the ICV decision can be derived from organization theory concepts, providing an essential value-added input to the current economic models.

Tallman and Shenkar (1994) propose eight organizational issues in the ICV formation decision : (1) Managerial discretion, (2) The limits of environmental determinism, (3) The ICV Decision as an internal bargaining game, (4) The ICV decision as a reflection of corporate culture and structure, (5) ICV decisions as institutionalized responses, (6) ICVs as solutions to partial interdependencies in an external bargaining relationship, (7) National cultural differences and (8) ICVs as product of bargaining among key stakeholders. They propose the ICV decision tree as seen in Figure A. The model focuses on how economic, organizational, and behavioral considerations influence managers to choose cooperation and then to select one general cooperative form, shared equity or contractual, over the other at initial entry.

At stage 1 (to cooperate or not to cooperate), the initial decision for a new international market entry permits a choice among pure market transactions (exports or one-time licensing), international cooperative ventures (ICVs), and wholly own subsidiaries (WOSs). A specific objective here is to highlight the contention that a cooperative form may be the preferred, “first-best” solution of MNC managers contemplating entrance into a new market. In this stage, Tallman and Shenkar suggest seven propositions to indicate specific conditions under which an MNC is likely to prefer an ICV form in international markets as its first choice. The propositions are :

- (1) The greater the economic uncertainty of a potential international transaction, the more likely an ICV will be used in a target market where key managers have a personal interest. (under decisionmakers issue).
- (2) ICVs with local partners are more likely to be formed by MNCs with multidomestic strategies and independent subsidiaries than by global multinationals with interdependent subsidiaries. (under worldwide strategy issue).
- (3) The choice of an ICV is more likely than whole ownership when top management of the MNC is divided on issues of internationalization or of entry into particular markets. (under coalition politics issue).
- (4) ICVs are more likely to be formed among loosely coupled, decentralized MNCs. (under organizational decision context issue)

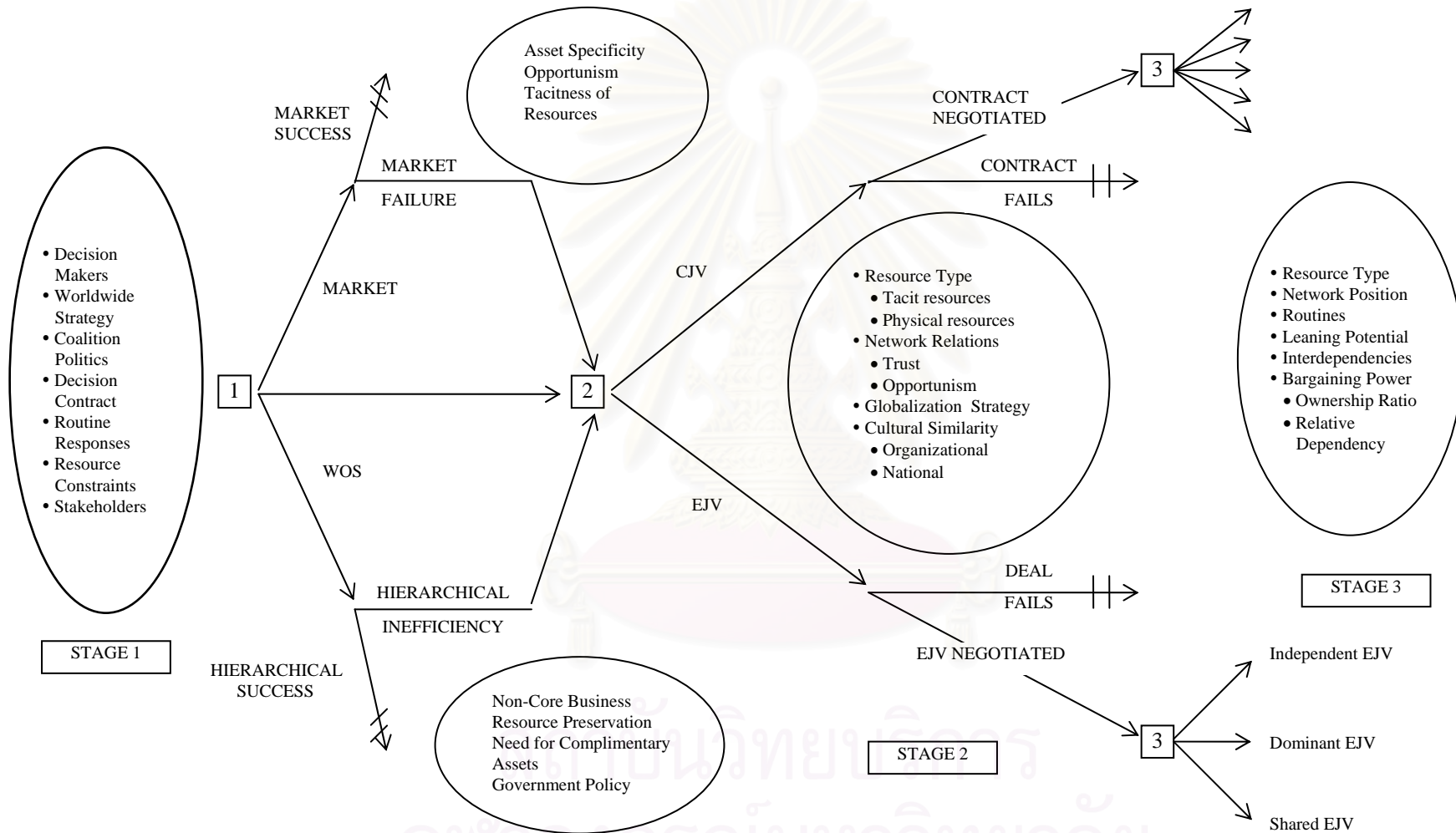


Figure A. The ICV Decision Tree

Source : Adapted from Tallman and Shenkar (1994)

- (5) Firms with ICVs in place will tend to use ICVs in new markets more often, and firms in industries with a large proportion of ICVs will use cooperative forms of investment more than firms in general. (under routine responses issue)
- (6) MNCs in the same industry will form ICVs in markets perceived to be secondary as a way to reduce competitive interactions when the parents compete in primary markets. (under perceived resource constraints issue)
- (7) MNCs are more likely to use ICVs in centrally planned or hybrid economies when the government indicates a preference for cooperation, even if a WOS is permitted. (under participating stakeholders issue)

At state 2 (contract or equity), once a cooperative venture is proposed, managers must choose between shared equity forms (EJVs) and extended contractual relationships of various types. This is a key distinction, in that a contractual relationship is specified as to duration and purpose, while an EJV is more likely to be open-ended in both senses. This generality holds, although contractual relationships can be, and often are, renewed indefinitely and some shared equity ventures have a set duration (which may be extended by mutual agreement). While a given contract will specify payment terms, and an EJV is proclaimed to be an efficient hostage to mutual residual payments, the two forms are often mixed such that the reality of economic relations is hardly clear. Perhaps the only absolute distinction between the two forms of ICV is that an EJV involves creation of a new organizational entity with shared ownership and separate management while CJVs provide defined relationships without a separate organizational life. In this stage, Tallman and Shenkar (1994) suggest six propositions to indicate specific conditions under which an MNC is likely to prefer an EJV form in international markets as its first choice. The propositions are :

- (8) EJVs are more likely to be formed than CJVs when the partners are sharing organizational skills rather than specific technologies. (under resource considerations issue)
- (9) Extended relationships between partners resulting from perceived fair dealing will generate trust and result in greater use of long-term CJVs. (under trust formation issue)
- (10) CJVs are more likely to be selected by MNCs with global strategies and structures, while EJVs are more likely to be selected by MNCs with a multi domestic strategy. (under international strategy and structure issue)
- (11) Firms with similar organizational cultural aspects are more likely to choose EJVs over CJVs and vice versa. (under organizational cultures issue)
- (12) EJVs are more likely to be used than CJVs when the parent firms are from more individualistic national cultures than if the parents are from collectivist cultures. (under national cultural similarities)

- (13) Complementarity of power needs or uncertainty avoidance in parent firms' national cultures should favor the use of EJVs over CJVs. (under national cultural similarities)

At stage 3 (specifying the terms of the relationship), the decision about ICV type eventually will proceed to a specific definition of the relationships between the partners and with the venture organization in which the type of contractual venture is decided or, in an equity deal, in which the control relationships between the partners are settled.

Once a shared equity forms are proposed and negotiated, managers must choose the forms of relationships among independent EJV, dominant EJV and Shared EJV. If the contractual forms are proposed and negotiated, managers must choose the forms of relationships among management contract, turn-key plant, franchise, supplier contract and service contract. In making the decision of each type of relationships, consideration should be made under the issue of resource type, network position, routines, learning potential, interdependencies, and bargaining power (ownership ratio or relative dependency).

EJVs provide joint ownership and control over the use of assets and production (Kogut 1988) and are effective in bypassing market inefficiencies. Equity control and sharing in profits or losses attained through the IJV's performance also serve to align the interests of parent firms, reducing the opportunism that may arise in ICVs (Hennart 1988) and eliminating the need for complex ex ante specification of ongoing activities and behavior. Therefore, EJVs may be chosen where other modes of transactions might fail; for example, to overcome the uncertainty and information asymmetry that make the writing of fully specified contracts difficult.

Thus, Osborn and Baughn (1990) found that the intention to conduct joint R&D increased the probability that firms would choose an EJV over a CJV. The EJV form of governance also allows for a superior monitoring mechanism, because owners are usually entitled to access independently verified financial information and also able to observe operations directly.

However, the EJV structure can also be restrictive. Shared ownership and joint decision-making arrangements can be cumbersome to manage and may slow the speed with which global strategies can be pursued. Compared with CJV arrangements, EJVs are more difficult to establish, terminate, and fundamentally change (Harrigan 1988). Consequently, the EJV's potential for protection and control may be offset by substantial administrative costs (Osborn and Baughn 1990) and a requirement for give and take that limits its strategic flexibility vis-a-vis CV arrangements (Harrigan 1988). The decision to form an EJV or a CJV represents a selection between alternative modes of interfirm transactions.

Appendix B

July , 2000

Subject : Questionnaire survey

Dear : Managing Director

Attachments : One set of questionnaire and envelope

I, Mr. Kajornvut Namsirikul, a doctoral student in the Joint Doctoral Program in Business Administration (JDBA) of the Faculty of Commerce and Accountancy, Chulalongkorn University, am working on my dissertation entitled "Behavioral Characteristics of International Joint Venture Performance", under the supervision of a committee with following members:

- | | |
|---|----------------------------|
| 1. Associate Professor Dr. Achara Chandrachai | Dissertation Chairperson |
| 2. Assistant Professor Dr. Pakpachong Vadhanasindhu | Dissertation Advisor |
| 3. Associate Professor Dr. Fredric W. Swierczek | Dissertation Co-adviser |
| 4. Assistant Professor Dr. Pornchai Chunnachinda | JDBA Dissertation Director |
| 5. Associate Professor Dr. Chenin Chen | Dissertation Director |

This research is aimed at exploring an impact of behavioral characteristics on the firm performance for international joint ventures in Thailand. The result of this dissertation will be able to explain the role and importance of behavioral characteristics of international joint ventures in relation to their performance. It also suggests the ways to improve and develop the understanding of behavioral characteristics of international joint venture, for executives in the international business, especially in the private sector, to improve their performance. In this regard, this dissertation is intended to be useful to the business sector, particularly the international business.

Since this is a dissertation for a doctoral degree in the international business management field, the research was systematically planned, emphasizing an ultimate utility both in terms of theory, and adaptation of the theory to management improvement in the private sector. Therefore, the accuracy of the information acquired is deemed to be the most important element of the research.

As executives with skill and experience in international business management, your contributions to this questionnaire will result in the development of this dissertation, which is expected to comprehensively create knowledge and understanding about behavioral characteristics of international joint ventures in Thailand, where this kind of research is very rare.

I would like to thank you very much for your kind cooperation in the preparation of this dissertation.

Sincerely yours,

(Mr. Kajornvut Namsirikul)
Doctoral student, JDBA Program
Faculty of Commerce and Accountancy
Chulalongkorn University

กรกฎาคม 2543

เรื่อง ขอความร่วมมือในการตอบแบบสอบถาม
เรียน ท่านกรรมการผู้จัดการ
สิ่งที่ส่งมาด้วย แบบสอบถามพร้อมซองจำนวน 1 ชุด

ด้วยกระผม นายจรูญดี นำศิริกุล ปัจจุบันเป็นนิสิตปริญญาเอก ในโครงการร่วมผลิตบัณฑิตระดับปริญญาเอก ด้านบริหารธุรกิจ (JDBA) สังกัดคณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์มหาวิทยาลัย ขณะนี้กระผมกำลังทำวิทยานิพนธ์ เรื่อง “ลักษณะทางพฤติกรรมของผลการดำเนินงานของกิจการร่วมทุนระหว่างประเทศ” (Behavioral Characteristics of International Joint Venture Performance) โดยมีคณะกรรมการดูแลวิทยานิพนธ์ ดังนี้

- | | |
|---|-----------------------------------|
| 1. รศ. ดร. อัจฉรา จันทร์ฉาย | ประธานกรรมการวิทยานิพนธ์ |
| 2. ผศ. ดร. พัทธพงศ์ วัฒนสินธุ์ | อาจารย์ที่ปรึกษาวิทยานิพนธ์ |
| 3. Acco. Prof. Dr. Fredric W. Swierczek | อาจารย์ที่ปรึกษาวิทยานิพนธ์ร่วม |
| 4. ผศ. ดร. พรชัย ชูณหจันดา | กรรมการวิทยานิพนธ์จากโครงการ JDBA |
| 5. Asso. Prof. Dr. Chenin Chen | กรรมการวิทยานิพนธ์ |

การวิจัยนี้มีวัตถุประสงค์ที่จะนำเสนอรูปแบบความสัมพันธ์ระหว่าง ลักษณะทางพฤติกรรม (Behavioral Characteristics) ที่ส่งผลต่อการดำเนินธุรกิจของบริษัทร่วมทุนระหว่างประเทศในประเทศไทย ผลของการวิจัยนี้สามารถที่จะอธิบายถึง บทบาทและความสำคัญของลักษณะทางพฤติกรรมของบริษัทร่วมทุนระหว่างประเทศที่มีผลต่อการดำเนินธุรกิจพร้อมทั้งนำเสนอแนวทางในการปรับปรุงและพัฒนาความเข้าใจในลักษณะทางพฤติกรรมของบริษัทร่วมทุนระหว่างประเทศให้แก่ผู้บริหารในธุรกิจระหว่างประเทศ โดยเฉพาะในภาคเอกชน ให้สามารถปรับปรุงผลการดำเนินงานได้

เนื่องจากวิทยานิพนธ์เรื่องนี้เป็นวิทยานิพนธ์ระดับปริญญาเอกทางด้านการบริหารธุรกิจระหว่างประเทศ การศึกษาค้นคว้าจึงได้มีการจัดทำอย่างเป็นระบบ เน้นประโยชน์สูงสุดทั้งในการด้านการขยายความรู้ในทางทฤษฎีและการนำผลวิจัยไปใช้ประโยชน์ในการปรับปรุงการบริหารงานในระดับองค์กรธุรกิจ การได้มาซึ่งข้อมูลที่มีความถูกต้องและตรงกับความเป็นจริง จึงมีความสำคัญอย่างยิ่งต่องานวิจัยนี้

ในฐานะที่ท่านเป็นผู้บริหารที่มีความรู้ ความชำนาญและมีประสบการณ์ด้านการบริหารธุรกิจระหว่างประเทศ การให้ความร่วมมือเสียสละเวลาตอบแบบสอบถามของท่าน จะส่งผลต่อความสำเร็จของงานวิจัยนี้ อัน

จะเป็นประโยชน์อย่างยิ่งในการสร้างความรู้ความเข้าใจเกี่ยวกับ ลักษณะทางพฤติกรรมที่ส่งผลต่อการดำเนินธุรกิจของ บริษัทร่วมทุนระหว่างประเทศในประเทศไทย ซึ่งเป็นงานวิจัยทางวิชาการที่ยังขาดแคลนอยู่มากในประเทศไทย

กระผมขอขอบพระคุณล่วงหน้าเป็นอย่างสูงในความร่วมมือนี้อตอบแบบสอบถามของท่าน เพื่อความสำเร็จ ในการ ทำวิจัยครั้งนี้

ขอแสดงความนับถือ

(นายขจรวุฒิ นาศิริกุล)

นิติปรัชญาเอกโครงการ JDBA

คณะพาณิชยศาสตร์และการบัญชี

จุฬาลงกรณ์มหาวิทยาลัย

หมายเหตุ ท่านผู้บริหารท่านใดที่มีความต้องการอยากจะได้ผลสรุปของงานวิจัยนี้ ซึ่งคาดว่าจะแล้วเสร็จ ประมาณเดือนพฤศจิกายน 2543นี้ ขอความกรุณา แบนนามบัตรหรือเขียนชื่อที่อยู่มาพร้อมแบบ สอบถามนี้

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

QUESTIONNAIRE

Behavioral Characteristic of International Joint Venture Performance

Objective of the Study

The objective of this research study is to explore the impact of behavioral characteristics on the firm performance satisfaction for international joint ventures in Thailand. Behavioral characteristics consist of partner compatibility, cooperation, communication and conflict resolution style. Your response will help develop a better understanding of these factors and guide international joint venture company in improving performance.

Guideline

1. There are 7 sections in this questionnaire.
 - Section I is concerned with the responder profile in both personnel and company.
 - Section II attempts to assess the impact of partner compatibility factors on the satisfaction of the firm.
 - Section III endeavors to appraise the impact of cooperation factors on the satisfaction of the firm.
 - Section IV tries to evaluate the impact of communication factors on the satisfaction of the firm.
 - Section V seeks to measure value of the impact of conflict resolution styles on the satisfaction of the firm.
 - Section VI attempts to assess the performance satisfaction of the firm.
 - The last section, Section VII, provides the responder to express his idea, suggestion or comment in order to improve this research.

2. Preferably, the questionnaire should be completed by executive or joint venture manager who responsible for overall activities of the firm.

3. We realize that in some cases, you may not have the exact figures to report. Your best estimates are sufficient and appreciated.

ALL INFORMATION THAT YOU PROVIDE WILL BE KEPT STRICTLY CONFIDENTIAL

- Please return the completed questionnaire in the envelope provided or fax to number : 621-5198 before August 31, 2000.
- If you would like a copy of the summary results, please attach your business card with the returned questionnaire.

THANK YOU FOR YOUR TIME AND COOPERATION

Mr. Kajornvut Namsirikul

Joint Doctoral Business Administration Candidate,

Faculty of Commerce and Accountancy,
Chulalongkorn University.

แบบสอบถาม

เรื่อง “ลักษณะทางพฤติกรรมของการดำเนินงานของกิจการร่วมทุนระหว่างประเทศ (Behavioral Characteristic of International Joint Venture Performance)

วัตถุประสงค์ของการวิจัย

การวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาถึงอิทธิพลของตัวแปรลักษณะทางพฤติกรรมที่มีผลต่อการดำเนินงานของกิจการร่วมทุนระหว่างประเทศในประเทศไทย เพื่อที่จะนำเสนอแนวทางในการปรับปรุงการดำเนินงานให้แก่ผู้บริหารกิจการร่วมทุนระหว่างประเทศ ลักษณะทางพฤติกรรมที่จะศึกษานี้จะประกอบด้วย การเข้ากันได้ของหุ้นส่วน การร่วมมือกันของหุ้นส่วน การติดต่อสื่อสารระหว่างหุ้นส่วน และ วิธีการแก้ไขข้อขัดแย้งระหว่างหุ้นส่วน

ข้อแนะนำในการตอบแบบสอบถาม

- แบบสอบถามชุดนี้ประกอบด้วยคำถามทั้งหมด 7 ส่วน
 - ส่วนที่ 1 : ข้อมูลทั่วไปเกี่ยวกับบริษัทร่วมทุน
 - ส่วนที่ 2 : ความคิดเห็นเกี่ยวกับการเข้ากันได้ระหว่างหุ้นส่วน
 - ส่วนที่ 3 : ความคิดเห็นเกี่ยวกับพฤติกรรมความร่วมมือกันระหว่างหุ้นส่วน
 - ส่วนที่ 4 : ความคิดเห็นเกี่ยวกับพฤติกรรมสื่อสารกันระหว่างหุ้นส่วน
 - ส่วนที่ 5 : ความคิดเห็นเกี่ยวกับลักษณะการแก้ไขความขัดแย้งระหว่างหุ้นส่วน
 - ส่วนที่ 6 : ความคิดเห็นเกี่ยวกับความพอใจของผลการดำเนินงานของบริษัทร่วมทุน
 - ส่วนที่ 7 : ข้อแนะนำหรือความคิดเห็นอื่นๆ ที่คิดว่าจะช่วยในการปรับปรุงการวิจัยนี้
- ถ้าเป็นไปได้ ขอความกรุณาให้ผู้บริหารหรือผู้จัดการของบริษัทร่วมทุน ผู้ซึ่งมีส่วนรับผิดชอบในการดำเนินงานเป็นผู้ตอบแบบสอบถาม
- ถ้ามีคำถามข้อใดที่ท่านไม่ทราบตัวเลขหรือคำตอบที่แน่นอน ขอความกรุณาใช้วิธีการประมาณ โดยอยู่บนพื้นฐานของข้อเท็จจริงให้มากที่สุด

ข้อมูลทุกอย่างที่อยู่ในแบบสอบถามนี้จะถูกเก็บไว้เป็นความลับที่สุด

กรุณาส่งแบบสอบถามกลับโดยทางไปรษณีย์ตามซองที่แนบมาพร้อมนี้ หรือส่งกลับทางโทรสารหมายเลข 621-5198
ภายในวันที่ 31 สิงหาคม 2543

ในกรณีที่ท่านต้องการสรุปย่อผลการวิจัย โปรดแนบนามบัตรหรือชื่อที่อยู่เพื่อที่จะได้จัดส่งเอกสารให้เมื่อการวิจัยได้เสร็จสิ้นแล้ว ซึ่งคาดว่าจะแล้วเสร็จในเดือนมกราคม 2544

ขอขอบพระคุณเป็นอย่างสูงในความร่วมมือในการตอบแบบสอบถามของท่าน

นายจรูดี นำศิริกุล

นิสิตปริญญาเอกโครงการ JDBA

คณะพาณิชยศาสตร์และการบัญชี จุฬาลงกรณ์มหาวิทยาลัย

Part I : General Information Regarding the Joint Venture

(ส่วนที่ 1 : ข้อมูลทั่วไปเกี่ยวกับบริษัทร่วมทุน)

I. Personal Information (ข้อมูลส่วนตัว)

1. Your nationality (ท่านถือสัญชาติ) : _____ 1
2. Your position (ท่านดำรงตำแหน่ง) : _____ 2
3. Year of working in this company (จำนวนปีที่ท่านทำงาน) : _____ 3
4. Are you a representative of : Thai partner Foreign partner Joint Venture 4
(ท่านเป็นตัวแทนของ) (หุ้นส่วนฝ่ายไทย) (หุ้นส่วนฝ่ายต่างชาติ) (บริษัทร่วมทุน)

II. Company Information (ข้อมูลส่วนบริษัทร่วมทุน)

5. How long has the Joint Venture been established (ระยะเวลาที่บริษัทร่วมทุนก่อตั้งมา) : _____ 5
 0-3 years (0-3 ปี) 4-7 years (4-7 ปี) 8-10 years (8-10 ปี) more than 10 years (มากกว่า 10 ปี)
6. Type of Business (ประเภทของธุรกิจ) : _____ 6
7. Registered capital (ทุนจดทะเบียนบริษัทร่วมทุน) : _____ 7
8. Nationality and ownership proportion of the shareholders (สัญชาติและอัตราส่วนการถือครองหุ้นของหุ้นส่วน) : _____ 8

Nationality (สัญชาติ)

Ownership (อัตราส่วนการถือครองหุ้น)

- | | |
|----------|---------|
| 1) _____ | _____ % |
| 2) _____ | _____ % |
| 3) _____ | _____ % |
| 4) _____ | _____ % |
| 5) _____ | _____ % |

9. Number of expatriates in management (จำนวนผู้บริหารที่มาจากต่างประเทศเพื่อปฏิบัติงานในบริษัทร่วมทุน) : _____ 9
 0 (0 คน) 1-2 (1-2 คน) 3-4 (3-4 คน) 5-6 (5-6 คน) more than 6 (มากกว่า 6 คน)
10. Number of full-time employees (จำนวนพนักงานประจำในทุกระดับของบริษัทร่วมทุน) : _____ 10
 less than 50 50 - 99 100-199 200-499 500-999 more than 1,000
(น้อยกว่า 50 คน) (50-99 คน) (100-199 คน) (200-499 คน) (500-999 คน) (มากกว่า 1,000 คน)
11. Turnover (ยอดขายและกำไรของบริษัทร่วมทุน) : _____ 11
Total Revenue (ยอดขาย) : Year (ปี) 1997 : _____ 1998 : _____ 1999 : _____
Total Net Profit (ยอดกำไร) : Year (ปี) 1997 : _____ 1998 : _____ 1999 : _____

12. How important is the "Partner Selection" for the success of Joint Venture : _____ 12
(ท่านคิดว่า "การเลือกหุ้นส่วนในการร่วมทุน" จะมีผลต่อความสำเร็จของบริษัทร่วมทุนในระดับไหน) :
 Not at all important Not particular important Important Fairly Important Very Important
(ไม่สำคัญเลย) (ไม่สำคัญเท่าไร) (สำคัญ) (ค่อนข้างสำคัญ) (สำคัญมาก)

13. How important is the "Management Control" for the success of Joint Venture : _____ 13
(ท่านคิดว่า "การควบคุมการปฏิบัติงานจากหุ้นส่วนที่ร่วมทุน" จะมีผลต่อความสำเร็จของบริษัทร่วมทุนในระดับไหน) :
 Not at all important Not particular important Important Fairly Important Very Important
(ไม่สำคัญเลย) (ไม่สำคัญเท่าไร) (สำคัญ) (ค่อนข้างสำคัญ) (สำคัญมาก)

14. What are the motives for Joint Venture formation (ท่านคิดว่าอะไรที่เป็นแรงจูงใจในการจัดตั้งบริษัทร่วมทุนนี้) : _____
Please check where applicable (ตอบได้มากกว่า 1 ข้อ)
- Transaction Cost (เป็นการร่วมมือกันเพื่อลดต้นทุน, ค่าใช้จ่ายต่างๆ ในการทำธุรกิจ)
- Strategic Behavior (เป็นการร่วมมือกันเพื่อให้ได้เปรียบในการแข่งขัน, ป้องกันคู่แข่งเข้าสู่ตลาด หรือเพิ่มอำนาจการตลาด)
- Organizational Knowledge and Learning (เป็นการร่วมมือกันเพื่อเสาะหาหรือเรียนรู้เทคโนโลยีหรือความสามารถจากหุ้นส่วน)
- Resource Dependence (เป็นการร่วมมือกันเพื่อให้ได้มาในทรัพยากรณ์ต่างๆ ที่จำเป็นในการทำธุรกิจจากหุ้นส่วน)
- Others, please specify (อื่นๆ, กรุณาระบุ) : _____

Part II : Partner Compatibility Influencing the Satisfaction of the Joint Venture

(ส่วนที่ 2 : การเข้ากันได้ระหว่างหุ้นส่วนที่มีผลต่อความพึงพอใจในบริษัทร่วมทุน)

Please indicate your degree of agreement or disagreement of the following statements by checking (✓) in the appropriate boxes on the scale to the right of each statement.

(โปรดใส่เครื่องหมาย (✓) ลงในช่องที่ใกล้เคียงหรือตรงกับความคิดเห็นของท่านมากที่สุดเกี่ยวกับข้อความดังต่อไปนี้)

Statement (ข้อความ)	Strongly Agree (เห็นด้วยมาก)	Agree (เห็นด้วย)	Neither Agree nor Disagree (ปานกลาง)	Disagree (ไม่เห็นด้วย)	Strongly Disagree (ไม่เห็นด้วยเลย)	
2.1 The joint venture's philosophy is similar to both partners'. (ปรัชญาของบริษัทร่วมทุนเหมือนกับปรัชญาของหุ้นส่วนทั้งสองฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 15
2.2 The joint venture's objectives link closely to both partners'. (วัตถุประสงค์ของบริษัทร่วมทุนสอดคล้องกับวัตถุประสงค์ของหุ้นส่วนทั้งสองฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 16
2.3 The joint venture's objectives are congruent with both partners'. (วัตถุประสงค์ของบริษัทร่วมทุนเหมาะสมกับวัตถุประสงค์ของหุ้นส่วนทั้งสองฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 17
2.4 The goals and objectives of both partners are compatible with each other. (จุดมุ่งหมายและวัตถุประสงค์ของหุ้นส่วนทั้งสองฝ่ายสามารถเข้ากันได้)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 18
2.5 Both partners always try to show their willingness to adapt to each partner's way of doing things. (หุ้นส่วนทั้งสองพยายามแสดงความตั้งใจที่จะปรับตัวให้เข้ากับวิธีการดำเนินงานของหุ้นส่วนแต่ละฝ่ายหนึ่ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 19
2.6 Both partners are aware that the norms for business communication are different in each partner's country. (หุ้นส่วนทั้งสองทราบดีว่ามาตรฐานในการสื่อสารทางธุรกิจมีความแตกต่างกันในประเทศของหุ้นส่วนแต่ละฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 20
2.7 Both partners appreciate the nature of each partner's decision making and management techniques. (หุ้นส่วนทั้งสองรู้จักลักษณะในการตัดสินใจและการจัดการของหุ้นส่วนแต่ละฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 21
2.8 Both partners seem to know the things about each partner's culture and way of doing business. (หุ้นส่วนทั้งสองดูเหมือนว่าจะทราบถึงลักษณะของวัฒนธรรมและวิถีในการทำธุรกิจของหุ้นส่วนแต่ละฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 22
2.9 Business relationship between both partners is characterized by high levels of trust. (ความสัมพันธ์ทางธุรกิจระหว่างหุ้นส่วนทั้งสองฝ่ายมีลักษณะไว้วางใจซึ่งกันและกันอย่างมาก)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 23
2.10 Each partner can be trusted to make sensible joint venture decisions. (หุ้นส่วนแต่ละฝ่ายสามารถไว้วางใจในการตัดสินใจอย่างมีเหตุผลสำหรับบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 24
2.11 Both partners generally trust each other that each will stay within the terms of the contract. (โดยปกติแล้วหุ้นส่วนทั้งสองฝ่ายไว้วางใจซึ่งกันและกันว่าแต่ละฝ่ายจะปฏิบัติตามสัญญาร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 25
2.12 Both partners are generally skeptical of the information provided to each other. (โดยปกติแล้วหุ้นส่วนทั้งสองฝ่ายจะสงสัยในข้อมูลที่แต่ละฝ่ายให้แก่กัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 26R

Part III : Cooperative Behaviors Influencing the Satisfaction of the Joint Venture

(ส่วนที่ 3 : พฤติกรรมการร่วมมือกันที่มีผลต่อความพึงพอใจในบริษัทร่วมทุน)

Please indicate your degree of agreement or disagreement of the following statements by checking (✓) in the appropriate boxes on the scale to the right of each statement.

(โปรดใส่เครื่องหมาย (✓) ลงในช่องที่ใกล้เคียงหรือตรงกับความคิดเห็นของท่านมากที่สุดเกี่ยวกับข้อความดังต่อไปนี้)

Statement (ข้อความ)	Strongly Agree (เห็นด้วยมาก)	Agree (เห็นด้วย)	Neither Agree nor Disagree (ปานกลาง)	Disagree (ไม่เห็นด้วย)	Strongly Disagree (ไม่เห็นด้วยเลย)	
3.1 Joint venture's plans are well coordinated with both partners'. (แผนการดำเนินงานของบริษัทร่วมทุนได้รับการประสานงานกับหุ้นส่วนทั้งสองฝ่ายอย่างดี)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 27
3.2 Both partners feel like they never know what they are supposed to be doing or when they are supposed to do for joint venture's plans. (หุ้นส่วนทั้งสองฝ่ายรู้สึกว่าจะไม่เคยรู้ว่าจะต้องทำอะไรและทำเมื่อไรเกี่ยวกับแผนการดำเนินงานของบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 28R
3.3 Partner' activities with another partner are well coordinated. (การทำงานของหุ้นส่วนแต่ละฝ่ายได้รับการประสานงานอย่างดี)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 29
3.4 Both partners' activities are well coordinated with each other to achieve the joint venture's goals and objectives. (การทำงานของหุ้นส่วนทั้งสองฝ่ายได้รับการประสานงานจากแต่ละฝ่ายเพื่อที่จะบรรลุจุดมุ่งหมายและวัตถุประสงค์ของบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 30
3.5 Both partners are willing to dedicate whatever people and resources it takes to make this joint venture a success. (หุ้นส่วนทั้งสองฝ่ายมีความตั้งใจที่จะอุทิศพนักงานและทรัพยากรต่างๆที่จะทำให้บริษัทร่วมทุนประสบความสำเร็จ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 31
3.6 Both partners provide experienced and capable people to the joint venture. (หุ้นส่วนทั้งสองฝ่ายจัดหาพนักงานที่มีประสบการณ์และความสามารถให้กับบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 32
3.7 Both partners are committed to making this joint venture a success. (หุ้นส่วนทั้งสองฝ่ายทุ่มเทในการร่วมงานกันเพื่อทำให้บริษัทร่วมทุนประสบความสำเร็จ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 33
3.8 Both partners are tolerant with the joint venture's management team when it makes mistakes that cause them trouble. (หุ้นส่วนทั้งสองฝ่ายอดทนกับคณะบริหารของบริษัทร่วมทุนเมื่อคณะบริหารกระทำผิดพลาดซึ่งทำให้หุ้นส่วนได้รับความลำบาก)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 34
3.9 Each partner would not be able to achieve his strategic goals and objectives without another partner. (หุ้นส่วนแต่ละฝ่ายจะไม่สามารถบรรลุจุดมุ่งหมายและจุดประสงค์โดยปราศจากหุ้นส่วนอีกฝ่ายหนึ่ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 35
3.10 If one partner went out of business, another partner would immediately have to make major changes in joint venture's plans. (ถ้าหุ้นส่วนฝ่ายหนึ่งได้ออกจากบริษัทร่วมทุนไป หุ้นส่วนอีกฝ่ายหนึ่งจะต้องมีความเปลี่ยนแปลงในบริษัทร่วมทุนอย่างทันที)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 36
3.11 This joint venture provides both partners with many strategic benefits. (บริษัทร่วมทุนนี้ให้ผลประโยชน์ทางกลยุทธ์อย่างมากมาขกับหุ้นส่วนทั้งสองฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 37
3.12 Both partners must maintain a strong, healthy relationship with each other to be able to implement joint venture's strategic plan. (หุ้นส่วนทั้งสองฝ่ายจะต้องรักษาความสัมพันธ์ที่ดีซึ่งกันและกันเพื่อที่จะสามารถทำให้แผนกลยุทธ์ของบริษัทร่วมทุนมั่นคงขึ้น)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 38

Part IV : Communication Behaviors Influencing the Satisfaction of the Joint Venture

(ส่วนที่ 4 : พฤติกรรมการสื่อสารกันที่มีผลต่อความพึงพอใจในบริษัทร่วมทุน)

Please indicate your degree of agreement or disagreement of the following statements by checking (✓) in the appropriate boxes on the scale to the right of each statement.

(โปรดใส่เครื่องหมาย (✓) ลงในช่องที่ใกล้เคียงหรือตรงกับความคิดเห็นของท่านมากที่สุดเกี่ยวกับข้อความดังต่อไปนี้)

Statement (ข้อความ)	Strongly Agree (เห็นด้วยมาก)	Agree (เห็นด้วย)	Neither Agree nor Disagree (ปานกลาง)	Disagree (ไม่เห็นด้วย)	Strongly Disagree (ไม่เห็นด้วยเลย)	
4.1 Each partner's advice and counsel is sought by another partner. (หุ้นส่วนแต่ละฝ่ายแสวงหาข้อแนะนำและคำปรึกษาจากหุ้นส่วน อีกฝ่ายหนึ่ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 39
4.2 Each partner participates in goal setting and forecasting with another partner. (หุ้นส่วนแต่ละฝ่ายมีส่วนร่วมในการกำหนดและคาดคะเนจุดมุ่งหมายของบริษัทร่วมทุนกับหุ้นส่วนอีกฝ่ายหนึ่ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 40
4.3 Both partners help each other in planning joint venture's activities. (หุ้นส่วนทั้งสองฝ่ายช่วยเหลือซึ่งกันและกันในการวางแผนกิจกรรมต่างๆของบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 41
4.4 Suggestions by each partner is encouraged by another partner. (ข้อเสนอแนะต่าง ๆ ของหุ้นส่วนแต่ละฝ่ายได้รับการสนับสนุนจากหุ้นส่วนอีกฝ่ายหนึ่ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 42
4.5 Both partners share proprietary information with each other. (หุ้นส่วนทั้งสองฝ่ายเอื้อเฟื้อข้อมูลที่เป็นส่วนตัวแก่กันและกัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 43
4.6 It is expected that any information which help each partner will be provided. (เป็นที่คาดหวังกว่าข้อมูลใดๆซึ่งช่วยเหลือหุ้นส่วนแต่ละฝ่ายจะได้รับการจัดหาให้)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 44
4.7 Both partners keep each other fully informed about issues that affect joint venture. (หุ้นส่วนทั้งสองฝ่ายบอกซึ่งกันและกันเกี่ยวกับเรื่องที่มีผลกระทบต่อบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 45
4.8 Both partners inform each other in advance of any changing needs. (หุ้นส่วนทั้งสองฝ่ายแจ้งให้หุ้นส่วนแต่ละฝ่ายทราบล่วงหน้าเกี่ยวกับการเปลี่ยนแปลงใดๆที่บริษัทร่วมทุนต้องการ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 46

To what extent do you feel that your communication with partner is

(ท่านมีความรู้สึกอย่างไรเกี่ยวกับการติดต่อสื่อสารกับหุ้นส่วนของท่าน)

Communication Quality คุณภาพในการติดต่อสื่อสารระหว่างกัน	Always (มีประจำ)	Often (มีบ่อย)	Sometime (มีปานกลาง)	Rarely (มีน้อย)	Never (ไม่มี)	
4.9 Timely (ความตรงต่อเวลาในการติดต่อสื่อสารระหว่างกัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 47
4.10 Accurate (ความถูกต้องแม่นยำในข้อมูลที่ติดต่อสื่อสารระหว่างกัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 48
4.11 Adequate (ความพอเพียงเหมาะสม ในการติดต่อสื่อสารระหว่างกัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 49
4.12 Complete (ความสมบูรณ์ในข้อมูลที่ติดต่อสื่อสารระหว่างกัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 50
4.13 Credible (ความเชื่อถือ ความน่าไว้วางใจในข้อมูลที่ติดต่อสื่อสารระหว่างกัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 51

Part V : Conflict Resolution Style Influencing the Satisfaction of the Joint Venture

(ส่วนที่ 5 : ลักษณะการแก้ไขความขัดแย้งที่มีผลต่อความพึงพอใจในบริษัทร่วมทุน)

Assuming that some conflict exists over plan, proposal and policy issues between partners, please indicate how frequently partners are for the following methods used to resolve such conflict by checking (✓) in the appropriate boxes on the scale to the right of each statement.

(สมมติว่ามีความขัดแย้งเกิดขึ้นในเรื่องของแผนงาน ข้อเสนอ และนโยบายต่าง ๆ ระหว่างหุ้นส่วนทั้งสอง โปรดใส่เครื่องหมาย (✓) ลงในช่องที่ใกล้เคียงหรือตรงกับความคิดเห็นของท่านมากที่สุดเกี่ยวกับวิธีการต่าง ๆ ดังต่อไปนี้ที่หุ้นส่วนกระทำ)

Method (วิธีการ)	Very frequently (บ่อยมาก)	Frequently (บ่อย)	Neither frequently nor Infrequently (ปานกลาง)	Infrequently (ไม่บ่อย)	Very infrequently (ไม่บ่อยเลย)	
5.1 Each partner will enter into a direct discussion of the problem with another partner. (หุ้นส่วนแต่ละฝ่ายจะพิจารณาปัญหาโดยตรงกับหุ้นส่วนอีกฝ่ายหนึ่ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 52
5.2 Each partner will attempt to get all concerns and issues into the open. (หุ้นส่วนแต่ละฝ่ายจะพยายามที่จะเปิดเผยภาระและเรื่องราวต่างๆ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 53
5.3 Each partner will tell another partner his ideas and ask another partner for another ideas. (หุ้นส่วนแต่ละฝ่ายจะบอกความเห็นของตัวเองและถามหุ้นส่วนอีกฝ่ายหนึ่งเกี่ยวกับความเห็นอื่นๆ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 54
5.4 Each partner will show another partner the logic and benefits of his position. (หุ้นส่วนแต่ละฝ่ายจะแสดงผลและผลประโยชน์ของตนต่อหุ้นส่วนอีกฝ่ายหนึ่ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 55
5.5 Each partner will propose a middle ground. (หุ้นส่วนแต่ละฝ่ายจะเสนอให้พบกันครึ่งทางในการแก้ไขข้อขัดแย้ง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 56
5.6 Each partner will use "give and take" so that a compromise can be made. (หุ้นส่วนแต่ละฝ่ายจะใช้วิธี "ถ้อยทีถ้อยอาศัยกัน" เพื่อที่สามารถที่จะประนีประนอมกันได้)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 57
5.7 Each partner will try to find a position that is intermediate between each partner's position. (หุ้นส่วนแต่ละฝ่ายจะพยายามที่จะวางตัวในตำแหน่งที่เป็นกลางระหว่างหุ้นส่วนแต่ละฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 58
5.8 Each partner will try to find a fair combination of gains and losses for both parties. (หุ้นส่วนแต่ละฝ่ายจะพยายามที่จะหาการผสมผสานกันอย่างยุติธรรมในส่วนตัวส่วนเสียสำหรับหุ้นส่วนทั้งสองฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 59
5.9 Each partner will use his management authority to select his proposal (หุ้นส่วนแต่ละฝ่ายจะใช้อำนาจในการบริหารงานของฝ่ายตนเพื่อเลือกข้อเสนอของฝ่ายตน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 60
5.10 Each partner will use his expertise to make a decision based on his proposal (หุ้นส่วนแต่ละฝ่ายจะใช้ความเชี่ยวชาญของตนในการตัดสินใจ ในข้อเสนอของฝ่ายตน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 61
5.11 Each partner will use his power to win a competitive situation. (หุ้นส่วนแต่ละฝ่ายจะใช้กำลังความสามารถที่จะเอาชนะสถานการณ์ที่มีการแข่งขันกัน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 62
5.12 Each partner overstates his needs and positions to another partner in order to get his way. (หุ้นส่วนแต่ละฝ่ายจะพูดเกินความจริงเกี่ยวกับความต้องการและบทบาทของตนกับหุ้นส่วนอีกฝ่ายเพื่อที่จะได้มาในทางที่ตัวเองต้องการ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 63
5.13 Each partner avoids openly discussing disputed issues with another partner. (หุ้นส่วนแต่ละฝ่ายจะหลีกเลี่ยงการโต้แย้งโต้เถียงเรื่องราวต่างๆอย่างเปิดเผยกับหุ้นส่วนอีกฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 64
5.14 Each partner believe it is better to keep feelings to himself rather than create hard feelings with another partner. (หุ้นส่วนแต่ละฝ่ายเชื่อว่าเป็นการที่ดีที่จะเก็บความรู้สึกไว้กับตนซึ่งดีกว่าที่จะก่อให้เกิดความรู้สึกที่ไม่ดีกับหุ้นส่วนอีกฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 65
5.15 Each partner looks for ways to bypass unpleasant exchanges with another partner. (หุ้นส่วนแต่ละฝ่ายจะหาหนทางที่จะหลบการโต้ตอบที่ไม่ราบรื่นกับหุ้นส่วนอีกฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 66
5.16 Each partner tries to stay away from disagreements with another partner. (หุ้นส่วนแต่ละฝ่ายจะพยายามที่จะไม่ให้เกิดการไม่ลงรอยกันกับหุ้นส่วนอีกฝ่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 67

SECTION VI. Evaluation of Joint Venture's Success.

For each of the following dimensions below, please indicate both partners' degree of satisfaction with the joint venture's individual dimension (left section) and both partners' degree of importance of each of the joint venture's individual dimension (right section) by checking (✓) in the appropriate boxes on the scale to the right of each statement.

(โปรดใส่เครื่องหมาย (✓) ลงในช่องที่ใกล้เคียงหรือตรงกับความคิดเห็นของท่านมากที่สุดเกี่ยวกับความพึงพอใจ (ส่วนซ้าย) และความสำคัญ (ส่วนขวา) ของผลการดำเนินงานตามหัวข้อต่างๆดังต่อไปนี้)

Dimensions (ผลการดำเนินงาน)	Level of satisfaction (ระดับความพอใจ)						Dimensions (ผลการดำเนินงาน)	Level of importance (ระดับความสำคัญ)					
	Strongly Satisfy (พอใจมาก)	Satisfy (พอใจ)	Neither Satisfy nor Dissatisfy (ปานกลาง)	Dissatisfy (ไม่พอใจ)	Strongly Dissatisfy (ไม่พอใจเลย)	Not Applicable (ไม่เกี่ยวข้องกัน)		Very Important (สำคัญมาก)	Fairly Important (ค่อนข้างสำคัญ)	Important (สำคัญ)	Not Particular Important (ไม่สำคัญเท่าไร)	Not at ALL Important (ไม่สำคัญเลย)	Not Applicable (ไม่เกี่ยวข้องกัน)
1. Sales Level (ระดับของยอดขาย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	1. Sales Level (ระดับของยอดขาย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
2. Sales Growth (การเพิ่มขึ้นของยอดขาย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	2. Sales Growth (การเพิ่มขึ้นของยอดขาย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
3. Market Share (ส่วนแบ่งการตลาด)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	3. Market Share (ส่วนแบ่งการตลาด)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
4. Profitability (กำไร)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	4. Profitability (กำไร)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
5. ROI (ผลตอบแทนเมื่อเทียบกับเงินลงทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	5. ROI (ผลตอบแทนเมื่อเทียบกับเงินลงทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
6. ROS (ผลตอบแทนเมื่อเทียบกับยอดขาย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	6. ROS (ผลตอบแทนเมื่อเทียบกับยอดขาย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
7. Cost Control (การควบคุมต้นทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	7. Cost Control (การควบคุมต้นทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
8. Management of Venture (การบริหารงานของบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	8. Management of Venture (การบริหารงานของบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
9. Technology Development (การพัฒนาทางเทคโนโลยี)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	9. Technology Development (การพัฒนาทางเทคโนโลยี)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
10. Product Design (การออกแบบผลิตภัณฑ์)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	10. Product Design (การออกแบบผลิตภัณฑ์)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>

Dimensions (ผลการดำเนินงาน)	Level of satisfaction (ระดับความพอใจ)						Dimensions (ผลการดำเนินงาน)	Level of importance (ระดับความสำคัญ)					
	Strongly Satisfy (พอใจมาก)	Satisfy (พอใจ)	Neither Satisfy nor Dissatisfy (ปานกลาง)	Dissatisfy (ไม่พอใจ)	Strongly Dissatisfy (ไม่พอใจเลย)	Not Applicable (ไม่เกี่ยวข้องกัน)		Very Important (สำคัญมาก)	Fairly Important (ค่อนข้างสำคัญ)	Important (สำคัญ)	Not Particular Important (ไม่สำคัญเท่าไร)	Not at ALL Important (ไม่สำคัญเลย)	Not Applicable (ไม่เกี่ยวข้องกัน)
11. Manufacturing/Quality Control (การควบคุม การผลิต/คุณภาพ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	11. Manufacturing/Quality Control (การควบคุม การผลิต/คุณภาพ)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
12. Labor Productivity (ผลผลิตทางด้านแรงงาน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	12. Labor Productivity (ผลผลิตทางด้านแรงงาน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
13. Marketing (การตลาด)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	13. Marketing (การตลาด)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
14. Distribution (การจัดจำหน่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	14. Distribution (การจัดจำหน่าย)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
15. Reputation (ชื่อเสียง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	15. Reputation (ชื่อเสียง)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
16. Customer Service (การบริการลูกค้า)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	16. Customer Service (การบริการลูกค้า)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
17. Need for Parent Involvement (ความต้องการการมีส่วนร่วมของหุ้นส่วน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	17. Need for Parent Involvement (ความต้องการการมีส่วนร่วมของหุ้นส่วน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
18. Our personal relationship with our partner. (ความสัมพันธ์ส่วนตัวระหว่างผู้ถือหุ้น)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	18. Our personal relationship with our partner. (ความสัมพันธ์ส่วนตัวระหว่างผู้ถือหุ้น)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
19. Joint venture's financial performance. (ผลการดำเนินงานทางการเงินของบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	19. Joint venture's financial performance. (ผลการดำเนินงานทางการเงินของบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>

 78

 79

 80

 81

 82

 83

 84

 85

 86

Dimensions (ผลการดำเนินงาน)	Level of satisfaction (ระดับความพอใจ)						Dimensions (ผลการดำเนินงาน)	Level of importance (ระดับความสำคัญ)					
	Strongly Satisfy (พอใจมาก)	Satisfy (พอใจ)	Neither Satisfy nor Dissatisfy (ปานกลาง)	Dissatisfy (ไม่พอใจ)	Strongly Dissatisfy (ไม่พอใจเลย)	Not Applicable (ไม่เกี่ยวข้องกัน)		Very Important (สำคัญมาก)	Fairly Important (ค่อนข้างสำคัญ)	Important (สำคัญ)	Not Particular Important (ไม่สำคัญเท่าไร)	Not at ALL Important (ไม่สำคัญเลย)	Not Applicable (ไม่เกี่ยวข้องกัน)
20. Our overall relationship with the partner. (ความสัมพันธ์ทั้งหมดระหว่างผู้ถือหุ้น)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	20. Our overall relationship with the partner. (ความสัมพันธ์ทั้งหมดระหว่างผู้ถือหุ้น)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
21. Our objectives in the joint venture. (วัตถุประสงค์ในบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	21. Our objectives in the joint venture. (วัตถุประสงค์ในบริษัทร่วมทุน)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>
22. Overall Performance (ผลการดำเนินงานทั้งหมด)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>	22. Overall Performance (ผลการดำเนินงานทั้งหมด)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/>

87

88

89

สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย

SECTION VII. Additional Comments.

7.1 What would be the other factors that you think they might affect the performance of your company? Please describe in details below.

(มีปัจจัยอื่น ๆ อีกไหมที่ท่านคิดว่าอาจจะมีผลต่อการดำเนินงานของบริษัทฯ ท่าน โปรดอธิบายรายละเอียดข้างล่างนี้)

7.2 If you have any suggestion or comment to improve this research, please describe in details below.

(ถ้าท่านมีข้อเสนอแนะหรือความเห็นใด ๆ ที่จะปรับปรุงการวิจัยนี้, โปรดอธิบายรายละเอียดข้างล่างนี้)

Thanks for your time and cooperation

(ขอขอบคุณในเวลาและการร่วมมือของท่าน)

Mr. Kajornvut Namsirikul
Joint Doctoral Business Administration Candidate,
Faculty of Commerce and Accountancy,
Chulalongkorn University.

นายขจรวุฒิ นำศิริกุล
นิสิตปริญญาเอกโครงการ JDBA
คณะพาณิชยศาสตร์และการบัญชี
จุฬาลงกรณ์มหาวิทยาลัย

Appendix C

List of Executives Participating in Pre-Testing Questionnaire

Name	Company
1. Mr. Kanit Sarasin General Manager	Floor Industry Co., Ltd. (Thai-Japanese Joint Venture)
2. Mr. Nopparat Vamasiri Executive Director	Milott Laboratories Co., Ltd. (Thai-Japanese Joint Venture)
3. Mr. Kamnoon Sethpakdee Deputy Managing Director	Siam Brator Co., Ltd. (Thai-Japanese Joint Venture)
4. Mr. Srihasak Tantichaloem Executive Director	M & A Business Center Co., Ltd. (Thai-Japanese Joint Venture)
5. Mr. Dej Bulsuk President & Joint Venture Partner	McThai Co., Ltd. (Thai-American Joint Venture)
6. Mr. Saroj Chayavivatkul Managing Director	Thai Beverage Can Ltd.. (Thai-American Joint Venture)
7. Mr. Athapol Uraipriwan Marketing & P.R. Director	Big C Supercenter Public Co., Ltd. (Thai-French Joint Venture)
8. Mr. Husanun Napasub Executive Director	US Napa Co., Ltd. (Thai-French Joint Venture)

Biography

In 1962, Mr. Kajornvut Namsirikul was born in Bangkok, Thailand. His academic degrees include a Master of Business Administration from Boston University, Massachusetts, U.S.A. in 1985 and Bachelor of Mechanical Engineering with first class honors from King Mongkut's Institution of Technology, Ladkrabang Campus, Thailand, in 1987.

Prior to coming to the Joint Doctoral Program in Business Administration (JDBA) in 1996, he had worked with Uniflex Parker Co., Ltd., a joint venture between Parker Hannifin Corporation, U.S.A. and local Thai partners. Five years of working with Uniflex Parker Co., Ltd. as a joint managing director and joint venture partner was the exposure of his international joint venture experience and encouraged him to further his education in doctoral degree in international business area which was specifically in cooperative strategies.

In addition to his working with Uniflex Parker Co., Ltd, he had also worked with Exxon Chemical Thailand Limited, an affiliate of Exxon Corporation, U.S.A. Working with Exxon Chemical Thailand Limited for three years as a new business development coordinator and sales engineer was the starting point of his international business undergo with multinational firm.



สถาบันวิทยบริการ
จุฬาลงกรณ์มหาวิทยาลัย